

POSTAL NEWS

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1. Overhaul the Postal Service

Reform proposals offer very different approaches

Appeared in print: Sunday, July 31, 2011, page G2

If the U.S. Postal Service were an ocean liner, it would be listing to one side with passengers scrambling for the lifeboats. But most Americans, distracted by the debt crisis and still routinely collecting their daily mail, are unaware that the agency is teetering on the brink of insolvency.

Postmaster General Patrick Donahoe recently warned that mail delivery could be reduced to three days a week within 20 years. Despite cutting \$12 billion in costs over the last four years and eliminating more than 200,000 career positions in the past decade, the Postal Service faces an \$8 billion deficit in the current budget year as mail volume has dropped by about 20 percent from 2006 to 2010. Federal officials warn that the system could default on its obligations as early as this fall unless Congress makes some major changes.

Both Democrats and Republicans agree that the Postal Service needs an overhaul. Five bills have been introduced addressing issues ranging from the future of Saturday deliveries to employee retirement benefits.

Sen. Thomas Carper, the Delaware Democrat who chairs the committee responsible for the Postal Service, and Sen. Susan Collins, a Maine Republican, are working to craft a compromise reform bill that will draw bipartisan support.

A recent New York Times story suggests the Carper-Collins proposal will probably give the Postal Service much of what it has been requesting, including the ability to spend surpluses in its retiree benefits funds, to keep the agency afloat for the short term. Other provisions reportedly would allow the Postal Service to close its most

unprofitable post offices, eliminate Saturday deliveries and to reap additional revenues by shipping wine and beer.

Rep. Darrell Issa, the California Republican who chairs the House Oversight Committee, has put forward a different approach, one that merits consideration. He proposes allowing the Postal Service to default on its obligations and then establishing a regulatory body that would have the authority to fundamentally restructure the organization. Issa's bill also would also allow elimination of Saturday deliveries, the use of postal vehicles and properties for commercial advertisements and the establishment of a commission that would recommend closures of unprofitable post offices.

Perhaps the most significant difference between the two proposals is that Issa opposes letting the Postal Service tap retirement fund surpluses, which the lawmaker derides as a "multibillion-dollar bailout funded by the taxpayers."

That's hyperbole, but Issa is right to be wary of any proposal that could imperil the long-term funding of employee retirement plans — although it's worth noting that the federal Office of Personnel Management, which manages the retirement funds, recently estimated that the Postal Service has overpaid into the fund by as much as \$80 billion.

Congress has been understandably distracted by the standoff over debt ceiling and deficit negotiations, but members should not forget the need to address the Postal Service's troubles.

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2. Week in Review: The Interventionist, Postal Change and School Supplies

Just in case you missed something this week, Patch brings you the week that was in Greater Annapolis.

By John Wilfong
July 31, 2011

Patch articles always stay on the site, even when they're not posted as a top story, so we encourage you to explore and read some of the older articles if you're new to Greater Annapolis Patch. We have some more information if you'd like to know more about how to use the Patch site.

And to ensure you don't miss anything, we'll do reviews each week to point out stories of interest you may have missed. Remember that you can sign up to receive daily or weekly updates from Patch. We're also active on Facebook and Twitter, too.

This week Patch shared the story of local author Joani Gammill, now popular for her role as an interventionist on the Dr. Phil Show. Gammill met with fans this week at

Caffe Pronto in the Festival at Riva, where she wrote her book, "The Interventionist." She also signed copies of her book.

Her's is a story that is not common, or at least not commonly discussed over a table at the popular coffee shop. She has gone from living a life secretly addicted to pain medication to a celebrated author.

Also, earlier this week the U.S. Postal Service announced that it would be taking an extensive look at post offices across the country for possible closure in an attempt to shave costs.

So far it appears as if most retail locations in and around Annapolis are safe. But the Annapolis Distribution Delivery Unit (DDU) on Admiral Cochrane Drive is up for consideration, according to postal officials. This location does not have retail hours, but serves as a warehouse for carriers.

