

UPU TERMINAL DUES AND RELATED PROVISIONS 2014-2017

“Terminal dues” are fees which post offices charge each other for the local delivery of inbound international mail. Under an agreement organized by the Universal Postal Union (UPU), major post offices (called “designated operators” by the UPU) give each other discounts of approximately 50 to 70 percent compared to the equivalent postage charged to domestic customers. The purpose of these mutual discounts is to limit competition from private carriers in the international mail market, increasingly a market for transmission of e-commerce packages. The cost of discounts for international mail is borne by domestic mailers (or in some cases by tax payers).

In current international law, the primary provisions on terminal dues is set out in the 2012 Universal Postal Convention, adopted by the Universal Postal Union (UPU) in a general Congress of all member countries held in Doha in 2012. The 2012 Universal Postal Convention went into effective on 1 January 2014 and will remain in effect until 31 December 2017. The terminal dues provisions of the Convention set out in Appendix A.

Closely related to the terminal dues articles are other measures which restrain competition among post offices that could undercut the pricing preferences created by terminal dues. The 2012 Convention includes an article that restrains international competition among post offices by means of *re-mail* — i.e., by the post office in country **B** collecting and forwarding via the international postal system mail which has been posted, or “caused to be posted”, by a sender residing in country **A** (thus placing post office **B** in competition with post office **A** in **A**’s outbound mail market). In addition, the Doha Congress approved resolutions restricting competition by means of ETOEs — i.e., by the post office in country **B** opening a branch office in country **A** for collection of international mail, a type of office which the UPU calls an “extraterritorial office of exchange” or ETOE. Inter alia, these resolutions reject the right of ETOEs to use UPU documents and forms necessary to gain access to terminal dues and UPU customs privileges. The anti-re-mail article and anti-ETOE resolutions are set out in Appendix B.

Appendix A

Terminal Dues Articles of the 2012 Universal Postal Convention

Source: Universal Postal Union, *Letter Post Manual* (2013). The full manual is available from <http://www.upu.int/en/the-upu/acts/acts-in-four-volumes.html>. Regulations implementing the terminal dues provisions of the Convention have been omitted from this appendix.

B. Terminal dues. General provisions

Article 29

Terminal dues. General provisions

1 Subject to exemptions provided in the Regulations, each designated operator which receives letter-post items from another designated operator shall have the right to collect from the dispatching designated operator a payment for the costs incurred for the international mail received.

2 For the application of the provisions concerning the payment of terminal dues by their designated operators, countries and territories shall be classified in accordance with the lists drawn up for this purpose by Congress in its resolution C 77/2012, as follows:

- 2.1** countries and territories in the target system prior to 2010;
- 2.2** countries and territories in the target system as of 2010 and 2012;
- 2.3** countries and territories in the target system as from 2014 (new target system countries);
- 2.4** countries and territories in the transitional system.

3 The provisions of the present Convention concerning the payment of terminal dues are transitional arrangements, moving towards a country-specific payment system at the end of the transition period.

4 Access to domestic services. Direct access

4.1 In principle, each designated operator of a country that was in the target system prior to 2010 shall make available to the other designated operators all the rates, terms and conditions offered in its domestic service on conditions identical to those proposed to its national customers. It shall be up to the designated operator of destination to decide whether the terms and conditions of direct access have been met by the designated operator of origin.

4.2 Designated operators of countries in the target system prior to 2010 shall make available to other designated operators of countries that were in the target system prior to 2010 the rates, terms and conditions offered in their domestic service, on conditions identical to those proposed to their national customers.

4.3 Designated operators of countries that joined the target system from 2010 may opt to make available to a limited number of designated operators the application of domestic conditions, on a reciprocal basis, for a trial period of two years. After that period, they must choose either to cease making available the application of domestic conditions or to continue to make their own domestic conditions available to all designated operators. However, if designated operators of countries that joined the target system from 2010 ask designated operators of countries that were in the target system prior to 2010 for the application of domestic conditions, they must make available to all designated

operators the rates, terms and conditions offered in their domestic service on conditions identical to those proposed to their national customers.

4.4 Designated operators of countries in the transitional system may opt not to make available to other designated operators the application of domestic conditions. They may, however, opt to make available to a limited number of designated operators the application of domestic conditions, on a reciprocal basis, for a trial period of two years. After that period, they must choose either to cease making available the application of domestic conditions or to continue to make their own domestic conditions available to all designated operators.

