

POSTAL NEWS

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1. UK Postal Union Gears Up For Strike Action

27 April 2009 by Sarah Sharpe - © Hellmail.co.uk

A letter from Royal Mail bosses last week to the Communication Workers Union said that 2009 would see a pay freeze whilst the economic downturn continued.

The Communication Workers Union today warned that planned jobs cuts by Royal Mail would threaten services and see a shift towards part-time working. The union said that planned cuts were between 8 and 20 per cent across the country, with London hit the hardest.

Dave Ward, deputy general secretary of the CWU said:

“Royal Mail needs to reach an agreement with us over modernisation. This is no way to deal with change.”

Martin Walsh, CWU London divisional rep, said: “This is not modernisation. These are arbitrary cuts by management. There’s no machinery coming in to help cope with the workload so these job cuts will have a bad impact on services.

“We’re balloting our members across London for strike action to fight these cuts. There are 1,600 jobs at stake in London. Royal Mail is profitable but the recession means our members would find it hard to get other work so we’ll fight these savage attacks on our industry.

“We want secure, full-time work for postal workers. Part-time work just isn’t realistic for most of our members. It’s crucial that services are not reduced any further.”

The CWU said a timetable for industrial action would be finalised this week.

2. New BPI Sorting Hub In Zaventem

27 April 2009 by Franz Groter - © Hellmail.co.uk

Belgian postal operator La Poste has opened a new international sorting office in Brucargo West, Zaventem.

La Poste said the new Belgian Post International hub would transform the handling of letters and international packages, give BPI more presence on an international level and help it compete against rivals such as Deutsche Post, TNT Post, the Swiss Post office and the French Post office.

BPI services has been used by customers such as Nespresso, Shell Cards, the Publications Office of the European Union and now EDF (Électricité de France). Belgian Post International has doubled its turnover since 2002 and the new Zaventem hub will improve efficiency and strengthen operations.

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3. UPS picks up market share in Asia as revenue falls

27April 2009-04-28

UPS today reported revenue falling by 13.7 percent to US\$10.9 billion with the continuing deterioration in global economic activity resulting in decreased revenue and profitability in all business segments.

In the Asia Pacific, growth for the quarter was driven mainly by China and India, with more than 10 percent and 5 percent export volume growth respectively, compared with the same period last year.

“Compared to the double-digit market declines, UPS has made market share gains,” said Derek Woodward, president of UPS Asia Pacific.

“We are seizing opportunities to support the trend of Asian customers trading down for more affordable options and helping forward-looking companies revamp their supply chain.

“We will continue to make measured investments in the region where we see strategic growth opportunities, such as China, where our Shanghai International hub is already in operation. Though 2009 will be difficult for the logistics industry, we are optimistic that we can ride through the year in relatively good shape.”

UPS maintained its industry-leading small package margins and expanded its market share both domestically and overseas while generating strong cash flow.

The company continues to make strategic investments such as expanding its Worldport facility, building a new air hub in Shenzhen, China, and opening new healthcare distribution facilities in Europe and Puerto Rico.

However, it is scaling back 2009 capital spending by an additional \$200 million, bringing the total to just below \$2 billion.

“As economic activity deteriorated throughout the world during the quarter, we managed costs while maintaining our excellent service to our customers,” said Scott Davis, UPS’s chairman and CEO.

“We are optimistic about the company’s future. UPS is becoming an even leaner, more efficient enterprise, making many improvements that are sustainable when the economic climate strengthens.”

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Senate to Consider Legislation

4. Giving Sick Leave Credit to FERS Retirees

APWU Web News Article #050-09, April 27, 2009

Senate Majority Leader Harry Reid (D-NV) has placed on the Senate calendar legislation that would give retirement credit for unused sick leave to postal and federal employees enrolled in the Federal Employees’ Retirement System (FERS). The legislation is part of the Family Smoking Prevention and Tobacco Control Act (H.R. 1256), which passed the House of Representatives on April 2, by a vote of 298-112.

In addition to authorizing the Food and Drug Administration to regulate tobacco products, the bill includes a number of provisions affecting postal and federal employees:

1. The legislation would credit postal and federal workers with unused sick leave when determining the amount of their FERS annuity. Currently, only employees covered by the Civil Service Retirement System (CSRS) receive credit for unused sick leave. The Office of Personnel Management (OPM) has found that FERS employees approaching retirement use significantly more sick leave than CSRS employees. A recent OPM study concluded that this costs employers approximately \$70 million in lost productivity each year. The change would reduce the incentive for employees to use sick leave as they near retirement.

