

# POSTAL NEWS

No. 25/2009

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

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## **1. Postal Corporation to embrace new technology**

Feb 18, 2009

By Macharia Kamau

The Postal Corporation of Kenya (PCK) plans to revamp its mail system to incorporate new technologies, Postmaster General Fred Odhiambo has said.

The new hybrid mailing system, which Odhiambo said would be unveiled in the next two to three months, will see companies outsourcing their mailing function to PCK.

"Companies will send us the soft copies of letters they wish to send and we will print and distribute them on their behalf," he said.

Odhiambo said this would save costs for businesses as well as PCK.

Targeted Teams

"We can distribute the same letters electronically to our other branches such that a letter meant for a client in Mombasa is printed and distributed from there instead of being transported from Nairobi," he said.

Among the targeted companies are the listed companies, which incur heavy logistical costs when preparing and sending annual reports to shareholders.

Though the snail mail has seemingly been unable to keep up with the market that has increasingly adopted electronic and computer based communication modes, Odhiambo said it is unlikely to die as there are still market segments using their services and they are bound to grow with growth in the economy.

"Sending of social mails has gone down, but the sending of business mails has gone up," he said.

## **2. Postal Corporation upbeat over its cash transfer service**

By JOSEPH BONYO Posted Wednesday, February 18 2009 at 14:40

Postal Corporation of Kenya is still confident that its money transfer service, Posta pay will survive the onslaught by competition.

According to Postmaster General, Fredrick Odhiambo, the services is still ridding on its ability to transfer huge sums of money.

“While the other services can only transfer a limited amounts of money, our services can transfer up to Sh200,000 for every transactions,” said Mr Odhiambo.

The competition in the money transfer business this week got tougher following the entry of another player.

Zain Kenya, launched their mobile money transfer named Zap, joining Posta Pay of Posta Kenya and M-Pesa of Safaricom.

However the two mobile-based transfers have a limit on transactions that can be carried out in a single day.

This is per the regulations issued by the banking sector regulator Central Bank of Kenya

The large number of non-banked Kenyans who find the services convenient and hustle free has accentuated the demand.

However, because of the competitions, value addition has also become a hallmark in service provision.

This has seen the services form a core on household utility payment.

“We are now enhancing communications between our branch networks across the country to ensure that we improve the services as we bring in more partners into play,” added Mr Odhiambo.

Mr Odhiambo was speaking to journalists at his office on Wednesday when he signed a deal with Kenya Data Networks to vendor the latter’s Internet scratch cards.

Through the deal, Posta will be selling the KDN top up cards in all its branches for a commission.

“We aim to increase the availability of our current distribution system that is dealership based, through this partnership with Posta Kenya,” said Kai Wulff, KDN chief executive.

Alongside the top up sales, KDN will also be establishing Wi-Fi hotspots-access point in all the 800 branches of the state corporation.

“This is aimed at letting the customers top up and access the Internet within the branches if need be,” explained KDN marketing manager Vincent Wangombe.

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February 17, 2009

### **3. Postal service hits back at criticism of postmaster's pay**

(CNN) -- Postmaster General John E. Potter has come under criticism for his total 2008 compensation of nearly \$800,000, but the agency's board of governors says the pay is less than what leaders of several other independent government agencies receive.

Postmaster General John Potter isn't paid as much as leaders of some other independent government agencies.

And the amount is far below that given to CEOs in the private sector, even though compensation and benefit packages for postal service officers are required by law to be comparable to those given to private-sector employees doing similar work, the board of governors says.

"That's a difficult standard to achieve given the compensation restraints within the federal sector," said Carolyn Lewis Gallagher, the chairman of the agency's board of governors.

She added that the postal service, with \$75 billion in revenues and nearly 700,000 employees, compares with Fortune 100 companies.

Potter received a salary of \$263,575 in 2008. His total compensation of nearly \$800,000 included deferred earnings toward his retirement plan.

Compensation and benefit packages for officers of the postal service are governed by Congress and not funded by taxpayers.

Gallagher said effective compensation was necessary for effective managers.

