

POSTAL NEWS

No. 27/011

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

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1. La Poste to add 4,000 staff to ranks

Friday, February 18th, 2011

La Poste will look to recruit 4,000 staff during 2011, the operator has announced. Georges Lefebvre, director of human resources and labour relations at La Poste made the announcement on Thursday.

The number of new recruits will rise sharply compared to 2010 figures - when La Poste took on 2,900 people.

Up to 2,500 of the 4,000 employees could be alternate workers, including staff that deliver mail and work in post office branches.

In a statement, the operator said it is looking to fill the positions in order to strengthen health & safety and human resources, as well as boosting graduate numbers within the company.

At present, La Poste has more than 287,000 employees and has 17,000 points of contact.

Speaking in the French media, Colette Duynslaeger, secretary general at the CGT union, said that the recruitment was down to the fact the economic situation at La Poste was "less catastrophic than expected".

She said that the decision to employ 4,000 was "good news", but added it will be important to ensure that people are located to areas most in need of extra resources.

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2. Royal Mail Privatisation Not The Way Forward Says Ward

18 February 2011 - Jamie Strade

The Communication Workers Union, which launched a "Keep The Post Public" campaign, says that unless the postal service remains in public hands the universal service will suffer and that the Bill does nothing to help strengthen the Post Office network. Others within the CWU have pointed to the trend across Europe where post offices have been forcibly closed and facilities moved into supermarkets and other retail outlets.

CWU Deputy General secretary said:

"The government must understand that we're not going away and, whatever happens at Westminster, if we have to take action to defend our members then we will. Privatisation is not in the interests of this country, the workforce or businesses."

Postal Affairs Minister Ed Davey, argues that the postal service would be under even greater threat unless a buyer is found and that employees would actually benefit from the sale:

"Royal Mail is in a mess - letter volumes falling due to email, a massive pension deficit and huge annual losses. It needs major new investment but the Exchequer has no money so private capital is the only option. Yet this is privatisation with a big difference, as employees will benefit from what in percentage terms will be the largest employee share scheme of any major British privatisation scheme."

Critics of the Bill say that it falls short of guaranteeing work for post offices, many of which are already subsidised. Whilst Royal Mail itself has said it intends to maintain the relationship between the Post Office and Royal Mail, many fear that a postal service run on wholly commercial terms will ultimately lead to Royal Mail seeking more cost-effective retail outlets which could see a further wave of post office closures.

The Bill, which has already reached the halfway stage before receiving Royal Assent, continues to split opinion but the previous Labour government also recommended privatisation, with Lord Mandelson insistent that doing nothing was not an option.

Last month saw the introduction of VAT to many Royal Mail products, and stamp prices are set to rise again this April. More recently, Postcomm, the UK postal regulator indicated that it was minded to accept proposed price increases on bulk products which Royal Mail said were essential to reverse the loss-making situation it was experiencing.

The Bill is likely to be passed, but with difficult economic times around the world, it is not clear if the present fast-tracking on modernisation within the Royal Mail as well as a change in leadership in the form of Chairman Donald Brydon and Chief Executive Moya Greene, will be enough to bring the level of investment sought, and indeed whether price increases will not simply push even more customers towards digital alternatives.

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The US Postal Service which like many postal operators has seen stamped mail continue to fall as users migrate to email and text messaging faces the prospect of being unable to meet its financial commitments unless it downsizes further. The USPS which has already introduced redundancy measures to bring down costs, looks set to close as many as 2,000 post offices, but even this will not be enough to offset losses now standing at \$23m a day.

Whilst postal services are still regarded as an artery service, the growth in digital communications has forced many countries to downsize networks, moving post office services into supermarkets and other retail outlets and scaling back many services that were once taken for granted.

Steve Lawson, editor for Hellmail Postal News which covers European postal affairs said:

"We have seen mammoth changes in the postal industry not unlike those experienced during the last great industrial revolution and whilst Internet and Mobile services deliver many exciting possibilities, the pace of change has decimated traditional postal services. It is difficult for postal operators to second-guess technological developments and how they can fit into a constantly changing communications market."

Investment has been hit hard by the banking crisis and few governments have the cash needed to modernise postal services at the rate needed to deal with decline. Almost all operators throughout Europe are concentrating on consolidation with the cost of services pushed even higher with increased fuel prices.