5 Terminal dues remuneration shall be based on quality of service performance in the country of destination. The Postal Operations Council shall therefore be authorized to supplement the remuneration in articles 30 and 31 to encourage participation in monitoring systems and to reward designated operators for reaching their quality targets. The Postal Operations Council may also fix penalties in case of insufficient quality, but the remuneration shall not be less than the minimum remuneration according to articles 30 and 31.

6 Any designated operator may waive wholly or in part the payment provided for under 1.

7 M bags weighing less than 5 kilogrammes shall be considered as weighing 5 kilogrammes for terminal dues payment purposes. The terminal dues rates to be applied for M bags shall be:

7.1 for the year 2014, 0.815 SDR per kilogramme;

7.2 for the year 2015, 0.838 SDR per kilogramme;

7.3 for the year 2016, 0.861 SDR per kilogramme;

7.4 for the year 2017, 0.885 SDR per kilogramme.

8 For registered items there shall be an additional payment of 0.617 SDR per item for 2014, 0.634 SDR per item for 2015, 0.652 SDR per item for 2016 and 0.670 SDR for 2017. For insured items, there shall be an additional payment of 1.234 SDR per item for 2014, 1.269 SDR per item for 2015, 1.305 SDR per item for 2016 and 1.342 SDR for 2017. The Postal Operations Council shall be authorized to supplement remuneration for these and other supplementary services where the services provided contain additional features to be specified in the Letter Post Regulations.

9 For registered and insured items not carrying a barcoded identifier or carrying a barcoded identifier that is not compliant with UPU Technical Standard S10, there shall be a further additional payment of 0.5 SDR per item unless otherwise bilaterally agreed.

10 For terminal dues payment purposes, letter-post items posted in bulk by the same sender and received in the same dispatch or in separate dispatches in accordance with the conditions specified in the Letter Post Regulations

shall be referred to as “bulk mail”. The payment for bulk mail shall be established as provided for in articles 30 and 31.

11 Any designated operator may, by bilateral or multilateral agreement, apply other payment systems for the settlement of terminal dues accounts.

12 Designated operators may exchange non-priority mail on an optional basis by applying a 10% discount to the priority terminal dues rate.

13 The provisions applicable between designated operators of countries in the target system shall apply to any designated operator of a country in the transitional system which declares that it wishes to join the target system. The Postal Operations Council may set transitional measures in the Letter Post Regulations. The full provisions of the target system may apply to any new target designated operator that declares that it wishes to apply such full provisions without transitional measures.

■ **Commentary**

29.1 Congress adopted recommendation C 78/1989 and resolutions C 32/2004 and C 37/1999, inviting the governments of Union member countries to allocate the entire revenue derived from terminal dues to their postal service so as to enable the latter both to cover the costs of handling foreign-origin mail and to constitute the reserve funds required for replacing and improving its infrastructure.

29.2 The list of countries and territories in the target system and those entitled to be in the transition system is given in resolution C 77/2012.

29.2.3 As provided for resolution in C 77/2012, Group 3 countries will join the target system as of 1 January 2016. They will be the “new target system countries” within the meaning of Conv art 29.2.3.

However “new target system countries” will also be those that opt to apply the relevant (new target system) provisions from 1 January 2014 onwards, based on Convention article 29.13.

The reference to new target system countries “as from 2014” in this paragraph covers both cases of countries which will apply new target system provisions during the 2014–2017 cycle: those that opt to apply the new target system provisions from 1 January 2014 onwards, based on 29.13, and those that will join as of 2016, based on C 77/2012.

Article 30

Terminal dues. Provisions applicable to mail flows between designated operators of countries in the target system

1 Payment for letter-post items, including bulk mail but excluding M bags and IBRS items, shall be established on the basis of the application of the rates per item and per kilogramme reflecting the handling costs in the country of destination. Charges corresponding to priority items in the domestic service which are part of the universal service provision will be used as a basis for the calculation of terminal dues rates.

2 The terminal dues rates in the target system shall be calculated taking into account, where applicable in the domestic service, the classification of items based on their format, as provided for in article 14 of the Convention.

3 Designated operators in the target system shall exchange format-separated mails in accordance with the conditions specified in the Letter Post Regulations.

4 Payment for IBRS items shall be as described in the Letter Post Regulations.

5 The rates per item and per kilogramme shall be calculated on the basis of 70% of the charges for a 20-gramme small (P) letter-post item and for a 175-gramme large (G) letter-post item, exclusive of VAT or other taxes.

6 The Postal Operations Council shall define the conditions for the calculation of the rates as well as the necessary operational, statistical and accounting procedures for the exchange of format-separated mails.

7 The rates applied for flows between countries in the target system in a given year shall not lead to an increase of more than 13% in the terminal dues revenue for a letter-post item of 81.8 grammes, compared to the previous year.

