

POSTAL NEWS

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1. Return of bill heightens union threat to FedEx

By Justin Baer in New York

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FedEx this week faces the return of a bill that could escalate a lobbying war with organised labour and rival United Parcel Service.

US congressmen plan to reintroduce legislation this week that would authorise funding for the country's aviation regulator, containing a provision that targets only one company, FedEx, and its ability to keep more of its express delivery employees from organising.

If the bill succeeds, the provision would strip the company's express delivery division of its rights to bargain under the Railway Labor Act, meaning the company could no longer block FedEx Express workers from organising at a local level.

Such a reversal would leave the business more susceptible to strikes and could drive up labour costs.

FedEx argues that local labour actions could disrupt its air and ground delivery network and, in turn, the country's economy.

United Parcel Service, founded as a ground-based courier, has not enjoyed the same treatment as FedEx, because the original exemption covers railways and airlines. FedEx was founded as an airline.

UPS has been pushing for the exemption to be scrapped for many years.

A similar bill passed the US House in 2007 but failed to come before a vote in the Senate, leading Congress to extend the life of an existing Federal Aviation Authority Reauthorisation law, which sets policy on FAA funds and how the agency may tax air carriers for two years.

The current extension expires at the end of March.

Jim Oberstar, a Minnesota Democrat who chairs the House transportation and infrastructure committee, will unveil the bill before Wednesday □□ scheduled hearing, a committee spokesman said.

Some analysts and investors predict that the FedEx provision stands a better chance of surviving during the current Congress, and with a Democrat in the White House.

□□ ith the exception of the pilots □□union, FedEx has been very successful at holding off unions,□□Tom Wadewitz, a JPMorgan Chase analyst, wrote in a November note to clients.

□□ e believe the risk of unionisation would increase significantly if FedEx Express was moved out of [the Railway Labour Act]□□

FedEx has argued that the express business fits the description of the kind of integrated transportation system Congress sought to protect from disruption, and points to a US circuit court decision that supports its case.

□□ t is extremely bad public policy,□□Fred Smith, FedEx □□ chief executive, said in December.

□□ edEx Express has been a Railway Labor Act carrier since its inception. It was one of the key elements in the formation of the company.

□□ e would hope that that provision would not see the light of day.□□/p>

□□FedEx said on Monday it would cut about 900 jobs at 130 facilities, citing unprecedeted economic conditions and aggressive pricing by carriers.

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Friday, February 6, 2009

2. Aso's Postal Reform Backtracking May Not Aid Election Prospects

TOKYO (Nikkei)--Prime Minister Taro Aso on Thursday questioned the efficiency of breaking up Japan Post into four smaller units, underscoring an effort to repair frayed relations with the nation's leading postal lobby.

Zentoku, which represents post masters, had been a longtime supporter of the ruling Liberal Democratic Party. But relations soured during then-Prime Minister Junichiro Koizumi's drive to privatize Japan Post. The 2005 lower house election was precipitated by internal LDP friction over postal privatization, with the party winning in a landslide on a reform platform.

Zentoku has since switched allegiances to the People's New Party, which opposes the privatization. It is also exploring possible cooperation with the main opposition Democratic Party of Japan, raising concerns among LDP officials.

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"I was not in support of postal privatization," Aso said Thursday at a lower house budget committee meeting. He had headed the Ministry of Internal Affairs and Communications when the lower house was dissolved over this issue in 2005.

Aso softened his stance Thursday evening, saying he was "not in a position to issue instructions on the specifics."

But the opposition pounced on his comments from earlier in the day. Considering that the LDP's hold on power is based on that 2005 victory, acting DPJ President Naoto Kan said that Aso was "rejecting his own legitimacy."

The LDP's shift also suggests a greater focus on parliamentary seats in outlying regions. Party lawmakers from regional districts say that Koizumi's structural reforms have ruined these areas, symbolized by postal privatization.

Yet the repositioning by the LDP is not likely to fully restore ties with Zentoku. And a brazen rollback of privatization would draw the ire of urban independents.

Furthermore, supporters of the Koizumi reforms -- such as former LDP Secretary-General Hidenao Nakagawa and ex-Chief Cabinet Secretary Yasuhisa Shiozaki -- may step up their criticism of Aso.

(The Nikkei Friday morning edition)

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Philippine News -- Manila Standard Today -- Delivery giant leaves Subic --
feb7From:

3. Delivery giant leaves Subic

SUBIC BAY FREEPORT—US delivery giant Federal Express closed its Asian hub here Friday with the last flight leaving for Taiwan just before dawn.

FedEx announced two years ago that it would relocate its Asian hub from this former US naval base to Guangzhou in southern China.

“Last night was the last night of full operations,” said Subic Bay administrator Armand Arreza.

“The market in China is bigger than the entire market of Southeast Asia. China also gave FedEx rights to handle its domestic cargo, which is huge,” Arreza said.

The FedEx hub, which began operations in 1996, earned the Subic Bay Metropolitan Authority about P150 million from landing fees and warehousing in 2008.

Company employees, speaking on condition of anonymity, said about 500 workers would lose their jobs. At the peak of its operations in 2004, the FedEx unit in Subic employed about 800 people.

At the time it was hoped that the FedEx move would lure foreign businesses to Subic and breathe new life into the area after the US closed its military bases in the Philippines in 1992.

Arreza and Senator Richard Gordon, former Subic Authority chairman, marked the start of the two-month transition for the transfer of FedEx’s operations to China.

Arreza said some FedEx officials would remain in Subic to oversee the completion of the company’s reintegration program for its workers.

“They can get jobs anywhere else in the world,” Gordon said.

“They are all highly trained and skilled. They are the pride of the Subic Freeport.”

Arreza said about 800 direct and indirect workers in Subic would lose their jobs after FedEx completed its transfer to China in April.

He said the Subic Authority was now trying to invite a Dubai-based company to take over FedEx’s facilities. AFP with Cecille Garcia

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Date: Friday, February 6, 2009, 4:13 PM

4. FedEx closes hub in Philippines

2 hrs 21 mins ago

SUBIC BAY, Philippines (AFP) – US delivery giant FedEx closed its Asian hub in the northern Philippines Friday with the last flight leaving for Taiwan just before dawn.

FedEx announced two years ago that it would relocate its Asian hub

from the former US naval base at Subic Bay, north of Manila, to Guangzhou in southern China.

"Last night was the last night of full operations," said Subic Bay administrator Armand Arreza.

"The market in China is bigger than the entire market of Southeast Asia. China also gave FedEx rights to handle its domestic cargo, which is huge," Arreza said.

The FedEx hub, which began operations in 1996, earned the Subic Bay authority about 150 million pesos (3.2 million dollars) from landing fees and warehousing in 2008.

Company employees, speaking on condition of anonymity, said about 500 workers would lose their jobs. At the peak of its operations in 2004, the FedEx unit in Subic employed about 800 people.

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Collected by Chairul Anwar, Bandung, Indonesia.
E-mail address : chairulanwar49@operamail.com, uyungchairul@plasa.com.