

POSTAL NEWS

No. 52/2009

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

- 1. U.S. Postal Service going broke says Postmaster General John Potter . March 25, 2009.**
- 2. Pressure on Brussels to probe Nordic postal merger. March 23, 2009.**
- 3. U.S. Postal Service Makes Cuts with Slumping Economy. March 21, 2009.**

1. U.S. Postal Service going broke says Postmaster General John Potter

by Catey Hill
daily news staff writer

Wednesday, March 25th 2009, 1:56 PM

Wenig/AP

The U.S. Postal Service is going broke.

Postmaster General John Potter told the House that the post office may run out of money by the end of the year if it does not get aid.

He said that the post office is "facing losses of historic proportion. Our situation is critical."

The office simply cannot pay all its bills.

The postmaster said he will pay all the salaries, but that other bills might just have to wait. He also asked that mail delivery drop to five days per week.

Last year, the post office lost \$2.8 billion, Fox News reported. This year, it is poised for even bigger losses.

Discuss this Article

8 comments

1. stephanie manero Mar 25, 2009 2:06:33 PM Report Offensive Post
i hope it runs out of money. i could use some excitement. (who the f*** would believe the post office is going to close, come on, give me a break!)

2. Norm007 Mar 25, 2009 2:23:03 PM Report Offensive Post
Oh no, not ya'll to? Why don't all government and city workers get a pay cut and no bonuses until the economy gets better, then I'm sure you would be saving your job as

well as your co-worker's job. But then again that will put gov't & city workers out of their comfort zone where they usually do LITTLE work but receive BIG pay. Life is Rich.

3. kain777777 Mar 25, 2009 2:52:29 PM Report Offensive Post

In 2007 the post office made \$75,000,000,000. When you review the financials, a couple of questions will arise! Where did all the money go? And I do not want to hear it went to the 775,000 employees of the USPS! My mom who has worked in the post office for over 25 years had to work the night **** in order to make ends meet!!!!!!

4. gnarly Mar 25, 2009 7:15:02 PM Report Offensive Post

with all their staff and automation, it takes 4 days for a letter to go 10 blocks, and half the time my magazines never come. They'd be better off cutting the half of their staff that doesn't work and letting those who do get the job done at half the cost.

5. ccb94 Mar 25, 2009 7:16:41 PM Report Offensive Post

The post office has always been a revenue producing agency. How are they now going broke??? Crooks - all of them!!!

6. soc1 Mar 25, 2009 8:04:32 PM Report Offensive Post

bunch of lazy, whining, crybabies.

7. vlakh01 Mar 25, 2009 10:19:50 PM Report Offensive Post

Only a couple of years ago these folks made a \$1 billion in profits - after raising the rates for postage the way they have for the past 8 years how can they be running out of money? Vivek L <http://www.smallbusinessplanresources.com>

8. tyme2ryde Mar 26, 2009 7:27:33 AM Report Offensive Post

there goes the price of stamps - again!

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2. Pressure on Brussels to probe Nordic postal merger

By Nikki Tait in Brussels and Robert Anderson in Stockholm

Published: March 23 2009 13:49 | Last updated: March 23 2009 13:49

Pressure is mounting on Brussels to open a full probe into a proposed €3bn merger of the Swedish and Danish postal services in the next few days because of implications for postal market liberalisation across the 27-country European Union bloc.

The deal is the first big postal merger to be announced since EU lawmakers passed legislation requiring countries to open their postal markets, and get rid of remaining state monopolies, by 2011.

But the deal has run into trenchant opposition from other Nordic postal operators who worry that the merger could set precedents and that, unless strict conditions are

attached, it will be increasingly difficult for competitors to function in Scandinavia.

“This is the first time that big ‘monopolistic’ postal companies are merging in Europe and is a very important landmark for the future,” says Jukka Alho, chief executive of Itella, the state-owned Finnish postal company.

“If the European Commission lets this go without very strict scrutiny it will be very difficult in the future to take a different attitude”.

“We’re concerned that the merger of two state-owned incumbents in Sweden and Denmark will strengthen their already super-dominant positions,” concurs Norway’s Posten Norgen, together with its CityMail subsidiary which operates a private delivery service in Sweden and Denmark.

Independent observers agree that the merger is likely to be the first of several in the sector as markets adjust to the new liberalised environment - already Sweden’s Posten AB has been tipped as a possible bidder for the UK’s Royal Mail - and could set markers for the future.

“We will see more consolidation, just as we’ve seen in other markets which have been liberalised, such as telecoms,” predicts Miriam Gonzales, partner at the DLA Piper law firm, for example.

Under the deal, Posten AB and Post Danmark - which are both state-controlled - would combine to create a group with revenues of about Skr46bn, 50,000 employees, and, the governments claim, enjoy cost synergies of Skr1bn a year.

Richard Reinius, senior investment manager for the Swedish Enterprise Ministry, says state-owned postal operators in smaller countries need to obtain economies of scale if they are to fulfil their obligation to serve the whole country after the market is liberalised.

This is even more necessary in the Nordic region where substitution by electronic mail has proceeded particularly quickly, he argues: “That is one of the rationales for strengthening the efficiency of the Nordic postal business.”

But opponents claim that Scandinavia postal market is increasingly “pan-Nordic” in structure, with many business-users seeking arrangements that cover several countries. Accordingly, they say, the merger will give the Swedish/Danish companies scope to bundle or even cross-subsidise services - particularly since the Posten AB also has a significant print company operation.

They point out, too, that Post Danmark enjoys a value added tax exemption because of its “public service” commitments, whereas competitors do not. This is a thorny issue across Europe - and the terms under which VAT exemptions can be granted as postal markets liberalise are currently being sorted out at the European Court of Justice.

Neither Posten Norgen nor CityMail are asking for the merger to be blocked. But they do argue that Post Danmark should be obliged to give up its letter monopoly ahead of the final end-2010 date; that surveillance or transparency safeguards should be introduced to guard against anti-competitive bundling; and that measures should be taken to ensure that the VAT situation is "competition neutral" in, for example, key business markets.

The Danish and Swedish governments, by contrast, counter that the deal will not increase existing market positions in the letter markets, since there is little overlap, and that there is already very tough competition in the parcels business.

Officials in Brussels have until April 2 to make a decision on whether to allow the deal or whether to move to a longer, in-depth probe. Complicating their decision will be the general concern that EU states are moving only very slowly towards the goal of opening their postal markets by 2011 - and even backsliding in a few cases.

EU competition officials, for example, are already locked in battle with Slovakia, for example, which they accuse of re-monopolising the previously-liberalised "hybrid mail" segment of its postal market.

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3. U.S. Postal Service Makes Cuts with Slumping Economy

Posted: March 21, 2009 07:04 PM

Eau Claire (WQOW) - The U.S. Postal Service announces new measures in response to big losses with the economy.

The service says it's offering early retirement to 150,000 workers, that's nearly a quarter of its workforce. It's also eliminating more than 3,000 management and mail processing jobs, and shutting down six of its 80 district administrative offices. 500 people will lose jobs in those closures.

The agency says the moves will save about \$100 million annually.

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