

POSTAL NEWS

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1. 20,000 postal clerks, mail handlers may get early retirement

By STEPHEN LOSEY

July 08, 2008

The U.S. Postal Service is preparing to offer voluntary early retirements to up to 20,000 clerks and mail handlers as part of a nationwide reorganization of its delivery network.

But in a statement issued to Federal Times July 8, the Postal Service said it will not offer buyouts to anyone taking early retirement. The Postal Service said further details on the early retirement offer will be released later this week.

The Postal Service released a reorganization plan in June that calls for closing airport mail facilities and consolidating bulk mail centers, along with streamlining the computer software that maps postal routes. The closings are expected to lead to staff reductions and more outsourcing.

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2. Branstads plan to lease property to Postal Service

By Barb Ickes | Tuesday, July 8, 2008 9:18 PM CDT |

LeCLAIRE, Iowa — Former Iowa Gov. Terry Branstad and his wife, Christine, have bought a piece of property in LeClaire, but don't expect the couple to be spotted around town.

The former governor and current president of Des Moines University, along with his wife, bought the land and building occupied by the post office at

310 Jones St. The couple has no plans for the site except to

continue leasing it to the U.S. Postal Service as an investment property.

Branstad said he is co-owner of 11 post offices in Iowa, and the LeClaire property is his most recent acquisition.

He discovered the financial benefits of buying post offices about 30 years ago, he said, naming three specific reasons why the investment is particularly sound: “You have a reliable tenant, you have a long-term lease and the tenants don’t trash the property.”

The former Iowa first couple paid \$180,000 for the building and grounds, which is about \$8,000 shy of the assessed value, according to Scott County records. Branstad, who served four terms as Iowa governor from 1983 to 1999, said his lease in LeClaire calls for rental payments amounting to \$14,340 annually.

The lease runs from 2007 to 2012, and the Postal Service has a renewal option for 2012-2017. Most post offices lease for five-year terms, he said, with some newer buildings operating on 10-year leases.

In many cases, Branstad said, property owners are able to negotiate with the Postal Service for reimbursement of property taxes.

“A reimbursement clause often means you are protected,” he said. “In one post office, we bought it, and the property taxes tripled the first year because it hadn’t been assessed in so many years.

“Over the years, my wife and I have systematically acquired post offices.”

When the LeClaire property became available, the couple jumped on it.

“I love LeClaire,” Branstad said, asking, “Is Sneaky Pete’s (restaurant and bar) still there? I donated a tie to that place.”

He said many people are unaware that most post offices across the country are privately owned, adding, “And that’s good because they’re on the tax rolls.”

The fact that the former governor is the latest LeClaire landlord came as a surprise Tuesday to Mayor Bob Scannell and City Administrator Ed Choate.

“That’s a kick in the pants — that I didn’t even know about it,” Scannell said.

The mayor said he read the Branstad name in the real estate deeds section of the Quad-City Times but presumed it was a coincidence.

“You can’t get much farther away from Des Moines unless you go to Clinton,” he said. “I hope they’re not going to move the post office.”

Choate instantly guessed the former governor’s interest in the property, telling the mayor, “I would imagine he bought it as an investment property.”

Although the investments have proved profitable, Branstad said, they are not without risk.

“We bought the one in Exira (Iowa) and we ended up having termites,” he said. “And it was a block building.”

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3. Explosive device discovered by postal carrier

By D'Anna Balliett

Going to the mailbox to find an exploding device yet to be detonated is an alarming moment for anyone. But when your career has you opening up hundreds of mailboxes every day, it is a dangerous reminder of what postal carriers may face at any given moment.

On June 30, one mail carrier discovered such a device while delivering mail in rural Clinton County. He notified the local Sheriff, Porter Hensen, who then contacted ATF. Members of the ATF along with their Bomb Squad showed up on scene and performed a render safe procedure soon after the device was located in the mailbox.

Local ATF Group Supervisor, David Lin, noted that the ATF has collected what evidence they could from the Sheriff Department and scene and that it is being processed.

"We have collected some evidence and that has been sent off to a lab for analysis by the bomb techs that were one scene during the initial call," said Lin. "Other evidence has been collected and will be sent to a lab in DC. This was a sparkler bomb, and these things are very dangerous and against the Federal Law."

Lin warns of the volatile nature of explosive devices.

"Commercial fireworks are relatively stable and that is why the general public can have them. But, when you start altering their state and creating new things out of them, they become unstable. We do see a lot of these kinds of things during this time of year, so it is not uncommon. But, we work a lot of premature detonations where people get hurt while they are constructing them.

Due to the location of where the explosive device was found, the US Postal Inspection Service is also involved in the investigation. The US Postal Inspection Service is the federal investigative division of the USPS.