"Even in these difficult times, the postmaster general continues to exhibit visionary leadership, effecting billions of dollars in cost reductions," she said.

Critics have tried to paint Potter's compensation as excessive, given that he had recently appeared before Congress warning that, with a \$2.8 billion loss in 2008, the

postal service may need to reduce its congressionally mandated six-days-a-week delivery schedule. iReport.com: Mail five days a week?

"Apparently compensating executives well is still a possibility at the post office," Pete Sepp of the National Taxpayers Union told CNN on Tuesday. "And despite all the delivery problems they may have, despite the deficits they may have, executive compensation is still nice, fat and round."

Don't Miss

Cost of stamps to go up 2 cents

Other independent government agencies pay their executives much more, however.

Richard Syron, former Freddie Mac CEO, had a compensation package of \$3.4 million and reportedly took home much more in cash, stocks and other compensation before he was fired in September, according to Forbes magazine. Daniel Mudd, former CEO of Fannie Mae, had a total compensation package of \$8.79 million before he, too, was fired that month, according to Forbes.

Frederick Smith, the long-time CEO of delivery giant FedEx, had a total compensation package of \$32.21 million, Forbes said.

Fannie Mae and FedEx are among Forbes' top 100 firms.

A new postal law in 2006, Gallagher said, gave the postal service more flexibility to devise a compensation plan that didn't focus on salary. As a result, she said, the agency adjusted salaries and benefits packages, including performance-based initiatives, that became effective in 2008.

Potter saw his civil service pension fund rise by \$381,496 in 2008, and he received a \$135,041 incentive pay that will be deferred to his retirement, according to a filing released December 10.

Civil service pension rules are applied to all federal employees to calculate compensation, postal service spokesman Gerald McKiernan said. The calculation is based on salary and years of service, he said.

Sepp compared Potter's earnings to "Detroit auto executives flying to Washington in a fancy jet to ask for tax dollars" and said he "would not be surprised" if the postal service asked for a Wall Street-like bailout.

Automakers General Motors and Chrysler on Tuesday asked Congress for another \$21.6 billion to keep them out of bankruptcy. They plan to cut 50,000 jobs between them by the end of the year.

The price of a postage is increasing in May, going up from 42 cents to 44 cents. E-mail to a friend

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Updated Feb.17,2009 12:31 KST

#### **4. IPTV Postal Service Available from Next Year**

Koreans will soon be able to post and receive letters through the IPTV or Internet Protocol Television from as early as next year.

Officials at the Knowledge Economy Ministry say they will establish a postal service using IPTV technology within this year to be commercialized in 2010.

The new system will also enable users to get access to various shopping and financial services. A test run is expected around September.

Arirang News

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#### **5. Catholic editors wary of Postal Service changesPAGE TOOLS**

By Nancy Frazier O'Brien, Catholic News Service  
Published: February 16, 2009

WASHINGTON -- Catholic press officials are warning editors that the recently announced 4 percent increase in postal rates could be just the tip of the iceberg as the U.S. Postal Service deals with a \$6 billion budget shortfall for 2009.

“Keep your eyes wide open on this one: It’s only 4 percent, so you may say it’s ‘just the cost of doing business,’” said a Feb. 10 e-mail to Catholic Press Association members from the CPA Postal Committee.

“But it will hardly dent that \$6 billion deficit. The Postal Service intends to look harder and dig deeper,” the committee added. “It proposes cutting Saturday delivery, clearly a problem for those of us who mail on Thursday or Friday. Also perhaps at risk: the 5 percent nonprofit discount, and perhaps even the entire periodicals classification itself.”

The Postal Service announced new prices for mailing services Feb. 10; they are to take effect May 11.

The cost of a first-class stamp will go from 42 cents to 44 cents, with similar increases scheduled for standard mail, periodicals, package services and special services.

Timothy M. Walter, CPA executive director, said editors of Catholic newspapers and magazines “are going to be in budget planning, and we want them to be prepared for these increases.”

He said staff members of Catholic publications should stay in close touch with their local post office representatives.

