

# POSTAL NEWS

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## **1. Posta preparing to raise mail charges**

Written by Okuttah Mark

A street mailbox in Nairobi city

June 30, 2008: The Postal Corporation of Kenya (PCK) has filed an application with the communications sector regulator seeking permission to increase mail box charges.

A notice published in the current issue of the Kenya Gazette indicates that charges for corporate, individual, and special groups may go up from August.

If approved, corporations will pay Sh6,000 for the mail box every year up from the current rate of Sh4,200 per year.

Individuals will add Sh400 to the current rate of Sh1,400 while the special groups will add Sh500 to the current rate of Sh3,700. Charges for the sub postal office will, however, remain unchanged.

In the gazette notice signed by the acting CCK director general Peres Nkonge, the Postal Corporation cites the steep rise in the cost of renting premises for leased operations, administrative costs and purchase of the letter boxes.

Consumers have 30 days from Friday last week to make representations or objections to the proposed new tariffs. Such representations or objections must be made in writing to the director general of CCK.

The drive for higher rental charges comes amid a shift by majority of consumers from postal to email services.

PCK has responded to this change by diversifying its portfolio to new business lines such as cyber services. It is however bound by the Universal Service Obligations to offer basic postal services to all customers including remote parts of the country.

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## **2. ENPO develops postal investments**

By Reem Nafie

First Published: June 29, 2008

CAIRO: As a means to expand the postal infrastructure in Egypt, the Egyptian National Post Organization (ENPO) announced the establishment of the first integrated pan-Arab post network under the auspices of the Arab Telecommunications and Information Council of Ministers.

The postal network is expected to act as an umbrella under which Arab postal organizations cooperate to develop the sector and contribute to on-going socioeconomic development among the member states in the network.

“A key objective to the establishment of the network is to develop and encourage mutual investments in the Arab post sector. This, in turn, will help provide postal services among Arab and non-Arab countries efficiently and at convenient prices,” Alaa Fahmy, ENPO Chairman, said.

Another purpose is to establish an Arab common market capable of competing in global markets and setting socio-economic development strategies in the member countries, he added.

The network project makes use of the geographical location in offering logistical solutions and putting into action the agreements signed among member Arab countries.

The project will also help put future strategies to refresh mail and financial services, while making use of e-commerce applications and state-of-the-art technologies.

The mechanisms of carrying out the project depend on a number of tracks that include organizing a periodic international forum to demonstrate the Arab experiences in the postal sector. This step also encompasses holding bilateral and multilateral meetings besides organizing any required actual and virtual workshops where experiences and views can be exchanged.

A database for the Arab post sector will also be designed to help empower the decision-making process and formulate the strategic guidelines of the network and its member countries.

Online forums will also be developed to facilitate information exchange among the member countries and pave the way for the private sector and civil organizations to take part in the activities of the post sector.

Egypt Post is also trying to foster its relationship with African countries, through hosting a two-day plenipotentiary conference, marking the 7th ordinary session of the Pan African Postal Union (PAPU) on June 28 and 29. The conference was preceded by a meeting of technical committees and an administrative council that lasted five days.

Ministers of communication, heads of postal administrations and postal stakeholders inside and outside the African continent discussed postal issues, challenges facing their postal sectors and how to overcome them, as well as cooperation among African countries.

Egypt was elected head of the 7th ordinary session by 28 member states, including Tunisia, South Africa, Chad, Zambia, Nigeria and Kenya.

During the conference, Fahmy stressed on the importance of cooperating with African countries, especially in developing human resources in the postal sector, which will initiate more growth in the sector.

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Jun 29, 2008 22:34 | Updated Jun 29, 2008 22:41

### **3. Court orders end of mail sanctions for Postal Company**

By JUDY SIEGEL-ITZKOVICH

All sanctions that have disrupted mail services for weeks will be halted on Monday morning by order of the Tel Aviv Labor Court, which also instructed the government to provide a NIS 36 million "security net" to the Israel Postal Company to eliminate the need to dismiss workers due to loss of income.

The postal company called the ruling a "great victory" for itself and its director-general Avi Hochman, who set out in icy waters by going to court even though the 4,500-member staff had only applied sanctions and not gone out on strike.

Labor Court head Judge Ahuva Etzion ruled on the postal company's request to order the company's employees to resume normal work after a stormy session of conflicting demands by the postal company, the Histadrut Labor Federation and postal union versus the State Attorney's Office.

The sanctions included the cessation of mail delivery to government ministries and ministers, MKs and diplomats, as well as payments for visas to the US, no mobile postal service except to Sderot and other Gaza-periphery settlements, no transfer of vehicle ownership and no switching of membership among health funds at postal

branches. Through the end of last week, no National Insurance Institute child allotments were distributed.

The government conceded in court that the finance and communications ministers had in November 2007 committed themselves in writing to provide the safety net, which was supposed to go into effect on January 1 of this year. But a representative of the government did not agree to this date, despite Etzion's continual requests.

The IPC insisted that the state meet its commitments without being dependent on other authorities. Etzion sent the two sides to go into immediate discussions for agreement on the date from which the safety net will be implemented. It was finally decided that the government's commitment to prevent the company from collapsing would be put into effect on August 1, with a possibility of a 30-day extension if necessary, so it will be implemented no later than September 1.

The safety net will allow the company to charge for some services that, until now, it has provided for free. Although a list of these services has not yet been determined, it will probably including charging for-profit companies Postal Bank fees.

