

POSTAL NEWS

No. 14/2009

**Formulated by UNI-Japan Post in cooperation with UNI-Apro,
ASPEK Indonesia and SPPI**

Experts See Dim Future for U.S. Postal Service. Jan 29, 2009.

1. Experts See Dim Future for U.S. Postal Service

Thursday, January 29, 2009

By Joshua Rhett Miller

The post office could be going the way of the pony express.

A day after Postmaster General John Potter threatened to cut mail delivery from six to five days a week, postal experts, direct marketing executives and politicians alike said the outlook for the quasi-governmental U.S. Postal Service is bleak.

"It certainly represents a divergence of mail service as we know it," Postal Regulatory Commission Chairman Dan Blair told FOXNews.com of the potential move to five-day service as a cost-cutting measure. "But we don't really rely on mail the same way we do today as we did five, 10 years ago. Our expectations of postal service are different from a generation ago."

Illinois Rep. Danny Davis, chairman of the Federal Workforce, Postal Service and the District of Columbia subcommittee, said it's a matter of unavoidable truths.

"We've seen this coming for several years now, quite frankly," Davis told FOXNews.com.

"The volume simply is not there; e-commerce has taken its toll. We used to write letters to grandma and stuff like that, now we just don't do that anymore. You can't deliver what's not there."

Citing inflating costs, a \$6 billion budget deficit and the largest annual decrease in mail volume ever, Blair said the Postal Service has entered uncharted territory, even worse than in the 1990s, when the USPS considered eliminating window services.

[Click here for a video of Blair.](#)

"This is different because we've seen a decline in volume across all classes in percentages not seen since the Great Depression," Blair said. "You couple that with the decline in first-class mail as well ... the mail mix isn't as profitable for them as it once was."

Cutting a day of service would have to be approved by Congress and postal officials, but it could save roughly \$1.9 billion a year, Blair said.

Still, with postal rates expected to rise in mid-May, it'll be a hard sell to the American public.

"If it was a normal business, their customers would turn to someone else," Blair said.

During testimony before a Senate subcommittee on Wednesday, Blair said eliminating a day of mail service may expedite the decline of mail volume and suggested that the closure of some post offices should be considered.

"That's something I would recommend," Blair told FOXNews.com. "[But] this raises serious public policy implications. In rural America, the post office is the face of the

American government. Closing post offices brings out very parochial concerns. It's an area where they could save money, but it's an area that will receive a lot of political attention."

Bob Cohen, a former Postal Regulatory Commission official, was even more pessimistic about the agency's future.

"The model may be in jeopardy now," Cohen told FOXNews.com. "They've got a problem. As the role of the postal service becomes less and less important as a communications medium, I guess it's going to have to shrink. It's very foggy right now what the future is."

But Jerry Cerasale, senior vice president of government affairs at Direct Marketing Association, said eliminating a mail day — possibly Tuesday, the slowest mail day of the week, or Saturday — could seriously affect direct-mail firms, periodicals and other firms that utilize mail.

"This is not the time for the postal service to raise rates and cut service," Cerasale told FOXNews.com. "It puts us in a very difficult place."

Perhaps more troubling than the specter of losing a day to reach customers is an estimated volume drop of 14 billion pieces of mail for fiscal year 2009, Cerasale said. "That for us is big news," he said. "Many firms who use mail don't come back because they find other ways to reach their potential customers."

Postmaster General's Testimony Offers Little Insight

Burrus Update #03-09, Jan. 29, 2009

The long-awaited announcement about the Postal Service's plans regarding the dramatic decline in mail volume and revenue was presented on Jan. 28 to the Senate subcommittee with jurisdiction over postal affairs, when Postmaster General John E. Potter explained the crisis facing the USPS, and outlined management's proposed response.

As previously reported to the APWU membership, postal volume has dropped precipitously, and, unless Congress provides legislative relief and the economy recovers, the Postal Service will become unsustainable in the near future.

