



Translation from French

Universal Postal Union

# Documents of the 1994 Seoul Congress

Volume II

Discussions

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This volume should be quoted with the following reference:

Documents of the 1994 Seoul Congress, volume II

**NB.** – The following documents served solely as working documents for the members of the body concerned and are therefore not reproduced in this volume:

- Bureau of Congress documents and minutes;
- Committee 1 papers (see reports of this Committee);
- Committee 10 papers.

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## Table of abbreviations (acronyms, symbols, etc) and signs used in the Decisions of the 1994 Seoul Congress

### A. Common abbreviations, etc

administration	postal administration
Agr	Agreement
art	article
c	centime
CA	Council of Administration
CCC	Customs Co-operation Council
CCPS	Consultative Council for Postal Studies
cm	centimetre
COD	Cash-on-Delivery Agreement
col	column
Constitution	Constitution of the Universal Postal Union
Conv or Convention	Universal Postal Convention
Det Regs or RE	Detailed Regulations
dm	decimetre
Doc	Documents (of Congress, Committees, etc)
EC	Executive Council
ECOSOC	Economic and Social Council of the United Nations
EDI	Electronic data interchange
eg	for example
fr	franc
g	gramme
Gen Regs or General Regulations	General Regulations of the Universal Postal Union
Giro	Giro Agreement
h	hour
IATA	International Air Transport Association
IBRS	International business reply service
id	idem
ISO	International Organization for Standardization
ITU	International Telecommunication Union
kg	kilogramme
km	kilometre
lb (16 ounces)	pound avoirdupois (453.59 grammes)
LDC	Least developed country
m	metre
max	maximum
min	minimum
mm	millimetre
mn	minute (of time)
Money Orders	Money Orders Agreement

## Table of abbreviations and signs

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n.m.	nautical mile (1852 metres)
No	number
oz	ounce (28.3465 grammes) (16th part of a pound avoirdupois)
p	page
Parcels	Postal Parcels Agreement
POC	Postal Operational Council
Prot or Protocol	Final Protocol (to the Act concerned)
s	second (of time)
SDR	Special Drawing Right
t	tonne (1000 kilogrammes)
TCDC	Technical cooperation among developing countries
t-km	tonne-kilometre or kilometric tonne (unit used in connection with conveyance)
UN	United Nations
UNDP	United Nations Development Programme
UPU or Union	Universal Postal Union

### **B. Abbreviations relating to forms**

(These abbreviations are always followed by the number of the form)

AV	Airmail correspondence (Washington 1989)
C	Convention (Washington 1989)
CN	Convention (Seoul 1994)
CP	Parcels
MP	Money orders
R	COD
VD	Insured letters
VP	Giro

## Minutes and reports

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- 1 Inaugural meeting and plenary meetings of Congress
- 2 Meetings of Committee 1 (Credentials)
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## Solemn inauguration of the 21st Congress of the Universal Postal Union, Seoul

The 21st Congress of the Universal Postal Union was solemnly opened on Monday, 22 August 1994, at 10 am, in the Atlantic Hall, KOEX, Seoul, by His Excellency Kim Young Sam, President of the Republic of Korea, in the presence of Mr Yoon Dong-yoon, Minister of Communications of the Republic of Korea, Mr F Koller, Doyen of the Congress, Mr A C Botto de Barros, Secretary-General, and the delegations of the member countries of the Universal Postal Union.

The inaugural ceremony began with a “Yuchoshinjigok» performance by the Korean Traditional Performing Arts Centre (KTPAC).

After the arrival of His Excellency Kim Young Sam, President of the Republic of Korea, Mr Yoon Dong-yoon, Minister of Communications of the Republic of Korea, gave the following opening address:

“Mr President,  
Doyen of Congress,  
Director-General of the International Bureau of the Universal Postal Union,  
Ladies and Gentlemen,

“It is a great pleasure for me, as Minister of Communications of the Republic of Korea, to extend a very warm welcome to all of you who have come to Seoul to participate in the 21st UPU Congress.

“The Ministry of Communications feels greatly honoured to have this opportunity to contribute to the advancement of the UPU and to the development of the world’s postal services through our hosting of this Congress.

“Ever since the Washington Congress chose South Korea as host country, we have been planning and preparing for this Congress to the utmost of our ability.

“We are glad to see the large number of delegations participating in this Congress. Your presence here today truly forms a festival of postal families from all over the world.

“I should like to express my most sincere appreciation to all the delegates and to the staff of the International Bureau for their cooperation and support in making this special occasion possible for the UPU. And I assure you that we are committed to doing our best to ensure that Congress operates smoothly over the next three weeks.

"A glance at history shows that Korea Post was formed in 1884, as a response to the modernization of Korean society. Since then, the postal service in this country has never ceased to advance. In the process, it has contributed greatly to our social and economic growth and to the development of our cultural and political systems.

"Today, the postal and telecommunications sectors still play a leading role in the changes that are transforming our world, especially those in the field of information technology. These two sectors are striving to be leaders in the process of globalization. Furthermore, by hosting this 21st UPU Congress, I hope that the Korea Post will have an opportunity to learn and progress so that we may contribute even more to the well-being of not just the Korean people but also of everyone on this planet.

"We also welcome the opportunity offered by this Congress to share with you our achievements in developing postal and telecommunications services over a short period of time. We are ready to share our experience in overcoming the challenges that we faced, for it is our belief that a balanced development of postal and telecommunications services worldwide is one way of promoting peace and prosperity for all mankind.

"I sincerely hope that this Congress will provide many opportunities for open discussion between UPU member countries and that these exchanges will enhance cooperative relations in the communications field.

"In hoping that the success of this Congress will contribute to the Post's ongoing efforts to achieve its noble aims as we approach the 21st century, I express my best wishes to President Kim Young Sam and I wish you all the best of luck.

"Thank you for your attention."

*(Applause.)*

Mr Fritz Koller, former Ministerial Vice-Director of the postal administration of Germany and Doyen of Congress, then took the floor:

"In my capacity as Doyen of Congress and on behalf of the delegates who have come to Korea from all regions of the world to attend the 21st Universal Postal Congress in Seoul, I have the great honour and privilege of expressing our deep gratitude and appreciation to the Government of the Republic of Korea for inviting Congress, as the supreme body of the Universal Postal Union, to hold its session in Seoul.

"We are particularly pleased that the President of the Republic of Korea, His Excellency Kim Young Sam, has done us the honour of attending the inaugural ceremony and of opening this Congress personally. We express our deepest respect to His Excellency the President of the Republic of Korea. Your presence, Your Excellency, is proof of the great importance the Korean Government attaches to the Universal Postal Union and of the continued interest it takes, not only in the historical work of the Union but also in its humanitarian aspects.

"We should like to offer our special thanks to the Minister of Communications of the Republic of Korea, Mr Yoon Dong-yoon, for the warm words of welcome addressed to us. We very much appreciate this and wish to thank you, Mr Minister, in particular for your

open-mindedness and the great understanding shown to us in the preparations for this Congress. Your tireless support has greatly eased our work.

“We, as the member countries of the Universal Postal Union, have come to Korea (Rep) with tremendous interest. We have come to a country with a rich cultural heritage and great traditions, which while looking back on a history of several thousand years, is following the course of modernization and industrialization with great zeal. It is this successful new course in particular which has made Korea (Rep) a suitable venue for our Congress which will be one of radical change and re-orientation in international postal cooperation. And what a coincidence that Seoul is celebrating the 600th anniversary of the granting of its city charter this very year. It is a city of contrasts: on the one hand, it is full of dynamism and vitality, modern and capable of meeting all requirements. On the other, it is also a city which, in spite of rapid developments, has preserved its rich cultural heritage and intrinsic beauty. Not long ago, Seoul became the special focus of public attention all over the world through the Olympic Games which it staged with admirable technical and organizational perfection. And we think this is a good omen for the success of our Congress.

“I should like to take this opportunity to thank the municipal authorities of Seoul for their assistance with preparing and organizing the Congress and for their special commitment to meeting delegates’ requirements.

“But above all, we have come to meet the people of this country who have extended such a warm welcome to us and surrounded us since our arrival with an atmosphere of perfect hospitality, frankness and selfless friendship.

“We already feel the dynamism, diligence, alertness, cheerfulness, sensitivity and sense of humour of these people, and we already feel greatly attached to them.

“This harmonious triad, consisting of the country, the city of Seoul and the people of Korea, provide the fortuitous setting for the 21st UPU Congress.

“The principal tasks of the UPU Congress are to revise the existing Acts of the Union to improve its organization and structure as well as its functions and activities and to set targets for the next five years. Since the Union’s foundation in Berne in 1874, twenty Universal Postal Congresses have been held to date.

“All of them have contributed to the technical improvement, modernization and development of international postal traffic; moreover, they have had a marked influence on all postal matters and on international cooperation between countries and peoples.

“If we look at the present situation of the Universal Postal Union and the international postal services, we note that the entire environment in which the UPU and the postal administrations must act has changed rapidly and radically in recent years.

“As the result of this changed environment, the Seoul Congress has to tackle tasks of a kind unknown to any previous Congress in the UPU’s long history. The Universal Postal Union, and hence international postal cooperation as a whole, must react energetically to this new situation in order to maintain and, if possible, consolidate their position on today’s increasingly tough communications market.

“This does not mean that the UPU failed to see the warning signs. Since the Washington Congress, its bodies, the Executive Council, Consultative Council for Postal Studies and

the International Bureau have done an enormous amount of work, the results of which will be the essential basis for our deliberations and discussions. Its willingness to make a new start is also reflected in the main theme of the two-day General Debate, namely 'The UPU looks to the future: global strategic planning in a competitive environment.'

"However, all this is not enough to maintain and improve our present position on the communications market. All of us should be aware of the need to make indispensable changes and reforms both in international postal cooperation and in the structure of the Union.

"We must fix new priorities and find additional policy guidelines for the future to ensure that decisions on solutions are not made outside and without the Union.

"However, in spite of these radical changes and the difficult situation we are facing, we should not give way to pessimism but rather recognize the challenge inherent in this radical change and the historic opportunity to start something new. Let us grasp this opportunity to redefine our future as the Universal Postal Union and postal administrations in this difficult environment. To do so, we will require great wisdom, expertise and courage, but above all cooperation and solidarity. Let us derive from the UPU's long history, the hope and certainty that the Seoul Congress, the results of which and the validity of whose Acts advance into the 21st century which is close at hand, will continue the UPU's great works in a spirit of joint responsibility and solidarity, clearing the way for a new postal culture in the UPU's history.

"It is in this spirit of solidarity that I express my supremely confident wishes for the success of the Universal Postal Union Congress, and I would ask His Excellency, the President of the Republic of Korea, to declare the 21st Seoul Universal Postal Congress open."

*(Applause.)*

Then His Excellency Kim Young Sam, President of the Republic of Korea, gave the inaugural address, officially opening the 21st Congress:

"Doyen of Congress,  
Director-General,  
Ladies and Gentlemen,

"I should like to welcome you to the Republic of Korea on behalf of all its citizens.

"I am particularly pleased that the Congress of the UPU, which prides itself on its one-hundred-and-twenty-year history, is being held in Seoul in the 600th anniversary year of that city as Korea's capital.

"I should like to thank the UPU International Bureau as well as all the officials in the Ministry of Communications for their assistance with the preparations for this Congress.

"The UPU is especially important for Koreans because it was the first international organization that the Republic of Korea joined in 1900.

"Since its foundation in 1874 with the concept of the globe as a single postal territory, the UPU has contributed to exchanges and cooperation between countries with its motto of friendship through the Post.

"Last year, when I took up my duties as President, I received a letter of congratulations along with 66 melon seeds from a Chinese boy and I was very touched by these gifts which came to me through the international postal service. I believe that this kind of friendship transcending national boundaries is the very essence of the UPU.

"On the international stage, we are starting a new era where communications transcend boundaries, creating a global village.

"I believe that the spirit of the UPU, which rises above national borders is a dynamic power source for our age.

"This Congress marks a new chapter in the UPU's history with, among other things, the adoption of the Seoul Postal Strategy and the decision to establish a worldwide computerized postal network.

"I am confident that this Congress will provide an opportunity to rebuild a UPU which is better adapted to turbulent international events.

"The Government and people of the Republic Korea have always striven to achieve the peaceful reunification of the two Koreas through reconciliation and cooperation.

"However, as yet, there is still no postal or telecommunications service between the South and the North, let alone exchanges or cooperation.

"It is truly sad that, given the small distance separating us, mail could be delivered in one day, yet for the past fifty years we have no way of knowing if our loved ones are still alive.

"I hope that this Seoul Congress will provide momentum for establishing means of communication between the two countries, thus contributing to early reunification.

"The Republic of Korea is striving to make a fresh leap forward through bold reforms and policy.

"We are in the process of creating a clean society, a 'New Korea' in which freedom and justice overflow. We are also building a 'New Economy' on the strength of the creativity and participation of all citizens.

"In response to the rapidly changing international order, we are actively pursuing globalization and international cooperation.

"In support of these processes, we are also undertaking a set of epoch-making postal policies.

"On completion of the computerization of all Korean post offices, we will be linked to the worldwide computerized postal network, making for prompt, reliable postal services.

"In preparation for this information society, we are giving top priority to building an information super highway as part of national strategic policy.

"The national postal network will be linked to this super highway, improving economic efficiency and the quality of life for all.

"Furthermore, there are plans to divide mail into priority and non-priority to improve postal efficiency.

"Our postal service is also expected to make a quantum leap quality-wise with the transformation of the present postal administration into a public corporation by 1997.

"It is my sincere wish that the Seoul Congress will pave the way for the modernization, internationalization and development of the Korean postal service, as well as for our increased participation in UPU activities.

"Hoping that this UPU Congress will be a historic event that will contribute greatly to the development of the postal services of all the participating countries, as well as to the reconciliation and prosperity of all mankind, I now declare the 21st Universal Postal Congress open."

*(Applause.)*

Then Mr A C Botto de Barros, Director-General of the International Bureau of the Universal Postal Union and Secretary-General of Congress, presented His Excellency Kim Young Sam, President of the Republic of Korea, with a gift from the Universal Postal Union and a letter of thanks for hosting the 21st Universal Postal Congress in the Republic of Korea which is reproduced in annex 1.

The ceremony concluded with a performance by the Korean Traditional Performing Arts Centre (KTPAC).

UNIVERSAL POSTAL UNION  
Director-General of the International Bureau

22 August 1994

His Excellency Young-sam Kim  
President of the Republic of Korea

SEOUL  
REPUBLIC OF KOREA

Mr President

You have just opened the 21st Universal Postal Congress, in the magnificent Seoul Congress Centre, before the representatives of Universal Postal Union member countries and of numerous observers and guests from all continents.

The holding of a Congress is an event of major importance for the Universal Postal Union. With the 21st century not far away, the Seoul Congress will undoubtedly be a milestone in the history of our Organization which is facing the strategic challenges to be taken up in the years and decades to come.

In my capacity as Director-General of the International Bureau, I should like to thank you most sincerely for attending the solemn inauguration ceremony and for your kind words about the postal services, emphasizing their vital role in the organization and efficient functioning of societies and in bringing the world's peoples and nations closer together.

Our Organization feels honoured by these highly symbolic words, which bear convincing witness to the esteem in which Korea's supreme authorities hold the development of international postal cooperation and to their interest in it.

I take this opportunity to express to the Government of your country and to its postal administration the gratitude of postal administrations for your hosting of the 21st Congress and for the extraordinary efforts on the part of the organizers to make this Congress a success.

I am confident that the traditional spirit of cooperation and openmindedness which are the life blood of the postal family will help make the work of Congress constructive and promising.

Let me reiterate my cordial thanks to you for organizing this Congress and for providing exemplary hospitality and working conditions, while wishing your country great prosperity.

Accept, Mr President, the assurances of my highest consideration.

(signed)

A C BOTTO DE BARROS



### **Opening meeting of Congress**

Monday, 22 August 1994

In the chair: Mr F Koller, Doyen of Congress, and Mr Young-su Kwon, Inspector General, Ministry of Communications, Republic of Korea

The meeting was opened at 2.40 pm.

Opening of Congress  
by the Doyen

Mr F KOLLER, DOYEN OF CONGRESS, took the chair in accordance with article 6, paragraph 2, of the Rules of Procedure of Congresses and declared the first plenary meeting of the 21st Universal Postal Congress open. He gave the following opening address:

"I should like to extend a warm welcome to the Congress participants who have come from all corners of the world, representing the continents and countries of our globe, and wish them an agreeable, successful stay in Seoul and the Republic of Korea.

"I should like to thank His Excellency, the President of the Republic of Korea, for his personal participation in this morning's Congress opening ceremony. In particular, I should like to welcome the Minister of Communications of the Republic of Korea, Mr Yoon Dong-yoon, who has helped us so much with preparations for Congress and who is present at this meeting in person.

"I take this opportunity to say a special word of thanks to the Government of the Republic of Korea, the International Bureau and the Executive Council for selecting me as Doyen of the 21st Universal Postal Congress. This appointment is a great honour and distinction for Germany, my country, and myself. I shall do my best to emulate those who have gone before me in this office – I am thinking in particular of the doyens whom I have met while participating in the six previous postal Congresses: Arne Krog, Vincente Tuason, Josef Jung, René Joder, Fred Pageau and Ramachandra Murthy. You may rest assured that I shall carry out my mission in the sole interests of the Universal Postal Union and with total loyalty to all its member countries. In exercising this duty, I hope I can rely on your indulgence and understanding."

