

# POSTAL NEWS

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- 1. PNP Secretary-General picked as Japan's minister for financial services, postal reform**

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TOKYO, June 11 (Xinhua) -- Shozaburo Jimi, Secretary General of the People's New Party (PNP), was picked as the minister in charge of financial services and postal reform in Japanese Prime Minister Naoto Kan's Cabinet, following the resignation of PNP chief Shizuka Kamei.

Kamei formally resigned Friday as a member of Kan's Cabinet to protest the Democratic Party of Japan's (DPJ) decision to postpone the passage of a postal service reform bill.

Kamei has maintained that the PNP will not be leaving the ruling bloc.

The PNP chief believes that a promise made between the DPJ and the small coalition partner has been broken and for that reason he is leaving his posts in Kan's cabinet.

The accord in question was reached between the DPJ and the PNP to expeditiously pass a bill designed to scale down postal privatization -- the crux of the PNP's political objectives.

However, Kamei expressed his intention to resign following the DPJ's decision Thursday not to extend the current 150-day ordinary Diet session, which is scheduled to end on June 16, because even after an extension there will not be enough time left to debate and pass the postal bill before upper house elections pegged for July 11, according to DPJ lawmakers.

A number of DPJ lawmakers are facing reelection this summer in the upper house and with Kan's cabinet gaining public support ahead of the key elections in July, with major national newspapers on Thursday reporting the support rate is above 60 percent, compared with about 20 percent for the previous cabinet in the final days of

former Prime Minister Yukio Hatoyama, they are keen not to disrupt the election schedule.

Editor: Liu

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## **2. USPS's Susan Plonkey on Fixing the Postal Service**

Jun 11, 2010 4:08 PM, By Jim Tierney

Susan M. Plonkey was named new acting president, mailing and shipping services, for the U.S. Postal Service on June 3. Plonkey succeeds Robert F. Bernstock, who left the USPS to pursue interests in the private sector.

Plonkey, who most recently served as vice president of sales for the USPS, is now responsible for all product management, product development, retail and commercial products and services, as well as commercial sales.

MULTICHANNEL MERCHANT senior writer Jim Tierney talked with Plonkey about her new position and plans to fix what's ailing the USPS.

**Q:** What do you view as your biggest and immediate challenges, given the massive decline in mail volume?

**A:** The plain fact of the matter is our business model is broken, and the laws, regulations, and contracts must be changed to reflect reality in the marketplace. The most immediate challenge facing the Postal Service is avoiding potential insolvency.

Despite aggressive cost reductions of over \$1 billion every year since 2001, including \$6.1 billion savings in 2009 alone, these efforts have not been sufficient to counter marketplace forces in the business of mail. A loss of \$1.9 billion was reported for the six-month period ending March 31, and without fundamental structural changes to our business model, cumulative losses could reach more than \$238 billion by 2020.

To ensure a viable Postal Service, we are continuing to work with all stakeholders to implement an ambitious, but achievable action plan. While there is no one single solution or quick fix that will resolve the current set of challenges which confront the USPS, the action plan contains steps available under current law that would reduce the projected gap by \$123 billion by 2020.

To close the remaining projected gap of \$115 billion over the next 10 years without cost to U.S. taxpayers, the Postal Service will require legislative and regulatory changes that will provide greater speed and flexibility to respond to marketplace dynamics.

**Q:** How can the USPS grow volume?

A: It really comes down to customer engagement and working with key stakeholders in the industry. We're engaged in marketing activities that demonstrate how mailers can harness the power of mail with the power of the Internet.

The two marketing channels are complementary to one another in terms of building new business and strengthening customer loyalty, and when you add the Intelligent Mail barcode to the mix, you have access to a tremendous amount of customer data to support current and future marketing efforts.

Product development is another key strategy for growing mailing services and shipping services volumes. We will continue to introduce new and innovative products and services that meet the needs and expectations of customers and offer a compelling overall value in the marketplace.