In testimony before the Federal Workforce, Postal Service and the District of Columbia Subcommittee, the PMG once again cited electronic communications as a central factor in the decline of mail volume — an excuse that has run its course: Postal officials should be prohibited from offering this lame explanation ever again.

Let the record show that mail volume has not declined primarily because of electronic communication. In the 235-year history of the Postal Service, the years with the highest volume were 2005, 2006, and 2007, with 2006 being the highest. Didn't the Internet and e-mail communication exist during those years? The facts indicate that they are not the principal causes of the steep decline of mail volume at this time.

Certainly, if these modes of communication had not been invented, postal volume would have expanded significantly more than it did, but the same can be said of the development of the telegraph, the telephone, and the fax machine.

The cause of the Postal Service's current crisis is simple: "It's the economy, stupid."

Legislative Relief

The PMG's testimony was intended to lay the foundation for an appeal to Congress for relief from the "crippling cost burden imposed by 'Postal Reform legislation' requiring that we prefund the employer premium for the health benefits of future retirees." The

Postal Accountability and Enhancement Act of 2006 requires the pre-funding of this liability through annual payments ranging from \$5.4 billion to \$5.8 billion over the 10-year period from 2007 through 2016.

Potter warned that without near-term relief from this stifling obligation, the United States Postal Service will be unable to survive in its present form.

I concur with the PMG's conclusion that achieving relief from the unfunded healthcare liability is crucial to the survival of the Postal Service. Amending the Postal Accountability and Enhancement Act in order to reduce the USPS payments for retiree healthcare is essential. Unfortunately, this aspect of Potter's testimony received scant attention from the press.

The options are to include this legislative relief in the stimulus bill currently being considered by Congress, or through separate legislation. Each alternative presents problems, but we must find a way to see that it is provided. The Postal Service must have time to develop long-term solutions to the serious financial deficits.

The solutions must include the elimination of "worksharing" discounts and contracts that duplicate work performed by postal employees.

A recent announcement by Pitney Bowes demonstrates how excessive worksharing discounts deprive the USPS of needed revenue. The mailing industry powerhouse, which "pre-sorts" mail that is ultimately given to the Postal Service for delivery, has opened a new mail facility in Corona, CA, which is expected to process 750 million pieces of mail annually. The 84,000 square-foot worksharing facility will employ approximately 100 workers. Clearly, Pitney Bowes believes worksharing will be profitable for them, but what about for the USPS? The plant will duplicate work that could be performed by postal employees in facilities that already exist.

Platitudes

Beyond relief from the obligation to pre-fund the retiree healthcare liability, the platitudes in Potter's testimony revealed little about plans that have a chance of preventing a disaster. The PMG boasted of work-hour reductions that have paralleled the unprecedented deficits. But the crisis persists despite this massive decline in work hours, so it's clear that disrupting the lives of hundreds of thousands of employees is not a solution to the Postal Service's fiscal woes.

The other initiative under consideration is the possibility of a reduction in the number of delivery days from six per week to five. This proposal is the first cousin to work-hour reduction schemes, and if adopted, would not arrest the financial slide. The impact on APWU-represented employees would be to eliminate the possibility of moving to letter-carrier vacancies when our members are identified as "excess." If mail processing also is curtailed for a day, a proportional reduction in APWU-represented assignments also would occur.

The American public would lose one day of mail service, which would stretch to three days when the additional day is combined with Sunday and a Monday holiday. Such delays will drive essential mail to private carriers, who will continue to deliver seven days a week.

Layoffs

The reduction of the employee complement through layoffs was not presented to the congressional subcommittee by the Postmaster General and does not appear to be under consideration at this time.

Contractual protections against layoffs require management to engage in a detailed process that includes severance pay for employees who volunteer to retire early. These requirements would make it extremely expensive to layoff employees, so, while layoffs were feared, this possibility no longer seems to represent a threat.

