

# POSTAL NEWS

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## **1. Alibaba Group and China Post Sign Cooperation Agreement**

Updated: 19 Apr 2009 11:04:13 PST

Cooperation brings China Post's extensive national fulfillment and payment capabilities together with China's largest e-commerce platform

Beijing, China, 22 November 2006-Alibaba Group, a global e-commerce leader and the largest e-commerce company in China, and China Post, the postal service of the People's Republic of China, today signed a long-term strategic cooperation agreement to further develop China's e-commerce infrastructure and make it easier for Chinese consumers to shop online.

Under the agreement, the two organizations will cooperate in parcel delivery and money remittance services. In the short-term, China Post and Alibaba Group's online payment platform, Alipay, will launch a new economical parcel service for online purchases called "e-Youbao" and allow customers to fund their Alipay account at any of China Post's 66,000 locations across mainland China, without the need for a debit card or bank account. China Post's Green Card debit service will also become a new partner for Alipay's online payment service.

This partnership will leverage China Post's unmatched geographic coverage and strong brand name with Alibaba Group's leading e-commerce platform and online community of more than 40 million businesses and consumers. China Post's Postal Savings Bank also operates China's fifth-largest depository institution after the big four banks, making it an important partner for Alipay.

China is the world's second largest Internet market after the U.S. with more than 123 million Internet users, yet only around 30 million, or 24%, currently shop online. This compares with more than 50% in the U.S.

"Alibaba Group and China Post both recognize the strategic importance of the postal industry to support the long-term, sustained growth of the e-commerce industry," said Jack Ma, CEO of Alibaba Group. "By partnering with China Post, we are ensuring that the right infrastructure is in place to support the rapid growth of e-commerce in China."

He added: "The potential of China's e-commerce market is huge but many Chinese people are still wary of buying goods on the Internet. As one of China's most trusted brands, China Post's role in e-commerce will increase customers' confidence in online purchasing."

China Post and Alipay have already begun to test "e-Youbao" in China. The parcel delivery service, developed specifically for online purchases, is cheaper than China Post's standard mail service. China Post becomes the fourth and largest postal service to be connected to Alipay's payment system

On November 1st, China Post also opened its first online postal shop on Taobao.com selling stamps and books. This agreement paves the way for further cooperation of this sort in the future.

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## **2. Postal workers lobby delegates**

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Postal workers opposed to government plans to part-privatise the Royal Mail have lobbied delegates outside a Labour Party conference in Gillingham. Members of the Communication Workers Union handed out leaflets supporting their campaign at the South East Regional Labour Party Conference at Priestfield Stadium.

Business Secretary Lord Mandelson has said that the Government was aiming to complete part-privatisation of the Royal Mail later this year or early in 2010.

The Postal Services Bill, currently going through Parliament, allows for the sale of up to 49% of Royal Mail group, although ministers expect a partner to take a stake of around 30%.

A handful of CWU members turned out to take their Keep the Post Public message to the Labour Party and Government in the hope the plans would be abandoned.

Terry Jackson, the union's south east regional secretary, said: "The message that we hope delegates will take away is that privatisation, part or otherwise, is not in the interests of the Labour Party, the country or the consumer.

"With the European Elections coming up, Peter Mandelson is scoring something of an own goal at a time when the party needs to maximise its level of vote.

"Part-privatisation is going to mean a lessening of the service. We will see more centralisation of services as companies will look to sell Royal Mail's assets in order to increase their profits.

"There will be a move from Royal Mail having its own properties to instead leasing properties and this will result in mail travelling more miles, therefore having an effect on the environment and the consumer."

Earlier this month, the plans came under attack from a cross-party committee of MPs which complained about a "lack of transparency" about the proposals.

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### **3. UPS, DHL end negotiations over \$1 billion contract**

By RACHEL TOBIN RAMOS  
The Atlanta Journal-Constitution  
Friday, April 17, 2009

Negotiations have ended between Sandy Springs-based UPS and European rival DHL over an air cargo contract valued at \$1 billion.

