

POSTAL NEWS

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1. UPS' Inland operation pack, distributes, as well as ships

12:21 AM PDT on Sunday, May 22, 2011

By KIMBERLY PIERCEALL

The Press-Enterprise

There were small screws, large screws, clamps and other tools inside each of the small, numbered boxes stacked on shelves. But there weren't any workers wearing orange aprons advising would-be home improvers what to do.

The tools were, instead, destined for hospitals and surgery centers. The workers checking the inventory and collecting the tools needed for each spinal surgery kit were UPS employees inside a spotless 400,000-square-foot building in Mira Loma. UPS, the ubiquitous shipper of packages by air and land, has for more than a decade been in the behind-the-scenes business of storing a company's products, keeping an inventory and shipping those products when instructed to, whether via their own brown trucks or a competitor's as part of its supply-chain solutions division.

The companies that rent space on UPS' warehouse shelves include well-known retailers, electronics makers and Fortune 500 companies. They outsource their supply chain management because they don't have their own distribution center or in some cases want more space.

Before Anchor Blue went out of business, the company relied on the Mira Loma facility for five years to get its clothing shipped to stores in two days rather than the 10 days it took the Corona-based retailer to do it itself, said Jesse Anguiano, operations manager for UPS in Mira Loma.

In just the past couple of months, though, the Inland facility has ramped up its health care services, filling about 700 orders a day for Minneapolis-based Medtronic, which employs 40,000 worldwide, according to its website.

In a separate, walled-off room, Medtronic's employees take the screws, clamps and other devices ordered by hospitals and retrieved from shelves in Mira Loma by UPS employees and package them to be shipped. The health care supplier recently closed its Corona distribution center, where it was filling about 100 to 200 orders a day, in contrast, Anguiano said. The company has five product divisions being stored and shipped out of Mira Loma versus just the one it had in Corona.

UPS opened the first building in its Mira Loma campus across from a working dairy near Interstate 15 in 2005, making it one of seven of the company's strategic campuses for global distribution worldwide. Anguiano joined UPS in 2000 when the company he was with, Livingston Health Care in Rancho Cucamonga, was acquired. About 277 full-time and temporary workers on the Mira Loma campus conduct inventories and in some cases repair and test other companies' products and fill orders. Of those, 30 work full time in the company's new health care division at the campus that opened in November.

UPS has nearly 1.2 million square feet of space in Mira Loma with its health care customers separated from its retail clients by a wall and security card access. Security is even tighter inside the facility where one customer, a government agency, houses sensitive health care-related products inside a 20,000-square-foot, black-walled fortress with barbed wire on top.

There are tens of thousands of shelves with products as small as a screw to as large as a vending machine that Anguiano's employees inventory everyday.

Third-party logistics providers are common and include the usual shippers as well as other independent companies that fulfill orders for their clients, allowing companies to bypass distribution centers to get goods to their consumers more quickly in some cases, said Bob Heaney, a supply chain management analyst with the Aberdeen Group. If a company doesn't have its own distribution center near its customer base, "it might just be cheaper and easier" to send the goods through a third-party such as UPS, he said.

In Medtronic's case, the company had multiple smaller distribution centers scattered across the country and now it has three: the facility in Mira Loma, one in New Jersey and another in Memphis. Medtronic analyzed what it does best versus what other companies do best, and determined that UPS has expertise in warehousing and logistics, not to mention the Mira Loma space was close to the shipper's air hub at Ontario International Airport, said spokesman Brian Henry.

The switch has allowed the company's products to get to hospitals faster than before. "These are important therapies that need to get to our customers as quickly as possible," Henry said. "Every moment counts."

If need be, UPS offers Express Critical shipping from the facility, putting the package on the next flight out, not necessarily a UPS flight.

Henry couldn't say whether the switch would ultimately save the company money. "That's what we hope to realize," he said.

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2. EU Postal Operators - The Big Squeeze

21 May 2011 - Steve Lawson - Editors Comment

Strained relationships between the Communication Workers Union and the Royal Mail could result in a return to strike action although it is unclear whether any industrial action would be extended to national strikes. The union, which is continuing to fight plans to privatise the Royal Mail in 2012, is to discuss plans by the Royal Mail to overhaul key London mail centres at the CWU conference in Bournemouth on Tuesday.

Despite a three-year agreement in place, union members are said to have little confidence in ongoing revisions to working practices and many are said to be furious that colleague shares are now apparently worthless. However, any move towards strike action is likely to be something of a double-edged sword with an equal risk that postal workers could lose any remaining support from the public and backing for strike action on a large scale is likely to be patchy with many grass root members still disgruntled over what they see as a wasted opportunity during the last period of strike action.

