

**DRAFT PROPOSALS TO AMEND
THE ACTS OF THE UNIVERSAL POSTAL UNION
AT THE CONGRESS IN BEIJING, AUGUST, 1999**

This document presents draft proposals for amendments to the Acts of the Universal Postal Union (UPU) which might be offered by the United States in advance of the Congress of the UPU to be held in Beijing in August 1999. Generally, these proposals are intended to accomplish the following:

- to separate governmental and operational functions by providing separate and distinct roles for the Council of Administration and Postal Operations Council;
- to eliminate anti-competitive provisions in the Universal Postal Convention that lend themselves to market allocation, price-fixing, or unjustified refusals to deal; and
- to provide for equal customs treatment and liability rules for unreserved postal services (including parcels).

According to Article 120.2 of the UPU General Regulations, (i) proposals to amend the Constitution or General Regulations and (ii) proposals to amend the Convention sponsored by a single country must be submitted to the International Bureau of the UPU not later than six months prior to the start of the Congress. Hence, the deadline for submission of proposals such as the following appears to be February 23, 1999.

These draft proposals have been prepared by FDX Corporation (which includes Federal Express). They are consistent with the principles set out in the "Petition for a Rulemaking to Develop a Statement of Policy of the United States Towards the Universal Postal Union" submitted to the Department of State on November 18, 1998 by the Air Courier Conference of America (which is a member). FDX fully recognizes that the United States is only one member of the UPU and that the United States must work cooperatively with other members to effect reform. FDX believes that the following proposals are consistent with principles of reform supported by certain progressive members of the UPU. Most fundamentally, while United States sponsorship of the following proposals may not guarantee adoption by the UPU Congress, FDX believes that United States sponsorship will materially advance prospects for meaningful reform in the next UPU Congress.

Contents

PROPOSAL 1	To amend the Constitution and recast the General Regulations to separate governmental and operational functions.	4
	Constitution Article 1. Scope and objectives of the Union	5
	Constitution Article 4. Exceptional relations	6
	Constitution Article 8. Restricted Unions. Special Agreements	6
	Constitution Article 13. Bodies of the Union	6
	Constitution Article 18. Postal Operations Council	7
	Constitution Article 20. International Bureau	7
	Constitution Article 22. Acts of the Union	8
	Constitution Article 29. Presentation of proposals	8
	Constitution Article 32. Arbitration	9
	General Regulations (recast)	9
	Resolution: To provide for an immediate recasting of the Convention to separate governmental and operational functions prior to effectiveness of the Convention on 1 January 2001	9
PROPOSAL 2	To limit authority of member countries to refuse to forward or deliver international mail except when postal operators are not properly compensated for their services.	11
	Convention Article 25. Posting abroad of letter-post items	11
PROPOSAL 3	To provide for compensation for delivery of international letter-post items at levels comparable to compensation for similar domestic letter-post items.	13
	Convention Article 49. Terminal dues	13
PROPOSAL 4	To provide for equal application of customs laws to letter-post services outside the reserved area and express (EMS) service and to encourage further modernization of customs controls.	16
	Convention Article 31. Customs control	16
	Convention Article 32. Presentation-to-Customs charge	17
	Convention Article 33. Customs duty and other fees	17
PROPOSAL 5	To provide principles for pricing competitive international postal services.	18
	Convention Article 6. Charges	18
	Convention Article 11. Preferential rates	18

PROPOSAL 6 To provide for equal application of customs laws to parcel services and to encourage further modernization of customs controls. 20

 Parcels Ag. Article 23. Customs control 20

 Parcels Ag. Article 24. Presentation-to-Customs charge 21

 Parcels Ag. Article 25. Customs duty and other fees 21

PROPOSAL 7 To provide for equal application of liability laws to parcel services. 23

 Parcels Ag. Article 26. Liability of postal administrations. Indemnities 23

 Parcels Ag. Article 27. Non-liability of postal administrations 24

APPENDIX: Draft Recasting of the General Regulations of the Universal Postal Union

PROPOSAL 1 To amend the Constitution and recast the General Regulations to separate governmental and operational functions.

This set of related amendments proposes (i) to amend Articles 1, 4, 8, 18, 20, 22, 29, and 32 of the Constitution of the Universal Postal Union, (ii) to recast the General Regulations in order to separate governmental and operational functions, and (iii) to instruct the reconstituted Council of Administration to propose a recasting of the Universal Postal Convention to reflect the principles so enacted.

Although creation of the Council of Administration and the Postal Operations Council in 1994 was intended as a step towards separation of governmental and operational functions, the 1994 reforms do not in fact achieve a clear separation of functions. Under the 1994 reforms, the Postal Operations Council, a committee of postal officials, is vested with legislative authority in areas which its members have a direct commercial interest. Such a conflict of interest would be unacceptable in the United States and other developed countries. Similarly, membership in the Council of Administration is limited to persons "competent in postal matters," assuring a predominance of postal officials in that committee as well. The relationship between the Council of Administration and Postal Operations Council is not the arm's length relation that should characterize impartial regulators and commercial operators. Instead, the two committees closely coordinate their activities and share a common secretariat. Public observers, who might lend a degree of transparency to governmental decisions, are not permitted.¹

While failing to separate fully governmental and operational functions, the UPU has steadily become more commercially partisan. This trend began in 1984 when the Hamburg Congress, "considering the growing competition," formally declared that the UPU "must actively participate in the strengthening of the international postal service as a whole" by "promoting solidarity and cooperation among all administrations." The short Declaration of Hamburg was followed by a more comprehensive "Washington General Action Plan" in 1989 and a "Seoul Postal Strategy" in 1994. The Beijing Congress will consider a draft UPU Strategic Plan 2000-2004 that continues commingling of governmental and commercial functions.² Objective 1, for example, declares that the UPU will seek to ensure universal service, a governmental function, while Objective 4 declares that the UPU will "carry out market and product research aimed at producing better postal products

¹ The lack of separation between governmental and operational functions is also evident in the texts of the Universal Postal Convention and the Detailed Regulations. In this set of amendments, revision of the Convention is committed to a reconstituted Council of Administration; amendments to the Detailed Regulations are considered unnecessary because the Detailed Regulations would no longer have the status of binding international law.

² UPU CA 1998-Doc 9d (Aug. 20, 1998).

[and] leveraging the assets of the postal network," purely commercial functions.

UPU members from the European Union have objected to this combination of governmental and commercial functions. A 1992 survey of European UPU members revealed that a "majority preferred separation into two distinct organizations."³ The amendments proposed in this set would accomplish precisely this end. In summary, this set of amendments would:

- make clear that the fundamental purpose of UPU to benefit the peoples of the world by promoting the development of international postal services of all types, whether offered by public or private operators;
- commit matters of laws and legal policy to the *governments* of the member countries acting through the Congress and the Council of Administration, supported by its own staff, called the Secretariat; and
- commit matters of postal operations and technique to a council of *operators*, the Postal Operations Council, nominated and funded by the UPU and supported by its own staff, the International Bureau; as reconstituted, the POC can develop standards and arrangements for international operations, provide technical assistance to postal operators in developing countries, and offer advice to the Council of Administration, but cannot legislate binding international law nor engage in purely commercial activities such as development of a Strategic Plan (postal operators can conduct such activities outside the Postal Operations Council as permitted by national laws).

I. Amendments to the Constitution

Constitution Article 1. Scope and objectives of the Union

Paragraph 2. Amend as follows:

2 The aim of the Union shall be to secure the ~~organization and improvement~~ organization, improvement, and facilitation of the ~~postal~~ services of all postal operators, public and private, and to promote in this sphere the development of international collaboration for the benefit of peoples of the world.

Reasons. - Echoing similar provisions in Article 1 of the Constitution of the International Telecommunication Union, this amendment makes clear that the fundamental purpose of the Union is to benefit "the peoples of the world". To this end, this amendment proposes that the UPU should seek to secure the "facilitation" of postal services as well as their organization and improvement

³ UPU CE 1993/C3 - Doc 2a/Add 1, paragraph 11 (Working Party WP 3/3: Report of the 11 September 1992 Meeting).

since, in many cases, what is required is not more governmental intervention but less. Finally, the amendment makes clear that beneficial actions of the UPU should be addressed in a commercially neutral manner towards all operators, public and private, and not only one class of operators.

Constitution Article 4. Exceptional relations

Amend as follows:

~~Postal administrations~~ Member countries which provide a service with territories not included in the Union are bound to act as intermediaries for other ~~administrations~~ countries. The provisions of the Convention ~~and its Detailed Regulations~~ shall be applicable to such exceptional relations.

Reasons. - The rights and obligations of the Union should be addressed to member countries, who are the legal parties to the Constitution and other Acts. Member countries should decide for themselves how to discharge these rights and obligations. The reference to Detailed Regulations is deleted because, in a related amendment to Article 22, it is proposed that the Detailed Regulations should be binding only on postal operators who are party to them.

Constitution Article 8. Restricted Unions. Special Agreements

Amend as follows:

1 Member countries ~~, or their postal administrations if the legislation of those countries so permits,~~ may establish Restricted Unions and make Special Agreements concerning the international postal service, provided always that they do not introduce provisions less favourable to the public than those provided for by the Acts to which the member countries concerned are parties.

Reasons. - The rights and obligations of the Union should be addressed to member countries, who are the legal parties to the Constitution and other Acts. Member countries should decide for themselves how to discharge these rights and obligations.

Constitution Article 13. Bodies of the Union

Amend as follows:

Article 13
Bodies of the Union

1 The Union's bodies shall be Congress, the Council of Administration, the Secretariat, the Postal Operations Council and the International Bureau.

2 The Union's permanent bodies shall be the Council of Administration, the Secretariat, the Postal Operations Council and the International Bureau.

Reasons. - In order to promote the organization, improvement, and facilitation of the services of all postal operators, public and private, the UPU must separate governmental functions, committed to the Council of Administration, from operational functions, committed to the Postal Operations Council. This amendment provides that the Council of Administration shall establish its own Secretariat separate from the International Bureau. The International Bureau will continue to support the operational activities of the Postal Operations Council.

Constitution Article 18. Postal Operations Council

Amend as follows:

~~The Postal Operations Council (POC) shall be responsible for operational, commercial, technical and economic questions concerning the postal service.~~ The Postal Operations Council (POC) shall be a council of postal operators, appointed and funded by the Union, to facilitate the international exchange of postal services mandated by member countries and to promote the development of postal services in developing countries, within the framework of laws developed by the Congress and the Council of Administration.

