

# POSTAL NEWS

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Russia's VEB revives postal bank idea -- paper

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MOSCOW, Sept 30 (Reuters) - Russia's VEB has revived the idea to create a giant retail bank based on its subsidiary Svyaz-bank, with a network twice as big as Sberbank's (SBER03.MM), business daily Kommersant reported on Thursday.

The plan to set up a bank in the mould of Japan Post Bank and German Deutsche Postbank (DPBGn.DE), creating a powerful rival to state banking champion Sberbank, has been repeatedly delayed due to the project's complexity.  
[ID:nLDE6681L2]

VEB could not be immediately reached for comment by Reuters.

Kommersant said the supervisory board of VEB, chaired by Prime Minister Vladimir Putin, will review an interim report related to the creation of the bank at a meeting on Thursday.

The newspaper also quoted two unnamed sources as saying VEB will discuss buying out nearly 80 billion roubles of Svyaz-bank's "problem assets" with a 90 percent discount to clear its balance ahead of a possible team-up with a strategic partner interested in this project.

Russia's leading consumer lenders Russian Standard bank along with Home Credit and Finance bank -- the Russian unit of Czech PPF Group -- are in the running for the share in the partnership. (Reporting by Maria Kiselyova; Editing by Anshuman Daga)

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UPDATE: Congressman battles U.S. Postal Service  
By Ashley Aldrich - Reporter/KETK News  
Wednesday, September 29, 2010 - 7:46pm

LUFKIN-- The U.S. Postal Service is losing \$21 million a day. Now, they are looking at ways to cut back on money by doing 90-day studies across the nation.

If they feel they need to cut back on money in East Texas after the study is done, they have an idea for outgoing mail from Lufkin.

One spokesman says, "Lufkin mail will be delivered to Tyler, then it will be processed at automated sorters at Tyler and transported back to Lufkin."

The Lufkin Processing and Distribution Site could close one part down. As a result, employees and mail would be shifted around. U.S. Congressman Louie Gohmert says he got a letter in the mail from the U.S. Postal Service. It stated it would be "fiscally irresponsible" not to consolidate.

Gohmert says, "It seemed to me the study would be irrelevant because they dictated the results before the study was even done." He says they shouldn't make a decision before looking at the results of the study. Gohmert says, "this is the kind of wrong-headed thinking that I believe has gotten the Postal Service in the problem they are in."

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Congress declines to bail out Postal Service

By Emily Long [elong@govexec.com](mailto:elong@govexec.com) September 29, 2010

The U.S. Postal Service has one day to meet a \$5.5 billion obligation to its retiree health fund, and Congress' temporary spending bill provides the agency no relief.

In legislation introduced on Tuesday to fund government operations through Dec. 3, lawmakers decided not to grant the Postal Service a \$4 billion bailout. Required by a 2006 provision to prefund its retiree health benefits at approximately \$5 billion annually, USPS is the only federal agency with that obligation. Congress granted relief from the prefunding requirement for fiscal 2009, and postal officials asked for similar assistance for the fiscal 2010 budget cycle.

With one day left in the fiscal year, the Postal Service is trying to decide how to proceed.

"We're considering our options," said Gerald McKiernan, a USPS spokesman. "The matter is being discussed, and I'm not aware of any resolutions."

According to financial information submitted to the Postal Regulatory Commission in August, USPS has lost \$7.7 billion this year. The agency has been cutting employee work hours to reduce labor costs and said in August it was on track to eliminate \$3.5 billion in costs by the end of fiscal 2010 due to process improvements. Officials, however, warned that the Postal Service could find itself strapped for cash.

"Given current trends, we will not be able to pay all 2011 obligations," said USPS Chief Financial Officer Joe Corbett in August. "We can't continue to just keep losses where they are. We have to be profitable."

The Postal Service has attributed its troubles in part to declining mail volume. While the agency delivered 213 billion pieces of mail in 2006, as of August it had processed just 156 billion pieces of mail for 2010. According to an inspector general report released on Wednesday, USPS will be financially sustainable until volume dips below 100 billion pieces of mail. The agency can adapt to this decline by correcting overpayments to its pension funds and implementing its 10-year strategic plan, which includes initiatives such as reducing delivery days and increasing workforce flexibility, the report said.

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POSTED ON Wednesday, September 29, 2010 AT 01:45PM  
Postal Service reports virus leads to fraudulent e-mails

#### WALLA WALLA UNION-BULLETIN

Customers may receive e-mail messages that allege to be from the U.S. Postal Service that contain fraudulent information about attempted or intercepted package delivery, according to a news release.

If opened, the messages instruct customers to click on a link to find out more about when they can expect delivery of their "package," the release said. Customers are advised to delete the message without taking any further action.

The Postal Service Inspection Service is aware of the problem and working hard to resolve the issue and shut down the malicious program, the agency says.

For additional information on the virus or to report receipt of a message, call 1-800-275-8777.

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Carper plan will help stabilize postal service

September 29, 2010

American politics favors vagueness. Promise this or promise that and hope the public forgets.

The American Red Cross

For example, it is now popular for politicians to call for fiscal responsibility and a government that is flexible and capable of change.

Well, Delaware's Sen. Tom Carper is calling their bluff with a bill that would go a long way in reorganizing the U.S. Postal Service and save consumers money. The Comprehensive Postal Services Act probably won't go anywhere this year because of other partisan battles befuddling Congress.

But the Carper bill lays out a framework to change a government service that is quickly losing its original mission. The postal service once united the country. But modern technology is changing that. Everything from e-mails to Federal Express has cut into the postal system's work. The recession also has cut volume. (How many credit card solicitations have you received lately?) It's unlikely the end of the recession will bring back that lost business. Moreover, the pace of technology will cut further into mail deliveries.

It is estimated the service will lose \$238 billion over the next decade. Eventually, taxpayers will be called in to end a mail crisis.

The Carper proposal would, among other things, do away with Saturday delivery (at a savings of about \$40 billion over 10 years), make labor negotiations more flexible, and allow unprofitable offices to be closed. If the cost of government is to shrink, here is a logical place to start. Will the politicians match deeds to their promises?

■ The News Journal

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