We recently established a single shipping services team to drive volume and revenue growth, and created a product visibility and operational performance team in order to develop world-class technology-driven solutions for customers.

Q: What types of USPS products have the most potential to add volume to the mailstream?

A: We see both direct mail and shipping services as the primary areas of volume growth going forward. As the economy continues to recover from the recession, both these product and service lines are well positioned in the market, particularly from a value and cost proposition. Nothing delivers for marketers like direct mail, and no one can match our access to the American household.

The Priority Mail Flat Rate Box ad campaign has been a hit with both business mailers and consumers, and has delivered double-digit volume growth, while our Parcel Select and Parcel Return Service continue to be the products of choice among reshippers and competitors alike. Our global shipping business is also poised for volume growth, so we're expecting big things for both inbound and outbound international shipping volumes.

Q: Bob Bernstock had worked closely with Hamilton Davison, the executive director of the American Catalog Mailers Association. What role do you see catalogs playing and could there be incentives—such as for prospecting—to assist catalogers?

A: The USPS and the ACMA will continue to work together to find solutions to our mutual challenges. We have made progress in the past two years, assembling a dedicated postal team to focus on the needs of the catalog industry and collaborating together to find both short-term and long-term strategies for growth.

The catalog industry as a whole is an important segment of our business and we will continue to look for the right mix of pricing, incentives, and cost-saving initiatives that provide a win-win for the industry and the Postal Service.

Q: At the ACMA's National Catalog Forum in April, there was talk of identifying catalogs and managing them as a single product. Do you think this can happen?

A: We are continuing to move toward developing a way to clearly identify, track and measure catalog volume. We see a need to better reflect in our systems the way mailers are using our products. Catalogs are a primarily a mix of carrier route and Standard Flats, with some bound printed matter and slim-jims (Standard Letters).

We have collaboratively developed a working definition of a catalog and plan to introduce a new entry on the mailing statements in 2011 that clearly identifies catalog volume within our financial systems. This will provide a first step toward any future product, pricing, and incentive enhancements.

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Guwahati, June 12, 2010

### **3. Blockade hits postal service to Manipur**

Sushanta Talukdar

Non-availability of aviation fuel at Imphal due to the ongoing two-month-old economic blockade has severely hit the postal service to Manipur.

Chief Post Master General (CPMG) of Assam Circle Monojit Kumar told journalists here on Friday that the air-freighter run by the postal department had not been able to refuel at Imphal and had to take fuel at Guwahati. This had forced a cut in cargo load, he said. The air-freighter on the Guwahati-Imphal-Agartala-Kolkata route is run six days a week.

Air freighter services

The CPMG said the department was now managing only mail service to Imphal and forced to stop accepting logistics post (air cargo). Since April 11, when the blockade began, four special air-freighter services between Guwahati and Imphal were being operated to carry medicines.

Keywords: Manipur, blockade, postal service

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### **4. Japan's Prime Minister Warns That Debt Could Bring a Crisis Like That of Greece**

Issei Kato/Reuters

By HIROKO TABUCHI

Published: June 11, 2010

TOKYO — Japan's newly installed prime minister startled the nation on Friday by warning that it could face a financial crisis of Greek proportions if it does not tackle its colossal debt.

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## Times Topics: Japan

The stark words from the prime minister, Naoto Kan, followed by just hours the resignation of his banking minister and ally in the governing Democratic Party, Shizuka Kamei — an advocate of big spending. Mr. Kamei's departure seemed to signal that the new government would focus on reducing Japan's heavy government debt, called sovereign debt, by far the highest in the industrialized world, and cutting back on the wasteful public works projects.

"It is difficult to sustain a policy that relies too heavily on issuing debt," Mr. Kan told the Japanese Parliament in his first policy speech. "As we have seen with the financial confusion in the European Community stemming from Greece, our finances could collapse if trust in national bonds is lost and growing national debt is left alone."

