

# POSTAL NEWS

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## **1. Diversified marketing creates surge in international mail**

2011/03/02 18:34:49

Taipei, March 2 (CNA) Chunghwa Post has seen some success with efforts to diversify its marketing strategies, handling 27.34 million pieces of international mail in 2010, about 50.4 percent higher than the previous year, officials said Wednesday.

In an effort to cope with the overwhelming rise in popularity of e-mail compared with the traditional postal system, Chunghwa Post has expanded its services, including handling more international bulk mail from mainly East Asian countries, the officials said.

The company's high service quality and flexible shipping options have become popular among international clients, while Taiwan's strategic geographic location enables customers to reduce their shipping costs, especially if they contract Chunghwa to distribute the mail for them.

"We have to try to think outside the box because the industry has undergone such fierce global competition in recent years," said Ruth Chen, a senior Chunghwa executive.

Taiwan has seen a significant decrease in the amount of international mail handled in the past decade, with the figures dropping from 55.54 million items in 1999 to 18.18 million in 2009. (By Lee Hsin-Yin) ENDITEM/J

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## **2. Purolator adjusts name to reflect logistics role, expansion plans**

Thursday, March 3rd, 2011

Canadian logistics giant Purolator and its US subsidiary have undertaken a branding change, as part of ongoing plans to expand service reach in North America and beyond.

Toronto-based Purolator Courier Ltd has been given the new name Purolator, Inc., while its Purolator USA subsidiary now becomes Purolator International.

Dropping the “Courier” part of its name was reflective of its development from origins as a courier company to its present role as a more comprehensive logistics service provider, said the company that is majority-owned by Canada Post.

Tom Schmitt, President and CEO of Purolator, said: “Our current selection of services covers more than our previous legal name embodied.

“In addition to offering the best-in-class courier services in Canada, our team of more than 11,300 dedicated teammates offers a broad range of logistical services tailored to our customers’ business and personal needs.”

Purolator handles close to 1.1m pieces each day, shipping to locations in Canada and around the world through more than 120 operations locations and more than 140 Shipping Centers.

International

Purolator’s US subsidiary Purolator International specializes in forwarding and delivering parcels for companies based outside Canada into the Canadian market.

It has merged its global supply chain service and Purolator USA as part of the new International identity, and is currently in the process of expanding from 10 to 20 market areas in the US.

“This change allows us to combine the strengths of the two divisions so we can offer enhanced air and surface forwarding services to customers,” said John Costanzo, president of Purolator International. “At the same time, we will solidify our role as the market leader for services to, from and within Canada.”

The change from its “USA” brand also pre-empts a planned expansion for Purolator International outside the US.

Company spokesperson Kim Prevet told Post&Parcel that procedures and policy was in the process of being put in place, and that additional markets within the US would be announced soon.

With its headquarters in Jericho, New York, Purolator International currently serves areas in New York State, Philadelphia, Raleigh/Durham, Detroit, Cleveland, Chicago, Dallas/Ft.Worth, Los Angeles and Seattle.

Concerning moves to expand outside the US, Prevet noted that Purolator Inc., has had an international reach for some time, but for Purolator International she confirmed:

“There are plans to expand internationally over the next two years.”

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## **3. Postal Workers to Strike?**

published yesterday 03:23 PM

The Finnish Post and Logistics Union (PAU) is considering strike action over the government’s proposed legislation on postal services. The union claims

Communications Minister Suvi Linden went back on assurances made during the negotiation of a new collective agreement about the introduction of second class services.

It is claimed Linden reassured unions that deliveries currently made during the day will not be switched to night time during the negotiations.

Linden had promised to ensure that second class post would be the responsibility of the Finnish postal service.

The union believes that a promised report on changes to the postal service will not now appear, and that second class could potentially be delivered by outside agencies. According to PAU, the government's actions are pushing the postal workers towards political strikes.

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#### **4. One of our top news we reported this week**

March 3rd, 2011, Issue 09 / 2011

With the majority of the coalition parties the lower house of the German parliament approved the so called De-Mail on Thursday. The law provides the legal basis for legally binding emails. According to the new act only providers which were certified by the Federal Office for Information Security may offer such services. The guidelines for the certification are also laid down in the De-Mail law.