Reasons. - This amendment clarifies the role of the Postal Operations Council as council of postal operators, distinct from the governments which comprise the Council of Administration, whose function is to facilitate the exchange of mandatory services and promote development of postal services in developing countries.

Constitution Article 20. International Bureau

Amend as follows:

Article 20
Secretariat and International Bureau

1 A central office operating at the seat of the Union under the title of the Secretariat of the Universal Postal Union, directed by a Director General and placed under the control of the Council of Administration, shall serve as an organ of execution, support, liaison, information and consultation for the Council of Administration.

2 A central office operating at the seat of the Union under the title of the International Bureau of the Universal Postal Union, directed by a Director General and placed under the control of the Postal Operations Council, shall serve as an organ of execution, support, liaison, information and consultation for the Postal Operations Council.

Reasons. - In order to promote the organization, improvement, and facilitation of the services of all postal operators, public and private, the UPU must separate governmental functions, committed to the Council of Administration, from operational functions, committed to the Postal Operations Council. This amendment provides that the Council of Administration shall establish its own Secretariat separate from the International Bureau. The International Bureau will continue to support the operational activities of the Postal Operations Council.

Constitution Article 22. Acts of the Union

Paragraphs 3, 4, and 5. Amend as follows

3 The Universal Postal Convention ~~and its Detailed Regulations~~ shall embody the rules applicable throughout the international postal service and the provisions concerning the letter-post services. These Acts shall be binding on all member countries.

4 The Agreements of the Union ~~, and their Detailed Regulations,~~ shall regulate the services other than those of the letter post between those member countries which are parties to them. They shall be binding on those countries only.

5 The Detailed Regulations, which shall contain the rules of ~~application necessary for the implementation of an operational nature pursuant to~~ the Convention and of the Agreements, shall be drawn up by the Postal Operations Council, bearing in mind the decisions taken by Congress. Detailed Regulations shall be binding as contractual obligations upon postal operators which are parties to them and shall not be considered "Acts" of the Union.

Reasons. - The Detailed Regulations are prepared and authenticated by the Postal Operations Council, a group whose membership is limited to postal operators. It is inappropriate, therefore, to delegate to the Postal Operations Council authority to enact legislation which is binding on member countries and postal operators which are not members of the Postal Operations Council. As specified more fully in amendments to the General Regulations, the function of the Detailed Regulations should be to develop standards for operational agreements, binding on participating postal operators, within the framework of laws established by the Convention and Agreements. Finally, the amendment clarifies that the Detailed Regulations are acts of the Postal Operations Council and not acts of the member countries of the Union.

Constitution Article 29. Presentation of proposals

Paragraph 1. Amend as follows:

1 ~~The postal administration of a~~ A member country shall have the right to present, either to Congress or between Congresses, proposals concerning the Acts of the Union to which its country is a party.

Reasons. - Member countries, not postal administrations, are parties to the "Acts of the Union". Hence, it is appropriate for member countries, not postal operators, to propose amendments to the Acts.

Constitution Article 32. Arbitration

Amend as follows:

In the event of a dispute between two or more ~~postal administrations~~ of member countries concerning the interpretation of the Acts of the Union or the responsibility imposed ~~on a postal administration~~ by the application of those Acts, the question at issue shall be settled by arbitration.

Reasons. - The rights and obligations of the Union should be addressed to member countries, who are the legal parties to the Constitution and other Acts. Member countries should decide for themselves how to discharge these rights and obligations.

II. Amendments to the General Regulations

General Regulations (recast)

Recast the General Regulations as shown in the Appendix.

Reasons. - The foregoing amendments to the Constitution require a thorough recasting of the General Regulations to identify the separate duties of the two support staffs, the Secretariat and the International Bureau, to make clear that membership in the Union and the power of legislate international law is an attribute of member countries, not of the postal administrations of member countries (except as may be delegated by decision in individual member countries).

III. Resolution of a General Nature

Resolution: To provide for an immediate recasting of the Convention to separate governmental and operational functions prior to effectiveness of the Convention on 1 January 2001

Congress,

In view of
the enactment of amendments to the Constitution and recasting the General Regulations to provide for separation of governmental and operational functions and the withdrawal of legal authority from the Detailed Regulations,

Noting

the commingling of governmental and operational functions in the Convention and the Agreements of the Unions and associated Detailed Regulations,

Instructs

the Council of Administration to propose to member countries, no later than 30 June 2000, a recasting of the Convention and the Agreements in such a manner as to retain only those provisions which require the status of international law in order to further the aims of the Union, while retaining the substance of the policies endorsed in the version of the Convention adopted by the Congress.

Reasons. - Revising the Convention and Agreements to implement the principle of separation of governmental and operational functions is a complex task best left to the Council of Administration after the Congress indicates its policy preferences by amending the text placed before the Congress.

PROPOSAL 2 To limit authority of member countries to refuse to forward or deliver international mail except when postal operators are not properly compensated for their services.

Convention Article 25. Posting abroad of letter-post items

Amend to read as follows:

Article 25. ~~Posting abroad of letter-post items~~ Non-payment of postage and fees

~~1—A member country shall not be bound to forward or deliver to the addressee letter-post items which senders residing in its territory post or cause to be posted in a foreign country with the object of profiting by the more favourable rate conditions there.~~

~~2—The provisions set out under 1 shall be applied without distinction both to letter-post items made up in the sender's country of residence and then carried across the frontier and to letter-post items made up in a foreign country.~~

~~3—The administration of destination may claim from the sender and, failing this, from the administration of posting, payment of the internal rates. If neither the sender nor the administration of posting agrees to pay these rates within a time limit set by the administration of destination, the latter may either return the items to the administration of posting and shall be entitled to claim reimbursement of the redirection costs, or handle them in accordance with its own legislation.~~

~~4—A member country shall not be bound to forward or deliver to the addressees letter-post items which senders post or cause to be posted in large quantities in a country other than the country where they reside, without receiving appropriate remuneration. The administration of destination may claim from the administration of posting payment commensurate with the costs incurred and which may not exceed the higher of the following two amounts: either 80 percent of the domestic tariff for equivalent items, or 0.14 SDR per item plus 1 SDR per kilogramme. If the administration of posting does not agree to pay the amount claimed within a time limit set by the administration of destination, the administration of destination may either return the items to the administration of posting and shall be entitled to claim reimbursement of the redirection costs, or handle them in accordance with its own legislation.~~

A member country shall not be bound to ensure the forwarding or delivery of letter-post items received from postal operators or other persons who persistently fail to provide timely compensation for such services to postal operators operating with its territory.

Reasons. - Article 25 of the Universal Postal Convention has historically authorized postal administrations to protect each other's "home market" by allowing them to refuse to forward or deliver international mail that is posted in a country other than the country where the mailer resides. In 1994, the UPU expanded this provision by making clear that postal administrations could intercept such mail if the mailer is considered to "reside" in one country and uses electronic means to produce mail in a second country.

The anti-competitive nature of Article 25 has long been a concern of U.S. and European authorities. In 1986, President Reagan instructed the Postal Service to "make sure that the [UPU] Acts, particularly [Article 25], are not used to stifle healthy competition."⁴ In 1993, the European Commission condemned postal resort to Article 25 to intercept mail.⁵ In 1998, the European Court of Justice declared interception of mail under Article 25 was not justified either as a means of enforcing a national postal monopoly or as a means of defending an ill-considered agreement on terminal dues.⁶

The proposal would limit the authority of member countries to refuse to forward or deliver mail to situations in which postal operators operating in their territory are not properly compensated for their services. This is believed to be the only appropriate ground for permitting a member country to refuse to forward or deliver mail.

It should be noted that, the proposed article excuses a member country from delivering or forwarding letter-post items for which postal operators are not paid in timely fashion even though the Universal Postal Convention does not, as currently drafted, include a general obligation to deliver international letter-post mail in a non-discriminatory manner. If such an obligation is not included in the version of the Convention approved by Congress in 1999, it might be considered by the Council of Administration in the recasting required by the Resolution proposed below.

⁴ Letter from Ronald Reagan, President, to Albert Casey, Postmaster General, May 1, 1986.

⁵ European Commission, Statement of Objections, Case IV/32.791 - Remail.

⁶ Court of First Instance, Cases T-133/95 and 210/95, International Express Carriers Conference v. Commission, paragraphs 98-99 (Sept. 16, 1998).

PROPOSAL 3 To provide for compensation for delivery of international letter-post items at levels comparable to compensation for similar domestic letter-post items.

Convention Article 49. Terminal dues

Amend to read as follows:

Article 49.

Terminal dues

~~1 Subject to article 50, each administration which receives letter-post items from another administration shall have the right to collect from the dispatching administration a payment for the costs incurred for the inter-national mail received.~~

~~2 Payment~~

~~2.1 Payment for the letter-post items, excluding M bags, shall be 3.427 SDR per kilogramme.~~

~~2.2 For M bags, the rate to be applied shall be 0.653 SDR per kilogramme.~~

~~2.2.1 M bags weighing less than 5 kilogrammes shall be considered as weighing 5 kilogrammes for terminal dues payment purposes.~~

~~3 Revision mechanism~~

~~3.1 When, in a given relation, an administration dispatching or receiving a mail flow of more than 150 tonnes a year (M bags excluded) establishes that the average number of items contained in 1 kilogramme of mail dispatched or received deviates from the world average of 17.26 items, it may have the rate revised if, compared with this world average:~~

~~3.1.1 the number of items is more than 21 or~~

~~3.1.2 the number of items is less than 14.~~

~~3.1.3 In the case provided for under 3.1.2 the revision shall not be applicable if the flow in question is destined for a developing country included in the list approved for this purpose by Congress:~~

~~3.1.4 When an administration requests application of the revision provided for under 3.1, the corresponding administration may do likewise, even if the flow in the other direction is less than 150 tonnes a year.~~

~~3.1.4.1 The provisions under 3.1.4 shall not apply to the developing countries included in the list approved for this purpose by Congress:~~

~~3.2 The revision shall be carried out on the terms specified in the Detailed Regulations.~~

~~4 Bulk mail~~

~~4.1 For bulk mail, the administration of destination may request specific payment according to one~~

of the following formulas:

- ~~4.1.1 application of the world average rates of 0.14 SDR per item and 1 SDR per kilogramme;~~
- ~~4.1.2 application of rates per item and per kilogramme reflecting the handling costs in the country of destination; these costs must be in relation with the domestic rates in accordance with the conditions specified in the Detailed Regulations;~~
- ~~4.2 Subject to the provisions under 3.1.3, when an administration of destination requests specific payment for bulk mail, the dispatching administration shall be entitled to request that the remainder of the flow be subject to the revision provided for under 3.1.~~

~~5 The Postal Operations Council shall be authorized to amend the payments mentioned under 2 and 4.1.1 between Congresses. Any revision carried out shall be based on available economic and financial data. Any amendment decided upon shall come into force at a date set by the Postal Operations Council. The latter shall also be authorized to define the ways and means of implementing the payment system mentioned under 4.1.2.~~

~~6 Any administration may waive wholly or in part the payment provided for under 1.~~

~~7 The administrations concerned may, by bilateral or multilateral agreement, apply other payment systems for the settlement of terminal dues accounts.~~

1 Subject to article 50, each postal operator operating in a member country which receives international letter-post items from a foreign postal operator or mailer shall have the right to collect from the foreign postal operator or mailer compensation for the costs incurred that is comparable to the compensation received for the delivery of substantially similar domestic letter-post items presenting the same characteristics (category, quantity, handling time, etc).