Lawson is concerned that with Europe still pushing through plans to liberalised postal services and increase competition, many smaller EU states will be left to fend for themselves.

"We have seen some evidence of partnerships between countries to help strengthen their capabilities but operators are under enormous pressure to deliver drastic reforms in a period of real austerity. If you had to pick the right time for modernisation, this would not be it.

"The Slovenian idea of providing a free returns service throughout Europe would do much to boost internet sales as well as confidence but the serious issues surrounding decline in mail volume are ones which we have to address. At the moment the world has one foot in the analogue world and one in digital - both crucial to business but at the same time incumbent postal operators are often the largest employer in most countries and for those which lack support and the necessary funds, rapid downsizing means job losses on a huge scale."

World postal operators are now heavily reliant on bulk and direct mail with most domestic services either heavily subsidised or running at a loss. In the UK, Royal Mail has been hampered by a pension deficit that it estimates would take at least two decades to clear. The U.S. faces a similar problem with health benefit payments and is projecting a \$33 billion shortfall in 2020.

The USPS sees pricing as one way of compensating for losses but like the Royal Mail, regards a relaxation of regulation as essential to allow for a more commercial approach to delivering services. It is also calling for the elimination of prepayment of retiree health benefits which it says is presently pushing the service further into the red.

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4. Postal Service needs fewer supervisors, more workers

By David Berg , Special to the BDN

Posted Feb. 17, 2011, at 8:15 p.m.

I was appalled to hear on the news that there is any discussion about closing our nation's post offices. There is no civilized nation in the world without postal service. In fact, in his misguided war in Iraq, one of the first things George W. Bush did in rebuilding the country was to rebuild its postal service. If the greatest country in the world can do this for our enemy, why then is it declaring war on its own citizens in this manner?

It may seem as if this is a cost-saving thing to do, but how does the government expect the poor who don't have the Internet or cars to get to a neighboring town? In all likelihood, they do not have enough money to have bank accounts and rely on postal orders to pay their bills. Just walk into a poor area at the first of the month to see how many are there just buying postal orders.

The real problem is the mismanagement of the system as a whole and the individual post offices themselves, with too few workers and with supervisors who blatantly leave the premises. Whether they get paid for this time off-site I do not know, but I do know how often there is no supervisor on-site to see that the workers are properly supervised and their concerns answered (such as how to perform a function they were not trained to do). Luckily, my local post office is an exception to this, but as I travel the state, I have found this to be too true an event.

Similarly, our last postmaster general was allowed to give himself \$100,000 raises yearly for the last three years he worked, thereby raising his lifetime pension. Where was Congress then overseeing this, especially when it was well known that the Postal Service was in a decline?

The management in general looks to cut the drones who actually move the mail and leave unscathed the supervisors who do little but collect salaries far beyond their services rendered. It makes me think of when I was an elementary school principal and had a sign that described the phases of a project and ended with "punish-ment for the innocent."

What we need is fewer supervisors, especially as the work force has been so diminished, and that money put into hiring more workers.

If, indeed, the Postal Service is looking to close down the less-efficiently functioning branches, is it going to fire the supervisors who are responsible for this lack of efficiency or just punish the residents of the town and the carriers and clerks who have to fight to try to do their jobs effectively? How many of these workers are ex-military and are instilled with a work ethic not seen in many places?

Once again, the rich benefit and the poor and elderly are being assaulted by their own country. What a reputation for a nation to have.

It is time for this nation to set its priorities right. Once again, Congress has left a business (the Postal Service) to self-regulation, and once again, we see the result — greed and deception and the common man left to fend for him- or herself.

Congress must step up to the plate to save the Postal Service.

David Berg of Searsport is a retired elementary school principal.

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5. EU Postal Operators Could Be Losing New Business

16 February 2011 - Sarah Sharpe

Steve Lawson, editor for postal news site Hellmail, said this week that European postal operators had made "huge strides" in adjusting to postal liberalisation in terms of web access.

"Over the last two years, many European operators have invested heavily in upgrading their web presence to ensure that they have a greater reach in what is an increasingly competitive market.

