

POSTAL NEWS

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- 1. Aso's postal remarks spur LDP fray / PM's hint that privatization process may be reviewed sets cat among pigeons**

The Yomiuri Shimbun

Prime Minister Taro Aso's remarks Friday expressing skepticism about the four-way split of postal services under the postal privatization initiatives launched by former Prime Minister Junichiro Koizumi has caused major repercussions within the premier's Liberal Democratic Party.

LDP legislators keen to maintain the privatization process have reacted bitterly to Aso's statements, while those with reservations about the privatization appear to have been reenergized.

With the prime minister's remarks over the privatization issue threatening to spark a divisive dispute within the LDP, party executives have scrambled to calm the situation.

There are indications that the hubbub triggered by Aso's statements in favor of reviewing the Koizumi initiatives will have an impact on a planned review in March by a government panel on the progress of privatization of the postal system as stipulated by the 2005 postal privatization law.

On Friday night, Aso indicated to reporters at the Prime Minister's Office that he was ready to rethink the law-envisioned process of splitting the postal services.

"It's only natural [for his administration] to take into account two key things [in connection with the postal privatization]--the convenience for users [of postal services] and [the four postal companies'] business efficiency," he said.

The Postal Services Privatization Law that was enacted in October 2005 and took effect on April 1, 2006, stipulates that the progress of privatization must be reviewed every three years, meaning the first review must be conducted by the end of March.

The law created the current four-company setup, comprising Japan Post Service for mail delivery operations, Japan Post Network, engaged in over-the-counter services at post

offices, Japan Post Bank and Japan Post Insurance. All four are now owned 100 percent by Japan Post Holdings Co., currently capitalized entirely by the government with a little less than two-thirds of its shares scheduled to go public in and after October 2017.

Japan Post Bank and Japan Post Insurance, currently held entirely by Japan Post Holdings, must be completely privatized before the end of September 2017, under the law, while Japan Post Service and Japan Post Network are to remain capitalized 100 percent by Japan Post Holdings even after its privatization.

The law-stipulated check on the progress of postal privatization will be undertaken by the government's Postal Privatization Committee. The LDP, for that matter, is set to launch its own panel to screen the privatization progress with former Defense Agency Director General Gen Nakatani as chairman.

The party leadership has so far listened to LDP members who support the privatization, planning to map out a report centering on ways of strengthening the business activities of Japan Post Group by making it an article of faith that the four-company setup will be kept intact.

The remarks by the prime minister Friday, however, were in flat contradiction to this stance, bewildering LDP executives.

Acting Chairman Hiroyuki Sonoda of the LDP Policy Research Council and Nakatani met later Friday night at the party headquarters, reconfirming the policy of maintaining the current four-company setup.

Diet Affairs Committee Chairman Tadamori Oshima, a close aide of Aso, told reporters the same night, "The process of privatizing the postal services was sorted out at the time of the Koizumi administration and has been under way steadily." Apparently in a bid to offer candid advice to Aso, Oshima noted, "There should be no statement [by the prime minister on postal privatization] that could be misunderstood by the public or from within the party."

Earlier, the prime minister touched off conflicts within the LDP because of his insistence on incorporating a consumption tax rate hike into the government's forthcoming tax reform package.

The party executives seem anxious that the prime minister's remarks on the postal privatization issues might trigger yet another round of conflict among Liberal Democrats.

Some LDP elders said the prime minister "should do nothing" but concentrate on business stimulus measures to pull the nation out of the deepening business downturn.

LDP lawmakers casting their support behind the postal privatization process, for their part, reacted sharply to the prime minister's remarks.

Hearing of Aso's intention to review the privatization process Thursday, former Prime Minister Koizumi, in a phone call to a pro-postal privatization LDP legislator, was quoted as saying Aso had not opposed the idea of postal privatization when in office as internal affairs and communications minister in the Koizumi administration. "If he [Aso] had been against the postal privatization at that time, he'd never have been willing to hold that ministerial post," Koizumi was quoted as saying.

Tsutomu Takebe, who served as secretary general of the LDP under the Koizumi administration, currently in office as head of the party reform panel, said, "[Aso's remarks] must be considered extremely off the mark."

The issue of whether to review the four-way split of postal services will most likely fuel internal conflicts in the LDP on the heels of the bickering among party members over the consumption tax issue, analysts said.

(Feb. 8, 2009)

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2. USPS investigating Amazon

Bryan Yurcan

February 06, 2009

The US Postal Service is investigating e-commerce giant Amazon.com regarding its mailing compliance, although details are not forthcoming.

In its fourth quarter financial report issued last week, the e-commerce company made brief mention of the Postal Service "investigating our compliance with Postal Service rules, and we are cooperating."

A spokesman for the USPS Postal Inspection Service, Peter Rendina, said the agency is conducting an investigation into Amazon's mailing compliance but could not elaborate due to the ongoing investigation.

A message left with Amazon.com representatives was not returned in time for press deadlines.

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