

POSTAL NEWS

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- 1. Parcelforce Worldwide Launches Cost Effective Services. July 1, 2009.**
- 2. Internet, e-mail cuts big into post office business. Jun 30, 2009.**
- 3. Consolidating Stations. July 1, 2009.**

1. Parcelforce Worldwide Launches Cost Effective Services

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Parcelforce Worldwide has launched a new suite of cost effective international services following an 11 per cent rise in export deliveries in the past year.

With UK companies taking advantage of the weak pound to seek out new market opportunities, Parcelforce Worldwide has seen strong export growth across the world. Exporting hotspots include EU 'accession' countries in Eastern Europe, major Asian destinations and Western Europe, where there has been a marked increase in the amount of parcels sent from the UK.

And in response to the changing needs of UK companies, Parcelforce Worldwide has enhanced its international portfolio to give its customers a greater range of services to meet their specific global delivery needs.

New services, including Global Express, Global Priority and Global Value, will mean customers will be able to match delivery options to suit their needs, whether that is a fast, efficient, fully-trackable global service, a value tracked service for times when a lower price is more important than speed or a balance of the two. Customers posting into Europe will also be able to choose between tailored business and residential delivery services for the first time.

The new suite of six services is:

- Global Express - a fully trackable delivery service from next day to Europe and North America and delivery from two days to the rest of the world.
- Global Priority - delivery from three days to destinations outside Europe.
- Global Value - a new parcel delivery service to major destinations outside Europe taking 5 - 10 days with full tracking capabilities. This will offer customers a cheaper alternative where price is more important than speed.
- Global Bulk Direct - a cost-effective service which allows exporters to send a pallet with individual parcels going to different addresses to one destination. On arrival, it is broken down and individual parcels are then despatched to individual addresses.

Parcelforce Worldwide's truly global services are made possible by tapping into their network of international partners that deliver on the ground in their local market. This means customers can expect consistently high levels of customer service and reliability whilst benefiting from a far-reaching, locally based delivery network. Parcelforce Worldwide's membership of the Kahala Postal Group (KPG), a coalition of leading postal providers, has helped to strengthen export services to major destinations across Asia-Pacific, Europe and USA.

Iain Johnson, International Director of Parcelforce Worldwide, said: "Despite the tough economic climate, UK companies are recognising that there are export opportunities as a result of the weak pound, the growth of Eastern European countries and the continued strength of economies such as China and India. We have seen the number of global deliveries we handle increase by 11 per cent in the past year."

"Parcelforce Worldwide has responded by developing a new suite of international services which means customers will be able to choose the right product for them, at competitive prices, based on their differing delivery requirements."

He added: "Whether a manufacturer or wholesaler needing to send an urgent next day package to the USA or Germany, or a retailer wanting to send a home delivery parcel at a truly competitive price to a rural area of Poland, our customers will be able to choose from an array of Parcelforce Worldwide services to meet their every delivery need."

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2. Internet, e-mail cuts big into post office business

By Chris Vetter and Jerry Poling

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More people paying bills online and sending e-mails instead of letters has meant a staggering drop in mail going through the U.S. Postal Service, said Pete Nowacki, spokesman for the agency's Northland District, which covers most of Minnesota and the western third of Wisconsin.

"Mail volume is way down," Nowacki said. "Last year it was down 4.5 percent, and this year it will be worse."

Nowacki said early projections show the drop could be as high as 12 percent, as the slowing economy has meant fewer people and businesses sending packages. It also means fewer customers walking through the doors.

"We don't have as many people walk in and use a post office window," he said.

"There are a lot of financial and legal transactions that used to be done on paper and now are done electronically. It's people doing correspondence in a different way."

MSN reported this week that in the next three months more than 3,200 post offices and retail outlets - out of 34,000 nationwide - will be reviewed for possible closure or consolidation.

People in small towns shouldn't fear that their post office will shut down, Nowacki said.

"We're not doing any reviews of smaller places," he said.

Instead, Nowacki said, postal officials are looking at consolidating postal branches in cities that have several locations. In other words, a larger city like Minneapolis might see more impact than smaller cities in western Wisconsin, he said.

At this point, he isn't sure what branches would close.

"There aren't any particular facilities that are under consideration at this time," he said.

Elk Mound Postmaster Deb Christopherson said Tuesday she hasn't heard of any changes that might affect her center, which employs three full-time carriers, a part-time carrier and a part-time clerk.

Changes are being made to routes in some cities as mail volume drops, Christopherson said. One carrier in Elk Mound has increased hours to maintain pay, which is based on volume.

"Mail volume has dropped in our area but not so much as in the bigger cities," said Christopherson, who was named Elk Mound postmaster in May 2008.

The Elk Mound post office was built in 1987, she said.