Worried by the Greek debt crisis, policy makers around the world have increasingly raised the alarm over runaway government spending of the past two years, as the world has grappled with an economic crisis.

This week, Ben S. Bernanke, the Federal Reserve chairman, warned that the United States budget appeared to be on "an unsustainable path," while also recognizing that an "exceptional increase" in the deficit had been necessary to ease the pain of recession. New prime ministers in both Britain and Hungary warned last week that their nations' budget problems were more severe than their predecessors had let on.

Japan's public debt, at \$9.7 trillion, was close to twice its gross domestic product in 2009. But in contrast to Greece, most of that is held domestically, putting Japan, the world's second largest economy after the United States, on a better financial footing.

Still, some analysts have warned that Japan's graying population may begin to retire and cash in their bonds, forcing the government to look abroad for financing. In January, the ratings agency Standard & Poor's cut its outlook for Japan's sovereign debt rating, saying that the government appeared to have no plan to start containing debt.

The statements Friday from Mr. Kan appeared to press for an agenda he calls the "Third Way" for the country's economy. This would avoid the mistakes of previous governments, he has said, by limiting the enormous investment in public works that propped up the economy in the 1990s, while also stepping back from the deregulation Japan dabbled with over the last decade.

Instead, he envisions raising taxes and investing heavily in new fields like health and the environment, a move he says will create jobs, raise incomes and bring about economic growth.

In his speech, Mr. Kan called for a bipartisan debate on raising the 5 percent sales tax in Japan to help pay for soaring social welfare costs brought on by the country's aging society.

“The stagnation we are experiencing now is due in great part to a struggling economy, burgeoning budget deficit and a breakdown of trust in social welfare,” he said. “Instead, the new government will build a strong economy, strong public finances and a strong social welfare system.”

Mr. Kan’s new national strategy minister, Satoshi Arai, said Friday that the government would draft a mid- to long-term plan by June 22 to address Japan’s debt. The government would seek to cap bond issuance below \$500 billion in the fiscal year ending in March 2012.

How aggressively Mr. Kan can pursue any agenda will depend on the outcome of nationwide elections for Parliament’s upper house on July 11. Support for the Democrats, which slumped under the previous prime minister, Yukio Hatoyama, has rebounded under the new leadership.

Mr. Kan’s prospects may be buoyed further by the departure of Mr. Kamei, the banking minister and vocal head of a tiny coalition partner that has often undermined the Democrats by straying from the government line. Shozaburo Jimi, a lawmaker from Mr. Kamei’s People’s New Party, was named the new banking minister.

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## **5. SHA Delivers Nearly Half Million in Fines to Two Philadelphia Postal Facilities**

\* Jun 11, 2010

OSHA has cited the U.S. Postal Service for workplace safety violations related to electrical hazards found at two Philadelphia facilities after receiving complaints about both locations. Combined proposed penalties total \$497,000.

The agency's inspections of the Network Distribution Center (NDC) and the Processing and Distribution Center (P&DC), both in Philadelphia, found inadequately trained employees performing work without the proper personal protective equipment while being exposed to live parts. As a result of these conditions, OSHA cited NDC with four willful violations with a proposed penalty of \$280,000, and P&DC with three willful violations with a penalty of \$210,000 and one serious violation with a penalty of \$7,000.

"The Postal Service's disregard for workplace safety standards has left workers at these facilities exposed to unnecessary dangers including electric shock, electrocution, fires, and explosions," said Al D'Imperio, director of OSHA's Philadelphia Area Office.

OSHA defines a willful violation as one committed with plain indifference to or intentional disregard for employee safety and health. A serious citation is issued when there is substantial probability that death or serious physical harm could result and the employer knew, or should have known, of the hazard.

The Postal Service has 15 business days from receipt of its citations to comply, meet with the OSHA area director, or contest the findings before the independent Occupational Safety and Health Review Commission.

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