

POSTAL NEWS

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1. Paying the Postal Service

POSTED: February 24, 2009

For months, members of Congress and the administrations of both President Barack Obama and former President George W. Bush expressed outrage at the gigantic pay and "perks" packages provided to executives of some private companies. There was even talk of ordering recipients of federal bailout money to limit executives' compensation to \$500,000 a year.

Why not start in government?

A \$500,000 limit would require Postmaster General John E. Potter to take a \$300,000 cut in pay.

That's right: It was revealed that Potter - who not long ago was again suggesting that the Postal Service cannot make ends meet without eliminating mail delivery one day a week - receives \$800,000 a year in pay and benefits. He also raked in a \$135,000 bonus last year - at a time when the Postal Service was positively swimming in red ink. The money was a "pay-for-performance" bonus.

Potter isn't alone in making the big bucks, according to a published report. At least four other Postal Service officials received more than \$250,000 each last year. Deputy Postmaster Patrick Donahoe received \$600,000 in total compensation for the year.

Some members of Congress already are vowing to "investigate." We hope that isn't bureaucratese for "file and forget." If federal officials are going to clamp down on executive salaries, they need to start at home in Washington, D.C.

And for the Postal Service, we hope this is the last we've heard of the effort to cut delivery to five days a week, at least until it's done some serious budget cuts in other areas and that includes paying huge salaries to its top officials.

2. Postal remittance services between Taiwan and China to begin Feb. 26

Taiwan News, Website Editorial Staff , Central News Agency
2009-02-24 08:18 AM

The postal remittance service between Taiwan and China will begin Thursday, the Department of Posts and Telecommunications under the Ministry of Transportation and Communications confirmed Monday.

Officials at the department said they had received a notice from postal authorities in China that the cross-Taiwan Strait postal remittance service will definitely become operational beginning Feb. 26.

The two-way remittance service was originally scheduled to begin Feb. 18, but Taiwan's state-run Chunghwa Post Co. was informed that the date had to be postponed because the Chinese side needed more time to sort out problems.

The launching of the service is based on one of four agreements signed Nov. 4 last year in Taipei between Taiwan's semi-official Straits Exchange Foundation and its Chinese counterpart – the Association for Relations Across the Taiwan Straits -- that allows Taiwan and China to begin direct mail and postal remittance services, direct shipping, and daily charter flights.

Direct cross-strait mail service began last Dec. 15.

Taiwan's post offices have provided services for outward remittances bound for China through Citibank New York since 1991, but have not accepted inward remittances from China.

From Feb. 26, the postal remittance service between the two sides will work in both directions, with Citibank New York continuing to provide currency settlement services.

According to Chunghwa Post, the Postal Savings Bank of China will join the Bank of China and the Industrial and Commercial Bank of China as a newcomer among the Chinese banks at which remittances can be made.

All remittances will be made in U.S. dollars, with each transfer limited to US\$30,000. The service charge in Taiwan will be NT\$500 for each wire transfer and NT\$400 for each mail transfer.

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3. UK tries to quell uproar over Royal Mail partial sale

Tue Feb 24, 2009 7:27am EST

By Adrian Croft

LONDON, Feb 24 (Reuters) - The British government, trying to defuse anger over its plans to part-privatise Royal Mail, said on Tuesday the postal services company could run out of money unless it tackled its huge pension fund deficit.

Prime Minister Gordon Brown faces a growing rebellion from within his own Labour Party over the plan, with one Labour legislator saying it would be "political suicide" for the ruling party to push ahead with it.

The Communications Workers' Union (CWU), which represents postal workers and opposes the plan to sell part of Royal Mail, said it had learned that the government planned to introduce legislation on Thursday paving the way for the sale.

The government would not confirm the date.

Postal workers held a rally near parliament on Tuesday to protest the plan, which they see as a threat to jobs.

Postal services minister Pat McFadden said people failed to appreciate the seriousness of the problems at Royal Mail, which employs more than 200,000 people.

"People think because they get their mail every day that everything is fine with the Royal Mail. It isn't fine. It's facing a huge pension fund problem and if we don't act the company could run out of money," he told the BBC.

