

# POSTAL NEWS

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Financial Times, Feb 15, 2009.

## **1. Postal Department inefficient, lacks competence- Minister**

By Quintus Perera

There were more negatives and positives reflected on the workings of the Postal Department when Minister of Posts and Telecommunication Mahinda Wijesekera rose to speak at a recent function.

Minister Wijesekera, at last week's launch of the Western Union Money Transfer Service by Western Union Company in association with the Ministry of Posts and Telecommunications, across its Post Offices, said he wasn't happy with the operations of the Postal Department and said its income earning units – the Telecommunications section and the Savings Account section - have been removed from the department.

He said that though his Ministry is called the Ministry of Posts and Telecommunications, he was left with only the loss making, inefficient postal section only. Mr Wijesekera said that though they have 4,825 post offices with a workforce of around 23,000 workers and active trade unions they were depending on the Treasury funds. Each year the Treasury supports the department with a massive Rs 3,000 million and it has been so funding for the last 10 years.

He said that they are working on getting back the Savings Accounts section and there are positive signs in this context. Though the department has launched this money transfer scheme with a private sector organization, Mr Wijesekera assured that it is not the first step to privatize the department, although all in all he showed an inclination of running the postal department like a private sector institution.

He said that the Postal Department was inefficient and there were many a complaints of pilfering and delays and noted that people are using private sector agencies to get the services of telephone calls and other services, rather than using post offices for this purpose. He said that private sector institutions are equipped with modern technology, whereas the Postal Department is lagging behind.

Ratheesh Kumar, Country Director, Southern & Eastern India, Bangladesh, Sri Lanka and Maldives, Western Union Financial Services, said that money transfers could be effected within 10 minutes through their money transfer system and is a formal transfer system.

He said that they are present in Sri Lanka since 1994 and have been operating through various financial agencies since then. They would start with 367 main post offices initially and it would then add up to 3400 locations covering all the potential districts to pay by the Western Union Money Transfer system.

Mr Kumar said that they are competitive and the rates are computed considering the affordability of the common man who earns in other countries and send their money to the loved ones in Sri Lanka. With the expansive global network they are uniquely positioned to deliver fast and reliable to its customers across more than 200 countries and territories worldwide.

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## **2. City's 'postal apartheid' affecting our education**

By Cormac Murphy

Saturday February 14 2009

A SYSTEM of "postal apartheid" is preventing youngsters from disadvantaged backgrounds entering third-level education, a leading academic has said.

Dr Paul Mooney, president of the National College of Ireland, said the worst-affected areas in Dublin have participation rates "on a par with the slums of Paraguay".

And the 52-year-old Dubliner said the abolition of third-level fees has contributed to the problem.

"I think we have to look at the reintroduction of third-level fees," he told listeners to RTE Radio 1's Conversations with Eamon Dunphy show.

"But there's a big proviso -- that we have to make sure that the kids in the Docklands, Ballymun, Darndale, Jobstown, Clondalkin, etc... we must get those participation rates up.

### **INCREASE**

"We can't be complacent about it. At the moment it's postal apartheid. We can't just increase it by 10 or 15pc. We need to increase it by 600pc to get it up to the national average. The kids in the Docklands, and those other areas, are as smart as the kids anywhere else in Ireland. So the mission and passion in the NCI is to work on this issue."

Dr Mooney said the national average of going to college is 55 to 60pc.

"In Dublin Docklands, its 10pc. In the worst areas of Dublin, it's 2.5pc. We have parts of Dublin in which the participation rates in third-level education are on a par with the slums of Paraguay," he said.

He added the removal of third-level fees has, as an unintended consequence, "made it harder for working-class kids to get into college".

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February 12, 2009, 7:41 am

### **3. Postal Service 2.0**

Business | It's déjà vu all over again for the red ink-bleeding Postal Service, but two startups offer a way out: move to digital letter delivery at long last. The argument, of course, is that it's cheaper to deliver a document digitally over a secure network than by hand, especially when the recipient lives in a remote area, and a lot of mail begins life as an electronic file anyway. Switzerland just adopted this approach. [Business Week]

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February 11, 2009, 10:28PM EST text size: TT

### **4. Is It Time for a Postal Service 2.0?**

Some say the U.S. Postal Service, awash in red ink, needs a tech revamp. Electronic delivery companies like Earth Class Mail and Zumbox are ready to help

By Arik Hesseldahl

Calls for an overhaul of the U.S. Postal Service are getting louder. They'll only increase in volume in the runup to a 2¢ increase in the price of a first-class stamp, scheduled for May 11.

