

POSTAL NEWS

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May 17, 2008, 8:51PM

1. Internet pushes some corner mailboxes out of business

Often, quantity of letters is not enough to justify cost of collection

By VICTORIA L. COMAN and HANNAH WOLFSON

Wynell King misses the blue neighborhood mailbox that used to stand two blocks from her house.

In fact, the 81-year-old says she has a hard time finding anywhere to drop her mail, now.

"You can't find a drop box. I've looked," said King, who has started a petition calling for the return of the box to her Birmingham, Ala., neighborhood. "I've tried, and there's just not any to be found."

King may be right. As more people use computers to communicate, there are fewer letters to be mailed. So even as the U.S. Postal Service continues to raise the prices of stamps, it has tried to cut costs by pulling boxes from street corners nationwide.

"Everything is changing," said Joseph Breckenridge, a spokesman for the Postal Service.

He said the biggest change is probably online bill paying, which means fewer bills and checks in the mail.

In the past five years, the Postal Service has seen the number of letters and postcards drop by more than 3 billion, a little more than 3 percent.

In addition, more Americans are sending the mail they do have through their work or simply leaving it in their home mailboxes for carriers to pick up, said Nancy Pope, historian at the Smithsonian's National Postal Museum in Washington.

"We're mailing things in different ways," she said. The museum has one of the familiar blue boxes on display.

Pope said the blue street boxes have been around since 1970 or 1971, when the Postal Service moved out of the president's Cabinet to become a semiprivate agency. Before then, the boxes were olive drab, and earlier than that, there were small letter boxes attached to urban lamp posts.

Pope didn't have specific numbers, but she said the peak for mailboxes was probably in the 1980s before e-mail became popular.

"There used to be more on the street everywhere around the country," Pope said.

Today, the Postal Service surveys boxes for two weeks to see how much mail they handle and whether it's worth a postal worker's time and gasoline to collect.

Breckenridge said the Postal Service removed the box from King's Birmingham neighborhood because it was collecting only about 20 pieces of mail a day and there are others in a four-block radius.

"It's basically not paying its way, and that's a hard thing for people to hear," he said. "We don't just take boxes out without a reason. We have to look at it from a financial standpoint."

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2. UPDATE 2-Netherlands postpones opening mail market, TNT gains
Fri May 16, 2008 12:04pm EDT

By Foo Yun Chee

AMSTERDAM, May 16 (Reuters) - The Dutch government is to postpone for a second time opening the mail market because of uncertainties over a level playing field in Germany and industry labour conditions at home, the Economy Ministry said on Friday.

In March, Junior Economy Minister Heemskerk said he hoped to open the market in July, subject to developments in Germany and labour talks between Dutch postal companies and trade unions.

"It is because of the two issues that Frank Heemskerk has always mentioned. The situation is still insecure," a ministry spokesman said.

"That is beneficial for TNT forecasts," said Petercam analyst Thijs Berkelder. He said most analysts will now factor in a partially closed mail market in their estimates for TNT (TNT.AS: Quote, Profile, Research), Europe's second-biggest mail and logistics group.

TNT has the remaining monopoly for letters up to 50 grammes, with the market estimated to be worth about 1 billion euros (\$1.55 billion) in 2007.

TNT shares extended gains on the news. They were up 2.9 percent to 26.08 euros by 1522 GMT, outperforming a 0.9 percent firmer DJ Stoxx industrial goods and services index .

ING analysts have said postponing market liberalisation until the 2011 European Union deadline could add 1 euro per share to TNT's valuation.

The Netherlands had previously postponed a full opening of the market, due in January, partly because of the introduction of a minimum wage for postal workers in Germany, which it said impedes competition in a market where TNT had hoped to expand its operations.

"The Dutch government will continue to urge the European Commission to counter obstruction of competition in the European mail markets in order for the Netherlands to open its mail market," the government said in a statement.

UNIONS SEEK MORE PAY

The government's decision will take the pressure off TNT and should allow the company to improve on its pay offer to workers, said trade union ABVAKABO FNV.

"TNT does not have any more reason now not to come up with a good offer," it said in a statement.