2 Each member country shall ensure that postal operators operating in its territory provide for the forwarding and delivery of international letter-post items without regard to the nationality or the public or private status of the postal operator or mailer tendering the letter-post items.

3 The Postal Operations Council is authorized to develop standard procedures to simplify the calculation of payments referred to in paragraph 1, including the development of standardized conversion tables for weight steps denominated in different units, currency conversion tables, and similar measures.

4 The Council of Administration shall, by adoption of regulations, authorize each developing country to add to the compensation permitted by paragraph 1, an additional amount comparable to the amount of direct governmental subsidy, if any, provided to postal operators operating in its territory for the delivery of similar domestic letter-post items presenting the same characteristics (category, quantity, handling time, etc).

5 This section shall apply only to mandatory letter-post services for which there does not exist effective competition in the country of destination for the delivery of such letter-post items.

Reasons. - Historically, terminal dues have not been aligned with domestic postage rates; instead, terminal dues were set at uniform rates, creating discrepancies between terminal dues and domestic postage rates that distorted international trade, affecting not only the services of public operators but also services of private operators and mailers that make use of such services. Today, it is widely recognized that the UPU terminal dues system needs major reform. Moreover, both the U.S. government and the European Commission have recognized that terminal dues schemes have been used for anti-competitive purposes.

The proposed revision of Article 49 eliminates the distortive and anti-competitive aspects of terminal dues payments which protects the ability of developing countries to protect subsidized postal services from unfair competition by international "re-mail" services. The concept of equal charges for letter-post mail "presenting the same characteristics (category, quantity, handling time, etc)" is taken from Article 6.2, which requires that international mail should be charged at least as much as domestic mail (this requirement is eliminated in Proposal 5, below).

PROPOSAL 4 To provide for equal application of customs laws to letter-post services outside the reserved area and express (EMS) service and to encourage further modernization of customs controls.

Convention Article 31. Customs control

Amend as follows:

Article 31
Customs control

~~1 The postal administrations of the countries of origin and destination shall be authorized to submit letter-post items to customs control, c of those countries.~~

1 Member countries shall provide for expeditious customs control of inbound and outbound international letter-post items according to the principles of this article.

2 The Council of Administration is authorized to develop, in consultation with the Postal Operations Council, other postal operators, mailers, other interested parties, and the World Customs Organization, forms which may be used for the customs declaration of customs information for letter-post items.

3 Member countries shall provide for customs treatment of unreserved postal services in a manner that provides substantially similar treatment to similar tenders of letter-post items presenting the same characteristics (category, quantity, handling time, etc) without regard to the nationality or the public or private status of the postal operator or mailer tendering the letter-post items to customs. In particular, in respect to the customs control of unreserved postal services: (i) forms adopted by the Council of Administration pursuant to paragraph 2 shall apply equally to the customs clearance by all postal operators and (ii) all postal operators shall be liable for customs declarations in the same manner.

4 The Council of Administration shall cooperate with the World Customs Organization, other international bodies, and governments of member countries in the development of new methods to minimize or eliminate the costs and delays of customs formalities for letter-post items while protecting the legitimate needs of member countries.

5 This article shall apply equally to express items transported via EMS services provided under Article 57 and similar services provided by private operators.

Reasons. - Article 31 of the Universal Postal Convention and the associated Detailed Regulations provide simplified forms and procedures for presentation to customs of items transported by public postal operators. Most significantly, Article 3101(7) declares that postal administrations "shall accept no liability for the customs declarations." Customs provisions of the Universal Postal Convention and Detailed Regulations are incorporated in the Annex F. 4 of the Kyoto Convention, the international convention on application of customs laws.

As postal services become more and more competitive, fairness dictates that similar customs treatment should be provided for similar items without regard to the identity of the operator, at least for postal services outside a reserved area. This proposal requires member countries to provide non-discriminatory and expeditious customs treatment for all letter-post items and express items carried outside the reserved area and to authorize the Council of Administration to work for minimalization or elimination of customs costs and delays.

Convention Article 32. Presentation-to-Customs charge

Delete entire article as follows:

Article 32

~~Presentation-to-Customs charge~~

~~1—Items submitted to customs control in the country of origin or of destination, as the case may be, may be subjected to a special charge of 2.61 SDR at most as a postal charge. For each M bag, the special charge may be up to 3.27 SDR at most. This charge shall only be collected for the submission to Customs and customs clearance of items which have attracted customs charges or any other similar charge.~~

Reasons. - Charges to addressees for work done in the clearance of customs is a commercial matter and not appropriate inclusion in the Convention.

Convention Article 33. Customs duty and other fees

Delete entire article as follows:

Article 33

~~Customs duty and other fees~~

~~1—Postal administrations shall be authorized to collect from the senders or addressees of items, as the case may be, the customs duty and all other fees which may be due.~~

Reasons. - Whether or not a postal operator may collect customs duty and fees from the senders or addressees of items is a matter for national legislation consistent with revised Article 31.

PROPOSAL 5 To provide principles for pricing competitive international postal services.

Convention Article 6. Charges

Paragraph 2. Delete in its entirety, as follows:

~~2 The charges collected, including those laid down for guideline purposes in the Acts, shall be at least equal to those collected on internal service items presenting the same characteristics (category, quantity, handling time, etc).~~

Reasons. - This article requires a postal operator to charge at least as for much international postal services as for comparable domestic postal services. International mail postal services may, however, cost less to produce than domestic services in the origin country if the cost of delivery in the destination country is less than the cost of delivery in the origin country. There is no reason to prohibit postal operators from setting international postage rates according to cost when costs are less than domestic postage rates. Moreover, this article appears inconsistent with competition laws of many countries.

Convention Article 11. Preferential rates

Amend to read as follows:

Article 11

Preferential rates Pricing of competitive postal services

~~1 Above the minimum level of charges laid down in article 6.2, postal administrations may allow reduced charges based on their internal legislation for letter-post items posted in their country. They may, for instance, give preferential rates to major users of the Post.~~

As a general principle, member countries should ensure, according to their national legislation, that postal operators that derive revenues from reserved services set charges for competitive international postal services so that the charges will cover the incremental costs of providing such services and contribute appropriately to common overhead costs.

Reasons. - Article 11 of the Universal Postal Convention, added in 1989, encourages postal administrations to protect market share by giving major customers "preferential" prices that can be set as low as the lowest domestic rate applicable to similar mail. Given the differences between domestic and international postal costs and the absence of controls on postage rates in many countries, this standard could imply UPU approval of pricing schemes whereby high rates on some

postal services are used to cross subsidize below-cost pricing of others. The proposal would instead declare UPU support for the (non-binding) principle that international postage rates should cover incremental costs and an appropriate share of overhead costs.

PROPOSAL 6 To provide for equal application of customs laws to parcel services and to encourage further modernization of customs controls.

Parcels Ag. Article 23. Customs control

Amend as follows:

Article 23

Customs control

~~1 The postal administrations of the countries of origin and destination shall be authorized to submit parcels to customs control, according to the legislation of those countries.~~

1 Member countries shall provide for expeditious customs control of inbound and outbound international parcels according to the principles of this article.

2 The Council of Administration is authorized to develop, in consultation with the Postal Operations Council, other postal operators, mailers, other interested parties, and the World Customs Organization, forms which may be used for the customs declaration of customs information for parcels.

3 Member countries shall provide for customs treatment of unreserved parcel services in a manner that provides substantially similar treatment to similar tenders of parcels items presenting the same characteristics (category, quantity, handling time, etc) without regard to the nationality or the public or private status of the postal operator or mailer tendering the parcels to customs. In particular, in respect to the customs control of unreserved parcel services: (i) forms adopted by the Council of Administration pursuant to paragraph 2 shall apply equally to the customs clearance by all postal operators and (ii) all postal operators shall be liable for customs declarations in the same manner.

4 The Council of Administration shall cooperate with the World Customs Organization, other international bodies, and governments of member countries in the development of new methods to minimize or eliminate the costs and delays of customs formalities for parcels while protecting the legitimate needs of member countries.

Reasons. - Article 23 of the Parcels Agreement and associated Detailed Regulations provide simplified forms and procedures for presentation to customs of items transported by public postal operators. Article 27.3 declares that postal administrations "shall accept no liability for the customs declarations." Customs provisions of the Parcels Agreement and Detailed Regulations are incorporated in the Annex F. 4 of the Kyoto Convention, the international convention on application

of customs laws.

As postal services become more and more competitive, fairness dictates that similar customs treatment should be provided for similar items without regard to the identity of the operator, at least for parcel services outside a reserved area. This proposal requires member countries to provide non-discriminatory and expeditious customs treatment for all parcels carried outside the reserved area and to authorize the Council of Administration to work for minimalization or elimination of customs costs and delays.

Parcels Ag. Article 24. Presentation-to-Customs charge

Delete as follows:

~~Article 24~~

~~Presentation-to-Customs charge~~

~~1—Parcels submitted to customs control in the country of origin may be subjected to a presentation-to-Customs charge of 0.65 SDR at most per parcel. As a general rule, the charge shall be collected at the time of posting of the parcel.~~

~~2—Parcels submitted to customs control in the country of destination may be subjected to a charge of 3.27 SDR at most per parcel. This charge shall only be collected for the submission to Customs and customs clearance of items which have attracted customs charges or any other similar charges. In the absence of special agreement, the charge shall be collected at the time of delivery of the parcel to the addressee. However, in the case of parcels for delivery free of charges and fees, the presentation-to-Customs charge shall be collected by the administration of origin on behalf of the administration of destination.~~

Reasons. - Charges to addressees for work done in the clearance of customs is a commercial matter and not appropriate inclusion in the Convention.