The extra postage is needed to cover the rising costs of a sprawling operation that employs 685,000 people, operates 37,000 retail locations, and in fiscal 2008 delivered 202 billion pieces of mail in every state, city, town, and village in the U.S. and its territories. The U.S. Postal Service (USPS), which relies on postage-stamp sales and not Uncle Sam for revenue, is operating at a large loss. Last year's \$2.6 billion shortfall, on \$75 billion in revenue, is expected to widen to \$8 billion this year.

In an effort to rein in costs, Postmaster General John E. Potter last month floated before a Senate subcommittee the idea of cutting back on mail delivery to five days a week from six.

But what USPS may need most is a technological revamp. So say two startups that specialize in digital document delivery. Earth Class Mail provides mail-scanning services for consumers and small businesses. The company's CEO, Ron Wiener, says it's cheaper to deliver a document over a computer network than by hand, especially when the recipient lives in a remote area, and so much of what is delivered via mail begins its life as an electronic file.

#### Delivering Mail, Digitally

Wiener's plan is to get national postal services in the business of delivering documents digitally and securely using an approach he calls "trusted postal e-mail." The idea is to replace the printer with a secure e-mail server operated by the postal service that can then deliver a digital equivalent of your paper phone bill or investment statement to a personal, secure online mailbox. "Everything that gets printed and sent to you starts out electronically, even the junk mail," Wiener says. "It could be e-mailed, but e-mail is not considered legally delivered, and it's not secure." The approach has been embraced by Swiss Post, Switzerland's national carrier which operates in 16 countries.

When paper mail is delivered to an Earth Class Mail box, customers get an e-mail saying they have mail waiting for them. After reading it, they can elect to have the document stored on the postal carrier's servers, or have the original forwarded to their home mailbox where they can save it themselves, or they can ask that it be shredded. Each document is assigned a unique numeric address and so can be tracked throughout the handling process, and employees are given a thorough background check and work under constant video surveillance to ensure security of documents.

On Feb. 10, Swiss Post announced plans to license ECM's technology and to launch a service called Swiss Post Box in six countries—Switzerland, Germany, France, Austria, Italy, and Liechtenstein—beginning in the second quarter, with more countries to follow. ECM hopes to persuade postal services of other countries to embrace the approach, eventually creating an international network.

ECM's system makes sense for Swiss Post in part because one-third of the country's mail customers live in rural areas—some of them mountainous—where delivery is more expensive. It could appeal to USPS for the same reason: Rural delivery stops accounted for 27% of its network last year. "There's a lot of mail going to places in Alaska and Guam where it costs more than 42¢ to deliver," Wiener says. "We're saying why not use an Internet connection to get the job done at much lower cost?"

#### The Volume Problem

USPS has toyed with electronic delivery systems in the past. In the late 1990s it launched a series of electronic services, including an "electronic stamp" meant to prove when an e-mail was sent and that it arrived unaltered. The agency later proposed to Congress a way to tie street addresses to electronic mailboxes, a system not unlike what Earth Class Mail is proposing.

Ultimately, the efforts were abandoned amid lack of demand, says USPS spokeswoman Sue Brenann. "There wasn't enough interest in some of these products at the time, and they weren't making back enough money to cover their costs," Brennan says. "After the e-commerce bubble burst, the decision was eventually made to go back and focus on core products."

These days, demand for some of those core products is on the wane, and once again USPS isn't making enough money to cover costs. Volume is down in first-class mail, which includes bills and letters, and "standard mail," a category that includes catalogs and sales pitches. Volume peaked at 213 billion items delivered in 2006 and decreased 5% by the end of fiscal 2008. In 1990 the average number of pieces of mail delivered per capita was more than 750. By 2007 it was 650, according to a USPS study released last year. "The Postal Service is coming up against what is a difficult business model to maintain," says Ruth Goldway, a commissioner on the Postal Regulatory Commission, the Postal Service's official watchdog. "First-class mail is supposed to pay the lion's share of overhead costs and allows you to fill the delivery network with other mail. You simply can't do that when you're losing volume."

