

POSTAL NEWS

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1. Striking French postal workers fear privatization

Tue Sep 22, 2009 7:16am EDT

By James Mackenzie

PARIS (Reuters) - Thousands of post office workers across France went on strike on Tuesday to protest job cuts and government plans to convert the organization into a publicly owned limited company.

"This project is an additional step toward a privatization of the biggest local public service, contrary to declarations by the government and La Poste management," the hardline Sud-PTT union said in a statement.

The union said 35-40 percent of postal workers had joined the strike, which is being jointly coordinated by all five of France's main trade unions. La Poste said 21.15 percent of staff had joined the strike by mid-morning.

The government says the move is necessary both to open up access to new sources of funding and to prepare for the liberalization of the postal sector in 2011 under European Union rules and denies the move is a first step toward privatization.

"This is not a privatization. What we are planning is a reorganization of La Poste in order to strengthen it," Economy Minister Christine Lagarde told France Inter radio.

"We expect, under any hypothesis, that the shareholders will remain public," she added.

Under the plans, the government will provide a capital injection of 2.7 billion euros (\$4 billion), directly and via state-owned bank Caisse des Depots (CDC), which La Poste says it needs to become more competitive.

La Poste, with its distinctive blue and yellow insignia, employs more than 250,000 people and is one of the best-loved and most recognizable institutions in France, making any change in status an extremely delicate proposition for the government.

It currently has the status of an "autonomous public operator" directly supervised by the industry minister.

The group said last year it was considering opening up its capital to private investors and asked to be allowed to change its status to that of a limited company to enable the move.

It had planned to raise 2.5-3 billion euros from selling shares before the plan was abandoned when the global financial crisis broke last year.

The decision to drop the sale plans left the group looking for replacement funding to allow it to compete with aggressive international rivals such as United Parcel Service or privatized German post office operator Deutsche Post.

"This magnificent institution needs capital in a context where the market is going to open up to competition given the European regulations," Lagarde said.

Unions discount government assurances that the new company would remain in public hands.

They point to past examples such as Electricite de France, Gaz de France and France Telecom, all of which have been partially or completely privatized despite earlier government declarations.

(Editing by Jon Boyle)

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2. Postal Service exercises cost-cutting efforts

By Anne Murray, Postmaster Fort Myers/Cape Coral

POSTED: September 22, 2009

Like every other corporation in America, the U.S. Postal Service has been hit hard by the current economic recession.

But unlike most companies, and along among all federal agencies, the Postal Service faces unique financial obligations-strains and constraints that would have a devastating and insurmountable impact if the Postal Service hadn't begun taking costs out of the system and embracing technology ten years ago.

Look at the numbers:

1999, Number of employees: 797,795

2009, Number of employees: 636,211

1999, Number of post offices: 38,169

2009, Number of post offices: 36,723

1999, Number of processing and distribution plants: 446

2009, Number of processing and distribution plants: 355

1999, Mail volume: 202 billion

2009, Projected mail volume: 175 billion

1999, Number of delivery points: 134 million

2009, Number of delivery points: 150 million

Amount Postal Service pays annually to prefund retiree health benefits: \$5.4 billion

Amount all other federal agencies pay annually to prefund retiree health benefits: \$0

In summary, the Postal Service has taken cost cutting measures but is still struggling to break even because of an obligation to prefund retiree health benefits. It should also be noted that an additional 16 million delivery points are being serviced by 61,500 fewer employees.

For more information about purchasing stamps, stamps by mail, postal regulations, a free subscription to USA Philatelic magazine, Post Office events, the location of the nearest postal store or contract unit, or for answers to your specific Postal Service questions, contact USPS at 1-800-275-8777, or visit www.usps.com.

To schedule a presentation for our community, club or group on how the Postal Service brings the Post Office to your home or office computer, call 573-9638.

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3. Live From NEMOA: ACMA's Postal Battle Not Just About Rates

Sep 21, 2009 9:15 AM, By Melissa Dowling

Ledyard, CT — Catalogers are desperate to hold rates for Standard Mail flats to a minimum, and the American Catalog Mailers Association is working to help the industry on that front.

But the ACMA's battles in Washington are not just about the price of mailing catalogs, according to the group's executive director Hamilton Davison. The U.S. Postal Service "wants to make other changes that will affect our business."

Speaking last Friday at the NEMOA fall conference in Ledyard, CT, Davison noted that USPS wanted to change where catalogers put the customer address label. Instead of on the back cover, "they want us to put it on the front cover," right where most mailers include their branding statements, he said.

The Postal Service is also making changes to its deflection or “droop” standards to reduce overly floppy catalogs, Davison said. (The USPS just extended the deadline for its deflection standard implementation from Sept. 8 to Jan. 4.) This can affect a cataloger’s paper choice and page counts.

Part of the ACMA’s struggle is trying to work the USPS early in the process, to educate the agency on how changes will affect catalogers even before any proposed revisions make it into the Federal Register. Communication is one area where the USPS needs to change, Davison noted.

Yes, the USPS’s mail volume declines and financial losses have been well documented, he said. “But when you’re in trouble, you go to your best customers and work with them,” rather than make changes that will make it harder for your customers to do business.

They get this at the top level of the Postal Service, Davison said, “but there’s a whole level of middle management that does not get it.” And that makes it harder to get things done.

Another key challenge for ACMA? Getting more catalogers involved.

It’s not easy for the ACMA to get the USPS to take the catalog industry’s woes seriously when only a fraction of U.S. mailers are publicly behind the group, according to Davison.

Stan Krangel, president of multititle gifts cataloger Miles Kimball Co. and ACMA chairman, echoed this in his NEMOA keynote session on Sept. 18. “Why don’t more people understand the urgency of getting involved?” he asked.

