

POSTAL NEWS

No. 69/2010

**Formulated by UNI-Japan Post in cooperation with UNI-Apro,
ASPEK Indonesia and SPPI**

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1. Consumer Austerity Savings Must Still Have Bite Says Editor

11 October 2010 - Sarah Sharpe - © Hellmail Postal News

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Steve Lawson, editor for Hellmail Postal News has warned that proposals by the coalition government to close Consumer Focus as well as Consumer Direct, and hand over its responsibilities to the Citizens Advice Bureau and Trading Standards would still need adequate funding and in the case of Citizens Advice, the government should not expect to be able to pile the work on to what is essentially a voluntary organisation without adequate funding and support.

Mr Lawson, who originally set up Hellmail as a consumer-driven thinktank, later developing the site into a successful European postal news service, said he recognised the work already being done by Citizens Advice to advise government on policy changes but that on a local level, the service was still largely dependent on funding from local authorities and was already stretched. Citizens Advice campaigns on a range of issues including social policy, access to services, poverty, and welfare support, advising policy makers, regulators, MPs, and service providers.

"I talk to Citizens Advice Bureaus across middle England and they each work independently within enormously tight budgets and run for the most part by unpaid volunteers. Not unexpectedly, this year has seen a massive rise in calls from people with severe financial problems with some CAB centres already fully booked and a waiting list for appointments in some areas.

"I would agree that Citizens Advice is probably better-placed to advise government on many consumer issues due to the fact that it is independent and already has a system in place to aggregate caseload data to provide accurate statistics on matters such as debt, health and employment right across the country. However, it must be supported properly

if it is to make an impact on larger issues and to continue to have, as it does now, a meaningful influence on government policy.

"With respect to post and postal services much has changed already. We had just grown used to Postwatch, which I have to say, did an excellent job, only for that to be disbanded and the responsibility for postal consumer affairs moved to Consumer Focus. Only two years later, that too is under threat. In fact I barely have time to exchange business cards and these organisations seem to disappear from the map. Consumer Focus took time to find its feet, but recently managed to get back some £70m for energy customers - an impressive feat and one which required a great deal of work on their part."

Mr Lawson pointed out that Hellmail always tried to keep lines of communication open with both postal operators and consumer organisations, with varying degrees of success, but that it still received many enquiries from people with postal problems each year that staff did their best to resolve.

"Generally we either refer them to the right person, and in a few difficult cases we have been able to exert additional pressure to move a case along, but I'm not sure where this will leave postal customers if the issues become greatly watered down as a result. As austerity measures begin to bite, businesses are far more likely to cut corners, and that clearly has an impact on service. Support for consumers has to work on several levels, not simply picking up the pieces of what may be a bigger problem. The bite needs to match the bark or it would be like sending my elderly grandmother in to discuss military tactics in Iraq," he said.

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2. Nigeria: Nipost Decries Low Patronage of E-Services

Mahmud Lalo

11 October 2010

Jos — The Nigerian Postal Service (NIPOST) in Plateau State at the weekend decried the low patronage of its e - services in the state. Speaking at an event to mark the annual World Postal Day, the Area Postal Manager, Mr. Alex J. Bature, said NIPOST was not being properly utilized.

He added that the information and communications technology services such as e-commerce, Post - cash (Online transfer), e- registration as well as public Internet access points offered by NIPOST were being explored. Bature, who maintained that the services were not only for communication, also essential for the growth of the economy, said, "people have failed to take advantage of these opportunities, instead they go about with the wrong impression that the post is no longer relevant in today's business. For instance,

students in our higher institutions queue up at private cyber cafés for research and e-learning, leaving behind Internet access points provided by the post offices located close to them".

The manager also decried the low patronage of what he described as the cheap parcel services offered by NIPOST.

"The public has also refused to patronize our payment collection services, such as postage stamp duties, which requires that postage stamp of N50.00 must be affixed to every cash receipt issued for payment," he said.

In his paper titled, "The challenges of postal services in Nigeria and the compliance of the stamp duties Act 1990", Director of the National Orientation Agency (NOA) in the state, Mr. Bulus Samci Dabit, expressed the agency's readiness to partner with NIPOST to fulfil its mandate.

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Posted on Wed, Oct. 06, 2010 09:29 AM

3. Quadriga Art says the Postal Regulatory Commission Ruling Against Raising Rates

Quadriga Art, a leading direct mail company based in New York applauds the postal service for holding rates. Quadriga Art stated today that the recent decision to not raise the rate of U. S. Postal Service first-class stamps and all postage will help non-profits continue to run the important fundraising programs they have which is good news for the industry, clients and those in need.

"The PRC's decision saved many of the nation's charities and countless jobs they represent; not to mention jobs in the related marketing sphere." said Mark Schulhof, CEO of Quadriga Art. "The decision to leave mail rates unchanged ensures stability for the many not for profit organizations working to improve the lives of the nation's and world's people who desperately need help and relief in these challenging economic times. The fact is higher mail and stamp rates could have hampered the running of charitable fundraising programs at a time when the demand from millions of people for help has never been greater."

The Postal Regulatory Commission recently decided against granting the U.S. Postal Service a requested an increase of 5.6 percent on mail. The Postal Service said in the request that the recession had cut mail volume and revenue. The Postal Regulatory Commission said the decision means there will be no rate increases for any class of mail and attributed the U.S. Postal Service loss in revenue to long-term structural problems rather than from the impact of the recession. *(See full PRC Release here: http://www.prc.gov/prc-docs/home/whatsnew/R2010-4%20Press%20Release_1393.pdf).