"UPS and DHL have mutually agreed to terminate their negotiations," confirmed UPS spokesman Norman Black. "As UPS is in its quiet period before earnings, we will have nothing further to say at this time." UPS will release its earnings on Thursday. Last spring, the two companies announced they would try to seal a deal to allow UPS to handle air cargo for the German post office-owned DHL.

UPS would have shipped the cargo via its air hub in Louisville, Ky. DHL would have then used its trucks to deliver packages to its customers.

The potential agreement, however, became a hot-button issue because it would have meant the closure of DHL's air hub in Wilmington, Del. Then-presidential candidates Barack Obama and John McCain both expressed concerns about job losses in that community.

In the end, DHL will move its hub to Cincinnati, as it has substantially pulled the plug on its U.S. operations. The decision ends a multibillion-dollar bet it made on the U.S. market.

DHL expanded in the United States with door-to-door deliveries in 2003, but failed to capture significant market share from U.S. heavy weights FedEx, UPS and the U.S. Postal Service.

Last year, DHL said that the company was losing about \$1 billion a year on its U.S. operations.

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Posted on Sat, Apr. 18, 2009

### **4. Buchanan calls for postal review**

By BETH BURGER  
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MANATEE — A congressman Friday called for an independent review of the Postal Service's decision to move 59 jobs to Tampa.

U.S. Rep. Vern Buchanan, R-Longboat Key, sent a letter to the U.S. Government Accountability Office asking for the non-partisan agency that works for Congress to conduct an audit.

“This would help ensure that no postal workers will unnecessarily lose their jobs or be relocated, that there will be no reduction in service, and that the promised savings are realistic and attainable,” Buchanan wrote in a letter sent Thursday.

On March 31, the Postal Service announced it will move originating mail processing and distribution operations from the Manasota Processing and Distribution Center, 850 Tallevast Road, near Sarasota-Bradenton International Airport, to a facility near Tampa International Airport.

All mail that originates from the 342 prefix ZIP code will no longer be processed for distribution at the Tallevast Road facility. It will be collected from the post offices and other pick-up locations throughout the ZIP code area, which includes Manatee, Sarasota and parts of DeSoto counties, and trucked to the processing plant in Tampa. The Postal Service said it conducted a study before making the decision and held a public forum.

“The study is the same study being used across the country in at least 17 other mail processing projects. It’s very complete. It’s thorough,” said Postal Service Spokesman Gary Sawtelle, “As we said before, it focuses on things like transportation costs, excess capacity on equipment in Tampa so we have the availability and power to run the mail from the Manasota area.”

Buchanan’s two-page letter voices concerns about jobs leaving the area, possible delays in local mail service, transporting local mail to Tampa before delivering it and states there was not transparency in the process leading to the decision.

“The USPS is saying that there will be no delay in service associated with the consolidation, but the mail will now travel over a hundred additional miles round trip before it’s delivered,” Buchanan writes. “Furthermore, postal workers say that sporadic experiments with moving these operations to Tampa have resulted in delayed mail. Finally, in 2008, 94.2 percent of Manasota trucks were on time while only 73.5 percent of Tampa trucks were on time.”

Sawtelle contends residents will not see a change in service and that the Postal Service will make every effort to keep workers local and employed. He said the statistic of delayed mail is wrong.

“It’s an internal measurement we track. What that means when a truck is scheduled to distribute mail. It has a (several) minute range where its either on time or not. If its (several) minutes late from leaving the dock, it’s considered late,” he said. “If the truck is late, it doesn’t mean the mail is going to be late. It’s a matter of minutes. ... That is not a measurement of mail service to our customers.”

Jim DeMauro, president of American Postal Workers Union Manasota Local No. 7136, which represents 40 of those 59 positions, said members are upset about the loss of jobs and the change of service to the community.

“We know it’s not going to be the same level service we have today,” he said.

The transition to Tampa is slated to begin Oct. 1.

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