

UNIVERSAL POSTAL UNION

INTERNATIONAL BUREAU

Resolution C 44/2004

Extraterritorial offices of exchange (ETOEs)

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,

Pro

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 26bis 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)