

POSTAL NEWS

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1. French Matra Could Be New Postal Delivery Solution

08 April 2009 by Steve Lawson - © Hellmail.co.uk

The Matra, the French electric car being tested by Royal Mail as it pushes steadily into more green forms of moving mail around, isn't exactly what many postal workers in the UK will be used to. It is however a nifty and relatively quiet way to get around town - and without the exhaust fumes.

Actually my first encounter with the Matra was at last years Post-Expo at the Excel. The emphasis amongst nearly all the vehicles on show seemed to be one of 'sustainability' and the environment, a sign that most European operators are doing their level best to reduce their carbon footprint and manufacturers rushing to meet that demand.

Ok, so its not a sports car, but it is actually fun to drive, particularly in the warmer weather and should reduce at least some of push-along prams and the back-breaking work often associated with mail delivery. I have a feeling that it'll be a while before the jokes die down and the UK's postal workers adjust to more radical ways of transporting mail rather than seeing the Matra as a super-charged mobility scooter, but for many areas, it will suit the job rather well.

With a top speed of 25mph, and even room (if you have time) to plonk a well-earned cuppa on the dashboard, it wouldn't look too out of place in an 1990s science-fiction movie.

Whether the Royal Mail does decide to adopt the Matra nationwide beyond the two being tested is still unknown, but clearly the company is determined to address the need to move mail efficiently and at the same time, make efforts to reduce emissions. Environmentalists will be quick to point out that in many cases, generating electricity produces emissions anyway, but any reduction in exhaust emissions on UK roads has to be welcomed and compared to the 4x4 school-run culture, the Matra is, lets face it, light-years ahead.

Theres still a long way to go before such vehicles will replace petrol and diesel-powered vans, particularly in hilly or mountainous areas, but electric and hydrogen-powered vehicles are likely to become a far more common sight on Britain's roads, particularly with the government backing the production of such vehicles as a way to rescue the ailing car industry.

More info:

<http://video.aol.com/video-detail/matra-gem-french-urban-electric-car/3856003945>

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2. Can't deliver a good defense for junk mail

The co-owner of a direct marketing firm in Los Angeles says the ailing economy is putting jobs in the industry at risk. There still has got to be a better way.

David Lazarus

April 8, 2009

Marcy Clarke makes no apologies for being one of Southern California's leading junk mailers.

"I'm like most people," she told me. "The mail comes and I sit in front of the trash can and dump most of it. But every so often there's a gem in there that I'm interested in. That's the value of direct mail."

Clarke, 51, is co-owner of a South Los Angeles company called Service Mailers Inc. These days, she sends out about 12 million pieces of mail every month -- brochures, fliers, sales pitches, catalogs. Volume is down about 40% from a year ago.

I made Clarke's acquaintance after posting a video column online talking about how the recession had caused the amount of junk mail sent out last year to fall for the first time in nearly six decades. An even steeper decline is projected this year.

I characterized this in the video as the silver lining to all the dark clouds on the economic horizon.

"Hello, Mr. Uninformed," Clarke responded by e-mail. "You think having less 'junk mail' is good? How about the lost jobs in the direct-mail industry due to this economy? You think lost jobs are good? How about businesses closing due to less 'junk mail'? Is that good too?"

I asked Clarke if we could get together, and she was more than happy to oblige. We met the other day at her company's cavernous processing center on Exposition Place near the future tracks of the Expo Line light rail.

On one side of the building, a group of about a dozen women were hand-stuffing envelopes with brochures for a high-end clothing company. On the other side, a machine was stuffing envelopes with pitches for one of those sneaky "mortgage protection" firms that try to look like they're a government agency.

A huge stack of brochures for a cruise-ship line stood nearby awaiting processing. Boxes of other marketing materials were piled as high as the rafters for future jobs.

It was the junk mail heart of darkness.

Clarke turned out to be a very nice person, and we had something in common: The plight of her advertising-reliant business during one of the ugliest downturns in memory was almost identical to what most newspapers are going through.

"We employed about 80 people last year," she said as we walked past idle envelope-stuffing machines. "Now it's about 45."

Clarke's company pays most of its workers minimum wage. But she said it's one of the few junk mailers in the area to offer health benefits.

"Last week we had twice as much work," Clarke said. "This week we have people taking time off with no pay. We're doing what we have to to stay alive."

According to the Direct Marketing Assn., an industry group, junk mailers, telemarketers and their pitch-making ilk employ 1.6 million people nationwide and support 9.3 million other jobs, such as truck drivers and shippers.

Companies spent nearly \$177 billion on direct marketing in the United States last year, accounting for more than half of all ad expenditures. Direct marketing generates more than \$2 trillion in sales annually, the association estimates.

But a recent report from Winterberry Group, a market researcher, found that spending on junk mail fell about 3% last year as businesses, particularly banks, cut back on marketing. A further decline of as much as 9% is possible this year.