Roll-call of member  
countries

After calling the roll of countries, the Secretary of Congress stated that 137 of the 188 Union member countries were present or represented. The list of those countries is given in annex 1.

As there was a quorum, Congress could proceed to business.

The DOYEN recalled the names of colleagues and friends who had died since the Washington Congress:

Mr A F SPRATT, former Managing Director, Australia Post

Mr P MACHOLD, Dr of Laws, Chairman, Regional Directorate of Posts and Telegraphs, Vienna, Austria

Mr O K HUSBANDS, former Postmaster General and Member of the Executive Council, postal administration of Barbados

Mr T BOURAIMA, former Director-General, Posts and Telecommunication Corporation, Benin

Mr H CORREA DE MATTOS, former Minister of Communications, Brazil

Mr P HADJIOANNOU, former Director-General, Department of Postal Services, Cyprus

Mr D A VELASCO DEL MAZO, former Head, Commercial Service, postal administration of Spain

Mr J ROBERT, former Assistant Departmental Director, postal administration of France

Mrs I JUHARI, former Assistant Director-General, postal administration of Hungary (Rep)

Mr K KALAKE, former Director, Postal Planning Centre, Public Corporation for Posts and Giro, Indonesia

Mr B KRISTJANSSON, Senior Director, Head, Services Division, Administration of Posts and Telecommunications, Iceland

Mr NILAKANTHA RAO PADHYA, former Director-General, Postal Services Department, Nepal

Mr J HISDAL, former Director of Postal Services, postal administration of Norway

Mr J PÉREZ-BARRETO PÉREZ, former Director-General of Posts, Peru

Mr W ADAMSKI, former Deputy Minister of PTT, Poland (Rep)

Mr H RABCEWICZ, former Head of Division, PTT Ministry, Poland (Rep)

Mr M S AL MOADHADI, former Director-General of Posts, Qatar

Mr R PEMBERTON, retired Postmaster General, Trinidad and Tobago

Mr S S MWAMBA, former Regional Postal Manager, Zambia

Mr R L DOCAMPO, former Director-General of the PUASP International Bureau

Mr R VOEFFRAY, former Counsellor and Assistant Chef de Cabinet of the Director-General, International Bureau.

The colleagues whose names he had just read had all made an invaluable contribution to the development of the Universal Postal Union and deserved the delegates' gratitude, esteem and respect. In tribute to their memory, he asked the assembly to rise and observe a minute's silence.

*(The assembly observed a minute's silence.)*

He suggested that the Secretariat send a message of sympathy on behalf of Congress to the families of the deceased.

Continuing another Congress tradition, he also thanked the colleagues who had retired since the Washington Congress (cf annex 2). They too had done sterling service to the Universal Postal Union, and the assembly wished them a long life, health, happiness and satisfaction.

Doyen's address

Mr F KOLLER, DOYEN OF CONGRESS, gave the following address:

"At this point, it is customary for the Doyen to make a few personal remarks about the Congress itself, its tasks and objectives. As we are short of time, I shall confine myself to two topics which have considerably influenced developments in the Universal Postal Union and postal administrations since the Washington Congress.

"On the one hand, there is the expansion of the Union as the result of the political situation. Over the last five-year period, the number of member countries has risen from 170 to 188. This increase highlights once again the Union's universality and its pre-eminent position as the sole specialized agency recognized by the United Nations in this sector. I should like to thank the new members for their confidence in the Universal Postal Union and wish them a warm welcome, with a particular greeting to the delegations of countries participating in Congress for the first time.

"On the other hand, there is the fundamental change which has taken place in the environment confronting the Universal Postal Union and the postal administrations – an environment characterized by radical alterations in government structures in a large number of postal administrations, by the partial or total disappearance of the monopoly for certain fields of postal activity, by a data transmission revolution based on the use of new technologies, by the emergence of private worldwide mail-forwarding networks, by a growing trend towards deregulation and liberalization, by unsatisfactory compensation for certain postal services between administrations and – last but by no means least – by competition on home markets from other postal administrations.

"This development has forced the Universal Postal Union and postal administrations to adopt completely new approaches. On the basis of the Washington General Action Plan, a number of measures aimed at boosting postal exchanges and quality of service, as well as at consistently gearing policy to the needs of postal customers have already been taken.

"However, without doubt, the true response to the new challenges lies in the proposals submitted to Congress with a view to creating better conditions for postal competitiveness on future markets. I am thinking in particular of the

proposals concerning the restructuring of the Postal Union itself, comprising the introduction of a "Strategic Plan" and a programme budget, as well as a new terminal dues system for the letter-post service, the introduction of a worldwide communication network between postal services using Electronic Data Interchange (EDI), improved development cooperation which takes on fresh significance in the light of the new members, then reinforcing quality of service in all fields and postal security. All these proposals are to constitute the basis of a special programme called the "Seoul Postal Strategy".

"These important, complex proposals are the product of many years' of difficult work by all Universal Postal Union bodies: the Executive Council, the Consultative Council for Postal Studies and the International Bureau. We owe all these bodies, along with their members and colleagues, a special debt of gratitude, in particular those responsible for directing these bodies, namely Thomas Leavey, Boris Boutenko and Adwaldo Botto de Barros.

"After five years of preparation, the work required for this Congress has been accomplished and the relevant proposals submitted to it. They should constitute the tool for tackling close competition on the international communications markets on the eve of the next century. However, the success of Congress will also depend on the spirit governing the proceedings and at the time of taking decisions. I therefore hope that the discussions can be conducted in an atmosphere of mutual comprehension and solidarity between member countries, for the good of the Universal Postal Union and its postal administrations, but above all for the good of all peoples throughout the world."

*(Applause.)*

Appointment of the  
Honorary Chairman  
of Congress

The DOYEN expressed his great pleasure in proposing Mr Yoon Dong-yoon, Minister of Communications of the Republic of Korea, as Honorary Chairman of the 21st UPU Congress.

*(Applause.)*

The applause was a clear sign of acceptance, and the assembly had made a wise choice. All were familiar with Mr Yoon Dong-yoon's merits, through his work in the Korean administration which had achieved a high standard under his leadership. Thanks to his initiatives, the doors had been opened wide to international cooperation, and it was in particular thanks to him that the 21st Universal Postal Congress was being conducted under such auspicious circumstances.

The assembly looked forward to the Honorary Chairman's guidance of the proceedings of Congress with his advice, assistance and support.

Address by the  
Honorary Chairman  
of Congress

Mr YOON DONG-YOON, HONORARY CHAIRMAN, gave the following address:

"Doyen of Congress,  
Director-General of the Universal Postal Union International Bureau,  
Ladies and Gentlemen,

"I am very honoured to have been asked to serve as Honorary Chairman of this 21st UPU Congress, and I accept your decision with gratitude.

"It has been 28 years since I started my career with the Ministry of Communications as the director of a post office in a port city located in the southernmost part of the Korean peninsula. The Honorary Chairmanship of this Congress that has been bestowed upon me is the greatest honour in my career in the Ministry of Communications. At the same time, I am deeply aware of the obligations of this position. I pledge my best efforts as Honorary Chairman. And by fulfilling my duties, I sincerely hope to contribute to the success of this Congress.

"Ladies and Gentlemen,

"We are gathered here, with a deep sense of responsibility, to accomplish our noble mission of serving society through postal services with affection for every human being.

"But today's Post is faced with the need to search for new ways to develop postal services to respond to tremendous changes in the postal environment. These changes result from a rapid advancement in alternative means of communication, evolving customer needs and ever-increasing competition from private couriers.

"Let me take this opportunity to explain the present status of the Post in Korea and several current problems affecting our postal services. By sharing with you the experience we have gained in resolving these problems, I hope to demonstrate the viability of the world Post.

"Since its creation 110 years ago, the postal service of our country has gone through many painful ordeals such as invasion and war, but it has never ceased to develop and contribute to the advancement of society. Thirty years ago, Korea had about 800 post offices, but we now have nearly 3400. During this period, our total annual mail volumes grew from 200 million to 3 billion items. Mechanization of sorting offices, starting in the Seoul metropolitan area, has dramatically improved the efficiency of mail delivery. And, in an attempt to promote post offices as local information centres, we are pursuing a plan to computerize postal operations nationwide.

"In the postal financial and banking sector, we have connected all post offices through an on-line computer network, allowing us to provide banking service even to rural areas. We are using the results to stimulate local economies and develop national industries.

"In the telecommunications sector, we suffered from a chronic shortage of telephones in the 1970s. But after improving services, transforming our structure into a public corporation, and benefiting from governmental investment in infrastructure, we reached a point in the early 1980s where we could produce by ourselves most of the equipment required to satisfy our basic telecommunication needs. Furthermore, we accomplished all this in less than 10 years. It is gratifying to note that now we can even help other developing countries improve

their postal and telecommunications services. We are also transforming the present structure of telecommunications services into a privatized corporation, thereby encouraging competition in this sector and giving the management of telecommunications services more autonomy.

"While telecommunications has improved rapidly, today's postal services still suffer from limitations that hinder their ability to respond to the ever-growing demands of customers. These limitations result from a shortage in equipment and manpower under the management system where budgets are inflexible and from other reasons, such as postal rates that cannot cover costs and irrational mail classification systems.

"To solve these problems, we are introducing, from October of this year, a new mail classification system. Under this system, mail will travel at two speeds, priority and non-priority, and cost-effective postage rates will be adopted. And to ensure autonomy while defending the public interest, we will transform the Post's present structure as a governmental postal administration into a public corporation by 1997.

"In our pursuit of this reform, promoting the customers' interests is our first priority, and this restructuring is being undertaken with the understanding that a basic universal postal service is guaranteed to all citizens. We hope that our efforts to reform our Post can be used as a point of reference in the discussions at this Congress to devise better ways to cope with our rapidly changing environment.

"Ladies and Gentlemen,

"To all of you gathered here from all over the world to discuss the future of postal services in the 21st century, I, as Honorary Chairman, sincerely ask you to do your best in your deliberations on Congress business.

"At the 1989 Washington Congress, there were serious discussions on the changing postal environment. This Congress too will provide an opportunity to map out the future role of the UPU.

"I have always thought that we have to change our attitude towards the postal service and to realize that the Post, unlike any other method of communication, has the advantage that it can deliver the heartfelt feelings of the sender along with his or her personal message. If we foster this strength, and if we can offer quality services that are faster, more diversified and more reliable, the Post will remain highly competitive.

"In addition to promoting competitiveness, we should also make renewed efforts in applying advanced technology, adopting aggressive marketing strategies, and improving cost reduction through efficient management.

"I hope that all of you participating in this Congress will work together, in the traditional UPU spirit of cooperation, to find new paths for postal administrations to advance collectively. We all need to demonstrate our wisdom and open-mindedness and place the views of others above our own views and interests. For example, to resolve the issue of terminal dues, I hope that you will find the best compromise solution through a cooperative spirit and an understanding of the common good.

"Ladies and Gentlemen,

"According to a survey done by a Korean news organization a few years ago, postal workers were found to have the highest level of confidence among the public.

"I once again encourage you to pool your wisdom, in a spirit of cooperation, to make the world Post one of the most reliable and valued services in the international community of the 21st century.

"Thank you."

Election of the  
Chairman of  
Congress

The DOYEN said that it was now his special privilege to propose one of their eminent colleagues as Chairman of Congress, namely Mr Kwon Young-su, Inspector General, Minister of Communications of the Republic of Korea.

Mr Kwon was one of the most experienced officials in the Korean administration. His professional development had given him a solid foundation acquired in the course of a brilliant career in various sectors of the postal administration and the Ministry, and this was a prime asset in accomplishing the difficult mission of Chairman of the Universal Postal Congress. Mr Kwon's appointment as Chairman marked the granting of the wishes of all those who had had the pleasure of working with him in recent years and the opportunity of appreciating his efficient, prudent work methods. With Mr Kwon as Chairman of Congress, the delegates were sure of an essential factor for the success of the Seoul Congress. It was therefore now up to them to give Mr Kwon their support in carrying out his difficult task. Therefore, in accordance with article 7, paragraph 1, of the Rules of Procedure of Congresses, he proposed that Inspector General Kwon Young-su be elected Chairman of the 21st Universal Postal Congress.

*(Applause.)*

Address by the  
Chairman of  
Congress

The CHAIRMAN gave the following address:

"Distinguished delegates and observers,  
Ladies and Gentlemen,

"With deep emotions of gratitude, I accept your decision to elect me Chairman of the 21st Universal Postal Congress.

"I realize that this is an awesome responsibility. Let me assure you that over the next three weeks I will faithfully perform my duties to the utmost of my ability and in the best interests of our Union.

"Fifteen years ago I attended my first UPU Congress in Rio de Janeiro as a Director in the Korea International Postal Service and later represented my country at the Congresses of Hamburg and Washington. I always considered it a privilege just to attend Congress, but now a greater honour has been bestowed upon me. I am grateful to you, the delegates to this Congress, and to the leaders of my government, who have placed such confidence in my abilities.

"Like many of you, I have witnessed the tremendous transformation of the global communications marketplace – and an impressive development of our postal products and services – since starting my career in the Ministry of

Communications in the 1960s. But rapid change is not new to any age or generation. I'm reminded of the Korean saying that 'Ten years bring changes even to the rivers and mountains'.

"In the nineties, the tempo of change in the environment we operate has accelerated so fast that some of us now wonder whether our postal administrations can keep pace. The familiar terrain of monopoly protection and a stable customer base seems to be eroding more rapidly underfoot. Advancing deregulation brings tougher competitors capturing larger market share, while fax, E-mail and electronic funds transfer lure away customers who are beginning to use these new technologies as serious alternatives to hard-copy postal delivery.

"In short, we postal managers now face more difficult choices than ever before. Since the Washington Congress, the Executive Council, the CCPS and the International Bureau have made enormous strides in forging the instruments we need to adapt our Union to our rapidly changing environment. These are the proposals to restructure our Union that you will consider at this Congress. In recognition of their hard work in carrying out this complex task, I would like to thank all the members of these UPU bodies, and especially to Executive Council Chairman Thomas Leavey, CCPS Chairman Boris Boutenko, and Director-General A C Botto de Barros.

"At Rio and Hamburg, we already recognized the need to adapt our postal services to an increasingly competitive environment. By Washington, this determination led us to develop an action plan that provided a guide for the transforming of postal agencies into postal businesses.

"While our efforts have produced results, events now compel us to change further. At this Congress we are being asked to take bolder, more far-reaching steps than ever before. Our agenda is our call to action. What we are being asked to do at this Congress is nothing less than to redraw and to rebuild our Union.

"As your Chairman, I only reflect your will. It is you, the delegates to this Congress, who will decide the fate of our Union. And you already hold a design for a new Universal Postal Union in your hands.

"Ladies and Gentlemen,

"Never before has a UPU Congress been expected to finish its work in as few as eighteen working days. Our schedule is so tight, but the decisions we must make – on such issues as EDI, terminal dues, postal development and the Seoul Postal Strategy – these are of crucial importance to us all. I will therefore need to rely on your cooperation to make sure that we complete all our business in the limited time available.

"In preparing for this Congress, we have received invaluable assistance from the host countries of previous Congresses. The postal administration of Germany shared with us its experience from the Hamburg Congress, and more importantly contributed Dr Fritz Koller, as Doyen of this Congress. The United States Postal Service has helped us in our business and logistical preparations – including an informative training programme for our staff in Potomac, Maryland. We would also like to express our appreciation to the International Bureau for all its support and help.

"Finally, I wish to convey a special word of thanks to the interpreters and all those working behind the scenes to make this Congress run smoothly. I refer in particular to the members of the International Bureau support staff, the translators and typists of the language groups, and the members of the Korean Secretariat. The value of their work can never be overemphasized.

"Again, Ladies and Gentlemen, I vow to do my best as Chairman. In return I simply ask for your active participation and cooperation throughout Congress, so that we may achieve our goals and make this 21st UPU Congress an unprecedented success.

"Thank you."

*(Applause.)*

Address by the  
Secretary-General

The SECRETARY-GENERAL gave the following address:

"Mr Honorary Chairman,  
Mr Chairman,  
Mr Doyen,  
Ladies and Gentlemen,  
Delegates and observers to the 21st Universal Postal Congress,

"It is a privilege for me to take the floor before this assembly of representatives of all the member countries of the Universal Postal Union meeting in Congress, inaugurated this morning by His Excellency Young-sam Kim, President of the Republic of Korea.

"His Excellency's presence was a great honour for our Union and evidence of the importance with which the host country's supreme authority views the Universal Postal Union and the delegations present at this Congress. I should like to offer our thanks for the warm welcome and our best wishes for the Republic of Korea's prosperity and its people's happiness.

"I should also like to assure His Excellency that, since the beginning of my term of office at the head of the International Bureau, I have made every effort and taken all the measures available to me with the authorities of the two Koreas to open up mail exchanges between the two countries. I hope that my successor will follow up these measures successfully.