But the elimination of layoffs as a near-term option offers very little reassurance to the remaining part-time employees and those on light duty. The hours of these employees are being reduced to a level that is tantamount to a layoff. Area and District managers have issued orders to limit the hours of these employees to levels that cannot support a family — or an individual. The contractual limits on the use of casual employees to the detriment of PTFs or light-duty employees should be strictly enforced.

I find great comfort in knowing that the PTFs who were converted to full time as a component of the 2006 Collective Bargaining Agreement now enjoy the eight-hour guarantee, and are not suffering a serious reduction in their work hours.

The Postmaster General's testimony has removed the cloud of impending layoffs, but it offered little comfort that there are realistic plans to reduce the impact of the current crisis on postal employees and the Postal Service as a whole.

William Burrus
President

Association for Postal Commerce

"Representing those who use or support the use of mail for Business Communication and Commerce"

"You will be able to enjoy only those postal rights you believe are worth defending."

IN SEARCH OF...THE PERFECT MAILSTREAM: A POSTAL PERSPECTIVE

The following postal perspective is provided by PostCom consultant Kathy Siviter, president of Postal Consulting Services, Inc. She also serves on a number of MTAC workgroups. The views expressed in the commentary, however, are solely the author's, and PostCom welcomes alternative views from responsible parties.

Like many in the industry, I've spent much of the past month responding to phone calls that start with something like "Why is the Postal Service doing this?" or "Doesn't the USPS realize the impact this will have on our company?" The focus of these calls has been the recent changes to mailing standards proposed by the USPS, which would wreak havoc on an already struggling mailing industry.

While I commend the USPS for listening to its customers and pulling back some of the proposed requirements earlier this week, industry concern remains over the fact that the USPS published the proposals in the first place. If the Postal Service truly understood its customers needs, and the likely impact on their businesses and on the mailstream, why do such proposals get published in the first place?

Perhaps the answer lies in a question. What if you asked the Postal Service, its customers, and their service providers, "What is the perfect mailstream?"

If you ask customers what the "perfect mailstream" means to them, they respond that it is a diverse mailstream that offers them a wide variety of products and mailpiece designs to choose from at affordable prices. The perfect mailstream for customers is one that includes a host of options for creating an array of physical mailpiece designs that will catch the recipient's eye and result in high open, read, and response rates.

And the more customers open, read, and respond to mail, the more the mail grows. Not only do customers make more money – a portion of which they can choose to spend on mailing more pieces – but orders result in more products being shipped through the mail, more invoices/bills/statements being sent through the mail, more courtesy or Business Reply Mail pieces being sent through the mail, and so on.

Following this same line of thinking, it seems safe to assume that those tasked with marketing and sales at the Postal Service would have a similar response to what the “perfect mailstream” means, since their goal is to grow the business.

But if you ask those tasked with operations and processing efficiencies at the Postal Service what the “perfect mailstream” means to them, the answer would be dramatically different. Those that spend their days trying to achieve the highest throughput and lowest jam rates on USPS processing equipment likely dream of a mailstream that is made up of plain white envelopes within a certain size, that never kick up static or friction, that never use non-paper surfaces to try and attract the recipient’s eye, that fly through every belt and bullwheel with 100 percent success.

And therein lies the problem. The proposed rule changes recently emanating from the Postal Service support the notion that only “perfect to process” mail is good mail. If those guiding the Postal Service continue to pursue this goal, we will all be dealing with a mailstream that continues to decline, at an even faster pace, because it does not meet customers’ needs.

Because customer needs from marketing mail are not ever going to jibe with what the USPS ideally would like to process on its equipment. So why isn’t the Postal Service working aggressively to come up with new equipment, processes, or new products designed not only to keep this volume in the mailstream, but to grow it? Customers are looking for these types of options, so why isn’t the USPS investing more time and energy in figuring out how to accommodate them, instead of focusing on making requirements that will drive this volume out of the mailstream?