2. The act would automatically enroll newly hired federal employees in the Thrift Savings Plan, and make them eligible for matching contributions from their employer.

3. The bill also requires the establishment of a “qualified Roth contribution” option for the TSP. This option, previously available only in the private sector, permits employees to contribute to their TSP account after paying taxes on the contribution, and allows them to withdraw the money tax-free upon retirement.

Although supporters of the bill hope to pass it before Congress’ Memorial Day recess, because of objections to the tobacco provisions, Republican senators are expected to filibuster the legislation.

“The APWU has sought sick-leave credit equity for FERS employees for many years,” said APWU Legislative & Political Director Myke Reid. “We have an opportunity to accomplish that goal in the coming weeks.

“I encourage all APWU members to contact their senators and ask them to support this important legislation.”

In an April 1, 2009, "Statement of Administration Policy" the White House expressed strong support for the bill.

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5. The new Postal Law bars foreign companies from domestic letter delivery.

APRIL 27, 2009, 2:54 P.M. ET

Postal systems the world over are notorious for being bloated, inefficient bureaucracies that eat up public funds and resist reform. (See: Postal Service, United States.) China's postal system is no different, and the State Council has just missed a great opportunity to open up the sector to competition.

China's new Postal Law, approved on Friday, will limit competition in the 40.8 billion yuan (\$6 billion) per year industry. The law imposes new regulations on private domestic and foreign courier services, and raises the barriers for new firms to enter the courier market. The law explicitly codifies a ban on foreign companies delivering documents domestically -- in what may contravene China's WTO commitments.

There's even a clause about "a universal postal service fund" that could give the government room to levy a tax on private couriers in order to help pay for the universal service run by China Post.

These are steps backward for a sector that in the past has amply demonstrated the benefits of liberalization. During the economic liberalization of the 1990s, parts of the postal system were opened up to private enterprise, and as a result Chinese consumers saw prices fall and their mailing options increase. Today, private companies have 65% of the market share for China's domestic express sector, compared to 35% for state-owned companies, according to analyst Xu Yong of China Express Consulting. Although China Post has always had a monopoly on "universal mail," like the U.S. Postal Service does in America, some parts of the courier system are lightly regulated and open to entrepreneurs. Not surprisingly, these sectors now provide some of the best services. For instance, local express couriers, known as "kuaidi," pepper Chinese cities and can deliver almost anything within the city for a dollar or two. Under the new law, intra-city express couriers like these face a minimum capital requirement of 500,000 yuan -- which will likely wipe many of them off the map.

Most worrying is the law's unequal treatment of foreign courier firms. Under the terms of the law, companies like FedEx and DHL are banned from domestic document delivery, although they can still deliver parcels as well as deliver letters internationally. Under China's WTO commitment, China's courier sector is supposed to be entirely open to foreign companies "except for those [services] currently specifically reserved to Chinese postal authorities by law." Beijing claims that express document delivery falls into this category and is therefore excluded from the commitment -- despite the fact that private Chinese companies have been delivering letters for years. The new law violates the spirit, if not the letter, of the WTO agreement by putting foreign firms at a disadvantage.

The law does take some welcome steps to level the playing field between China Post and its private competitors -- for example by prohibiting China Post from using public facilities for its for-profit side businesses. It also codifies the rights of private Chinese companies to provide express courier services.

What stands out, though, is the backpedalling on competition in a sector that has benefitted from it so much in the past. This is symptomatic of a greater ill: a waning faith in the market reforms that lifted China out of poverty in the last three decades. That's not just a loss for courier companies, but also for the country.

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FOR IMMEDIATE RELEASE

April 27, 2009

6. Postal Service Leverages Technology to Save \$57 Million

Earns Award for Leadership and Innovation in Supply Management

WASHINGTON, DC — The U.S. Postal Service has earned the R. Gene Richter Award for “Leadership and Innovation” for optimizing the use of bidding software that resulted in savings of more than \$57 million from 2005 to 2008.

Called “optimization-enabled sourcing,” the technology allows suppliers to submit multiple bids on a proposed contract based on different bundling options that best meet their capabilities. The Postal Service’s Supply Management organization and its internal clients can then examine and evaluate the bids in many ways to get the best possible deal — in cost and in service — for the Postal Service.

Without the technology solution, the collection and evaluation of multiple bid combinations is a manual process that can be time consuming. The optimization tool enables multifaceted analysis on hundreds of business requirements to occur in minutes, and sourcing events can be completed in days.

Susan Brownell, vice president, Supply Management, said the Postal Service first implemented optimization in 2005, primarily for transportation sourcing.