8 The rates applied for flows between countries in the target system prior to 2010 may not be higher than:

8.1 for the year 2014, 0.294 SDR per item and 2.294 SDR per kilogramme;

8.2 for the year 2015, 0.303 SDR per item and 2.363 SDR per kilogramme;

8.3 for the year 2016, 0.312 SDR per item and 2.434 SDR per kilogramme;

8.4 for the year 2017, 0.321 SDR per item and 2.507 SDR per kilogramme.

9 The rates applied for flows between countries in the target system prior to 2010 may not be lower than:

9.1 for the year 2014, 0.203 SDR per item and 1.591 SDR per kilogramme;

9.2 for the year 2015, 0.209 SDR per item and 1.636 SDR per kilogramme;

9.3 for the year 2016, 0.215 SDR per item and 1.682 SDR per kilogramme;

9.4 for the year 2017, 0.221 SDR per item and 1.729 SDR per kilogramme.

10 The rates applied for flows between countries in the target system as from 2010 and 2012 as well as between these countries and countries in the target system prior to 2010 may not be higher than:

- 10.1** for the year 2014, 0.209 SDR per item and 1.641 SDR per kilogramme;
- 10.2** for the year 2015, 0.222 SDR per item and 1.739 SDR per kilogramme;
- 10.3** for the year 2016, 0.235 SDR per item and 1.843 SDR per kilogramme;
- 10.4** for the year 2017, 0.249 SDR per item and 1.954 SDR per kilogramme.

11 The rates applied for flows between countries in the target system as from 2010 and 2012 as well as between these countries and countries in the target system prior to 2010 may not be lower than the rates provided for in paragraphs 9.1 to 9.4 above.

12 The rates applied for flows to, from or between new target system countries, other than for bulk mail, shall be those provided for in paragraphs 9.1 to 9.4.

13 For flows below 75 tonnes a year between countries that joined the target system in 2010 or after that date, as well as between these countries and countries that were in the target system prior to 2010, the per-kilogramme and per-item components shall be converted into a total rate per kilogramme on the basis of a worldwide average of 12.23 items per kilogramme.

14 The payment for bulk mail sent to countries in the target system prior to 2010 shall be established by applying the rates per item and per kilogramme provided for in paragraphs 5 to 9.

15 The payment for bulk mail sent to countries in the target system as from 2010 and 2012 shall be established by applying the rates per item and per kilogramme provided for in paragraphs 5, 10 and 11.

16 No reservations may be made to this article, except within the framework of a bilateral agreement.

Article 31

Terminal dues. Provisions applicable to mail flows to, from and between designated operators of countries in the transitional system

1 In preparation for the entry into the target system of the designated operators of countries in the terminal dues transitional system, payment for letter-post items, including bulk mail but excluding M bags and IBRS items, shall be established on the basis of a rate per item and a rate per kilogramme.

2 Payment for IBRS items shall be as described in the Letter Post Regulations.

3 The rates applied for flows to, from and between countries in the transitional system shall be:

3.1 for the year 2014: 0.203 SDR per item and 1.591 SDR per kilogramme;

3.2 for the year 2015: 0.209 SDR per item and 1.636 SDR per kilogramme;

3.3 for the year 2016: 0.215 SDR per item and 1.682 SDR per kilogramme;

3.4 for the year 2017: 0.221 SDR per item and 1.729 SDR per kilogramme.

4 For flows below 75 tonnes a year, the per-kilogramme and per-item components shall be converted into a total rate per kilogramme on the basis of a worldwide average of 12.23 items per kilogramme, except for the year 2014, for which the total rate per kilogramme of the year 2013 shall apply. The following rates shall apply:

4.1 for the year 2014: 4.162 SDR per kilogramme;

4.2 for the year 2015: 4.192 SDR per kilogramme;

4.3 for the year 2016: 4.311 SDR per kilogramme;

4.4 for the year 2017: 4.432 SDR per kilogramme.

5 For mail flows over 75 tonnes per year the flat rate per kilogramme listed above shall be applied if neither the origin designated operator nor the destination designated operator requests the revision mechanism in order to revise the rate on the basis of the actual number of items per kilogramme, rather than the worldwide average. The sampling for the revision mechanism shall be applied in accordance with the conditions specified in the Letter Post Regulations.

6 The downward revision of the total rate in paragraph 4 may not be invoked by a country in the target system against a country in the transitional system unless the latter asks for a revision in the opposite direction.

7 Designated operators of countries in the terminal dues transitional system may send format-separated mail on an optional basis, in accordance with the conditions specified in the Letter Post Regulations. In the case of format separated-exchanges the rates in paragraph 3 above shall apply.