Because I can already hear someone over at L’Enfant Plaza defending such proposals by saying these pieces can still be mailed...but at a higher price, I will quote PostCom’s infamous General Counsel in responding “That dog won’t hunt.” Meeting customer demand does not mean offering an existing option at two or three times the price. That’s not a viable solution for customers at any time, much less in a time when many companies are struggling.

It is a telling sign that the MTAC workgroup tasked with developing ideas for growing the volume of marketing mail has spent a great deal of its meeting time hearing customers complaining that the USPS keeps proposing new standards for mailpiece design and preparation that discourage use of the mail when at the same time the USPS is asking customers how to grow the mail. Customers continue to tell the USPS how it can grow its volume...and it isn’t by trying to drive creative marketing ideas into a limited template so they run better on a machine.

The USPS does not act like other businesses when faced with these types of customer demands. Looking at our own industry as an example, when service providers in the mailing industry have clients that want to do things in a manner that their operations or existing services may not support, they work to make changes to accommodate their customer and keep their business. That may mean investing in new equipment or equipment modifications, or changing processes, or coming up with new innovative ways

to do things. And yes, it may mean some changes in prices they charge their customers, but not to the extent that it drives the business away. Their ultimate goal is to keep the business.

Why doesn't the USPS spend more time and energy figuring out how to keep and grow its business? There are a host of alternatives available which the USPS could pursue to provide customers with creative options for marketing mail. Yet instead the USPS chooses to change rules in a way that force these pieces out of their existing price categories, and leaving them with the untenable option of paying significantly higher prices to remain in the mailstream, or to leave the mail altogether in search of a more cost effective media.

It's hard to believe that the leadership of the Postal Service has decided it would rather have a smaller volume mailstream of "perfect to process" mail than a bigger, more robust mailstream that meets its customers needs.

When the USPS is faced with unprecedented volume declines, and its customers are struggling to stay in business, one would hope that the prevailing focus of the Postal Service would be on how to keep and grow its volume. That means finding ways to meet customer demands at a price the market will bear. Because to all of us – customers, service providers, postal equipment suppliers, and all parts of the Postal Service – the perfect mailstream should be one that keeps all of us in business.

A Second Day Off for the Postal Service?

By Joe Davidson

Thursday, January 29, 2009; Page D03

The U.S. Postal Service is hurting and hurting bad.

It's losing so much money so quickly that it wants the flexibility to cut deliveries from six days a week to five. This would be a popular option if we could schedule all bills to be delivered on the same day, then have that day declared the no-delivery day.

But the bills will keep piling up, even while Americans aren't using the post office nearly as much as we once did. Saying the Postal Service "is in a severe financial crisis,"

Postmaster General John E. Potter asked Congress yesterday to allow a cut in mail delivery. In testimony to a Senate panel, Potter said "the ability to suspend delivery on the lightest delivery days, for example, could save dollars in both our delivery and our processing and distribution networks. I do not make this request lightly, but I am forced to consider every option given the severity of our challenge."

After his testimony, Potter said the reduction in service days is the "worst-case scenario" if other efforts -- particularly a proposed rescheduling of retiree health-benefit payments - - do not produce the required savings or if mail volume falls beyond expectations. If a day is cut, he said, it would be during summer, which is the lightest delivery period and perhaps on Tuesday or Saturday, the lightest delivery days.

Any reduction would be temporary, at least in theory, but Potter left open the number of years it could last, saying it would depend on what level of service makes sense based on the revenue generated.

Getting Congress to agree to Potter's request to allow a reduction in delivery days won't be easy. Members of the Senate's subcommittee on federal financial management, government information, federal services and international security questioned him closely, and at times with implicit criticism, on the transparency of his agency's finances.

