

# POSTAL NEWS

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## **1. Profits in mail for postal tie-up**

Peter Alford, Tokyo correspondent | July 16, 2009

Article from:

The Australian

WHILE the big express carriers' earnings collapsed last financial year, along with almost everything else involved in international trade and commerce, Kahala Posts Group increased its revenues 8 per cent.

Because KPG is a consortium of national postal services, Australia Post managing director Graeme John doesn't have to, or care to, publicly disclose earnings, though he says it's "hugely" profitable.

Kahala's revenues have grown 61 per cent in six years to top \$US1.5 billion (\$1.9bn) in 2008-09, but it's invisible to customers.

What they see are new self-trackable, guaranteed-delivery parcel services offered by their post offices -- Express Courier International, in Australia Post's case.

This year, with the postal services of Spain, France, Britain and Singapore newly operating within KGP, its reach will extend to 80 per cent of the world market.

There's a queue of other agencies wanting to join and the group is keen to breach new markets, particularly in South America. The main brake on rapid expansion is a rigorous verification process to ensure aspirants can meet the group's quality assurance and technology standards.

What started operation in 2003 as a Pacific Rim concept involving Australia, Japan, the US, China, Hong Kong and South Korea is now well on the way to becoming fully global.

Kahala was originally John's idea: postal services of the strongest Pacific Rim trading economies combining to provide international express parcel services.

This would claim back a role in a market that once belonged to post offices but had been gnawed down to insignificance by the global delivery operations of UPS, FedEx, DHL and TNT, the so-called integrators.

In a broader sense, the concept arose from the endless quest by managers of "legacy" businesses such as postal services to extract full utility from irreplaceable assets -- in Australia Post's case, a network of 4453 post offices and delivery services -- but whose traditional core activities, such as letter handling, are beginning to wither.

"There's billions of dollars tied up in postal assets around the world; they've just got to be better utilised," John told The Australian after the KPG board met in Kyoto last week.

With almost three decades' experience in transport logistics, John saw an opportunity to reclaim a share of the international fast-parcel market by combining postal services' natural distribution advantages with new technology, to undercut the integrators on price while matching them on reliability.

Postal services already co-operated to deliver parcels, of course, but they were unreliable in time-sensitive situations because an item would pass from one discrete service to another without management along the whole delivery chain. "That was one of the big powerful things in my imagination, at the beginning," John said.

"We've got all this infrastructure but we're stuffing it up because we're not monitoring it properly, we're not promoting it properly, we haven't got the service capabilities to release this potential."

A uniform monitoring and traffic control system, integrating the participating services, would allow them to use passenger jet cargo holds -- rather than dedicated aircraft fleets -- to move parcel freight flexibly and reliably.

There would be a time cost in not delivering by dedicated transport, but also huge operational savings: John characterises this trade-off as "one day later than the integrators and about 40 per cent cheaper".

Most importantly, however, the integrated monitoring and management meant for the first time postal services could offer express customers "date-certain" delivery guarantees.

What emerged within a year of him presenting his concept to a meeting of Pacific Rim postal service chiefs in 2003 was the Kahala alliance.

Because of postal distribution systems at either end of the service, the establishment capital costs were minimal -- less than \$US10 million -- focused on developing the monitoring system and ensuring the six foundation partners would meet their joint quality commitments.

"(Since then) I can honestly say I would have taken about three telephone calls in six years in relation to some problem that's happened in the Kahala accord and generally that's been caused by weather or something else we couldn't control," John said.

With the four new entrants, the Kahala group now claims 176,000 postal service front offices and 382 million delivery points in 10 countries; the KPG database consists of 16 billion pairs of postcodes.

The current focus is on consolidating the global operation and developing new services: the partners see large potential in deliveries to online retail customers and even international cash-on-delivery, which is still a major function of domestic postal services.

KPG might in future become a separately owned operation. "Disaggregation" has been discussed, John said, though it is not currently under consideration.

But ultimately, customers' relationships with post offices is a core strength of the Kahala service.

And a valuable additional way of making those 4453 post offices work harder for their keep.

