

POSTAL NEWS

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1. Leighton To Go But Then What?

20 September 2008 by Mark White - Sub Editors Comment - © Hellmail.co.uk

Adam Crozier will cut a lonely figure for a while whilst Allan Leighton, chairman of Royal Mail, helps finds a successor to steer Royal Mail. Leighton is to stand down by March 2009.

Despite the criticism that Hellmail editor Steve Lawson and I have recently made on the deregulation of postal services in Britain, neither of us see Royal Mail as the cause of the present deterioration in services.

Lawson and I disagree on many things but we both want to see a postal service that works and one that is accessible to all. I am, like Lawson, unconvinced that relaxing consumer support by dumping Postwatch, and placing the onus on operators to solve problems is a wise move if the market is to be a competitive one. From a purely profit-based point of view, if you put all the UK operators in one room and asked which one would fancy taking on the universal service, chances are no one would put up their hand - including Royal Mail. The universal service loses too much money. As a business idea, its a non-starter.

The problem with making an artery service like mail delivery a wholly commercial one, is that unless there is a strong and supportive structure to ensure basic standards are maintained, it all starts to go down the pan very quickly. So far, that support has been weak in too many areas and in the case of post office closures - virtually absent.

The reason that deregulation hasn't gone according to plan is that it was based on a growing market and an assumption that the introduction of competition (and I use the word 'competition' very loosely), would see operators tripping over themselves to deliver mail everywhere and anywhere. In reality, postal delivery is now a business in decline, so the 'competition' has simply stuck to those areas that yield the most profit - business mail. Unfortunately the profit that Royal Mail made on that, also helped underpin and pay for the Universal Service Obligation. Since Royal Mail still remains saddled with providing the USO, its profitable areas have declined, and with rivals

unobligated to contribute to the USO, Royal Mail has been forced to make drastic cuts to the detriment of postal services in general.

In fact there appears to be little or no evidence that competition is forcing any kind of improvement to domestic postal services or that it ever will, and its even impacting on business mail. To all intents and purposes, domestic services have been systematically thinned out and the only thing stopping them vanishing into the abyss altogether is a questionable target system that isn't protecting anything.

As a pensioner pointed out to me today, the government has consistently delivered the message that it wants people to have 'choice' when it comes to services, be that medical care, education, or postal services. It isn't 'choice' that people want, its local services that work - not a hospital that is 300 miles away. That isn't 'choice' its a misnomer that is about moving clients/customers/patients around to suit the service providers rather than actually delivering services according to need. And all these services rely on targets, targets that scare service providers to death, cause teachers to have nervous breakdowns, and deliver scarce services for less money.

The unions have tried hard to convince the present government that postal deregulation is having a detrimental effect on services and as always, those damned targets are wheeled out as evidence that everything is fine. But, as Lawson pointed out, the targets are meaningless now. I'd actually go further and say that they have ensured that services worsen. In order for Royal Mail to meet the targets and reduce costs, it meant extending the delivery day to get more mail out using fewer posties. The targets are met, Royal Mail fulfills its obligation and everyone is happy right?

Well, they would be except that postal deliveries are often so late in the day now, smaller businesses can't get orders out on time and late post is pushing more customers and suppliers to use email out of frustration. Its also seeing postal workers pushed beyond their limits and a service that was once based on good will on the part of delivery workers, reduced to a slap-dash affair.

To put all this in context, I run a busy mail order company and live part of the year in France, and part of the year in the UK. Hellmail was formed some years ago, quite by chance after Lawson and I met at a trade convention, he with a consumer-driven support group and myself trying to forge new trade links. We were discussing postal services and the seemingly unique position that Royal Mail has when it comes to consumer law. Since then we've probably learnt the Postal Services Act by heart. We've seen the introduction of deregulation in the UK and watched it unfold, stood on several picket lines, established strong friendships with people in the postal industry at all levels, and continued to talk to each other about where we think things will head next. My UK operation had to be moved a few months ago as they closed down the closest post office and the additional costs in travelling made it unviable. In the process, some of my staff had to go too as it wasn't possible for them to commute. Given that I was despatching several hundred items a day, the reasons for the post office closure defy belief.

The effect that closures and later deliveries are having on business is enormous in some cases. The 2,500 closures don't include all the other businesses nearby, particularly in rural areas that have also closed as the result of lost traffic. They don't

include all the thousands of necessary car journeys that have resulted since local post offices closed, or the queues of up to 30 mins just to despatch a few parcels, or the inability to get goods out quickly.

I watched the clip of the 1936 film 'Mail Train' on the site this week. It illustrates rather well, the dedication and attention to detail that gave rise to the reputation that Royal Mail enjoyed for so many years. It was the envy of the world and was a service not only worth paying for, it stood for integrity, trust and reliability - all in an era when mod-cons meant electric lights rather than gas. There was even a chance, depending on where you lived, that you could post a letter and it be delivered the same day. These guys didn't need targets, they knew how important time management was and took pride in the job.