Sen. Susan M. Collins (R-Maine) said she was "very disappointed" at the prospect of five-day delivery. Businesses with time-sensitive mail "are going to find other means" to deliver their information, she said. Chairman Thomas R. Carper (D-Del.) said reducing delivery days "would not be the preferred option of the Congress."

Potter asked for the flexibility to cut service days because the volume of mail, and its revenue, is dropping so sharply.

"We began this fiscal year with a projected volume loss of 8 billion additional pieces and a net loss of \$3 billion," he said. "In the few short months since that forecast was developed, we are now projecting a volume loss of 12 to 15 billion additional pieces and a total net loss approaching \$5 billion. I am sorry to tell you that even this revised forecast may be too optimistic."

Post office business is dropping because "a revolution in the way people communicate has structurally changed the way America uses the mail," Potter said. Many people now use the Internet for everything from paying bills to sending greeting cards to inviting people to parties.

Lower-cost junk mail -- that is, advertising -- has increased, but it produces only about half the revenue of first-class mail, according to Potter. That mail volume "would have to double to generate the same revenue as first-class mail," he said. "That level of growth, never experienced even in a strong economy, is unachievable in an economy marked by a severe downturn in advertising."

Potter also urged Congress to permit a rescheduling of retiree health benefit funding. He wants "relief from the crippling cost burden imposed by the law's requirement that we pre-fund the employer premium for the health benefits of future retirees while continuing to pay health care premiums for our current retirees."

Calling a change in the funding method "my first priority," he said, "this change would not increase the health benefit premiums paid by current or future Postal Service retirees, nor would it affect their benefits."

That's good news for the future retirees. Now let's see how many days a week they'll be working.

Contact Joe Davidson at federaldiary@washpost.com.

Liberalised Postal Service Not Offering Choice

01 February 2009 by Editors Comment (Steve Lawson) - © Hellmail.co.uk

Jon Kaila in The Mirror today, contributed what seemed to be a misinformed article on the privatisation of Royal Mail, suggesting that the Post Office would not be privatised if the idea of a 'peoples bank' were brought into play.

Privatised post office? Thats a new one. The Post Office and Royal Mail are not the same entity, even if both sit under the Royal Mail umbrella, and no one has so far even suggested privatising the Post Office. Besides, post offices are a sensitive area between the government and the electorate, and despite a move to put the post office card account out to tender, the government was forced to back down and award the account to the post

office to ensure its future and negate the mounting backlash from, well, just about everyone.

To be fair to Kaila, the relationship between Post Office Ltd and Royal Mail is a close one, and even after deregulation, the post office network still depends heavily on Royal Mail for business, but that still leaves subpostmasters heavily tied into Post Office Ltd (ask any subpostmaster that has tried to go it alone), and in a liberalised letters market, I'm not convinced that its good for either customers or subpostmasters. With the network reduced though, its good for Royal Mail.

For the moment though, the government says it is committed to retaining the few post offices left as a publicly owned network, but with the row over plans to privatise RM, and postal deregulation having so far seen no gains for average consumers, who knows what scheme may emerge. In fact the idea of a part-privatisation of Royal Mail, described loosely as a 'strategic partnership', isn't exactly gaining huge support. The list of names of MPs against it, is growing by the week, and the vast majority, bizarrely, are Labour MPs.

No one seems entirely clear on how much money Royal Mail is making or losing either and where we go next, but there is ample criticism of postal deregulation itself and with such big disasters in the banking world in more recent months, 'privatisation' isn't the most popular word being bandied around. Mandelson's whispered support for the idea of a 'People's Bank' is probably more an attempt to soften-up those MPs putting their name to an outright rejection of his part-privatisation plans. In fact I'm sure it is.

As for a 'strategic partnership', few can be in much doubt that it would bring about a rapid acceleration in delivering more for even less. Lets face it, there would be little appeal for a part share without a real prospect of making substantial money, plus shifting the problems on to someone else and perhaps saving the government a few quid into the bargain must be high on Mandelson's agenda. There is the tiny matter of the massive pension deficit, but the government plan is to dump that one on the tax payer. Hmmm, deregulation really worked then.

