

# POSTAL NEWS

No. 48/2009

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

- 1. Belgian La Post CEO Warns Against Complacency. March 22, 2009.**
- 2. Smart Truck Deliveries In Berlin. March 22, 2009.**
- 3. FedEx, UPS brace for slowdown. March 19, 2009.**
- 4. U.S. Postal Service offering early retirement to 150,000 workers. March 21, 2009.**
- 5. Postal Service Continues Aggressive Steps to Cut Costs. March 20, 2009.**

## **1. Belgian La Post CEO Warns Against Complacency**

22 March 2009 by Franz Groter - © Hellmail.co.uk

Johnny Thijs, CEO of the Belgian Post office said that modernization of its structure and working methods was essential if it was to be prepared for future competition when full liberalization of market begins in 2011.

His comments followed protests by Belgian postal workers earlier this month, unhappy about post office closures and what they say has been a systematic downgrading of jobs and large profits made by stakeholders in the service.

Johnny Thijs said that he understood that the many changes can sometimes cause concerns but that modernization was vital for the survival of the Post office. He said the ongoing changes had not resulted in forced redundancies and apologised for any inconvenience caused by strike action.

He stressed that La Poste had already seen a loss of revenue of 5.3% in January and February 2009 and that the economic crisis would have a significant impact on its profitability in 2009.

The Belgian government has already ratified the legislative framework needed to open its postal market to full liberalisation in 2011 and these are to be made law in Belgium this year.

La Poste has been preparing for liberalisation since 2002 with the introduction of Georoute and a reduction in operating costs to increase its effectiveness. Five sorting offices have already been equipped with the modern technology and new products such as Taxipost and Distripost. It said the quality of its services had improved, with a rise in customer satisfaction.

After having recorded heavy losses in 2002 and 2003, La Poste managed to restore its financial balance and whilst it remains fragile, it said its moves towards profitability

had strengthened the service as well as its future prospects. Since 2003, the turnover increased by 17%, while the turnover (EBIT) passed from a loss of 79 € million, with a benefit of 222 € million.

In 2008, the La Poste Group reported a turnover of 2.262 € million, which represents an increase of 2,2% compared to 2007. The operating profit (EBIT) saw a rise of 22%.

The quality of the distribution of the mail also improved in 2008, shifting from 85% in 2003 to 95,3% in 2008. La Poste actually exceeded for the first time the qualitative aim of the contract of management (95 %), for the weighted average of Jour+1, Jour+2, registered mail and international packages.

La Poste said it was on track and managed to achieve good performance figures in 2008.

Thijs said that there was still much to do before it was completely ready and that although there had been a good performance for 2008, it was important that they were not complacent and that ongoing change was essential.

"A scrupulous control of costs will remain necessary in 2009, particularly since January and February has seen income drop by 5.3%. We must remain vigilant". he said.

000

## **2. Smart Truck Deliveries In Berlin**

22 March 2009 by David Lynch - © Hellmail.co.uk

Deutsche Post DHL has presented its SmartTruck pilot project in Berlin. Two delivery vehicles fitted with dynamic route planning software will be operating along routes in the downtown Mitte district this week.

Deutsche Post DHL will be testing the functionality and efficiency of a completely new technology and hopes to make a meaningful contribution towards climate protection.

"A concept such as this is completely new in the industry," said Dr. Keith Ulrich, Head of Technology & Innovation Management at Deutsche Post DHL.

"Dynamic route planning not only calculates the best route in advance, the system is also the first to account for real-time traffic information in inner city areas, for example traffic jams or construction sites, and adapts the route accordingly."

This is made possible by monitoring DHL vehicles and almost 500 Berlin taxis using GPS (Global Positioning System), enabling for the first time traffic flows in inner city areas to be measured and responded to accordingly.

The concept not only saves on costs and time, but also reduces the vehicle's fuel consumption and CO2 emissions.

"If the technology proves successful, we will be looking at a significant improvement in our customer service thanks to this innovation." says Ulrich.

The German Federal Ministry of Economics and Technology supports the project as part of its initiative "Intelligent logistics in goods transportation and commercial transactions - innovation push for the markets of tomorrow" (Intelligente Logistik im Güter- und Wirtschaftsverkehr - Innovationsoffensive für die Märkte von morgen).

