

POSTAL NEWS

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1. Portland, U.S. Postal Service closer to discussing sale of Northwest Portland distribution center

Since 1995, city leaders have been lobbying the Postal Service to move from its 13-acre site in the now-glitzy Pearl District

Saturday, March 22, 2008

RYAN FRANK

The Oregonian Staff

The city of Portland is closing in on a historic deal to buy 13 acres of prime Pearl District land -- downtown's largest redevelopment site -- from the U.S. Postal Service.

The Portland Development Commission, the city's urban renewal agency, is expected Wednesday to approve exclusive talks with the Postal Service about buying its distribution center at 715 N.W. Hoyt St., next to the Broadway Bridge.

"It's a great opportunity for expansion," said Mark Rosenbaum, the commission chairman.

The sale is a long way from final. Wednesday's vote may appear minor, but it's a significant step in a process that moves at glacial speed given the two bureaucracies involved.

City leaders have been planning for such a deal since 1988 and they've been lobbying the Postal Service to move since 1995. The city has poured millions of dollars to turn the Pearl District, once an industrial area, into a glitzy neighborhood of art galleries, condos and restaurants.

The post office's rumbling truck rigs and mail carriers are a better fit near the Portland airport, the city says.

Instead, the city sees the land as a potential campus for a major employer, like Nike or Adidas. Once the streets go in, the property could accommodate nine city blocks and about \$1 billion in new development, said Steven Shain, the commission's development manager.

A Postal Service spokesman could not be reached for comment Friday.

Former Portland Mayor Vera Katz wrote the Postal Service in 1995 to encourage the move. Since then, city leaders, with help from the Port of Portland and Oregon's congressional delegation, have pressed the issue.

The development commission had to sweeten the offer to persuade the Postal Service to start serious talks. If the sale happens, the city must pay 150 percent of the property's appraised value.

The premium is necessary, the city says, because the zoning will probably change and make the site more valuable. The post office could take the extra incentive to move soon rather than wait for the land value to rise.

A February 2007 appraisal by Integra Realty Resources pegged the property's value at \$45.5 million, assuming there's no environmental contamination.

If approved Wednesday, the deal would give the development commission exclusive negotiating rights through Dec. 31. It would make a nonrefundable \$2 million payment into an escrow account toward the purchase. Advertisement

The commission would pay the Postal Service \$500,000 for the exclusive negotiating rights. It would pay another \$500,000 after the sides agree on a sale price and an additional \$1 million when they sign a sale agreement.

The Postal Service plans to use that money to start plans to move out of the Pearl District.

Rosenbaum said the post office's move to the airport area may help attract companies that want to be close to a mail center, such as catalogs and bulk mailers.

Shain said the Postal Service would need at least five years to make its move. The Pearl District site would be rebuilt over the next five years or so.

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2. Funky Bikes For Correos Postal Service

24 March 2008 by Carlos Borrego - © Hellmail.co.uk

The Spanish postal operator Correos has introduced five bright yellow, electrically powered delivery vans and nine adapted bicycles to its postal service fleet. The trial of ecological vehicles is to run in Madrid, Zaragoza, Barcelona, Seville, Granada and other locations.

The lower maintenance requirements and load capacity of the new vans made them an ideal choice. According to Correos, the useful carrying capacity and easy access make for easy loading of larger packages. The environmental impact is also reduced and the vans are apparently very quiet in operation. The six-speed vans, With a top speed of 57km/h (100km range), and a 460kg payload, could become a familiar site on Spanish roads. The new bikes have been adapted to provide more carrying space.

Correos has around 13,000 vehicles, including trucks, vans and mopeds. If the trials prove successful, more ecological vehicles will be purchased to replace those in its existing fleet.

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3. Slovak Delegation to Attend Universal Postal Congress in Geneva

Bratislava, March 23 (TASR-SLOVAKIA) - Slovakia is to take part in the Universal Postal Congress that will take place in Geneva, Switzerland, between July 23 and August 12, 2008, it was reported on Sunday.

This is according to a proposal that has been submitted for comments by Slovakia's Transport Ministry. According to the document, the Slovak delegation will be led by minister Lubomir Vazny, who will also sign the Universal Postal Union (UPU) Acts.

In order to ensure effective involvement in the talks on both specialised and more general, international and political matters, representatives of the Foreign Affairs Ministry and Slovakia's Permanent Representative at the UN should also take part in the Congress, reads the proposal.