Parcels Ag. Article 25. Customs duty and other fees

Delete as follows:

~~Article 25~~

~~Customs duty and other fees~~

~~1—Administrations of destination shall be authorized to collect from addressees all fees, especially customs duty, payable on the items in the country of destination.~~

Reasons. - Whether or not a postal operator may collect customs duty and all other fees from the senders or addressees of items is a matter for national legislation consistent with the principles of the revised Article 23.

PROPOSAL 7 To provide for equal application of liability laws to parcel services.

Parcels Ag. Article 26. Liability of postal administrations. Indemnities

Delete as follows:

~~Article 26~~

~~Liability of postal administrations. Indemnities~~

~~1 Postal administrations shall be liable for the loss of, theft from or damage to parcels, except as provided for in article 27.~~

~~2 Administrations may undertake to cover risks arising from a case of force majeure.~~

~~3 The sender shall be entitled to an indemnity corresponding, in principle, to the actual amount of the loss, theft or damage. Consequential losses or loss of profits shall not be taken into consideration. However, this indemnity may in no case exceed:~~

~~3.1 for insured parcels, the amount of the insured value in SDRs;~~

~~3.2 for other parcels, amounts calculated by combining the rate of 40 SDR per parcel and the rate of 4.50 SDR per kilogramme.~~

~~4 Administrations may agree to apply, in their reciprocal relations, the amount of 130 SDR per parcel regardless of the weight.~~

~~5 The indemnity shall be calculated according to the current price, converted into SDRs, of goods of the same kind at the place and time at which the parcel was accepted for conveyance. Failing a current price, the indemnity shall be calculated according to the ordinary value of goods whose value is assessed on the same basis.~~

~~6 When an indemnity is due for the loss, total theft or total damage of a parcel, the sender or the addressee, as the case may be, shall also be entitled to repayment of the charges paid with the exception of the insurance charge. The same shall apply to items refused by the addressees because of their bad condition if that is attributable to the postal service and involves its liability.~~

~~7 When the loss, total theft or total damage is due to a case of force majeure for which indemnity is not payable, the sender shall be entitled to repayment of the charges paid, with the exception of the insurance charge.~~

~~8 Notwithstanding the provisions set out in 3, the addressee shall be entitled to the indemnity after~~

taking delivery of a rifled or damaged parcel:

~~9 The administration of origin shall have the option of paying senders in its country the indemnities prescribed by its internal legislation for uninsured parcels, provided that they are not lower than those laid down in 3.2. The same shall apply to the administration of destination when the indemnity is paid to the addressee. However, the amounts laid down in 3.2 shall remain applicable:~~

~~9.1 in the event of recourse against the administration liable; or~~

~~9.2 if the sender waives his rights in favour of the addressee or vice versa.~~

Reasons. - Liability is a commercial matter that should be negotiated between postal operators and shippers, subject to national liability law, not imposed by international law for the advantage or disadvantage of one class of postal operators.

Parcels Ag. Article 27. Non-liability of postal administrations

Delete as follows:

~~Article 27~~

~~Non-liability of postal administrations~~

~~1 Postal administrations shall cease to be liable for parcels which they have delivered, according to the conditions laid down in their internal regulations for items of the same kind. Liability shall however be maintained:~~

~~1.1 when theft or damage is discovered either prior to or at the time of delivery of the parcel;~~

~~1.2 when, internal regulations permitting, the addressee or, the sender if it is returned to origin, makes reservations on taking delivery of a rifled or damaged item;~~

~~1.3 when the addressee or, in the case of return to origin, the sender, although having given a proper discharge, notifies the delivery administration without delay that he has found theft or damage; he shall furnish proof that such theft or damage did not occur after delivery.~~

~~2 In the cases listed below, postal administrations shall not be liable:~~

~~2.1 in cases of force majeure, subject to article 26.2;~~

~~2.2 when they cannot account for parcels owing to the destruction of official records by force majeure, provided that proof of their liability has not been otherwise produced;~~

~~2.3 when such loss, theft or damage has been caused by the fault or negligence of the sender or arises from the nature of the contents;~~

~~2.4 in the case of parcels whose contents fall within the prohibitions specified in article 18, in so far as these parcels have been confiscated or destroyed by the competent authority because of their contents;~~

~~2.5 when the parcels have been seized under the legislation of the country of destination, as notified by the administration of that country;~~

~~2.6 in the case of insured parcels which have been fraudulently insured for a sum greater than the~~

actual value of the contents;

~~2.7 when the sender has made no inquiry within one year from the day after that on which the parcel was posted;~~

~~2.8 in the case of prisoner-of-war or civilian internee parcels.~~

~~3—Postal administrations shall accept no liability for customs declarations in whatever form these are made or for decisions taken by the Customs on examination of parcels submitted to customs control.~~

Reasons. - Liability is a commercial matter that should be negotiated between postal operators and shippers, subject to national liability law, not imposed by international law for the advantage or disadvantage of one class of postal operators.

Appendix

**Draft Recasting of the
General Regulations of the Universal Postal Union**

Contents

Chapter I. Functioning of the Union's bodies

Article 101. Organization and convening of Congresses and Extraordinary Congresses	A3
Article 102. Composition, functioning and meetings of the Council of Administration	A3
Article 103. Documentation on the activities of the Council of Administration	A7
Article 104. Composition, functioning and meetings of the Postal Operations Council	A7
Article 105. Documentation on the activities of the Postal Operations Council	A11
Article 106. Rules of Procedure of Congresses	A11
Article 107. Working languages of the <u>Secretariat and the International Bureau</u>	A11
Article 108. Languages used for documentation, for debates and for official correspondence	A11

Chapter II. Secretariat and International Bureau

Article 109. Election of the Director-General and Deputy Director-General of the International Bureau <u>Directors-General and Deputy Directors-General of the Secretariat and the International Bureau</u>	A13
Article 110. Duties of the Director-General <u>of the Secretariat</u>	A14
Article 110bis. Duties of the Director-General of the International Bureau	A15
Article 111. Duties of the Deputy Director-General <u>Deputy Directors-General</u>	A16
Article 112. Secretariat of the Union's bodies	A16
Article 113 List of member countries	A17
Article 114. Information. Opinions. Requests for interpretation and amendment of the Acts. Inquiries. Role in the settlement of accounts	A17
Article 115. Technical cooperation	A17
Article 116. Forms supplied by the International Bureau	A18
Article 117. Acts of Restricted Unions and Special Agreements	A18
Article 118. Union periodical	A18
Article 119. Annual report on the work of the Union	A18

Chapter III. Procedure for the submission and consideration of proposals

Article 120. Procedure for submitting proposals to Congress A18
Article 121. Procedure for submitting proposals between Congresses A19
Article 122. Consideration of proposals between Congresses A19
Article 123. Notification of decisions adopted between Congresses A20
Article 124. Entry into force of the Detailed Regulations and of the other decisions
adopted between Congresses A20

Chapter IV. Finance

Article 125. Fixing and regulation of the expenditure of the Union A20
Article 126. Contribution classes A22
Article 127. Payment for supplies from the International Bureau A23

Chapter V. Arbitration

Article 128. Arbitration procedure A23

Chapter VI. Final provisions

Article 129. Conditions for approval of proposals concerning the General
Regulations A24
Article 130. Proposals concerning the Agreements with the United Nations A24
Article 131. Entry into force and duration of the General Regulations A24

Chapter I. Functioning of the Union's bodies

Article 101. Organization and convening of Congresses and Extraordinary Congresses

1 The representatives of member countries shall meet in Congress not later than five years after the date on which the Acts of the preceding Congress come into operation.

2 Each member country shall arrange for its representation at Congress by one or more plenipotentiaries furnished by their Government with the necessary powers. It may, if need be, arrange to be represented by the delegation of another member country. Nevertheless it shall be understood that a delegation may represent only one member country other than its own.

3 In debates, each country shall be entitled to one vote.

4 In principle, each Congress shall designate the country in which the next Congress will be held. If that designation proves inapplicable, the Council of Administration shall be authorized to designate the country where Congress is to meet, after consultation with the latter country.

5 After consultation with the ~~International Bureau Secretariat~~, the host Government shall fix the definitive date and the precise locality of Congress. In principle one year before that date the host Government shall send an invitation to the Government of each member country of the Union. This invitation may be sent direct or through the intermediary of another Government or through the Director-General of the ~~International Bureau Secretariat~~. The host Government shall also be responsible for notifying the decisions taken by Congress to all the Governments of member countries.

6 When a Congress has to be convened without a host Government, the ~~International Bureau Secretariat~~, with the agreement of the Council of Administration and after consultation with the Government of the Swiss Confederation, shall take the necessary steps to convene and organize the Congress in the country in which the seat of the Union is situated. In this event the shall perform the functions of the host Government.

7 The meeting place of an Extraordinary Congress shall be fixed, after consultation with the ~~International Bureau Secretariat~~, by the member countries which have initiated that Congress.

8 Paragraphs 2 to 6 shall be applicable by analogy to Extraordinary Congresses.

Article 102. Composition, functioning and meetings of the Council of Administration

1 The Council of Administration shall consist of forty-one members who shall exercise their functions during the period between two successive Congresses.

2 The chairmanship shall devolve by right on the host country of Congress. If that country waives this right, it shall become a de jure member and, as a result, the geographical group to which it belongs shall have at its disposal an additional seat, to which the restrictive provisions of paragraph

3 shall not apply. In that case, the Council of Administration shall elect to the chairmanship one of the member countries belonging to the geographical group of the host country.

3 The forty other members of the Council of Administration shall be elected by Congress on the basis of an equitable geographical distribution. At least a half of the membership shall be renewed at each Congress; no member may be chosen by three successive Congresses.

4 Each member of the Council of Administration shall appoint its representative, ~~who shall be competent in postal matters.~~

5 The office of member of the Council of Administration shall be unpaid. The operational expenses of this Council shall be borne by the Union.