"I should now like to offer my most cordial congratulations to the Honorary Chairman, Minister Yoon Dong-yoon, and Chairman of Congress, Mr Young-su Kwon, and thank them for their kind words about the International Bureau and its Management and staff.

"I also have pleasure in offering my sincere greetings to Dr Fritz Koller and thanking him for accepting the post of Doyen of Congress, the representative and spokesman for all delegates. He has a specially important role in the operation of Congress and its deliberative bodies.

"I offer a special greeting to Heads of Delegation, senior officials of member countries who, by attending and participating, show their own interest and that of their governments in international cooperation and solidarity, the development of postal services and the future of the UPU. I should also like to thank the member countries who have given me their trust by placing me at the head of the International Bureau for the past ten years.

"In regard to the past five years, I should like to express our thanks to the two Councils which have just concluded their terms of office, the Executive Council through its Chairman, Mr Thomas E Leavey, and the Consultative Council for Postal Studies, through its Chairman, Mr Boris P Boutenko, for the quality of their work, which has provided Congress with a very sound documentary basis. I must also mention the intellectual support provided by my colleagues at the International Bureau who have actively contributed their experience in the search for solutions to all the crucial questions affecting the Union's future.

"The Doyen of Congress paid tribute to our colleagues at previous UPU Congresses who have died since 1989. I should like to associate myself with that tribute to the colleagues and friends who contributed greatly to the development of our Union and whom we shall always remember.

"I would also like to offer my best wishes to our former colleagues and friends who have taken their retirement since the Washington Congress and to offer special thanks to Mr Cicéron, former Deputy Director-General, Messrs Navarro, Paris, Muñoz and Miss Robert, and Messrs Oudahi, Nlend, Fall, Devecchi, Aguilar, Faúndez-Vásquez, Rubens and Cacciatore.

"Mr Chairman,  
Ladies and Gentlemen,

"It is rare to see such a varied and representative gathering as we have here attending the 21st Congress. Congresses have an exceptional atmosphere to them. In fact, this event, which we hold at regular intervals, is the focus of attention and interest of both postal administrations and the governments of member countries.

"I am deeply moved to be able to give you my last message as Secretary-General at the opening of the UPU Congress. It will be a message of friendship and gratitude to all who have worked together in the cause of developing the universal postal service, and of hope for the future of postal services worthy of their place in the communications market.

"Change, keeping up with progress, continuous modernization; these are the words which, like a leitmotiv, are on the lips of senior postal officials in all countries. The changes we have experienced in the political, economic and social environment late this century have been so fast, so fundamental that they have resulted in a whole range of events and processes which have transformed the communications sector as well.

"At the Rio de Janeiro Congress which I chaired in 1979, we undoubtedly glimpsed the current changes in the postal market but, back then, no one could possibly have foreseen the speed with which deregulation, technological competition and competition from private couriers would come.

"Since the 1984 Hamburg Congress, there has been progressive awareness of the consequences of these upheavals. The General Action Plan adopted by all member countries represented at the 1989 Washington Congress constituted an initial shock treatment intended to make the postal services react vigorously and decisively to the challenge. The vast majority of postal services opted for competitiveness, efficiency, independent management, improved market adaptation and, finally, the quest for financial autonomy, while remaining true to their vocation as a public, universal service.

"Now, Seoul is the Congress of change.

"Mr Chairman,  
Ladies and Gentlemen,

"We can never overestimate the importance of the postal services as a factor in economic, social and cultural development.

"The reality of this world, which seems to be going faster and faster, which is getting smaller every day with the dizzy progress of communications, the creation of sound regional communities, the gradual disappearance of trade frontiers, the growing need to attach man to his place of origin, the interdependence of economies and States, along with the spread of market economies, are only some of the factors which govern the UPU's role as an intergovernmental organization and which make the political will of the industrialized countries to participate in global progress through transfer of technology to the developing countries more essential than ever.

"The UPU's mission, laid down in the first article of its Constitution, was deemed to be still valid by the extraordinary High-level meeting held at Union headquarters in 1992 to prepare the Seoul Congress.

"The Union encourages all countries to play a full part in its activities and allows frank and open dialogue on all matters, even the most controversial. All viewpoints can be expressed there freely. In this way, the Executive Council and the Consultative Council for Postal Studies – seeking a balance between the extreme view expressed at times – have democratically reached agreement on the proposals stemming from their work which are placed before you.

"I am convinced that, at the conclusion of Congress member countries' delegations will be surer than ever that the Universal Postal Union is the organization best placed to meet the needs and expectations they have expressed, that the UPU is the only international organization capable of acting as a catalyst for postal development throughout the world.

"The best proof of the postal market's importance in the world of communications, culture and international trade is the fact it continues to grow and is increasingly sought after.

"Indeed – and this concerns many more sectors – today's world is experiencing a veritable commercial race which, pushed to the extreme, could be disastrous for the future of the Earth. To avoid this scenario, appropriate mechanisms will undoubtedly be established by the United Nations and the new World Trade Organization.

"In the postal sector, an exclusively commercial approach, ignoring the social side of the postal services, could not prevail in the long term either. In my address at the opening of the High-level meeting in 1992 I said:

"Solidarity between administrations, a concept that lately seems to have been losing its popularity, should once again be strengthened. It is not as the result of a business mentality, with each administration protecting its own interests without thinking of the consequences that its decisions might have on the world postal system as a whole, that this same world postal system will gain from the effects of synergy and economies of scale. The 'commercial' approach and the 'public service' approach can and must coexist. The commercial attitude of the Post in offering competitive international services must be a collective one so that basic universal postal services do not suffer a fatal blow."

"It would be unrealistic to claim that the postal services of any particular country could survive without offering top-class services – the most profitable and hence most coveted by all market competitors, including other postal administrations. I wonder whether the possible restriction, advocated by some, of the faculty administrations have of collaborating in the UPU to offer all services jointly, including top-of-the-range ones, at international level, would be in the interests of all customers, especially those most affected by the postal services' social and strategic functions. Such collaboration is the only viable way for member countries' postal administrations to achieve financial autonomy, to invest in infrastructure and training, remain competitive compared with private couriers and to offer customers all the services they need. Furthermore, to the best of my knowledge, the private couriers are far from being forced to comply with such constraints.

"We can never stress sufficiently the fact that the search in the UPU for better service quality and reduced costs through rationalization of the system obeys the elementary principles of healthy competition, with the customer as the greatest beneficiary.

"The Seoul General Debate will constitute an ideal forum for pursuing discussions on the development of postal services in the world and the means, resources, additional funding machinery and restructuring measures to be created so that the UPU can continue to live up to all member countries' expectations. Subsequently, the conclusions of the General Debate will guide the work of the Committees which will have to take decisions on crucial questions already studied and discussed in the Consultative Council for Postal Studies.

"Changes currently being prepared are fundamental in that they relate to the operation of the permanent bodies. They will also affect the composition, functions and working methods of the future Councils and, consequently, of the International Bureau which has always been and, I trust, will continue to be the reflection of all member countries of the Union and the executing agency of their joint decisions.

"An organization which has proved itself does not change for the sake of changing. Any change must correspond to a need or the anticipation of foreseeable needs. In any change, there are arguments for a whole range of solutions midway between two extremes.

"As the Union consists of a mosaic of member countries with different needs and differing cultures, the danger of taking a false step becomes negligible. Let us look optimistically towards a future which can only be promising as it is based on the wisdom of us all!

"I wish the Seoul Congress every success in its deliberations."

*(Applause.)*

Approval of  
appointments of  
Vice-Chairmen of  
Congress

The CHAIRMAN then said that, in proposal 012, the Executive Council had, subject to approval by Congress, selected the countries to be Vice-Chairmen of Congress, namely, Ethiopia, Italy, Russian Federation and Venezuela.

Proposal 012

These four nominations were approved by acclamation and the Vice-Chairmen of Congress were invited to take their places on the Chairman's rostrum.

*(Applause.)*

Statements by the  
Vice-Chairmen of  
Congress

The representative of ETHIOPIA said that it was indeed an honour and a privilege for his country, Ethiopia, and also for the Continent of Africa, to be elected as one of the four Vice-Chairmen of the 21st Congress of the Universal Postal Union. He therefore wished to thank all members for the confidence and trust vested in them and to assure them that his delegation would do its best to live up to the expectations of that august body.

On behalf of his delegation, he wished to thank the Government of the Republic of Korea most sincerely for the very warm welcome accorded to them upon their arrival in the beautiful city of Seoul and for the excellent arrangements made for the 21st Congress. As was already apparent from the various documents, Congress had an enormous task ahead of it and it was with great anticipation that the Ethiopian delegation looked forward to the various discussions to be held and decisions to be taken by Congress.

He congratulated Mr Kwon on his nomination as Chairman of the 21st Congress. His unanimous election was a true testimony to his competence and qualities, of which he had given ample proof during the sessions of the Executive Council he had been able to participate in as representative of his country and as Chairman-designate of Congress. There was no doubt that, under his wise guidance, the work of Congress would be a success.

*(Applause.)*

The representative of ITALY congratulated the Chairman on his election to the chairmanship of this historic Congress. He was convinced that, under his leadership, Congress would be a success. It was a privilege and great pleasure, on behalf of Italy, to express his thanks to the assembled delegations for selecting his country to be one of the four Vice-Chairmen of the 21st UPU Congress, which was an exceptional event in the history of the world Post, since it would have to adopt modifications in the structure and operation of the UPU, which were necessary in order to face up to the legal, technological and commercial challenges in the postal environment.

Like all the members of the Italian delegation, he had vowed to spare no effort in shouldering that responsibility. He took that opportunity to express his sincere gratitude to the Korean authorities for the very cordial welcome extended to his delegation and his congratulations on the excellent organization of Congress.

*(Applause.)*

The representative of the RUSSIAN FEDERATION congratulated the Chairman on the occasion of this great world postal celebration, the 21st Universal Postal Congress in Seoul. All delegations were very grateful to their Korean colleagues who had prepared for and organized Congress so well.

On behalf of the Russian postal administration, he thanked the assembly for having selected his country to be a Vice-Chairman of Congress.

Congress had before it an extremely complex and heavy task, concerning as it did the structuring, reorganisation and improvement of the entire world postal service.

On behalf of his country and himself, he wished Congress every success.

*(Applause.)*

The representative of VENEZUELA said that he was very grateful, on behalf of his country, for having been selected to be Vice-Chairman of Congress and gave his assurance that no effort would be spared.

He was convinced that all the work of Congress would be accomplished satisfactorily. The task in hand was not only to encourage the postal services, but also to reaffirm postal solidarity worldwide. He was certain that the leadership and chairmanship of Congress had been placed in highly competent hands.

*(Applause.)*

Approval of the appointment of the Chairmen and Vice-Chairmen of the Committees of Congress

The CHAIRMAN said that the Executive Council had, subject to approval by Congress, selected the member countries to be Committee Chairmen and Vice-Chairmen and invited the delegates to adopt them.

Proposal 013 was adopted.

Proposal 013

Approval of nominations for Restricted Committees

The CHAIRMAN asked for approval of proposal 014 which concerned member countries designated by the EC, in accordance with article 102, paragraph 6.27, of the General Regulations, as prepared to be members of the following Restricted Committees:  
Committee 1 (Credentials) and Committee 10 (Drafting).

Proposal 014 was adopted.

Proposal 014

The CHAIRMAN noted that the Bureau of Congress was duly constituted and expressed his pleasure at working with the member countries elected in a spirit of collaboration and understanding.

Removal of the ban on readmission of South Africa to the Universal Postal Union

Congress – Doc 89

Proposal 025/  
Rev 2

The representative of ZIMBABWE presented Congress – Doc 89 in his capacity as head of the UPU delegation which had visited South Africa from 6 to 10 June 1994 to examine on the spot the scale of the changes which had taken place and above all to see whether racial discrimination had disappeared there. The mission had been a positive one and had ascertained that significant changes had occurred in South Africa; a government had been formed after democratic elections and apartheid had disappeared. The delegation therefore recommended the removal of the ban on readmission of South Africa to the Universal Postal Union.

The CHAIRMAN asked for approval of proposal 025/Rev 2 on removal of the ban on readmission of South Africa to the Universal Postal Union. He announced that Algeria and the Congo (Rep) had been added to the list of member countries having supported that resolution.

The representative of INDIA said that his country also wished to be included in the list of countries which supported resolution 025/Rev 2, because it welcomed the end of apartheid in South Africa and the advent of democracy in that country. India had always had close ties with the national liberation movements. The Indian Embassy in Pretoria had been opened in May 1994 and the General Consulate in Durban in May 1994.

The representative of KOREA (REP) said that the host country of Congress supported the readmission of South Africa to the Universal Postal Union and wished to underscore the major progress made in South Africa, of which account had to be taken.

The representative of SPAIN supported the removal of the ban on readmission of South Africa, which, as a new member, would make a positive contribution to the international postal community.

The observer for the PAN AFRICAN POSTAL UNION (PAPU) said that, to the delight of the international community and, in particular, the world postal family, South Africa had been completely transformed. There had been spectacular changes. Apartheid had been dismantled and Mr Nelson Mandela was the first President of a multiracial government. So the reason why South Africa had been expelled from the UPU had vanished. At the 2nd Conference of Plenipotentiaries in Lomé, all the PAPU member countries had adopted a decision for the readmission of South Africa to the UPU.

Proposal 025/Rev 2 was adopted.

The CHAIRMAN said that the resolution took immediate effect and that South Africa could therefore request readmission to the UPU.  
(A member of the Korean secretariat entered the hall and handed a document to the Secretary-General.)

The SECRETARY-GENERAL announced that he had just received South Africa's instrument of accession to the Universal Postal Union and asked the Secretary of Congress to read it out.

The SECRETARY OF CONGRESS read out the following document:

"Republic of South Africa

"Office of the President

"Instrument of accession

"I, NELSON ROLIHLAHLA MANDELA, President of the Republic of South Africa,

"having seen and examined the text of the Constitution of the Universal Postal Union, which was done at Vienna on the 10th day of July 1964, and the other Acts of the Union,

"declare hereby, on behalf of the REPUBLIC OF SOUTH AFRICA, a member of the United Nations, its accession to the Universal Postal Union and to the following Acts:

- Constitution of the Universal Postal Union and Final Protocol, signed at Vienna on 10 July 1964;
- Additional Protocol to the Constitution of the Universal Postal Union, signed at Tokyo on 14 November 1969;
- Second Additional Protocol to the Constitution of the Universal Postal Union, signed at Lausanne on 5 July 1974;
- Third Additional Protocol to the Constitution of the Universal Postal Union, signed at Hamburg on 27 July 1984;
- Fourth Additional Protocol to the Constitution of the Universal Postal Union, signed at Washington on 14 December 1989,

"as well as the

- General Regulations of the Universal Postal Union; and
- Universal Postal Convention and Final Protocol,

"signed at Washington on 14 December 1989.

"I undertake that the provisions contained in the Acts listed above will be faithfully observed by my country.

"I also declare that the Republic of South Africa wishes to be placed in the ten (10) unit contribution class with regards to its participation in the Union's expenses.

"In witness whereof, I have signed this instrument of accession to the Universal Postal Union, which will be deposited with the Director-General of the International Bureau, in accordance with article 11, paragraph 3, of the Constitution of the Universal Postal Union.

"Done at Pretoria, 30 July 1994.

"(signed)

President of the Republic of South Africa"

The SECRETARY-GENERAL, having taken note of this document, said that he wished to certify that the instrument of accession complied in all respects with the related provisions of the UPU Constitution, then declared it to be valid.

He then said that, as Director-General of the International Bureau and in accordance with the powers conferred upon him by the Constitution of the Universal Postal Union, specifically article 11, paragraphs 3 and 5, thereof, it was an honour and a pleasure to take advantage of the presence of the member countries of the Union meeting in Congress at Seoul to officially notify them of the accession of South Africa, which accession took effect that very day, 22 August 1994.

Furthermore, the accession would be also be notified in writing to the Governments of member countries and the necessary measures taken to ensure that this notification was dispatched from Berne that day.

Following this accession, the Universal Postal Union numbered 189 members.

The CHAIRMAN announced that all steps had been taken to welcome South Africa and requested the Korean Secretariat to post South Africa's name on the electronic board, to position the country name in the place reserved for it and to turn on the microphone allocated to it. He asked the Secretary of Congress to lead the delegation of South Africa to its place in the Congress hall.

*(Applause on the entrance of the delegation of South Africa to the hall.)*

The CHAIRMAN said that, to judge by the applause, all the delegations were happy to see the sheep which had strayed for so long re-entering the UPU fold.

The representative of SOUTH AFRICA thanked the UPU on behalf of the Government and people of South Africa for readmitting his country to this august assembly. In particular, he thanked certain member countries which had worked for South Africa's readmission to the UPU. Its expulsion had not been interpreted by the people of South Africa as reprisals against it, but rather as a major contribution by the international community to the struggle for democracy in South Africa. Special thanks were due to the PAPU and the Organization of African Unity (OAU) for the role those organizations had played. South Africa was happy to have been readmitted to the international community.

