

# **POSTAL NEWS**

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### **1. Japan May Freeze Post Group Breakup, Privatization, Kamei Says**

By Mariko Yasu

Sept. 20 (Bloomberg) -- Japan's new government may act this year to freeze the breakup and privatization of Japan Post, the state-run service that's also the world's largest bank by deposits, Financial Services Minister Shizuka Kamei said.

"We plan to submit a bill to an extraordinary session of parliament to freeze plans" for selling shares in units of the postal group, Kamei said in an interview on NHK television today. A date for the session hasn't been set.

The Democratic Party of Japan, which took power after its landslide Aug. 30 election victory, pledged to reverse Liberal Democratic Party plans to sell off the postal service and its bank, which holds 178 trillion yen (\$2 trillion) of deposits.

Kamei said he also plans to submit legislation to revise Japan Post's business structure to ensure services to people outside metropolitan areas as well as a competitive environment for private banks.

Named to the financial services portfolio after his People's New Party aligned with the DPJ, Kamei, 72, split with former Prime Minister Junichiro Koizumi over the privatization in 2005, was denied an LDP endorsement in elections that year and quit the then-ruling party to form his own political group.

Legislation pushed through by Koizumi in 2005 broke the 138-year-old Japan Post into four units under a holding company and allowed for share sales as soon as next year.

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**2. Postal Service making wrong move**

Brenda W. Farrell Albemarle County

Published: September 20, 2009

I write in response to recent articles concerning the U.S. Postal Service and the possible closing of the Charlottesville processing facility. Its loss and the 200 jobs it represents constitute a serious blow to our local community's economic health. These 200 employees — mostly local, predominately ex-military — and their purchasing power will be forced to move to some other community, to their gain and our loss. More importantly, the impact of moving the mail 100 miles down the road to process and return can only cause a serious impact on the quality of your service.

The Postal Service is committed to this wrongheaded act because it has already committed its resources to a business model and machine that must have increased volume, which is not sustainable in this economy and, even after a recovery, may still not be practical. These machines must have volume to operate efficiently, which is why the Postal Service must look further afield to feed its folly. It chooses to justify its decisions at your expense.

The USPS is gauging the reaction of the public to this proposed closing and will be responsive if the community makes their objections known. Our local businesses depend on the mail; the community depends on the mail.

Our service is one that is often taken for granted, but its loss would be incalculable. Five-day delivery is not the answer and will only further erode the business, just as removing collection boxes, shortening business hours and generally making it more difficult for customers to do business has already done.

The stability of the Postal Service's presence in every community every day knits the community across town and across the nation in good times and bad. There is no substitution for the ability to put an item in the hands of your mail carrier and know that it will safely and promptly arrive at your designated destination.

The establishment of a postal service was provided for in the U.S. Constitution. To protect your rights, contact your political representatives to make your needs known. Write to them today and, by the way, send a card or letter to a loved one. Your e-mail may only last as long as your current computer, but a letter can last a lifetime and beyond.

**3. U.S. views direct postal talks with Cuba positive**

WASHINGTON, Sept.18 (Xinhua) -- The Obama administration said Friday that the first round of direct postal talks with Cuba was "positive," adding that the Cuban delegation has been invited to visit the United States.

"We were pleased with our initial discussions yesterday on the establishment of direct mail service between the United States and Cuba. The United States considers this first round of talks to have been positive," said State Department spokesman Philip Crowley in a statement.

Under an agreement reached in May, representatives from the two countries met on Thursday in Cuba's Havana to begin talks on resuming direct mail service, which has been suspended since 1963, four years after the Cuban revolution.

"During the course of the one-day meeting, a variety of issues related to the transportation, quality and security of mail service between our countries were discussed," said Crowley, adding that the two sides would meet again.

According to the spokesman, the Cuban delegation offered the U.S. delegation an opportunity to tour a Cuban mail processing center and post office, while the U.S. delegation has offered to reciprocate the tour with a visit to an international processing center in the United States.

Earlier in April, U.S. President Barack Obama directed his administration to ease restrictions on travel and money transfer by Cuban-Americans to Cuba and to authorize U.S. companies to enter Cuba's telecommunication and satellite TV markets, saying "supporting the Cuban people's desire to freely determine their future and that of their country is in the national interest of the United States."

The president then told Latin America's leaders at the Fifth Summit of the Americas, held from April 17 to 19 in Trinidad and Tobago, that the United States would seek "a new beginning" in U.S.-Cuban relations and move the relations in "a new direction."

However, Obama announced earlier this week to extend the 47-year-long U.S. trade embargo on Cuba for another year, defending that the continuation "is in the national interest of the United States."

Editor: Lin Zhi

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#### **4. Postal Service not licked yet**

For the past four decades, letter carriers and other postal employees have had no more loyal friends than Rep. Lacy Clay and his father, former Rep. Bill Clay, two Missouri Democrats who have represented that state's First Congressional District since 1969. The senior Mr. Clay even was chairman of the House Post Office and Civil Service committee for his last four years in Congress.

So when the time comes that Clay says the Postal Service must "transform itself to survive as a viable entity," things must be serious, indeed.