"It is actually their jurisdiction, but we have the explosive expertise," explained Lin. "We are working this investigation jointly. If we are able to determine who is doing this through our investigation, then we will be seeking to prosecute them."

Anyone with any information about this or similar crimes is encouraged to contact the Clinton County Sheriff's department at 816-539-2156, The Cameron Police

Department ATF at the TIPS hotline, 816-632-TIPS (8477) or 816-632-6521 or the Postal Inspection Service.

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4. UPDATE 2-French post mulls partial privatisation -source
Mon Jul 7, 2008 9:53am EDT

By Cyril Altmeyer and Jessica Mead

PARIS, July 7 (Reuters) - France's post office is mulling a partial privatisation aimed at raising 2 to 3 billion euros to prepare one of the bastions of full state ownership for European competition, a source close to the matter said on Monday.

Confirming media reports, the source said the move would value La Poste and its mail-to-banking business at 10 billion euros (\$15.65 billion), half the value of its equivalent in Germany which France views as a threat as Europe gears up for liberalisation in 2011.

"These figures are not incoherent," the source said, asking not to be named because the discussions are continuing.

French President Nicolas Sarkozy's chief of staff lifted a taboo on ownership of the postal service, which is one of the country's biggest employers with 280,000 staff, on Sunday by saying the idea of a stock market listing "deserves interest".

The move would be part of France's efforts to prepare itself for the liberalisation of the European postal market by 2011.

But it was immediately attacked by unions, already involved in sporadic strikes to defend pensions and the 35-hour week.

The Sud-PTT postal union said it would be "the end of the public postal service" and that a similar step taken by France Telecom (FTE.PA: Quote, Profile, Research, Stock Buzz) had merely saddled it with massive debts.

La Poste's board, which includes staff representatives, is due to meet on Thursday but privatisation is not on the official agenda, Sud-PTT union official Regis Blanchot said.

A spokeswoman for La Poste confirmed it was studying a possible flotation but declined to give any figures.

French daily Echos said on Monday that La Poste, which generated sales of 20.8 billion euros in 2007, wanted to float 20 percent in a deal valuing it at more than 10 billion euros.

La Poste derives 56 percent of its revenues from mail and 23 percent from low-fee banking unit La Banque Postale.

Under European Union rules, most mail markets including France must be open to competition from the start of 2011.

Twelve of the EU's 27 states, mainly in eastern Europe along with Greece and Luxembourg, can delay this to 2013.

Sarkozy's chief of staff Claude Gueant warned on French radio on Sunday of the consequences of failing to respond.

"If we do nothing, very clearly it will be the German post or the Dutch post that will distribute mail in France," he said.

Germany fully opened its mail market from the start of this year, ending Deutsche Post's (DPWGn.DE: Quote, Profile, Research, Stock Buzz) monopoly.

The Dutch government has postponed opening its mail market, dominated by TNT (TNT.AS: Quote, Profile, Research, Stock Buzz), because of concerns over a level playing field in Germany and industry labour conditions at home.

Britain's regulator has called for a partial privatisation of the Royal Mail, which has faced competition since 2006.

CHANGE OF STATUS

Any move towards privatisation would require changing the legal status of the French postal service, a delicate political operation that would involve turning it into a public limited company or "societe anonyme" instead of a civil service branch.

Some 40 percent of staff already have ordinary contracts.

France's constitution bars the state from owning under 50 percent since La Poste is classed as a national public service.

While facing pressure to cut costs, La Poste regularly locks horns with parliamentarians over the reach of its network, which by law must sustain rural development as well as fund services.

La Poste, criticised in the past for inefficient sorting offices, is investing 1.3 billion euros a year but has a weak balance sheet with net debt almost three times core earnings.

"There is huge potential for restructuring. There are potentially big improvements to be made at La Poste in productivity and efficiency," said a London-based analyst who follows Deutsche Post, asking not to be identified.

La Poste reported earnings before interest, tax, depreciation and amortisation of 2.029 billion euros in 2007, up 5 percent in comparable terms from 2006, and operating profit of 1.285 billion euros, up 10 percent on a like for like basis.

The group has 5.89 billion euros of debt.

Besides risking union opposition, privatising part of La Poste could also mean tackling stormy financial markets in which some of its European peers have fared worse than most.

Shares in Deutsche Post, which trade at 0.3 times sales, have underperformed the German stock market by 13 percent so far this year. Dutch rival TNT, trading at 0.7 times sales, has underperformed its national market by 7 percent. (Additional reporting by Astrid Wendlandt, James Regan, Jessica Mead and Marcel Michelson; Writing by Tim Hephher)

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