In line with a decision that was adopted at the 23rd annual Universal Postal Congress in Bucharest, Romania, in 2004, this year's event was supposed to take place in the Kenyan capital Nairobi. Due to widespread unrest in the African country, however, it was later decided to move the Congress to the UN International Conference Centre in Geneva.

Delegates from the UPU's 191 member countries will gather to discuss the most important issues affecting the postal sector worldwide.

4. Postal Operators - A Global Decline In Mail Volume

23 March 2008 by Mark White - © Hellmail.co.uk

So why are we closing post offices and why are mail volumes falling - in real terms? A decline in the letters market is being felt globally, not just in the UK - even the US postal service is feeling the pinch.

There are many reasons why mail volume is seeing a slump, but the biggest contributor to this downturn is undoubtedly our obsession with technology. Up until the 1970s, technology had moved along at a relatively graceful pace, but the advent of the transistor and silicon chip, brought a whole new wave of electronics that we could only marvel at. The PC and the internet came much later, but as a point to point communication tool, it has been difficult for more traditional services like the postal industry, to compete with the internet. Technology is now moving so fast, whatever we buy today is quickly outmoded the following day, making it extremely difficult (at times) to know what to buy. The same rules must apply to postal operators trying to decide which equipment to invest in.

In comparison to the 50s and 60s when the greatest leap was the emergence of 'coloured' toilet paper (I kid you not), we are now living in an age when we are no longer able to keep up with each new invention. Personally, at least when it comes to mobile phones, the criteria will be how long it runs between charges and whether or not I can actually read the damned display, but most people seem to change their phones every few weeks.

The Royal Mail, in comparison to Germany, is vastly behind the times. The monopoly that Royal Mail has enjoyed, to a large extent slowed down any need to invest heavily in new technology. Heck, the mail got there didn't it? The problem is, even some of Royal Mail's smaller rivals have sorting equipment that belts along at lightning speed, and even allowing for breakdowns, much of this equipment goes a long way towards slashing the biggest cost to postal operators - the wage bill.

Swiss Post has it's own bus service. DHL, which is probably the most impressive postal and logistics operation, has its own tankers for goodness sake. That coupled with an impressive technological approach by it's grand master, Deutsche Post, including standalone parcel pick-up points and stamp dispensers that can talk to you in several languages, Royal Mail starts to look positively 'quaint'.

For a workforce used to little change, and a working environment that bore little resemblance to most industries in the private sector, suddenly finding themselves being shoehorned into a more accountable and leaner business hasn't gone down well. To a large extent, the union and the workforce called all the shots. This rapid erosion

of power, and the realisation that things will change beyond recognition, isn't that far removed from the introduction of machinery in the textile industry, reason perhaps why postal workers are so often compared to or described as 'luddites'.

Allan Leighton's legendary 'pink shirt' video, which was an in-house attempt to explain to workers why their working conditions had to change, was unsurprisingly, treated with disgust by the more militant element of the workforce. But, whether palatable or not, Leighton's message was quite clear - with Postal Liberalisation already nodded through, Royal Mail had to change, and change drastically. It's competitors were far more efficient and had already moved in on Royal Mail's key business. Some of the contracts lost last year (of which there were many) ran into millions of pounds.

The union (the CWU) seemed to be under the impression that part of the £1.7bn loaned to Royal Mail to bring in new equipment and help plug the pension deficit, should have gone towards elevating the pay of workers, but from a purely commercial viewpoint, it was a short-sighted assumption. Royal Mail was not in good enough shape to even match the technological advances in mail sorting, let alone the work ethic. As for their call to bring the level of wage packets above that of those it was competing with - their logic did not prevail.

I recently started rewatching episodes of 'On The Buses' (Reg Varney) which was very reflective of its time, but notable was the slightest excuse to down-tools or call a union meeting if bangers and mash wasn't available in the depot canteen. Unreal? Sadly not. This was the 70s, when unions were able to bring the country to a complete standstill on virtually a whim - I confess I still remember power cuts and three-day weeks.

Since that time, Royal Mail has barely changed internally, but the rest of the world has. In fact Royal Mail is probably the only UK industry that has been virtually immune to the dog-eat-dog world of trying to remain in business. It has had no contenders and been protected by rigorous legislation. On the outside, not only has technology changed, so has our involvement with Europe. I won't dwell on the politics of our connection with the EU, but undoubtedly much of the decision making we now attribute to the British government is in fact made within the European Parliament.

In the last ten years or so, our grasp of the internet and the roll-out of broadband has transformed the way we all communicate. It is faster to send letters and invoices via email and we can buy virtually anything online now. Our reliance on a postal service is a shadow of what it once was. Even the regard we have for the humble postie has been diminished by a world where everything can happen in an instant - and we expect it to. We no longer see the role of posties as the backbone to a vital communication system, a harsh reminder during the postal strikes of 2007.