8 The payment for bulk mail to designated operators of countries in the target system shall be established by applying the rates per item and per kilogramme provided for in article 30. For bulk mail received, designated operators in the transitional system may request payment according to paragraph 3.

9 No reservations may be made to this article, except within the framework of a bilateral agreement.

Article RL 215

Terminal dues. General provisions

1 Accounting

1.1 For letter-post items, with the exception of M bags, accounting for terminal dues shall be done annually by the creditor designated operator, according to the actual weight of the mails and the actual number of registered items and of insured items received and, where applicable, the number of items received during the year concerned. The rates laid down in articles 30 and 31 of the Convention shall be applied.

1.2 For M bags, accounting for terminal dues shall be done annually by the creditor designated operator, on the basis of the weight subject to terminal dues in accordance with the conditions laid down in articles 30 and 31 of the Convention.

1.3 To enable the annual weight and number of items to be determined, the designated operators of origin of the mails shall permanently indicate, for each mail:

1.3.1 the weight of the mail (excluding M bags);

1.3.2 the weight of the M bags weighing more than 5 kilogrammes;

1.3.3 the number of M bags weighing less than 5 kilogrammes;

1.3.4 the number of registered items included in the mail;

1.3.5 the number of insured items included in the mail.

1.4 In the absence of a special agreement between the designated operators concerned, in relations between countries in the target system, the number of items shall be determined in accordance with articles RL 229 and RL 231.

1.5 When it is necessary to determine the number and weight of bulk items, the modalities indicated in article RL 186 for this category of mail shall be applied.

1.6 The designated operators concerned may agree to account for terminal dues in their reciprocal relations by different statistical methods. They may also agree on a different periodicity from those laid down in article RL 232 for the statistical period.

2 If a dispute between designated operators concerning the annual results has to be settled, the designated operators concerned shall ask their member countries to act in accordance with the procedure provided for in article 153 of the General Regulations. The arbitrators shall be empowered to fix in a fair and reasonable manner the transit charges or terminal dues to be paid.

Appendix B

Anti-Remail Article and Anti-ETOE Resolutions

Adopted by the UPU Doha Congress 2012

Source: Universal Postal Union, *Letter Post Manual* (2013). The full manual is available from <http://www.upu.int/en/the-upu/acts/acts-in-four-volumes.html>. Resolutions from the UPU Congresses in 2004 and 2008 are taken from the proceedings of those congresses.

Article 28

Posting abroad of letter-post items

1 A designated operator shall not be bound to forward or deliver to the addressee letter-post items which senders residing in the territory of its member country 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 designated operator of destination may claim from the sender and, failing this, from the designated operator of posting, payment of the internal rates. If neither the sender nor the designated operator of posting agrees to pay these rates within a time limit set by the designated operator of destination, the latter may either return the items to the designated operator of posting and shall be entitled to claim reimbursement of the redirection costs, or handle them in accordance with its national legislation.

4 A designated operator 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 if the amount of terminal dues to be received is lower than the sum that would have been received if the mail had been posted in the country where the senders reside. The designated operator of destination may claim from the designated operator of posting payment commensurate with the costs incurred and which may not exceed the higher of the following two amounts: either 80% of the domestic tariff for equivalent items, or the rates applicable pursuant to articles 30.5 to 30.9, 30.10 to 30.11, or 31.8, as appropriate. If the designated operator of posting does not agree to pay the amount claimed within a time limit set by the designated operator of destination, the designated operator of destination may either return the items to the designated operator of posting and shall be entitled to claim reimbursement of the redirection costs, or handle them in accordance with its national legislation.

Prot Article XII

Posting abroad of letter-post items

1 Australia, Austria, United Kingdom of Great Britain and Northern Ireland, Greece, New Zealand and United States of America reserve the right to impose a charge, equivalent to the cost of the work it incurs, on any designated operator which, under the provisions of article 28.4, sends to it items for disposal which were not originally dispatched as postal items by their services.

2 Notwithstanding article 28.4, Canada reserves the right to collect from the designated operator of origin such amount as will ensure recovery of not less than the costs incurred by it in the handling of such items.

3 Article 28.4 allows the designated operator of destination to claim, from the designated operator of posting, appropriate remuneration for delivering letter-post items posted abroad in large quantities. Australia and the United Kingdom of Great Britain and Northern Ireland reserve the right to limit any such payment to the appropriate domestic tariff for equivalent items in the country of destination.

