

POSTAL NEWS

No. 62/2009

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

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1. **Recession erodes conveniences shoppers got used to**

By ASHLEY M. HEHER – 4 days ago

CHICAGO (AP) — First came the housing bust, followed by eroding job security and dwindling retirement accounts.

Now, the worst downturn in decades is nibbling away at something so entrenched that people took it for granted: simple, everyday convenience.

It can be as little as driving a few extra miles to buy sheets at Bed Bath & Beyond instead of the now-defunct Linens 'N Things. It's the grumbling that comes with the trash being picked up once a week instead of twice. Or finding there's a long wait to use a computer at the public library.

Regardless of the cause, navigating the altered landscape can leave people scrambling.

Los Angeles costume designer Laura Frecon found the store where she custom-ordered vintage-inspired tap shoes for a musical darkened and locked when she arrived to fetch the footwear.

The business, which once operated from 10 a.m. to 6 p.m., cut its hours in half because of sluggish sales. Some days, it doesn't open at all.

With the lead actress shoeless, Frecon stood in the store's parking lot and called the owner, who eventually drove over so she could retrieve her shoes.

"When I placed an order and I needed to pick it up and they're not open during regular business hours, that affects my job," the 32-year-old said. "It makes it tougher to do my job well."

The changes businesses are making — like the law office in Chicago that stopped providing employees with free coffee — are usually aimed at staving off more drastic initiatives like layoffs and wage cuts.

In the most dramatic instances, experts said, small changes can help businesses keep their doors open as consumer spending falls and unemployment grows.

"If having a business open an extra hour is more of a cost than a benefit, it's a pretty easy decision to cut back on hours," said Virginia Commonwealth University marketing professor David Urban. "In the big scheme of things, consumers are already cutting back dramatically on dining, travel, and other non-necessary expenditures, to stay afloat financially. So in a sense, they are doing the same things in their personal lives that retailers are doing in their business lives."

The 55 malls in the U.S. owned by Westfield Group — many in California, but also in 11 other states — started curtailing their hours on March 1. Most will open half an hour later and close half an hour earlier during the week. Some will close an hour earlier on Sundays.

At three central Florida malls owned by Westfield, that means stores will open at 10:30 a.m. during the week and close at 8:30 p.m. The decision was made to help tenants, many of whom are struggling with falling sales as shoppers dramatically cut back spending, said spokeswoman Katy Dickey.

"Naturally retailers and landlords alike hope this would be temporary," she said.

Walgreen Co., the nation's largest biggest drugstore by sales, is in the midst of scaling back hours about 10 percent of its nearly 1,600 24-hour pharmacies to cut costs. The Deerfield, Ill.-based company wouldn't say how much it hopes to save by the effort, which began late last year. Pharmacies across the country are affected.

Beyond shorter hours, other businesses are getting creative.

Travelers trying to power up on Vitamin C may find fewer options at breakfast buffets. Executives at Marriott International said the hotelier may drop items such as some fruit selections from the breakfast buffets — or ditch them entirely for menu ordering — if occupancy rates at some locations are too low because fewer people are traveling.

"You need to provide a breakfast experience, but you don't necessarily have to provide a huge spread to do that," Laura Paugh, the Bethesda, Md.-based company's vice president of investor relations, told analysts recently. "So there's always more things you can do should business continue to weaken."

Ansley Whipple, a 26-year-old from Atlanta who eats out several times a week, said she often has to swap appetizer and drink orders because restaurants run short on menu items.

"When you get seated, the first thing they say is, just to let you know, tonight we're out of our blah blah blah," she said. "It's annoying, but you can't really get too annoyed when the economy's so bad. There's a certain amount of leniency you give to people."

At the U.S. Postal Service, which has seen a mail volume drop of 5.2 billion pieces this year, hours are being curtailed. The head of the independent Postal Regulatory

Commission has suggested closing small and rural post offices to help save money. Meanwhile, Postmaster General John Potter has asked Congress to consider allowing the agency to cut mail delivery back to five days a week to save money.

Elsewhere, budget cuts mean planning carefully what days to cook fish and could mean waiting longer for subways and buses.

Trash collection in Dallas — which used to be a twice-a-week affair — is being cut in half, while the city boosts recycling pickups — a move that's projected to save city coffers up to \$4 million a year.

And some public transit agencies are debating whether to cut routes and hike fares.

For her part, Frecon worries that more niche businesses will curtail hours and merchandise or shut their doors altogether, forcing people who depend on their products to make more changes as well.

"They're going to be closing up because they can't afford to be keeping their doors open, and then we're going to have to resort to using Wal-Marts and Targets, which don't have the specialty service and the specialty products you need," she said. "A lot of corner cutting is going to start to happen because you're not going to be able to find the specialty things you need."

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2. Postal Service ripe for change

Published: Sunday, April 5, 2009 at 4:30 a.m.

Last Modified: Saturday, April 4, 2009 at 9:20 p.m.

To The Editor: Perhaps, in the way of promised change, our president might take a peek at the United States Postal Service, which, despite regular increases in the cost of a stamp, lost billions of dollars in the past year or so and is about to impose a considerable reduction in home delivery service.

Meanwhile, the postmaster general's salary was increased from \$186,000 to \$265,000 (up 43 percent) plus a performance bonus of \$135,000. All of this approved by the Democrat-controlled Congress of the United States.

Ted Kirby

Flat Rock

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3. Yes, it's changed us, but for how long?

John Diaz

Sunday, April 5, 2009

I'm always most intrigued by the question that can't be answered.

The question I keep asking myself, as this recession keeps turning us into darker and deeper corners that most of us have never encountered, is: Has it changed us?