The postal service already has adjusted mail routes, restructured administration and consolidated its mail processing centers in an effort to save money, Nowacki said.

While stamp prices continue to climb, he said Congress in 2006 capped stamp price increases by tying the rise to the Consumer Price Index.

"At this point, raising (a stamp) a nickel isn't an option," Nowacki said.

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3. Consolidating Stations

APWU Web News Article #076-09, July 1, 2009

At a meeting at USPS Headquarters on June 23, the Postal Service briefed APWU Clerk Craft officers [PDF | Powerpoint presentation] about plans to consolidate operations in large stations and branches. Managers also provided the union with an updated list [Excel spreadsheet] of 3,243 stations and branches in Level-24-and-above installations that are being reviewed.

At the briefing, postal officials said that among the stations under review, 740 already had been identified as candidates for consolidation and/or closing. (The Postal Service has not yet provided the list to the APWU; when it does, the list will be posted at www.apwu.org.)

Managers said they anticipated only a 60-day process for making these decisions, including a 10-day window for input from affected customers.

USPS officials conceded that among the reasons for closing stations and branches is that there are fewer "procedural requirements" for closing stations and branches than for small post offices. They also said that 34 percent of current postal revenue comes through alternative access, and that they are striving to increase that percentage.

The briefing was a follow-up to a May 15 letter from the Postal Service to APWU President William Burrus, which announced the plans. "District Managers will be adding a focus to the discontinuance of operations by reviewing all classified stations and branches in Level 24 and above post offices," the letter said.

"These offices have experienced serious volume, transaction, and revenue declines. ... Many factors including impact on employees, service standards, cost savings, customer access, environmental impact, real estate values, and long-term needs of the service would be taken into account... We would expect these local manager reviews to result in a significant increase in the number of lease terminations and/or facility disposals." [Emphasis added.]

No Coincidence

APWU Clerk Craft Director Jim McCarthy said, "We do not believe it is a coincidence that three weeks earlier, on April 24, the USPS notified the APWU that it was replacing Handbook AS-707-F, Contracting for Contract Postal Units, with Publication 156 [PDF-11 MB], Postal Employee Guide to Contract Postal Units." The union initiated a Step 4 dispute [PDF] on May 5, protesting the unilateral changes, and demanding that the USPS rescind them. The modifications clearly relate to wages, hours and working conditions, and therefore violate the contract.

"We also believe that if management backfills the stations and branches it closes with contract postal offices (CPUs), this would violate the procedural requirements on subcontracting in Article 32.1 of the Collective Bargaining Agreement," McCarthy said.

Locals should immediately request a labor-management meeting to discuss the criteria that are being considered in the determination of whether stations and branches are to be closed or consolidated within their installations, the Clerk Craft director said. Locals should also make certain that the local community is allowed to provide adequate input before these decisions are made, McCarthy said. For tips and assistance, review the APWU Consolidation "Tool Kit," which is available in the "Members Only" section at www.apwu.org.

GAO Report

The Postal Service blames the consolidation of stations and branches on the dramatic decline in mail volume and the financial losses the USPS has suffered as a result. On May 20, the Government Accountability Office (GAO) issued a report [PDF] titled "U.S. Postal Service – Network Rightsizing Needed to Help Keep USPS Financially Viable."

The GAO study concludes that due to a mail-volume decline of 10 to 12 percent, the Postal Service will suffer a loss of more than \$6 billion in FY 2009; the report shows similar projections for mail volume and revenue losses for FY 2010.

The GAO criticized the USPS for failing to take the necessary steps to remain viable, such as "rightsizing its retail and mail processing networks by consolidating operations and closing unnecessary facilities," and "reducing the size of its workforce."

"The USPS has substantial excess capacity in its mail processing network," the report says. "In the Postal Accountability and Enhancement Act of 2006, Congress recognized USPS has more facilities than it needs, and strongly encouraged streamlining its networks."

The GAO went on to suggest "other options that could help USPS remain financially viable," including:

- Deferring USPS payments for retiree health benefits;
- Reducing deliveries to five days a week;
- Raising statutory debt limits; and
- Providing direct appropriations.

The report concluded that "USPS can streamline its retail network while improving access by closing unnecessary retail facilities and promoting lower-cost alternatives such as purchasing stamps by mail, telephone, and the Internet, as well as carrier pickup of packages." Although the USPS has long recognized the need to adjust its retail network, the report said, it "has not significantly downsized its retail operations in recent years."

“Opportunities to reduce retail facilities are particularly evident in urban and suburban areas, where USPS retail locations are close to one another, customers have more options, and facilities are expensive to operate and maintain,” the audit found. The APWU will continue to monitor the situation to ensure that management complies with the Collective Bargaining Agreement, and will provide updates as developments warrant.

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