*(Applause.)*

The meeting rose at 5.30 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**List of member countries represented at the opening of Congress (countries present and countries represented by another country)**

People's Democratic Republic of Algeria  
People's Republic of Angola  
Argentine Republic  
Republic of Armenia  
Australia  
Republic of Austria  
State of Bahrain  
Bangladesh  
Barbados  
Belgium  
Republic of Benin  
Kingdom of Bhutan  
Republic of Bolivia  
Republic of Botswana  
Federative Republic of Brazil  
Brunei Darussalam  
Republic of Bulgaria  
Burkino Faso  
Kingdom of Cambodia  
Republic of Cameroon  
Canada  
Republic of Cape Verde  
Central African Republic  
Chile  
People's Republic of China  
Republic of Colombia  
Republic of the Congo  
Republic of Costa Rica  
Republic of Côte d'Ivoire  
Republic of Croatia  
Republic of Cuba  
Czech Republic  
Kingdom of Denmark  
Republic of Djibouti  
Dominican Republic  
Republic of Ecuador  
Arab Republic of Egypt  
Republic of El Salvador  
Republic of Equatorial Guinea  
Eritrea  
Republic of Estonia  
Ethiopia  
Fiji  
Republic of Finland  
French Republic  
Gabonese Republic

Gambia  
Republic of Georgia  
Federal Republic of Germany  
Republic of Ghana  
United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man  
Overseas Territories for whose international relations the Government of the United Kingdom of Great Britain and Northern Ireland is responsible  
Greece  
Guyana  
Republic of Honduras  
Republic of Hungary  
Republic of Iceland  
India  
Republic of Indonesia  
Islamic Republic of Iran  
Ireland  
Israel  
Italy  
Japan  
Hashemite Kingdom of Jordan  
Republic of Kazakhstan  
Republic of Kenya  
Republic of Korea  
Kuwait  
Kingdom of Lesotho  
Republic of Latvia  
Lebanese Republic  
Socialist People's Libyan Arab Jamahiriya  
Principality of Liechtenstein  
Republic of Lithuania  
Luxembourg  
Malaysia  
Malawi  
Republic of Maldives  
Republic of Mali  
Malta  
Kingdom of Morocco  
Mauritius  
Islamic Republic of Mauritania  
United Mexican States  
Principality of Monaco  
Mongolia  
People's Republic of Mozambique  
Union of Myanmar  
Republic of Namibia  
Republic of Nauru  
Netherlands  
Netherlands Antilles and Aruba  
New Zealand  
Norway  
Sultanate of Oman  
Islamic Republic of Pakistan  
Papua New Guinea  
Republic of Paraguay  
Republic of the Philippines  
Republic of Poland  
Portugal

State of Qatar  
Romania  
Russian Federation  
Saint Lucia  
Republic of San Marino  
Kingdom of Saudi Arabia  
Republic of Senegal  
Republic of Singapore  
Slovak Republic  
Republic of Slovenia  
Spain  
Democratic Socialist Republic of Sri Lanka  
Sweden  
Swiss Confederation  
Republic of Suriname  
Kingdom of Swaziland  
Syrian Arab Republic  
United Republic of Tanzania  
Thailand  
Togolese Republic  
Kingdom of Tonga  
Republic of Turkey  
Republic of Uganda  
Ukraine  
United Arab Emirates  
United States of America  
Eastern Republic of Uruguay  
Republic of Vanuatu  
Vatican City State  
Republic of Venezuela  
Socialist Republic of Viet Nam  
Western Samoa  
Republic of Yemen  
Republic of Zambia  
Republic of Zimbabwe

**List of former delegates who have retired**

Country	Name and former position
Argentina	H A HERRERA, former Head of the International Affairs Division
Australia	R M TAYLOR, former Managing Director J L BRADY, former Secretary P J SMITH, former Manager, International Postal Affairs
Austria	H KNAUTHE, Dr of Laws, former Director, Head of the International Postal Service, Directorate-General of Posts and Telegraphs F MITTERMAIER, Dr of Laws, former Director responsible for parcel post, airmail, postal financial services and CEPT affairs, Directorate-General of Posts and Telegraphs R TOIFL, former Administrator, international parcel-post expert, Directorate-General of Posts and Telegraphs
Bahamas	W T KNOWLES, former Senior Deputy Postmaster General
Bangladesh	K R QUDDUS, former Director General M AHMAD, former Director General
Barbados	C GILL, former Postmaster General
Belgium	G WINDELS, former Inspector-General, Head of the International Affairs Department
Bolivia	Mrs M E BELTRAN DE VILLA, former International Relations Manager
Bulgaria (Rep)	P ATANASSOV, former chief expert, international postal services
Cyprus	T CHARALAMBIDES, former Director, Postal Services Department
Colombia	G MOSQUERA, former Assistant Director of Operations
Costa Rica	A PIEDRA, former Head of International Affairs J GUTIERREZ, former member of the Board Mrs I LEON, former Deputy Minister of the Government and Police M CALVO, former National Director D AMADOR, former representative of the Government Ministry
Ecuador	A C CIFUENTES, former Director of International Relations
Egypt	K ABDEL-HADI, former Chairman of the Board of the Postal Authority
France	P DURAND, former Departmental Director

Country	Name and former position
Germany	W FLORIAN, Dr of Laws, former Secretary of State at the Ministry of Posts and Telecommunications, Chairman of the Hamburg Congress F SCHOLL, former Member of the Steering Committee of Deutsche Bundespost POSTDIENST F KOLLER, Dr of Laws, former Ministerial Deputy Director at the Ministry of Posts and Telecommunications R JANSSEN, Dr of Laws, former Ministerial Deputy Director at the Ministry of Posts and Telecommunications P KLOSSEK, Dr of Laws, former Ministerial Counsellor at the Directorate-General, Deutsche Bundespost POSTDIENST H J HILGERS, former Assistant Director at the Directorate-General, Deutsche Bundespost POSTDIENST H FRIES, former Assistant Head of Section at the Directorate-General, Deutsche Bundespost POSTDIENST
Great Britain	Miss S SMITH, former Head of Overseas Postal Section, Department of Trade and Industry C BRISCOE, former Director & General Manager, Royal Mail International D FOOT, former Director of International Affairs
Greece	M MATHIOUDAKIS, Special Adviser for International Questions K SCARLOS, Head of Section
India	R K SAIYED, former Secretary (Posts), Department of Posts and Director General K PRAKASH, former Member (Operations), Department of Posts
Indonesia	A SJARKATI, former Director of Convention and International Relations of Directorate General of Posts and Telecommunications
Iran (Islamic Rep)	M HARISHI, former Head of Mechanization and Computerization, Post Co M M ROWSHANI, former Director General Financial Postal services, Post Co
Ireland	G HARVEY, former Chief Executive M COADY, former General Manager, Provincial Mails Services
Italy	M CAO, former General Manager, Central Director of Postal Services A DE FRANCHIS, former Senior Manager, Deputy Director of Postal Services C BAUDAZZI, Dr of Laws, former Director, International Relations Office
Jamaica	BERTRAM G HENRY, former Postmaster General
Japan	Y KAJITANI, former Director-General of the Tokai Regional Bureau of Postal Services T ONOZAWA, former Director-General of the Broadcasting Bureau, MPT Y IGUCHI, former Director-General of the Kinki Training Institute of Postal Services F KITAHARA, former Senior Advisor of the International Affairs Department, MPT M SAKURAI, former Postmaster of Komae Post Office
Kenya	C C MUSUNDI, former Head of Postal Services S JUMA, former Manager International and Public Relations J R MWAURA, former Principal Postal Controller
Korea (Rep)	W-j LEE, former Minister of Communications Y-s SHIN, former Vice Minister of Communications P-g HUH, former Director General of Posts H-w LEE, former Director of Korean Secretariat, UPU Seoul Congress B-w RAH, former Deputy Director of International Postal Division Y-ch KONG, former Assistant Section Chief
Madagascar	R RAVELOMANANTSOA RATSIMIHAN, former Director of Posts Mrs H RABEFANIRAKA, former Head of the Monetary Articles Service
Mali	S THIAM, former Assistant Director-General, Posts and Telecommunications Office

Country	Name and former position
Mauritius	K SUMODHEE, former Permanent Secretary, Ministry of Energy, Water Resources & Postal Services H BAHORUN, former Postmaster-General, Posts and Telegraphs Department
Norway	K STRØMSNES, former Director, International Services
Peru	Mrs V DEL ALCAZAR DE AROSEMENA, former official of the Directorate-General
Poland (Rep)	J TOMASZEWSKI, former Deputy Minister of Transport, Water Management and Communications A CICHY, former Director-General
Swaziland	N MANANA, former Deputy Managing Director Posts and Telecommunications Corp W JELE, former Director Postal Services
Sweden	Mrs M-S RUNSTEN, former Administrator of Sweden Post AB B KLEVBORN, former Managing Director of SwedPost Consulting AB
Switzerland	J CLIVAZ, former Director-General of PTT H DUERR, former Deputy Director-General of PTT E BURN, former Head of the International Service
Turkey	E BASER, former Deputy President of Radio & Television High Council M I TANRIKULU, former Director of Postal Checks, Postal Department
United States of America	A M FRANK, former Postmaster General E E HORGAN, Jr, former Associate Postmaster General – International J G MULLIGAN, former Senior Assistant Postmaster General G C MORISON, former Assistant Postmaster General Ch C CLAUSON, former Chief Postal Inspector J E STANFORD, former General Manager, Official & International Mail Accounting Division I HARRISON, former Senior Advisor, International Postal Affairs F A BURNS, former Manager, International Business S J WINSTON, former Senior Advisor to the Associate Postmaster General M GONZALEZ, former International Relations Specialist R TREVINO, former Division Director, Marketing and Communications
Zambia	R J MWAPE, former Director of Postal Services S W MUNTHALI, former Managing Director
International Bureau	F CICÉRON, former Deputy Director-General A NAVARRO, former Assistant Counsellor C PARIS, former Counsellor T MUÑOZ, former Senior Counsellor Miss S ROBERT, former Second Secretary M S OUADAH, former Assistant Counsellor E NLEND, former Senior Counsellor S FALL, former Counsellor J-L DEVECCHI, former Counsellor E AGUILAR, former Assistant Counsellor L A FAÜNDEZ-VASQUEZ, former First Secretary L RUBENS, former Senior Counsellor F CACCIATORE, former Senior Counsellor

## **Second meeting of Congress**

Tuesday, 23 August 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.45 am.

The CHAIRMAN welcomed the observers who were following the proceedings of the 21st UPU Congress, particularly the representatives of POSTEUROP, APU, BPU, CAPTAC, CEPT, CSFPE, NPU, PAPU and SWAPU, as well as those of the UN, ICAO, ITU, CEC, CCC and IATA. He further took note of the fact that for the duration of Congress, the Arab Permanent Postal Commission (APPC) would be represented by Jordan.

### **Communication**

Mr KOLLER, DOYEN OF CONGRESS, thanked the Minister of Communications and the postal administration of the Republic of Korea for the very pleasant reception and entertainment of 22 August 1994 at the Convention Centre in the Seoul Hilton Hotel, to which all Congress participants had been invited.

### **Message from Mr Boutros Boutros- Ghali, UN Secretary- General**

Mr FOURACRE, DIRECTOR OF THE UNITED NATIONS POSTAL ADMINISTRATION, congratulated the Chairman on his election and relayed the following message to Congress from Mr Boutros Boutros-Ghali, Secretary-General of the United Nations.

"I am pleased to extend my greetings to all those participating in the 21st Congress of the Universal Postal Union.

"Communication has long been the key to the growth of human activity and human societies. Today, as globalization transforms the world, communication, information, knowledge, and intellectual interchange are more critical to human societies than ever before.

"The Universal Postal Union plays a vital role in communication. By setting regulations and protocols for postal services world wide, the Universal Postal Union continues to make a significant and enduring contribution to social, economic and cultural development around the world.

"The Universal Postal Union, founded in 1874, has the honour of being one of the first established international organizations. It is a tribute to the Universal Postal Union that throughout its long history – and especially during the last

20 years of rapidly advancing communications – it has readily adapted its structure and working methods to meet the changing needs of the world's postal administrations.

"As we struggle to adapt to the ever-quickenning pace of the 21st century, it is critical that at its 21st Congress the Universal Postal Union display even greater flexibility to respond to the changing communications and postal environment. I am confident that greater coordination and cooperation with the United Nations and the specialized agencies and programmes will facilitate the work of the Universal Postal Union in this respect. I encourage the Universal Postal Union to continue to maintain close links with other United Nations specialized agencies and programmes.

"As you all know, 1995 will mark the fiftieth anniversary of the founding of the world organization. For the United Nations, this year holds more than just chronological significance. The fiftieth anniversary holds the potential to renew and strengthen the commitment of the peoples of the world to the principles and efforts of the United Nations. I am heartened by the efforts of the Universal Postal Union to encourage postal administrations across the globe to help generate support for the organization by issuing stamps commemorating the fiftieth anniversary. Indeed, the response to the invitation for member postal administrations to issue fiftieth anniversary stamps has been particularly gratifying.

"Finally, I should like to convey to you, Mr Director-General, my personal appreciation of the able guidance that you have provided to the Universal Postal Union during your tenure as Director-General. The last decade has seen significant changes in many aspects of global and, indeed, individual, lives. I have no doubt that without your guidance, the Universal Postal Union could not have successfully responded to these changes. I send my warmest wishes for your future endeavours.

"Let me in closing extend my sincere best wishes for a most productive and rewarding Congress."

#### Statements

The representative of JAPAN made the following statement:

"First of all, I would like to thank the Government of the Republic of Korea and its magnificent people for hosting this 21st Universal Postal Congress in this beautiful international city, Seoul. I thank you for the painstaking efforts and endeavours your people have undertaken over these five long years to prepare for the Congress. I also appreciate very much the heartwarming welcome you have extended to all the delegations including ours. Mr Chairman of Congress, I congratulate you for being honoured as the Chairman of this historically important Congress. I am sure your rich experience and outstanding capability will lead this gathering to success.

"Taking this opportunity, I would also like to thank Congress Secretary-General, Mr Botto de Barros, and, the staff of the International Bureau. It is obvious that, without the skillful and experienced support of all of you, this Congress would not be crowned with success.

"This UPU Congress is the second to be held in Asia, a quarter of a century after the 16th Congress, held in Tokyo in 1969. During these twenty-five years, both the world and the environment surrounding the postal services have been greatly changed. In this regard, you may recall the ending of the East-West Cold War, globalization of socio-economic activities, the development of science and technology, especially in the field of communications, both in terms of technology and means, the expansion of private courier services, and the increased diversification of customer needs with regard to the postal services.

"Nevertheless, it is still true that history marches on. When you review carefully the decisions taken at the Tokyo Congress in 1969, you may find the origin of some themes which constitute the major issues of this Congress. At the Tokyo Congress, it was decided to reinforce the function of the CCPS, by changing the role and the name of its Management Council and increasing the number of its member countries, and to introduce the terminal dues system. Now, after twenty-five years, these issues are being taken up in this Congress as core subjects that will determine the future of the Union. Particular proposals are being submitted to this Congress for drastically restructuring the organization and the functions of the UPU as a whole, and for the revision of the terminal dues system with a view to ensuring a more equitable compensation for delivering administrations. I am convinced that these proposals will be accepted as positive signs of the UPU in terms of 'adaptation to the changing environment'.

"Facing severe competition from the rapidly expanding private couriers, as a proof of this attitude of 'adaptation', postal services all over the world have seriously begun to improve their various postal services so as to satisfy the changing needs of their customers and further development. In spite of all these efforts, some postal administrations might have difficulties in dealing with this competitive environment. However difficult the situation might be, there are some crucial principles that must be kept intact; that is, the public mission of the postal service, which is to offer the best quality of service to every corner of the world, and the UPU mission, which is to promote cooperation among nations and their postal administrations to that end. I believe these goals are still of inestimable value even today. They constitute the essence of the postal service. We who are involved in the postal service should always keep these goals in mind.

"As reflected in these goals, it is important that, whatever the difficulties might be, we solve our common problems by promoting cooperation among the member countries and their postal administrations. If an administration adopts a self-benefiting action solely to resolve its own difficulties, the situation may be improved to some extent for a short period of time, but in the long run, dealing with matters in such a short-sighted, uncooperative manner will result in weakening the basis of the entire postal business around the world and, as a consequence, devastate the administration itself. In this vein, I would like to point out that, in addition to the issues I cited before such as restructuring the UPU as well as revising the terminal dues system, the issues of remailing and preserving the integrity of the EMS network should be considered as urgent subjects to be addressed by the UPU.

"At past UPU Congresses, many 'collective solutions' were reached for the benefit of the entire postal service worldwide and for dealing with the various problems and challenges facing the postal community by expressing, in an open and constructive manner, different views based upon each member's own sense of value and experience, thereby gleaning much wisdom and information and adjusting the interests of administrations. At the present Congress, we have so

many important proposals to discuss. I am sure, however, Mr Chairman, each of these hurdles can be cleared, as in the past, by further strengthening the spirit of cooperation among member countries, in other words, by reinforcing the 'solidarity' of member countries.

"I sincerely hope that, at this Congress, by adopting a long-term perspective, we will be able to make significant decisions that will determine the future of the postal service.

"Mr Chairman, I firmly believe that, under your superb leadership, this Congress will be crowned with an epoch-making success. On behalf of Japan, I assure you that our delegation is anxious to cooperate with you to ensure the success of this Congress which is being held in our closely neighbouring and neighbourly country."

