

POSTAL NEWS

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1. Many military retirees living overseas want better services

By Travis J. Tritten, Stars and Stripes
Pacific edition, Tuesday, June 24, 2008

Jim Houtsma, retired U.S. Army sergeant, stands with his family in front of their home in Naga City, Philippines. Houtsma has created a Web site where other military retirees can vent their frustrations with U.S. health care services.

Vince Little / S&S

Gilbert Graak, 75, works out every day in the Samurai Fitness Center at Yokota Air Base, Japan. A resident of nearby Fussa, he also stops off at the library to read the newspaper and hits the commissary before riding back home on his bicycle. Graak spent 21 years in the Air Force and left the military as a technical sergeant. He then worked all over the Pacific — including stints in the Philippines, Okinawa, Iwakuni and Yokota — as a GS-11 civilian employee for more than 30 years, ultimately retiring in November 2005.

Retiree survey results

Last year, the Department of the Navy asked 425 overseas military retirees how well they are supported. Many said they were unsatisfied with services and wanted improvements. Here's a breakdown of what the Secretary of the Navy's Retiree Council survey found:

- 41 percent were generally dissatisfied with retiree support services, and among Marines, that number was 51 percent
- 50 percent were unable to use postal services due to weight limits, and 53 percent of those able to use postal services were dissatisfied
- 52 percent dissatisfied with dental clinics
- 30 percent of survey comments asked for improved health care
- 80 percent were satisfied with commissaries, fitness facilities and pharmacies

Who are overseas retirees? Here's who responded to the survey:

72 percent are older than 50

41 percent live in the Philippines
30 percent live in Europe
20 percent live in Asia*
84 percent are married
35 percent are employed full time
50 percent never access a military base
25 percent go to base every day
58 percent live greater than 100 miles from a base
24 percent live within 10 miles of a base

* Asian countries other than the Philippines

SOURCE: 2008 OCONUS Retiree Survey

To make good on his military health care benefits, Jim Houtsma and his family must trek eight hours from his home in the southern Philippines to a hospital in Manila.

There, Houtsma, a retired U.S. Army first sergeant, and his family must still make out-of-pocket payments for care but can be treated in a hospital that has bed sheets, air-conditioning and water in the toilets.

Most importantly, Houtsma said, he can get the paperwork in Manila he needs to apply for medical reimbursements through Tricare, the Department of Defense's health care program for active-duty and retired servicemembers and their families.

But those reimbursements often get tangled in red tape or lost, he said.

"When I file a claim, it is nit-picked to death and sent back to me three or four times," said Houtsma, who retired from the Army in 1983 after 20 years of service. "If I spend \$3,000 or \$5,000 for hospitalization, it might take a year to get the money back."

Such dissatisfaction is common among retired servicemembers living overseas — at least Navy and Marine Corps retirees — a 2007 survey reported. Many Navy and Marine retirees in Asia, Europe and elsewhere are unhappy with the support they get from the government after retirement, according to that survey last year by the Secretary of the Navy's Retiree Council.

About 41 percent of 425 overseas retirees polled said they were unsatisfied in general, the OCONUS Retiree Survey found.

The survey marks the first time overseas retirees were surveyed as a group, according to one of the survey's directors and the U.S. Navy Personnel Command.

Some retirees in the Philippines, Okinawa and mainland Japan told Stars and Stripes they feel entitled to benefits earned over decades of service despite not living in the country they served.

But more than half surveyed by the Navy Department said they never access a military base, cannot use military postal services and are dissatisfied with dental care.

To improve quality of life for overseas retirees, the U.S. government should offer better access to services such as health and dental care, commissaries, exchanges and pharmacies, and eliminate postal weight restrictions, which block many retirees from using military post, according to survey results.

The Secretary of the Navy's Retiree Council, which advocates for retired sailors and Marines, was briefed on the findings in April.

Health care is the biggest concern in the Philippines, where thousands of retirees live around former American bases in Angeles City and Subic Bay — both abandoned by the U.S. military since the early 1990s — or in far-flung villages.

