POSTAL NEWS
No. 91/2011

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

1. Profits fall 5.6% at Poste Italiane as mail volumes sink 10%

Wednesday, August 3rd, 2011
A difficult economy and increased competition have hit profits at Poste Italiane in the first half of 2011, but operating costs have also fallen.
Italy's state-owned postal operator saw a 6.8% drop in revenues in the six months to June 2011, to EUR 11.5bn, while profits dipped 5.6% to EUR 488m for the period.
Along with the continuing "natural decline" of postal volumes, results were affected by a marked reduction in earnings at Poste Vita, the insurance arm of Poste Italiane, along with a cut in government subsidies.
Among its divisions, Poste Italiane saw an 8.8% drop in sales for its postal services, to EUR 2.4bn, an 8.2% drop in insurance revenues to EUR 2.4bn, and a 1.9% dip in its EUR 6.4bn financial services revenues.
Mail volumes fell 10.3% in the first half of 2011 compared to the same period in 2010, with Italians sending 308m fewer items during the six months. This included an 8.5% drop in direct marketing volumes, although a quarter of this was due to the reduction in election-related mailings.
Express delivery volumes were up 1.4%, thanks particularly to work by domestic delivery subsidiary SDA Express Courier SpA with online retailers and other major shippers. Poste Italiane also reported positive movement in international shipments, with volumes and revenues up hanks to a 2.1% increase in items handled for UPS and FedEx.
To some extent, Poste Italiane managed to counter lower overall revenues with a "significant" 8.3% cut in staff costs thanks to the 3,400 fewer staff on payroll, as well as efforts to contain the cost of goods and services during a period of rising inflation. This has included the leasing of 16,000 new vehicles during the period, replacing older vehicles to allow for a cut in maintenance costs along with improvements in fuel consumption and environmental performance.
Overall, operating costs declined 6.9% at Poste Italiane, to EUR 10.7bn.
The board said major economies had seen a further downturn in the first half of 2011 with the civil unrest in the Middle East, tsunami and nuclear disaster in Japan and various debt crises.

Inflation rose from 1.7% to 2.3% in the first half, reflecting “big rises” in commodity, energy and food prices.
The situation has meant a negative impact on demand for products and services from retail, business and public sector customers, Poste Italiane said.
With new market liberalisation legislation adopted in March, Poste Italiane is now facing new competition, particularly for high-value customers and the most profitable areas of the market.
“This has occurred at the same time as a natural decline in the use of traditional forms of communication,” as a result of its progressive replacement by information technology and the economic downturn.”
Poste Italiane is now facing pressure on its provision of universal service coverage across “an enormous geographical area”, it warned.
New services
Seeking to foster new growth in its mail services, Poste Italiane said it has been piloting new pre-paid and pre-packaged postal services in the last few months, which offers standardised packaging and a single postal price, aiming to provide a more convenient mailing of documents and goods.
Poste Italiane has also developed a reverse logistics offering, allowing businesses to provide a returns service for their customers.
The Post has also worked to provide a new simplified price system for its commercial package and express pick-up service, allowing SMEs to secure discounts by purchasing batches of prepaid consignment notes.
Tracking services have been improved, with a new Home Box service allowing customers to print shipping labels via the internet and also receive reports on their shipments. Poste Italiane’s SDA Express Courier subsidiary, which is having its tracking systems consolidated with those of its parent company to create a single integrated network, launched a new Smart Alert system that can send email and text message alerts about the status of shipments to express customers.
For e-commerce, Poste Italiane has set up a new division specifically to support online retailers and develop new ecommerce services. It has also launched a new PostelOffice portal, selling printing services and office products while allowing users to personalise their mailings and stationary.
Poste Italiane is set to launch a package of online services later this year called PosteMailBox, which will include a digital mailbox for the sending and receiving of messages as well as a digital signature system.

000

2. Manilla digital mail site signs up 1,100 service providers

Wednesday, August 3rd, 2011
Manilla, the digital mail service launched by publishing giant Hearst Corporation in June, now offers its users access to more than 1,100 service providers.
The service at Manilla.com is being marketed as a free personal account management service for consumers in the United States, allowing householders to receive, store and pay bills, manage finances and organise magazine subscriptions and loyalty programmes.