"Direct mail will still be around," Clarke said. "But it will get smaller, and it will have to get smarter."

That's another way of saying marketers will have to reach deeper into consumers' lives -- and privacy. If Clarke's right, more companies will invest in mailing lists and other personal data to help them get their sales pitches to the most likely buyers.

And there's plenty of information available. From the publications we receive to the groceries we purchase, it's all stored in databases for sale or rent to any marketer who wants it.

"Everyone who uses their Vons Club card or their Ralphs club card, they have no idea what they're doing," Clarke said. "They're letting marketers know exactly what they're buying."

As we roamed the processing center, I asked whether it doesn't get to her, the barrage of unsolicited offers she sends out daily, the mailings that try to dupe the unwary with official-looking forms or "you may have won" language.

"Sometimes I feel bad," she admitted. "But I have to work, don't I?"

Clarke then asked whether things would really be better if junk mailers closed shop and millions of workers lost their jobs.

"If we didn't have direct mail, think what would happen," she said while holding up a cruise ship brochure. "Our company would lose jobs and hundreds of people at the cruise ship company would probably also lose their jobs."

She had a point. But it seems to me that all these databases could also be used to allow those who want to receive marketing pitches to do so, and to allow everyone else to say, "No thanks."

As it stands, virtually any company you've ever done business with -- even just buying a cup of coffee -- is free to blitz you with as much nonsense as it pleases.

And companies that do provide the option of saying no to unwanted marketing often make it as hard as possible to get off their lists (yes, I'm thinking of you, Ticketmaster).

The only consumer-friendly approach is to allow people to "opt in" for receiving sales pitches, as opposed to having to opt out.

But to at least make a dent in your junk mail, you can register your preferences with the Direct Marketing Assn. by filling out an online form at DMAchoice.org (registering by mail will cost \$1). You can also limit the number of solicitations you receive from financial firms by visiting OptOutPrescreen.com.

As we finished our conversation, I asked Clarke whether she intends to remain a junk mailer for the remainder of her career.

"This is what I know," she replied. "I don't know what else I could do."

And she's confident she'll ride out the recession and keep the junk mail flowing for many years to come.

I'm glad for all the jobs that will save -- really.

But there must be a better way to make a living.

David Lazarus' column runs Wednesdays and Sundays. Send your tips or feedback to david.lazarus@latimes.com.

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3. TNT Express Volumes Down But Stabilizing

Apr 9, 2009 3:43 PM

Though first-quarter volumes are down for TNT's Express operation, the company said in a release preceding its earnings announcement the situation has stabilized. In a preview of items to be discussed during its annual general meeting of shareholders, TNT said Express international volume development in the first quarter of 2009 overall was "in line with indications given on 16 February. The first two weeks of January were severely impacted by factory closures. Weeks 3 to 11 saw

volume declines worse than in December 2008, however, the development has stabilized during the quarter,” It went on to say that air volumes were down 23% when compared with the prior-year first quarter. Road volumes were off 15%. Domestic volumes were 8% below Q1 2008; added TNT. “The development during the quarter was stable, in line with the international development.”

The last two weeks of March improved, mainly because of the timing of Easter, this year in Q2 vs. last year in Q1, said TNT. “The yield, as a measure of the price development, was lower than in Q1 2008 mainly because of reduced fuel surcharges in line with lower fuel prices.” The company noted that, “Good progress was made in the cost savings initiatives announced in December 2008. Overall, the operating income for the quarter in Express is expected to be positive, whereas the sharp decline in weeks 1 and 2 and the positive contribution from the Easter timing balance out”.

At the annual general meeting, Peter Bakker, CEO, will update items outlined on February 16, 2009:

Express

- - Implement structural cost savings (network)
- - Manage country incurred costs down in line with volumes
- - Continue growth Emerging Platforms

Mail

- - Master plan initiatives in the Netherlands
- - CLA negotiations to more market conform levels
- - Continue growth Emerging Mail & Parcels

Group

- - Focus on cash
- - Potential Royal Mail strategic partnership
- - Delivery solutions

Also on the agenda is an update on the labor agreement TNT reached with its Netherlands operations employees in Mail. The agreement still must be ratified by employees. If ratified, it will save the company €125 million (\$165.5 million) per year. Those savings, says TNT, are an important part of the annual savings of €395 million (\$522.9 million) targeted by 2015. (

TNT also saw its cash payment for pensions in 2009 reduced from an expected €140 million (\$185.3 million) to €50 (\$66.2 million) as a result of a decision by the Netherlands' Minister of Social Affairs and Employment to extend the period during which a pension plan needs to recover its financial buffers. That period was extended from three years to five.

TNT will publish its 2009 first quarter results on May 4, 2009.