Even with all the technological gadgetry we are now empowered with, we can't match the quality of service provided back then. Even the Mailrail, the underground postal train, has been dumped in favour of mail vans, at a time when we need to reduce how many vehicles are on the road. Mail in some areas is now shunted miles away by road to be sorted, only to be brought back again the next day for delivery.

Over here, French postal workers too aren't happy either. La Poste wants to sell off areas of the business ahead of the liberalisation deadline, and France has the most unionised workforce you can imagine. The French like to do things their own way and union pressure here will just move up several gears. The row between Germany and the Netherlands over wage agreements and unfair competition raged on for months and is still far from settled. No one wants to take responsibility for the USO either, least of all the European Parliament which has thrown it back at individual governments to work out.

It isn't working in the UK, its just that no one will actually admit it. This goes all the way down the line with no one wanting to accept blame, be it the government, Postcomm, Royal Mail bosses, managers, or even workers. Well, John Hutton, Secretary of State for Business, Enterprise and Regulatory Reform has given a hint that things are not going too well. In a speech at the Labour Party Conference on Saturday he said: "There's an emerging consensus that the regulatory framework isn't working." He's right there, but it doesn't mean that a revised framework will deliver the goods either. Royal Mail is still owned by the government which makes it difficult to separate its service status from its commercial concerns. Of course, if it were privatised that would rather neatly despatch the problem, but that would be tantamount to admitting that the entire operation had failed and that privatisation was the only option left. There is one - keep it a service. Lets get post and parcels delivered at the time when they're actually needed, not 'whenever' in order to meet targets that don't match the needs of consumers or business.

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Sept 21, 2008.

AS the post office department is failing to render prompt services as per the growing demand, private courier services have captured a big share of the market. The situation has reached such a point that some 100 post offices are now considered not necessary and await closure. A highly placed official attributed this to shortage of manpower and necessary equipment. It is learnt that 250 posts of postmasters are lying vacant. At present a total of 16,000 officers and employees are running the department. At least another 4,000 officials and employees are needed to run it smoothly. According to postal service laws, receipt and delivery of letters by any private organisation is illegal. But the department has no effective control over such unlawful activities of courier services.

Besides, corruption, inefficiency of the officers and employees and negligence of duty are believed to have contributed to the loss of market by this once successful service provider. The postal service is slow compared to the prompt and efficient work of the private courier services. Indifference to the people's demand has made it unable to retain the market. During more than two hundred years of modern postal services since the establishment of the GPO in Kolkata in 1774, this department rendered sincere service to the people. But that zeal eroded over time.

However quick and prompt, courier services are yet to reach remote villages. Services of the postal department are still the cheapest and have the maximum reach. If the department can be freed from red tape, inefficiency and corruption it has still the potential to retain the market. The department used to render such useful services as money transfer, postal insurance and postal savings bank for less affluent people. It should strengthen those services. The department should regain people's confidence by offering reliable and competitive service.

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3. Air India to lease out two freighters

21 Sep, 2008, 1644 hrs IST, IANS

NEW DELHI: National carrier Air India will invite global bids next month for leasing out two of its Airbus A-310 aircraft that are presently being converted into freighters and which are expected to be delivered by the month-end, an official said.

Air India had earlier planned to launch a cargo service with the two aircraft but shelved its plan as it could not find profitable routes.

"We decided to lease them out as we could not find a route profitable enough in India," the official, requesting anonymity, said.

"The two aircraft will be converted to freighters by this month-end. The conversion to cargo configuration is being done in Germany. We will invite bids to lease them out some time next month," the official added.

Air India has thus far converted six Boeing 737-200 aircraft into freighters as these were considered unsafe for ferrying passengers.

The airline already has leasing agreements with India Post - the country's postal department - and logistics major Gati for the rest of the aircraft.

Gati signed a joint venture pact with Air India Cargo last month to take on domestic aviation cargo major Blue Dart Express, owned by DHL India, a unit of German postal services giant Deutsche Post.

India Post, which operates one Air India freight aircraft principally for its north-eastern airmail operations, has now asked for three more.

The national carrier made around Rs.4.12 billion from cargo operations in 2000-01, which rose to Rs.8.34 billion in 2007-08. The revenues from cargo contribute nearly 10 percent of its total revenues.

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4. Malaysia to serve on postal union council

PUTRAJAYA: Malaysia will serve on the 2009-2012 council of administration (CA) of the Universal Postal Union (UPU).

A total of 191 UPU member states had voted Malaysia to the council at the 24th Universal Postal Congress in Geneva between July 23 and Aug 12.