Retirees there face a lack of health care facilities that accept military health care coverage and have no access to mail-order pharmacies, Geoff Patrissi, a director of the OCONUS survey, said in an e-mail to Stripes.

Anthony Grimm, a retired Army master sergeant who lives in Angeles City with his family, said he must buy medications in the local Philippine economy because there's no access to the Tricare mail-order pharmacy.

The mail-order pharmacy is the "least expensive option" outside of using a military pharmacy, according to Tricare. However, to use the mail-order pharmacy, a retiree must have a military postal address and a prescription from a U.S.-licensed physician — two things hard to come by in the Philippines.

Grimm said he is not always reimbursed for the medication bought from Filipino pharmacies.

"A lot of retirees feel like they are being shortchanged," he said.

Retirees said there is a lack of health care, mail access and other services in Japan, where the U.S. military maintains bases across the country and nearly 48,000 active-duty servicemembers.

David Mizukami, a retired master chief petty officer and veteran of two wars who lives in Sasebo, Japan, said he was forced to travel to Hawaii when his daughter needed specialty medical treatment for a tumor.

The two spent months in Hawaii while doctors did medical testing and, despite retiree medical coverage, Mizukami had to pick up the bill for the hotel, food and a rental car, which added up to about \$5,000, he said.

For dental service, Mizukami said, there's no coverage available through the military's provider because Japanese dentists are not certified by the United States. He said he must go to Japanese dentists who routinely charge \$1,500 to \$3,000 for a tooth crown.

"I feel like a second-class citizen. I'm an American citizen who fought two wars. ... I don't have what I feel are the just benefits that should be [provided] to me," Mizukami said.

On Christmas, retirees on Okinawa feel the pinch.

It's that time of year when anyone who doesn't have a visa under the status of forces agreement and cannot get access to military postal service must take their stateside-bound Christmas packages to a Japanese post office.

The costs quickly add up to much more than what active-duty and SOFA-status residents pay for postage, said Stanley Stewart, a retired Marine master gunnery sergeant and Vietnam War veteran.

"When you go to the Japanese post office, it is about five times what you would pay on the base," he said.

Half of overseas retirees who participated in the OCONUS survey were unable to use postal services, mostly due to weight limits. Many bases restrict retiree shipments to one pound or less, and in Japan, retirees without SOFA status are not permitted to a military post office.

Of the retirees who could use military post offices, more than half were dissatisfied by the service, according to the OCONUS survey.

Paul Cassity, a retired Marine Corps gunnery sergeant, said he has been frustrated with the lack of mail service since he retired to Okinawa in the 1990s.

"I cannot even mail a letter," Cassity wrote in an e-mail to Stripes. "I have fought this for over 14 years ... that retired folks can't use the post office, let alone get a mail box."

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2. Seattle startup Earth Class lets customers sort paper mail online

For many people, it's a daily ritual to rip open envelopes and sort the junk mail from the letters over a wastebasket. How many will prefer to flip through the mail online instead?

By Shirley Skeel

Special to The Seattle Times

GREG GILBERT / THE SEATTLE TIMES

Earth Class Mail, a small Seattle company with a big idea, tried for three years to get the U.S. Postal Service to listen to it. It had pioneered a system of sending postal mail over the Internet, a system it believed would cut costs and boost revenues at the government agency. It got nowhere.

But as Earth Class pressed on alone, inquiries began flowing in from Europe, Canada, India and New Zealand.

Last month, Chief Executive Ron Wiener was in Europe talking to the deregulated national postal services in France, Belgium, Switzerland and the Netherlands.

The response, Wiener said by telephone from Geneva, was "overwhelming." He said one European national post has agreed to run a pilot study. "That is exciting, The first olive out of the jar is always the hard part," Wiener said.

The 44-year-old CEO has taken on a monster of a job: changing consumer habits of a lifetime. For many people, it's a daily ritual to rip open envelopes and sort the junk mail from the letters over a wastebasket. How many will prefer to flip through the mail online instead?

