

# POSTAL NEWS

No. 91/2009

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

- 1. Postal workers for public ownership. May 6, 2009.**
- 2. US Postal Service Ends Second Quarter with \$1.9 Billion Loss. May 8, 2009.**
- 3. Postal Service backs off ending wilderness service. May 7, 2009.**

## **1. Postal workers for public ownership**

Royal Mail has held its own during the recession while private firms lost out – that's why it will fare better in public hands

Comments (30)

Billy Hayes

guardian.co.uk, Wednesday 6 May 2009 13.00 BST

Article history

Polly Toynbee is spot on in suggesting that the government can escape from another "self-imposed defeat". Gordon Brown, and the cabinet, ought to assess the significance of the Compass pamphlet, *Modernisation by Consent*. It offers a way forward for Royal Mail which will be both practical and popular. The alternative is to continue with privatisation proposals, which are both risky and unpopular.

The central idea of the pamphlet is that it is possible to successfully restructure Royal Mail in the public sector. As Polly wrote, "the service is not a basket case". In the recession, it is standing up remarkably well, certainly in comparison to its privatised rivals and potential partners. In the first quarter of 2009, TNT saw a year on year drop of 58% in operating profits; Swedish company Posten suffered a drop of nearly 50% in operating earnings; Post Danmark saw its profits drop by 52%. Deutsche Post has yet to publish its first quarter results, but in the last quarter of 2008 it registered a €3.16bn loss. In comparison, Royal Mail increased its profits in both quarters and is expected to roughly double its profits for the full year. Perhaps the public sector can outperform the private sector after all?

That being the case, the proposal by Compass to establish Royal Mail as a not-for-profit company has much to back it up. Certainly once the government carries out its obligation to remove the pension deficit, Royal Mail will immediately have an additional £280m capital per year, for the next 15 years. If, in addition, the regulator removes the subsidy Royal Mail is providing to private competition on access to Royal Mail's network, then a further £100m capital per year is available. Such figures create a self-financing company capable of providing the most modern and diverse range of services for customers.

For the Communications Workers Union, not everything in the Compass pamphlet is easy or straightforward to accept. Nor do we glory in, or accept, Polly's characterisation of the union as "appalling" and "inept". But for the CWU, the bigger picture is in the possibility of making the postal services bill into an Act that really does transform Royal Mail in the public sector.

The alternative is a privatised and vulnerable Royal Mail – a proposal not just bad for the workforce, but also for the public. So we will support the new debate opened by the Compass pamphlet. There are some hard choices ahead for the union in this debate, including those involved in establishing new and positive industrial relations. But if the government has the flexibility to respond to a positive proposal, then the CWU certainly will.

000

Auctionbytes-NewsFlash, Number 2037 - May 08, 2009 - ISSN 1539-5065

## **2. US Postal Service Ends Second Quarter with \$1.9 Billion Loss**

By Ina Steiner

AuctionBytes.com

May 08, 2009

The U.S. Postal Service ended its second quarter (Jan 1 - March 31) with a net loss of \$1.9 billion as the economic recession and longer-term financial pressures, such as the diversion of letter mail to electronic alternatives, continued to reduce mail volume and revenue. Despite aggressive actions to reduce costs and grow revenue, the Postal Service said it would likely face a cash shortfall of over \$1.5 billion at the end of the fiscal year.

The Postal Service has incurred net losses from operations in 10 of the last 11 fiscal quarters. The year-to-date net loss is \$2.3 billion, compared to a loss in the same period last year of \$35 million. A significant portion of the losses over this period can be attributed to an unprecedented decline in mail volume. In the second quarter, mail volume totaled 43.8 billion pieces, down 7.5 billion pieces, or 14.7 percent, compared to a year ago.

Complete second-quarter results are contained in the Postal Service Form 10-Q report, available online (click Form 10-Q under Quarter Reports).

000

Last updated May 7, 2009 4:29 p.m. PT

## **3. Postal Service backs off ending wilderness service**

By TODD DVORAK

## ASSOCIATED PRESS WRITER

BOISE, Idaho -- The U.S. Postal Service has backed off its plan to sever its contract with the pilot flying the only backcountry air mail route remaining in the lower 48 states.

U.S. Postmaster General John Potter notified Idaho's congressional leaders Thursday that the \$46,000 annual contract with pilot Ray Arnold, of Cascade, will be renewed for another year. Potter said acceptable mail service to backcountry customers could not be achieved any other way than the ongoing air service.

In April, the Postal Service decided to save money by ending its 34-year contract with Arnold, who delivers mail, food, medicine and other goods once a week to more than 20 ranches and families in central Idaho's Frank Church-River of No Return Wilderness.

Idaho's congressional leaders promptly launched a lobbying offensive to keep the service alive.

"This is great news for Idahoans who treasure our backcountry, the way of life this small service represents and the lifeline this service provides to remote sections of Central Idaho," Rep. Walt Minnick, D-Idaho, said Thursday.

The contract was scheduled to expire in June, leaving the backcountry inhabitants with no easy alternative for getting their mail.

Potter said the Postal Service still faces significant financial challenges, with fiscal year 2009 losses projected at \$6 billion.

"This is why we have been examining all contracts nationwide to reduce our expenditures," Potter wrote in a letter to Minnick and other members of the state's delegation.

Arnold, who operates Arnold Aviation, flies once a week to ranches scattered across the more than 2-million-acre wilderness, including some homes or ranches more than 60 miles from the nearest road.

He's developed tight bonds with his customers, and routinely delivers groceries, supplies and rental movies with the bills, magazines and letters.

"We're really relieved, I'm just glad they finally got the message," his wife, Carol Arnold, told The Associated Press. "It was an uninformed decision to start with. I'm really happy they made this correction."

000

Collected by Chairul Anwar, Bandung, Indonesia.

E-mail address : [chairulanwar49@operamail.com](mailto:chairulanwar49@operamail.com), [uyungchairul@plasa.com](mailto:uyungchairul@plasa.com).