6 The Council of Administration shall have the following functions:

6.1 to supervise the activities of the Union between Congresses, ensuring compliance with the decisions of Congress, studying questions with respect to governmental policies on postal issues, and taking account of international regulatory developments such as those relating to trade in services and to competition;

6.2 to consider and approve, within the framework of its competence, any action considered necessary to safeguard and enhance the quality of and to modernize the international postal service provided by public and private operators;

6.3 ~~to promote, coordinate and supervise all forms of postal technical assistance within the framework of international technical cooperation;~~

6.4 to consider and approve the annual budget and accounts of the Union;

6.5 to authorize the ceiling of expenditure to be exceeded, if circumstances so require, in accordance with article 125, paragraphs 2bis, 3, 4 and 5;

6.6 to lay down the Financial Regulations of the UPU;

6.7 to lay down the rules governing the Reserve Fund;

6.8 to lay down the rules governing the Special Fund;

6.9 to lay down the rules governing the Special Activities Fund;

6.10 to lay down the rules governing the Voluntary Fund;

6.11 to provide control over the activities of the ~~International Bureau~~ Secretariat;

6.12 to authorize election of a lower contribution class, if it is so requested, in accordance with the conditions set out in article 126, paragraph 6;

6.13 to lay down the Staff Regulations and the conditions of service of the elected officials;

6.14 to create or abolish posts taking into account the restrictions imposed by the expenditure ceiling fixed;

- 6.15 to appoint or promote officials to the grade of Assistant Director-General (D 2);
- 6.16 to lay down the Regulations of the Social Fund;
- 6.17 to approve the annual report on the work of the Union prepared by the and where appropriate to furnish observations on it;
- 6.18 to decide on the contacts to be established with ~~postal administrations~~ postal operators and other interested parties in order to carry out its functions;
- 6.19 ~~after consulting the Postal Operations Council~~; to decide on the contacts to be established with the organizations which are not de jure observers, to consider and approve the reports by the ~~International Bureau Secretariat~~ on UPU relations with other international bodies and to take the decisions which it considers appropriate on the conduct of such relations and the action to be taken on them; to designate in due course the intergovernmental and nongovernmental international organizations which should be invited to be represented at a Congress and to instruct the Director-General of the Secretariat to issue the necessary invitations;
- 6.20 to establish principles, as may be considered necessary, for the Postal Operations Council to take into account in its study of questions with major financial repercussions (charges, terminal dues, transit charges, basic airmail conveyance rates and the posting abroad of letter-post items) ~~; to follow closely the study of these questions, and to review and approve, for conformity with the aforementioned principles, Postal Operations Council proposals relating to these questions;~~
- 6.21 to study ~~; at the request of Congress, the Postal Operations Council or postal administrations,~~ administrative, legislative and legal problems concerning the Union or the international postal service; ~~it shall be for the Council of Administration to decide, in the abovementioned fields, whether it is expedient to undertake the studies requested by postal administrations between Congresses;~~
- 6.22 ~~to approve the recommendations of the Postal Operations Council for the amendment, between two Congresses and in accordance with the procedure laid down in the Universal Postal Convention, of the postage charges for letter-post items;~~
- 6.23 to formulate proposals which shall be submitted for the approval ~~either~~ of Congress ~~or of postal administrations~~ in accordance with article 122;
- 6.24 to approve, within the framework of its competence, the recommendations of the member countries, the Postal Operations Council, postal operators or other interested parties for the adoption, if necessary, of regulations or of a new procedure until such time as Congress takes a decision in the matter;
- 6.25 to consider the annual report prepared by the Postal Operations Council and any proposals submitted by the Council;

- 6.26 to submit subjects for study to the Postal Operations Council for examination in accordance with article 104, paragraph 9.17;
- 6.27 to designate the country where the next Congress is to be held in the case provided for in article 101, paragraph 4;
- 6.28 to determine in due course ~~and after consulting the Postal Operations Council~~, the number of Committees required to carry out the work of Congress and to specify their functions;
- 6.29 to designate, ~~after consulting the Postal Operations Council and~~ subject to the approval of Congress, the member countries prepared: – to assume the vice-chairmanships of Congress and the chairmanships and vice-chairmanships of the Committees, taking as much account as possible of the equitable geographical distribution of the member countries; and – to sit on the restricted Committees of Congress;
- 6.30 to decide whether minutes of meetings of a Committee of Congress should be replaced by reports;
- 6.31 ~~to review and approve the draft Strategic Plan for presentation to Congress developed by the Postal Operations Council with the support of the ; to review and approve annual revisions of the Plan approved by Congress on the basis of recommendations from the Postal Operations Council, and to consult with the Postal Operations Council on the development and annual updating of the Plan.~~

7 In appointing officials to grade D 2, the Council of Administration shall consider the professional qualifications of the candidates recommended by the postal administrations of the member countries of which the candidates are nationals, ensuring that the posts of Assistant Director-General are as far as possible filled by candidates from different regions and from regions other than those from which the Director-General and Deputy Director-General originate, bearing in mind the paramount consideration of the efficiency of the ~~International Bureau~~ Secretariat, while giving due weight to the ~~Bureau's~~ Secretariat's internal promotion arrangements.

8 At its first meeting, which shall be convened by the Chairman of Congress, the Council of Administration shall elect four Vice-Chairmen from among its members and draw up its Rules of Procedure.

9 On convocation by its Chairman, the Council of Administration shall meet in principle once a year, at Union headquarters.

10 The Chairman, the Vice-Chairmen, and the Committee Chairmen ~~and the Chairman of the Strategic Planning Working Party~~ of the Council of Administration shall form the Management Committee. This Committee shall prepare and direct the work of each session of the Council of Administration and take on all the tasks which the latter decides to assign to it or the need for which arises in the course of the strategic planning process.

11 The representative of each of the members of the Council of Administration participating in its meetings, except for meetings which take place during Congress, shall be entitled to

reimbursement of the cost of either an economy class return air ticket or first class return rail ticket, or expenses incurred for travel by any other means subject to the condition that the amount does not exceed the price of the economy class return ticket. The same entitlement shall be granted to each member of its Committees, Working Parties or other bodies when these meet outside Congress and the sessions of the Council.

12 ~~The Chairman of the Postal Operations Council shall represent that body at meetings of the Council of Administration on the agenda of which there are questions of interest to the body which he directs.~~

13 ~~To ensure effective liaison between the work of the two bodies, the Postal Operations Council may designate representatives to attend Council of Administration meetings as observers.~~

14 ~~The postal administration of the country in which the Council of Administration meets shall be invited to take part in the meetings in the capacity of observer, if that country is not a member of the Council of Administration.~~

15 The Council of Administration may invite any international body, any representative of an association or enterprise, or any qualified person whom it wishes to associate with its work to its meetings, without the right to vote. It may also invite, under the same conditions, ~~one or more postal administrations of member countries concerned with questions on its agenda.~~ representatives of the Postal Operations Council, postal operators, and other interested parties.

16 The members of the Council of Administration shall take an active part in its work. Member countries not belonging to the Council of Administration may, at their request, cooperate in the studies undertaken, subject to such conditions as the Council may establish to ensure the efficiency and effectiveness of its work. They may also be invited to chair Working Parties when their experience or expertise justifies it. The participation of member countries not belonging to the Council of Administration shall be carried out without additional expense for the Union.

Article 103. Documentation on the activities of the Council of Administration

1 After each session, the Council of Administration shall inform the member countries of the Union and the Restricted Unions about its activities by sending them, inter alia, a summary record and its resolutions and decisions.

2 The Council of Administration shall make to Congress a comprehensive report on its work and send it to postal administrations at least two months before the opening of Congress.

Article 104. Composition, functioning and meetings of the Postal Operations Council

1 The Postal Operations Council shall consist of forty ~~members~~ postal operators who shall exercise their functions during the period between successive Congresses.

2 The members of the Postal Operations Council shall be elected by Congress on the basis of qualified geographical distribution. Twenty-four seats shall be reserved for postal operators with

headquarters in developing countries and sixteen seats for postal operators with headquarters in developed countries. At least half of the members shall be renewed at each Congress.

3 ~~The representative of each of the members of the Postal Operations Council shall be appointed by the postal administration of his country. This representative shall be a qualified official of the postal administration.~~

4 The operational expenses of the Postal Operations Council shall be borne by the Union. Its members shall not receive any payment. Travelling and living expenses incurred by representatives of administrations participating in the Postal Operations Council shall be borne by those administrations. However, the representative of each of the postal operators from countries considered to be disadvantaged according to the lists established by the United Nations shall, except for meetings which take place during Congress, be entitled to reimbursement of the price of an economy class return air ticket or first class return rail ticket, or expenses incurred for travel by any other means, subject to the condition that the amount does not exceed the price of the economy class return air ticket.

5 At its first meeting, which shall be convened and opened by the Chairman of Congress, the Postal Operations Council shall choose from among its members a Chairman, a Vice-Chairmanship, and the Committee Chairmen ~~and the Chairman of the Strategic Planning Working Party.~~

6 The Postal Operations Council shall draw up its Rules of Procedure.

7 In principle, the Postal Operations Council shall meet every year at Union headquarters. The date and place of the meeting shall be fixed by its Chairman in agreement with the Chairman of the Council of Administration and the Director-General of the International Bureau.

8 The Chairman, the Vice-Chairmanship, and the Committee Chairmen ~~and the Chairman of the Strategic Planning Working Party~~ of the Postal Operations Council shall form the Management Committee. This Committee shall prepare and direct the work of each meeting of the Postal Operations Council and take on all the tasks which the latter decides to assign to it or the need for which arises in the course of the strategic planning process.