Manilla has already established relationships with credit card company Citi Cards, cable television giant Comcast and KUBRa, the provider of customer management platforms for a variety of transactional mailers including power utility Duke Energy.
As well as billing and statements, service providers can use Manilla to provide targeted offers to customers, although the marketing offering is opt-in on the part of consumers.
The company said this week that its service has grown "tremendously" over the two months since its consumer launch.
Unlike rivals in the digital mail sphere like Zumbox, Volly and Doxo, Manilla has the Hearst publicity machine behind it – the publisher of magazines including Cosmopolitan, Elle, Esquire and Marie Claire, which have been featuring advertising for the new digital service.
With more than 1,100 accounts available to users, Manilla said its service serves as a "one-stop-shop" for consumers to manage their accounts.
Manilla chief executive George Kliavkoff said yesterday his service is adding new service providers every day on the back of a good response from consumers.
He said: "We are working tirelessly to bring more accounts to Manilla.com and additional tools to help consumers save time and money."
As the Manilla service develops, new features including mobile phone applications are planned.

000

AUGUST 1, 2011 • 5:57 PM

3. **New study shows decline in unions tied to income inequality**

The American labor movement has declined in membership over the past several decades, peaking in the 1970s then steadily declining since the early 1980s.
During the same time frame, inequality between the wealthiest Americans and working men and women has expanded alongside.
While the correlation between the two has often been assumed, a recent Harvard study suggests that these changes are in fact directly related.
The study found that the biggest impacts of the decline in unionization are actually indirect. For example, when there is a threat of unionization in a certain sector or business, employers will often raise wages either to attract highly skilled workers to compete with other unionized workers or to fight off employees' desire to unionize.
With fewer unions, there is less incentive for these employers to raise wages.
Also, working men and women have lost their Washington lobbyists along with their unions. While the system in Washington certainly is far from perfect, it is essential for Congress to hear the voices of working families. Without lobbyists, this voice gets drowned out by the folks who can afford to be heard.
While the reasons are varied for the increase in inequality, the underlying cause seems crystal clear.
Going forward, the need to save the labor movement will be more pressing than ever.
As the voice of the working men and women who stand up to inequities in our system

diminishes, it comes as no surprise that, as unions decline, incomes will continue to be unequal.

000

One of our top news we reported this week

4. **Deutsche Post Announced a Turnover of 12.8bn Euro.**

August 3rd, 2011, Issue 31 / 2011
Deutsche Post increased its guidance for the full year after recording a jump in profits in the second quarter. On Monday the company announced a turnover of 12.8bn euro, a growth of 0.3%. Operating result (excl. non-recurring effects) more than doubled to 562m euro (+122.1%).'We are continuing to grow and have kept the positive momentum of the last quarters', CEO Frank Appel commented on the results. Given this development the management now expects a profit 'at the upper end' of the previously published forecast of 2.2bn to 2.4bn euro.
At the same time Deutsche Post was upbeat about its half-year performance. The Mail unit was able to stabilise revenues (6.77bn euro) and volumes (3.89bn items) at last year's level. The decline in the traditional letter business was almost completely offset by considerable growth in domestic parcel business (volume +9.5%, turnover +8.2%). However, at 556m euro the unit's operating result was 12% lower than in the same period last year. The fact that Deutsche Post has to charge VAT on business letters since July 2010 (CEP-News 12/10) considerably affected the unit's result.
The Express division saw an increase in turnover (5.71bn euro, +4.1%) and result (460m euro vs. 80m euro). The largest increase was achieved in the Asia-Pacific region with a growth of almost 10%. The Supply Chain unit (turnover of 6.48bn euro, +1.85%) and the Global Forwarding division (revenue of 7.32bn euro, +8.8%) also recorded significant growth.
'We remain confident concerning our future business development, also against the backdrop of a more normalized level of global economic activity', CEO Appel said, referring to the group's improved earnings guidance.

