

# POSTAL NEWS

No. 26/2010

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

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## **1. Postal Service doesn't get a lot of sympathy**

Published: Wednesday, March 17, 2010 at 4:01 a.m.

Last Modified: Thursday, March 18, 2010 at 7:53 a.m.

The U.S. Postal Service wants a bailout. That's pretty good. It just can't seem to make ends meet like companies in the private sector.

According to a story on "60 Minutes" a while back, when President Obama was going to crack down on executive pay packages, we found that the postmaster general had a salary and benefits package worth about \$850,000 a year. Looks like the Postal Service needs to start on the inside to correct its money problems.

News stories mention UPS and FedEx. They are private-sector companies that deliver the mail the USPS says it can't make money delivering. The Postal Service is the business-as-usual government department that seems never to be at fault when it has financial shortcomings.

Personally, I would like to see the USPS turned over to the private sector for a total break from anything government. I get as much mailed delivered to my home by my neighbors as from the USPS, Go figure.

It seems there are more government employees today than private-sector employees. An average federal job pays \$71,000, plus \$40,000 in benefit costs. The only thing government is really good at is spending other people's money through taxes and fees. The government makes nothing that can make a profit; it can only take. If it weren't for taxes, government workers wouldn't get paid. And I know people in government will say they also pay taxes - but it's not until people in the private sector pays their taxes that government employees have the money to do so.

The government is now bigger than the private sector and needs to borrow money every month to continue on its merry ride down this black hole. Don't worry, though. All the money we save with the ObamaCare health-care reform bill will bail out the USPS.

Jim Prince

Lake Wales

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Thursday, March 18, 2010

## **2. UPDATE:Postmaster General Seeks OK To End Saturday Mail Delivery**

By Judith Burns

Dow Jones Newswires

WASHINGTON -(Dow Jones)- The U.S. Postmaster General is asking Congress to loosen requirements on the Postal Service, allowing it to scrap Saturday mail delivery and make other changes to stem a projected 10-year \$238 billion deficit.

Financial woes at the U.S. Postal Service are now so severe that without congressional action, it might not be able to pay all the bills coming due this year, Postmaster General John Potter said Thursday.

"We urgently need legislative change from Congress," Potter said in testimony prepared for delivery to a Senate Appropriations subcommittee. Without changes, he said the Postal Service likely will lose \$7 billion this year alone.

Eliminating Saturday service tops the list of changes being sought by the Postal Service. Current law requires six-day-a-week mail delivery, but with mail volume down sharply, Potter said the Postal Service needs to shift to a five-day delivery schedule.

Although dropping Saturday delivery service would reduce revenue, Potter said the Postal Service still expects to save \$3 billion a year by doing so, chiefly on labor.

Potter outlined the planned cutbacks at the Senate hearing, saying the Postal Service is looking to discontinue Saturday mail collection and delivery to homes and businesses and end Saturday pick-up from blue mail-collection boxes.

Some weekend service would continue. Post offices that are now open on Saturday would remain open and customers with Post Office boxes would still get Saturday mail delivery under the plan. Express mail delivery and collections would continue, as would acceptance and drop shipping of bulk mail.

Polls show that Americans would rather drop Saturday mail service than pay higher prices for postage, and Potter said the reduction in service is a risk worth taking because "we have to keep mail affordable."

The Postal Service will present a detailed plan to its regulator this month. Postal Regulatory Commission Chairwoman Ruth Goldway told the Senate panel that the group likely will need six to nine months to analyze the plan.

Another legislative change being sought by the Postal Service would end a 2006 requirement to prefund retiree health care benefits, saving about \$5 billion a year. Congress agreed to waive most of the prefunding for 2009 but Potter said permanent relief is needed. He said the \$35 billion health fund is large enough to cover premiums for currently participating retirees and that ending prepayments would reduce the Postal Service's need to tap its credit line with the U.S. Treasury Department.

More flexibility on introducing new products and services, and on pricing, including a speedier way to offer discounts to large-volume business mailers, also would be helpful, Potter said. He said the Postal Service is hampered by legal restrictions and by the need to get regulatory approval for pricing changes.