TNT trade unions, which are seeking a 3.5 percent wage increase, launched a series of rolling strikes across various cities in April to back their demand. A countrywide strike is planned for May 28.

TNT said its workers are paid 20 to 25 percent more than market rates and has offered a 1.5 percent rise retroactive to April 1 and another 1.5 percent on Jan. 1, 2009 conditional on changing employment conditions.

It has said it may have to cut up 11,000 jobs from its Dutch workforce of 59,000 without changes to employment terms as it steadily loses market share to rivals Sandd and Deutsche Post's (DPWGn.DE: Quote, Profile, Research) unit Selekt Mail. TNT is targeting cost savings of 395 million euros between 2007 and 2015.

Trade union FNV Bondgenoten, which last month signed a labour deal with TNT's rivals, said on Friday it has decided to cancel the agreement because of the delay in opening the mail market.

"The union will discuss with the government as soon as possible measures for this group of postmen," it said in a statement.

Unlike TNT staff, workers for TNT's competitors usually do not have employment contracts and get paid by the number of items delivered. The labour deal agreed in April had been meant to resolve some of these issues.

(Additional reporting by Harro ten Wolde, editing by Will Waterman/Rory Channing)

3. Postal exchange: Mail deregulation a failure, CUPW says

Posted: May 16, 2008, 7:15 PM by Jeff White
letters to the editor, postal deregulation

Re: Abolish the Postal Monopoly Now!, Mathieu Laberge, May 14
Mathieu Laberge's simplistic misinformation about deregulated postal services outside of Canada was all rhetoric and no rigour. Take a look at what he did not say and what he got wrong. Japan and the Netherlands have not yet deregulated their public postal service, so they can hardly be seen as deregulation success stories. Germany introduced a different minimum wage for the postal sector and New Zealand Post can only survive with profits from its bank. And why didn't he mention the U.K.? Maybe it's the unhelpful fact that a recent independent review of the U.K. postal services found that "there have been no significant benefits from liberalization for smaller businesses and domestic consumers" (full report: www.berr.gov.uk/publications/index.htm).

So is Laberge suggesting that Canada Post get into banking services? Is he saying that a 92¢ stamp in Sweden is a deregulation success? And why won't he compare Canada to the United States? After all, the United States still has a monopoly on letter mail because Congress recently agreed that the security of mail would be seriously compromised in a deregulated market where the lowest bidder in each area would deliver the mail.

Denis Lemelin, national president, Canadian Union of Postal Workers, Ottawa

Mathieu Laberge replies:

I read with much interest the answer from Mr. Lemelin. On his specific remarks: The deregulation process in Japan was adopted in 2005 and began in April 2007. It is expected to last 10 years. Indeed, they will create a US\$18.4-billion fund to erase deficits in rural post offices. (Source: Reason Foundation, www.reason.org/apr2005/priv_japan.shtml). Even CUPW acknowledges this fact: "Japan Post is in the midst of being privatized. In 2005, Japan's parliament passed a package of bills to privatize its postal service. Japan Post is being split into four sections — postal savings, postal insurance, mail delivery, and over-the-counter services — and privatized over a 10-year period." (Source: www.publicpostoffice.ca/index.cfm/ci_id/9656/la_id/1.htm.)

The Netherlands sold 52% of its postal service in 1994-95. A (private) monopoly is still in force for a part of postal services, but the Netherlands supported the opening of the monopoly to competition in accordance with the EU schedule. They are then expected to break the monopoly in 2011 at the latest. (Source: Reason Foundation, www.reason.org/apr2005/priv_japan.shtml.)

I recognized in the paper that some actions might be done to reduce the impact of deregulation. Integration of complementary services, such as in New Zealand, might be a successful strategy to face deregulation in postal services. However, I do not think fixing a different minimum wage is a good idea, since it would distort the labour market.

Other strategies can work. Among them, increasing long distance fares is one that has been adopted in New Zealand and Sweden. I never pretended that fares would be maintained at their actual level on a Canada wide basis. In an interview on Calgary Today with Mike Blanchard on AM770 CHQR, I even explained that an increase in postal fares for certain areas would better represent the value of the service received.

I believe these clarifications show my paper and my opinions were based on truth and facts.

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