

POSTAL NEWS

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1. Royal Mail Profits Up But Workers Unhappy

14 May 2009 by David Lynch - © Hellmail.co.uk

Despite falling mail volume, Royal Mail saw its profits double last year to £321 million. This is likely to fuel further claims by the Communication Workers Union that the group remains profitable and there are no sound reasons why the government should be pushing ahead with a strategic partnership. The Business & Enterprise Committee also said that so far no case had been made for semi-privatisation.

As the row intensifies, postal workers in London are being balloted on industrial action, said to be over a pay freeze this year and drastic changes to working practices, unsupported by promised new sorting equipment. The Royal Mail pension fund deficit is said to be around £6bn and possibly worse later this year.

The government is following recommendations laid out in the Richard Hooper report with a new Postal Services Bill which would see a partner for Royal Mail with a stake of 30% or more. Lord Mandelson maintains that Royal Mail's future, and the underpinning of the pension deficit, can only be realised through outside investment and commercial expertise.

With 150 Labour backbenchers opposed to any form of privatisation, the government will be relying on Conservative support to push the Bill through, but a return to industrial action at Royal Mail now looks increasingly likely.

Although no national industrial action has so far been proposed by the CWU, other Royal Mail offices may decide to support the action in a last-ditch attempt to stop the strategic partnership going ahead.

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2. Reassigned postal workers facing big financial hardships

14 May 2009

The United States Postal Service – historically a dependable ladder into the middle class for African Americans – is experiencing an unprecedented decline in mail

volume and revenue. As a result, thousands of postal workers nationwide are being laid off, reassigned to jobs that can be several hundred miles away or given the option to retire early.

African Americans locally are feeling the economic pain as many face possible reassignments and the prospects of having to uproot their families and sell their homes in a down market.

At the Memphis Processing and Distribution Center on Third Street and the Memphis Bulk Mail Center on Elvis Presley, many postal workers are on edge as workers are being let go or moved. Reassigned workers may be given relocation expenses but they are only reimbursed after they have paid the moving costs, which is an economic hardship for many families.

In an effort to streamline operations and increase revenue, the U.S. Postal Service has begun to retool, outsource, restructure and reposition its career craft and supervisory employees. Thousands of jobs also will be eliminated through attrition. Some African-American postal workers in Memphis fear that skin color will be used as a factor as the reductions are made. “We need to be assured that the reduction in workforce will be a fair and equitable process across the state of Tennessee and without racial bias,” said Deborah Becton, a mail handler at the Memphis P&DC.

Becton, who is not being reassigned, says it appears more African Americans in Memphis are affected by the workforce reduction than those at facilities in Knoxville and Nashville, where the workforces have larger numbers of whites.

Beth Barnett, USPS communications manager for the Tennessee district, said, however, that is not the case. There are changes in those areas as well, she said. “I’m pretty sure Memphis is significantly less than others,” she said.

“The positions are what’s being looked at. We don’t do a profile. It might be a reflection of the general population (at those facilities),” said Barnett, who spent 20 years at the Memphis P&DC before taking her current position in Nashville.

“The economic recession has been really tough on business – especially in the mail industry,” said Barnett. “We’re facing financial issues like anyone else.”

The numbers and revenues tell the story, said Barnett. In the Tennessee district, the USPS handled a total of 154,806,789 pieces of mail in 2008 compared to 138,800,677 for this year.

Despite a second quarter loss of \$1.9 billion and a year-to-date loss of \$2.3 billion, Barnett said the USPS is trying to make the necessary changes to improve productivity without cutting jobs.

“We’re aggressively trying to realign costs to match mail volume,” she said. “In the first half of 2009, there was a decline of 58 million hours – about 33,000 full-time employees – despite the number of delivery points by 1.1 million from the same period last year.”

The goal is to reduce work hours by more than 100 million by year's end, which is about 57,000 full-time employees, Barnett said.

Moving presents economic hardships

Becton, a self-appointed spokesperson for her reassigned co-workers, said an independent investigation is needed before irreversible economic damage is done to the community. She also said postal workers shouldn't be forced to relocate several hundred miles.

In a letter-writing campaign to U.S. senators Lamar Alexander and Bob Corker, and U.S. representatives Marsha Blackburn, John Tanner and Steve Cohen, Becton bemoaned the hardships her coworkers are experiencing.

Charlotte Kimble, for example, has been working at the BMC for 11 years. She and co-worker Tamara Pounder are being reassigned to a postal facility in Tulsa, Okla. Another coworker, Xavier Dotson, is going to Nashville.

Kimble got a reassignment letter from her manager last year in December. A second letter arrived in February. She was supposed to report for duty on March 9, but is still on the job in Memphis.

