

# POSTAL NEWS

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## **1. Swedish and Danish Postal Merger Accepted By EC**

21 April 2009 by Franz Groter - © Hellmail.co.uk

A merger between Posten of Sweden and Post Danmark has been approved by the European Commission.

The merger was provisionally accepted after being scrutinised for any adverse impact on European postal liberalisation. The only real condition was that both companies divest assets and contracts covering their entire overlap in the business-to-business parcel delivery market in Denmark.

EU Competition Commissioner Neelie Kroes said that although there had been a few problems to deal with, Liberalisation could now move forward as before.

The Swedish postal market was liberalised in 1993 with the Danes expected to do so before 2011.

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21 April 2009

## **2. TO TRIM COSTS, HELP ENVIRONMENT. USPS TO REDUCE FLEET BY 10,000 VEHICLES**

The Postal Service's efforts to reduce its inventory of leased and postal-owned vehicles this year is the subject of DPMG and Chief Operating Officer Pat Donahoe's latest edition of Field Updates.

According to Donahoe, the year-end goal is to remove 10,000 vehicles from the existing fleet of 220,000 vehicles. This will involve transferring some 3,000 right-hand drive vehicles to rural routes, redistributing under-utilized vehicles to where they are needed, and selling surplus vehicles. Area and district offices also will re-evaluate their needs for administrative vehicles and share resources.

“From both an environmental and business standpoint, it’s the right thing to do,” says Donahoe, explaining the reduction in vehicles will eliminate some \$54 million in combined fuel and maintenance costs when completed.

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### **3. Post office juggling routes**

You could get a new mail carrier, more consistent times

APRIL 21, 2009

Since 1998, letter carrier Steve Nobis has delivered mail in downtown Lafayette, mostly to businesses.

"On a business route, a letter carrier sees more people than on a residential route," he said Monday morning.

"There is a little more camaraderie. They want that communication."

Nobis and other letter carriers in recent days have been dropping off notices to customers that they may have different mail delivery times and different letter carriers.

Because of the slow economy, the volume of mail has decreased locally and nationally, said Dave Kuehnert, acting postmaster in Lafayette.

"The adjusted route assignments should help stabilize our carriers' workload," he said.

"Our customers should see more consistency in mail arrival times and delivery personnel."

Residential customer Adele Johnson said mail is delivered to her house door on Monon Avenue. She said she has noticed a wide range of delivery times.

"Sometimes it is as early as 11:30 in the morning and as late as 4:30 in the afternoon," she said.

"We're retired and don't worry about it. When it comes, it comes. What else can you do?"

Kuehnert said the delivery adjustments were made in mid-March for West Lafayette.

"The Postal Service does not receive any tax subsidy," he said. "Rebalancing our carrier routes is one way we can work to stay efficient and remain a viable business."

He said that, nationally, mail volume has declined significantly with 9.5 billion fewer pieces, a decline of 4.5 percent, compared to the previous fiscal year. The delivery adjustments are expected to affect as many as 50 million addresses on 85,000 routes in every district within the Postal Service.

Letter carriers are guaranteed eight hours of work a day, Kuehnert said, but many don't have eight hours worth of mail to deliver.

"This was something that needed to be done," he said.

Kuehnert said there are 96 local letter carriers, including "floaters" who fill in for days off. He said there are 85 routes in Lafayette and West Lafayette.

John Martin, a local letter carrier supervisor, estimated that business mail locally has dropped off "7 to 8 percent."

"We've had people shift into other jobs, but nobody has been laid off or lost their job," he said of the letter carriers.

Mail customer Webster Pevler of Ottawa Drive said his mail is delivered between 1:30 and 2:30 p.m.

"I don't see the mailman too often unless I happen to be out front," said Pevler, a former letter carrier.

Downtown artist Jim Field makes customized furniture and other items at J.E. Field Co. on Main Street.

"We're never sure when the mail will be delivered. It creates some confusion," he said. "As a receiver of mail it is nice to have a routine and a familiar face.

"In my neighborhood, we have a guy who is really friendly. I don't know his name."

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#### **4. APWU-Led Consolidation Protests**

Gather Steam, Gain Public Support

APWU Web News Article #045-09, April 20, 2009

Owners of small businesses, workers, and other concerned citizens continue to speak out at protests and at public meetings staged by the Postal Service to "share initial results" of Area Mail Processing studies.