CWU leaders, who generally like to call a spade a spade, select committee or not, are strongly against the idea of privatisation. Deputy leader Dave Ward seems positively passionate about it and has good reason to be. If this plan goes ahead, postal workers will most certainly see a massive wave of job losses in a relatively short space of time, and a complete re-write of workers terms and conditions in order to force the business into greater profit under what will essentially be a completely new regime. It is unclear at this stage how a partnership might work, but if it is Dutch-owned TNT for instance, don't they themselves have sorting equipment in the UK which could feasibly help reduce the head count?

However you look at it, staff will be reduced and as as jobs go, so does the CWU's membership. As with all unions, strength, and indeed revenue, is wholly reliant on numbers. Once Royal Mail adopts a shareholder basis, whether that be on a 20%, 30% or

even 49%, Royal Mail's status as a wholly publicly-owned business would come to an end, and with it, union influence in the workplace.

Fine words from government on a determination to keep Royal Mail in public ownership won't count for much once the ideas men move in. This isn't one rung on the ladder of privatisation, its several in one go.

There are of course those that much prefer nationalised industries. For one thing it ensures a rate of pay whether the business is profitable or not. Those in favour of privatised industries however, insist that it drives efficiency and growth. To be honest, neither concept is too hot. They each have their failings. The post office network, in my opinion, suffers terribly from the restrictions placed on subpostmasters working under the Post Office logo. When deregulation was introduced in the UK, the post office network wasn't deregulated at the same time. Instead, a massive cull operation took place, weakening the network enormously and affecting many thousands of other businesses located close by.

The post office cull was based around a need to save money of course. Post offices had for some years been systematically raped of what were lifeblood contracts and with little or no scope for owners to be anything other than shop counters for the few remaining products left, the cost of maintaining the network soared to unbelievable proportions. In short, we let the post office network die through neglect and lack of innovation. The Italians by comparison, liberated their post offices by turning them into key service points selling just about everything and they run at a healthy profit too.

To have a fully deregulated market, customers need choice. That is the whole point of deregulation. Other operators could have made good use of such a network of access points, but instead we concentrated on collections and deliveries and forced competition through via these insane access agreements. As customers, we are all paying more but with fewer post offices, tied into basically one supplier, with fewer deliveries. You can't deregulate one part of a postal service and hope that the rest will somehow cope, and that delivering and sorting mail with fewer postal workers will magically transform the entire industry.

No, if you're going to deregulate, you have to do all of it. Subpostmasters need the freedom to become the face of several operators, not just a peoples bank. They need the freedom to introduce services based on local need, not an assumption (as now) that selling some travel insurance package will stave off closure.

Anyone who has ever lived in a rural location with few amenities, much less shops, will tell you that timing is everything. You have to ensure you fill up with fuel somewhere on the way to work and that you need to pick up sausages somewhere else on the way home. Its a whole different lifestyle. The local shop (if you still have one) probably won't have a cash machine so you have to trundle off to nearby Concreton for that. If post offices are to survive, let them sell what customers actually need. Without a radical approach to the

role of Post Offices, we are simply supporting the role of the car at a time when we urgently need to reduce car use and fuelling the supermarket sweep bonanza.

Do I think privatisation is a good thing? No, I think its a desperate last resort in a series of failed attempts to force the transformation of postal services in the UK. Royal Mail needed modernising ten years ago. The regulator, Postcomm, has been under massive pressure to make deregulation work but in the end, all the new operators have been pitched at the business end of the market and all too many of those are small players. The CWU's assertion that Royal Mail's approach to modernisation has been piecemeal, may have merits, but the piecemeal approach has been indemic throughout all the organisations involved in this so far. The vision just hasn't been there.

