

5 THINGS TO KNOW ABOUT “OPTION V”



The Universal Postal Union’s third Extraordinary Congress gathered in Geneva 24-26 September 2019 to compromise on changes to the system used to compensate the delivery of inbound international bulky letters and small packets. On 25 September, they found consensus on a new system, known as “**Option V**”.

1 IT ENSURES THAT POSTS CAN COVER THEIR COSTS

By phasing in optional self-declared rates based on domestic tariffs, Option V improves cost coverage for the delivering Post and better aligns the payment for international mail delivery with domestic tariffs. In addition, predetermined maximum annual increases protect international customers, both e-commerce sellers and buyers, against excessively high rate increases.

1 July 2020

Countries with annual inbound mail volumes in excess of 75,000 tonnes may implement self-declared rates on a reciprocal basis with sending countries

1 January 2021

All member countries have the option of introducing self-declared rates

2 IT RECOGNIZES THE DIFFERENCE BETWEEN COMMERCIAL AND NON-COMERCIAL MAIL, ESPECIALLY THE LATTER WHEN SENT BY LOW-VOLUME DEVELOPING COUNTRIES

Option V brings swift reform to the remuneration system, but it includes provisions to protect very low volumes – typically from least developed countries – allowing them to pay rates lower than self-declared rates.



3

IT SHOWS THAT THE UPU CAN REACT QUICKLY TO MARKET CHANGES

It took the UPU less than one year to study, debate and reach a decision on major reforms to the system used to remunerate small packets and bulky letters – a process which normally takes place throughout the course of each four-year Congress cycle.

4

IT IS A SUCCESS STORY FOR MULTILATERALISM

Option V could not have been created or adopted without the sustained spirit of collaboration and determination demonstrated by the UPU’s member countries.

It had its genesis in the work carried out by UPU member countries and the International Bureau in developing a compromise proposal (Option C), as well as the subsequent intense efforts to build further consensus, including consultations and negotiations led by the UPU Director General two days before the opening of the third Extraordinary Congress. The result was compromise on a possible solution (Option V) that would offer something for everyone. Member countries agreed to review the option as a package and eventually adopted it by acclamation.

5

IT KEEPS THE UPU TOGETHER

Following the decision, the Government of the United States revoked its intent to withdraw from the UPU, keeping the organization united, a family of 192 member countries.

2018

25 October

The Council of Administration (CA) decides to fast track discussions on the system used to remunerate the delivery of inbound international bulky letters and small packets.

22 February

The Postal Operations Council’s Remuneration Integration Group and the CA’s Expert Team on Remuneration meet to discuss proposals for changes to the remuneration system.

10 April

The CA selects three options for member countries to discuss and instructs them to decide if they will do so at an Extraordinary Congress or by postal ballot.

2019

7 June

The UPU receives the required number of votes to announce a third Extraordinary Congress to discuss proposals on the remuneration system.

24 September

The UPU’s third Extraordinary Congress begins in Geneva.

25 September

Member countries adopt a proposal on changes to the remuneration system – “Option V” – by acclamation.



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