Increased dependence on e-mail and other digital messaging systems accounts for part of the drop in demand for postal services. The recession isn't helping, either. Mortgages and the paperwork they generate used to account for a large slice of mail volume. And now more banks, phone companies, and other heavy users of the postal system are stepping up their reliance on electronic delivery methods to control costs.

Another startup looking to digitize paper mail is Zumbox, which launched a service this week that gives registered customers a free electronic mailbox that's linked to their street address. Zumbox President Glen Ward says the company plans to bill advertisers for the right to enhance documents with additional features. For instance, a power company might embed a video public service message, or a charity might add a "donate now" button to a solicitation. "Rather than paying 50¢ or a dollar on printing and postal costs to send out bulk mail, advertisers could pay us 5¢ per street address to send digital equivalents to our customers," Ward says. "It's probably something the Postal Service could have done on its own, but hasn't."

If the drumbeat for reform gets loud enough, maybe the U.S. Postal Service will consider these or other attempts to modernize more seriously.

Hesseldahl is a reporter for BusinessWeek.com.

Thursday, February 12, 2009

## **5. Going Postal, Obama Galvanizes Republicans and Raises the Blinds** by Ross Mackenzie

Should Republicans meet President Obama half-way and compromise on his stimulus plan? Yes

No

The past week has confirmed -- among many things -- this: that as John McCain warned repeatedly, Barack Obama consists of leftist essence pure.

We are not talking Republican/Democratic partisan politics here so much as conservative/liberal ideology, though ideology greatly informs partisanship. Both parties used to be big-tent operations, with liberals and conservatives in both. Now liberal Republicans and conservative Democrats are endangered species -- just about extinct.

Democrats shun the terms "leftist" and "liberal," coveting "moderate" and "centrist" as ever so much more seductive and marketable. (Obama has been heard from time to time to reference himself as a "progressive.") Liberals usually deploy "conservative" in a pejorative sense -- connoting a set of rigid values or Neanderthal beliefs with which they deeply disagree.

And so:

The past week saw various Obama selectees for high administration posts stumble or fall primarily because they hadn't paid their taxes. The week also offered the possibility of the administration's "stimulus" package failing to win congressional approval. The president declared he "screwed up" regarding the nominees. Members of his vetting team said they were well aware of the tax problems yet deemed the flawed selectees dwellers of thin-aired Olympian realms far above the law.

The stimulus? No more Mr. Nice-Guy for Barack Obama. He shelved the "bipartisanship" theme on which he campaigned, and set to ripping not the Democrats who hold lopsided margins in both houses -- but the Republicans. Never mind that the Democrats could pass practically any stimulus package their hearts desired without a single Republican vote (as the House Democrats did), the threats to passage were almost entirely the Republicans' fault.

Republican complaints about the stimulus package were (and are) essentially that it provides too few tax cuts and too much social spending -- and what little genuine stimulus it contains will take years to generate any beneficial effect. It is difficult to see how anyone could construe this as somehow ideologically obstreperous.

Yet in a series of remarks, Obama said look, he reached out to the Republicans in both houses, engaged them, had conversations with them, listened to them. Still, they had "come to the table with the same tired arguments and worn ideas that helped to create this crisis."

He said, "Those ideas have been tested, and they have failed. They've taken us from surpluses to an annual deficit of over a trillion dollars, and they've brought our economy to a halt. And that's precisely what the election we just had was all about." He said the Republicans found the bill to be "full of pet projects. When was the last time that we saw a bill of this magnitude move out with no earmarks in it? Not one." He said he then got from Republicans "the argument, 'Well, this is not a stimulus bill, this is a spending bill.' What do you think a stimulus is? (Spending) is the whole point." Don't suggest to me that, contrary to the views of "even conservative economists," it's "wasteful spending to stimulate."