000

5. **Australia Post And Rural Bank Partnership**

02 August 2011 - Hellmail Postal News

Banking in rural and regional Australia received a significant boost today, with Australia Post and Rural Bank proposing to join forces to distribute banking services via regional and rural post offices.

Australia Post and Rural Bank have entered into a non-binding heads of agreement for the distribution of banking services. The parties are working towards agreeing a binding distribution agreement as soon as practicable.

It is intended that customers will be able to open Rural Bank deposit accounts at 1,400 post offices across the country. In addition, 130 post offices in areas with a strong agribusiness presence will offer Rural Bank loans through dedicated Rural Bank Business Development Managers.

The agreement will provide greater banking access and choice for regional Australia by bringing together Rural Bank's innovative and specialist banking services with Australia Post's vast retail network.

Making the announcement, Chief Executive of Rural Bank, Mr Paul Hutchinson said that the Bank was excited about the opportunity to partner with one of Australia's most recognised and trusted brands.

"This partnership will give more people access to Rural Bank's range of competitive transaction, savings and investment products, as well as specialised lending for Australian agribusiness. It is an ideal complement to our existing rural distribution networks."

Christine Corbett, Executive General Manager, Retail Services for Australia Post said the proposal would strengthen Australia Post's long-standing position as a destination for banking services.

"We are proud of our association with Rural Bank, an organisation that shares our understanding of the unique needs and demands of rural and regional life.

"This is a great example of a partnership that will not only increase services to rural and regional areas, but also help support our post offices in communities across the country by generating more business for them."

CEO of the Post Office Agents Association Limited, Ian Kerr, said that this new partnership should provide a welcome new business stream for Licensed Post Offices in rural areas.

“The proposed partnership will take advantage of Australia’s largest physical retail network – the post office network – and build upon the trusted post office brand,” he said.

Most post offices in rural areas are Licensed Post Offices. LPOs are privately owned and operated post offices.
“Our members will be pleased to see a further diversification of the products and services available in their businesses. We look forward to discussing this proposal with Australia Post and in particular the financial benefits that it may hold for our members,” Mr Kerr said.

There will also be benefits to local communities. “Many rural communities suffer from lack of access to financial services. This proposed partnership will boost the range of financial services available to rural communities at their local post office,” Mr Kerr said.

The announcement of the Rural Bank - Australia Post proposed partnership has been welcomed by Malcolm Jackman, Managing Director of Elders, Rural Bank's principal rural distributor.

"This agreement will deliver a substantial extension to Rural Bank's reach and presence in regional Australia. Rural Bank's profile and strength clearly stand to be enhanced by this partnership, which is good news for all the Bank's customers and distributors," he said.

Under the arrangement, it is intended that customers will be able to access their Rural Bank accounts through the Bank@Post service available at 3,287 post offices. Through this service, customers will be able to make deposits, withdraw funds and enquire about their balance.

000

6. USPS takes next step in optimising retail network

As more customers choose to conduct their postal business online, on their smartphones and at their favourite shopping destinations, the need for the US Postal Service to maintain its nearly 32,000 retail offices – the largest retail network in the country – diminishes. To that end the USPS has announced that it will be taking the next step in right-sizing its expansive retail network by conducting studies of approximately 3,700 retail offices to determine customer needs. As part of this effort the USPS also introduced a retail-replacement option for affected communities.

“More than 35 percent of the Postal Service’s retail revenue comes from expanded access locations such as grocery stores, drug stores, office supply stores, retail chains, self-service kiosks, ATMs and usps.com, open 24/7,” said Postmaster General Patrick Donahoe. “Our customer’s habits have made it clear that they no longer require a physical post office to conduct most of their postal business.”

For communities currently without a postal retail office and for communities affected by these retail optimisation efforts, the Postal Service has introduced the Village Post Office as a potential replacement option. Village Post Offices would be operated by local businesses, such as pharmacies, grocery stores and other appropriate retailers, and would offer popular postal products and services such as stamps and flat-rate packaging.