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## **2. Alcatel Lucent: Postal Savings Bank of China (PSBC) selects Alcatel-Lucent for business transformation**

Wed. July 15, 2009; Posted: 05:44 AM

Are you looking to increase you ETF knowledge?

Paris, Jul 15, 2009 (M2 PRESSWIRE via COMTEX) -- PSVGF | Quote | Chart | News | PowerRating -- Alcatel-Lucent (Euronext and NYSE: ALU | Quote | Chart | News | PowerRating) today announced that it has successfully installed an innovative contact center solution for Postal Savings Bank of China(PSBC) in order to transform its customers' banking experience. The new communications capabilities will also help the bank to save money and make money by reducing operational costs with newly developed e-business services that support online credit card and telebanking interactions.

The new network and contact center solution, led by Alcatel-Lucent Shanghai Bell, Alcatel-Lucent's Chinese flagship company, also enables PSBC to centralize data management and improve data stability further improving PSBC's reliability, especially in peak service hours, while its customized reports system will help the bank further expand its telemarketing services. As a result, PSBC can now strengthen its internal process management and improve customer satisfaction.

'Dynamic enterprises recognize that in today's market it's imperative that communications perform to improve the customer's experience,' said Wolfgang Hackenberg, vice president of Alcatel-Lucent's Enterprise activities in Asia Pacific.

'With Alcatel-Lucent's network and contact center solution, PSBC can use communications to make money and save money and connect customers to the people and knowledge they need. Alcatel-Lucent's proven expertise, global banking credentials and first-class project management help ensure the success of this project,' he added.

Alcatel-Lucent provided its industry-leading OmniGenesys contact center solution, the combination of the OmniPCX Enterprise and Genesys customer interaction management software, linked together with a unique Routing Service Intelligence component. The solution supports thousands of interactive voice response (IVR) ports for self-service that reduces operational costs, with seamless escalation to agent-assisted service that improves customer satisfaction. The advanced outbound dialing function enables more sophisticated telemarketing for all sorts of campaigns. The workforce management software enhances efficiency, which is vital to service center operation.

Alcatel-Lucent's Genesys is number one worldwide in contact center software.

Every day, 100 million customer interactions are managed by more than 4000 enterprises through contact centers operated by our customers. A recent report from analyst firm Datamonitor recommends that enterprises place Alcatel-Lucent/Genesys on their short-list for IP contact center selection based on its rankings in the categories of technology, market impact and user sentiment. More information about Alcatel-Lucent contact center solutions is available online.

#### About PSBC

Postal Savings Bank of China(PSBC)was established in March 6, 2007. It has completed a personal Financial Services network which has the most extensive network coverage in urban and rural areas and the largest volume of transactions.At the end of 2006, the PSBC's national postal savings deposit balance ranks fifth in China.

#### About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU | Quote | Chart | News | PowerRating) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions to deliver voice, data and video communication services to end-users. A leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more than 130 countries and the most experienced global services organization in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro 16.98 billion in 2008 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>

Contact the Alcatel-Lucent Press Office: [press@alcatel-lucent.com](mailto:press@alcatel-lucent.com)

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For full details on Alcatel-Lucent (ALU) click [here](#). Alcatel-Lucent (ALU) has Short Term PowerRatings of 4. Details on Alcatel-Lucent (ALU) Short Term PowerRatings is available at [This Link](#).

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### **3. Customers bemoan possibility of losing postal service outlets**

By G. Patrick Kelley and Malcolm Hall  
CantonRep.com staff writers  
Posted Jul 14, 2009 @ 09:10 PM  
Last update Jul 15, 2009 @ 10:57 AM

Craig Lechner doesn't want to lose his neighborhood post office in Canton Township.

Google Map: [Area Post Offices](#)

He was one of several Stark County residents concerned Tuesday about the possible closing of three centers in the county.

Lechner questioned the U.S. Postal Service's claims that it is losing millions of dollars during the current fiscal year.

"More people now are sending packages out than ever," said Lechner, while standing outside the post office outlet at 4724 Cleveland Ave. SW in Canton Township. "I would have to see the facts and figures that say they are not making any money. I just don't buy that."