The UPU was established in 1874 and is the primary forum for cooperation between postal sector players and helps ensure a universal network of up-to-date products and services.

The union is a United Nations agency and fulfils an advisory, mediating and liaison role, and gives technical assistance.

It also sets rules for international mail exchanges and makes recommendations to stimulate growth in mail volumes and improves the quality of service for customers. The congress elects the 41 member countries of the CA every four years. The council meets each year at the UPU headquarters in Berne, Switzerland.

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September 22, 2008 15:13 PM

5. Malaysia Reelected To UPU Council Of Administration

KUALA LUMPUR, Sept 22 (Bernama) -- Malaysia has been reelected as a member of the Universal Postal Union's (UPU) council of administration (CA) for 2009-2012.

"Malaysia's reelection is the first step towards continued active participation in UPU by contributing to the supervision of the union's regulatory, administrative and legislative activities," said a statement from the Energy, Water and Communications Ministry here Monday.

The reelection was made at the 24th Universal Postal Congress from July 23-Aug 12 in Geneva, Switzerland.

Malaysia's election as a member of the CA was the second since 2004.

Formed in 1874, UPU is a body under the United Nations (UN) charged with the role as the primary forum for cooperation between the 191 postal sector players.

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6. TN Postal Circle plans to focus on new business verticals

Bs Reporter / Chennai September 23, 2008, 17:18 IST

In a move to increase based income, Tamil Nadu Postal Circle is planning to focus on new business verticals including collection of electricity bills and motor tax on behalf of the state government.

The circle is also planning to launch identification card for a fee which can be used as address proof for any transactions.

Speaking to reporters after launching India Post's new logo T Murthy, postmaster general – Business Development and IT, Tamil Nadu Postal Circle from April to August the circle's, including Tamil Nadu and Puducherry, revenue increased by 20 per cent to Rs 96 crore compared to Rs 80 crore for the same period last year.

Target for the entire fiscal is Rs 300 crore compared to Rs 205.09 crore last year.

Apart from the regular business, the circle want to increase fee based income, which contributes 15 to 20 per cent on the overall revenue.

It include commission based income by selling financial products, selling railway and air tickets and others.

Murthy added, in another one or two months all the post office in Chennai will collect electriccity bills on behalf of the electricity board (EB).

The circle is also talking to the state government for allowing them to collect motor tax.

M S Ramanujan, post master general, Chennai City said that Post office ID card will be launched in Chennai city on a pilot basis in October and it will be rolled out in tier II cities like Tiruchy and Coimbatore in phase manner.

The card can be used as a proof of address for any transactions including for passport, opening a bank account, at railway and airport counters and others.

Cost of the card initially was estimated to be Rs 210, since Hologram will be added up for security purpose cost of the card will be revised.

Tamil Nadu and Pondicherry circle compromise of 12,115 post offices, 93 head offices, 2,696 sub offices and 9,124 extra department offices which are opened in rural parts of the state.

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7. How to stop techies going postal

Router rage

By Sylvie Barak: Tuesday, 23 September 2008, 12:49 PM

STRESSED, UNDER APPRECIATED and feeling a distinct lack of respect from employers, more IT workers than ever are apparently doing the tech equivalent of 'going postal' and sabotaging company networks.

According to an article in InfoWorld, companies are grappling with ways to stop disgruntled techies from taking their rage out on company networks.

Brian Dykstra, a partner in Jones Dykstra and Associates, a computer forensics and expert witness firm, noted "People don't realise just how much access senior IT

people have," and added "The vast majority of system admins don't abuse their privileges – even if they wanted to, they're too busy. But when someone does go over the edge, they have the ability to do a great deal of damage."

Peeved by long hours, IT outsourcing threatening job security and lack of communication with management, Dykstra says many stressed-out techies resort to deleting company data in rage. Some even go further by planting viruses and malware on the company systems they work so hard to build up and maintain.

Bill Pfleging, co-author of the succinctly-titled *The Geek Gap: Why Business and Technology Professionals Don't Understand Each Other and Why They Need Each Other to Survive*, reckons things won't improve if organisations continue to treat techies with a lack of trust and respect. But others believe, to stop techies causing damage when they flip out, firmer regulations need to be in place to check their power and limit how much sensitive data they can access.

But getting IT staff to fill in a request form every time s/he needs an access pass to certain information, could just be the road to more bureaucracy and angst. And maybe there's a better approach, says Joel Evans of Geek.com.

Most techies are motivated differently than your average financial bonus-seeking yuppie. "It has to do with recognition more than anything," according to Evans, who adds, "Sometimes all someone wants is to hear is 'Hey Terry, thanks for building us such a great network.'"

So, management, treat your system administrators with kindness and respect, or they might just come back and 'hack' you to death.

Scary stuff. μ

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