More recent suggestions to boost the health of the Royal Mail point to dumping the paying back a state loan for modernisation. However, presumably that would just prompt competitors to complain to the EU that the loan was not, in principle, on wholly commercial terms as required and that not paying back the loan would put the Royal Mail at a distinct advantage. Any kickback could depend on who actually buys Royal Mail next year but under EU rules, any money originating from the state to prop up a postal operator does have conditions attached if it is to pass anti-competitive criteria. In addition, with the government set to take on a proportion if not all of the enormous £8bn pension deficit, adding yet more to the UK's national deficit, finding additional cash to keep the Royal Mail ticking over and raise its commercial value, poses something of a problem. For the CWU, this is about avoiding being short-changed or seeing agreements quashed.

What is clear is that Royal Mail needs more money than envisaged in order to transform at the pace now needed. Even with mail centre closures and cuts to operating costs, the last 12 months have been difficult for Royal Mail and continuing to provide a service has depended heavily on asking far more of its workforce. Like so many delivery firms, heavy snow also hit Royal Mail's most profitable quarter with some items taking several weeks to arrive at their destination. There appears to be no actual master plan for reshaping the network to make it lean, with changes being made as and when it identifies further cost savings. Even so, reducing overheads also has a financial price, not least of which is the cost of building new super-hubs and the installation of equipment to replace those that are closed. The changes also create logistical teething problems that in some areas have been difficult to eradicate.

Across Europe, with mail volume in decline, 'consolidation' has been the only option for postal operators and whilst each will post an upbeat view of their financial results over the last 12 months, all are mostly treading water with less resources and this has an impact on post offices too which are desperately trying to reinvent themselves. My view remains the same on this - you cannot have a liberalised postal industry and not reflect this change across post office networks. Liberalisation has merely favoured the big players and on the whole, domestic users are paying far more for far less. Even small business often lacks the buying power to make any real savings on postage and despite there now being at least 55 licensed postal operators in the UK, Royal Mail remains the sole provider for the Universal Service and choice for consumers is very limited.

There has been an explosion in desktop postal services and for those that can make it pay, franking services, but by and large post office networks are still heavily tied to state operators. New entrants into the market are usually dependent on other operators

with the bulk power to buy into Royal Mail's final mile service but this can leave some new entrants with so many hops along the way, it can delay deliveries considerably. For those so affected, complaining often falls on deaf ears.

Critics argue that competition is something of a misnomer anyway, with the entire infrastructure still rooted in Royal Mail's final mile and no real alternatives other than city-based or B2B services. The difficulty comes with establishing a price that is somewhere between what Royal Mail think it should be paid for handling mail from competitors and what the competitors think it should cost. The danger in trying to establish a magical level playing field is that it will drive up postage costs still further and in the process accelerate volume decline.

Competition has been mostly about displacement in an declining market and with so much business lost to rivals, state operators are faced with an enormous challenge in providing a universal service, pushing the boundaries of what constitutes a minimum service level. At the moment it is centred around a one collection, one delivery a day model but clearly (and the United States is a great example of a country faced with some difficult decisions on mail provision), the daily mail delivery may be reduced to as little as four or even three days a week. This is all about being squeezed and who gets squeezed the most I suppose, but in the end it will be postal users that pay for it all.

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3. TNT in Talks to Sell Mail Stake

Bruce Barnard | Jun 21, 2010 5:52PM GMT

TNT, the Dutch express and postal group, is in talks with CVC Capital Partners about selling a stake in its mail unit to the Luxembourg-based private equity firm, according to Dutch media reports.

CVC is seeking a “substantial stake” in TNT Post worth as much as \$1.9 billion, Het Financieel Dagblad, the daily financial newspaper, quoted sources close to the talks as saying.

TNT declined to comment on the report, saying it is focusing on the legal and administrative details of its earlier announced decision to split its mail and express businesses.

Europe’s second largest express company announced in April that it was examining an initial public offering or partnerships for its mail unit.

The decision, following pressure from activist shareholders claiming a breakup of the group would create value, has rekindled speculation about takeover approaches for TNT’s profitable express operations.

Splitting up the group would make the express unit more attractive to potential bidders including UPS and FedEx which have long been seen as buyers of a business that would significantly increase their European footprint.

TNT’s mail business is profitable, but volume is declining, and deregulation has sharpened competition in its domestic and overseas markets.

Separately, CVC is reported to be eyeing a Brussels listing for Bpost, the Belgian postal group in which it has a 49.9 percent stake. The Belgian government owns the remaining 50.1 percent of the former postal monopoly.

CVC previously held a stake in the Danish postal service and has offered to buy a third of Britain's Royal Mail.

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4. Postal workers, Canada Post expected to negotiate over long weekend

(The Canadian Press) – 22nd May 2011

OTTAWA — Federal Labour Minister Lisa Raitt urged Canada Post and its urban-based workers on Friday to reach a collective agreement that would avert a potential disruption of the country's mail service.