4 Article 28.4 allows the designated operator of destination to claim, from the designated operator of posting, appropriate remuneration for delivering letter-post items posted abroad in large quantities. The following member countries reserve the right to limit any such payment to the limits authorized in the Regulations for bulk mail: Bahamas, Barbados, Brunei Darussalam, China (People's Rep.), United Kingdom of Great Britain and Northern Ireland, Overseas Dependent Territories of the United Kingdom, Grenada, Guyana, India, Malaysia, Nepal, Netherlands, Netherlands Antilles and Aruba, New Zealand, Saint Lucia, Saint Vincent and the Grenadines, Singapore, Sri Lanka, Suriname, Thailand and United States of America.

5 Notwithstanding the reservations under 4, the following member countries reserve the right to apply in full the provisions of article 28 of the Convention to mail received from Union member countries: Argentina, Austria, Benin, Brazil, Burkina Faso, Cameroon, Canada, Côte d'Ivoire (Rep.), Cyprus, Denmark, Egypt, France, Germany, Greece, Guinea, Iran (Islamic Rep.), Israel, Italy, Japan, Jordan, Lebanon, Luxembourg, Mali, Mauritania, Monaco, Morocco, Norway, Portugal, Saudi Arabia, Senegal, Switzerland, Syrian Arab Rep. and Togo.

6 In application of article 28.4, Germany reserves the right to request the mailing country to grant compensation of the amount it would receive from the country of which the sender is resident.

7 Notwithstanding the reservations made under article XII, China (People's Rep.) reserves the right to limit any payment for delivering letter-post items posted abroad in large quantities to the limits authorized in the UPU Convention and Letter Post Regulations for bulk mail.

Resolution C 44/2004
Extraterritorial offices of exchange (ETOE)s

Congress,

Recognizing

that, for the purpose of this resolution, an extraterritorial office of exchange (ETOE) is defined as an office or facility operated by or in connection with a postal operator outside its national territory, on the territory of another country, and that these offices are established by postal operators for commercial purposes to draw business in markets outside their own national territory,

Noting

that the issue of ETOEs has been extensively studied within the Universal Postal Union in recent years,

Noting further

that, as a result of the discussion on the issue of ETOEs during the 2001 CA session, a provisional measure was adopted as resolution CA 17/2001, which confirmed that the Acts of the Union did not at present contain provisions for settling ETOE-related questions, and which protected the revenues of postal administrations that delivered items dispatched by ETOEs,

Recognizing

that the CA subsequently adopted resolution CA 2/2003 as a provisional measure, until Congress took a decision on ETOEs, whereby any UPU member country seeking to establish an ETOE must obtain the agreement of the host country of the ETOE, according to the host country's legislation,

Recognizing further

that national legislation or policy has thus far been expected to determine whether items dispatched from ETOEs are to be treated as mail under the UPU Acts,

Aware

that the absence of a UPU decision in the matter may cause economic distortions in relations between administrations as regards remuneration of the administration of destination for items sent by ETOEs,

Considering

that the compensation currently received under terminal dues is premised on the mutual exchange of mails in carrying out the universal service obligation, and that this compensation does not necessarily cover the related costs of the delivering administration, particularly in industrialized countries,

Considering further

that this issue will not be equitably resolved in the medium term, to the point where compensation for one-way traffic will be adequate for the delivering administration in all circumstances,

Recognizing

that, according to the DC tariff questionnaire sent out by the Terminal Dues Action Group in 2002, a majority of postal administrations in developing countries report that domestic rates do not cover their costs, meaning that they provide insufficient remuneration compared with terminal dues,

Decides that

- i ETOEs are not in the same situation as postal administrations executing universal service obligations under the UPU Acts;
- ii items sent from ETOEs are considered commercial items not subject to the UPU Acts, unless the destination postal administration has announced a policy agreeing to apply those Acts to the items it receives from ETOEs;
- iii the dispatch of items via an ETOE shall not result in a decrease of the remuneration that the destination postal administration would receive for the delivery of those items (including, where applicable, the payment for the Quality of Service Fund provided for in article 31 of the Convention);
- iv items tendered by ETOEs:
 - a shall be treated according to the national policy of the destination country,
 - b may be treated in accordance with the rates, terms and conditions of acceptance for domestic postal products, or
 - c may be charged terminal dues if the destination postal administration has announced a policy to apply the UPU Acts to items tendered by ETOEs,
- v the commercial customs clearance procedures of the destination country shall apply to items sent from ETOEs, unless the destination postal administration has agreed to apply the UPU Acts;
- vi no documentation provided for under the Acts of the UPU may be used for any purposes relating to items sent from ETOEs to the postal administration of the destination country, including for purposes relating to airlines, to Customs and to other parties, unless the destination postal administration has agreed to apply the UPU Acts,