"We are in a deficit because it is difficult to compete and make profits for a few years as our formerly monopolistic services have been exposed to competition. It will take a few years until we can stabilize ourselves and make a profit so we no longer need a safety net," said postal company spokeswoman Merav Lapidot.

However, the company will not levy fees on individual customers of the Postal Bank.

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Last update - 00:57 30/06/2008

#### **4. Postal Authority to rescind decision to lay off 150 workers**

By Haim Bior, The Marker

Tags: Israel Postal Authority

According to an agreement reached by the Israel Postal Authority and the employees union on Sunday evening, the government will fund the creation of a safety network to ensure the Postal Authority's financial stability and the company will cancel its decision to lay off 150 of its employees.

The agreement was reached after a debate took place at the regional court of labor in Tel Aviv. The debate was sparked in the framework of a request by the Postal Authority's management for an injunction to prevent the strike by postal employees.

The agreement also put an end to the employee strike which originally began due to the Postal Authority's announcement that it intended to lay off 150 of their workers as

a result of the company's ten million shekel deficit. In response to this decision, postal employees went on strike, cutting off outlying areas of the country from postal services and effectively halting correspondence for remote parts of the country. The safety net the government is supposed to provide the Israeli Postal Service with is a project which could cost the government millions of shekels.

Creating the safety network will take up to one month, with the possibility of extending that time period to two months. Simultaneously, the management of the Postal Service will cancel their announcement to lay off 150 postal workers due to the company deficit.

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## **5. CHINA POSTAL SAVINGS BANK APPROVED TO TEAM WITH FOREIGN BANKS**

Friday, June 27, 2008; Posted: 06:50 AM

BEIJING, Jun 27, 2008 (AsiaPulse via COMTEX) – PowerRating -- China Banking Regulatory Commission (CBRC) approved the Postal Savings Bank to team up with foreign banks in China to develop negotiated deposits business, China Securities Journal reported Friday.

The business will not only expand the space of fund operations for the bank, but also broaden financing channels for home and foreign banks, said a bank insider.

Bond investment and negotiated deposits are two main fund operational approaches for the China Postal Savings Bank, which was transformed into a bank not long ago, the official said.

The bank's outstanding negotiated deposits reached more than 60 billion yuan (US\$8.7 billion) in 2007. The bank plans to absorb more than 100 billion yuan of operating funds this year.

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## **6. Verizon To Provide Postal Service Network**

Verizon Business has been selected by the US postal service to provide a network service, it has been announced.

The company will provide network services worth an estimated \$16.4 million under the federal Networx Universal communications programme.

It will be providing long-distances services for the postal service's 166,000 lines across 34,000 locations around the country.

The agreement is set to last for ten years and will also see Verizon granted a \$6.4 million deal to upgrade around 100 data circuits to an IP network which is based on multi-protocol label switching (MPLS).

Susan Zeleniak, group president of Verizon Federal, said: "Verizon Business has a long history of working with the Postal Service to meet its critical mission.

"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."

The network will see the postal services improve efficiency and cost-effectiveness of delivering their mail.

News brought to you by Comms Express, number one for network industry news on the net.

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## **7. Brussels gets tough on postal markets**

By Nikki Tait in Brussels

Published: June 23 2008 20:13 | Last updated: June 23 2008 20:13

Brussels will on Tuesday attempt to prevent backsliding by EU countries over reform of domestic postal markets, warning that practical barriers to competition as well as legal monopolies need to be removed.

European Commission officials are expected to tell a high-level conference – involving two commissioners and several ministers – that countries need to be proactive about changing practices in their postal markets or risk facing infringement actions.

Unusually, the move comes only four months after the 2008 postal directive took effect, requiring most EU countries to open fully their postal markets by the end of 2010.

However, the EU internal markets commissioner has already written to eight states – including Germany, Holland and Belgium – warning that “reforms at national level must be pursued rigorously”, and Tuesday’s event reflects worries that there could be some backsliding from the directive’s aims by member states.

EU officials are concerned, in particular, that practical obstacles may be used to prevent the opening up of postal markets, even if the required legal changes are made. One example is key access to residential mail-boxes – for example, in Austria –

which, in the case of some apartment-blocks, were installed by the postal service itself.

Another potential restriction is the extent to which countries are demanding that competitors provide universal service, covering a country's entire geographical area.

Slovakia, meanwhile, has already come under fire from the Commission's competition arm over a new law which Brussels claims extends the monopoly held by Slovenska Posta to so-called "hybrid mail" services, used by banks, insurers, utilities and the like for mass mailings.

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### **8. ASK!: U.S. postal trucks don't need license plates**

By Mike Rudeen, Rocky Mountain News (Contact)

Monday, June 23, 2008

Jean is wondering why U.S. Postal Service trucks don't have license plates while all other government vehicles do.

Vehicles used by the federal government are exempt from state laws pertaining to registration and licensing. Most agencies' vehicles carry U.S. government plates, but the Postal Service has its own registration system involving numbers on the trucks that it finds more efficient, said Postal Service spokesman Al DeSarro.

As a quasi-governmental agency, an independent establishment of the federal executive branch, the Postal Service raises its own funding and operates a fleet of 219,000 vehicles across the country, DeSarro said. The 4,628 postal vehicles in Colorado and Wyoming covered nearly 36 million miles on their routes last year.

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