The representative of SOUTH AFRICA made the following statement:

"South Africa's rights to membership of the Universal Postal Union have been restored and it is my privilege to thank all those who have cooperated in the preparations for this Congress and in particular those in the Southern Africa region, the Pan African Postal Union, the Executive Council and the officials of the International Bureau of the Universal Postal Union, who have in one way or another promoted and facilitated South Africa's return to the UPU. We are grateful to all countries present here today who have supported the return of my country to this respected Union.

"As you all know, the people of South Africa have elected their first ever democratic government which has accepted the challenge of bringing all our people into enjoyment of better living standards and full realization of the benefits of a fully democratic society. The vehicle for this upliftment is our Reconstruction and Development Programme. All government departments, the private sector and trade unions are striving to make their contribution to efforts in this direction.

"Communication is an important part of the work that has to be done and, obviously, postal services are an important means of communication. It is thus a matter of great significance to us in South Africa that we shall be able to contribute to and to benefit from the work of the UPU with its proud record of organizing and promoting the international postal service.

"The termination of South Africa's membership of the Universal Postal Union at the 1984 Hamburg Congress was a token of international opposition to the policies of apartheid. South Africa continued to exchange letter-post dispatches with other countries on the basis of the UPU Convention and its Detailed Regulations and there was no interruption of services.

"South Africa's international mail service expanded and during the past 10 years the number of international mail items received and dispatched increased by approximately 26 percent.

"Since we were not members of the UPU, we did not receive the weekly International Bureau Circulars and other documentation and consequently were sometimes in the dark about what was happening on the international postal scene. Moving from this position of being in the dark at times to one of being in the full

light of day not only will expose us to all the information we need, but will also expose South Africa to the scrutiny of the international postal community. We look forward to the benefits which will accrue to South Africa from this.

"With regard to inter-administration accounts and payments, we have adhered strictly to the UPU's provisions and creditor postal administrations can attest to the fact that we have met our financial commitments without fail.

"I want to use this occasion to announce that South Africa, in accordance with article 21, paragraph 4, of the Constitution of the UPU, has elected to contribute in the class of 10 units initially. We may increase this as we test South Africa's ability to contribute and become active participants in the work of the UPU.

"South Africa has not been a signatory to the Postal Parcels Agreement of the UPU. Our international parcel-post service has continued on the basis of bilateral parcel-post agreements with other postal administrations. I am happy to announce our intention to sign the Postal Parcels Agreement as soon as is possible, perhaps even at the end of this Congress. But, in terms of the South African Constitution, a Presidential Act is required before such an agreement can be entered into. Such an Act is in the process of preparation.

"The South African Post Office Ltd and the South African Department of Posts, Telecommunications and Broadcasting, pledge their support to the UPU in achieving the aims of the Union and South Africa's cooperation with postal administrations worldwide is pledged as a *sine qua non*.

"Unfortunately, I am unable to stay here in Seoul for the duration of this Congress, but I shall leave behind a competent team of representatives from the South African Post Office together with the South African Ambassador to Korea as deputy leader of the delegation. I am confident they will acquit themselves well in this Congress and they have my best wishes for success. The agenda of the Congress clearly indicates that there are many important issues concerning postal activities to be addressed. I wish all countries here represented a fruitful and even enjoyable Congress as they work towards the improvement of postal services for all nations."

The representative of MALAYSIA made the following statement:

"I would like to take this opportunity to thank the Government and the people of the Republic of Korea for the very warm welcome extended to me and my delegation upon our arrival in this beautiful country. I would also like to take this opportunity to associate myself in congratulating you, Mr Chairman, on your election as Chairman of the 21st Congress. I also wish to take this opportunity to congratulate South Africa, on its re-entry into the UPU. At the last Congress in Washington, many significant and important resolutions and declarations were made. Since then, Malaysia has made significant changes in the development of its postal operations. We have given it a modern, legal status with adequate independence to operate and provide efficient, reliable and high-quality service. It is now a corporatized company, wholly-owned by the Government and known as Malaysia Post Limited, which will soon be privatized.

"A regulatory body, the Department of Posts, has been established by the Government to oversee the development of the postal industry, in terms of quality of service and maintaining standards. The privatization of the Post in Malaysia is one of the significant features of its overall strategies for achieving the objectives of our long-term plan in making Malaysia a fully developed nation by the year

2020. It has a major role to play in providing efficient communication towards achieving that vision. The role of the Post in Malaysia then, Mr Chairman, will be more proactive, since it has to meet differing customer demands and expectations generated by a very active, volatile and robust economy.

"Allow me to briefly touch on the theme of our Congress: 'The UPU looks to the future: global strategies and planning in a competitive environment', and that of our World Post Day slogan for 1994–1996 'the Post – the best choice'.

"Inherent in both the theme and the slogan are built-in challenges for the Post. The postal service, since its inception, has remained the most important means of communication between peoples of all walks of life on this planet. It crosses political and geographical boundaries, establishing relationships and strengthening bonds of friendship between people. In this respect the Post is here to stay.

"The UPU and all our respective postal administrations will be on the right track if they see technological change as complementing rather than competing with our postal services.

"The challenge will be to see how fast our postal administrations can incorporate these technological changes into the postal systems so as to ensure that quality, efficient and on-time services can be guaranteed at all times.

"In this regard, I would like to congratulate the UPU on taking the initiative in developing EDI which will definitely go a long way towards making the Post technologically capable of maintaining its competitive edge, thereby truly making 'the Post the best choice'.

"One of the papers to be discussed at this Congress will be 'the structures of the UPU on the eve of the 21st century'. This is very timely, in light of the changing identity of most postal administrations around the world. With corporatization and privatization, the UPU should be able to adjust itself to a changing postal environment.

"There is, however, a new trend towards bilateralism creeping into the minds of certain countries. This will erode the postal fraternity that has lasted more than a hundred years and will seriously affect the solidarity of the UPU besides adding to the hardship of the developing and the least developed nations. This must not be allowed to happen!

"The UPU should in fact strive to further consolidate the global postal network and reaffirm its commitment to make the Post a viable and reliable universal service in all postal administrations.

"This, Malaysia believes, should be the UPU's vision of the future, on the eve of the 21st century."

The representative of MALDIVES made the following statement:

"The Seoul Postal Congress is meeting at a time when the world postal system is in a period of transition, like the period of transition of the Korean climate from summer to fall. So, we are meeting at a time of change and this Congress will provide a timely opportunity to discuss and review the future of the Universal Postal Union and the world postal system. The General Debate of the Seoul Postal Congress should be a reflective exercise for the creation of a healthy

postal system by the turn of the century. The theme for the General Debate 'The UPU looks to the future: global strategic planning in a competitive environment' is very encouraging, at a time when accusations such as that the UPU has lost sight of its intended purpose of international collaboration in the socio-economic and cultural fields are rather discouraging. Yet it must be admitted that the brotherhood links among the post office organizations of the world are fading away and that the idea of one post office organization working with another somewhere else to ensure the smooth flow of the mail is not withstanding the test of time. Today, post office organizations are working with private sector companies for urgent deliveries, both within and beyond their political and economic boundaries, while the world's leading integrated international carriers are considering themselves the natural partners of the Post or its subsidiaries. Furthermore, post office organizations around the world are faced with a multitude of hurdles to cross, if they are to survive and enter, commercially healthy, into the 21st century. No less perplexing is the fact that serious questions are being raised about the existence and the mission of the Universal Postal Union, which for over a century had united the world in a single postal territory.

"It is more than imperative, therefore, that the aim of the General Debate of the Seoul Postal Congress should be to restructure the Union and its bodies in the light of significant developments in the global communications market and to determine how best postal enterprises or administrations can achieve a balance in their operational strategies as both a public service entity and a commercial enterprise, while maintaining a high quality and standard of service.

"My delegation is of the view, Mr Chairman, that the real question is whether or not the world postal system must change – a change towards commercialization, higher performance standards and cost-effectiveness, responsive to customer demands and expectations, as against the Post remaining a public service entity tied to a set of stuffy old rules and plagued with lethargy. Surely, it cannot be both! The days when the postal service was considered the poor man's service protected by legislative monopolies are gone. It cannot remain a network without worldwide coordination or a loose association of autonomous partners all over the world. Instead it must become an integrated communications system able to provide a high quality of service to its users while being financially viable. To this end, Mr Chairman, my Government has liberalized the postal trade with virtually no postal monopoly, thus subjecting our postal service to a really competitive environment, where major international couriers are doing good business with local operators. This liberalization policy of my Government has, in less than two years, revolutionized the Maldives Post, bringing substantial changes to its operating methods and strategies. Thus, the former postal services department has now been transformed into a limited liability company – the *Maldives Post Limited*, as a State-owned commercial enterprise with redefined goals and objectives that conform to the open market trading environment. In fact, my Ministry is responsible, among other things, for regulating the operations of private couriers in the Maldives, so as to safeguard the interests of both the couriers and the Post.

"Therefore, Mr Chairman, I wish to highlight the following points of concern for deliberation in the General Debate of the Seoul Postal Congress.

"Firstly, there is an explicit need to redefine the purpose, goals and objectives of the Executive Council (EC) and the Consultative Council for Postal Studies (CCPS) in connection with the change in their names and responsibilities.

"Secondly, there is an implicit need for the General Debate of the Seoul Postal Congress to dwell on the question of whether the world postal systems will have to choose between remaining a public service entity or becoming a commercial enterprise by the turn of the century.

"Thirdly, the Post must realize that private couriers are not its competitors today, but rather, they are gradually becoming its natural partners, and that therefore it must act in concert with them in the business.

"With these comments and observations on the practicality of the theme of the General Debate, I thank you, Mr Chairman, for giving me the floor and allowing me to address this plenipotentiary gathering of the world postal system."

The representative of INDIA made the following statement:

"On behalf of my delegation, I most sincerely thank the Government and the people of the Republic of Korea for the warm welcome extended to me and my delegation since our arrival in Seoul. It is indeed a matter of great pride and privilege for me to be associated with this august gathering which consists of distinguished men and women who are all committed, in their respective countries, to providing a vast public utility service – the Post. Unique indeed is our mission, for who else can claim to touch the lives of the rich and the poor, the rural and the urban, the old and the young, the educated and the uneducated?"

"Mr Chairman, Seoul is a long way from Washington and I have no doubt that all of us here have taken giant strides towards the implementation of the Washington General Action Plan. Today, we can legitimately claim that the Post, the world over, is conscious of its customers and their needs and postal administrations are dedicated to understanding and fulfilling the needs of the users of the Post.

"In India, as in most countries where distances are great, terrain difficult and some regions inaccessible, the Post continues to play a pre-eminent role in bringing people together, expanding trade and commerce and providing a universal service at affordable prices. In India, we are aware that this basic role of the Post faces myriad challenges and instead of being lulled into complacency, we are committed to ensuring that the Post is not marginalized. We are fast realizing that we cannot afford to be just socially oriented. We are conscious that we need to be commercially directed. In the fast changing scenario where customer comes first and only the fittest survives in the market, India Post is aware that it can no longer take shelter under its traditional monopoly and hide its inefficiencies under a regime of subsidies.

"I have no doubt that the sagacity with which postal managers will redesign and reshape the Post to bring it in tune with the changes in the environment will enable us to create a vibrant, reliable and efficient postal communications system as an effective and efficient communication alternative.

"We are all here, ladies and gentlemen, to apply ourselves to the cause of postal development and I am sure that each one of us will contribute our mite in this enormous task of shaping the future of the Post. I have no doubt that the General Debate to be held at Seoul and then the adoption of the Seoul Postal Strategy will be a major milestone in the super highway of postal communications. I have deliberately borrowed this phrase from our more sophisticated brethren, those in Telecommunications, since I see no reason why the Post should be left behind.

"Mr Chairman, Excellencies and distinguished delegates, our thrust should be on sharing knowledge, skills and experience so that there will be no need to 'reinvent the wheel'.

"Our objective should be to provide both basic and premium services on a reliable basis to the users of the Post, and our emphasis should be on bridging the gap between rural and urban areas.

"What would be a better place to achieve this than Seoul, the capital of a fascinating land where old and new blend to create a unique culture? While Korea fully deserves Indian Nobel Prize laureate Rabindra Nath Tagore's accolade as 'a light of the East', Seoul should become a beacon for the postal world to light up the path of modernization and change."

The representative of CONGO (REP) extended, on behalf of his country, warm greetings of peace and solidarity to all the delegates of the 21st Universal Postal Congress.

He then thanked the Government, the people and the postal administration of Korea for the welcome extended to his delegation and to himself, and for the thoughtful, constant attention he and his colleagues had received since their arrival in the handsome and gracious city of Seoul.

Lastly, he offered his hearty congratulations to the Chairman on his impressive election to the Congress chairmanship. He and his fellow delegates were already certain that the Chairman, together with his four Vice-Chairmen, whom he congratulated as well, would bring to the Congress meetings the deserved success that postal customers and partners certainly expected.

The Universal Postal Union, one of the oldest agencies of the United Nations system, was today at a crossroads. The decisions taken at the Seoul Congress would undoubtedly shape the future of the organization and, in the end, the future of postal administrations and their customers.

The future of the Post was today seriously threatened by competition that had become even more intense as a result of technological development, the growing needs of customers and the continuing deregulation of postal services throughout the world. The postal community was undergoing profound changes and solidarity was now essential if it hoped to manage those changes to its advantage.

To that end, it had to have the resolve to make the Post stronger so that it could address the many challenges facing it. That legitimate resolve was possible only with the mutual support of all the world's Posts, particularly those of developed countries in support of developing countries. It should be remembered that the worldwide postal service was a chain made up of many postal enterprises. Everyone had to work together to ensure that the enterprises of developing countries were no longer the missing links of that chain.

The Congolese Post was not immune to the fierce competition from the private couriers nor to the new phenomenon of ever-increasing investment by the national private operators themselves in that sector. It was today seeking a better management model that would enable it to deal with the changing postal environment.

At the operational level, actions were being taken to recover lost customers and to keep those customers by improving the quality of mail service.

The postal financial services would be revamped in order to provide permanent, quality service in future. In a country like Congo, the extent of the postal network was a major asset for financial services and the intention was to focus all efforts in that area.

The UPU as well would have to adapt to a postal environment that was changing at an ever-accelerating pace. At the 1989 Washington Congress, there was already the realization that the structure and management of the Union would have to undergo a thorough "medical" examination so that appropriate decisions could be taken. That task had been assigned to the Executive Council, which today was making proposals aimed at a fundamental restructuring of the Union.

His delegation felt that the structure and functions of the UPU had to be reviewed so that the latter could react appropriately to the changes observed in the postal environment. On that score, the work of the Executive Council and the International Bureau was much appreciated.

The proposals aimed at transferring decision-making powers to as technical a level as possible in order to respond quickly to the operational and commercial issues facing the Union and its member countries appeared sound and appropriate in view of the organization's current situation.

His delegation was nevertheless convinced that the only way to solve the world's postal problems was for all member countries to pool their technical knowledge and expertise. That was why it approved the initiative aimed at an equitable geographical distribution of members in the Union's two future Councils. Discussions in those two bodies between developed and developing countries of the various geographical regions should promote the flow of valuable information and knowledge.

The decision had been taken at Washington to organize in future, as part of the proceedings of each Congress, a general debate on one or more of the current issues concerning the Post. His country welcomed the holding of the General Debate on the theme "The UPU looks to the future: global strategic planning in a competitive environment". That theme selected for discussion perfectly suited the Post's current situation and it was hoped that the conclusions drawn from it would make it possible to build the strong Post he had fervently called for earlier.

The constructive dialogue that had taken place on the terminal dues question, during both the Round Table organized at Berne in January 1994 and the 1994 Executive Council session, would probably make it possible to maintain in developing countries the current level of terminal dues revenue collected and to provide the postal administrations of developed countries with better remuneration, especially for bulk mail.

It was up to all postal administrations to maintain, if not increase, the level of international traffic through increasingly improved services in order to prevent private couriers from taking the lion's share of the postal market.

As regards technical assistance, the UPU had become more operational with a more effective presence in the field. He took the opportunity to congratulate all the Regional Advisers, thanks to whose work it was possible to state today that increased UPU presence in the field, decided at Washington, had been well thought out. The Executive Council and the International Bureau should be commended for having proposed the idea.

The efforts of the International Bureau and the Regional Advisers to have financial backers take a greater interest in postal problems should be supported because current actions to develop the Post suffered from an evident lack of financing, especially as regards developing countries.

In conclusion, he extended warm greetings to the delegation of the Republic of South Africa, which was once again a member of the great postal family. The return of a post-apartheid South Africa to the fold did everyone credit since there could be no joy in excluding for long millions of men and women caught up by the peace and brotherhood they had now rediscovered.

It was hoped that the current world environment, characterized by ceaseless efforts towards peace, would encourage further integration of national postal networks so that UPU member countries formed an immense single postal territory.

He wished everyone every success in their work.

The representative of DJIBOUTI, in his own name and on behalf of his delegation, expressed sincere thanks to the Government and people of Korea, who did participants the honour of welcoming them that day in Seoul, that splendid city which combined harmony, tradition and modernity, for the purpose of holding the meetings of the 21st Congress of the Universal Postal Union.