The opposition warned the the law was 'half-baked'. A major point of criticism concerns the fact, that the law does not stipulate a continuous end-to-end encryption. Furthermore news portal »Spiegel online« (24.02) disclosed that the EU-Commission feared that the De-Mail law could thwart fair competition. The commission criticized that De-Mail was primarily developed by the interior ministry, Telekom and United Internet. This could hamper other providers to access the complicated system.

Deutsche Post already left the consortium in 2009 and launched its own service, E-Postbrief, last year (CEP-News 28/10). On Thursday Deutsche Post announced in this context a co-operation with Microsoft. In the future E-Postbrief mails can be sent directly from Microsoft Office applications.

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#### **5. Swiss Post Partnership With Nightline Delivers The Best For Irish Business**

03 March 2011 - Marcus Stanton

Irish businesses mailing customers overseas are set to benefit from a partnership between one of the world's leading postal companies and the country's number one independent delivery firm.

Swiss Post International and Nightline have today announced a partnership that will create a simpler, faster, cost-effective and more customer-focussed international mail operation than Irish companies have ever seen before.

The new venture will see Swiss Post International establishing a retail presence in Ireland for the first time. Nightline will become a Preferred Partner of Swiss Post International and will be able to offer their customers Swiss Post International's extensive range of products and access to a global distribution network for letters and small parcels.

Swiss Post International UK CEO Paul Taylor said the new relationship was built on the strengths which were common to both companies.

“Nightline is the perfect partner for us because there is such a great fit between what we both do. Our businesses are known for their quality of service, their reliability and efficiency.

"The combination of our global network and Nightline's domestic capabilities promises customers an unrivalled service. We see a major opportunity here to offer to Irish businesses a viable and trusted alternative delivery service - a first for the market.

“More than the savings which we know we can offer, this is about providing added value and a service tailored to what customers need – be they large or small." he said.

The partnership caps a remarkable 10 months for Nightline. Last May, the company, which handles one in every four parcels on Irish roads, moved from being solely a domestic parcel carrier with the opening of a UK regional office.

Last month, Nightline also won national Innovation and Logistics Best Practice titles at two separate prestigious awards ceremonies organised by the Chartered Institute of Logistics and Transport Ireland.

In December, it set up an additional division, Eirpost, to manage a new postal service for Irish businesses following the liberalisation of the country's domestic mail market.

Eirpost will handle ongoing detailed operations with Swiss Post International now the partnership is in place.

Nightline's Chief Executive, John Tuohy, said its customers would now be able to capitalise on Swiss Post International's range of delivery options and a delivery network spanning Europe, Asia and the USA:

“This is a huge fillip for Nightline and our attempts to provide customers with an innovative and flexible system capable of supporting the way they need to do business.

“We are extremely confident that what we're proposing will make a real and very positive improvement to the way Irish companies deal with their international clients. This constitutes a radical difference to what has previously been available and will be a service tailored to their needs.”

Photo, left to right: Aex Urben (Head of Channel Management, SPI); Swiss Ambassador to the Rep.of Ireland Beat Loeliger; John Tuohy (CEO, Nightline); Paul Taylor (CEO SPI UK)

## **6. Royal Mail's Dundee quality of service figures are no surprise to postal workers' union leader**

Scotland's postal union leader said he wasn't surprised Dundee and Angus recorded the worst quality of service figures on the mainland.

John Brown, Scottish regional secretary of the Communication Workers' Union, believed the problems at the Dundee East depot were to blame for dragging down the performance of all postal staff in the DD area.

"It doesn't surprise me at all," he said. "The revision (new system of working) was pushed through too hastily and the quality of service figures were bound to collapse on the back of that.

"It doesn't matter how much money Royal Mail has pumped in to try to resolve the problem because Royal Mail caused the problem in the first place. They brought in the revision before it was ready to be brought in."

Mr Brown was responding to this week's performance figures showing the DD postcode area — covering Dundee, Angus and parts of north Fife — achieved a first class next working day delivery score of 78.5%, far below the UK target of 93%.

In Scotland, only Shetland and the Western Isles had poorer figures, but they are left out of the performance report because of their geographical remoteness.

Royal Mail blamed the severe winter weather for affecting deliveries across the UK during the 12 weeks to December 5.

### **Snowstorms**

The slump in service pre-dated the snowstorms, and the rest of Scotland recorded a much better performance than Dundee — signalling the weather may not have been the only reason for the DD figures.

