



UNIVERSAL POSTAL UNION

PRESS RELEASE

Electronic postmarks, combating terrorism and the common fruit fly – *Grab bag of proposals fills the agenda at 23rd UPU Congress*
Berne, Switzerland, 17 August 2004

More than 400 resolution proposals covering a large range of postal issues will be presented at the 23rd UPU Congress in Bucharest, Romania, from 15 September to 5 October. From the very serious to the more unusual, here is an overview of some of the proposals Congress will handle over 14 and a half working days, and that stand to have an impact on the world's postal operators and regulators, as well as customers in general.

Defining the Electronic Postmark

Over the past few years, several industrialized Posts have been developing and using electronic postmarks, which provide evidentiary proof of an electronic event, in a certain form, at a certain time, and involving one or more parties. The UPU had also developed a worldwide technical standard for them. Now, an amendment to the UPU Convention is being proposed to legally define the Electronic Postmark as a new optional "postal service". The UPU Convention does not currently cover the EPM as a mail service, making it difficult for the UPU and its member Posts to enter into industry partner agreements to further develop an EPM service.

Combating terrorism, money laundering and terrorist financing

Postal security remains a key concern for Posts worldwide, especially in these times of uncertainty. Recognizing that the global postal network may be used for the illegal transport of bombs, biological substances, radiological agents and other dangerous goods at the hands of terrorists and other criminal elements, a proposal calls for UPU members to reinforce their security measures around mail processing, develop contingency plans for suspected use of the mail network to transport illicit substances, and establish working relationships with appropriate law enforcement and customs authorities, as well as medical and public health officials. With more than 160 Posts offering postal financial services worldwide through more than 650,000 postal outlets, another proposal calls for the UPU to begin a dialogue with the Financial Action Task Force, an intergovernmental body made up of 33 countries and territories, and the World Bank on money laundering and terrorist financing issues, seek observer status at the FATF, and begin an education and training programme to review new countermeasures and business practices.

Worldwide international service-quality standard and service measurement

Since 1997, end-to-end international service quality tests show that Posts globally reach a service standard of J+5 (the fifth working day after the day of posting) more than 50% of the time. A proposal seeks to establish J+5 as the worldwide standard for international service quality, applying to the international priority letter-post between those areas and/or cities that are most important in terms of international postal exchanges in each of the UPU member administrations. As well, the proposal aims to set at 50% the minimum percentage of test items meeting this standard, with hopes that countries may achieve a standard above 65% by 2008. Another proposal aims for the UPU to adopt quantifiable annual performance goals for mail service, conduct annual performance reviews of Posts and contractors against these standards, and develop and publish periodic comprehensive report cards on Posts' performance in delivering all classes of mail. The proposal also suggests that Posts get fully paid for processing another country's in coming mail (payments called terminal dues) only if they meet set UPU standards and goals.

Revised intra-country payment system for international mail processing

A package of proposals aims to make the payment mechanism used to compensate administrations for the costs of handling incoming letters and non-parcel mail (called terminal dues) more country-specific and reflective of actual costs. The proposal calls for the most advanced developing countries to join a

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cost-based system before 2012, whereas a transition period ending 31 December 2013 is stipulated for other developing countries. If adopted at Congress, the new system would have implications for the UPU's Quality of Service Fund, which provides assistance to developing countries for improving the quality of universal postal service. The new system would ensure that least developed countries (LDCs) get 16.5% of terminal dues from all countries and territories through the QSF. Least developed countries, which need resources the most to improve their postal infrastructure, would increase their share of the total QSF to about 20% from some 5% currently. There is also a proposal that industrialized countries be paid based on the quality of service they provide.

Extraterritorial offices of exchange or mail processing centres set up on foreign ground

The current measures for establishing extraterritorial offices of exchange (ETOE) will be reviewed in the absence of clear UPU rules. The phenomenon of ETOEs, mail processing centres set up by public postal operators outside their national territories, has mushroomed over the past few years as the postal market becomes more liberalized and competitive. There are currently some 100 registered ETOEs worldwide. Some Posts accept and deliver items dispatched by ETOEs for terminal dues or under direct entry arrangements at applicable domestic postage rates. But others refuse to accept such dispatches, arguing that ETOEs should be regarded as commercial services rather than as treaty-based services fulfilling a country's obligations under the UPU Acts. An interim resolution adopted by the UPU Council of Administration in late 2003 determined that all public postal operators seeking to establish an ETOE in another UPU member country should obtain prior approval from the host country.

Protecting the integrity of the postage stamp

Many developing countries have seen an increase in abusive and illicit stamps produced by private entrepreneurs that seriously affect them as far as image and lost revenues are concerned. The stamps also discredit philately, the most popular hobby in the world. A proposal from several African countries calls for the governments of UPU member countries to establish a precise definition of the postage stamp, designate one official postal entity authorized to issue stamps, and register as intellectual property the name of the State and its symbols, including the postage stamp.

And, among the more unusual proposals concerning nonetheless serious postal matters, there is this one:

Delivering fruit flies through the mail

While live species and dangerous substances are generally prohibited from entering the mail system, Posts worldwide are allowed to deliver certain live animals, including bees, leeches and silk-worms. Now a resolution calls for the fly *Drosophila melanogaster*, otherwise known as the 3-millimetre common fruit fly, to be included in the list. It seems the growth of interest in *Drosophila* as a "model organism" for biomedical research has been strong in recent years, with many new laboratories devoted to studying flies being founded yearly. Important advances in human medicine developing directly from discoveries in the fly are expected in future. But researchers from hundreds of laboratories in more than 40 countries need to be able to exchange living fly samples. As a result, it is being asked that all species of the family Drosophilidae be included in the UPU's list of mailable animals.

About the Universal Postal Union

The UPU, a United Nations specialized agency based in Berne (Switzerland) and the primary forum for cooperation between Posts, helps to ensure a truly universal network of modern products and services. It sets the rules for international mail exchanges among its 190 members and makes recommendations to stimulate growth in mail volumes and to improve the quality of service for customers. Each year, five million postal employees worldwide process and deliver 425 billion domestic letter-post items, more than 6 billion international items and some 4.6 billion ordinary parcels.

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