"We've been on standby since March 2, sitting in a conference room with the Internet and TV on each day from 7 a.m. to 3:30 p.m.," Kimble explained. "There are about seven of us waiting on management and the union to decide our fate."

According to Kimble, about 55 mail handlers and clerks at the BMC have been assigned to various facilities outside of Memphis. "I'll have to leave on May 17 and report to work May 23," said Kimble.

So far she hasn't been able to secure housing in Tulsa. "They've given us time, but it's not enough time to get everything set up," said Kimble, who is married and has a daughter in school.

A mail handler for eight years, Pounder has two children ages nine and 13. "My daughter is graduating from eighth-grade. I will miss graduation, because I have to report to work on May 23. I asked them (management) to push the date back. They said no."

Dotson, also a mail handler, has been employed with the Postal Service for more than 11 years. She is married and has a daughter at Tennessee State University and a son in the 10th-grade.

"I made preparation, but not enough," said Dotson. "I went to Nashville this weekend and saw an apartment that won't be ready until the first of the month."

Relocating to Nashville, she explained, will be a burden on her children and husband, whose employer, Pacific Rail, doesn't have an office in the city. "I discussed this with management, but they said I have to be there on May 23."

According to the USPS, reassigned employees may be entitled to relocation benefits. Those benefits, however, won't relieve the stress for Pounder, who used her savings just a few weeks to pay off bills. She is not sure now how to pay for a move.

"I didn't know if I would go, so I spent the money on bills. Now they tell me I'm going," she said. "Now I have to borrow the money. I need my job. If I don't take the job, I'll be terminated."

Kimble, Dotson and Pounder are at a crossroads. They have no choice but to sell their homes and move their families to their respective places of employment.

"The majority of us were born in Memphis with family. And they are sending us to places where we don't know anybody. It's hard to express this to your children," Pounder said.

Rep. Cohen has intervened at the behest of Becton. She first made her concerns known at an April 4 town hall meeting that the 9th District congressman conducted with John Conyers, the congressman from Michigan.

Randy Wade, district director for Cohen's Memphis office, said the congressman is working hard on behalf of the local postal workers. "We're trying to make certain that there's not a disparity in the postal workers in West Tennessee who are being reassigned verses those in Middle and East Tennessee," Wade said.

He also pointed out that Postmaster General John E. Potter has been apprised of the postal workers' plight in Memphis.

'People don't like change'

In Article 6 of the 2006-2011 national agreement between the National Association of Letter Carriers and the USPS, postal workers "shall be protected henceforth against any involuntary layoffs or force reduction."

"We're working closely with the Postal Service on grievances and arbitration process," said Drew Von Bergen of the NALC. "The postal Service has been the cash cow for the government. It's put an onerous demand on them that they shouldn't have to face."

Charles Hill, a candidate for local president of the National Postal Mail Handlers Union, said he does not think that mail volume has declined enough to warrant employee reassignments.

"We have a contract that we are supposed to enforce. Sometimes it's enforced, sometimes it's not," said Hill, a mail handler and equipment operator for 21 years. He said the contract allows workers to be moved within 500 miles – but it must be justified.

Another BMC employee, Leo Stann, said many postal workers are stressed over worksite conditions and their future as civil servants. "For people to go 650 miles to work is racist," he said. "I'm aware of only one white lady who is affected by what's going on."

The American Postal Workers Union is fighting battles on several fronts with the Postal Service. The union filed a joint lawsuit in 2008 with NALC against the Postal Service and the Office of Inspector General to stop OIG from obtaining confidential medical information on employees.

Becton said impacted employees are bypassing the union and filing grievances with the EEO (Equal Employment Opportunity), just like the one she filed in April, charging discrimination. Becton is on limited duty because she was injured on the job.

Trying to find a solution that works for all sides is a tremendous challenge, Barnett said.

"We've got to make some adjustments to try to right side our organization and try to deliver for the customer," she said.

"Any time you talk about change, people don't like it."

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3. TNT Aims to Upset Parcel Delivery Pecking Order

By Jane Han
Staff Reporter

Simply comparing cargo volumes and market share puts TNT below rivals DHL and FedEx, but there is no anxiety on the face of TNT Korea's Managing Director Kim Jong-chul when he describes why he's not sweating to catch up.

Customer experience, he says, is what sets TNT apart from a slew of other competitors.

"Providing personal attention to each and every package is what we stress over day and night," said Kim, who has worked his way up to become managing director, "and this committed practice is going to power us forward."

The Netherlands-based express deliverer, which started business in Korea in 1983, currently operates 16 local offices throughout the country and employs 400 people. It offers a wide range of global express delivery, but specializes in clinical express service.

Discussing the Korean market, Kim says the competition is cutthroat with rival players offering almost identical services centered on speed and costs.