Patch will keep you up to date on the fate of the location, but judging from the "For Sale" sign in front of the building, it may not be good news.

And several items from this week made it obvious that summer is wrapping up and school is just around the corner.

On Wednesday, David and Kimberly Mitchell, the founders of the Millersville-based Walk the Walk Foundation donated school supplies to the kids at the Boys and Girls Club at Admiral Oaks.

The children received the donations with smiles and excitement as they sorted through their books, pencils, rulers and books.

Also, the county school system put out the call for donations for students in need. Officials said there are about 800 families who still need help purchasing basic supplies.

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3. NA body on Postal Services visits GPO

Saturday, July 30, 2011
Rawalpindi

Members of the Standing Committee of National Assembly on Postal Services lead by its chairman Pir Muhammad Aslam Bodla visited the office of the Postmaster General and GPO here on Thursday, says a press release.

Postmaster General of Northern Punjab Circle, Rawalpindi, Dr. Naseer Ahmed Khan briefed the visiting delegation about the performance and postal operation in Northern Punjab Circle Rawalpindi.

Director General Pakistan Post Mishal Khan and Postmaster General Punjab Muhammad Jan Khattak along with other senior officers of the department were also present on the occasion.

The delegation was also briefed on the steps taken for the welfare of the customers including payments of Benazir Income Support Programme (BISP) to the beneficiaries facilities for the military pensioners, saving schemes and express post track and trace system and welfare of the employees.

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4. Royal Mail Privatisation Plans Face Dissection

30 July 2011 - Steve Lawson

A senior figure within The European Commission said this week that he doubted whether existing UK coalition government plans to take on Royal Mail's pension deficit and privatise the state-owned postal operator will be enough to prevent distortion of competition in the market.

Competition Commissioner Joaquin Almunia said he accepted that reform of the UK postal market was essential but is concerned that the current plan would give Royal Mail an unfair advantage. Under EU rules, any significant changes in the market, particularly with respect to State aid, require formal approval.

The UK government said it was confident that the plans were within EU rules and welcomed the investigation.

Postal Affairs Minister Edward Davey said:

"It is only right that the Commission has opened the State Aid process to properly investigate the case. However, we are keen to resolve the case as soon as possible, and are seeking a resolution by March 2012." The government maintains the plans are essential to help underpin the universal service in the UK.

Earlier this year, the Royal Mail reported a significant fall in annual profits, partly due to a decline in mail volumes. Chief executive Moya Greene said the decline would mean a reduction in the overall size of Royal Mail along with job losses over the coming years although would not be drawn on the actual numbers involved. The operator is reported to have a pension deficit of £8bn and debts totalling £1.7bn.

The European Commission said that whilst it understood that Royal Mail was blighted by a large pension deficit, and the the EC had agreed bailouts to other countries in recent years, Royal Mail's problems were different in that the pension deficit actually stemmed from stock market declines which affected all UK companies and was therefore not unique.

Post Office Ltd which receives an annual subsidy and which forms part of the Royal Mail Group, would be split under current government plans.

If government proposals are rejected by the EC, the sell off is likely to be postponed and could, potentially see a fall in the value of the business as volume decline continues and the company struggles to modernise with a sizeable part of its revenues already being used to clear existing debt. Without state-aid to lift the burden of the pension deficit, some estimates suggest it could take as long as 20 years to clear the pension deficit and if volume decline continues, even longer.

Ed Davey, speaking to Sky News earlier this year about the new Postal Services Bill said: "We have protected the universal service obligation which is so important to many people and many business across the country. We have put new protections for the universal service, but we have also made it more attractive to Royal Mail employees."

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5. Azerbaijan's postal operator prepares to enter in global monitoring system

Baku, Fineko/abc.az. In 2012 Azerpocht, national postal operator of Azerbaijan, plans to accede to the Global Monitoring System of the Universal Postal Union (UPU) - UPU Global Monitoring System.