Andreas Liessern from the Traffic Technologies department: "The objective of SmartTruck, a publicly funded research project, is proving how with intelligent technology our inner cities can be relieved of traffic and at the same time the efficiency of logistics companies can be increased. This is a building block in a chain of measures which form part of the Federal Ministry of Economics and Technology's key promotion 'Intelligent logistics.' "

Improved service and greater planning security  
SmartTruck in front of the Innovation Center

SmartTrucks improve the service for senders and recipients.

SmartTrucks are not only designed to help protect the environment. They also improve the service for senders and recipients. Transported mail items have Radio Frequency Identification (RFID) smart tags attached to them.

These enable vehicle loads to be recorded and monitored on an ongoing basis. With SmartTruck, DHL is able to achieve greater precision in pick-up and delivery, can respond better to ad hoc orders and give precise pick-up times. Customers will be notified by SMS of the planned pick-up time of their mail items.

SmartTruck technology was developed in the Group's own DHL Innovation Center. In addition to the German Federal Ministry of Economics and Technology, the Deutsche Zentrum für Luft- und Raumfahrt (German Aerospace Center), Deutsche Forschungszentrum für Künstliche Intelligenz (German Research Center for Artificial Intelligence), Motorola and Quintiq are involved in the project.

During the three-month pilot phase both SmartTrucks will make around 500 pick-up and delivery stops every day alongside other vehicles whose routes have been dynamically planned. Once the tests have been successfully completed the plan is to deploy SmartTrucks on some 160 Express routes in Berlin as well as in other inner city areas, rural areas and abroad.

Innovative technologies for climate protection

SmartTruck is an example of how Deutsche Post DHL is using innovative technologies to conserve its resources. In his "Strategy 2015" presentation last week CEO Frank Appel reaffirmed that the GoGreen program is a significant component of this strategy. With GoGreen the company was the first global logistics provider to set a climate protection target in April 2008. By 2020 the Group intends to improve the

carbon efficiency of its own business activities as well as those of its sub-contractors by 30 percent.

This means that Deutsche Post DHL will reduce emissions for every letter mailed, every ton shipped and every square meter of space used by almost one third compared with 2007 levels. In an initial phase the carbon efficiency of its own activities is to be improved by ten percent by 2012. The focus is on optimizing the air and vehicle fleet, increasing energy efficiency, developing innovative technologies, motivating employees to be more environmentally aware and integrating customers and sub-contractors.

Source: Deutsche Post DHL

000

### **3. FedEx, UPS brace for slowdown**

ASSOCIATED PRESS

Posted: 03/19/2009 01:23:17 PM PDT

Updated: 03/20/2009 09:14:42 AM PDT

NEW YORK — Despite gaining new customers from the shrinking U.S. presence of DHL and lower fuel prices, the world's two largest package delivery companies are battening down the hatches as they prepare for weak global economic conditions to get even worse.

FedEx Corp. said Thursday it will cut more jobs and trim wages again, after reporting its fiscal third-quarter profit tumbled 75 percent on sliding revenue.

"Our financial performance was sharply lower during the quarter due to the global recession," Chairman, President and Chief Executive Frederick W. Smith said. "While we are gaining market share in all of our transportation segments, the downturn in our industry and the severity and expected duration of the recession require that we take additional actions."

UPS Inc. Chairman and CEO Scott Davis had similar comments last month after his company reported lower fourth-quarter revenue. "The severe decline in economic activity around the world resulted in sharply lower package and freight volumes for UPS," he said.

Economists and analysts consider FedEx and larger rival UPS to be bellwethers of the global economy, since they deal with such basic indicators of company health as orders and product shipments. Both companies have been courting former customers of DHL, which pulled out of ground deliveries in the U.S. earlier this year.

Memphis, Tenn.-based FedEx earned \$97 million, or 31 cents per share, compared with \$393 million, or \$1.26 a year earlier in the December-to-February period.

Revenue fell 14 percent from a year ago, to \$8.14 billion, and 14.7 percent from the previous quarter.

Atlanta-based UPS, the world biggest package shipper, said in February that it made a profit in the fourth quarter, compared to a year-ago loss, when it was weighed down by a big one-time charge. But quarterly sales fell 5.2 percent. The company suspended

its 401(k) match, announced plans to cut an unspecified number of jobs and froze management salaries.

Three months ago, FedEx announced broad-based cost cuts including a 20 percent pay cut for CEO Smith, a 7.5 to 10 percent cut for other executives and a 5 percent cut for thousands of others. The company also froze retirement plan contributions for a year, among other cost-saving measures.

