

POSTAL NEWS

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1. Royal Mail Strategic Partnership Faces Problems

06 May 2009 by Steve Lawson - © Hellmail.co.uk

A bid by Dutch-owned TNT for a strategic partnership with the Royal Mail could be thrown out altogether unless a compromise can be reached.

The economic downturn and TNT reporting a 58 percent fall in net profit for the first quarter, has left the government smarting after TNT refused to match the government's own valuation for the partnership.

Concerns are also growing over the potential conflict of interest if Royal Mail's main rival were to step into the passenger seat in a government plan aimed at introducing investment an expertise to help modernise the Royal Mail. TNT remains Royal Mail's biggest rival in the UK and it is unclear how a strategic partnership would work in practice.

The government has consistently said that partial-privatisation is the only option that covers the concerns outlined by the Hooper report earlier this year. The Tories are in favour of complete privatisation. However, with 150 Labour MPs against the move, and TNT said to making unreasonable demands , Lord Mandelson is said to be struggling to find a buyer that would meet the criteria required.

No firm decision is likely to be made until the Summer but with most postal operators reporting annual decline in stamped mail and concentrating their efforts on stability, potential partners are likely to want categorical assurances of predictable profit levels by the government before any agreement could be reached and Mandelson will have great difficulty in providing any guarantee of that and at the same time maintaining support in the House of Commons. There is also the small matter of difficult industrial relations between the CWU and Royal Mail.

It does seem as though the government have bitten off far more than it can chew by pushing through this plan. Most accept that the present situation is unsustainable, but much has changed even in the last few months and with Europe expecting a downturn of around 4% this year, this really isn't a good time to be looking for a part-

privatisation investment deal. In fact you probably couldn't pick a worse time. There are also far more political rumblings within the Labour party than it needs right now.

Some feel that the government is pushing ahead with this in what are almost impossible economic circumstances rather than have to suffer yet another u-turn, some who say that part-privatisation is the only option left, and some who say that a wholly publicly-funded service is the way to go, but liberalisation has been a disaster for domestic customers. The few gains in terms of savings by bulk mailers have been completely overshadowed by rapid shrinkage and much uncertainty for the postal network as well as postal workers themselves.

Few could have imagined that this EU directive would have such lasting repercussions or that the UK would see so many changes in terms of regulation and the shifting of consumer issues from one body to another.

Technology has clearly changed the way we send information but it is happening so fast, postal services are struggling to match the speed of that transition and adapt accordingly. Liberalisation has been largely about enforced competition in a declining market rather than its original conception of a free-for-all in a growing market.

Every week Royal Mail is being forced to make yet more savings to meet the demands of liberalisation, regulation, a decline in stamped mail, growth in the internet and a global economic crisis. The rationale behind bringing in management with more commercial clout, and the much-needed investment, has merit, but there are real concerns that this will not actually secure the Universal Service in the longer term and no one really knows at what point the decline in the letters market will finally level out or just how or at what point we all switch to electronic communications and say goodbye to the humble letter.

The independent advice and expertise being provided to actually secure a strategic partnership deal is also costing money - presumably by the bucket load. It follows undisclosed compensation payments paid to Paypoint after a bidding war for the Post Office Card Account was scrapped and the contract again awarded to Post Office Ltd to help secure the post office network. Yet another U-turn.

With TNT said to be axing some 11,000 jobs to counter a nose dive in profits, Mandelson is unlikely to easily persuade TNT to accept his valuation of a stake in Royal Mail, no matter how many coffees and ginger biscuits are laid on. Sustainability is now at the top of the agenda for postal operators, not what might be perceived as a risk-laden partnership in an economic downturn.

Potential partners will want cast-iron assurances on a range of issues before parting with their money and balancing that with dissent within the Labour ranks will be far from easy.

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Swiss Post is recording a significant period of history on a tiny piece of paper. Entitled "From Gutenberg to the Internet" the new stamp will not only depict the invention of letterpress printing but also its evolution into electronic communication. This stamp and all others in the current issue will be on sale from 8 May 2009.

