

POSTAL NEWS

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1. Postal Service to cut costs by consolidating delivery routes

By MATT CAMPBELL

The Kansas City Star

DAVID EULITT

Terry Carter, with the U.S. Postal Service for 14 years, could soon see changes in her route north of the Plaza.

A precipitous drop in the volume of mail coursing through the U.S. Postal System will lead to consolidation of urban carrier routes, possibly affecting daily delivery times for millions.

And your mailman may not be a familiar face.

“We’re facing the biggest decline since the Great Depression,” said Terry Penland, customer relations coordinator for the Postal Service in Kansas City.

The volume of mail in fiscal 2008 dropped more than 4.5 percent, or 9.5 billion pieces, which contributed to a \$2.8 billion net loss. The Postal Service is an independent federal agency that is expected to operate like a business.

Postal officials cite the weakened economy as well as the growth of e-commerce and e-mail.

Just like retailers who depend on the holiday season, the Postal Service felt the squeeze this past season. It had projected about 20 billion pieces of mail being posted between Thanksgiving and Christmas but that fell about 1 billion short, said regional Postal Service spokesman Richard Watkins.

The Postal Service’s year-end review anticipates no economic recovery in 2009, with another drop of 8 billion pieces.

The Postal Service managed to cut costs by \$2.2 billion last year through reductions in overtime, attrition and new labor agreements. But it still has a mandate to deliver six

days a week and the system has added an average of 1.7 million new delivery points a year over the past four years.

The situation is forcing the Postal Service to cut costs by consolidating some of the 85,000 urban delivery routes across the country, including metropolitan Kansas City. The changes could affect as many as 50 million addresses nationwide.

“Some folks have grown up with their city carrier,” Watkins said. “And that may change.”

Adjusting routes may also mean if you currently get your mail around 10 a.m., you may have to wait until after 3 p.m. On the other hand, if you’ve been at the tail end of your old route you might get moved up to be among the first stops on a new one. Or you could notice no difference at all.

“We are moving quickly to adjust carrier routes to respond to the current state of the economy,” Kansas City Postmaster Terry Freeman said in announcing the adjustments.

In the Kansas City area, there are 926 delivery routes serving ZIP codes beginning in 641, 662 and 661 that are potentially being looked at for adjustment.

In what is being called an unprecedented agreement, the National Association of Letter Carriers is on board with the program. The national union joined with the Postal Service to streamline the otherwise cumbersome procedures required to change routes.

“It is solely a good thing,” said Carl Rader, president of union Branch 5521 in Johnson County. “There’s nothing about this that’s a bad thing because it’s a joint effort.”

Fewer pieces of mail means it takes less time for letter carriers to sort it at their stations and it takes less time on their routes to deliver it. A postal station may have several full-time routes but one or two that take less than eight hours to sort and deliver. The delivery points on those routes could be redistributed among the others for greater efficiency and cost savings.

Rader said that does not mean career employees will lose their jobs, but they might be reassigned. The Postal Service is offering early retirement to letter carriers but there have been no involuntary layoffs. The service is relying on attrition to reduce payroll, Penland said.

Price increases

- The cost of a first-class stamp rose to 42 cents last May and a new increase tied to inflation is scheduled this May.

- Beginning Jan. 18, shipping prices for Priority Mail, Express Mail and other special services will increase an average of 5 percent.

•Also on Jan. 18, a smaller Priority Mail box about the size of three stacked DVDs will be introduced with a retail shipping price of \$4.95 domestically up to 70 pounds.

The Associated Press contributed to this report. To reach Matt Campbell, call 816-234-4905 or send e-mail to mcampbell@kcstar.com.

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2. Postal service plans to keep branch

By DAVID M GRIMES (dgrimes@reviewonline.com)

POSTED: January 9, 2009

CALCUTTA - Just a day after the president of 1st National Community Bank announced they intend to keep the Calcutta Post Office amidst lease negotiations, a postal representative from that United States Postal Services said it was their goal to work with the bank to retain mail operations at 15713 state Route 170.

After emphasizing that talks have been in progress with Bank President Steve Sant, USPS Spokesperson Victor Dubina added it would be in the best interest of the postal service to keep operations ongoing at the current location in Dunham's Sports Plaza.

"Our preference is to stay," the spokesman told The Review. "There is no money for a new facility."

Dubina painted a poor financial picture for the USPS as they have been operating in the red for quite some time. According to Dubina, the USPS lost approximately \$2.5 billion the previous fiscal year and over \$5 billion during the cycle before that.

If the current Calcutta Post Office were to close, Dubina said the USPS would not have enough funds to construct a new one in the area.