9 The functions of the Postal Operations Council shall be the following:

9.1 to conduct the study of the most important operational, commercial, technical, economic and technical cooperation problems ~~which are of interest to~~ arising from the provision of mandatory services of postal administrations operators of all member countries, including questions with major financial repercussions (charges, terminal dues, transit charges, airmail conveyance rates, and parcel-post rates ~~; and the posting abroad of letter-post items~~), and to prepare information, opinions and recommendations for action on them;

9.2 to revise the Detailed Regulations of the Union within six months following the end of the Congress unless the latter decides otherwise; in case of urgent necessity, the Postal Operations Council may also amend the said Regulations at other sessions; in both cases, the Operations Council shall be subject to Council of Administration guidance on matters of

- fundamental policy and principle;
- 9.3 to coordinate practical measures for the development ~~and~~, improvement , and facilitation of international postal services;
 - 9.4 ~~to take, subject to Council of Administration approval within the framework of the latter's competence, any action considered necessary to safeguard and enhance the quality of and to modernize the international postal service;~~
 - 9.5 ~~to revise and amend, between two Congresses, in accordance with the procedure laid down in the Universal Postal Convention, and subject to Council of Administration approval, the postage charges for letter-post items;~~
 - 9.6 to formulate proposals which ~~shall~~ , if sponsored by at least one member country, may be submitted for the approval either of Congress or Council of Administration, as appropriate; ~~of postal administrations in accordance with Article 122; the approval of the Council of Administration is required when these proposals concern questions within the latter's competence;~~
 - 9.7 ~~to examine, at the request of the postal administration of a member country, any proposal which that administration forwards to the International Bureau under article 121, to prepare observations on it and to instruct the International Bureau to annex these observations to the proposal before submitting it for approval to the postal administrations of member countries;~~
 - 9.8 ~~to recommend, if necessary, and where appropriate after approval by the Council of Administration and consultation of all the postal administrations, the adoption of regulations or of a new procedure until such time as Congress takes a decision in the matter;~~
 - 9.9 to prepare and issue, in the form of recommendations to postal administrations operators, standards for technological, operational and other processes within its competence where uniformity of practice is essential; it shall similarly issue, as required, amendments to standards it has already set;
 - 9.10 ~~to develop, with the support of the International Bureau and in consultation with and with the approval of the Council of Administration, the draft Strategic Plan for consideration by Congress, and to revise the Plan approved by Congress on an annual basis, also with the support of the International Bureau and the approval of the Council of Administration;~~
 - 9.11 to approve those parts of the annual report on the work of the Union prepared by the International Bureau which concern the responsibilities and functions of the Postal Operations Council;
 - 9.12 to decide on the contacts to be established with postal administrations operators in order to carry out its functions;
 - 9.13 to study teaching and vocational training problems of interest to the new and developing countries;

- 9.14 to take the necessary steps to study and publicize the experiments and progress made by certain countries in the technical, operational, economic and vocational training fields of interest to the postal services;
- 9.15 to study the present position and needs of the postal services in the new and developing countries and to prepare appropriate recommendations on ways and means of improving the postal services in those countries;
- 9.16 to take ~~in consultation with the Council of Administration~~, appropriate steps in the sphere of technical cooperation with all member countries of the Union and in particular with the new and developing countries;
- 9.17 to examine any other questions submitted to it by a member of the Postal Operations Council, by the Council of Administration or by any ~~administration~~ postal operator of a member country: ;

provided that the Postal Operations Council shall not undertake any study or other activity which has as its primary purpose or effect the prevention, restriction, or distortion of competition among postal operators.

10 The members of the Postal Operations Council shall take an active part in its work. The postal ~~administrations~~ operators of member countries not belonging to the Postal Operations Council may, at their request, cooperate in the studies undertaken, subject to such conditions as the Council may establish to ensure the efficiency and effectiveness of its work. Such postal ~~administrations~~ operators may also be requested to chair Working Parties where their expertise or experience justify it.

11 The Postal Operations Council shall, at its last session before Congress, prepare for submission to Congress the draft basic work programme of the next Council, taking into account ~~the draft Strategic Plan as well as~~ the requests of member countries of the Union and of the Council of Administration and the International Bureau. This basic programme, which shall include a limited number of studies on topical subjects of common interest, shall be subject to review annually in the light of new realities and priorities.

12 ~~In order to ensure effective liaison between the work of the two bodies, the~~ The Council of Administration may designate representatives to attend Postal Operations Council meetings as observers.

13 The Postal Operations Council may invite the following to take part in its meetings without the right to vote:

- 13.1 any international body or any qualified person whom it wishes to associate with its work;
- 13.2 postal ~~administrations~~ operators of member countries not belonging to the Postal Operations Council;
- 13.3 any association or enterprise that it wishes to consult with respect to its work.

Article 105. Documentation on the activities of the Postal Operations Council

1 ~~After each session, the Postal Operations Council shall inform the member countries of the Union and the Restricted Unions about its activities by sending them, inter alia, a summary record and its resolutions and decisions.~~ The Postal Operations Council shall maintain a detailed record of all proceedings which shall submitted to the Director General of the Secretariat as soon after the close of each session as practicable.

2 The Postal Operations Council shall prepare for the Council of Administration an annual report on its work.

3 The Postal Operations Council shall prepare for Congress a comprehensive report on its work and send it to ~~postal administrations of~~ member countries at least two months before the opening of Congress.

Article 106. Rules of Procedure of Congresses

1 For the organization of its work and the conduct of its debates, Congress shall apply the Rules of Procedure of Congresses which are annexed to these General Regulations.

2 Each Congress may amend these rules under the conditions laid down in the Rules of Procedure themselves.

Article 107. Working languages of the Secretariat and the International Bureau

The working languages of the Secretariat and the International Bureau shall be French and English.

Article 108. Languages used for documentation, for debates and for official correspondence

1 For the documentation of the Union, the French, English, Arabic and Spanish languages shall be used. The Chinese, German, Portuguese and Russian languages shall also be used provided that only the most important basic documentation is produced in these languages. Other languages may also be used on condition that the member countries which have made the request shall bear all of the costs involved.

2 The member country or countries which have requested a language other than the official language constitute a language group. The member countries using the official language shall constitute the French Language Group.

3 Documentation shall be published by the Secretariat and the International Bureau in the official language and in the languages of the other duly constituted language groups, either directly or through the intermediary of the regional offices of those groups in conformity with the procedures agreed with the Secretariat and the International Bureau. Publication in the different languages shall be effected in accordance with a common standard.

4 Documentation published directly by the Secretariat and the International Bureau shall, as

far as possible, be distributed simultaneously in the different languages requested.

5 Correspondence between the postal administrations member countries and the Secretariat and the International Bureau and between the latter two and outside entities may be exchanged in any language for which the Secretariat or the International Bureau (as the case may be) has available a translation service.

6 The costs of translation into any language, including those resulting from the application of paragraph 5, shall be borne by the language group which has asked for that language. The French Language Group shall bear the cost of translation into the official language of documents and correspondence received in Arabic, English and Spanish. All other costs involved in the supply of documents shall be borne by the Union. The ceiling of the costs to be borne by the Union for the production of documents in Chinese, German, Portuguese and Russian shall be fixed by a Congress resolution.

7 The costs to be borne by a language group shall be divided among the members of that group in proportion to their contributions to the expenses of the Union. These costs may be divided among the members of the language group according to another system, provided that the countries concerned agree to it and inform the Secretariat and the International Bureau of their decision through the intermediary of the spokesman of the group.

8 The Secretariat and the International Bureau shall give effect to any change in the choice of language requested by a member country after a period which shall not exceed two years.

9 For the discussions at meetings of the Union's bodies, the French, English, Spanish and Russian languages shall be admissible, by means of a system of interpretation – with or without electronic equipment – the choice being left to the judgment of the organizers of the meeting after consultation with the Director-General of the Secretariat or the Director-General of the International Bureau , as applicable, and the member countries concerned.

10 Other languages shall likewise be admissible for the discussions and meetings mentioned in paragraph 9.

11 Delegations using other languages shall arrange for simultaneous interpretation into one of the languages mentioned in paragraph 9, either by the system indicated in the same paragraph, when the necessary technical modifications can be made, or by individual interpreters.

12 The costs of the interpretation services shall be shared among the member countries using the same language in proportion to their contributions to the expenses of the Union. However, the costs of installing and maintaining the technical equipment shall be borne by the Union.

13 Postal administrations operators may come to an understanding about the language to be used for official correspondence in their relations with one another. In the absence of such an understanding the language to be used shall be French.

Chapter II. Secretariat and International Bureau

Article 109. Election of the ~~Director-General and Deputy Director-General of the International Bureau~~ Directors-General and Deputy Directors-General of the Secretariat and the International Bureau

1 The Director-General and the Deputy Director-General of the Secretariat and the Director-General and the Deputy Director-General of the International Bureau shall be elected by Congress for the period between two successive Congresses, the minimum duration of their term of office being five years. Their term of office shall be renewable once only. Unless Congress decides otherwise, the date on which they take up their duties shall be fixed at 1 January of the year following that in which Congress is held.

2 At least seven months before the opening of Congress, the Director-General of the International Bureau Secretariat shall send a memorandum to the Governments of member countries inviting them to submit their applications, if any, for the posts of the Director-General and Deputy Director-General of the Secretariat and the Director-General and Deputy Director-General of the International Bureau and indicating at the same time whether the ~~Director-General and Deputy Director-General~~ Directors-General and Deputy Directors-General in office are interested in a renewal of their initial term of office. The applications, accompanied by a curriculum vitae, must reach the ~~International Bureau Secretariat~~ Secretariat at least two months before the opening of Congress. The candidates must be nationals of the member countries which put them forward. The ~~International Bureau Secretariat~~ Secretariat shall prepare the election documents for Congress. The election of the Director-General and that of the Deputy Director-General of the Secretariat and the election of the Director-General and that of the Deputy Director-General of the International Bureau shall take place by secret ballot, the first election being for the post of Director-General in each case.

3 If In the case of the Secretariat and the International Bureau, respectively, if the post of Director-General falls vacant, the Deputy Director-General shall take over the functions of Director-General until the expiry of the latter's term of office; he shall be eligible for election to that post and shall automatically be accepted as a candidate, provided that his initial term of office as Deputy Director-General has not already been renewed once by the preceding Congress and that he declares his interest in being considered as a candidate for the post of Director-General.

4 If In the case of the Secretariat and the International Bureau, respectively, if the posts of Director-General and Deputy Director-General fall vacant at the same time, the Council of Administration shall elect, on the basis of the applications received following notification of the vacancies, a Deputy Director-General for the period extending up to the next Congress. With regard to the submission of applications, paragraph 2 shall apply by analogy.

5 If In the case of the Secretariat and the International Bureau, respectively, if the post of Deputy Director-General falls vacant, the Council of Administration shall, on the proposal of the Director-General, instruct one of the Assistant Directors-General at the International Bureau in such body to take over the functions of Deputy Director-General until the following Congress.