The Canton Township outlet is among three in the Canton area targeted for closure as a cost-saving measure. The other two are at 220 Dueber Ave. SW in Canton and at 117 W. Nassau St. in East Canton.

U.S. Postal Service officials say they may lose more than \$6 billion for the 12-month period preceding the end of September, the end of the federal fiscal year. The problem, they say, is a significant drop in the volume of mail, which implies a reduction in patronage.

Postal Service spokesman Victor Dubina said the mailing and shipping service is looking at possibly closing about 3,000 locations across the nation. The Postal Service is conducting a study, which includes surveying customers of the affected post offices. This study does not mean those offices eventually will close.

It is not certain how much money would be saved by closing the offices.

“Right now we don’t have a figure,” Dubina said. “That’s why it’s a study. As a public entity, we’re required to do a study.”

Delivery of mail to areas around the stations under study would not be affected if they are closed, according to Dubina. Employees at those stations would be transferred rather than laid off.

Losing the Canton Township outlet, known as the North Industry post office, “would be a problem,” Lechner said. “I would have to run clear into town (Canton) to do business. What ever happened to public service?”

The North Industry post office, about 3 1/2 miles south of downtown Canton, had a steady flow of customers Tuesday. One of those was court reporter Lisa Elliott, of the Magnolia area.

“I am upset,” Elliott said. “They have such good service here. I use the post office for everything. But the main thing I use it for is mailing transcripts to attorneys and witnesses.”

Elliott and others at the North Industry outlet don’t like the idea of having to drive to the downtown Canton Postal Service outlet at 224 Fourth St. SW.

Likewise, customers in East Canton were not thrilled with the possibility of losing their service outlet.

“I am disappointed,” said Faith Sumpter, an East Canton-area resident. “How many other conveniences are going to be taken away from us? I have lived out here for 40 years; we have always had a post office. I don’t pay my bills online. I still use the post office. That puts us in the dark ages, I guess.”

For the employees of Kress IGA in East Canton, the loss of the local post office would mean having to travel farther to buy stamps.

“We would probably have to go to Louisville,” Kathie Adams, a Kress IGA employee, said. “That would be an inconvenience, especially for the older people.”

Dubina, a U.S. Postal Service spokesman, said there is no truth to rumors that the North Canton, Jackson-Belden, and Canton outlets of Country Fair and Waterworks in the northeast section will close.

A member of Canton City Council, Terry Prater, D-5, who represents the area where the Dueber Avenue SW post office is, said he plans to put together a resolution expressing council’s opposition to closing the station.

Prater, in a written statement, said closing the Postal Service outlet in southwest Canton would impede efforts to attract new business tenants to the plaza where it is located.

#### 4. Prospect of Postal Closings Prompts Mixed Response

Posted Tuesday, July 14, 2009  
 Topics: Economy, Politics, Other  
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Greater Clevelanders have mixed reactions to the idea of closing some local post offices. The U. S. Postal Service is thinking about shutting down some 3000 offices nationwide, including 16 locally. ideastream®'s David C. Barnett has a sample of area opinion.

The Postal Service is projecting a 6 billion dollar loss, this year, and spokesperson Victor Dubina explains that this deficit is not only because of the down economy, but also changing technology.

VICTOR DUBINA: So, what we're seeing is more and more online bill-paying, more online correspondence. The old traditional put the stamp on the envelope, toss it in the blue collection box and mail it, those volumes are down to 1964 levels."

Shelly from Rocky River is a typical example of what the postal service is facing.

SHELLY: Most of my personal bills I do on the internet now. I've heard about them possibly suspending Saturday delivery and I think that's probably a good idea.

That's one of several cost-cutting ideas proposed to Congress by postal officials, this past Spring, but there's been no movement on that so far.

Among those who work or live downtown, several people expressed a concern about the potential loss of the branch in the Huntington Building and the Erieview Station on East 9th street. Chris from Cleveland says it would make things harder for people with post office boxes or who those want to hit the post office on a lunch break.

CHRIS: To do it downtown, somewhere where you're trying to attract people and get people to live, it just doesn't make a whole lot of sense."

No final decisions have been made on closings. The Postal Service plans to take until September 30 to weigh it's options.