

# **POSTAL NEWS**

## **No. 117/2009**

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June 29, 2009 in City

### **1. Pilot preserves way of life**

Mail route provides lifeline in Idaho backcountry

Jessie L. Bonner

FRANK CHURCH-RIVER OF NO RETURN WILDERNESS, Idaho – In the small airport lounge, his former wife and business partner rattles off the weather report and frowns as a surge of wind blows open the door and invites in the morning chill.

Ray Arnold slumps in a chair holding the side of his mouth. The 72-year-old pilot had a root canal the day before. Staring out the window, he weighs years of flying experience against an uneasy sky.

At his signal, Arnold Aviation employees wheel boxes into the hangar and stack them next to the plane, the wish lists of those who live and work along the only backcountry air mail route left in the lower 48 states.

Bananas. Eggs. Canned fruit. Flour. Frozen fish fillets. Oranges. Ice cream. Stripping wax for floors. An 18-pack of Coors. And yellow mail bags, stuffed with everything from bills and letters to magazines and Netflix movies.

The pilot ticks off the items to be loaded first, guiding the workers like a backcountry Santa Claus. In the back of the plane, the parcels are arranged in the order they'll be delivered.

“I got to get rid of the ice cream first,” Arnold said.

Deep in the Frank Church-River of No Return Wilderness, folks are waiting.

For 34 years, Arnold has served this tiny segment of Americans who prefer isolation over convenience. In a place where time seems stuck in a bygone era of the West, the

weekly sound of the mail plane reminds the wilderness dwellers they are not forgotten.

Mail has been carried over the mountainous terrain on sleds and horses; and in the unforgiving cold of a central Idaho winter, carriers in the late 1800s crossed the wilderness on skis and snow shoes.

Lafe Cox signed a contract to deliver mail to mining camps, ranches and homesteads along 45 miles of backcountry in 1942. In the 1950s, the mail route was contracted to Johnson Flying Service in McCall.

About 20 years later, Arnold noticed an advertisement at the local post office. They needed an air taxi operator to deliver mail to one of the largest blocks of primitive and underdeveloped lands left in the United States.

Arnold Aviation, the lowest bidder to take over the mail route, signed the contract in 1975.

The U.S. Postal Service faces a potential \$6.5 billion loss this year. Postmaster General John Potter says thousands of routes have been eliminated.

A March 24 letter notified the Idaho backcountry residents the air route would be cut. If they made the trek to the mountain town of Cascade, a daylong affair for most of them, a mail box would be available at no cost.

Arnold's air mail route includes about 20 ranches scattered throughout the wilderness area, and a stop at Shepp Ranch serves about 30 people, said Mike Demerse, who with his wife, Lynn, organizes hunting, fishing and outdoor trips from a ranch property that straddles the Nez Perce and Payette national forests.

The Salmon River runs through their front yard.

What would losing the mail service mean? "I can't order tractor parts. I can't get a magazine subscription," Mike Demerse said.

They'd survive without the mail, but that's not the point.

"The point is, is it a basic government service or not?" Lynn Demerse said. "Is getting the mail a privilege or a right?"

Arnold delivered the postmaster's letter to the Yellow Pine Bar caretakers on April 1. They thought it was a joke; they couldn't imagine sustaining their livelihoods without Arnold.

"I guess it might seem to some people as selfish, to want to get your mail," said Sue Anderson, 45, who helps maintain the ranch with Greg Metz, 46.

About a month later, U.S. Rep. Walt Minnick, D-Idaho, visited Arnold's small hangar. The lawmaker remembered the pilot who had flown him into the backcountry more than three decades earlier, Arnold says.

He wondered if Minnick's visit might bode a change in the postal service decision – and indeed in May, the agency ditched the plan to sever the backcountry mail contract. Minnick hailed the decision as a victory.

The postal service is exploring alternatives, requesting quotes to find out if the service could be provided at a cheaper cost. Arnold is bidding for the first time since he took over the contract in the 1970s.

The postal service would have a hard time finding another pilot to deliver the mail for less money, said pilot George Dorris. They could probably find one who is more efficient, doesn't stop to visit, he quipped. "But the people back there won't bring them rhubarb and cookies," he added.

Arnold, who estimates he flies about 17,732 miles a year, has been paid \$2.45 a mile for the past several years. He carries passengers and freight with the mail to break even. He asked the Postal Service for \$2.95 per mile, and after weeks of negotiations, he said he and the agency have agreed on \$2.85 a mile. "I'll give 'em the dime," Arnold said.

He has not received an official contract for the next year, he said. He'll most likely deliver his first mail route in July on faith.