"Spain, Estonia and Croatia in particular have increased the pace with which they keep customers informed of the range of products available and many others are at least beginning to appreciate the importance of good communications and presentation.

"Certainly for direct mail, there are few better placed to provide a comprehensive service as incumbent operators who understand not only the cultural differences but also the geographical challenges associated with delivering a successful advertising campaign. In an era of stamped mail decline, direct mail is an essential source of revenue for most operators and ensuring they can communicate, despite any language barriers, is now essential.

"Most EU operators have relied on state-funding and profitability regarded as either secondary or irrelevant but what is becoming a fiercely competitive market, has brought many changes not least of which is efficiency.

"It is encouraging, from my perspective as editor, that we have such strong and positive lines of communication with these operators when many are being forced to modernise on an unbelievable scale - with somewhat limited funds available to them. Post offices will I think, always rely to some extent on state-funding, but the change from being wholly state-funded to delivering at least as much at less cost is enormously challenging and we should not underestimate the scale of the task many of them face."

Mr. Lawson, who talks directly to EU postal operators, warned that with the complete opening of all postal markets still a couple of years away for late entrants, language and accessibility was still a problem in some countries:

"It is important for us that we adequately represent all EU operators and provide readers with an informed breakdown of the services available in individual countries as well as any proposed changes or new developments. Most have recognised the need to be proactive with respect to accessibility and provide straightforward communication links but some, sadly, fall behind on this and will need to address these issues sooner rather than later."

"Unfortunately some operators still persist in either displaying news in PDF documents, making translation far too time-consuming, or else churn out press releases or product announcements in only one language. There seems little point in having a public relations unit if the greatest marketing tool available to them, the Internet, is not exploited to the full. Without committing resources to developing this side of the business, they effectively cut themselves off from the world at a time when they can least afford to do so." he said.

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6. UPS Store network arranges \$22.5m credit line for franchisees

Wednesday, February 16th, 2011

UPS is hoping to pick up the pace of growth in its UPS Store retail network in the United States, by making it easier for potential franchise owners to get hold of start-up capital.

The company's retail franchising subsidiary, Mail Boxes Etc., Inc., is working with Franchise America Finance and the Bancorp Bank to make \$15m available to support the setting up of new UPS Stores.

A further \$7.5m is being made available for the transfer of existing franchises to new owners.

Stuart Mathis, the president of Mail Boxes, Etc., explained that the economic downturn and its affect on the availability of credit had been a "common theme" at the annual convention of the International Franchise Association, which has been taking place in Las Vegas this week.

In previous years, UPS had been adding more than 100 stores to its franchise network, but last year sold only 83 franchises.

However, Mathis told Post&Parcel today that he was optimistic the new franchisee lending program would allow his company to reach its "aggressive" target to sell 120 franchises in the US this year.

"We believe it will give us the competitive advantage, having a financing tranche available to help those franchisees that have had trouble getting finance from their local banks," he said.

Mathis, who was appointed president a year after UPS acquired the franchise retail company Mail Boxes, Etc., in 2001, said his team was seeing particularly good opportunities to establish franchises in large hotels, on military bases and college

campuses.

Hotels offer a particularly promising location, he added.

“We have a number of large hotels we’re already working with, since we can provide their business centres - but we’ve only scratched the surface up to now,” he said. “We have a relationship with Hilton and Marriott, but we still have to get through to the individual franchisees there. There’s a lot of opportunity.”

The franchisee lending program from Franchise Finance America and Bancorp has been operating since April 2010, providing \$200m to franchisee operators. The UPS Store network is the first franchise network of its category to receive finance from the program.

Mathis said the way his firm vetted potential franchisees fitted with the guidelines for the finance companies.

Arthur M Birenbaum, executive vice president of commercial lending said the lending program offered the “smoothest, most time-sensitive” loan approval process available for franchises.

“This access to capitalization will enable qualified franchisees to build their business, their industry and an employment base to create jobs,” he said.

The UPS Store network now has more than 4,700 locations in the US, Puerto Rico and Canada.

Mathis said if the franchisee lending program is successful in the US, there could conceivably be opportunities to extend similar arrangements internationally.

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Collected by Chairul Anwar, Bandung, Indonesia.

E-mail address : chairulanwar49@operamail.com, uyungchairul@plasa.com.