Article 110. Duties of the Director-General of the Secretariat

1 The Director-General shall organize, administer and direct the ~~International Bureau~~ Secretariat, of which he is the legal representative. He shall be empowered to classify posts in grades G 1 to D 1 and to appoint and promote officials in those grades. For appointments in grades P 1 to D 1, he shall consider the professional qualifications of the candidates recommended by the postal administrations of the member countries of which the candidates are nationals or in which they exercise their professional activities, taking into account equitable geographical distribution with respect to continents and languages together with all other relevant considerations, while giving due weight to the ~~Bureau's Secretariat's~~ internal promotion arrangements. However, in the case of posts requiring special qualifications, the Director-General may seek applications from outside. He shall also consider, for the appointment of a new official, that, in principle, persons occupying grade D 2, D 1 and P 5 posts must be nationals of different member countries of the Union. For the promotion of an official of the ~~International Bureau Secretariat~~ to grades D 1 and P 5, he shall not be bound to apply that principle. Moreover, the requirements of equitable geographical and language distribution shall rank behind merit in the recruitment process. The Director-General shall inform the Council of Administration once a year, in the Report on the work of the Union, of appointments and promotions in grades P 4 to D 1.

2 The Director-General shall have the following duties:

- 2.1 to act as depositary of the Acts of the Union and as intermediary in the procedure of accession and admission to and withdrawal from the Union;
- 2.2 ~~to notify all administrations of the Detailed Regulations drawn up or revised by the Postal Operations Council;~~
- 2.3 to prepare the draft annual budget of the Union at the lowest possible level consistent with the requirements of the Union and to submit it in due course to the Council of Administration for consideration; to communicate the budget to the member countries of the Union after approval by the Council of Administration and to execute it;
- 2.4 to execute the specific activities requested by the ~~bodies of the Union~~ Council of Administration and those assigned to him by the Acts;
- 2.5 to take action to achieve the objectives set by the ~~bodies of the Union~~ Council of Administration, within the framework of the established policy and the funds available;
- 2.6 to submit suggestions and proposals to the Council of Administration or to the Postal Operations Council;
- 2.7 ~~to prepare, for the Postal Operations Council and on the basis of directives issued by the latter, the draft Strategic Plan to be submitted to Congress and the draft annual revision;~~
- 2.8 to ensure the representation of the Union;
- 2.9 to act as an intermediary in relations between:

- the UPU and the Restricted Unions;
 - the UPU and the United Nations;
 - the UPU and the international organizations whose activities are of interest to the Union; – the UPU and the international organizations or the associations or enterprises that the bodies of the Union wish to consult or associate with their work;
- 2.10 to assume the duties of Secretary-General of the ~~bodies of the Union~~ Council of Administration and supervise in this capacity and taking into account the special provisions of these General Regulations, in particular:
- the preparation and organization of the work of the ~~Union's bodies~~ Council of Administration;
 - the preparation, production and distribution of documents, reports and minutes;
 - the functioning of the secretariat at meetings of the ~~Union's bodies~~ Council of Administration;
- 2.11 to attend the meetings of the ~~bodies of the Union~~ Council of Administration and the Secretariat and take part in the discussions without the right to vote, with the possibility of being represented.

Article 110bis. Duties of the Director-General of the International Bureau

1 The Director-General shall organize, administer and direct the International Bureau, of which he is the legal representative. He shall be empowered to classify posts in grades G 1 to D 1 and to appoint and promote officials in those grades. For appointments in grades P 1 to D 1, he shall consider the professional qualifications of the candidates recommended by the postal administrations of the member countries of which the candidates are nationals or in which they exercise their professional activities, taking into account equitable geographical distribution with respect to continents and languages together with all other relevant considerations, while giving due weight to the Bureau's internal promotion arrangements. However, in the case of posts requiring special qualifications, the Director-General may seek applications from outside. He shall also consider, for the appointment of a new official, that, in principle, persons occupying grade D 2, D 1 and P 5 posts must be nationals of different member countries of the Union. For the promotion of an official of the International Bureau to grades D 1 and P 5, he shall not be bound to apply that principle. Moreover, the requirements of equitable geographical and language distribution shall rank behind merit in the recruitment process. The Director-General shall inform the Council of Administration once a year, in the Report on the work of the Union, of appointments and promotions in grades P 4 to D 1.

2 The Director-General shall have the following duties:

2.1 to notify the Director General of the Secretariat of the Detailed Regulations drawn up or revised by the Postal Operations Council;

- 2.2 to prepare the draft annual budget of the Postal Operations Council at the lowest possible level consistent with the requirements of the Union and to submit it in due course to the Council of Administration for consideration; to communicate the budget to the members of the Postal Operations Council after approval by the Council of Administration and to execute it;
- 2.3 to execute the specific activities requested by the Postal Operations Council and those assigned to him by the Acts;
- 2.4 to take action to achieve the objectives set by the Postal Operations Council, within the framework of the established policy and the funds available;
- 2.5 to submit suggestions and proposals to the Postal Operations Council;
- 2.6 to act as an intermediary in relations between:
- = the Postal Operations Council and the international organizations whose activities are of interest to the Postal Operations Council;
 - = the Postal Operations Council and the international organizations or the associations or enterprises that the Postal Operations Council wishes to consult or associate with its work;
- 2.7 to assume the duties of Secretary-General of the Postal Operations Council and supervise in this capacity and taking into account the special provisions of these General Regulations, in particular:
- = the preparation and organization of the work of the Postal Operations Council and the International Bureau;
 - = the preparation, production and distribution of documents, reports and minutes;
 - = the functioning of the secretariat at meetings of the Postal Operations Council.

Article 111. Duties of the ~~Deputy Director-General~~ Deputy Directors-General

1 In the case of the Secretariat and the International Bureau, respectively, the ~~The~~ Deputy Director-General shall assist the Director-General and shall be responsible to him.

2 In the case of the Secretariat and the International Bureau, respectively, if ~~If~~ the Director-General is absent or prevented from discharging his duties, the Deputy Director-General shall exercise his functions. The same shall apply in the case of a vacancy in the post of Director-General as mentioned in article 109, paragraph 3.

Article 112. Secretariat of the Union's bodies

1 The secretariat of the Union's bodies except for the Postal Operations Council shall be provided by the Secretariat of the Council of Administration under the responsibility of its Director-

General. It shall send all the documents published on the occasion of each session to the appropriate member countries and other member countries which ask for them.

2 The secretariat of the ~~Union's bodies~~ Postal Operations Council shall be provided by the International Bureau under the responsibility of ~~the~~ its Director-General. It shall send all the documents published on the occasion of each session to the ~~postal administrations of the members of the~~ that body, to the postal ~~administrations of countries~~ operators which, while not members of the body, cooperate in the studies undertaken, ~~to the Restricted Unions~~ and to other postal ~~administrations~~ operators of ~~other~~ member countries which ask for them.

Article 113 List of member countries

The ~~International Bureau~~ Secretariat shall prepare and keep up to date the list of member countries of the Union showing therein their contribution class, their geographical group and their position with respect to the Acts of the Union.

Article 114. Information. Opinions. Requests for interpretation and amendment of the Acts. Inquiries. Role in the settlement of accounts

1 The International Bureau shall be at all times at the disposal of ~~the Council of Administration~~, the Postal Operations Council and postal ~~administrations~~ operators of member countries for the purpose of supplying them with any necessary information on questions relating to the service.

2 In particular ~~it~~ the International Bureau shall collect, collate, publish and distribute all kinds of information of interest to the international postal service, give an opinion, at the request of the parties involved, on questions in dispute, ~~act on requests for interpretation and amendment of the Acts of the Union~~ and, in general, carry out such studies and editorial or documentary work as are assigned to it by those Acts or as may be referred to it in the interest of the Union.

3 ~~It~~ The International Bureau shall also conduct inquiries requested by postal ~~administrations~~ operators to obtain the views of other ~~administrations~~ operators on a particular question. The result of an inquiry shall not have the status of a vote and shall not be formally binding.

4 ~~It~~ The International Bureau shall act as a clearing house in the settlement of accounts of all kinds relating to the international postal service between postal ~~administrations~~ operators requesting this facility.

5 The Council of Administration shall give act on requests for interpretation and amendment of the Acts of the Union.

Article 115. Technical cooperation

The International Bureau shall develop postal technical assistance in all its forms within the framework of international technical cooperation.

Article 116. Forms supplied by the International Bureau

The International Bureau shall be responsible for arranging the manufacture of international reply coupons and for supplying them, at cost, to postal administrations ordering them.

Article 117. Acts of Restricted Unions and Special Agreements

1 Two copies of the Acts of Restricted Unions and of Special Agreements concluded under article 8 of the Constitution shall be sent to the ~~International Bureau~~ Secretariat by the offices of such Unions, or failing that, by one of the contracting parties.

2 The ~~International Bureau~~ Secretariat shall see that the Acts of Restricted Unions and Special Agreements do not include conditions less favourable to the public than those which are provided for in the Acts of the Union and shall inform ~~postal administrations~~ member countries of the existence of such Unions and Agreements. The ~~International Bureau~~ Secretariat shall notify the Council of Administration of any irregularity discovered through applying this provision.

Article 118. Union periodical

The International Bureau shall publish, with the aid of the documents made available to it, a periodical in Arabic, Chinese, English, French, German, Russian and Spanish.

Article 119. Annual report on the work of the Union

The ~~International Bureau~~ Secretariat shall make an annual report on the work of the Union, which shall be sent, after approval by the Council of Administration, to ~~postal administrations~~ member countries, the Restricted Unions and the United Nations.

Chapter III. Procedure for the submission and consideration of proposals

Article 120. Procedure for submitting proposals to Congress

1 Subject to the exceptions provided for in paragraphs 2 and 5, the following procedure shall govern the submission of proposals of all kinds to Congress by ~~postal administrations~~ of member countries:

- a proposals which reach the ~~International Bureau~~ Secretariat at least six months before the date fixed for Congress shall be accepted;
- b no drafting proposal shall be accepted during the period of six months preceding the date fixed for Congress;
- c proposals of substance which reach the ~~International Bureau~~ Secretariat in the interval between six and four months before the date fixed for Congress shall not be accepted unless they are supported by at least two administrations;

- d proposals of substance which reach the ~~International Bureau Secretariat~~ in the interval between four and two months preceding the date fixed for Congress shall not be accepted unless they are supported by at least eight administrations; proposals which arrive after that time shall no longer be accepted;
 - e declarations of support shall reach the ~~International Bureau Secretariat~~ within the same period as the proposals to which they refer.
- 2 Proposals concerning the Constitution or the General Regulations shall reach the ~~International Bureau Secretariat~~ not later than six months before the opening of Congress; any received after that date but before the opening of Congress shall not be considered unless Congress so decides by a majority of two thirds of the countries represented at Congress and unless the conditions laid down in paragraph 1 are fulfilled.
 - 3 Every proposal must, as a rule, have only one aim and contain only the changes justified by that aim.
 - 4 Drafting proposals shall be headed "Drafting proposal" by the administrations which submit them and shall be published by the ~~International Bureau Secretariat~~ under a number followed by the letter R. Proposals which do not bear this indication but which, in the opinion of the ~~International Bureau Secretariat~~, deal only with drafting points shall be published with an appropriate annotation; the ~~International Bureau Secretariat~~ shall draw up a list of these proposals for Congress.
 - 5 The procedure prescribed in paragraphs 1 and 4 shall not apply either to proposals concerning the Rules of Procedure of Congresses or to amendments to proposals already made.