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Jun 29, 2009, 9:00 a.m. EST

## **2. More than \$775 Billion to be Processed in Self-Service Kiosk Transactions in 2009, According to IHL Group**

Figure to Grow to Over \$1.6 Trillion in the Next 5 Years

FRANKLIN, Tenn., Jun 29, 2009 (BUSINESS WIRE) -- North American consumers continue to embrace self-service technology, as transactions at self-service kiosks will surpass \$775 billion in 2009. This will grow to over \$1.6 trillion by 2013, according to a new research study conducted by the IHL Group.

"We expect continued double-digit growth in the revenue generated by self-service transactions, particularly as retailers, restaurants, and transportation authorities offer more devices in more locations," said Lee Holman, Lead Retail Analyst of the IHL Group, an analyst firm and consultancy that serves retailers and retail technology vendors.

"Most consumers have adapted to self-service as a way of life," Holman added. "The current recession is actually increasing the acceptance of the technologies, as they are a hedge against increasing labor expenses during a tough economic climate. They allow companies to schedule their workforce for high-volume periods without sacrificing service during non-peak times."

In the market study, 2009 North American Self-Service Kiosks, IHL examines the increasing use of six types of self-service kiosks where payment is accepted: self-checkout systems, ticketing kiosks, check-in kiosks, food ordering, postal and other retail kiosks.

The study is available immediately at [www.ihservices.com](http://www.ihservices.com).

The report covers self-service kiosks in the United States and Canada, detailing the number and type of kiosks shipped historically. It also provides forecasts for each type of kiosk, both in terms of units shipped and revenue transacted. In addition, the report highlights best practices and best-in-class machines for each class of kiosk.

#### About IHL Group

IHL Group is a global research and advisory firm headquartered in Franklin, Tenn., that provides market analysis and business consulting services for retailers and information technology companies that focus on the retail industry. For more information, see [www.ihservices.com](http://www.ihservices.com), call 615-591-2955 or e-mail [ihl@ihservices.com](mailto:ihl@ihservices.com).

SOURCE: IHL Group

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### **3. Delay On Postal Reform Undermining Royal Mail Planning**

29 June 2009 by Sarah Sharpe - © Hellmail.co.uk

The future of Royal Mail still remains 'on hold' and possibly until 2010 as the government attempts to placate Labour rebels and make some attempt to try to secure another term at the next general election.

Lord Mandelson admitted that the legislative process and attached sell-off had been decoupled whilst it concentrated on a new policy called 'Building Britain's Future' but most suspect that postal reform which would see a difficult passage through the House of Commons ahead of a general election, would be enormously damaging for Gordon Brown.

However, the pension deficit continues to grow, technically leaving Royal Mail insolvent and with growing debts. The government maintains that radical reform will still be needed to transform the postal service and secure its future, but for now it has set the Postal Reform Bill aside.

Steve Lawson, editor for Hellmail Postal News said:

"Whilst the controversy may have dimished to some extent by the delay, Royal Mail still faces massive problems unless the pension itself is somehow decoupled from its

day-to-day business. The hold-up is also difficult for Royal Mail from the point of view of planning, leaving the company in an operational no-mans land."

"The uncertainty will increase the prospect of more radical changes to existing pensions by Royal Mail itself unless there is some assurance from government of what it intends to do over the next year or so. Politically it is certainly difficult, but by the same token some difficult decisions will have to be made and tough legislation put in place by this or a subsequent government to solve Royal Mail's problems. Until then, it remains a mess."

"It is not just Royal Mail's future but the whole of the postal market that is affected by this. There are holes in the existing regulations which urgently need reform to ensure liberalisation works as it was envisaged." he said.

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#### **4. British postal service sell-off plan may be delayed: minister**

Agence France-Presse  
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2009-06-30 12:14 AM

The planned part-privatization of Britain's Royal Mail postal service is likely to be delayed, Business Secretary Peter Mandelson said yesterday, amid strong political opposition to the scheme.

Mandelson told the Financial Times that although he had planned to present legislation to parliament before its near-three month summer break from July 21, the plans are being "jostled" for space.

"I want to retain the slot, but... I have to concede that the original linking of the legislative passage and the bidding process for the strategic partner has been decoupled," he said.

Mandelson, effectively Britain's deputy prime minister, highlighted the depressed state of the market as a reason for the delay - so far, the only bidder is private equity firm CVC Capital Partners.

The plan to sell off up to 30 percent of Royal Mail is also facing strong opposition from trade unions - a vital source of funding for the ruling Labour party - and backbench Labour lawmakers.

A total of 182 members of parliament have signed a parliamentary motion voicing opposition to the plans.

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Collected by Chairul Anwar, Bandung, Indonesia.  
E-mail address : [chairulanwar49@operamail.com](mailto:chairulanwar49@operamail.com), [uyungchairul@plasa.com](mailto:uyungchairul@plasa.com).