“When we realized the need for a resource that could perform more robust analyses of complex requirements and allow more collaboration with suppliers, we decided to fully leverage the optimization tool,” she said. “It gives suppliers flexibility in submitting their bids and provides them an opportunity to give proposals that really hit their sweet spot.”

Brownell said the decision to expand the use of optimization outside the transportation spend category has resulted in greater flexibility for suppliers and an annual cost reduction for the Postal Service of \$5.2 million per sourcing event.

Named after supply management leader and innovator R. Gene Richter, and sponsored by the Institute of Supply Management (ISM), the ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management were established to recognize innovative supply organizations of all sizes and geographic locations, that through strong leadership, have dramatically increased their contribution to organizational success. Award winners are recognized for:

- Leadership and innovative practices
- Heightened recognition for supply management departments
- Approaches that optimize resources
- Supply management as a strategic contributor to the organization
- Real-world success stories that you can apply in your organization

Sponsors for the 4th Annual ISM R. Gene Richter Awards for Leadership and Innovation in Supply Management are:

Gold — A.T. Kearney; HP

Silver — ADR International; Anklesaria Group; Bank of America; BP; eclaro international; McKinsey & Company; and Tyco International.

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7. Postal workers deliver pieces of home through mail

by Senior Airman Brok McCarthy
379th Air Expeditionary Wing Public Affairs

4/27/2009 - SOUTHWEST ASIA (AFNS) -- One of the nice things about deploying is the outpouring of support given by family, friends and even strangers from back home through care packages and letters. However, without the people who run the post offices on base, none of those well-wishes would get through to boost morale.

"We provide all personal mailing and postal services for the wing and tenant units," said Tech. Sgt. Greg Sartain, the 379th Expeditionary Communications Squadron postmaster here. "We also provide official mail receipt and dispatch for the wing."

All mail on base is routed through one of three facilities, two post offices and an aerial mail terminal, which is where official and registered mail is routed. It is also where units come to pick up mail for distribution.

Sergeant Sartain, a native of Santa Fe, Texas, said when mail is sent here, it will typically take seven to 10 days to arrive here from the states, similar to the time it would take to get to other bases throughout U.S. Air Forces in Europe and Pacific Air Forces. One of the biggest differences is the postal location in coalition compound is open seven days a week.

"Most of the post offices in PACAF and USAFE are open six days a week," he said. "We are also open much longer here than any other location in the (area of responsibility). The post office is open for 100 hours per week. The (Blatchford-Preston Complex) location is open for 60 hours per week. Normal post offices, even within the AOR are only open for 66 hours per week."

The base has moved more than 250 tons of mail since the current rotation began in January. Sergeant Sartain said the majority of that mail has been parcel mail -- care packages and items ordered online. However, these packages have the potential to get people in trouble if they contain contraband.

"All the mail coming into the country is X-rayed by customs," the sergeant said. "They are looking for what we would consider contraband; alcohol, pornography, gambling materials, etc., anything you will find on the non-mailable list, basically."

Sergeant Sartain said because everything is X-rayed, almost no contraband gets past customs.

"If they see anything which might contain a liquid, they open the package and do anything they can to determine if it's alcohol or not," he said.

Postal workers have seen many things when it comes to people trying to get contraband into the country. However, even if the contraband is hidden in some way, it shows up visibly on the X-ray machine.

Sergeant Sartain said customs will also open mail if it contains a large amount of CDs or magazines so officials can verify none of it is pornography.

Normally, any contraband items found by customs are confiscated and the rest of the items are sent on their way to the recipient. However, if customs feels someone went out of their way to hide contraband, the entire parcel will be confiscated.

The receiving individual can be held responsible for any contraband found in the mail, regardless if they knew about it or not, Sergeant Sartain said.

"When we find contraband, we notify the person's unit commander," he said. "We also inform them how the contraband was sent. When you find something that has been hidden in some fashion, that tells me the sender knew they shouldn't have sent it and the person on the receiving end probably knew it was being sent."

One of the things many of the postal workers take pride in is the effect receiving mail has on people.

"Working in the post office, we are able to provide everyone with a touch of home and a way to communicate with their loved ones," said Staff Sgt. Michael Kohut, a 379th ECS postal worker. "It's a good feeling knowing we put a smile on someone's face when they received a package or letter."

His sentiments were echoed by Sergeant Sartain.

"It's all about morale," he said. "We provide that home link that you can't get any other way. You can get e-mail, but there's something much more gratifying about receiving a box of goodies or something else from home that you can't get from an e-mail. It's crucial to the morale around here. You see it every day when people come in to pick up their mail or you see people walking around base with a package they got. You know it's putting a smile on their face."

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