At one of the noisier of such gatherings, several business owners and public officials in Wilkes-Barre disagreed sharply with the USPS conclusion that moving mail processing operations 25 miles away to Scranton would leave the economy of Luzerne County unharmed.

The Wilkes-Barre City Council unanimously approved a resolution that opposes "any and all efforts" to close the USPS facility. "We have employers that really rely on getting their mail out," Mayor Thomas Leighton said at the meeting. "That's why it's important for the future of the city, while we're going under revitalization, that we maintain this kind of service."

Some officials said that the USPS focus on its own fiscal woes is affecting its decisions on the community level. The "negative local impact" was a recurring theme voiced at the public meeting.

"It seems to me there is entirely too much concentration on the internal financing of the Postal Service itself," U.S. Rep. Paul E. Kanjorski (D), told the daily Times-Leader. "We just have to take a great deal of more time to analyze what that impact will be."

Representatives from the offices of Pennsylvania's senators, Robert Casey (D) and Arlen Specter (R), and a representative from Rep. Chris Carney (D), also said that the consolidation proposal would be bad for the community.

"Why pick on us?" said John Kishel, president of APWU's Wilkes-Barre Area Local, noting that nothing in the Postal Service presentation implied that improved efficiency or mailing service would result from the shift in mail-processing operations.

"It does neither," Kishel said at the meeting. "Why come down here when we have dedicated employees and supervisors whose goal is to make sure that service standards are kept up."

Approximately 100 of the 230 workers in the Wilkes-Barre facility could be moved to Philadelphia, Pittsburgh, Harrisburg, and even as far away as Detroit if the consolidation plan is carried out.

Meanwhile, public officials, small-business owners, and "ordinary" citizens joined postal workers at meetings protesting USPS mail-processing proposals elsewhere. In Zanesville, OH, where mail-processing may be shifted nearly 60 miles away to Columbus, the Postal Service is proposing a move that it says would save \$789,000. In a public meeting held April 14, it was noted that an Area Mail Processing study completed nearly two years ago projected a savings of nearly the identical amount

(\$776,000), meaning that the more recent study suggests that the economy has not been much of a factor in USPS decision-making.

“I think they used a lot of the old numbers, the old volumes, and really didn’t do much study of where we’re at now,” Zanesville Local APWU President Gerald Corns told the Zanesville Times Recorder.

Zanesville Mayor Howard Zwelling asked if the postal service had even realized that the city of 25,000 is the commercial center for some 400,000 Southeastern Ohioans. Mike Calevski, local field representative for U.S. Rep. Zack Space (D), read a letter from Space to Postmaster General John Potter. It urged the postal officials to re-evaluate its study. “Now is not the time to threaten local jobs,” Calevski said.

About 200 people attended a town-hall meeting April 7 in Mansfield, OH, which included representatives from the offices of Sen. Sherrod Brown (D) and Rep. Jim Jordan (R), with the latter calling for another Government Accountability Office study. Mansfield Mayor Don Culliver and Richland County commissioners Gary Utt and Ed Olson also spoke at the meeting and questioned whether the Postal Service was considering the degradation of mail service under a consolidation plan that would see mail processing move more than 60 miles away to Akron.

In New York City, an April 14 rally organized by public officials and postal union leaders was staged in support of two dozen jobs on Staten Island. During the event, Sen. Kirsten Gillibrand (D) promised to “challenge a cost-cutting analysis” of the move of mail processing to Brooklyn or Queens. Unless it clearly shows that money will be saved, she said, the move should not be considered.

U.S. Rep. Michael McMahon (D) said that trucking Staten Island mail off the island for sorting and then bringing it back for delivery not only would delay the timely distribution of letters, but would be environmentally harmful.

Despite a campaign of opposition in Manatee County, FL, the USPS has begun the process of moving some operations more than 50 miles to a P&DC in Tampa, eliminating 59 jobs at the Manasota P&DC [PDF].

“Was the fix in?” asked the Bradenton Herald in an editorial. The newspaper noted that the closure came “despite objections from a congressman, mayors, council members, county commissioners, other civic leaders, business people and residents from around the region. Plus, postal workers.”

“How much more opposition must there be?” the editorial asked, noting that postal workers had gathered more than 14,000 signatures on a petition against the move. Postal officials have estimated that the closing would save \$3.2 million a year, “yet nobody’s seen any documentation to support that,” the newspaper editorial said.

“Where is it? Does it even exist? The public should have access to that in order to question its validity.”