A new Swiss Post stamp has been designed to honour one of the greatest inventions of the last few centuries. The stamp commemorates Johannes Gutenberg who invented letterpress printing with movable letters around 1450. It is thanks to this invention that we have books, newspapers, magazines and stamps as we know them today. Gutenberg's letterpress printing also laid the foundations for the graphics industry, which today – some 550 years on – is governed purely by electronic processes.

A new stamp entitled "From Gutenberg to the Internet" has been designed in recognition of this development. The one-franc stamp features a lead character with the letter "a" while the red imprint it makes on paper is a "@". The difference between "a" and "@" sums up the development from lead character to written online communication perfectly.

The special stamp is the result of a competition held for polygraphic apprentices from six countries. Their task was to capture the 550-year history "from Gutenberg to the Internet" in the form of a stamp motif. The winning motif – a design by Meike Kollmann of Germany – was chosen by a panel of international judges. The stamp will be available in Switzerland and Luxembourg. The idea for this stamp project originated from these two countries.

The current issue includes four Pro Patria stamps, which conclude the current series devoted once again to Switzerland's various cultural routes. Furthermore, a miniature sheet has been designed to mark the centenary of the Pro Patria foundation. This year's Europa stamp on the topic of "Astronomy" also features a Swiss motif. The stamp depicts the asteroid "Helvetia", which was discovered in Winterthur a few years ago. The Europa stamp has a noctilucous finish which means that the celestial body on the front of the stamp glows in the dark. Last but not least, a stamp has been devoted to the European wildcat. This largely unknown wild animal can be found in the Jura range in Switzerland.

Topics of stamps in issue 02/2009:

- * "From Gutenberg to the Internet" – CHF 1 special stamp
- * "Pro Patria – Cultural routes in Switzerland" – CHF 0.85 (+ CHF 0.40) and CHF 1 (+ CHF 0.50) special stamps and CHF 1 (+ CHF 0.50) miniature sheet
- * "Europa – Astronomy" – CHF 1 special stamp
- * "European wildcat" – CHF 0.85 special stamp
- * "Old trees" – CHF 0.85, CHF 1 and CHF 1.30 special stamps
- * "Contemporary architecture" – CHF 1 and CHF 1.80 special stamps

* "Domestic birds" – CHF 1.40 and CHF 1.90 definitive stamps (already released on 1 April 2009)

Stamps issued in 02/2009 will be on sale as of 8 May 2008 and will be available at www.swisspost.ch/philashop, as well as at Swiss philatelic sales points and post offices.

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3. Government rejects plan to make Royal Mail a not-for-profit company

Postal affairs minister says alternative to part-privatisation proposal is 'unworkable and not under consideration'

Tuesday 5 May 2009 09.20 BST

Ministers today rejected a compromise plan for Royal Mail to be turned into a not-for-profit company that has been floated by Labour activists eager to avert a rebellion over Gordon Brown's bill for the company's part-privatisation.

Pat McFadden, the postal affairs minister, told the Today programme that the proposals put forward by the left-leaning thinktank Compass were "unworkable and not under consideration".

He said ministers were not interested in "a political fix" because Royal Mail needed long-term reform.

Ministers have been told that up to 100 Labour MPs are determined to vote against the part-privatisation bill, which has nearly cleared its passage through the Lords, when it arrives in the Commons. With Brown's authority already weakened by recent events, there is concern that a revolt on that scale could prove fatal.

Downing Street aides have been examining the Compass proposals to turn Royal Mail into a not-for-profit company on a similar model to Network Rail and the BBC Trust, instead of pursuing a plan to sell a 49% stake to the private sector.

Nick Brown, the chief whip, has warned that the strength of backbench opposition means it may be impossible to pass legislation through the Commons next month without the support of the Conservatives.

The prospect of another Commons defeat weeks after what is expected to be a bad showing in the European elections triggered the search for a compromise.

Private talks have been held between No 10's policy unit and Neal Lawson, the author of a pamphlet published today by Compass, calling on all sides of the Labour party to "step back from the brink" and rally behind the idea of keeping Royal Mail in the public sector.

Some of Brown's aides claim the scheme would achieve the government's objective of new management, private finance and modernisation, but without selling a minority stake.

The Blairite moderniser Stephen Byers said last night: "With goodwill on both sides it should be possible for the government to meet its manifesto commitment [not to privatise Royal Mail] and to modernise the service." He believes the Network Rail structure should be examined as a possible model.

