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To: The designated operators of Union
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Subject: Surveys in support of proposals for an integrated remuneration system (IRS)

Dear Sir/Madam,

The 2018 Extraordinary Congress adopted the Integrated Remuneration Plan (IRP) through Congress resolution C 6/2018, which instructs the POC to conduct a comprehensive review of the remuneration of basic and supplementary services (tracked, registered and insured) and to develop for the 2020 Congress proposals for a modern, forward-looking integrated remuneration system (IRS).

In accordance with resolution C 6/2018, the POC is also instructed to review, for all mail flows, the remuneration of items containing goods and to develop proposals that will result in better alignment between, and rationalization of, the remuneration systems in the Abidjan Acts period.

The IRP identifies concrete areas in which better alignment, integration and rationalization of the remuneration systems can be achieved. An important element of this work aims at establishing the correct relationship between domestic tariffs and the cost of processing inbound international postal items. Annex 1 contains a general description of the analytical model for calculating the cost-to-tariff ratio as well as guidelines for the provision of cost data collected through the various surveys.

In accordance with Congress resolution C 6/2018, the remuneration for supplementary services (tracked, registered and insured) will also be reviewed, which should result in proposals for remuneration for the Abidjan Congress period. A technical note on how the additional service features for supplementary services are currently remunerated is provided in Annex 2.

The information for the development of the proposals for an IRS is collected through the following two questionnaires:

- Annex 3 contains the survey on domestic tariffs for letter- and parcel-post items. Through this questionnaire the most recent available domestic tariffs for different weight steps are to be collected, as well as cost information relating to the provision of supplementary services and M bags;
- Annex 4 contains the survey on the costs of providing inbound basic and supplementary services. The objective of this questionnaire is to obtain information on the costs of providing the basic letter-post and parcel-post services and to use the results of the survey to determine the relationship between cost information and domestic tariffs.

Please complete and return both questionnaires to the International Bureau but **by no later than 21 December 2018**, since the analyses of both questionnaires need to be finalized and presented to the Remuneration Integration Group (RIG) meeting scheduled for the third week of January 2019. The surveys are also available in electronic format on the UPU website at www.upu.int/en/remuneration.

I would like to stress the importance of collecting the requested information as the work within both the POC and the CA on the development of proposals for an IRS is entering a critical phase. In accordance with resolution C 6/2018, the results of the studies will be used to determine the appropriate parameters that could be part of the proposals on an IRS. I therefore encourage all countries to provide the International Bureau with the requested data.

Finally, please note that the data will be handled in strict confidence by International Bureau staff who have signed confidentiality and non-disclosure agreements.

Yours faithfully,

(signed)

Siva Somasundram
Director of Policy, Regulation and Markets