Post Offices have felt the brunt of this change. Many see little more than a handful of customers a week but most of us are really not comfortable with closures. With the emphasis on out-of-town shopping, the post office was at least a local service we could depend on, and we resent their removal. The trouble is, we're not using them enough, and that coupled with the removal of important services like road tax, tv

licences, by stealth, has left many as little more than places to take parcels. Faced with national losses of some £4m a week, clearly many had to go.

The decision as to which were to close, couldn't be based on which were actually profitable since many areas had so many unprofitable ones, it would have meant whole towns and cities without one. That resulted in a target criteria of 2,500 being set with a consultation process that would enable Post Office Ltd to verify that the the decisions were correct - not a means to enable locals to object - although some have been succesful.

The recent debate in the commons made it clear that whilst there was real resitance to closures from both sides of the house, few if any had any proposal that could actually challenge the present plan. If there is any criticism one could make, its the centralised approach that was adopted and the obvious flaws in the consultation process. The electorate despise decisions made on this scale that don't involve genuine local dialogue and the consultation process (even by a Hutton's own admission) is not about stopping closures but about ensuring they are closing the right ones.

Just how much our involvement in Iraq and the cost of so doing has contributed to the UK's debt and prompted rapid closures is not clear, but the cost of engaging in such an offensive has cost us dearly. There are also those who say our involvement in the EU has cost us even more.

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5. U.S. Postal Service mailbox blown up on Northwest Side

THE BLOTTER

12:46 PM CDT, March 21, 2008

Chicago police and federal postal inspectors Friday were investigating the bombing of a collection mailbox on the Northwest Side that littered the street with mail.

The blast occurred shortly after 10 p.m. Thursday in the 3700 block of West Montrose Avenue, said Wanda Shipp, a U.S. Postal Service spokeswoman.

A blue collection box on the sidewalk "took an explosion of some sort," blowing the container open and sending mail flying, Shipp said. Police and postal inspectors salvaged what mail they could, but some of it was destroyed, she said.

Shipp did not know what kind of device was used.

Anyone who dropped mail in the box should contact intended recipients and notify them they might not receive the items, Shipp said. Chicago police bomb and arson detectives were assisting postal inspectors in the investigation. No arrests had been made, she said.

Tampering with mailboxes is a federal offense punishable by up to 3 years in prison and a \$250,000 fine.

Jason Meisner, Tribune reporter

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Article published Friday, March 21, 2008

6. Veteran sellers of stamps to go into postal obsolescence

The Postal Service says the machines can't be fixed and they don't take plastic.

By LARRY P. VELLEQUETTE
BLADE BUSINESS WRITER

Connoisseurs of Sacagawea and Susan B. Anthony coins be warned: the tall gray behemoths that have served for decades as the primary distributors of the United States' most unpopular currency will soon be no more.

The U.S. Postal Service is scrapping thousands of stamp vending machines this year. The Post Office said that the machines - which dispense change only in coins - are obsolete, in part because they can't be fixed and they don't take credit cards.

"Not as many people are using them as they once did," said Ray Jacobs, a regional spokesman for the U.S. Postal Service, in explaining the machines' retirement. "Maybe we've put ourselves out of business because we've done such a good job of finding other places for customers to purchase stamps."

The machines have been removed from post offices in West Toledo, Oregon, and Franklin Park and will be departing South Toledo post offices this month, Mr. Jacobs said. The remainder of local machines will be gone by March, 2009.

In high-traffic locations, such as the Main Post Office in downtown Toledo, the machines' duties have been taken over by full-service "automated traffic centers," where customers can use credit cards to purchase all kinds of postal products.

First rolled out several decades ago, the tall postal vending machines were intended to reduce lines at the post office.

"We began talking about that in the 1980s, that there was no reason somebody should have to stand in line to buy stamps," Mr. Jacobs said. At the time of their rollout, the postal service had "worked out a deal" with the U.S. Department of Treasury for the machines to dispense Susan B. Anthony dollar coins in change. In this decade, the machines also began distributing the Sacagawea dollars.

Across the Cincinnati postal district, which includes Toledo, 420 of the vending machines were in service in 2006. About 140 of them were removed in 2007, an additional 130 will be removed this year, and the remainder will be taken out next year, Mr. Jacobs said.

First-class stamps, which will be going up to 42 cents each on May 12, will be available at many large retailers as well as through many automatic teller machines.

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