They are. Recently the Postal Service announced that its deteriorating finances may force it to cut Saturday deliveries and close thousands of post office branches across the country. In July, the Postal Service won a place -- alongside Medicare, Medicaid, the Pension Benefit Guaranty Corporation and federal oversight of food safety -- on the Government Accountability Office's list of "high-risk" government functions needing urgent restructuring.

The problems are easy to understand. In the last two years alone, mail volume in the United States has plummeted from approximately 210 billion pieces a year to 180 billion. In part, that's because of the recession, but e-commerce also has played a significant role.

A large volume of personal letters, of course, has moved to e-mail. But consider the simple, if onerous, process of paying bills. In 2001, 80 percent of these payments were made by first-class mail. By 2008, that number had declined to 56 percent with fully 38 percent now paid electronically. All of that is revenue lost to the Postal Service.

Against these trends stands the nation's largest civilian federal agency workforce, about 633,000 career and 94,000 non-career employees. They receive generous health and retirement benefits, but billions of dollars in pension liabilities are unfunded. The agency also maintains nearly 38,000 facilities nationwide. McDonald's only has 13,380 or so U.S. locations, but it doesn't have to serve hamburgers in every hamlet.

The GAO recommends that the Postal Service consider reducing deliveries to five days a week, close or consolidate mail processing facilities with large unused capacity -- and above all reduce labor costs through early retirements and reduced health and life insurance benefits. All of these steps would need Congressional approval.

Some perspective: The Postal Service has experienced about a \$7 billion operating loss this year and is expected to lose another \$7 billion next year. No small sums. But these numbers are positively quaint compared to the bushel loads of taxpayer funds used to keep the financial services industry afloat.

What's more, "right-sizing" already is occurring. More than 160,000 postal service employees will be eligible to retire this year; 140,000 more will eligible to retire within four years.

Clearly, though, as Clay observes, big things will have to give. But as policy makers weigh their options, they should realize that people, while they spend a lot of time online, still live in the real world. Business may be down, but 180 billions of pieces of mail a year are vitally important.

SEPTEMBER 21, 2009

## **5. Postmortem on Japan's Postal Reform**

BY JAMES SIMMS

Within months, a nearly decade-long process to privatize two of Japan's largest financial institutions will come to a dead halt.

Leading the revanchist charge is newly appointed postal and financial services minister Shizuka Kamei. An opponent of privatizing Japan's postal system, including Japan Post Bank and Japan Post Insurance, since the start, Kamei's finally found himself in a position to stamp it out.

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September 17, 2009 8:08 PM

## **6. U.S., Cuba Mull Direct Postal Service**

Posted by Portia Siegelbaum

Cuba says it's "satisfied" with today's meeting between Cuban and U.S. officials on normalizing direct mail between the two countries. That service was discontinued in August 1963, a year after Washington imposed an economic and trade embargo on the fledgling revolution led by Fidel Castro.

A statement issued by Havana says the meeting "made it possible to examine the issues that make it difficult to normalize postal exchange" between the two countries. The head of the Cuban delegation is quoted as saying it allowed both sides to "evaluate a body of specific proposals intended to overcome these obstacles," but no details were given.

Heading the delegations to the one-day-talks were Josefina Vidal, director of the North America Division of the Cuban Foreign Ministry and Bisa Williams, acting assistant undersecretary for Western Hemisphere Affairs in the State Department, the most senior Obama administration official to visit Cuba. Williams was accompanied by representatives of the U.S. Postal Service.

Vidal further described the talks as "broad and useful," according to the statement, which says Havana put special emphasis on the importance of eliminating the United States "blockade," as the embargo is known by Cubans so as to reestablish direct postal service under the norms set out by the Universal Postal Union to which both countries belong.

A functionary in the press office of the U.S. Interests Section in Havana says the U.S. delegation has not yet issued any statement on the conversations.

Regular mail and services such as DHL from Cuba must go through a third country before reaching the United States, causing delays and other inconveniences.

One issue raised by Cuba in the past is the lack of commercial flights from the U.S. to the island because of the travel ban prohibiting Americans from visiting. The absence of those flights makes it obligatory for mail to travel through third countries.

There are direct charter flights between the U.S. and Cuba but the only people allowed to take them are Cuban Americans with relatives on the island, diplomats, press and Americans with special licenses from the U.S. Treasury Department.

Thursday evening's statement says Havana raised the issues of how the mail would be transported, "postal security and the payment methods for this service".

Just a few days ago, President Barack Obama, like all of his predecessors, signed a measure formally extending the economic and trade embargo for another year. Cuba, meanwhile, is gearing up to present – for the 18th time – a resolution against the embargo at the U.N. General Assembly later this month. That resolution has passed overwhelmingly in the past.

According to the Cubans, both sides in the talks "agreed on the need to continue the conversations in the coming months".

In a press conference Wednesday, Cuba's Foreign Minister Bruno Rodriguez noted that the level of tension between the two neighboring countries has diminished under the new Administration but stressed that apart from that and an easing of restrictions that limited contacts between Cuban Americans and their families back home there has been absolutely no change in Washington's policy toward Havana.

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