The ACMA’s National Catalog Advocacy & Strategy Forum in Washington this past May had about 75 mailers in attendance to meet with top postal officials, Krangel noted: “We should have had 1,000.”

To learn more about what the ACMA is doing and how you can get involved, visit www.catalogmailers.org.

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4. Postal Service says U.S. Mail volume plummets

Sadly, the data also shows most of us read our junk mail

By Mark Malseed Sep 21 2009, 12:04 AM

Delivering less and less for you

The United States Postal Service in 2008 saw its biggest decline in mail volume since the Great Depression, according to results just released from its latest Household Diary Study.

The 203 billion pieces of mail delivered by USPS in 2008 (fiscal year) represented a decline of 10 billion pieces from the previous year, a not-unexpected drop that nevertheless does not bode well for the already ailing agency.

The USPS survey (pdf), which has been conducted since 1987, collects 125 data points ranging from demographics to bill payment behavior to the use of the Internet and other information technologies to give postal officials and the general public a better look at how households manage their mail. Questionnaires were sent to nearly 8,000 households to gather info about their demographics, lifestyles, and their attitudes about the mail. Those same households then receive a mail diary where they record their entire interaction with mail for one week. In 2008, the Postal Service received about 5,200 completed diaries back.

While some survey results only confirm what we can sense — that the Internet is taking business away from the postal service — other aspects of the survey give us a curious and oddly compelling look at the service that delivers rain, shine, sleet or hail. Here's a look at some highlights:

Standard mail, consisting mainly of advertising pieces, began exceeding First Class mail in 2005, and continues to do so today.

Since 2002, personal correspondence (letters, greeting cards, invitations, etc.) has dropped almost 14%.

The largest users of First Class Mail advertising are financial institutions, but after they helped tank the economy in 2007, their spending on direct mail advertising dropped 10% in 2008.

The average number of bills paid over the Internet has increased 63% from 2006 to 2008, while Transaction mail (bill paying) has dropped by 1 billion to 41.7 billion items

Households received 2.7 billion packages in 2008, and sent 1 billion — up 13.6 percent over the previous year. The growth, mostly in First Class, is mainly attributed to CD/DVD rentals.

79% of households either read or scan the advertising mail sent to their house.

(Dammit, that's all the junk mailers need to hear to keep on sending it...)

Households with persons 55 years or older receive the largest average number of holiday greeting cards. That number is down 12% from 2006 and is expected to continue its downward trend.

Our current deep recession (which began in December 2007 according to the National Bureau of Economic Research) has resulted in a 4.5% decrease in total mail volumes. This is the largest volume decline since the Great Depression.

Despite an increased number of mailing options, 82% of all households still patronized one of the nation's 37,000 post offices at least once a month in 2008.

The Post Office is expected to lose \$7 billion in this fiscal year, which comes to a close Sept. 30. The USPS released a viability study in March of this year in an attempt to deal with the challenges that face them. The agency is taking steps to save money

by adjusting city delivery routes, reducing staff hours, halting construction on new postal facilities, expanding energy efficiencies, reducing employee travel budgets, and renegotiating supplier contracts. But these efforts may only be postponing the inevitable.

In testimony before Congress, Postmaster General John E. Potter said, "These are extremely challenging times – for the nation and for the postal service. We have done a great deal to preserve the future of our nation's mail system. But there is more to be done and we must do it together." Thankfully, he stopped short of urging Americans to stop using the Internet.

With research by Jenifer Reinhardt

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Posted: Sept. 21, 2009

5. Wayne takes action to save post office

Petition aims to get city off the list

BY ERIC D. LAWRENCE

FREE PRESS STAFF WRITER

Not content to let their post office close without a fight, city residents and officials in Wayne have been collecting signatures in an attempt to save an operation they say has been a crucial part of their community for more than 170 years.

Wayne's battle echoes other efforts in local communities to save their post offices -- including Dearborn and Ann Arbor. In Hamtramck, organizers believe community support might have helped keep that city off the latest list of 12 area post offices under consideration for closure.

The U.S. Postal Service is considering closing hundreds of post office across the country beginning later this year as it grapples with an expected \$7-billion loss this fiscal year, as well as a drop in mail volume caused by the recession and competition from the Internet.

Karen Norton, 73, a lifelong Wayne resident, said the loss of the city's only post office, located downtown on Newberry Street, would be a hardship.

"It's fast and it's safe and we go every day to the post office," said Norton, who owns a complex with business tenants in the city and sent her own protest letter last month to the Postal Service.

City Manager John Zech said the city recently sent the postal service the signatures of more than 4,100 people who want the post office to remain open and continues to collect more signatures.

Ed Moore, a Detroit-area spokesman for the Postal Service, discounted the likelihood that petitions and letters alone would get the service to reconsider a closure, but he said it could help the agency make sure some type of service is maintained in the area.

He encouraged residents to return questionnaires that the Postal Service will soon send asking about their postal needs.

"People expressing interest in their post office is very important," Moore said.

Other cities that have taken action:

- Ann Arbor's City Council passed a resolution Sept. 8 opposing the possible closure of the South University post office.
- Dearborn's Economic and Community Development Department has been in contact with U.S. Rep. John Dingell, a Dearborn Democrat, about trying to save two of the city's post offices on the list.
- Edward Cardenas, spokesman for Detroit Mayor Dave Bing, said the mayor hopes the Postal Service considers the impact on residents if the five city offices on the list were to close.

In Hamtramck, word this summer that the city's lone post office on Caniff was being considered for closure set off alarm bells.

Russ Gordon, a city resident for 16 years, started a letter-writing campaign that he said a postal official told him helped keep the post office off an updated closure list earlier this month.

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