Raitt issued her statement as negotiations between the post office and union representing 50,000 urban workers continued toward a deadline next Wednesday that will put the parties in a legal position for a strike or lockout.

"I urge both parties to promptly come to an agreement with the assistance from the federal mediator," Raitt said in a statement on Friday.

The collective agreement covering the workers expired Jan. 31 and negotiations began last fall.

Canada Post spokesman John Caines said talks are expected to continue over the long weekend.

The union has said major issues include wages and benefits, staffing levels and working conditions.

Meanwhile, Canada Post has reached an agreement with the union to bring in volunteer postal workers in a number of provinces to deliver cheques to pensioners and those on social assistance should a labour disruption occur.

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5. What are licensed post offices?

Updated Fri May 20, 2011 9:56am AEST

Licensed post offices make up 67 per cent of the Australia Post retail network. (ABC News: Ed Giles)

The Australia Post retail network has a number of distinct arms, including a separation between licensed post offices (LPOs) and their corporate counterparts.

There are 4,433 Australia Post outlets around Australia.

Of these, 2,977 are licensed post offices - constituting 67 per cent of the network.

Corporate post offices make up 19 per cent of the network (831 outlets) and 14 per cent are community postal agencies (637).

LPOs may be run solely as a post office or in conjunction with another business such as a newsagency, dry cleaners or convenience store.

The products and services available from these outlets are generally the same as offered at corporately owned and operated outlets.

A licensee is granted a licence to use Australia Post systems, manuals, trademarks and images in the operation of a LPO at nominated premises.

HOW THEY EVOLVED

The Post Master's General department (telephony and post services) was established in 1809.

In 1975 it was split into Australia Post and Telecom, as telephone exchanges in Australia were increasingly automated.

Owner/operators of non-official post offices became 'Post Office Agents' to reflect that they were now agents of the principal, Australia Post.

In 1989 Australia Post became a statutory corporation or a government business enterprise.

This meant that Australia Post would be entirely self-funding. It uses its assets and resources to earn profits, which can be reinvested in the business or returned as dividends to its sole shareholder, the Commonwealth Government.

The community service obligation to provide an accessible and affordable letter service across Australia remains a core pillar of Australia Post.

In early 1993, the Licensed Post Office Agreement replaced the former Post Office Agency Agreement.

It was a major factor in bringing the retail sector of the postal industry into modern business practices.

In part, it involved an expansion in the number of post offices and post office outlets and the conversion of many corporate post offices into privately run LPOs.

In 1996-97 Australia Post achieved a key five-year objective: its retail business became profitable for the first time - with a relatively small profit of \$18 million.

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6. Tibetan mail carrier delivers letters of her life on foot

10:40, May 21, 2011

by Xinhua writer Lu Qiuping

"Which is more important to you, letters or life?"

"Life is important, and so are letters. While being loaded on me, letters have been part of my life," Nima Lamu said in response to the question posed by a foreign representative at the annual meeting of the Universal Postal Union held in Switzerland early May.

Nima Lamu, 35, has spent 12 years delivering letters and parcels in a rural area of southwest China's Yunnan Province.

She works in Deqin County in Diqing Tibetan Autonomous Prefecture, where the altitude ranges from 1,000 to 4,500 meters. Her mail route covers 350 kilometers, requiring seven days for a round-trip on foot.

In 12 years, she has never lost a single letter or parcel.

"I'm just doing what I'm supposed to do," said Nima Lamu, who came to Beijing on Friday and received media interviews at the headquarters of China Post Group Corporation (China Post).

While walking her route, she has learned how to avoid falling rocks and landslides. She has also learned to prepare herself for potential animal attacks. "I'm most terrified of snakes. Every time I see one, I scream and scare it away," she said, smiling. "Luckily, the snakes are not poisonous."

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7. Siam Postal Service Growing Stronger

The Siam Postal Services have just expanded its services to include Car Rentals, DSL connections, issuing International Driver Licenses, Vehicles Insurance, Vehicle Tax Renewals, and Internet Service to offering of International VISA Service recently for convenience of people, revealed by the owner Mrs. Sirinart Gilmore.

With over 10 cars for rent which the price has been reduced down from 22,00 Baht to 18,000 Baht per month at the moment in Promotional Period and for the Motorcycle Rental price from 2,400 Baht to be 2,000 Baht per month, and this is a good bonus for their customers.

The Siam Postal Service has been established for over 3 years and connected worldwide to serve the people who live outside Pattaya and soon the new offices will be opened in Jomtien and South Pattaya to service the people of Pattaya.

With 5 employees, customers will be taken care of effectively, and the offices will be opened from 8 am till 8 pm every day.

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