Do I think privatisation will happen? Sadly, yes. It may be dragged out longer than planned for, but ultimately there won't be any choices or ideas left and it will be a matter, in the end, of hard cash or lack of it. However, I do believe we can turn things around but it will need the CWU and RM working together, pricing stamps at a level that is reasonable, reassessing access agreements, providing deliveries at more sensible hours, and allowing post offices to be important community focus points that provide access to all government services, not just banking, and a wider choice of postal and parcel operators via the counter. Give the customers what they actually need - on a local basis.

The idea of a 'Peoples Bank' isn't new. Hellmail has been calling for a broadening of the services offered by post offices for the last four years, particularly banking, and the Federation of Subpostmasters has been equally vocal about a need for an enterepenerial spirit within the network. I'm just not sure it can ever really work whilst post offices remain entirely the remit of the Royal Mail group. Postal services are only partly liberalised and not that well even then. Creating 'choice' needs genuine competition, not simulated competition.

© Hellmail.co.uk - Postal Industry News

* Postal voting in Sri Lanka PC polls to begin tomorrow

Sunday, February 1, 2009, 16:39 GMT, ColomboPage News Desk, Sri Lanka.

Feb 01, Colombo: Casting of postal votes for the upcoming Central and North Western provincial council election is to commence tomorrow, the Election Secretariat said.

According to the schedule postal voting is to end on 3rd of February.

Sri Lanka Election Secretariat has received nearly 85,000 postal vote applications from the government sector for the upcoming provincial council polls.

The Election Secretariat said that the highest number of applications was received from the Kurunegala District with the total number of 33,556 applications.

Meanwhile the security forces have casted their postal votes on January 27th and 28th as they have currently been deployed to provide security for the country's Independence Day celebrations.

The election for the North Western and Central provinces is scheduled to be held on the Valentine Day, 14th of February.

30-01-09

Postal workers join million-strong mass protests in France

Postal services across France were disrupted yesterday as tens of thousands of La Poste workers joined a nationwide strike estimated to have brought at least one million people on to the streets in protest at government handling of the economic crisis.

About 28% of La Poste's 300,000 staff took strike action on Thursday in response to calls from the postal unions FO, CFTC, PTT-Sud, CGT and CFDT, according to La Poste, French media reported. Unions claimed the turnout was about 40%. About 100 post offices across the country remained closed.

Unions said that up to 2.5 million workers joined 195 separate actions across the country yesterday. French police estimated the numbers at about one million. Some of the protests descended into clashes between police and protestors. Transportation services, schools and other public services were all affected by the mass demonstrations.

The protests were aimed at expressing public dissatisfaction with the way President Sarkozy is handling the economic crisis, rising unemployment and falling purchasing power.

Source: French media, CEP-Research

000

FG To Set Up Postal Sector Regulator

February 1st, 2009

The Bureau of Public Enterprises (BPE) said it has completed the design for the establishment of an independent postal sector regulator, together with the implementation programme.

Director General of BPE, Mrs Irene Chigbue disclosed this when she led her management team on a courtesy visit to the Minister of Information and Communication Prof Dora Akunyili.

She described as unacceptable a situation where NIPOST is both an operator and a regulator, stating that a commission, National Postal Commission (NPC) would be set up to regulate the industry. The director general added that being a statutory corporation restricts NIPOST's access to loan capital and also restrict business possibilities.

But she however noted that setting up of an independent postal regulator will require a lot of resources, adding that another challenge would be the establishment of an effective post code system given the unplanned rural and urban settlements in Nigeria.

The BPE boss said her organisation is in the process of instituting economic reform in the Nigerian postal sector and also to reposition NIPOST for optimum operational efficiency.

"NIPOST is currently being prepared for restructuring. In this regard, the modified business plan, draft memorandum describing the functions of each NBU and the financial due diligence report has been completed".