According to the Ministry of Communications & Information Technology of Azerbaijan, it is linked with the fact that since 2014 UPU will perform calculations on international correspondence not only on volume of traffic, but also on the quality of delivery. Union's expert Fal Birahlil is visiting Baku within preparatory measures for the entry into UPU Global Monitoring System. He has already visited the Postal Transport Centre and Mailing Centre of the International Airport named after Heydar Aliyev and conducted an assessment of equipment and technical processes.

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6. What Will the U.S. Postal Service Look Like in 10 Years?

July 29, 2011 By Lauren Katims

They know your name, stop by your house daily and soon they could be predicting the weather and reporting on the quality of your cell phone service. The United States

Postal Service (USPS), the nation's second-biggest civilian employer, is struggling to adhere its stamp in a digital world.

The USPS ended fiscal 2010 with an \$8.5 billion loss, thanks to exploding use of e-mail, social media and other forms of electronic messaging and decreasing mail volumes. For the first time in the service's 200-year history, first-class mail — 55 percent of its revenue — is down. On top of that, the USPS owes \$5.5 billion to the government for retiree health benefits. At a recent hearing, Postmaster Pat Donohue said that if the government doesn't relieve the service of its financial obligation, it will face insolvency by September.

To boost revenue, officials are considering placing sensors on mail trucks to capture data, such as weather predictions, cell phone coverage and street conditions, but experts agree that it will take much more to keep mail in service for the long run.

Mail of the Future

"I don't think there is anybody who believes that the postal service in 2020 will look anything like it does today," said John Callan, managing director of Ursa Major Associates, a business strategy consulting firm and recognized thought leader and strategy consultant in the postal industry.

Reinventing the USPS was the topic of June's PostalVision 2020 conference in Washington, D.C., the most tech-heavy postal conference held to date, said Callan, who organized the gathering. "We're coming at this from a very futuristic level," he said.

Google executives, social media experts and other technology minds — like Jeff Jarvis, author of *What Would Google Do?*; Jeremy Grant, senior executive adviser from the National Institute of Standards and Technology, and Google Vice President Vint Cerf — spoke about technology's role in ultimately building the equivalent of the physical postal network in digital form.

"It's not about Google coming to the Postal Service's rescue," Callan said. "It's that Google type of thinking."

One idea was an application that utilizes an e-mailbox to send and receive secure and official communication within federal agencies. This might be paired with physical postal kiosks that are connected to government department call centers.

Transferring Trust to the Web

At the crux of this strategy is the idea that the USPS offers a level of trust and conformity that officials are confident can be transferred to the digital world and will differentiate a uniform electronic USPS platform from any other e-mail service. In April, the Office of Inspector General released a report that outlined the Internet's shortcomings, including its susceptibility to viruses and privacy issues, some Americans' lack of access and a shortage of affordable digital currency exchanges.

These are gaps the USPS hopes to fill.

The USPS is the only delivery service that reaches every address in the nation — 150 million residences, businesses and post office boxes — and it could theoretically take its entire national database and link each physical address to a private e-mail address.

“We all have e-mail accounts ... and use them for different purposes,” said Jennifer Tomlinson, director of growth and strategy at Canada-based Innovapost and a speaker at PostalVision 2020. “I have six or seven myself, and having one that I know is the trusted, secure one would be very beneficial.”

Tomlinson helped transform Canada’s postal service and consults regularly with European posts. She said in the last 18 months, almost every post in Europe started offering a digital postal service that forms the basis for other electronic services.

A small town in Finland is experimenting with a dual mail service platform, delivering physical mail only three days a week, and electronic mail six days, she said.

The USPS handles 45 percent of all mail sent worldwide, so incorporating a dual platform isn’t as simple. And such a move could be hampered by congressional limits on the types of services the USPS can offer.

However, Tomlinson said that creating an e-government platform with the USPS and partnering with the private sector to help take it to the market wouldn’t necessarily require a policy change. Private companies have already launched cloud-based products to support this model and are talking with the USPS about implementing their services.