Also indicating a future for the current service was a letter from St. Clair Township Fiscal Officer Deborah Dawson that stated she received information that "the Calcutta Post Office will not be closing at the end of February 2009."

In the letter, Dawson said an unnamed postal representative stated that the post office "has too large of a service area to close it" and added that the East Liverpool and Calcutta post offices both have a strong service area.

If, however, circumstances would arise where both parties could not reach an agreement and the post office would have to be closed, the USPS is required to notify the public and elected officials of the township. Dubina said an event similar to the West Point town hall meeting back in October would take place in the township.

At that meeting, options about retaining a form of mail service would be discussed with the residents. Dubina was present at that meeting along with Harry J. Myers, marketing spokesperson.

Dawson's letter also indicated that a current lull in talks is a result of the holidays and officials involved with the lease renewal being on vacation, something that Sant indicated as well.

Dubina also confirmed that some parties involved were indeed away from the office, but believed they would look through Sant's preliminary lease proposal sometime next week.

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3. U.S. Postal Service Launches New Priority Mail Box

Small Flat-Rate Box Gives Customers Another Shipping Option

WASHINGTON, Jan. 8 /PRNewswire-USNewswire/ -- The U.S. Postal Service (USPS) is launching a new, smaller Priority Mail Flat Rate Box, giving customers another choice in packaging to ship anywhere in the United States for one price, regardless of weight or destination.

The Priority Mail Small Flat Rate Box measures 8-5/8 x 5-3/8 x 1-5/8 inches -- about the same size and shape as three stacked DVD cases. The smaller sized box is perfect for jewelry, electronics, event tickets, or other small items that need expedited shipping.

"Customers will find this new sized box a great addition to our line of flat-rate packaging," said Gary Reblin, vice president of Expedited Shipping. "If an item is too thick for a flat-rate envelope but too small to fill a larger flat-rate box, this is an ideal choice. Customers get quick and easy shipping without having to use a box larger than needed. It's the perfect combination of size, speed and price."

Like all USPS flat-rate boxes and envelopes, the new box is available free of charge and also can be used for international shipping.

It will have a retail price of \$4.95 effective Jan. 18 -- one price, regardless of weight, up to 70 lbs. for U.S. addresses. The international price, for up to 4 lbs., will be just \$10.95 to Canada or Mexico and \$12.95 to all other countries, with savings of 5 percent for customers who ship online. Online prices also are lower for shipping to U.S. addresses. The online price will be \$4.80, and for large volume mailers who qualify for USPS Commercial Plus pricing, the price will be \$4.75.

Customers can order the new boxes online at usps.com/supplies in packs of 10 and 25, up to a maximum of 200, starting Jan. 12 to prepare for shipping Jan. 18. Post Offices will begin stocking the boxes Jan. 18.

With the launch of the Priority Mail Small Flat Rate Box, customers will have four different flat-rate boxes from which to choose: the two original boxes (similar to a clothing box and a shoe box), the Large Flat Rate Box introduced in 2008, and the new smaller box.

Priority Mail Flat Rate Boxes provide secure delivery, including to P.O. Boxes. Priority Mail service includes Saturday delivery and residential delivery at no extra cost, with no fuel surcharges. More information about Priority Mail is available at usps.com/priority. Complete information on all USPS shipping services can be found at usps.com/shipping.

An independent federal agency, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 146 million homes and businesses, six days a week. It has 37,000 retail locations and relies on the sale of postage, products and services, not tax dollars, to pay for operating expenses. The Postal Service has annual revenue of \$75 billion and delivers nearly half the world's mail.

Website: <http://www.usps.com/>

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Thomson Financial News

4. Postal Savings Bank of China end-2008 outstanding deposits over 2 trln yuan

01.07.09, 09:59 PM EST

BEIJING (XFN-ASIA) - The Postal Savings Bank of China had outstanding deposits of over 2 trln yuan at the end of 2008, the official Xinhua news agency reported, citing the bank's vice president Yao Hong.

The deposit levels make the relative newcomer to the banking sector the fourth largest financial institution in terms of deposits, after ICBC, Agricultural Bank of China and China Construction Bank, Yao said.

Meanwhile, the bank issued about 270 mln bank cards as of the end of 2008, Yao added.

Postal Savings, spun off from the banking operations of the state postal bureau with registered capital of 20 bln yuan, opened for business in March 2007.

It has more than 36,000 outlets across the country, of which more than two-thirds are in rural areas, making it the largest rural financial network in China.

(1 usd = 6.85 yuan)

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