Quadriga Art is a privately held, family operated company that delivers hundreds of millions of mailings for several clients annually through its four companies. Founded more than 70 years ago, Quadriga Art has grown into a multi-national, multi-faceted manufacturing, publishing, retail supply, full service fund raising and direct mail marketing company. Products range from direct mail packages to stationery products sold at major retailers in the U.S. and globally. (For more on Quadriga, go to www.quadrigaart.com)

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4. Can the USPS Be Saved?

By Theodore F. di Stefano
E-Commerce Times
10/07/10 6:00 AM PT

The volume of mail handled by the United States Postal Service is sinking like a stone each quarter, and its revenues are following suit. Most of us have probably heard that the tradition of delivering mail six days a week will likely be a thing of the past. This will be one step to bring the Postal Service back to profitability. But it seems that the USPS must take a look at its business model and update it.

Although many CRM projects were deferred or cancelled in 2009, Forrester's latest research emphasizes that organizations are investing again to improve their customer-management capabilities. Download Forrester's report (a \$1,749 value) to find where: www.compareCRMsolutions.com

The cost to send a letter (weight not over one ounce) via the U.S. mail is now at an all-time high: 44 US cents. The cost of a standard postcard is 28 cents. There was a time when a postcard could be sent for 1 cent, if one can imagine that!

The sad thing is that there doesn't seem to be any end in sight to the cost of snail mail. Additionally sad is the fact that the U.S. Postal Service reported a loss of \$3.5 billion dollars in its most recent quarter, with seemingly endless losses projected for the future. Causes of U.S. Postal Service Deficits

It would be comforting to blame the bureaucracy for a large part of the losses at the Postal Service. Actually, it is likely that a bloated bureaucracy could cause some of the problems of the problems there, but the present-day dynamics just do not favor our USPS.

Consider this: Mail volume in pieces of mail sent totaled 212 billion in 2007, while mail volume in pieces sent will probably be about 167 billion in 2010. The trending is nothing

short of ominous. Given the fact that the USPS is a self-supporting government agency that doesn't receive any tax dollars, it's obvious that deep structural changes have to be made in order for us to retain our public postal service.

The government's take on the problem is exemplified by the following statement: "A significant portion of USPS losses in the past few years has been due to an unprecedented decline in mail volume -- down more than 20 percent since 2007 ... The replacement of letter mail and business-transaction mail by electronic alternatives continues to cause downward pressure on mail volume."

Possible Government Solutions to this Dilemma

Most of us have probably heard that the tradition of delivering mail six days a week will likely be a thing of the past. It looks like Saturday delivery won't be with us very long. This will be one step to bring the Postal Service back to profitability. Union contracts with postal employees will likely have to be reworked in order to further reduce expenses.

But it seems to me that the USPS must take a look at its business model and update it to reflect changing dynamics. Not only is electronic mail reducing postal revenue, but we also have the overnight services like Fed-Ex and UPS doing their part to reduce USPS income.

A new and more efficient model has to be created to address the changing market realities. The big question is, will the government act quickly enough to respond to changing dynamics in order to keep the Postal Service afloat?

Pressure From E-Competition

Electronic competition to the USPS is enormous. I can understand why the volume of business mail sent through so-called snail mail has dropped dramatically. In fact, law and accounting offices have fewer secretaries because the professionals in those offices are sending out so much correspondence themselves, via e-mail.

To give you an example of the power of e-mail versus snail mail I have merely to site a situation when an associate of mine and I asked an investment house to send out a prospectus on a particular deal. My friend, a very successful businessman who refuses to use e-mail requested his prospectus via regular mail. I asked the investment house to send me the document stat, in PDF format.

I received the document within an hour. Several days later, my associate called me and irately asked when the investment house will send out the document, since he was still awaiting receipt of the prospectus. I told him that I had received it almost instantly and was describing the contents to him, talking about the charts, graphs, and copious statistics. To tease him, I also described the color scheme of the documents and how well tabbed and indexed they were.

I believe that I made my point to my associate because after that, he would ask his secretary to request documents via e-mail. She would then print them and give them to him.

We have become accustomed to many types of e-mail. For example, many of us do not get bank statements in the mail anymore. We merely go online, any time we want, and view our statements in real time. Still many more of us get our credit card statements online instead of waiting for them to come via snail mail.

I know of no document that has been traditionally sent by regular mail that cannot be sent by e-mail. I myself get my annual tax returns, state and federal, e-mailed to me. I then "file" them away in my computer. My accountant then electronically files my tax returns, which means that I don't have to take the trip to his office in order to sign them.

I could go on and on about the copious number of documents and letters that are now routinely sent via e-mail.

Have You Checked Your Mailbox Lately?

I notice that the mail that we receive at home of late usually consists of so-called junk mail. Most of our important mail is sent electronically to us, leaving us a mostly empty mailbox save for sundry ads, requests for donations from various charitable organizations and greeting cards. I must note here that there was a time when I thought that electronic greeting cards would replace traditional ones, but that never seemed to have happened, thus giving our embattled postal service a ray of hope.

I won't prognosticate about what I feel the future holds for the Postal Service. I do know, however, that business as usual will not work anymore. It's a brave new world that we are facing -- an electronic world and the best that the USPS can do is to adapt to this new world by changing its business models to cope with the constant vagaries of commerce.

Good luck!

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