But there is concern in Downing Street that such a move may not be seen as enough of a fresh start for Royal Mail.

Lord Mandelson, the business secretary currently steering the bill through the Lords, is unimpressed by the Compass proposal. His aides are concerned by the risk-averse

mood of the whips following last week's Gurrhas defeat and recognise the issue is now in the balance and a decision lies with the prime minister.

In his Compass pamphlet, Lawson says his solution "would heal wounds and suspicions in the party". He writes: "The alternatives of defeat at the hands of Labour backbenchers, or privatisation, but only with the help of Tory frontbench, are both too awful to contemplate."

The pamphlet concedes that Royal Mail does need new investment, some job losses, and a change in industrial relations. The leadership of the Union of Communication Workers, the main Royal Mail union, recognises the need to change, the pamphlet says.

But it also criticises the government's review of Royal Mail, conducted by Richard Hooper, for considering only a solution involving the sale of a major minority stake to a private sector mail operator such as TNT, the Dutch postal company.

It is claimed there is no need to sell shares in Royal Mail, which would, in any case, have to be sold at a knockdown price. The investment necessary for the service to meet the pressures created largely by competition from the internet can be secured from within the public sector, the pamphlet states. It points to an adapted version of Network Rail – "a not-for-profit dividend company, operating under a licence, whose sole purpose is to provide a service and not a profit".

It goes on: "Network Rail's financing requirements are principally met by debt raised from the capital markets. In total the government has borrowed close to £20bn which does not count as government borrowing because technically it is deemed by the Office of National Statistics not to be in the public sector".

Network Rail's board's objectives are set by 110 members who act as shareholders, drawn from industry and public.

The Compass pamphlet also challenges the government's view that Royal Mail is a commercial basket case, noting it made a profit of £225m in the first three quarters of this year. "It could be making profit of £600m a year if it did not have to fund the pension deficit and in effect subsidise the private sector competitors through lower-than-cost access charges," the pamphlet says.

Ministers have committed themselves to take on the deficit but only on the condition that shares are sold and private sector expertise introduced.

On BBC Radio 4's Today programme this morning, Lawson said he wanted the government to avoid having to rely on Tory votes to get its plan through the Commons. Brown could not rely on the Tories because they would pull "some sort of a trick" at the last minute and demand something unacceptable to the government, Lawson said.

McFadden told the programme that Downing Street had concluded that the Compass idea was "unworkable and not under consideration". He went on: "It is really driven by the politics of finding a solution and the creation of a political fix, rather than the transformation that's needed for the Royal Mail."

He also said that the Compass document "underplays the challenges being faced by the Royal Mail".

The amount of post being delivered by the Royal Mail was dropping "very fast", he said. Deliveries were projected by fall by 7-8% this year, and every drop of 1% costs the company £70m.

McFadden said the part-privatisation plan was based on the conclusions of a comprehensive, 12-month review of Royal Mail and that it was "the most convincing plan that has been put forward so far".

Tuesday, May 5, 2009

4. Postal workers allege supervisor treats them 'inhumanely'

Three Los Alamitos postal workers say they have been denied using the bathroom and getting water, reports show

By JAIMEE LYNN FLETCHER

LOS ALAMITOS Three postal workers have filed grievances alleging their supervisor denies the workers bathroom breaks and does not allow them to fill their water bottles before their routes, records show.

The workers have filed complaints with the USPS Local Safety Office and the National Association of Letter Carriers saying Los Alamitos Post Office supervisor Maria Esparza treats them "inhumanely" and that their working conditions are unsafe. The workers said they have seen no action taken to fix the problem.

Esparza responded to one of three complaints filed saying she has never denied workers the use of the bathroom and that she asks that they arrive early to fill their water bottles.

Esparza was not available today for comment and calls to the regional USPS consumer affairs office were not immediately returned.

Post Master for the Los Alamitos Post Office, Bob Puskas, said while he can't comment on the issue, they are investigating the situation.

Letter carriers Jean Chang, Bob Hill and Dee Lapuh have filed grievances alleging their rights have been violated.

The USPS workers opted to step forward after mail carrier Jean Chang, 58, came home on Friday after her route and became ill. Chang believes she suffered from heat exhaustion because she was denied water during her shift.

