

# POSTAL NEWS

No. 78/2010

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

- 1. Universal postal service could be dropped by privatised Royal Mail if it becomes too costly. Oct 30, 2010.**
- 2. Universal Postal Service faces the axe. Oct 30, 2010.**
- 3. 30 postal departments begin realizing real financial operations in Azerbaijan. Oct 29, 2010.**

## **1. Universal postal service could be dropped by privatised Royal Mail if it becomes too costly**

Royal Mail could be allowed to drop its guarantee to deliver post anywhere in the UK six days a week if it becomes too costly, the Government has admitted.

By Christopher Hope, Whitehall Editor  
Published: 7:00AM BST 30 Oct 2010

The "universal service obligation" ensures that the post is delivered to every home in the UK, for one price, six days a week Photo: ALAMY The "universal service obligation" ensures that the post is delivered to every home in the UK, for one price, six days a week.

However, under the Government's plans to privatise Royal Mail published this week, this guarantee can be reviewed and scaled back if the cost of meeting it becomes too great.

Royal Mail has lost hundreds of millions over the past three years meeting the universal guarantee, because of a sharp decline in the number of letters and parcels.

Analysis of clauses in the Postal Services Bill show that the regulator will have a new duty to decide whether the universal guarantee places an "unfair" burden on Royal Mail.

If this is the case, it can carry out a review of the terms of the universal obligation, including the guarantee to deliver six days a week, anywhere in the UK.

The Bill also says Ofcom can "from time to time review" the extent to which the terms of the universal service provision "reflect the reasonable needs of the users of postal services provided in the United Kingdom".

Any changes to the frequency of deliveries would have to be approved by the Business Secretary and MPs.

Other measures to guarantee the universal service would be asking other postal operators to pay for it, and establishing a special administrator to protect it if Royal Mail entered “insolvency proceedings”.

The changes were brought in to provide additional safeguards to protect the universal postal service, amid concerns that new European Union laws could lead to it being eroded.

Earlier this week Business secretary Vince Cable told MPs in the Commons: “This Bill will maintain the universal postal service at its current level.

“That means six days a week delivery and collection at uniform, affordable prices. I would like to reassure the House that have no intention of downgrading this service.”

However, Billy Hayes, general secretary of the Communication Workers Union which is campaigning against the plans, said: “Vince Cable’s claim that universal postal services will be ‘gold plated’ is complete rubbish.

“His legislation allows the universal service to be split up, pared back and sets the framework for a two-tier system where rural Britain becomes a second class citizen.”

A Department for Business spokesman said: “This clause is a failsafe - a last possible resort. The action we are taking in the Postal Services Bill is to prevent this sort of scenario ever arising in the future.

“It is still subject to the important safeguards we have put in place - no changes could be proposed without Ofcom undertaking a review of consumer needs.

“Any change to reduce the service requirements would be subject to a vote in Parliament; and the same price, same service everywhere principle would have to remain whatever happened.”

000

## **2. Universal Postal Service faces the axe**

Sat Oct 30, 2010 12:11PM

The quality of British postal services can drop significantly due to the privatization of the Royal Mail, which will cost the rural population the universal mail service obligation.

Currently the Royal Mail is offering the “universal service,” which requires it to deliver the post across the UK with a single price six days a week.

A review of the Postal Services Bill shows the cost of the universal service guarantee may lead authorities to cut it so that only large cities are entitled to six days a week delivery.

The proposal has enraged critics, who said the result of such a move will be a two-tier postal service in which the rural areas can receive their posts only three days a week to ensure the government can make ends meet.

Yet the bill suggests the government will go ahead with the plan only if an investigation into the number of parcels and letters delivered in the UK reports that demanding the universal service from the Royal Mail is “unfair.”

Business Secretary Vince Cable and the MPs should agree to any changes to the frequency of deliveries.

Cable told the MPs earlier this week that the bill “will maintain the universal postal service at its current level.”

“That means six days a week delivery and collection at uniform, affordable prices. I would like to reassure the House that have no intention of downgrading this service,” Cable said.

But general secretary of the Communication Workers Union Billy Hayes dismissed his remarks as “complete rubbish,” saying “his legislation allows the universal service to be split up, pared back and sets the framework for a two-tier system where rural Britain becomes a second class citizen.”

000

### **3. 30 postal departments begin realizing real financial operations in Azerbaijan**

Baku, Fineko/abc.az. Real financial operations have been started to be carried out in Azerbaijan within a project in 30 postal branches out of 37 ones, connected to system of AZIPS (Azerbaijani large-value payment system).

The Ministry of Communications and Information Technologies informed, as a whole, today 123 postal departments and 67 agencies of Azerpocht LLC have been connected to system of AZIPS. On the whole, 240 postal offices and 45 postal branches work with XOHKS (Azerbaijan’s low-value settlements and clearing system).

Concurrently, work was carried out to provide communication connection with all postal departments of 49 central district postal branches, as well as rural postal departments, having technical possibilities.

Presently, about 700 postal departments are connected to automated corporate information system (AKIS).

Till the end of the year Azerpocht plans to finish work for connection of AKIS 1,200 postal departments that is envisaged by the project of the World Bank "Financial Sector Development Program" (FSDP). Official opening of financial services system, created within the project, will take place on December 1, attended by leadership and representatives of the World Bank (WB) and the Universal Postal Union (IPU).

29.10.2010 13:45

000

Collected by Chairul Anwar, Bandung, Indonesia.

E-mail address : [chairulanwar49@operamail.com](mailto:chairulanwar49@operamail.com), [uyungchairul@plasa.com](mailto:uyungchairul@plasa.com).