Wiener believes the number is in the millions. The startup veteran sold his private plane in 2004 in order to form the company, then called Document Command.

Today, Earth Class runs an electronic mail operation in Oregon with thousands of customers. In January, it raised \$13.3 million from backers, including venture capitalist Ignition Partners and angel network Keiretsu Forum. It's now raising \$20 million to \$30 million more from institutional and private investors.

Before his European trip, Wiener received requests for pilot proposals from six national posts. He expects two or three more pilot deals in short order.

A spokesman for TNT Post of the Netherlands confirmed the agency is in talks with Earth Class.

Wiener plans to move to Switzerland next year to be closer to Europe's competitive postal marketplace.

Earth Class Mail works like this: Customers use an Earth Class post-office box or one of the company's new storefronts in Seattle, New York, San Francisco or Los Angeles as their home address. Earth Class' Beaverton, Ore., facility bar-codes and scans each envelope, and e-mails the envelope image to the customer.

The customer can then choose to have the letter opened, scanned and e-mailed to them by security-cleared staff, or it can be shredded or sent to them unopened.

The system appeals to traveling businessmen, military personnel, telecommuters and anyone on the move.

Naysayers

Rival U.S. mail-handling firms say Earth Class will never get far, because its service has limited appeal. But the market may decide otherwise.

The company and its 80 employees have made a promising start with the wireless network giant Sprint.

The industry newsletter ePostal News recently flagged a possible deal between the two after a presentation by a Sprint executive at a New Jersey forum in May.

Industry sources confirm a yearlong pilot study has been well-received, and Sprint is considering a rollout of the Earth Class system for inbound and interoffice mail to Sprint's 56,000 employees.

Sprint and Earth Class Mail declined to comment.

Implementing the system at Sprint's Overland Park, Kan., and Reston, Va., headquarters would involve sorting and delivering 3.7 million pieces of mail a year and be worth \$2 million to \$3 million in fees annually.

At the New Jersey forum, Bob Barrette, Sprint's manager of enterprise business services, said Earth Class' delivery system could save Sprint \$10 million annually, as well as reduce paper and energy usage.

Talking with Army

If Earth Class seals this deal, it will have a better chance of winning other corporate clients. The 4-year-old company says it is in advanced talks with several companies and government agencies, including the U.S. Army.

John Davies, a sustainability analyst with AMR Research in Boston, said that though he was initially skeptical about Earth Class' service, he thinks after further research it could have a "really positive impact" on big organizations' mailrooms.

But getting into corporate mailrooms will not be easy. Big veterans of the mail industry, including Pitney Bowes, Xerox, Océ and Ikon, are not going to let a new kid into their corner without a fight.

It's here that Earth Class' strategy takes a twist. Cameron Powell, vice president of strategic development, said Earth Class doesn't want to compete with the big guys: It wants to persuade them to license its technology.

"We don't want a sales force, and we'd rather not have operations in every enterprise," he said.

Powell said talks with four major mail handlers are under way.

A spokesman for Pitney Bowes, which has 30 percent of the outsourced mail operations market, confirmed the company is talking with Earth Class, but would give no details.

Postal Service aloof

With this budding interest in Earth Class Mail, what about the U.S. Postal Service?

CEO Wiener said he met with Postal Service officials in 2004 and has spent four years of talking to its executives at trade forums.

"You'd think they would respond to a phone call from me," he said. "But they never do."

A U.S. Postal Service spokesman said it monitors Earth Class, but has no immediate interest in adopting the service.

There seems little doubt that the postal agency needs some new strategies.

Not only is it facing shrinking mail volumes, competition from e-mail and \$58.5 billion in retiree health-benefit costs over 10 years, but it's paying \$8 million extra annually for every 1-cent rise in the price of gas. Last year it lost \$5 billion. In the first half of 2008, it lost \$35 million.

"Long term, the existing system can't survive," said Charles Guy, a former director of the Office of Economics at the postal service.

Short term, he said, the \$58.5 billion retiree obligation is a "big gorilla hanging on their shoulder," with no obvious solution.