Advancing Technology

As a more immediate revenue boost, the USPS is experimenting with a hybrid of physical and digital tactics. The USPS is testing Real Mail Notification, in which customers receive daily e-mails or text messages about what mail was placed in their physical mailbox. The service has gotten rave reviews from credit card companies, which could track when a customer receives a bill or new offer.

Customers would have the choice to opt-in, and only certain information would be shared. “We encourage companies to be very privacy-minded,” said USPS Chief Marketing Officer Paul Vogel.

In January, Vogel signed a five-year contract with eBay to provide online tools and marketing programs to help small businesses grow through the use of direct mail, while providing discounted shipping prices for new customers.

Even with technology advancing at a rapid pace (the USPS is looking at digital watermarking to replace quick response codes) one thing is certain: People still like receiving mail, said Vogel. “You don’t see many e-mails hanging up on the refrigerator.” But people don’t like sending mail, and that’s where the “electronic sweetener” comes in, he said. “It’s about making a [traditional] mail piece relevant today.”

You may use or reference this story with attribution and a link to <http://www.govtech.com/budget-finance/What-Will-US-Postal-Service-Look-Like-10-Years.html>

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7. Editorial: A changing U.S. Postal Service

GateHouse News Service

Posted Jul 29, 2011 @ 11:14 AM

Facing a deficit of more than \$8 billion, no one denies the U.S. Postal Service needs to make some major adjustments and create efficiencies in the way it delivers services to customers.

As a result, branches of the Postal Service are facing closure across the country.

A post office, in many ways, represents the heart of neighborhoods and villages. When it faces an uncertain fate, it's a blow to the stature and psyche of the community.

On July 26, the U.S. Postal Service released a review list of 3,653 post offices nationwide that could be on the chopping block. That's about 1 in 10 post office branches nationwide. With fewer customers using "snail mail" and instead turning to the Internet for correspondence and paying bills, the post office has to find ways to cut \$12 million in costs.

During the review process, expected to be completed by the fall, the U.S. Postal Service will examine the workload of each branch. A closure would not necessarily mean customers would have to travel across town for postal services. Under the new "Village Post Office" model, when there are branches less than two miles apart and it is determined that a branch has a light workload, availability of some services — mainly stamps and fixed-rate mailing services — would be shifted from the traditional post office to other businesses, such as stores, pharmacies and gas stations. The area's ZIP code would remain the same.

The Postal Service would contract with these businesses, and there would be some benefits to customers, like expanded hours, including weekends. The arrangement could also benefit local businesses by contracting with the Postal Service and increasing customer traffic.

Numerous stores already sell stamps. More folks are also turning to the Internet to purchase postal services or arranging for pick-up of items. The new model may be the wave of the future for smaller post office branches.

It's hard to argue the economics forcing the review. The Postal Service is targeting branches that average less than \$50 per day in sales, have low foot traffic and where staff members serve customers for less than two hours of a full workday. However, the closure list has not been finalized, and not every post office under review will be

closed. Meanwhile, customers and community leaders have an opportunity to share their concerns with the Postal Regulatory Commission.

In both urban and rural areas of the country, many of the potential closures seem to disproportionately affect poor communities and people without transportation to nearby branches and without the means to access postal services via the Internet. That's why it is important for the postal customers and public officials representing these communities to make their voices heard.

Officials are required to consider community input as they determine the actual closures. Residents and businesses that rely on one of the local post office branches and do not want to see them close should organize with other customers and share their concerns with the Postal Regulatory Commission, which will issue an advisory opinion on the plan.

However, ironically, the commission is only accepting comments via the Internet, not via the U.S. Postal Service.

How to voice your concerns:

To submit comments for or against the closures, visit www.prc.gov and click the "contact PRC" tab to access an online customer service form. Select the subject "current proceeding before the commission" and include your name and address. To participate more formally in the process and to file documents to be included in the online public record, interested parties may click the "Filing Online" tab and follow the appropriate instructions. The Postal Service may not implement any closures until Oct. 28, 90 days after the request was filed. The docket number is N2011-1.

- Herald News Editorial Board (Mass.)

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