The legendary hospitality of the Korean people was confirmed (if ever there was a need) by the very gracious welcome extended to all delegations and the availability to them of resources and work facilities that were both practical and pleasant to use.

Since its creation in 1874, the Union had always attached great importance to promoting the quality of postal exchanges throughout the world.

The world, however, was now a different place. The number of States had grown considerably and the regulations which were substantially protectionist at the outset had now been relaxed to allow into the market private operators who occupied the lucrative niches of the major urban centres and who were abandoning areas that were the least favoured or that had the least access to the public sector. His delegation felt that this deteriorating situation was the result of not only a lack of vision, but especially the sheer weight of the structures in place, which had not allowed the Union to show flexibility and adaptability to the market.

In response to that threat, which affected everyone and hit the smallest very hard, it was necessary for the postal community to react and to propose solutions aimed first at containing its effects and then at implementing the necessary restructuring of the Union in order to give it the effectiveness and dynamism needed to better satisfy customers' expectations.

That essential reorganization could not be carried out at the expense of the weakest links in the universal postal chain. The ties of solidarity with the least favoured countries had to be strengthened as much as possible in order to recover the market share that postal administrations had lost.

The postal community therefore had to redefine its actions and, as a community, to think about the ways and means of coordinating its institutions more effectively.

Achieving such an objective would require paying particular attention to the training of postal officials with a view to increasing their know-how, particularly in the marketing field.

The postal community should be capable of anticipating the needs of the market and knowing how to make available to it the innovations that it expected.

It was time for the Union to be once again the driving force in the postal world. Obstacles certainly lay ahead but the Union's resources and broad experience would no doubt enable it to achieve such an obvious and feasible goal.

As it had always done in the past, the Republic of Djibouti was prepared to do its part in such a joint effort. His country attached special importance to the Union and to all its work, which it had always followed with great interest.

Before concluding his brief address, he once again wished to thank the Government and people of Korea for all the facilities made available to his delegation and to congratulate the Chairman on his election to the Congress chairmanship.

Creation of a  
Customers' Interests  
Committee

The CHAIRMAN recalled that the proposal aimed at creating a Customers' Interests Committee at the 21st Universal Postal Congress had already been considered and then rejected by the Executive Council at its 1994 session.

Proposal 038

The representative of IRAN (ISLAMIC REP) said that the Universal Postal Union and the postal administrations of almost all the member countries were confronted with a new situation and a new environment created by the competition. Today, the customer determined the nature of service since he ruled the market and was its determining factor. It was therefore vital for postal administrations to open up to a new environment in which customer needs were recognized as the basis of economic and commercial issues. The creation of a Customers' Interests Committee would guarantee that any question directly or indirectly concerning customers would be considered by that Committee before being adopted by Congress.

The ASSISTANT SECRETARY-GENERAL said that, in accordance with article 102, paragraph 6.26, of the UPU General Regulations, the Executive Council determined in due course the number of Committees required to carry out the work of Congress and to specify their functions. Because of Congress's very short duration, the creation of a new Committee appeared to pose both practical and legal problems.

However, the arguments formulated by Iran (Islamic Rep) were very relevant and its proposal could be referred to the next Executive Council for study.

The representatives of KOREA (REP), TANZANIA (UNITED REP), ZAMBIA, LEBANON and THAILAND found the proposal made by Iran (Islamic Rep) quite interesting, but in view of certain legal problems and practical aspects, they supported the suggestion that the matter be referred to the next Executive Council.

The CHAIRMAN OF CONGRESS and Mr LEAVEY, CHAIRMAN OF THE EXECUTIVE COUNCIL, whose term of office had just ended, pointed out that the Executive Council had taken extensive account of customers' interests in all the proposals submitted to Congress and in the functions of the Committees it had decided to create.

Moreover, the proposal to create a new Committee at the present stage seemed difficult to implement in the context of the procedures of the Union's General Regulations.

The SECRETARY-GENERAL added that the agendas of Congress Committees 5 and 6 already contained several items relating to the protection of customers' interests.

Congress decided to refer proposal 038 to the next Executive Council so that it could study the possibility of creating such a new Committee at the next Universal Postal Congress.

Consideration of proposals for amending the Rules of Procedure of Congresses

Proposals 19. 5.1 and 19. 10.1

The CHAIRMAN turned to consideration of the proposals to amend the Rules of Procedure of Congresses. He recalled that any proposal for amending the Rules of Procedure of Congresses took effect immediately after its adoption.

He invited the United States of America to present proposal 19. 5.1 relating to the amendment of article 5, paragraph 2, of the Rules of Procedure of Congresses.

The representative of the UNITED STATES OF AMERICA said that it was a drafting amendment that did not change the substance of the article in question.

Proposal 19. 5.1 was adopted.

Proposal 19. 10.1 relating to the amendment of article 10 of the Rules of Procedure of Congresses

The representative of KOREA (REP) said that the existing wording of the article implied that only Committees could set up working parties, but not Congress itself. To avoid any doubt, it should be expressly stated that Congress may do likewise.

The CHAIRMAN checked whether more than 10 member countries supported the proposal, which proved to be the case. He added that, in accordance with article 28, paragraph 2, of the Rules of Procedure of Congresses, the proposal had to be approved by at least two thirds of the member countries represented in Congress. As 142 countries were represented, the required majority was 95 countries.

Put to a vote, proposal 19. 10.1 was adopted by 131 votes to 1, with 6 abstentions.

The meeting rose at 12.45 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Third meeting of Congress**

Tuesday, 23 August 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 3.10 pm.

**Statements**

The representative of BARBADOS made the following statement:

"Mr Chairman, allow me first of all to record my appreciation for the warm welcome which has been extended to the Barbados delegation here in this beautiful city of Seoul.

"Let me also congratulate you, Mr Chairman, on your election. I am confident that the knowledge and experience which you bring to the position will enhance the overall quality of our deliberations.

"Regrettably, this Congress will be saying farewell to Mr A C Botto de Barros, who has served with distinction as Director-General for two consecutive terms. His record is truly an outstanding one, especially as regards the part he has played in modernizing the Union.

"The Government of Barbados extends heartiest congratulations to him and wishes him well.

"This Congress is taking place against the background of great challenge to the Post. This challenge manifests itself in:

- the rapid advancements in communication technology;
- the almost pervasive presence of private sector organizations competing for postal traffic; and
- the increasing demands of our customers for improvements in the range and quality of our services.

"This is not only a challenge to national postal services, but also to the Universal Postal Union. This organization's future effectiveness will therefore depend, in large measure, on the quality of its response to the challenge.

"In this regard, my delegation is extremely encouraged by the proposal to restructure the UPU, which is one of the matters on which this Congress must make a decision. It is our hope that these deliberations will result in a structure that will make the UPU more proactive in all areas of postal development.

"Barbados, like many countries of the world embracing the Washington General Action Plan, has used it as a blueprint to diversify and improve its postal services. It is fully committed to converting the Post into a vibrant profitable business. The limited amount of its resources is, however, a constraint to the pace at which it is able to implement desired changes. We therefore view, with much interest, the Universal Postal Union's thrust in the area of technical assistance, and hope that out of this Congress will come not only a commitment to broaden UPU technical assistance programmes, but a commitment by developed countries to do more in terms of channelling assistance to developing countries, recognizing that any improvement in the quality of service in these countries can only redound to the general benefit of the international postal service.

"I also take this opportunity to reiterate Barbados' support for the concept of Technical Cooperation among Developing Countries (TCDC). We are willing to place our officials and facilities at the disposal of the UPU in furtherance of this concept.

"Mr Chairman, much remains to be done before we can be satisfied that we are offering total quality to our customers. One of the areas on which increased emphasis must be placed is security. Despite improvement in other areas, the reputation of the Post could be seriously undermined unless we move effectively to address this very vital concern. It is a matter which affects us all – and one in which we should exert the highest level of cooperation and collaboration. It is my hope that in both our formal and informal discussions we can examine the extent to which we can focus more of our energies on this aspect of our performance.

"Mr Chairman, Barbados reaffirms its support for the principles of the UPU and will continue to support all efforts designed to promote these principles.

"Thank you."

The representative of KENYA made the following statement:

"I would like to take this opportunity on behalf of the Kenya delegation to extend our sincere gratitude and appreciation to the Government and the people of the Republic of Korea for the warm reception and friendship we have enjoyed since our arrival in this great country.

"We also wish to thank the Korean administration for the excellent arrangements made for Congress. Our appreciation also goes to the Universal Postal Union for making it possible for members to meet every five years for such a distinguished gathering as this 21st Congress.

"Mr Chairman, we are meeting at a time when there is an overwhelming demand for quality service and when economic liberalization has become inevitable, situations that pose a formidable challenge to the traditional methods of transacting postal business and to the postal monopoly. All of us in the postal business are aware of the stiff competition that is exerted by the private courier companies. The Kenyan delegation and I believe that this Congress will provide an opportunity for formulating policies and action plans that will enable us to effectively respond to the challenges caused by customers' demands for quality service and the competition of private couriers.

"Kenya notes with satisfaction the proposed restructuring of the UPU and the expected benefits in terms of improving the work of the Union. Kenya too realizes the need to restructure her postal administration to facilitate commercialization, pricing flexibility and fast decision-making in order to respond to customer demands. In January this year, Kenya Posts and Telecommunications Corporation took a first step towards separation of postal and telecommunications services.

"In July 1994, the Kenya Government and the Kenya Posts and Telecommunications Corporation signed a performance contract which allows for greater autonomy and commercialization of its products and services (independent fixing of tariffs, setting performance targets, etc).

"I must admit that like any other developing nation, Kenya has difficulties in attaining the required high quality standards due to poor infrastructure and economic limitations. I note with appreciation the UPU's efforts through technical cooperation to assist developing countries in upgrading their quality of service and I would urge the Union to continue along this path.

"In conclusion, Mr Chairman, it is my earnest hope that the resolutions of this august assembly, to be contained in the Seoul Postal Strategy, will be implemented by all postal administrations to improve the quality of service to the satisfaction of our customers.

"Once again, I thank the Korean Government for its kind hospitality and for the cordial reception extended to us all.

"I would also like to thank the International Bureau for coordinating the Congress preparations.

"Thank you for your kind attention."

The representative of SIERRA LEONE made the following statement:

"It is indeed a privilege and an honour to bring you greetings from His Excellency the Chairman and Head of State, Captain V E M Strasser, the Government and the people of Sierra Leone, and to express my most sincere gratitude to the Government and people of the Republic of Korea for their remarkable effort in hosting this conference and moreover for the very warm and fraternal welcome extended to us on our arrival in this beautiful city of Seoul.

"May I take this opportunity to wish you all very fruitful deliberations during the 21st Congress of the Universal Postal Union.

"Sierra Leoneans have followed with keen interest developments both in the international arena and in our regional sphere and bearing in mind the changes in the international economic environment, we feel able to assess and evaluate our position vis-à-vis the international community of which we are a part. We have come to realize that postal services constitute a very vital arm of the administration of State and therefore have accorded it the priority it deserves in the national developmental effort. The Post is seen as an important factor in the well being of the State through its formidable role in bringing about development in literacy, commerce, the economy, culture and in all other forms of societal activities. It is for these reasons that the Government of the Republic of Sierra Leone continues to encourage the postal services to play a vital role in the economy as a means through which political cohesion can be achieved and

international cooperation facilitated through the physical exchange of the written word. Lastly, but by no means least, it is as a means through which international trade can be promoted by its new energizing services such as EMS.

"Honourable Plenipotentiaries, Excellencies and observers, the advantage of a gathering such as the one we are attending today rests largely on our capacity to explore jointly and find solutions to the developmental constraints of our postal administrations and to respond to their aspirations. My country fully subscribes to the concept of globalization. No country is an island all, entire of itself, and no one entity or industry can be sustained all by itself without the synergy and the pooling of resources that could be generated by coming together at the bilateral, multilateral, transnational and multinational levels. Against the background of fierce competition from private couriers, postal systems are required to strengthen their institutional framework through the establishment of a global postal corporation.

"The public policy implications of this globalization strategy should of course be weighted towards productivity gains, high quality of service and profitability. Because of the economies of scale, globalization through a transnational postal corporation would ensure a better competitive edge than under the present system whereby postal administrations are only loosely brought together under the auspices of the Universal Postal Union. The competition that postal services face today requires a more commercial approach instead of the not-too-committed relationship provided by a political framework such as the UPU.

"Since the UPU came into being about a hundred and twenty years ago, it has been able to stand the test of time as a political institution. However, what will be required in the times ahead, and they will indeed be turbulent times, is a firm business commitment between postal services of different countries, to join in a single world postal corporation, the object and mission of which would be to provide high quality postal services for profit.

"Ladies and gentlemen, you are all aware that postal administrations have become aware of the need to implement effective commercial strategies, but sadly we find administrations, particularly in the third world, trailing in this area, due to lack of financial resources, qualified staff or both. The emphasis therefore in this regard is to call on the UPU to develop an overall strategy aimed at strengthening these administrations with the required assistance.

"My distinguished colleagues will agree with me that private courier services have had a tremendous impact in our developing nations, and the need is more evident for our postal administrations to close ranks and strengthen their solidarity in order not to trail behind the other continents.

"Bearing this in mind we have therefore come to Seoul aware of the impact which new technologies and new political developments will bring to bear on the postal systems of the world and look forward to the reactivation of a master plan based on a wide consensus and capable not only of transforming our national postal services and making them more productive and efficient, but also of lending support to one another so that we can convert our world postal institution and its various organs into a machinery that can take us into the 21st century as winners in the business of physical exchanges, be it of letters, parcels, express items, etc, and all the services and activities that the postal system of the world could be called upon to provide in order to meet customer satisfaction in the most satisfactory manner.

"The principles and the foundations on which the UPU Constitution is based provide a sound and firm basis for any kind of international cooperation and collaboration. It is believed that the creation of a single postal territory and the attendant collaboration which the implementation of that high ideal requires embody a prescription which we can base not only our reciprocal and mutual postal relations but also any form of international cooperation.

"In spite of the difficulties encountered by the Government of Sierra Leone in pursuing a structural adjustment programme, a rebel war and a return to the democratic process, I am pleased to inform you that our postal administration, SALPOST, since its incorporation about four years ago, has been making steady progress. The result has been due largely to a refocussing of attention to the customer. As such, customers have become the *raison d'être* of the business and satisfying them, though painful at times, has brought about part of the dramatic turnaround realized by the Sierra Leone Postal Services.

"Since 1990, SALPOST has endeavoured to introduce new services such as EMS, Post Shop and business-related services like photocopying, agency services and the enhancement of our banking services, all calculated to convert the postal services into a one-stop shop. Mr Chairman, Doyen of Congress, Director-General, ladies and gentlemen, we are hopeful that with a concerted approach and by thinking globally and locally, the postal services would be able to compete effectively in the very turbulent international business environment surrounding us.

"I thank you for your attention."

Consideration of proposals for amending the Rules of Procedure of Congresses (cont)

The CHAIRMAN opened the debate on proposal 19. 24.1 presented by the Republic of Korea and dealing with the en bloc consideration by Congress of the drafts of decisions other than those amending the Acts, submitted by the Drafting Committee.

Proposal 19. 24.1

The representative of KOREA (REP) said that the existing text did not state that the drafts of decisions other than those amending the Acts were also submitted by the Drafting Committee. That gap should be filled, at the same time specifying that these drafts were, as a general rule, considered en bloc in accordance with the practice followed by past Congresses.

The CHAIRMAN checked whether more than 10 member countries supported the proposal in order for it to be discussed. As this was the case, he recalled that, in accordance with article 28, paragraph 2, of the Rules of Procedure of Congresses, the proposal must be approved by at least two thirds of the member countries represented in Congress. As one hundred and forty-six countries were represented, the required majority was 98 votes.

Put to the vote, proposal 19. 24.1 was adopted by 139 votes to none, with 2 abstentions.

Admission of the media to the General Debate

The CHAIRMAN presented proposal 026 which aimed at admitting the media to the General Debate at the 21st Congress as listeners without the right of speaking, pointing out that the Washington Congress had established a precedent by adopting such a measure for the first time.

Proposal 026

The representatives of KOREA (REP) and BANGLADESH firmly supported the proposal.

Congress unanimously adopted proposal 026.

Requests to participate  
a International Chamber of Commerce

The CHAIRMAN introduced Congress – Doc 91 concerning the request by the International Chamber of Commerce (ICC), a non-governmental organization, to attend Congress as an observer, in particular at the meetings of Committees 3, 4, 5, 6 and 7.

Congress – Doc 91

The ASSISTANT SECRETARY-GENERAL said that article 102, paragraph 6.17, of the General Regulations authorized the Executive Council to invite non-governmental organizations to Congress as observers. The Executive Council had not used that option but had referred the request to Congress for a decision. Consequently, and unless Congress thought otherwise, the plenary should confine itself to what was specified in article 5, paragraph 2, of the Rules of Procedure of Congresses, ie to restricting attendance by the International Chamber of Commerce solely to the meetings of certain Committees that were concerned. The invitation to the ICC should, however, make it clear that those Committees were entitled to set the conditions of attendance, in particular, the meeting dates and agenda items for which the International Chamber of Commerce was admitted.

