

POSTAL NEWS

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Green Technology -Zumbox 2.0 Set to Change Future of Postal Mail. Aug 6, 2010. More losses for Postal Service in third quarter. Aug 6, 2010.

August 06, 2010

1. Green Technology -Zumbox 2.0 Set to Change Future of Postal Mail

By Vinti Vaid

TMCnet Contributor

Zumbox, a provider of digital postal mail services, has announced the availability of the second generation of its Zumbox paperless postal system and a strategic agreement with output solutions provider DST Output, a subsidiary of DST Systems (News - Alert), Inc.

Digital postal mail is presented and archived digitally for consumers in a secure online environment instead of on paper. This makes digital postal mail environmentally efficient and creates significant cost savings for mailers while providing consumers with a simple, time-saving and green place to receive interact with and archive their household postal mail forever, for free.

This is how it works: Users can simply open their Zumbox account (a Zumbox account has been created for every street address in the United States) by signing up and entering their residence address at www.zumbox.com, which generates a verification code that is delivered to their residence via the U.S. Postal Service. Once the verification code has been returned, users are given full access to all mail sent to their Zumbox.

To access digital postal mail which appears in confidential, sealed digital envelopes in Zumbox, the user has to verify his or her account. The paper versions of that mail continue until the user is comfortable with the new channel to click the "Paperless Please" button in Zumbox to suppress paper delivery.

Digital postal mail has powerful interactive features such as reminders and notifications of due dates and events, rich media to enhance customer communication and powerful tagging and metadata to enhance the filing, search and long term storage of household mail and documents.

In addition Zumbox has made available its High Volume Transactional Output APIs, a powerful set of read/write Application Program Interfaces designed for large transactional mailers, 3rd party software developers and mailing systems manufacturers.

John Payne, CEO of Zumbbox explained that shifting to digital postal mail won't happen overnight, even though the financial and environmental benefits are very obvious.

Vinti Vaid is a contributing editor for TMCnet. To read more of Vinti's articles, please visit her columnist page.

Edited by Juliana Kenny

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2. More losses for Postal Service in third quarter

By Lisa Rein
Washington Post Staff Writer
Friday, August 6, 2010

Losses for the U.S. Postal Service widened to \$3.5 billion in the third quarter as mail volume continued to plummet and operating expenses grew.

Despite more than \$10 billion in cost cutting over three years, the Postal Service could face a cash-flow problem next year and may have trouble making a payment for future retiree benefits, the agency's chief financial officer said Thursday. Another expense was \$17 billion in workers' compensation liability because of lower interest rates, Joseph R. Corbett told the board of governors.

Losses for the quarter that ended June 30 were \$1.1 billion more than the Postal Service had hemorrhaged during the same period last year, Corbett said.

So far this fiscal year, the Postal Service has had a net loss of about \$5.4 billion, an increase from \$4.7 billion in the same period of 2009.

Thursday's announcement came as the agency prepares to start labor negotiations next month for new contracts with two of its four unions, representing rural letter carriers and clerks, maintenance workers and motor-vehicle operators.

"We continue to work on productivity," Corbett told the board of governors. "But we need legislative and contractual changes. . . . We've got to get to be a profitable organization."

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The bleak financial news compounds several bad years at the Postal Service, where mail volume is down 20 percent since 2007. To stem the losses, management has reduced employee hours; eliminated about 100,000 jobs through attrition and buyouts; proposed

raising rates and eliminating Saturday delivery; and is pressing Congress to scrap advance payments for retirees.

But Postal Service officials say the path to financial solvency requires loosening long-established restrictions in union contracts.

Postmaster General John Potter said negotiations with rural letter carriers and the American Postal Workers Union will be "fair to employees." But he noted that the agency's financial woes will "contribute mightily" at the bargaining table.

Among the changes management is seeking are more flexibility to address declining workloads with part-time and contract workers and to ask workers to take on different job assignments. About 80 percent of Postal Service employees work full time. The agency also wants its financial problems to be considered as it seeks concessions.

Negotiations with the union representing 210,000 letter carriers are set to start next year.

"In our view, the overriding context to the numbers reflects the weakness in the economy," said Jim Sauber of the National Association of Letter Carriers.

He said the economic downturn's effect on business, coupled with management's obligation under a 2006 provision requiring it to pre-fund retiree health benefits at about \$5 billion a year, represent the biggest threats to the Postal Service's viability. Calls to the American Postal Workers Union requesting comment were not returned.

The Postal Service also is looking for relief from Congress for the advance payments for retirees. Even with borrowing, the agency's cash-flow problems may be too severe to allow payment in the next fiscal year, Corbett said.

Thursday's financial statement was challenged by a new lobbying group representing volume mailers. The Affordable Mail Alliance, which is fighting the plan to raise rates in January, accused the Postal Service of inflating its financial pressures to push the rate increase through.

"It's misleading information designed to thwart the need for the rate case," said Tony Conway, head of the alliance. He said postal officials indicated as recently as a month ago that they would finish this fiscal year with \$1.3 billion in cash.

Joanne M. Veto, a Postal Service spokeswoman, said: "These are audited numbers. We've been saying for almost a full year we were projecting a shortfall of between \$6 [billion] and \$7 billion" for the year.