Further decides

that the agreement of any UPU member country must be obtained, in accordance with its national legislation, by any other countries or operators seeking to establish ETOEs within that country,

Invites

member countries to advise the International Bureau of national legislation or policy that makes the operation of an ETOE on its territory legitimate or authorized,

Instructs

the Postal Operations Council and the International Bureau to adopt procedures enabling the issue and withdrawal of International Mail Processing Centre (IMPC) codes in a manner consistent with the provisions of this resolution, including the requirement for ETOE operators to obtain the agreement of the member country in which they are seeking to establish an ETOE,

Declares

that nothing in this resolution may be construed as requiring an administration to accept items from any ETOEs as mail under the UPU Acts.

(Proposal 048, Committee 3, 4th meeting)

Resolution C 45/2004
International reply coupons service

Congress,

Having noted
Beijing Congress resolution C 45/1999 introducing a new accounting system for the international reply coupons service,

Having further noted
that, under the new accounting system, advance payment of the price of the international reply coupons is mandatory,

Having realized
that some developing postal administrations cannot afford the advance payment and thus cannot purchase international reply coupons,

Having further realized
that such postal administrations cannot provide the international reply coupons service to their customers,

Instructs

the Postal Operations Council and the International Bureau, each in its area of responsibility:

- to study ways and means of discontinuing the present system of mandatory advance payment while at the same time guaranteeing the financial health of the system.
- to amend the Letter Post Regulations accordingly.

(Proposal 045, Committee 4, 6th meeting)

Considering

that article RL 190 of the Letter Post Regulations and article RC 178 of the Parcel Post Regulations clearly provide for the form of delivery of dispatches and the generation of the appropriate number of copies of the respective forms,

Also considering

that some designated operators are failing to comply with these articles,

Recommends

that countries be urged to comply with the existing provisions and to take all necessary steps to rectify the situation with respect to incoming dispatches.

(Proposal 77, Committee 4, 5th meeting)

Resolution C 63/2008

Extraterritorial offices of exchange (ETOE) and international mail processing centres (IMPCs)

Congress,

Noting

the stabilizing effect of Bucharest Congress resolution C 44/2004 on the growth of ETOEs and on the number of countries in which they operate, due mainly to:

- the requirement that the UPU member country in which an ETOE is located must give its agreement to the establishment of an ETOE, according to its national policy;
- the granting to the UPU member country of destination of a choice in determining how to treat items received from an ETOE, according to its national policy;
- better notification requirements for registering with the UPU as an international mail processing centre (IMPC);
- the recommendation that UPU member countries announce their policies with respect to ETOEs, and the subsequent publication of these policies by the International Bureau,

Bearing in mind

article 2 of the Convention, adopted at the Bucharest Congress, which requires UPU member countries to announce the entity or entities (governmental entity and designated operator(s)) responsible for fulfilling the obligations arising from the Acts of the Union on their territory,

Acknowledging

that national policies of UPU member countries may differ on the issue of ETOEs,

Noting also

that international mail processing centres (IMPCs) have been registered to private companies,

Also bearing in mind

that the UPU has endeavoured to seek compatibility between the Acts of the Union and WTO disciplines such as most favoured nation status, non-discrimination and equal access,

Aware

of the fact that there remain legitimate operational concerns with respect to the handling of items received from ETOEs and IMPCs registered to private companies in the areas of:

- applying UPU procedures and forms for Customs and airlines;
- security issues regarding the identity of the real sender of the mail;
- return of verification notes;
- undeliverable items;
- lack of operational and contact information for the destination country;
- correct remuneration for the delivery of items received,

Considering

that UPU forms are fundamental components of the UPU Acts,

Taking into account

the work already begun by the POC (Standards Board) to review technical standards such as S10, S34 and S35, in order to facilitate identification of sender operators,

Decides

- i that the operator designated by a UPU member country under article 2 of the Convention may continue to request registration of IMPCs established for its own purposes and on its own national territory;
- ii that the governmental entity of the UPU member country provided under article 2 of the Convention shall make the registration request or provide written authorization for all other IMPCs to be established on its territory;
- iii to continue the suspension of requests for registration of IMPCs to private companies, referring a decision on the matter to the Council of Administration and the outcome of its study,

Invites

UPU member countries

- to review and notify the International Bureau of their national policies on ETOEs and on IMPCs registered to private companies, taking into account other national policies and the need to use agreed standards and procedures;

- to respect and observe the conditions laid out in resolution C 44/2004;
- to respect the national policies defined by other UPU members,