The CHAIRMAN specified that, bearing in mind the prevalent attitude of opening up to the outside, the Bureau of Congress had thought that Congress should comply with the ICC's request, while restricting its attendance to specific Congress Committee work only.

The representative of SWEDEN, while agreeing with the International Bureau's point of view, also proposed that the question of admitting non-governmental organizations to Congress plenaries should be studied after Congress by the Council of Administration within the framework of resolution 022 outlining the studies which were to be continued on the structure of the Union. That would also be a good opportunity to bring all the provisions of the Rules of Procedure of Congresses into line with those of the General Regulations, in particular as regards the participation of observers at Congress and in its Committees.

The representative of AUSTRALIA said that the ICC was a prestigious organization which already participated in several international organizations as an observer. ICC presence as an observer at Congress enhanced UPU transparency.

The representatives of the NETHERLANDS, TANZANIA (UNITED REP) and ECUADOR were in favour of inviting the International Chamber of Commerce as an observer to the meetings of certain pertinent Congress Committees only. The Committees should, however, set the terms of admission.

The representative of JAPAN favoured opening up the Union to the outside world in principle but found it difficult to conceive of the International Chamber of Commerce participating in Congress as an observer given that there were many sensitive issues internal to the Union which were being discussed at certain Committee meetings. The potential danger was that other organizations, including those containing the Post's competitors, would ask to participate in the work of Union bodies on the basis of the ICC precedent.

The representative of SIERRA LEONE said that, although his country's postal services (SALPOST) belonged to the International Chamber of Commerce, it shared Japan's concern. The Post was in a highly competitive environment, and other non-governmental organizations might also ask to participate in the work of Congress in future.

The representative of LESOTHO stated that the ICC did not invite the UPU to participate in its deliberations and that the assembly did not know to what extent the ICC represented UPU clients. His country therefore opposed ICC participation in Congress.

The representatives of BELGIUM and THAILAND supported Japan's view.

The representatives of ZAMBIA and TURKEY were in favour of the Union opening up but called for prudence about admitting observers.

The representative of FRANCE said that his delegation did not oppose the admission of non-governmental international organizations as observers at Committee meetings. However, no over-hasty ruling should be given on the International Chamber of Commerce request. The future Council of Administration should study that question in order to pinpoint the necessary criteria for the future admission of observers at Congress.

The SECRETARY-GENERAL said France's suggestion that the task of establishing standards for admitting observers to Congress meetings be assigned to the future Council of Administration was very wise. For the time being, Congress could invite the International Chamber of Commerce to Committee meetings, subject to any restrictions imposed on a case-by-case basis by the relevant Committees.

Put to the vote, Congress approved by 78 votes to 37, with 28 abstentions, attendance by the International Chamber of Commerce as an observer without the right to vote in Congress Committees 3, 4, 5, 6 and 7, subject to the participation conditions specified by the individual Committees.

<p>Request to participate in Congress submitted by the UPU International Bureau Staff Association</p>	<p>The CHAIRMAN announced that the International Bureau Staff Association had requested to be represented at the plenary meetings and at the meetings of Committees 2 and 3 when questions concerning the staff were considered.</p>
<p>Congress – Doc 82</p>	<p><u>Congress approved the request by the International Bureau Staff Association which was the subject of Congress – Doc 82.</u></p>
<p>Allocation of proposals of a general nature and of Congress – Docs to the bodies of Congress</p>	<p>The CHAIRMAN invited Congress to examine Congress – Doc 37/Rev 1 concerning the allocation of proposals of a general nature (annex 1) and Congress – Docs (annex 2) to its bodies. Annexes 1 and 2 were approved without discussion.</p>
<p>Congress – Doc 37/Rev 1</p>	<p>Annex 3 referred to proposal 10. 31.1 by Japan which had reached the International Bureau after the deadline for the presentation of proposed amendments to the Constitution. That proposal would only be considered if Congress so decided, in application of article 119, paragraph 2, of the General Regulations.</p>
	<p><u>Following verification of the quorum and put to the vote, proposal 10. 31.1 was admitted for discussion by 128 votes to none, with 14 abstentions, and allocated to Committee 3.</u></p>
<p>Recast of the Convention, the Agreements and their Detailed Regulations</p>	<p>The representative of ARGENTINA, CHAIRMAN OF EXECUTIVE COUNCIL COMMITTEE 3, presented Congress – Doc 60 as well as addenda 1, 2, 3 and 4 dealing with the recast of the Convention and the Postal Parcels Agreement with their Detailed Regulations, along with proposal 01 aimed at adopting the final drafts of those revised Acts as a basis for the discussions of Congress.</p>
<p>Congress – Doc 60 and Adds 1 to 4</p>	<p><u>Congress approved resolution 01 as well as Congress – Doc 60 and its addenda 1 (Universal Postal Convention), 2 (Detailed Regulations of the Convention), 3 (Postal Parcels Agreement) and 4 (Detailed Regulations of the Postal Parcels Agreement).</u></p>
<p>Proposal 01</p>	
<p>Determination of developing countries and territories in the UPU</p>	<p>The CHAIRMAN emphasized the importance of that document for Union member countries because it contained a list of the developing countries and territories that were members of the UPU which could serve as a reference for elections to the future Postal Operations Council, for establishing the new terminal dues system and also for determining the three categories of developing countries to benefit from UPU technical assistance.</p>
<p>Congress – Doc 90</p>	<p>Mr MAZOU, ASSISTANT DIRECTOR-GENERAL AT THE INTERNATIONAL BUREAU, presented Congress – Doc 90.</p>
	<p><u>As no comment was made, Congress – Doc 90 was adopted.</u></p>

Distribution of the  
GDEW "NewsFlash"  
bulletin

The representative of JAPAN raised the question of how the GDEW "NewsFlash" bulletin had been distributed to all Congress participants because GDEW was neither a postal administration nor a government body but one of several private couriers. Moreover, GDEW had no access to Congress.

The CHAIRMAN replied that he had not been notified of the distribution of such a document. Only documents published by the International Bureau or the Korean Secretariat could be distributed in the boxes.

Any other documents had to be submitted to the Chairman of Congress. That procedure would be strictly observed from now on by the Korean Secretariat.

The meeting rose at 6 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Fourth meeting of Congress**

Wednesday, 24 August 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.40 am.

**Communications**

The DOYEN thanked the delegation of the United Kingdom of Great Britain and Northern Ireland, on behalf of all participants, for the magnificent reception it had staged the previous evening.

The CHAIRMAN said that, before commencing the General Debate, he would give the floor to several delegations which had expressed the wish to make general statements.

**Statements**

The representative of INDONESIA made the following statement:

"First of all, on behalf of the Indonesian delegation, I would like to congratulate you on your election as Chairman of this 21st UPU Congress. I am sure that under your experienced guidance this Congress will be crowned with big success.

"I also would like to extend my high appreciation and thankfulness to the organizing Committee for the excellent work in preparing this important Congress held in this beautiful city of Seoul. I have no doubt that everyone of us feels the warm hospitality of the Korean people and has an enjoyable stay.

"The Indonesian delegation would also take this opportunity to express its highest appreciation to the Universal Postal Union that has shown excellent performance during the previous periods in conducting its missions for the benefit of all postal administrations of member countries.

"The Universal Postal Union as one of the largest international organizations since its establishment in 1874 has recorded many successes. Those successes are certainly not achieved easily.

"Besides the hard work done by all the bodies of the Union, deep-rooted spirit of cooperation and solidarity among postal administrations become a great asset to the Union which strongly supports the achievement of the common goal of the international postal services.

"To us Indonesian people this spirit of cooperation and solidarity fully conforms with our State philosophy which seeks to achieve in a harmonious way a common understanding on any matter that is of interest to all Indonesian people.

"The globalization prompted by the development of communication technology has resulted in the on-going changes of the world economic situation brought about among others by the application of GATT principles. This in turn gives broader and opens greater opportunity to the world trade and also leads the international courier service business into fierce competition. Consequently any postal service which wishes to survive and remain profitable in the business should renew its policy and strategy by emphasizing on its commercial orientation, without sacrificing its social obligation of the international postal service mission.

"In view of the new development an important question should be raised and an answer should be found on whether the current structure of the Union could accommodate its power to conduct its mission effectively to meet the need of postal administration – especially those of the least developed and developing countries – and to improve its competitiveness and performance to face the growing competition in the eve of the 21st century.

"The recent situation of competition mentioned above provides the users of the courier services with greater choice. Many private couriers are considered as, in some aspects, having better quality of services. Indisputably the only answer the postal administration could give to that challenge is through service quality improvement. And to accomplish it all bodies of the Union and all postal administrations should maintain the spirit of cooperation and solidarity and work hand-in-hand harmoniously to confirm its existence as a single international postal service with a worldwide network.

"Apart from that, independence of management given by the government to its postal operator – as recommended by the Union in the Washington General Action Plan – is an important support to enable the postal operator to improve its policy and strategy to be more market-oriented.

"We noted that the Executive Council (EC) and the Consultative Council for Postal Studies (CCPS) as the permanent bodies of the Union have been doing much valuable work in supporting the Union's mission, particularly in the field of commercial, technical, and regulatory aspects due to the change of the world situation. Indonesia as one of the members also plays an active role in the EC and the CCPS activities, and Indonesia would like to improve this role in the coming five years.

"On this occasion, I would like also to thank the Director-General of the International Bureau of the UPU and all of his staff for their excellent work during the last five years for the benefit of all postal administrations.

"In the spirit of the Washington General Action Plan, the postal administration of the Republic of Indonesia has been developing its postal services. One of the most important measures was the establishment of the Directorate of Commerce within the structure of the Public Corporation for Post and Giro to manage broad marketing and commercial activities, as well as to put into reality the theme of the Washington Congress namely 'caring for the customer'.

"Relating to the quality of service and operational strategies, many actions also have been done which, among other things, are:

- i the establishment of its own special fleet for postal parcel conveyance connecting Sumatra, Java and Bali islands for enhancing the transmission time of the postal parcel service;
- ii introduction of computerized counter service;
- iii mechanization and automation of the Jakarta mail processing centre.

"In the near future the government of the Republic of Indonesia will give more management independence to the Public Corporation for Post and Giro in running its business in consideration of increasing the public service and in taking more profit-oriented measures. Obviously, the progress mentioned above could not be achieved without the assistance from the UPU and other postal administrations, such as:

- human resource development;
- marketing and public information;
- mail routing;
- EMS track and trace system;
- modernization of counter service;
- establishment of an EDI system at the Jakarta airmail office of exchange which is one of the UPU EDI pilot projects.

"For all of those supports and assistance I would like to thank the UPU and all the donor administrations.

"After evaluating the work that has been done, we should proceed in carrying out our responsibility and commitment to the world postal community. That is why Indonesia fully support the restructuring of the UPU. I hope that our commitment will be discussed in the meeting.

"In conclusion, allow me to remind all of us that 'the strength of chains depends on the weakest single part of chain'. Therefore on this occasion I would like to point out that the solidarity among member countries should be maintained forever.

"May God almighty bless us with the strength to do so.

*(Applause).*

The representative of BRUNEI DARUSSALAM took the opportunity to congratulate the Chairman on his unanimous election to the chairmanship of the 21st Congress of the Universal Postal Union. He did not doubt that under the Chairman's enlightened leadership that Congress would achieve its objectives of ensuring a better future for the Post in all their countries for the benefit of the world as a whole.

On behalf of the Government of Brunei Darussalam, he thanked the postal administration and Government of the Republic of Korea for the warm welcome and generous hospitality they had been shown since their arrival in that beautiful city of Seoul. He also congratulated the Korean postal administration for having chosen such a magnificent meeting place for that very important event.

Brunei Darussalam had been a member of the UPU since 1985 and the UPU had given his country considerable help. They greatly appreciated the Union's assistance and the consideration it showed in supporting his country's efforts to improve its postal services, through experts' missions, training and the other activities it conducted.

The postal services of Brunei Darussalam continued to provide an important communication service even in an age of rapid technological change, in which the spread of telecommunications brought peoples closer together through the exchange of information. They were still a reliable means of communication for the general public, companies and government departments. The Government continued to expand and improve the infrastructure, particularly in new urban communities. The postal services now served a vast geographical area and the administration had also introduced new counter services. These new services had been welcomed by the public, judging by the influx of customers in post offices.

The Washington General Action Plan (WGAP), adopted by the 20th Washington Congress, had laid down the direction for the development of postal services worldwide and Brunei had set itself the target of implementing that Plan. The postal administration had geared its activities to the development of services on the basis of "customers' needs". Pursuing bold commercial strategies, it had identified and introduced new postal services tailored to the local market, such as dispatching wedding invitations, contract delivery services and many other products. Some of those services met a great public demand for social communication.

However, the development of the international sector of their postal activities was one of their major concerns. Postal services remained a cheap means of international communication for the general public. His administration was eager to take up the future challenges posed by the development of world postal services, a sector which had to be modern in a communications world greatly exposed to competition. If the development of the postal services was seen as heading towards the establishment of a world communications service, the future role of the UPU was a vital question that deserved their full attention. On reading the agenda, he was glad to see that the principle theme of the General Debate would centre on "the UPU looks to the future". That was a subject that aroused a lot of interest. For centuries, until the end of the Sixties, the Post had held a monopoly on the products it offered to the public. Nowadays, they faced stiff competition from private couriers who were able to forward documents and parcels to their destinations faster and sometimes more surely. The upheavals in the world economic environment were behind those new challenges. In so doing, they opened up new horizons and offered postal services exciting opportunities, particularly in a world context.

In the new economic order that was emerging from the Uruguay Round, the idea of a world without frontiers was becoming a reality. The ITU was making that vision more real by evoking the concept of the global village. The concept of the economic interdependence of States had given way to that of economic inter-linkage. In that new scenario, he thought that the task facing the UPU was closer to its mission of forming a "single postal territory" and the spirit of cooperation shown by its members in guaranteeing "freedom of transit" was even more relevant in this new world economic order.

The radical change in the telecommunications sector had brought in its wake technical innovations offering fresh service opportunities for the Post. For instance, new types of service such as electronic data interchange had become

possible. Thanks to the use of electronic means of communication, the reliability and speed of the postal services could be reinforced. In that connection, the collective effort by the Union to deduce the most effective way of realizing this potential would be beneficial to the whole community. He had no doubt that their joint action would succeed in increasing the competitiveness of the world postal network.

In conclusion, he thanked the Chairman and through him the Government and people of the Republic of Korea for all they were doing to make participants' stay in Seoul pleasant and full of attraction. He expressed his best wishes for the success of the Congress.

*(Applause).*

The representative of TANZANIA (UNITED REP) made the following statement:

"It is a great pleasure and honour for me to address your august assembly of plenipotentiaries representing the Governments of the member countries of the Universal Postal Union. On behalf of my delegation, and on my own behalf I wish to extend to you greetings from the Government and people of the United Republic of Tanzania. I also wish to express my delegation's profound gratitude for the excellent reception and warm hospitality accorded to us by the Korean people since our arrival in this beautiful city of Seoul. Given the friendly atmosphere and excellent organizational efficiency of this Congress, we are looking forward to a successful meeting during which very constructive ideas and decisions will be made for the better Post of tomorrow.

"The 21st Congress of the UPU is taking place at a time when the majority of our respective countries are undergoing fundamental social, economic and political reforms which directly and indirectly affect the Post. In recent years the Government of the United Republic of Tanzania has embarked on a massive economic recovery programme of the major sectors of the economy. Of particular importance to the Post are the radical reforms taking place in the parastatal, financial and communications sectors. The Parastatal Sector Reform Commission is concerned, among other things, with the restructuring of State owned parastatals to make them more efficient and commercially viable. The reforms in the Financial Sector have led to decontrolled interest rates and setting up liberalized foreign currency exchange to facilitate free movement of investment capital into and within the country. Above all the Communications Sector reforms have liberalized the communications market while Government's role remains that of formulating sector policies and providing the regulatory framework thereby permitting effective operation of a competitive market.

"By Act of Parliament passed in 1993 the Tanzania Posts and Telecommunications Corporation was split to form the Tanzania Posts Corporation and the Tanzania Telecommunications Company Ltd both of which became operational on 1 January 1994. There was also a corresponding legislation to establish the Tanzania Communications Commission which is the regulatory body for all operators in the communications sector. Given the new competitive environment and within the framework of its enabling Act, the Tanzania Posts Corporation has to adapt and improve its services to meet customer needs. It has to develop and launch new products to expand its revenue base while at the same time offering a wider choice of services to customers. The Tanzania Posts Corporation has to develop and encourage creative management practices which will

transform the Post into a national dynamic postal enterprise responsive to market conditions. Above all it has to be cost effective, financially viable and self-sustaining.

"It is also observed with keen interest that within the context of the General Debate our minds are being focussed on the need to postulate the Post of tomorrow in terms of the organization and management of the Union as a whole, the dilemma of balancing the concepts of postal universality and commercialization requirements and the need to have a coherent global strategy in the development of postal services taking into account the fast emerging technologies and competition in the communications market. The Post which was for so many years used to monopoly will now feel the full impact of competition due to liberalization of economies, deregulation and demonopolization of key State owned enterprises including the Post.