"There isn't much differentiation," he said, "which is why enhancing customer experience is the only way."

TNT recently kicked off its new global strap line "Sure We Can," capturing the carrier's can-do mentality.

“The campaign basically encompasses our dedication to do anything and everything for customer satisfaction,” said Kim, stressing that such detail-oriented approach is going to help the company ride out the current downturn.

Courier firms worldwide have been directly hit by the deepening economic slump as slowing customer demand reduces parcel volumes. A turnaround is expected in the second half of 2010, said the industry veteran.

He said TNT is undoubtedly facing tough times, but expressed no intention of laying off staff or downsizing the local operation.

“We’re working toward maintaining our solid double-digit growth till 2015,” Kim, who personally meets with the company’s frontline employees quarterly for a closer look at the market situation.

Kim said TNT Korea still has a long way to go to beef up its business size here, but showed confidence that the company is ahead when it comes to corporate social responsibility.

He plans to take part in TNT’s “Walk the World,” a fundraising walkathon, next month with his staffers and hundreds of other participants to help support the fight against child hunger. The initiative, which was founded in 2003, is the world’s largest annual global fundraising held in TNT’s more than 250 locations worldwide.

To help fight global climate change, TNT employees take measures to minimize the company’s carbon footprint.

“We may not be as well known because our relatively low public profile, but customers could expect to hear and learn about us in unexpected places,” said Kim.

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4. Postal increase forces businesses to cut more

BY JOYCE M. ROSENBERG

AP BUSINESS WRITER

NEW YORK -- Small businesses already working to hold costs down during the recession have another expense to contend with: higher postal rates.

The price of a first-class stamp went up two cents to 44 cents on Monday, the latest in a series of increases this year by the U.S. Postal Service and private shippers including FedEx Inc. and United Parcel Service Inc. The price hikes have motivated small business owners to think about how they can send letters, cards and packages more cheaply.

They’ve made Stacie Krajchir think about whether to mail or ship at all.

Krajchir’s Los Angeles-based public relations firm, The Bungalow, routinely sends product samples to magazine editors. In the past, PR companies would shower samples on journalists, sending packages to any and every news outlet in the hope that someone would give them some publicity. Now, though, Krajchir’s staff is likely to call editors first to see how interested they really are.

"Are they working on a story and looking at different products to include in a story?" Krajchir said. If so, her company will send them samples.

Like other small business owners, Krajchir has also found that being creative can also keep mailing and shipping costs down. So, instead of sending several packages to different editors at a single magazine, she'll consolidate the shipments into a single box.

And when she's asked to send something to an editor or other person requesting samples, she'll ask if they have a delivery service account they'd like to use. Often, the recipient is willing to pay.

Many small business owners have also found that delivery services and the Postal Service can help cut costs. Any company opening an account with a delivery service should be able to negotiate a price, especially if it has a large number of letters or packages to mail. Remember, there's a lot of competition out there, and, especially in a slow economy, the delivery companies want your business.

Technology offers small business owners many ways to save money on mailing and shipping costs. It is easy to send printed material by e-mail, or through file transfer Web sites that can accommodate documents and files that are too large for many e-mail systems. These methods eliminate not only postage costs, but also printing and labor expenses.

There are also Web sites that can help businesses comparison shop among delivery services.

Small businesses are also saving by switching to Web-based or e-mail billing rather than snail-mail invoices.

Tamara Wilson's PR firm does so much work via e-mail, including newsletters and billing, that her monthly postage bill is now about \$200 instead of the \$2,000 or \$3,000 she used to spend.

"I'm not only saving that money, I'm saving my clients' money," said Wilson, president of Wilson Public Relations in Seattle. She said she passes the savings along to her clients, who are also scrutinizing costs during the recession.

When she does mail out press kits, which are traditionally folders with information about a company, product or service, they're no longer on paper. They're on flash drives that cost considerably less to mail.

Sometimes, though, Wilson will spend more on mailings for strategic reasons. For example, she'll send envelopes with eye-catching stamps that she buys online. The price premium is worth it to her if it will help her mailings get noticed.

She's also having invitations to an upcoming event hand-delivered. She believes that sometimes personal service can have a greater impact than a letter that arrives in the mail or an e-mail that just pops into an inbox.

Owners who have employees need to be sure that staffers all understand the need to find cheaper ways of shipping. That means teaching them not to use the most expensive overnight service unless a package absolutely has to arrive early in the morning (cheaper next-day services often deliver before noon, anyhow). If a company uses stamps rather than postage meters, employees should know to use a 44-cent stamp and a 17-cent stamp on a two-ounce letter - not two 44-cent stamps.

Unless all your employees understand mailing costs, there can be an unpleasant surprise when the next bill arrives from your delivery service. Or, when your postage meter runs out.

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