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4. UPS Expands North American Ground Freight Network with Mexico Door-to-Door Service

Also Accelerates Freight Service To and From Toronto

ATLANTA--(BUSINESS WIRE)--April 07, 2009--

UPS Freight, the heavy freight arm of UPS (NYSE: UPS), today announced it would offer door-to-door service to and from Mexico, complete with UPS customs

brokerage capabilities and single invoicing for all services between the United States, Canada and Mexico.

The company also announced the next-day service umbrella for freight moving to and from Toronto is widening to include Michigan, northern Ohio and northern Indiana. "The expanded service to and from Mexico ensures that customers on both sides of the border will enjoy faster transit times," said UPS Freight Vice President of Strategy Kevin Hartman. "We've effectively combined UPS's global trade experience with local market expertise to deliver the fast, reliable service customers are demanding throughout North America."

Freight moving to and from Mexico will be expedited by using five border crossings, including three in Texas: Brownsville/McAllen-Matamoros, El Paso-Ciudad Juarez and Laredo-Nuevo Laredo. Other border crossing will be at Otay Mesa, Calif.-Mexicali and across the Mexican-Arizona border at Nogales. UPS Freight operates more than 200 service centers in the U.S. and Canada and will rely on more than 40 in Mexico.

"This new service complements the expansion strategy we have been implementing in Mexico since 2006," said Griselda Hernandez, UPS Mexico country manager. "We know that more than 80 percent of exports to countries north of Mexico are transported using ground services. Our expanded service will benefit those exporters who seek to deliver their products to the United States and Canada at competitive rates."

UPS technology provides visibility for shipments coming into Mexico, enabling the identification of goods as soon as they enter the UPS network. That helps expedite clearance at the border since the customs paperwork is readied in advance of a shipment's actual arrival at the border.

UPS Customs Brokerage prepares shipment classification, inspections, customs documentation preparation and collection of applicable duties and fees. Single invoicing will automatically apply when UPS Freight provides full door-to-door service, including all customs brokerage services performed by UPS.

Truckload services are available over both borders, with UPS Freight providing dedicated carrier, dry-van equipment and container on flatcar service for long-haul intermodal movements.

In continuation of an effort that has slashed transit times throughout the United States, UPS Freight also is enhancing its network north of the Canadian border. The next-day service belt around Toronto is being widened to include northern Ohio, northern Indiana and Michigan while two-day service is being extended to and from Toronto as far south as Georgia. Transit times to and from the West will be shortened to points as far as California. All these service enhancements include the UPS "no fee" guarantee. UPS Freight, one of the largest less-than-truckload carriers in the United States and a leading truckload service provider, serves customers throughout North America, Puerto Rico, Guam and the U.S. Virgin Islands. For more information, visit upsfreight.com.

UPS (NYSE: UPS) is the world's largest package delivery company and a global leader in supply chain and freight services. With more than a century of experience in transportation and logistics, UPS is a leading global trade expert equipped with a broad portfolio of solutions. Headquartered in Atlanta, Ga., UPS serves more than 200 countries and territories worldwide. The company can be found on the Web at UPS.com. To get UPS news direct, visit pressroom.ups.com/RSS.

5. Direct mail tale can have a happy ending

Peter Towner, account manager, Japs-Olson Company

April 06, 2009

These are the best of times and the worst of times — a tale with a present day ring to it for us all.

Postage with a now annual increase is a reality quickly approaching again with increases this May 2009. Letter postage rates will increase more than 3%, and we as an industry are preparing for even more direction on new mail format standards. Direct mail budgets already under enormous pressures are threatened again, and commingling services must be part of a solution for rising to the challenge of increased channel costs. Commingling reduces postage rates, reduces freight costs and qualifies more mail for faster to market in home receipt.

But one can't simply rely on just any commingle service; certainly not — to borrow from a television commercial — our grandfather's commingling of yesteryear, which added both significant and unwanted time and complexity to a project's path. Present-day platforms available represent industry best of class tools for commingling and provide the smaller mailing client the full access and capturing of the same postal rate benefits the larger mailing client's historically have enjoyed.

Participation, inclusion, quickness to market and better quality with postage cost reductions not seen otherwise are all the end result of today's powerful commingle services. These are available without compromise to schedules, postal receipt validation and or format integrity.

Commingling has always been a volume proposition, and the tools available today allow for multiple letter-sized formats to be mixed together for best mail sorts and postage at volumes and turn times not seen before. These services deserve our collective vetting, review and nudge to try out.

Critical to a client's evaluation of commingling is determining if their partners have the ready capacity to support it in a robust manner. If it's provided in-house and on-site, that goes to data privacy and physical package security concerns in addition to the practical timing and cost sensitivities. Turn time and ability to accommodate needed volumes are key ingredients to driving mail to successful five-digit sort levels; the number of sorters, bins or pockets and number of discharge lanes are key criteria for such services.

As the ultimate win-win-win, all partners benefit with commingling services — and aren't we all finally ready for such good news?