Instructs

the Council of Administration, in consultation with the Postal Operations Council, to conduct a study of ETOEs and IMPCs, to include the organization of domestic postal markets and the effect of national or regional policies on the UPU and on the UPU Acts (Convention, Regulations, UPU forms, including the implications of a declaration of multiple operators through article 2 of the Convention and the registration of IMPCs to private companies), as well as on other agreements reached at the UPU level (airlines and customs handling, worldwide quality of service measurement, Quality of Service Fund, etc.),

Also instructs

the Postal Operations Council:

- to study and adjust, or recommend the adjustment of, the information requirements in standard S34 and on paper UPU forms in such a way that the origin and the operator of the mail is clearly identifiable to the destination operator, as well as to the airlines and customs authorities handling the mail, in order to bring information requirements for ETOEs and IMPCs registered to private companies, in line with the requirements of other offices of exchange established by UPU designated operators;
- to study the operational issues involved in a situation where more than one operator in the same country dispatches or receives international items, including the impact on barcode structure, on track and trace systems, on quality measurement systems, etc.;
- to review current policies and make recommendations on the referencing of technical standards in the UPU Regulations,

Further instructs

the International Bureau, in liaison with the POC:

- to manage the registration process, maintain and publish lists of active IMPCs, by type and by location, and make them readily available and accessible; this would include IMPCs:
 - registered by the operators designated to fulfil the Acts of the Union, for their own purposes and on their own territory;
 - registered as ETOEs;
 - registered as IMPCs by private companies;
 - registered as military IMPCs;
- to collect and share with other member countries and designated operators:
 - information on UPU member country policies (entities notified under article 2 of the Convention, policies and conditions for establishing ETOEs on their territory and for receiving ETOE items, etc.);

- operational information on ETOEs and IMPCs registered to private companies.

(Proposal 23, Committee 3, 7th meeting)

Resolution C 64/2008
Cooperation in the area of postal statistics

Congress,

Taking into account
that the Universal Postal Union (UPU), as the specialized agency of the United Nations dealing with the postal field, is responsible for making relevant information and analyses on the development of the sector available to its members,

Noting
the role of the UPU as a specialized agency of the United Nations qualified to gather, analyze, publish, harmonize and improve postal statistics,

Aware
that the postal statistics published by the International Bureau represent an important working tool for member countries, and need to respond to the expectations and information needs of all postal sector players,

Considering
the importance of statistical data that are reliable, consistent and relevant for the macro-economic studies carried out by the Council of Administration and Postal Operations Council, and for the application of the methodology for classification of countries and territories for participation in the target terminal dues system and the Quality of Service Fund,

Also aware
of the need to guarantee the confidentiality of certain information provided, if member countries so wish,

Strongly encourages

member countries and designated operators to provide the International Bureau with:

- reliable, consistent and relevant statistical data, and especially data relating to:
 - a postal infrastructure,
 - b volumes of letter post, postal parcels and express items,
- statistical data that are reliable, consistent and relevant for classification of countries for terminal dues system and Quality of Service Fund purposes;

- other statistical information needed for macro-economic studies carried out within the Council of Administration and Postal Operations Council,

Calls on

the associations which form part of the postal sector, and in particular the members of the Consultative Committee, to furnish reliable, consistent and relevant data relating to the infrastructures used and volumes of activity of their members, so that indicators for the whole sector can be established at the worldwide level,

Instructs

the International Bureau:

- to publish the Postal Statistics yearbook on the basis of the information provided by member countries, regulatory authorities, designated operators and private-sector associations;
- to organize the processing of raw data according to the fundamental principles of official statistics, and to restrict access to raw data to persons tasked by the International Bureau with the processing of data;
- to ensure the confidentiality of the information provided if member countries so wish. Where confidential processing is requested, the data transmitted shall be used only to calculate the totals needed for analysis of the worldwide and regional situation and shall under no circumstances be published individually;
- to contribute to the establishment and improvement of a compilation of statistics;
- to continue training activities in the area of postal statistics with a view to improving the availability, quality, and reliability of statistical information.