Attention has inevitably turned on the introduction of the new delivery system — The Way Forward — at the Dundee East depot in November as the reason for the DD debacle.

Staff struggled to complete their enlarged rounds on time under the system of sending teams to deliver letters and parcels from vans.

A massive backlog of mail built up that worsened with the bad weather. Royal Mail threw in extra staff from other branches, but the mountain wasn't cleared until well into January.

Dundee and Angus Chamber of Commerce chief executive Alan Mitchell said it was disappointing that the area's postal staff had recorded the worst performance in mainland Scotland and he called on all sides to address the problem to ensure there would be no repeat.

A Royal Mail spokeswoman said, "At the end of last year there was an issue with changes made to local working practices in Dundee East Delivery Office.

"These changes were part of the issues the office faced, but we should not forget that they were then compounded by the worst winter weather in Scotland in living memory and we have apologised to our customers for this.

"We have learned lessons from the changes we made in Dundee East and a robust plan is in place to ensure our customers receive the service they expect and deserve. In fact in the last month, quality of service is improving week on week."

## **7. USPS exploring possibilities of digital postal mail**

Thursday, March 3rd, 2011

The US Postal Service is now exploring possible opportunities for getting into digital forms of communications, including hybrid or digital postal mail services.

Two reports came out last month recommending that the USPS should look into opportunities for revenues in new electronic forms of communication, one from the USPS inspector general and one from the Government Accountability Office (GAO). Commissioned by Congressman Stephen Lynch, the GAO report advised the Postal Service to learn from foreign posts that have already achieved success in digital technology.

Yesterday, Postmaster General Pat Donahoe told the Congressman that his team was now examining various ideas in that direction, including working with partners. He said this included the possibility of digital-to-hard copy services, hard copy-to-digital services and even digital-to-digital communication systems and echoed the inspector general's view that the USPS could build on its public trust to provide a secure electronic mail platform.

Donahoe said: "We know that the Postal Service provides tremendous opportunities in security in that entire market and we think that there's plenty of opportunity for growth there."

Strategy for the future

The Postal Service told its Mailers Technical Advisory Committee partners last month that it was looking into new areas like digital mail services.

Paul Vogel, the USPS president and chief marketing officer said the Postal Service had been holding innovation symposiums to raise fresh ideas, and was now putting together a "strategy for the future".

This would include new ideas for USPS core products, including new incentives for mailers, but would also include hybrid, digital or electronic innovations such as a digital-to-physical mail service, a mail-scanning physical-to-digital service, and pure digital services.

Digital services might include an electronic postmark system as a kind of certified e-mail service, a secure digital mailbox service and an electronic bill presentment and payment system, which would allow consumers to manage and pay utility bills online.

Congressman Lynch said yesterday that he had spoken to companies already developing digital communication systems, including Pitney Bowes and companies operating in Europe.

He said: "They've got systems where you can actually pull up on your lap top or on your iPad and click on your mail before it can be delivered, and you can click off the stuff you don't want to have delivered."

But the Congressman from Massachusetts added a warning that he believed that as more and more people used such services, the USPS would find it difficult to prevent physical mail volumes from further declines.

The USPS has tried digital communications systems before, launching a products as far back as 10 years ago such as the electronic bill presentment and payment system

eBillPay, and secure electronic delivery services like PosteCS, which allowed the emailing of documents too large for email services at the time. However, PosteCS was cancelled in 2002, while eBillPay was discontinued in 2004. “Rapid growth”

With email services now seen as the preserve of unsolicited spam messages, a number of companies are re-awakening the idea of a secure digital mail box in the American market – with or without the USPS on board.

Digital mail technology developer Zumbox said yesterday that it is now experiencing “rapid growth” because of increasing awareness of potential in the digital mail services market.

The Los Angeles-based company is offering a platform to transfer transactional, financial and government mail to a secure online system in which every household in America has its own digital mailbox.

Commenting on the US Postal Service taking notice of the digital mail services market, Zumbox CEO John Payne told Post&Parcel today that he believed the USPS could play “any one of a number of different roles” in the delivery of digital and hybrid mail.

Payne, a former CEO of online postage company Stamps.com, said of the USPS: “Particularly in native digital postal mail, it could be a direct market participant, a regulator of third parties, an infrastructure provider or even a licensor of its well trusted consumer brand and standards. Given how the Internet works, any one of these is a possibility.”

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