Article 121. Procedure for submitting proposals between Congresses

- 1 To be eligible for consideration every proposal concerning the Convention or the Agreements submitted by a ~~postal administration member country~~ between Congresses shall be supported by at least two other ~~administrations member countries~~. Such proposals shall lapse if the ~~International Bureau Secretariat~~ does not receive, at the same time, the necessary number of declarations of support.
- 2 These proposals shall be sent to other ~~postal administrations member countries~~ through the intermediary of the ~~International Bureau Secretariat~~.
- 3 Proposals concerning the Detailed Regulations shall not require support but shall not be considered by the Postal Operations Council unless the latter agrees to the urgent necessity.

Article 122. Consideration of proposals between Congresses

- 1 Every proposal concerning the Convention, the Agreements and their Final Protocols shall be subject to the following procedure: a period of two months shall be allowed to ~~postal administrations of member countries~~ for consideration of the proposal notified by ~~an International Bureau Secretariat~~ circular and for forwarding their observations, if any, to the ~~Bureau Secretariat~~.

Amendments shall not be admissible. The replies shall be collected by the ~~International Bureau Secretariat~~ and communicated to ~~postal administrations~~ member countries with an invitation to vote for or against the proposal. Those which have not sent in their vote within a period of two months shall be considered as abstaining. The aforementioned periods shall be reckoned from the dates of the ~~International Bureau Secretariat~~ circulars.

2 Proposals for amending the Detailed Regulations shall be dealt with by the Postal Operations Council.

3 If the proposal relates to an Agreement or its Final Protocol, only the ~~postal administrations~~ of member countries which are parties to that Agreement may take part in the procedure described in paragraph 1.

Article 123. Notification of decisions adopted between Congresses

1 Amendments made to the Convention, the Agreements and the Final Protocols to those Acts shall be sanctioned by notification thereof to the Governments of member countries by the Director-General of the ~~International Bureau Secretariat~~.

2 Amendments made to the Detailed Regulations and their Final Protocols by the Postal Operations Council shall be communicated to ~~postal administrations~~ member countries by the International Bureau. ~~The same shall apply to the interpretations referred to in article 59.3.3.2 of the Convention and in the corresponding provisions of the Agreements.~~

Article 124. Entry into force of the Detailed Regulations and of the other decisions adopted between Congresses

1 The Detailed Regulations shall come into force on the same date and shall have the same duration as the Acts laid down by Congress.

2 Subject to paragraph 1, decisions on amending the Acts of the Union which are adopted between Congresses shall not take effect until at least three months after their notification.

Chapter IV. Finance

Article 125. Fixing and regulation of the expenditure of the Union

1 Subject to the provisions of paragraphs 2 to 6, the annual expenditure relating to the activities of bodies of the Union may not exceed the following sums for ~~1996~~ 2001 and subsequent years:

~~35 278 600 Swiss francs for 1996;~~

~~35 126 900 Swiss francs for 1997;~~

~~35 242 900 Swiss francs for 1998;~~

~~35 451 300 Swiss francs for 1999;~~

~~35 640 700 Swiss francs for 2000.~~

[to be completed]

The basic limit for ~~2000~~ 2005 shall also apply to the following years in case the Congress scheduled for ~~1999~~ 2004 is postponed.

2 The expenditure relating to the convening of the next Congress (travelling expenses of the secretariat, transport charges, cost of installing simultaneous interpretation equipment, cost of reproducing documents during the Congress, etc) shall not exceed the limit of ~~3 599 300~~ [to be completed] Swiss francs.

2bis The Council of Administration shall be authorized to exceed the limits laid down in paragraph 1 to take account of the publication of the new edition of the International List of Post Offices. The total amount of the overrun authorized for this purpose shall not exceed ~~900 000~~ [to be completed] Swiss francs.

3 The Council of Administration shall be authorized to exceed the limits laid down in paragraphs 1 and 2 to take account of increases in salary scales, pension contributions or allowances, including post adjustments, approved by the United Nations for application to its staff working in Geneva.

4 The Council of Administration shall also be authorized to adjust, each year, the amount of expenditure other than that relating to staff on the basis of the Swiss consumer price index.

5 Notwithstanding paragraph 1, the Council of Administration, or in case of extreme urgency, the Director-General of the Secretariat, may authorize the prescribed limits to be exceeded to meet the cost of major and unforeseen repairs to the International Bureau building, provided however that the amount of the increase does not exceed ~~125 000~~ [to be completed] Swiss francs per annum.

6 If the credits authorized in paragraphs 1 and 2 prove inadequate to ensure the smooth running of the Union, these limits may only be exceeded with the approval of the majority of the member countries of the Union. Any consultation shall include a complete description of the facts justifying such a request.

7 Countries which accede to the Union or are admitted to the status of members of the Union as well as those which leave the Union shall pay their contributions for the whole of the year during which their admission or withdrawal becomes effective.

8 Member countries shall pay their contributions to the Union's annual expenditure in advance on the basis of the budget laid down by the Council of Administration. These contributions shall be paid not later than the first day of the financial year to which the budget refers. After that date, the sums due shall be chargeable with interest in favour of the Union at the rate of 3 percent per annum for the first six months and of 6 percent per annum from the seventh month.

9 In exceptional circumstances, the Council of Administration may release a member country

from all or part of the interest owed if that country has paid the full capital amount of its debts in arrears.

10 A member country may also be released, within the framework of an amortization schedule approved by the Council of Administration for its accounts in arrears, from all or part of the interest accumulated or to accrue; such release shall, however, be subject to the full and punctual execution of the amortization schedule within an agreed period of five years at most.

11 To cover shortfalls in Union financing, a Reserve Fund shall be established the amount of which shall be fixed by the Council of Administration. This Fund shall be maintained primarily from budget surpluses. It may also be used to balance the budget or to reduce the amount of member countries' contributions.

12 As regards temporary financing shortfalls, the Government of the Swiss Confederation shall make the necessary short-term advances, on conditions which are to be fixed by mutual agreement. That Government shall supervise, without charge, bookkeeping and accounting of the Secretariat and the International Bureau within the limits of the credits fixed by Congress.

Article 126. Contribution classes

1 Member countries shall contribute to defraying Union expenses according to the contribution class to which they belong. These classes shall be the following:

class of 50 units;

class of 40 units;

class of 35 units;

class of 25 units;

class of 20 units;

class of 15 units;

class of 10 units;

class of 5 units;

class of 3 units;

class of 1 unit;

class of 0.5 unit, reserved for the least advanced countries as listed by the United

Nations and for other countries designated by the Council of Administration.

2 Notwithstanding the contribution classes listed in paragraph 1, any member country may elect to contribute more than 50 units.

3 Member countries shall be included in one of the abovementioned contribution classes upon

their admission or accession to the Union in accordance with the procedure laid down in article 21, paragraph 4, of the Constitution.

4 Member countries may subsequently change contribution class on condition that this change is communicated to the ~~International Bureau~~ Secretariat before the opening of Congress. This notification, which shall be brought to the attention of Congress, shall take effect on the date of the entry into force of the financial provisions drawn up by Congress.

5 Member countries may not insist on being lowered more than one class at a time. Member countries which have not made known their wish to change contribution class by the opening of Congress shall remain in the class to which they belonged up to that time.

6 Nevertheless, in exceptional circumstances such as natural disasters necessitating international aid programmes, the Council of Administration may authorize a reduction in contribution class when so requested by a member country if the said member establishes that it can no longer maintain its contribution at the class originally chosen.

7 Notwithstanding paragraphs 4 and 5, changes to a higher class shall not be subject to any restriction.

Article 127. Payment for supplies from the International Bureau

Supplies provided by the International Bureau to postal administrations against payment shall be paid for in the shortest possible time and at the latest within six months from the first day of the month following that in which the account is sent by the Bureau. After that period the sums due shall be chargeable with interest in favour of the Union at the rate of 5 percent per annum reckoned from the date of expiry of that period.

Chapter V. Arbitration

Article 128. Arbitration procedure

1 If a dispute has to be settled by arbitration, each of the ~~postal administrations~~ member countries party to the case shall select a ~~postal administration~~ of a member country not directly involved in the dispute. When several ~~administrations~~ member countries make common cause, they shall count only as a single ~~administration~~ member country for the purposes of this provision.

2 If one of the ~~administrations~~ member countries party to the case does not act on a proposal for arbitration within a period of six months, the ~~International Bureau~~ Secretariat, if so requested, shall itself call upon the defaulting ~~administration~~ member country to appoint an arbitrator or shall itself appoint one ex officio.

3 The parties to the case may agree to appoint a single arbitrator which may be the ~~International Bureau~~ Secretariat.

4. The decision of the arbitrators shall be taken by a majority of votes.
5. In the event of a tie the arbitrators shall select another ~~postal administration~~ member country, not involved in the dispute either, to settle the matter. Should they fail to agree on the choice, this ~~administration~~ member country shall be appointed by the ~~International Bureau~~ Secretariat from among ~~administrations~~ member countries not proposed by the arbitrators.
6. If the dispute concerns one of the Agreements, the arbitrators may be appointed only from among the ~~administrations~~ member countries that are parties to that Agreement.

Chapter VI. Final provisions

Article 129. Conditions for approval of proposals concerning the General Regulations

To become effective, proposals submitted to Congress relating to these General Regulations shall be approved by a majority of the member countries represented at Congress. At least two thirds of the member countries of the Union shall be present at the time of voting.

Article 130. Proposals concerning the Agreements with the United Nations

The conditions of approval referred to in article 129 shall apply equally to proposals designed to amend the Agreements concluded between the Universal Postal Union and the United Nations, in so far as those Agreements do not lay down conditions for the amendment of the provisions they contain.

Article 131. Entry into force and duration of the General Regulations

These General Regulations shall come into force on 1 January ~~1996~~ 2001 and shall remain in operation until the entry into force of the Acts of the next Congress.