Potter described the Postal Service's financial condition as "dire," with mail volume down nearly 13% last year--a record drop--due to a slack economy and the growing use of electronic communication. Aggressive cost-cutting yielded nearly \$6 billion of savings in 2009, but the Postal Service still ended the year in the hole and is facing more red ink ahead. Given that, Potter said doing nothing is not an option.

Lawmakers had mixed reactions to the request. Sen. Richard Durbin (D., Ill.) said it might be worthwhile to test five-day delivery, at least temporarily. But Sen. Susan Collins (R., Maine) said the Postal Service will have to make a compelling case that reducing Saturday service won't further depress volume, "setting off a death spiral" for traditional mail.

Collins warned that ending Saturday delivery could undermine relationships with businesses such as Netflix that rely on frequent mail delivery. She also questioned whether it would yield the savings projected by the Postal Service, citing a smaller projection of \$2 billion of annual savings by the Postal Regulatory Commission. The \$1 billion gap is due to differing assumptions about the impact on mail volume, workload and labor.

On the request to end prepayment for retiree health costs, Collins expressed willingness to stretch out payments, but said, "we cannot just wish these liabilities away or pretend they don't exist."

She added that she hopes whatever changes Congress agrees to will provide a lasting solution to the Postal Service's financial woes, not a short-term fix.

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Letters

### **3. Time for Change in the Postal Service?**

Published: March 16, 2010

No business ever bounced back to health by rushing to offer slower service and turning customers away. Yet that's the advice you give to Congress for saving the United States Postal Service.

Eliminating Saturday delivery would send the wrong message to both citizens and businesses, that this public service is about to get a lot worse. That alone could push away many mailers, including movie and video game distributors, prescription drug companies and magazines.

We agree that the Postal Service needs more flexibility to provide new services and win new revenues. But the single most important step Congress could take immediately is to reform the mandate to prefund future retiree health care obligations. An inspector general's report in January showed that the Postal Service could fully fund those obligations for the long term if it could tap its \$65 billion surplus in the Civil Service retirement fund.

The Postal Service has adapted remarkably well during this economic crisis. If not for the advance payments for retiree health insurance, mandated by Congress just before the recession hit, the Postal Service would have made money over the last three years.

The worst thing Congress could do is allow it to drop Saturday delivery instead of fixing the prefunding problem. That course would damage the long-term prospects for the Postal Service and destroy another 50,000 good jobs, just when officials are scrambling to create more.

Fredric V. Rolando  
President, National Association  
of Letter Carriers  
Washington, March 11, 2010

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To the Editor:

So the Postal Service is losing money in the Internet age. No surprise there; nowadays most important or time-sensitive documents are transmitted electronically. Paper copies are sent via snail mail to confirm and record what we've already learned online.

Rather than eliminate Saturday delivery, why not bite the bullet and reduce mail delivery to three days a week? Half of the postal routes would receive mail on Monday, Wednesday and Friday, the other half on Tuesday, Thursday and Saturday. Each letter carrier would be responsible for two routes instead of one, coinciding with the expected 50 percent rate of attrition forecast for postal workers over the next 10 years.

Mail carriers would complain that this arrangement would saddle them with twice as much junk mail, and they would be right. The answer is to end the bulk-rate subsidy

currently provided to deliver supermarket circulars, clothing catalogs and credit card offers. This would save trees and fuel, and reduce the burden on our landfills.

Jonathan Gyory  
Winchester, Mass., March 11, 2010

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To the Editor:

There are new services that will receive your mail for you, provide an Internet-readable list of items received and let you decide which mail pieces should be scanned (so that you can read them online), forwarded to you via the mail or overnight delivery, picked up or simply discarded.

Understandably, the service is relatively expensive. With its current infrastructure and staff, however, the Postal Service is well suited to develop this 21st-century technology — to replace the antiquated technology currently in use.

Just as I now have little reason to go inside a bank, I would seldom have a reason to go inside a post office. My frustration at standing in line watching the inefficiencies of an outmoded system would be minimized.