“Most papers succeed when they have very good relationships with the local postal reps,” Walter added. “And it’s very, very important for them to manage their lists properly.”

Bob Zyskowski, CPA president and associate publisher/general manager of The Catholic Spirit, newspaper of the Archdiocese of St. Paul and Minneapolis, said the frequent increases by the Postal Service are “forcing members of the Catholic press to look elsewhere for delivery methods.”

“I think they (at the Postal Service) are shooting themselves in the foot,” he told Catholic News Service Feb. 12. “A number of publications are looking at the possibility of not using the Postal Service, of finding other ways to get the publication into people’s hands.”

Zyskowski said the Catholic press might need to explore the financing model of National Public Radio, with “more sponsorship.”

“But the idea that we (as a church) can stop communicating is not an option,” he said. “We have to find responsible ways to do it.”

Both Walter and Zyskowski said delivery and postal concerns will be among the workshop topics at the Catholic Media Convention scheduled for May 27-29 in Anaheim, Calif.

“With the financial problems that the post office is in, no one knows what the impact will be down the road,” Walter said. “That’s why it’s so important for (editors) to make sure they are doing everything they can to keep their costs down.”

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## **6. Stepping on Snail Mail**

updated 2:18 p.m. ET Feb. 18, 2009

The postal delivery mantra "neither rain, nor sleet, nor snow" may soon be changed to "neither spam, nor virus, nor email limits."

A new mail service, called Zumbox, is being tested in suburban New Lenox. It's a paperless postal system that lets consumers get mail online that was sent to their physical home address.

Village businesses and residents are among the first in the country to view mail online that comes from the village. Zumbox lets them access mail 24 hours a day, seven days a week from anywhere on the Internet.

Here's how it works. The California-based company created digital mailboxes for every address in the country that it could find. Consumers can activate their Zumbox and get their mail for free. Zumbox charges companies 2 cents postage per message sent -- which they hope will limit spam that plagues normal e-mail.

"The paper-mail delivery system has not fundamentally changed for two centuries and is a complete disconnect from the digital world," Maury Friedman, Zumbox's founder, told the SouthtownStar. "Zumbox provides the technology that gives both senders and recipients of paper mail the power to migrate to the digital world."

New Lenox expects to cut its postage and paper costs by using Zumbox.

The company touts its environmental friendliness because its goal is to reduce the trash that goes along with paper mail. Through Zumbox, users can tell companies to stop sending them paper mail altogether.

Zumbox maintains it protects users' privacy with the same stringent methods used in the medical and banking industries. But questions about whether people will trust a startup company with their personal mail remain.

No word on whether or not virtual mail carriers are in the works.

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## **7. Hon Hai, postal and telecom firms dubbed as charitable companies**

Central News Agency  
2009-02-16 09:15 PM

Taipei, Feb. 16 (CNA) Hon Hai Precision, Chunghwa Telecom and Chunghwa Post have been voted by local office workers as Taiwan's most charitable enterprises in the manufacturing, service and financial sectors, respectively.

Trailing Hon Hai Precision in the manufacturing sector were Uni-President Group, CPC Corp. (Taiwan), Formosa Petrochemical Corp., and China Steel Corp., according to the results of the poll released by the 1111 job bank Monday.

Amid a global economic slowdown, hundreds of Taiwan-based enterprises signed a pledge late last year to endorse a call by the government not to cut jobs in this difficult time.

The companies were selected for their performance in keeping employees' jobs, fulfilling their social responsibility and promoting social activity, as well as for their management styles.

In the service sector, Chunghwa Telecom was voted as the most charitable company, ahead of Chang Gung Memorial Hospital, President Chain Store Corp., Carrefour, and Acer Corp. in that order.

Chunghwa Post, Bureau of Labor Insurance, Bank of Taiwan, Cathay Life Insurance Company and Nan Shan Life Insurance Company were the top five charitable companies in the financial sector, according to the survey.

Close to 60 percent of the office workers responding to the poll contended that the companies for which they worked were not among these compassionate businesses and 86 percent of them were considering changing their jobs, the poll found.

(By Flor Wang)

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