In December, the government accepted the findings of a review which recommended it take responsibility for reducing Royal Mail's 5.9 billion pound (\$8.60 billion) pension fund deficit and that Royal Mail should form a strategic partnership with another postal operator to help it modernise.

At that time, business minister Peter Mandelson welcomed an approach by Dutch logistics company TNT (TNT.AS) to take a minority stake in the company.

PENSION CRISIS

Opponents of the plan want to safeguard Royal Mail's commitment to deliver mail at the same price to everyone, even in remote rural areas.

To back up its arguments for the plan, the government released a letter on Tuesday from Jane Newell, chairman of the trustees of Royal Mail pension fund, which said pensioners would not receive even half their expected benefits if the scheme was wound up.

"There is a significant pension fund deficit, which is a long-term drain on the company's cash. Royal Mail is already balance sheet insolvent," Newell wrote.

Opponents said the government was proposing to shoulder Royal Mail's pension fund liabilities and it did not mean that part of the company had to be sold.

Opposition to the plan within the ruling Labour Party is mounting and 145 legislators -- more than a fifth of all members of the Commons, the lower house of parliament -- have signed a motion rejecting the move.

Labour has a working majority of just 63 in the lower house of parliament so is likely to need support from the opposition Conservatives to get the legislation through.

Labour lawmaker Michael Connarty said it would be "political suicide" for the government to press ahead with the plan.

If Labour want to win the next general election, due by June 2010, it should drop the policy "because it will divide the Labour movement down the middle, it will make us a pariah in political terms," Connarty told BBC News 24.

(\$1=.6866 Pound) (Additional reporting by Frank Prenesti, Avril Ormsby; Editing by Sharon Lindores)

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4. Postal officials pushing 'centralized' mail delivery at new subdivisions

By Don Michak

Journal Inquirer

Published: Saturday, February 21, 2009 2:10 AM EST

The postman won't be ringing twice.

A move by the U.S. Postal Service to save money by stopping routine individual delivery to homes in new subdivisions resulted because letter carriers are bringing "less and less mail to more and more mailboxes," a spokeswoman said Friday.

The official, Maureen P. Marion, said that under a policy first adopted in the mid-1990s, the independent government agency is telling developers of housing complexes in Connecticut and elsewhere across the country that they should install "cluster mailboxes" or otherwise allow for "centralized delivery."

She said the intent is to cut costs in “areas of growth because of development, but not necessarily with growth of mail volume.”

“We were seeing enormous pressure because of the number of deliveries we were expected to make,” she said. “Now it’s clustering the delivery, so it still provides services to people in a residential location. And there’s less driving, especially with children playing and with dogs and pets.”

Marion said that such centralized arrangements the postal service figures it saves \$52 per individual curbside delivery per year, a number she said was based on an assessment of average mileage, fuel cost, hourly wages, and other factors.

The centralized delivery policy had received little attention in the state until this week, when the Waterbury Republican-American reported that it was affecting two subdivisions being built in the Brass City.

The newspaper quoted the developer of one of those subdivisions — a 54-unit luxury home complex called Blue Ridge Estates — who said he had been battling the Postal Service over the policy for the last six months.

Marion, however, said she did not know any other subdivision in the state where the policy has led to similar discord.

She also said that in some cases the Postal Service might make an exception, as for a subdivision to be populated by an unusually large number of elderly or handicapped people.

But the spokeswoman added that “even in those cases” there still might be ways to provide for centralized mail delivery.

Marion conceded that there has been opposition to the policy in places other than Waterbury, but said she was not aware of any complaints from lawmakers.

Congress, she added, understands “that groups like ourselves have to be mindful of our resources.”

The bottom line, she said, is that developers need to get in touch with local postmasters early in their planning process.

“We’re just like any other service provider, and there should be no assumptions in the development process,” she said.

The Postal Service in another bid to deal with reduced mail volume and rising costs reportedly is seeking approval to eliminate one day of mail delivery to all Americans.

Postmaster General John E. Potter, last month asked Congress to lift a requirement that the service, which despite annual postal rate increases was \$2.8 billion in the red last year, deliver mail six days a week.

That would not necessarily mean the end of Saturday delivery, since Postal Service studies have considered dropping delivery on a day such as Tuesday, when volume usually is light.

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