The Postal Service spokesman said the retiree benefit will be paid, and that the service has survived many predictions of its demise in the past.

A new federal watchdog, the Postal Regulatory Commission, is investigating the postal monopoly and how to save costs. Its director of the Office of Accountability and Compliance, John Waller, said there is generally "a real concern about the financial viability" of the Postal Service.

In its search for new options, the commission asked Earth Class Mail to present its ideas at a recent hearing in Arizona.

But even Wiener doubts he'll make any progress soon. "For us [the Postal Service] would be the cherry on the cherry. We don't expect it to happen," he said.

Meantime, Earth Class' Oregon facility continues to process 250,000 pieces of mail a month for clients from 150 countries. Customers pay \$25 up front, plus \$10 to \$60 a month.

Nancy Hafermann, a Seattle resident who moved temporarily to Singapore, said she finds the Earth Class system quicker and more reliable than mail-forwarding services.

In a phone interview she said, "Once I realized how easy it was, I loved it. The thought of going back to paper mail is horrendous."

Shirley Skeel is a free-lance writer based in Bothell.

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3. Company Wins Networx Universal Orders Estimated at \$16.4 Million

BASKING RIDGE, N.J., June 23 /PRNewswire/ -- The U.S. Postal Service has selected Verizon Business to provide an estimated \$16.4 million worth of network services under the federal Networx Universal communications program.

Verizon Business will be the primary provider of long-distance and calling-card services for the agency's nearly 166,000 lines serving 34,000 locations nationwide, under a 10-year agreement valued at \$10 million. In addition, the company was awarded a new task order valued at \$6.4 million to upgrade about 100 data circuits to an Internet protocol (IP) network based on multi-protocol label switching (MPLS).

"Verizon Business has a long history of working with the Postal Service to meet its critical mission," said Susan Zeleniak, group president, Verizon Federal, a sales organization within Verizon Business dedicated to serving federal government customers. "Whether employees are processing the mail or picking up the phone, Verizon Business is looking forward to building on that relationship in the decade ahead."

Verizon Business is providing the new services under the U.S. General Services Administration's Networx Universal contract. Previously, Verizon Business had provided voice services to the agency under the GSA's Federal Telecommunications Service 2001 (FTS2001) contract, the predecessor to the Networx program. Networx is among the largest federal telecommunication contracts ever awarded by the GSA, providing federal agencies with a common vehicle for purchasing a comprehensive set of networking and technical services.

Verizon Business has a long history with the Postal Service. Through the U.S. Postal Service Managed Network Services (MNS) contract, awarded in 1997, the company established one of the world's largest private networks for the Postal Service. This state-of-the-art network, which Verizon Business manages round-the-clock, 365 days a year, supports many aspects of the Postal Service, from operations to administration.

In addition to helping the Postal Service efficiently and cost-effectively deliver mail, the network also helps the Postal Service inform and manage its nearly 700,000 employees, one of the largest civilian

workforces in the nation. Postal Service employees use the network to store and distribute documents, stay current on the latest internal developments, and augment customer service efforts at more than 37,000 Postal Service locations.

Verizon Business is the largest provider of communications services to the U.S. federal government and one of the largest providers of advanced communications and information technology services globally. The company offers local-to-global network capabilities coupled with a broad range of telecommunications products and services -- including advanced Internet protocol (IP) services, managed network services and systems integration -- to all levels of government. With this broad portfolio of services, Verizon Business can provide federal agencies with one-stop shopping for their communications or connectivity needs. The company has built the next-generation services that are helping to transform the way government customers -- and their constituents -- do business.

About Verizon Business

Verizon Business, a unit of Verizon Communications (NYSE: VZ), operates the world's most connected public IP network and uses its industry-leading global-network capabilities to offer large-business and government customers an unmatched combination of security, reliability and speed. The company integrates advanced IP communications and information technology (IT) products and services to deliver leading enterprise solutions including managed services, security, mobility, collaboration and professional services. These solutions power innovation and enable the company's customers to do business better. For more information, visit <http://www.verizonbusiness.com>.

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