Rep. Vern Buchanan (R-FL), who two months ago requested that the Postal Service more carefully consider the proposed changes has written to the Government Accountability Office “to conduct an independent review of the USPS’s consolidation plans.”

In an April 16 letter to the GAO [PDF], Buchanan said that the Postal Service had failed to “fully consider” the impact on the local community and had “refused to share any data to support their claims that the consolidation would save money and improve service.”

A review would “help ensure that no postal workers will unnecessarily lose their jobs or be relocated, that there will no reduction in service, and that the promised savings are realistic and attainable,” the congressman wrote. “I also request that the GAO

make recommendations to further improve the AMP study process for the benefit of other communities undergoing a similar process now or in the future.”

The Postal Service also is proceeding with plans to move some operations from the Lakeland P&DC to Tampa.

Since mid-February, the Postal Service has notified the APWU of AMP studies in: Cape Cod, MA, [PDF] Western Nassau, NY, [PDF] and Dallas, TX [PDF].

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## **5. Royal Mail Could Be Sold For Knock-Down Price**

21 April 2009 by David Lynch - © Hellmail.co.uk

The Communication Workers Union has accused the UK government of getting it's sums wrong over the partial privatisation of Royal Mail and that 30% of the state-owned postal service would cost the treasury £900m.

The comment by CWU general secretary Billy Hayes, follows research by Compass which warns that the sale of Royal Mail could raise only a £1bn, almost half of what it might have done a year ago. This is partly due to the recession, partly due to stifled lending, and more significantly, a shrinkage of stamped mail volume.

Lord Peter Mandelson, who is presently pushing through the Postal Services Bill which includes the part-privatisation of Royal Mail, recently admitted that finding a minority shareholder is proving difficult. The CWU is concerned that up to 30% of Royal Mail could be sold at well below it's actual value:

“Compass have clearly shown the sums don’t add up when it comes to selling off Royal Mail. Royal Mail is an asset to this government and this country and must remain in full public ownership.

“A controversial sell-off would be both politically and financially damaging. What we need is a modernised, wholly publicly owned Royal Mail which can continue to deliver the first class service we all rely on.” said CWU general secretary Billy Hayes.

Lord Mandelson, acting on a report by Richard Hooper, maintains that Royal Mail can only be modernised with additional investment and expertise from another operator with a proven track record in turning around a struggling postal service but that investment could now fall short of initial expectations due to a severe global crisis.

German operator Deutsche Post has indicated that it sees no 'strategic advantage' in purchasing part of Royal Mail. To date, Dutch operator TNT Post has been the frontrunner although it is unclear how advanced negotiations are between TNT and the government or the scale of any bid.

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## **6. Mail Bans, Postal Woes**

Efforts to stop direct mail

By Lisa Cross -- Graphic Arts Online, 4/1/2009

Its finances deteriorating, the U.S. Postal Service faces another hurdle as a major cities advance restricting a key revenue stream for the agency, and the printing industry—direct mail. Last month, a San Francisco City government committee advanced a non-binding rule calling for a statewide Do Not Mail registry in California. Unsolicited mail is "archaic, obnoxious and unnecessary," says city supervisor Ross Mirkarimi, who was the force behind San Francisco's ban of plastic bags. Efforts to limit direct mail in various states are tracked by Mail Moves America, a Washington-based mailing industry advocacy group.

The ban may seem less urgent, given steep declines in mail volume—9.3% across all mail classes last quarter. USPS Regulatory Commissioner Dan Blair told a Congressional oversight committee that USPS lost almost \$750 million in January alone. "The Postal Service projects a \$12.4 billion net operating deficit for this fiscal year."

Attendees at March's NPES Industry Summit gathering in Washington, DC received added insight into the complex dynamics facing USPS. Linda Kingsley, Sr. VP strategy and transition for USPS, explained to the gathering how the Post Office's status as quasi-governmental agency forces the delivery organization to do the bidding of Congress, adding to its costs. For example, it is prohibited from shopping for health insurance on the open market, despite the fact that with 656,000 employees (it is the second largest employer after Wal-Mart), it could likely find savings. Instead, it must buy the same expensive policies covering other Federal employees, and contributes a higher share—75% of worker premiums—than do its competitors at FedEx and UPS. Kingsley also noted that USPS is rebidding its address change marketing service, currently operated by Imagitas, a unit of Pitney Bowes. She says the average person spends \$7,000 in moving. USPS knows of address changes first, and this data is invaluable to marketers.

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