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Online mail deletes paper but delivers new set of security concerns. March 14, 2009.
LEAD: Gov't should keep 4-firm postal setup: privatization panel chief. March 13, 2009.

1. Online mail deletes paper but delivers new set of security concerns

Zumbox, Earth Class Mail among firms offering service

By Alana Semuels | Tribune Newspapers

March 14, 2009

Millions of Americans receive online versions of their bills and bank statements. Now, a growing number of consumers are deciding that they don't need any physical mail, dealing with all their correspondence online.

Instead of plodding down to the mailbox, they open their Web browsers. Rather than stuff file cabinets with paper, they keep their mail online.

Analysts say it's too soon to tell whether digital mail is the next big thing, and skeptics, including the U.S. Postal Service, abound. Still, as consumers become more tied to the digital world, Web-based mail services are expanding.

Zumbox Inc. is one company trying to push the digital envelope, working with the Village of New Lenox to deliver newsletters and other government communication such as water bills in digital form at no cost to its citizens. Zumbox is free for users, and advertisers pay 5 cents per address for a piece of sent mail.

The Los Angeles company created an online mailbox for every residential address in the country. Companies can send marketing material, bills and other mail digitally to the Zumbox account affiliated with the street address. Customers see all their correspondence through one Web account.

New Lenox is nearly a month into its Zumbox experiment, and Mayor Tim Baldermann has high hopes for the program.

"It's good for the environment, and it's another way to communicate with our residents," he said Friday, adding that about 400 people signed up when the program launched in mid-February.

Baldermann is eager to see how much the village with 8,000 street addresses could save by going digital.

"Typically, in a month we'll send out two mailings, like the water bill and a newsletter. That's about 16,000 pieces of mail, and it probably costs about \$1 each to send out if you include printing costs and postage."

So far the village has sent out only newsletters digitally, but the next water bill will be delivered that way. "People will have the option to get the paper version, but we hope, over time, more residents will choose" to use Zumbox, he said.

And then there are hard-core adopters of the technology, like Steven Stark, a 36-year-old owner of an Internet company. The Santa Maria, Calif., resident uses the services of Seattle-based Earth Class Mail to get all his mail delivered online.

That means Stark doesn't have to give the post office his new address every time he moves. He can go on vacation and not miss any mail. By checking a box on his computer screen, Stark can tell the company to shred, recycle or forward the mail to him. He can have the company send packages to his house or pick them up at the nearest Earth Class Mail Center.

"It's just more convenient," he said.

But for the average American, digital mail won't take over any time soon.

Security is obviously a big concern. Worries about mail fraud and identity theft may slow the shift. Although having someone else open your mail reduces the chances you'll get anthrax poisoning, it also "opens up another way that the customers' information can be compromised," said Stan Stahl, president of information security firm Citadel Information Group.

Earth Class Mail, which has 115 employees, tries to limit risk. Employees need key cards to enter the mail rooms. They wear pocketless jumpsuits to make it tougher for them to remove correspondence, and they are monitored by security cameras as they sort and scan the mail.

But there are outside risks, Stahl said. Computer hackers could break into the database of scanned mail if the network isn't secure enough, he said, and if mail becomes completely digital, the number of viruses passed by that medium probably will increase.

Most older people are more comfortable using snail mail to pay their bills and send goods, and many younger people skip mail entirely and just use the Internet, said Michael

Gartenberg, vice president of strategy and analysis for Interpret LLC, a media and technology research firm.

"It will probably take a good deal of this generation to die off before we actually make that transition," Gartenberg said.

The U.S. Postal Service has experimented over the last decade with offering digital versions of some of its core services, but "people weren't comfortable," agency spokeswoman Susan Brennan said. Many of the services were discontinued by 2003, although the post office still offers a Web service that allows users to design cards, which it will print out and send.

"First-class mail is the most secure way to communicate in this country," Brennan said.

Los Angeles Times; Tribune reporter Eric Benderoff contributed to this report.

Managing your mail

Early adopters of digitized mail such as 36-year-old Steven Stark of Santa Maria, Calif., give a glimpse into how that might look:

- Earth Class Mail assigned him a post office box in Los Angeles. Members are assigned either a post office box or a generic mailing address in Beaverton, Ore., where Earth Class has a sorting facility.
- For \$11.95 a month, the company opens all of Stark's mail—letters, bills, catalogs—then scans and uploads it to the Web so he can read his correspondence online.
- By checking a box on his computer screen, Stark can tell the company to shred, recycle or forward the mail to him. He can have the company send packages to his house or pick them up at the nearest Earth Class Mail Center.
- The fee includes 50 pages scanned a month and unlimited recycling and shredding. Each extra page scanned costs 25 cents. Like a cell phone plan, customers can pay more to have higher limits.

—Los Angeles Times

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2. LEAD: Gov't should keep 4-firm postal setup: privatization panel chief
Friday, March 13, 2009 8:24 PM

TOKYO, Mar. 13, 2009 (Kyodo News International) --

(Editors: CHANGING HEADLINE, RECASTING WITH LATEST INFO)

Naoki Tanaka, chairman of the government committee in charge of postal privatization, urged the government Friday to maintain the four-company setup under Japan Post Holdings Co. launched in 2007 in line with Japan's postal services privatization policy.

"There is no question about keeping the setup," Tanaka said at a press conference following a committee meeting that began reviewing the 10-year process of postal privatization.

The process is legally required to be reviewed every three years. The committee has just worked out its first report on the review.

While the privatization of Japan's postal services has created four companies -- Japan Post Bank, Japan Post Insurance Co., Japan Post Network Co. and Japan Post Service Co. -- which operate under the holding company, Prime Minister Taro Aso expressed his willingness earlier this year to review the four-company setup.

But Tanaka said the committee did not take up the proposal for reviewing the four-company setup for its report.

In the report, the committee called for Japan Post Holdings to secure transparency when selling its assets following the holding company's decision to cancel a controversial 10.9 billion yen contract for selling 70 "Kampo-no-yado" inns and housing facilities to leasing company Orix Corp.

The contract should have been concluded through "transparent and fair" procedures, Tanaka said.

The committee pointed out in the report that the quality of privatized postal services has dropped due to such developments as the temporary closure of post offices in rural areas.

The committee also referred to the need to study requests from Japan Post Bank and Japan Post Insurance for easing upper limits on deposits and insurance benefits, respectively. For example, the postal bank is seeking an end to the 10 million yen ceiling on ordinary deposits for each depositor.

The postal privatization will be completed successfully if the postal bank and insurance company get listed in fiscal 2010 at the earliest as planned by the government, the committee said.

(Source: iStockAnalyst)

Collected by Chairul Anwar, Bandung, Indonesia.

E-mail address : chairulanwar49@operamail.com, uyungchairul@plasa.com.