"That day I went home sick because I was so dehydrated," Chang said. "I was really weak. I couldn't walk."

Chang's daughter-in-law, Lisa Chang, wrote a letter to the USPS saying Chang was so sick that she and her husband tried to get Chang to go to the hospital, but she declined. "I was really worried and not quite sure what to do," Lisa Chang wrote. "During the course of her route, she did not have enough water to drink and ran out before finishing her route. This caused her to be dehydrated and probably made her very sick that night."

Chang is partially disabled and suffers from a foot injury that has caused permanent damage. This is at least the third complaint she has filed against the Los Alamitos post office, records show.

Chang wrote in her statement that she feels she is being discriminated against and said she wants her supervisor to be reprimanded.

"I want to address this as a serious issue; their inhumane way of treating their workers is harmful," she wrote. "Their conduct needs to be addressed and stopped."

Letter carrier Bob Hill filed a grievance in February 2008 citing similar complaints saying he was denied restroom use while on the clock. Lapuh also filed a complaint in April saying she was told "no" when she tried to use the bathroom at a local elementary school mid-shift but she went anyway.

The Occupational Safety and Health Administration Office of the Department of Labor states that employers should encourage workers to drink plenty of water, about one cup every 15 to 20 minutes.

OSHA in 2005 saw 25 serious heat-related illnesses in California, 12 of those resulted in death, according to an OSHA report.

The Postal Service Delivery handbook says that mail carriers are allowed five minutes at the beginning of their shift for personal needs and two minutes for every trip back to the Post Office.

Lapuh, the shop steward for the Los Alamitos Post Office, forwarded the reports to Sens. Barbara Boxer, D-Ca., and Diane Feinstein, D-Ca., in hopes that the workers will see change. As shop steward, Lapuh represents union employees and assists with filing grievances.

Chang said she plans on filing a discrimination complaint with the U.S. Equal Employment Opportunity Commission to seek help.

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May 5, 2009

5. Feeding America's Hungry

The Nation's Largest One-Day Food Drive, May 9

WASHINGTON — This coming Mother's Day, make Mom proud. Join thousands of postal carriers and millions of Americans in participating in the nation's largest, one-day food drive, this Saturday, May 9.

The U.S. Postal Service proudly joins the National Association of Letter Carriers (NALC) and Campbell Soup Company to support the NALC Stamp Out Hunger National Food Drive, designed for people to help those in need right in their own city or town.

Show Mom some love by donating non-perishable food to help some 35.5 million people, including 12 million children, who face hunger every day in America. The process to donate is simple: Put non-perishable food items in a bag and place it by your mailbox. Your letter carrier will pick it up and deliver it to local food banks.

"This Stamp Out Hunger drive is a tradition entering its 17th year," said Postmaster General John E. Potter. "The generosity of our customers has filled food banks and pantries all across the nation. Our employees will further demonstrate their powerful reach into each of their communities and how our assistance helps those in need."

Letter carriers in more than 10,000 cities and towns across America will deliver much more than mail when they walk and drive along their postal routes to collect food donations for distribution to community banks and pantries throughout the country.

Nearly 1,500 local NALC branches in all 50 states, the District of Columbia, Puerto Rico, Guam and the Virgin Islands are involved in the drive.

To promote this year's drive, the Postal Service's Priority Mail and Campbell Soup co-sponsored the printing of 130 million postcards encouraging the public's participation. Public service announcements featuring movie and television stars David Arquette and Courteney Cox, as well as the Harlem Globetrotters, are being made available throughout the country. Valpak Direct Marketing Systems is focusing 40 million of its envelopes on encouraging food donations and Valassis is promoting the drive with 85 million of its mail-delivered Red Plum wraps.

Other co-sponsors of the drive are Feeding America, formerly known as America's Second Harvest, the nation's food bank network; the United Way of America and its local United Ways; and the AFL-CIO.

In 2008, NALC members, with the assistance of rural letter carriers, other postal employees and numerous other volunteers, collected 73,113,915 pounds of food for

the needy from postal customers. That brought the total for the first 16 years of conducting the drive to nearly one billion pounds of food.

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Collected by Chairul Anwar, Bandung, Indonesia.

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