Mrs Chigbue however disclosed that there is no sector policy/strategy, stressing that existing law is outdated. She maintained that the incumbent operator, NIPOST cannot meet the demands of the market and services as operators and regulator. She stated that NIPOST has not been able to provide the basic services.

The director general pointed out that the objective of the postal reform is to ensure that postal service are available to all Nigerians at affordable cost and in timely and efficient manner; align the postal sector to global development in information communication technology; institutionalise commercial practices in the sector and introduce private sector participation and create an enabling and competitive environment with independent regulation, broaden the scope and depth of services provided to include savings mobilisation, micro credit administration, payment and funds transfer system for the entire country through vast past office network.

The BPE boss revealed that the reform process of the postal sector was initially scheduled for commercialisation in Part 1, Schedule 2 of the commercialisation and privatisation Act of 1999, but the position was later modified to partial privatisation when it became very clear that any attempt to sell a substantial stake in NIPOST without extensive restructuring would fail.

The director general told the minister that the new approach towards postal sector reform recommended three phased process. According to her, phase one is expected to review the postal sector policy and develop an effective policy framework for creating efficiency and effectiveness in the sector.

Phase two, she said, consists of an assessment of the existing legal, regulatory and organisational framework governing the postal sector in relation to the achievement of the Federal Government, while phase three of the programme involves the restructuring of the Nigerian Postal Service (NIPOST) into new business units (NBUs).

She said BPE has formulated a postal sector policy/strategy which has since been approved by the National Council on Privatisation to be forwarded to the Federal Executive Council (FEC).

"The draft postal sector bill is also ready and has since been approved by the NCP. It is currently awaiting FEC approval for an on-forwarding to the National Assembly", she said.

000

Axes Banking showcases the Azerbaijan Postal Banking Case-Study Event, Presented by Experts from the World Bank

DUBAI, UNITED ARAB EMIRATES--(Marketwire - Feb. 2, 2009) - Axes Partners presents its integrated banking solution, featuring Colvir's automated banking and financial technologies with localized and tailored Islamic banking and core banking capabilities. Axes Banking will showcase solutions powering financial and government institutions worldwide, featuring the end-to-end integrated solution for the World Bank-sponsored automation of postal-banking in Azerbaijan.

The presentation entitled 'Azeri Post Case-Study - Enabling Postal Banking' will unveil insights into the successful Azerbaijan Post banking solution deployment, extending rural financial connectivity to underserved areas, enabling private and smaller business financial transactions, and expanding the variety of banking services offered.

The presentation will be held on Tuesday, February 10 at 11:30, stands P1&P4. To receive an invitation, please send an email to: meftec@axespartners.com. (Advance booking required)

In addition, visitors to the booth are invited to discuss the benefits offered by the Axes Banking group to financial institutions wishing to employ advanced core banking solutions and Islamic banking services. These benefits include adapting current IT systems to support the introduction of new Islamic banking products, as well as enabling the flexibility to offer services bundled with core banking practices.

Axes Banking brings forth turnkey software, integration & implementation strengthened by global hands-on field expertise.

About Axes Partners

Axes Partners is a global consulting firm specializing in national development. The Axes Paradigm is derived from the partners' rich experience in the field of national competitiveness, and strives to enable national leaders with next-generation power-tools for economic development.

About Colvir

Colvir Software Solutions Ltd was established in 2000 by a group of experts with unique experience in banking and financial technologies automation. The company's experts have experience in successful implementation of more than 20 projects in Eurasia; some of the largest are the projects of National Bank of Kazakhstan, State Bank for Foreign Economic Activity of Turkmenistan, Halyk Bank of Kazakhstan, Kazakhstan State Treasury, Central Bank of Turkmenistan and 'KazPost' Public Company. The company's

head office is located in the United Kingdom, with main offices in Moscow, Minsk and Syktyvkar. Additional subsidiaries are located in Sweden, the United States of America and Kazakhstan. For additional information: www.colvir.com.

000