John Diaz

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In the short term, the answer is unequivocally yes. If your unconditional faith in free markets and the resiliency of the stock market have not been shaken, then you have not opened your 401(k) statement in the past year. If your trust in great American institutions has not taken a beating, then you have either dozed off or remained affixed to your Xbox while Fannie Mae, Freddie Mac, Citigroup, AIG, General Motors, Lehman Brothers and other invincible pillars of capitalism have taken a humiliating plunge.

But will our skepticism and sense of caution last?

Beyond the big stories - bailouts, bankruptcies, foreclosures, job losses - has been the evolving narrative of how Americans have adapted their approach to life, and even death, in response to the most serious economic crisis since the Great Depression of the 1930s.

It's really remarkable. Not a day goes by when I don't encounter a story, either in The Chronicle or somewhere else, of a fresh angle on how people are coping with the wrenching downturn - and not in just the most obvious ways, such as cutting back on vacations and delaying the purchase of new cars. We're eating more candy for a quick lift, as shown in the spikes of Tootsie Roll and gummy bear sales. We're abandoning our high-maintenance boats, even those that are paid off, as the New York Times reported last week. We're cutting back on spas and beauty treatments. We're frequenting the lenders of last resort. We're volunteering more, the newly humbled jobless who once wouldn't lift a finger for less than six figures. We're even choosing cremation as the low-cost alternative when our loved ones die.

But have we fundamentally changed or are we just coping with the times? If the economy rebounds, will we go back to financing everything from a shiny new Lexus to our children's college educations on equity lines? Will a new wave of recklessness reinvigorate credit-card debt? Or will we become more like the children of the Great Depression, who regarded paying cash for a set of tires and a new roof as a matter of fiscal prudence and moral rectitude?

There is just no way of knowing.

I suspect that one of the still-developing stories of this tumultuous era is the influx of unwitting retirees who will be experiencing a lower standard of living than they anticipated until very recently. Just last week, I received a call from a friend of mine who has worked for the U.S. Postal Service for many years. He is among the 150,000 or so postal workers who have received "a package" in the mail offering early retirement. He remains several years away from receiving a full benefit.

He is, admittedly, afraid. He and his wife, immigrants from Mexico, have raised marvelous children who excelled in Oakland public schools - one now a physician, two police officers - but he does not have a high school diploma of his own. When his two boys were young, he took them to the fields so they could experience the physical impact of hard labor, in hopes it would compel them to stay with their education. It worked.

"Now my children are pushing me to go back to school," he said.

Stories like this abound in these times. And they are showing up in newspapers and broadcast reports daily. Not long ago in chronological time, but an eternity in the evolution of this media age, there was a concern that journalists had become too elite, too complacent and too out of touch with the concerns of Middle America.

No more.

Journalists at all levels are feeling the tremors of an industry in rapid transition. Here at The Chronicle, several dozen writers and editors have left the newspaper just this past week after accepting voluntary buyout offers. Layoffs, furloughs and pay cuts have become commonplace at what once were some of the most solid news organizations in the nation. Paper Cuts, a Web site that tracks the newspaper industry, counts the staff reductions nationwide at 7,800 for this year alone.

Two of the fine journalists who have taken voluntary buyouts worked on the opinion pages: Tom Meyer, our editorial cartoonist since 1981; and Janice Greene, whose duties included selecting and editing letters to the editor. Friday was the last day for each.

Janice, who joined The Chronicle in 1980 as an assistant to a political columnist Art Hoppe, has taken on a variety of roles in her tenure. One of them has been to serve as an ambassador of sorts with groups and individuals meeting with our editorial board, from heads of state to neighborhood groups. Many of you may have encountered her calm, professional persona when you called to complain about something - and found

yourself enjoying the conversation. Janice plans to finish the final chapters of a teen novel, and also will be applying her talents to volunteer work.

Tom's departure will deprive me of one of my favorite moments of the day: When he would bring in three or four rough sketches of editorial cartoons. I'll also miss his insights - and, often, levity - at our weekly planning meetings. Tom is every bit as quick-witted in the office as his cartoons are on the page. However, I am happy to report that Tom does have plans to freelance or syndicate his work - and, once he does, we will be among his customers.

John Diaz is The Chronicle's editorial page editor. You can e-mail him at jdiaz@sfgate.com.

This article appeared on page H - 5 of the San Francisco Chronicle

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4. Deutsche Post wants stake in Royal Mail

Sat Apr 4, 2009 2:02pm BST

FRANKFURT (Reuters) - Deutsche Post, Europe's biggest mail company, is bidding for a stake in the Royal Mail along with Dutch TNT and private equity firm CVC, a German weekly reported.

A team of twelve Deutsche Post managers, headed by finance chief John Allan, had met with the advisory board of Royal Mail, *Welt am Sonntag* reported without citing sources in a preview of a story to be published on Sunday.

Deutsche Post declined to comment.

According to the paper, Deutsche Post, TNT and CVC had begun the last round of bidding. It said the price for the stake was estimated to be at least 3 billion euros (2.7 billion euros).

The British government wants to partly privatise its postal operator in order for it to remain commercially viable.

Dutch TNT said in December that its interest in a stake in Royal Mail hinged on the full implementation of reform proposals, including changes to regulation and the government paying off much of Royal Mail's company pension liabilities.

British business minister Peter Mandelson paved the way for the sale of up to 30 percent of the state-owned postal services firm in February in return for the government guaranteeing a universal service and taking over the company's 8 billion pound pension deficit.

The government aims to sign a deal with a partner by this summer.

The Sunday Telegraph reported last month that Belgian postal group De Post-La Post was also interested, along with companies in Germany, Denmark and Sweden.

(Reporting by Nicola Leske)

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