Dan Rouse  
Frisco, Tex., March 10, 2010

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To the Editor:

While swiftly completing my appointed rounds, I was thinking about your editorial. As a carrier for 24 years, I was pleased that you avoided the knee-jerk call for privatization.

Private companies like FedEx are also struggling in this economic downturn, even with the ability to raise rates and impose surcharges at will. And as we have seen with Blackwater and others, the privatization of government services does not mean better service or more accountability.

A committed, professional Postal Service is vital to the business and security of the nation. Save and improve the Postal Service. Benjamin Franklin, our first postmaster general, would be proud.

Peter Turek  
Oak Park, Ill., March 11, 2010

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#### **4. Jersey to look into benefits of privatization**

By Steve Adcock · March 17, 2010 · [Email This Post](#) [Email This Post](#) · [Print This Post](#) [Print This Post](#) · [Post a comment](#)

New Jersey governor Chris Christie, Republican, created a task force last week that will investigate the cost benefits of moving some government programs from the public to the private sector amid an \$11 billion budget crisis in the state.

“Privatization is something I’d be considering whether or not we had the fiscal crisis we have now, whether or not we had the intractability of the public sector worker unions we have now,” said Christie.

The Cato Institute did an excellent analysis of how targeted privatization efforts can significantly reduce government waste and abuse, including the privatization of the U.S. Postal Service and Amtrak, for example, at the national level. A further privatization of air traffic control systems and the nation’s seaports, along with ending large subsidies to airports and other public transportation services can greatly reduce costs for both states and the federal government.

Naturally, big unions resist the plan, arguing that N.J. state workers would be forced to pay for parking under Christie’s privatization effort. “It’s being anti-government,” Hetty Rosenstein of Communications Workers of America said.

Unions also criticized the state’s earlier attempt at privatization when then-Governor Christie Whitman turned over the state’s automotive emissions testing to Parsons Corporation, a move that many considered to be a giant “boondoggle” and accused the governor of giving contracts to corporations who were politically-connected to the government.

Current governor Christie promises to avoid the mistakes of the past, holding himself personally responsible for making the final decision on whom state contracts will be awarded to.

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## **5. The Future of the Census**

March 16, 2010 - 3:30 PM | by: Ellen Uchimiya

The design of the 2010 Census was essentially set by the time Robert Groves was confirmed by the U.S. Senate as Census Director in July. Groves says he made some changes around the edges, but now sees his job as watching the process unfold, to "stay calm when the crisis hits and make sure we make wise decisions." And then it'll be time to plan for the 2020 Census.

As the U.S. Postal Service contemplates reduced service and we continue our march toward a paperless society, it's hard to imagine the Census depending as heavily on direct mail to collect its data. But adapting constantly changing technology to the counting of every person in a country that already exceeds 300 million is admittedly

challenging. Groves says, "It's easy to say, commit to the internet as one of the modes of the 2020 Census. The harder thing to imagine is what the internet of 2020 will look like, and none of us can imagine what that very well."

Nonetheless, Groves hopes that the successful integration of the internet into census-taking will help control costs. The \$14.7 billion price tag for this year's Census is, in 2010 dollars, about \$6.5 billion more than the cost of the 2000 census, and on average, it's effectively doubled in price every ten years since 1970--when it cost \$1 billion--according to the Census Bureau. But he believes that paper mail will still play a central role even a decade from now--the former University of Michigan sociology professor suggested, "We must adapt to the diversity of the society. The internet will work for some people, but it won't work for every person. A growing consensus among people who do censuses and large surveys around the world is that we will do censuses with a lot of different methods. We will use mail questionnaires for some--because it's really cheap. This is a very cost-efficient method. But it doesn't work for everyone. We'll use internet for others. We may use face-to-face interviewing for some because that is the most cost efficient way for small populations. So the future is a more complicated mix of methods, but one that fits the more diverse society we've become."

We appear to be quite a ways from telepathically messaging the answers to the Census' ten questions to some mega-billion-terabyte server residing in the thumbnail of a clerk at the Census Bureau, but the decade is young. We'll see.

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