“By working with third-party retailers we’re creating easier, more convenient access to our products and services when and where our customers want them,” Donahoe said. “The Village Post Office will offer another way for us to meet our customers’ needs.”

With 32,000 postal retail offices and more than 70,000 third-party retailers — Approved Postal Providers — selling postage stamps and providing expanded access to other postal products and services, customers today have about 100,000 locations across the country where they can do business with the Postal Service.

“The Postal Service of the future will be smaller, leaner and more competitive and it will continue to drive commerce, serve communities and deliver value,” Donahoe added.

Posted at 06:00 AM ET, 08/03/2011

7. **Save the Post Office!**

The post office in rural Brownstown has been proposed for closure, one of 39 Washington state post offices under review by the U.S. Postal Service. (AP Photo/Yakima Herald-Republic, Gordon King) (Gordon King - AP)

There's a guy fighting the U.S. Postal Service's move to close about 4,300 post offices in the next year, and he doesn't work for the agency.

He's a new blogger named Steve Hutkins, and he teaches literature at New York University. He lives in a hamlet in the Hudson Valley north of Manhattan called Rhinecliff, pop. 685. There is no mail delivery in Rhinecliff. Residents pick up their mail at the local post office.

Hutkins started getting mad in April, when he heard his post office might be on the to-be-shuttered list, which is targeting many unprofitable post offices in rural corners. Rhinecliff was safe, for the moment, anyway. But that didn't stop Hutkins from starting a crusade to save post offices all over the country.

"Save the Post Office" reports on closures, consolidations and suspensions going on in the mail world. It is full of analysis and opinions. And Hutkins' opinion is not hard to discern. He's left-leaning, pro-union and believes the Postal Service is outsourcing itself to greedy corporations.

"I live in a very small town with a very small post office," Hutkins said in an interview Tuesday. "My goal is to save all of these post offices."

Here's a sample of this week's headlines: "Robber Barons Plunder the Post Office." "Ben rolls over in this grave: B Free Franklin post office on the chopping block," a reference to the post office at Franklin Square in Philadelphia's Independent Mall area. It's the only post office that doesn't fly a U.S. flag because the area pre-dates the American Revolution.

His self-described obsession with the Postal Service's downsizing strategy has led him to request a leave from teaching to focus on his blog. His academic interests dovetail with his new postal ones, though. His most popular course at NYU is called "A Sense of Place," a melange of literature, architecture and planning to understand the meaning of community.

"My students have not been subjected to my postal mania," he said, chuckling.

One of the most popular features of his site involves a new, interactive map showing the 3,600 post offices under review for closure as of last week, plus another 700 or so the Postal Service began studying for closure last fall. The last batch were made public only days ago.

Savethepostoffice.com gets about 2,000 to 3,000 hits a day; its best day — with 10,000 hits — was July 26, the day of last week's announcement.

Closing post offices is not popular with many customers and members of Congress for the same reasons Hutkins is fighting the effort. But the Postal Service is on track to lose $8 billion this fiscal year. The post offices on the list are unprofitable; closing them could save $200 million a year, the agency says.

Hutkins calls this savings "miniscule." He's focused on what he says is the biggest unstated reason why the Postal Service is hemorhaging money: It is unnecessarily outsourcing its services to greedy corporations, he says.
"All you hear is how postal revenues are declining and no one uses the post office anymore," he wrote in a post Tuesday. "But somehow the Postal Service was still able to outsource $12 billion in 2010."
"The Robber Barons are stealing the post office from the American people," he wrote, referring to Postal Service contracts with companies such as FedEx and Northrup Grumman, some to transport mail.
The Postal Service is familiar with the site, agency spokeswoman Sue Brennan said in an e-mail Tuesday. Asked about the blog's criticism of the efforts at consolidation, she wrote:
"For decades this organization expanded with the nation and with the mail volume. We are now in a position we've never been in before: We have to shrink our infrastructure."

000

Collected by Chairul Anwar, Bandung, Indonesia.
E-mail address : chairulanwar49@operamail.com, chairulanwar49@gmail.com.