(Proposal 26, Committee 3, 7th meeting)

Resolution C 65/2008

Impact of new technologies on the activities of the Union

Congress,

In view of

the reports on the work of the Council of Administration and the Postal Operations Council with regard to electronic postal data and the various electronic postal data management systems introduced within the framework of UPU activities,

Considering

the impact of new technologies on the activities of the UPU, its member countries and their designated operators, and on the legal hierarchy of the Acts and decisions of the UPU,

Other decisions concerning the provisions of the Convention applicable to Letter post and its Regulations

Resolution C 6/2012

Continuation of the study on extraterritorial offices of exchange, international mail processing centres, and issues surrounding the designation of multiple operators in a single country

Congress,

Recognizing

that the UPU policy on extraterritorial offices of exchange (ETOE) and registration of international mail processing centre (IMPC) codes, established by Congress resolutions C 44/2004 and C 63/2008, is still in force,

Reaffirming

that an ETOE is defined as an office or facility operated by or in connection with a designated operator on the territory of another country, and that these offices are established by designated operators for commercial purposes to draw business in markets outside their own national territory,

Bearing in mind

that, in accordance with article 2 of the Convention, adopted at the Bucharest Congress, UPU member countries notify the International Bureau of their operator or operators officially designated to operate postal services and to fulfil the obligations arising from the Acts of the Union on their territory,

Also recognizing

that ETOEs are not in the same situation as designated operators (DOs) executing the obligations arising from the Acts of the Union,

Noting

that, since the 2008 Congress, the number of ETOEs has increased from 110 in 2008 to 141 in 2011,

Also noting

that these ETOEs are operated by 18 DOs in 23 member countries, that some ETOEs are being operated by non-DOs and are registered as IMPCs, and that the registration of IMPC codes for non-DOs has been suspended since 2007,

Acknowledging

that the national policies of UPU member countries on ETOEs are very diverse,

Convinced

that there remain legitimate operational concerns with respect to the handling of items received from ETOEs in areas such as identification of the operator sending the mail, return of verification notes, undeliverable items, correct and fair remuneration for the delivery of items received, application of UPU procedures, and forms for Customs and airlines,

Also convinced

that this could represent a risk to the integrity of the global postal network and of the Union and should be addressed in a transparent and progressive manner,

Further noting

the results of the study conducted by an external consultant on the impact of the new postal market players on the UPU mission and activities, which showed that there were an increasing number of bilateral agreements between DOs and non-DOs (all types of mail service providers, including DOs from one country operating in another country as non-DOs), and that these bilateral agreements complemented the multilateral agreements that already existed,

Noting in addition

that a number of recommendations were proposed in the light of the study conducted by an external consultant, within the framework of the work of the CA Committee 1 Interconnectivity Project Group (IPG), on the implications of the existence of multiple DOs in a single country for international mail exchanges under the Acts of the Union,

Also acknowledging

the work already done by the POC in reviewing the technical standards, including standard S34, in order to facilitate identification of sending operators,

Invites

UPU member countries:

- to provide the International Bureau with the latest information on their national policies on ETOEs and IMPC registration;
- to respect the conditions laid down in resolutions C 44/2004 and C 63/2008;
- to respect the national policies defined by other UPU members,

Instructs

the Council of Administration, in consultation with the Postal Operations Council:

- to conduct a study, with the aim of producing a definitive policy, on the conditions of access for non-DOs to IMPC codes, as well as to other UPU products, such as the International Postal System applications (IPS, IPS Light), POST*Net and POST*Clear, in order to manage these access conditions in a properly regulated manner, and in the interests of transparency and efficiency;

- to study the fundamental principles to be considered by any member country which designates multiple operators to operate postal services and fulfil the obligations arising from the Acts of the Union on its territory, including their rights and obligations, and, when necessary, to develop proposals for Congress,

Also instructs

the Postal Operations Council:

- to study all operational recommendations resulting from the IPG's study on the implications of the existence of multiple DOs in a single country for international mail exchanges under the Acts of the Union and, where appropriate, to implement them as quickly as possible;
- to continue to study ways and means whereby UPU technical standards could better respond to the needs of the postal environment in which multiple DOs exist in a single country and other stakeholders are involved,

Further instructs

the International Bureau, in liaison with the POC:

- to manage the IMPC registration process, to maintain and publish the list of active IMPCs, and to make this list readily accessible;
- to publish the modifications regarding IMPC code list 108 as key information;
- to provide updated IMPC codes in a timely manner;
- to advise all operators regularly of withdrawn IMPC codes;
- to collect and share the latest information on UPU member country policies concerning ETOEs.

(Proposal 19, Committee 3, 2nd meeting)

Resolution C 7/2012

Interconnection of wider postal sector external stakeholders to UPU products and services

Congress,

Confirming

that there were diverse structures related to electronic postal data management systems within the framework of UPU activities, and that the tasks of the International Bureau (IB) relating to the operational management of electronic systems were “new” activities, and as such lacked clear policy guidelines,

Recognizing

the results of the studies conducted by the Reform of the Union Project Group of CA Committee 1 (Governance Issues) on various issues associated with the wider postal sector players' involvement in UPU activities,