Now FedEx plans to cut more jobs — although it didn't say how many. It also plans to reduce some workers' hours and wages. The company will also trim air and truck capacity. FedEx hopes to save about \$1 billion with the cuts in fiscal 2010, which starts in June.

The biggest part of the cost cuts will come in FedEx Express, according to Dave Bronczek, the unit's chief executive. "(Express) is all around the world...Asia, Europe, here in the United States. So we have a lot of levers to pull," he added.

— we have a lot of initiatives under way, and we are moving forward on all of those initiatives, he said."

Standard & Poor's analyst Jim Corridore still thinks FedEx is in a good position to take advantage of an economic recovery, despite worse-than-expected demand and pricing in the third-quarter. He reiterated his "Buy" rating on FedEx, noting the stock has already been battered by negative economic news. Shares lost about 39 percent in the fiscal third quarter.

FedEx shares rose \$1.97, or 4.6 percent to \$45.02 in late afternoon trading.

000

#### **4. U.S. Postal Service offering early retirement to 150,000 workers**

The agency, which is facing larger losses despite planned rate increases, says it also has plans to reduce management staff by 15% and to close six administrative offices.

Associated Press

March 21, 2009

Washington -- Battered by the economic downturn, the U.S. Postal Service is offering early retirement to 150,000 workers, cutting management and closing offices, the agency said Friday.

The Postal Service lost \$2.8 billion last year and is facing even larger losses this year despite rate increases -- including a 2-cent hike to 44 cents for a first-class stamp -- scheduled to take effect May 11.

Aside from offering early retirement to 150,000 of the agency's 646,000 workers, the Postal Service said it would reduce management staff by 15%, which would eliminate more than 1,400 processing, supervisor and management posts at nearly 400 facilities.

The Postal Service made early retirement offers last year, but unions discouraged their members from accepting them and they were not widely used. The post office did not say if the new proposal would include financial incentives.

The American Postal Workers Union issued a statement Friday saying: "Retirement is a personal matter, and the union defers to the decisions of employees who meet the qualifications."

However, the union said it would continue to challenge the Postal Service's authority to offer voluntary early retirement without including severance pay.

The Postal Service also said it would close six of its 80 district offices in Lake Mary, Fla.; North Reading, Mass.; Manchester, N.H.; Edison, N.J.; Erie, Pa.; and Spokane, Wash. Postal service officials said the closings should not affect local mail delivery; district offices handle only administrative functions.

000

## **5. Postal Service Continues Aggressive Steps to Cut Costs**

Closing administrative offices, eliminating positions, offering early retirements  
March 20, 2009

WASHINGTON — With no signs of economic recovery in sight, the U.S. Postal Service is taking bold actions in response to its ongoing financial crisis. Today the Postal Service announced it would be closing six of its 80 district offices, eliminating positions across the country and offering another early retirement opportunity. These actions are expected to save the Postal Service more than \$100 million annually. The six offices closing — located in Lake Mary, FL; North Reading, MA; Manchester, NH; Edison, NJ; Erie, PA, and Spokane, WA — house only administrative functions and will not adversely affect customer service, mail delivery, Post Office operations or ZIP Codes. The functions of these six offices will be assumed by 10 district offices within close proximity.

Additionally, administrative staff positions at the district level nationwide are being reduced by 15 percent. More than 1,400 mail processing supervisor and management positions at nearly 400 facilities around the country also are being eliminated and nearly 150,000 employees nationwide are being given the opportunity to take an early retirement.

In the past year the Postal Service has taken very aggressive cost-cutting actions, including:

- Cutting 50 million workhours;
- Halting construction of new postal facilities;
- Negotiating an agreement with the National Association of Letter Carriers that adjusts letter carrier routes to reflect diminished volume;
- Freezing salaries of all Postal Service officers and executives;
- Instituting a nationwide hiring freeze;
- Reducing authorized staffing levels at postal headquarters and area offices by at least 15 percent;
- Selling unused and under-utilized postal facilities;
- Adjusting Post Office hours to better reflect customer use; and,
- Consolidating mail processing operations.

The Postal Service is streamlining operations and improving efficiencies across the board in order to protect its ability to provide affordable, universal mail service. By modifying networks, consolidating functions and restructuring administrative and

processing operations, the Postal Service is adapting to meet the evolving needs, demands and activities of its customers.

000

Collected by Chairul Anwar, Bandung, Indonesia.

E-mail address : [chairulanwar49@operamail.com](mailto:chairulanwar49@operamail.com), [uyungchairul@plasa.com](mailto:uyungchairul@plasa.com).