Blasting the "ideological rigidity and gridlock" of Republicans who prefer to "do nothing, he said: "Doesn't it make sense if we're going to spend this money to solve some of the big problems that have been around for decades?" And: "Y'know, look, (this plan) is not perfect," but it's "more than a prescription for short-term spending -- it's a strategy for America's long-term growth and opportunity in areas such as renewable energy, health care, and education."

In Obama's remarks you'll search in vain for any use of "leftist" or "liberal," and almost in vain for any mention of Democratic objections such as those of Clinton-era economist Alice Rivlin (the current plan needs more focus on short-term job creation) or Sen. Kent Conrad (many of the stimulus package's provisions fail to meet Obama's own stipulations for inclusion -- that they be temporary, timely and targeted).

Nor will you see the merest suggestion that Democratic luminaries Chris Dodd and Barney Frank directed Fannie Mae and Freddie Mac to lend vast sums to people who couldn't pay for houses they didn't need -- Fannie and Freddie thereby becoming principal causes of the mortgage liquidity crisis.

As Washington Post columnist David Broder has noted: "Nothing was more central to (Obama's) victory last fall than his claim that he could break the partisan gridlock in Washington. He wants to be like Ronald Reagan, steering his first economic measures through a Democratic House in 1981, not Bill Clinton, passing his first budget in 1993 without a single Republican vote."

As Obama now has demonstrated, this no longer is a bipartisan hour. Democrats and liberals won the election. Republicans and conservatives are the problem. There's a conservative ganglion that must be excised so progressive things can happen. The leftist Obama thus has shown himself to be neither the uniter nor the post-partisan healer of his campaign rhetoric, but an ideologized divider.

Yet by going postal, he may have galvanized conservative Republicans and recalled for them the adamant, and effective, liberal Democratic resistance to practically every Bush II initiative. In taking off the rhetorical gloves and delivering some roundhouse blows below the belt, the leftist Obama may have done conservatives a favor -- and, for a nation slow to awaken, raised the blinds.

## **6. New Lenox selected as first in the country to debut paperless postal system**

by Laura Michaels  
February 11, 2009

The Village of New Lenox has been chosen as the debut community for the country's first all-digital online alternative to the paper postal system.

Zumbox, headquartered in Westlake Village, Calif., announced the launch of its limited public beta test on Tuesday, Feb. 10, and a day earlier, representatives presented the product at the New Lenox Village Board meeting. The Village plans to use Zumbox, which has assigned an online mailbox — or Zumbox — to every physical street address in the United States, to communicate with residents, save tax dollars through reduced postage costs, and lessen its environmental impact by reducing paper usage.

Zumbox has created a paperless postal system that enables paper mail senders to send the same content to traditional physical street addresses but online instead — without using any paper or scanning.

Mayor Tim Baldermann said he, along with the board of trustees and Village staff, are excited about the opportunity to communicate directly with New Lenox residents and businesses. Baldermann encouraged everyone in the community to visit [www.zumbox.com](http://www.zumbox.com) to register their street address and read a letter from him already waiting in the Zumboxes.

"At no cost to the Village and no cost to residents, how can you go wrong," Baldermann said of the system that mirrors the U.S. Postal Service. "It's good for the environment and good for our budget. I think it's great that we would be the first community in the country to move forward with this."

Baldermann said in addition to continuing with paper mail, the Village plans to send out community newsletters, utility bills and vehicle sticker information via Zumbox, but the key is getting residents to sign on to view their mail. He said as residents sign on, they can choose the "Do Not Papermail" option, and eventually help reduce the Village's printing and postage costs.

Every physical street address in New Lenox already has a Zumbox assigned to it. All residents have to do is go online to register their address. They'll then receive a PIN code in the mail that enables them to send and receive mail through Zumbox, which maintains bank-level security.

"It's a very easy process," Baldermann said. "It has nothing to do with e-mail. You don't need e-mail, you don't have to give the Village your e-mail or anything."

Village officials plan to tape an informational segment on Zumbox that will air on New Lenox Cable Channel 6 in the coming weeks.

For the full story on New Lenox's selection as the debut community for Zumbox, check out the Feb. 19 edition of The New Lenox Patriot.

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