"In the light of these challenges facing postal administrations all over the world and in particular the developing countries which have to struggle to develop and maintain a viable postal service under severe economic limitations the United Republic of Tanzania wishes to support the new initiatives of the UPU in modernizing its structures to make it effective and responsive to the needs of its members. Tanzania believes in the maintenance of the basic principles of the UPU as a single postal territory created not only to guarantee the freedom of transit of mails, but also to collaborate and harmonize the development and operations systems of the international Post so as to bring about an integrated postal network accessible to all humanity without discrimination of any description. The ongoing globalization of the world economy and the growing intensity of communication requirements provide an opportunity for the international Post to develop and prosper in spite of competition. Through collaborative efforts postal administrations can forge a formidable strategic alliance amongst themselves and against competitors.

"In the spirit of international solidarity amongst postal administrations there is need to strengthen and improve the existing cooperation and relations in order to maintain the integral nature of the global postal network. Industrialized and developing nations are all partners in the postal business and any tendency to marginalize developing countries from the main stream of technological developments and applications will be disadvantageous to all countries. The customers of the Post are spread all over the world and they are all sensitive to quality of service regardless of where they may be. It is therefore important for the UPU to ensure that the technical cooperation programmes among the member countries involve the transfer of technological know-how from the developed to the developing countries. This process of transferring skills and technologies will bring about some semblance of parity in the organization and operations systems of the international postal service, thus building up a strong competitive synergy in the marketplace.

"The Post of tomorrow has a chance to survive and so does the UPU. However, UPU and its individual member countries should keep abreast of the major development trends in the communications market which is becoming more complex, competitive and elusive every day. The UPU must have the adaptive capacity which will permit member countries find quick solutions within the framework of its operating practices, so that the solidarity, cooperation, and integrity of the postal service worldwide can be maintained. The UPU, though inter-governmental in character, should consider itself to be a multinational commercial organization with a mission of developing a reliable, integrated global postal network.

"It is pertinent to conclude my statement by appealing to all member countries to work together so that the successes achieved by the Union so far especially in the development and introduction of new services like the EMS or facilities like the EDI (Electronic Data Interchange) for track and tracing are consolidated for the mutual benefits to the partners in the postal service. It is the modernization of postal management systems through the application of new technologies and creation of new services consistent with customer expectations which will make the Post competitive in the market place and therefore guarantee its future survival at national and international levels.

"Finally, I wish to congratulate the Republic of South Africa for holding democratic universal suffrage elections which have ushered in a non-racial democratic government. We join other Member States in welcoming the Republic of South Africa to the UPU membership.

*(Applause).*

General Debate on  
the theme of "The  
UPU looks to the  
future: global  
strategic planning in  
a competitive  
environment"

Congress – Docs 73,  
73/Add 1, 73.1  
and 87

The CHAIRMAN gave the following opening address:

"Delegates,  
Observers,  
Guests,  
Ladies and Gentlemen,

"It is my pleasure and privilege to welcome you all today to participate in the General Debate of the 21st UPU Congress on the theme 'The UPU looks to the future: global strategic planning in a competitive environment'.

"This overall theme was chosen – in accordance with a decision of the Washington Congress (decision C 48) – by the Executive Council at its 1993 session.

"At the same session, the EC approved in principle four sub-themes, subject to consultation with the host country and the member countries designated as discussion leaders for the debate. The outcome of this consultation was the adoption of four sub-themes or topics and the selection of two member countries – one developed and one developing – as discussion leaders for each theme, with joint responsibility for the treatment of their topic. This dual responsibility is intended to allow the special circumstances of the developing countries to be taken into account.

"I will take this opportunity to remind you that the four topics and member countries responsible are:

- 1 The structures of the UPU on the eve of the 21st century – United States of America and Czech Republic
- 2 The dichotomy of 'universal postal services' and 'a commercial approach' – Switzerland and Côte d'Ivoire (Rep)
- 3 Total quality in a competitive environment – Japan and United Arab Emirates
- 4 Global strategy and postal development – Australia and Chile.

"I will, of course, introduce the discussion leaders to you personally as each topic is presented.

"Now that we have dealt with the theme of our debate and its component topics, I would like to remind delegates and observers that our guests today – continuing a practice that began at the Washington Congress – include representatives of the media. I hope that our discussions over the coming two days will help to increase their understanding of the Universal Postal Union and its role, and will provide some good copy, and – hopefully – some positive headlines.

"The Universal Postal Union – although its members offer the most extensive physical communications network in existence, affecting the daily life of the vast majority of the world's population – is certainly not universally known. Although it is one of the oldest and one of the smallest of the international organizations it has always tended to keep a low profile, neither seeking nor receiving much publicity. Like the postal administrations of many member countries, the UPU has over the past hundred and twenty years acquired perhaps unfairly the image of a traditional, rather static, governmental bureaucracy: solid, worthy, but rather conservative and slow moving.

"However, as we will see in the course of this debate, this image is fading, change is beginning to manifest itself in the postal world, sometimes in radical ways that even five years ago would have been regarded as improbable developments. After earnestly discussing the need for change in the postal world over a long period – the first debate of this kind took place at the Rio de Janeiro Congress in 1979 – we have within the past five years seen strong evidence of a real momentum towards structural and operational reform at national and international level, in the interests of serving our customers better.

"Credit for giving that process a kick-start must be given to the last Congress – with its Washington General Action Plan, which had the merit of being not just an enunciation of general principles, but a pragmatic and practical programme of concrete actions to be taken by governments, postal administrations and the bodies of the Union in order to improve the overall efficiency of the worldwide postal service in all its important aspects.

"The implementation of the Washington General Action Plan has been carefully monitored by dedicated Committees of the Executive Council and the Consultative Council for Postal Studies, supported by the International Bureau – particularly in the provision of technical cooperation activities aimed at assisting administrations to achieve the objectives and implement the actions of the Plan. The joint report of the bodies of the Union on the implementation of the Plan is available in the form of Congress – Doc 21, which will be discussed by Plenary. At this stage, I only wish to emphasize that over such a relatively short period it would be unrealistic to expect readily quantifiable evidence of a major change in the trend of postal business worldwide, but I would like to quote briefly from the conclusions of the common report:

'The WGAP has undoubtedly contributed to a remarkable increase in awareness in many administrations and postal corporations: awareness of the need for the Union and the postal services to change and adapt to a new communications market, awareness of the reality and presence of competitors, awareness of the new needs and quality requirements being increasingly affirmed by the customers. There is also a determination to take action, as the remarkable results achieved in some fields show.'

"Although our theme today is essentially concerned with the future of the postal services and the UPU, I consider it worthwhile to spend some time on recalling the achievements of the WGAP, which was the end result of the General Debate at the last Congress on the theme 'Caring for the customer – Commercial and operational strategies of the Post'. The WGAP represented a considerable step forward for the UPU and it is my hope that at Seoul we will be able to capitalize on this achievement and make further progress. Our General Debate – extending for the first time over two days – will provide us, as the decision-makers in the postal services – nationally and internationally – with an opportunity to reflect on the ways in which the postal environment has changed since Washington, and will change in the future; to consider the degree to which our response to our environment – and to the communications market which results from it – is still valid and acceptable; and to propose ways in which we can update our overall strategy and further improve our organization, structure, service pattern, product strategies and customer policies with the constant overall aim of serving our worldwide customers better. It is my hope that in so doing we can build upon the many positive features of the WGAP, develop and refine them to suit our changing environment, and add new ideas, policies and actions designed to allow us to face the future more effectively.

"We have an opportunity and an obligation to think strategically and in a positive manner about our common future and our mutual obligation to provide a range of services which fully meet the needs of our customers – the citizens of the whole world. The result of our debate should provide a signpost to the future, providing strategic direction and common priorities for the next five-year period 1994–1999.

"It has been suggested that we should call these guidelines for our immediate future, which Congress will be called upon to approve in Plenary, the Seoul Postal Strategy. I hope that this idea meets with general approval and that I may count on your contributions to the General Debate to help us to construct this Seoul Postal Strategy on the firm foundations provided by the work of the Congresses of Rio, Hamburg and Washington.

"We have with us today the Secretary-General, Mr Botto de Barros, who has played a major part in the three Congresses I have referred to and who has therefore nurtured the idea of an overall strategic vision for the UPU from its genesis at the Rio Congress. I feel, therefore, that this would be an appropriate moment to give him the floor."

The SECRETARY-GENERAL delivered the following speech:

"Mr Chairman of Congress,  
Mr Chairman,  
Heads of delegation,  
Delegates,  
Ladies and Gentlemen,

"Once again, it is a very great honour for me to be taking part with you in the General Debate, which we can now look upon as a UPU tradition, since the idea of holding such a forum was first mooted at the Rio Congress, as many of you will not fail to remember. Its usefulness therefore requires no further demonstration and its impact on the conduct of our business, nationally, regionally and internationally, is fortunately going from strength to strength.

"In fact, the General Debate has become a highly appreciated forum bringing together all the decision-makers in the regulatory and operational fields, the managers and experts in the various branches of the Post, thereby providing a unique opportunity, within the framework of our Union's Congresses, to determine the general objectives and associated strategies and to define a joint action plan for the next five-year period, funding of which is guaranteed in whole or in part through the combined efforts of all the partners.

"The subject forming the central theme of discussion in this debate as announced by the Chairman of Congress – 'The UPU looks to the future: global strategic planning in a competitive environment' – is both relevant and topical. It will mean that we will have to analyze questions currently exercising the minds of the public players in the postal world, some, if not all, of whom will be required from now on to operate in an environment profoundly shaken by the winds of deregulation and liberalization of the postal market.

"At this point, I would recall that these trends had already been noted during the work that led to the Washington General Action Plan, which may be regarded as the first UPU Strategic Plan, whose main aim was to improve the Post's ability to care for its customers. The WGAP, like other specific actions taken recently in the UPU by one or other of its bodies, must be seen, first and foremost, as a unifying force designed to combine all efforts at national, regional and international level as member countries act in concert, shoulder to shoulder, in a strategy aiming at common objectives. If that had not been the case and if that is not the case in future, it is to be feared that outside competition, that is competition between postal administrations and other postal operators, may have the harmful effect of bringing about internal competition between postal administrations, which, in my opinion, could lead to the weakening or even the disintegration of the international postal network. This is what happens, in particular, when postal administrations compete with each other on their respective territories.

"It must be remembered, however, that the strength of our competitors is, among other things, linked to their end-to-end quality of service control capability and their information systems firmly based on the new technologies; I refer in particular to their track and trace systems which meet customers' needs for information. In other words, the Universal Postal Union will have to strengthen and energize the international postal network, which cannot be regarded as simply a juxtaposition of national postal networks, with all the inertia that entails. For that purpose, adoption of an innovative policy, implementation of concerted action and regional and international coordination are necessary.

"I personally am firmly convinced that the true response to these challenges requires the adoption of three basic principles:

- knowledge of the market (customers and their needs, the competition, the products on offer, etc);
- meeting customers' needs at all levels of our relations with them; here, the concept of total quality for all the products and services provided needs to be endorsed;
- innovation through promotion of products and services, technologies and management.

"At the Extraordinary High-Level Meeting, held in Berne in May 1992, I told administrations that it was absolutely essential for them to find, from day to day, appropriate answers to the following vital questions:

- i Who are the Post's customers?
- ii What are their needs?

These two basic questions still apply. What entity other than the Post can claim that all the citizens of the world are its customers? As regards postal administrations' reaction in a competitive environment, I feel that the best strategy for us to adopt is to care for our markets better, in other words, to satisfy our customers – the basic principle behind the WGAP – by having a positive and proactive approach. If this principle is implemented at national and international level, the future will be ours. Obviously, putting this principle into effect will require the introduction of a real plan covering all aspects of the Post at the level of each entity responsible – Governments, administrations, Restricted Unions and the Universal Postal Union. Introduction of such a plan, which the General Debate is called upon to define the broad lines of, requires the cooperation of all member countries to reduce the development gap between administrations and, in so doing, to strengthen the weakest links in our network.

"Those were, Ladies and Gentlemen, the convictions I wished to share with you. I thank you for your attention and wish you every success in your further work."

General Debate on the theme of "The UPU looks to the future: global strategic planning in a competitive environment"

Sub-theme No 1: "The structures of the UPU on the eve of the 21st century"

Congress – Docs 73 and 73.1

The CHAIRMAN said:

"I must thank the Secretary-General for his thoughtful remarks, based, as we are aware, on his long and varied experience, both at national level as head of an important postal administration, and in a distinguished international career. In his address he has sounded some warning notes, expressing certain fears about the effects on the international postal network of competition between postal administrations, and also reminding us that the environment in which we operate is being violently shaken by the winds of deregulation and liberalization.

"Deregulation, and the opening of national postal markets to varying degrees of private sector competition, are subjects on which there has been considerable debate and controversy for some time. They are important topics, of considerable current interest, which are bound to be aired during our forthcoming General Debate. They are also, unfortunately, topics which, in my experience, seem to be highly divisive; and to create what I regard as unnecessary controversy and conflict. I would – naturally – wish our debates to be positive in tone, and to lead to broad consensus on our future strategy.

"Of course, this does not mean that I wish to avoid discussing controversial topics of this type, they are far too important to be glossed over. However, I would wish to avoid any repetition of the rancour and rather partisan attitudes which tended to mar some of our discussions at the Extraordinary High-level meeting in May 1992.

"I would therefore appreciate your cooperation in ensuring that during the General Debate any such discussions are conducted in the atmosphere of mutual tolerance and understanding which is characteristic of the UPU.

"In order to facilitate such an atmosphere, I feel that it might be useful if we remind ourselves, at the outset of this Debate, of some of the characteristics of our organization, and of certain elements of, and limitations to, its role, which tend to be forgotten by some of our critics – within and outside the UPU.

"We are all aware that member countries – and their postal administrations – although often neatly divided into the two categories of developed and developing – have a far wider diversity in the great range of economic, social, political and cultural environments in which they exist. The UPU was originally created to bridge international differences and to allow member countries whose national postal systems varied greatly, to work together effectively by adopting common standards where – and to the extent that – these are necessary for such cooperation.

"In adopting these common technical, operating and compensation standards the UPU has generally worked on the basis of a broad consensus, recognizing the need to reconcile the widely differing circumstances and interests of its member countries. Whatever its critics may say, the UPU has achieved a relatively high degree of interoperability between postal administrations which differ greatly in size, structure and degree of development; allowing letters to be exchanged between people living at opposite ends of the earth with a minimum of formalities or administrative overheads.

"We must not allow our mutual interests in maintaining and reinforcing an improved *international* postal network to be obscured or threatened by squabbles over the best way to organize *national* postal services, the scope of national monopolies, the role of competition in national postal markets, etc. These are matters to be determined at national level by sovereign governments of member countries. It has never been the UPU's role to regulate these internal service areas, but rather to ensure that different national systems can work harmoniously and effectively together.

"The fact that the UPU does not regulate these areas does not however preclude us from taking a collective interest in developments in the national regulatory and monopoly areas throughout the world. The UPU can, and does, have a useful role in pooling information on developments in these areas, making it available to members as a data base, and – if required – studying objectively the advantages and disadvantages of certain types of organization/regulatory framework in particular circumstances, on the basis of member countries' experience.

"This is clearly one of the roles of the General Debate – as certain of our topics demonstrate.

"I can only repeat that I am confident that, in discussing such potentially controversial topics, speakers will show the degree of tolerance and respect for others' circumstances and interests which is traditional in the UPU. There is I am sure a broad consensus on the need for the UPU to change to meet our rapidly changing environment. But we must remember that patience remains a virtue, as does tolerance.

"I hope you will forgive me for taking some time to recall the role of the UPU, and will understand the spirit in which I have made these rather frank remarks.

"Mention of the role of the UPU of course brings us naturally to the first of our topics: 'The structures of the UPU on the eve of the 21st century'.

"May I introduce the discussion leaders of sub-theme No 1: 'The structures of the UPU on the eve of the 21st century', Mr Michael J Regan, United States of America, Chairman of WP 3/3, and Mr Jan Masák, Deputy Director-General of Posts, Czech Rep."

*(Applause.)*

The DISCUSSION LEADER said:

"The world has witnessed dramatic changes since the 1989 UPU Congress in Washington: political, social and economic.

"Around the globe, the domains of government and of commerce are in a state of flux. At both the national and international levels, older assumptions about the proper relationship between these two areas are in question. There is no apparent new consensus on how to resolve the tension between the claims of the public and private sectors, or on how to achieve balance between competing social and economic principles. Transformation and experimentation are the rule.

"It is no surprise, therefore, that Ministries of Posts and Telecommunications and their operating agencies are also affected by the need for adaptation and change. In most countries, until recently, Posts and telecommunications agencies have been linked by the common mandate to assure public access to communications services. They have shared facilities, revenues and support services. Yet in many places they are now separating, forced by pressures arising from technological development and competition to operate independently.

"Furthermore, the relationship of both telecommunications and postal agencies to government authorities is changing. Governments are under great pressure to reduce or eliminate subsidies for these services. Consequently, in the developed world, and increasingly so in the developing world, the agencies must operate on the basis of revenues obtained from the services they provide. Reserved services, partial monopolies, help provide a revenue base essential for fulfilling universal service obligations. But they do not provide complete protection from the impact of technology and competition. Commercial principles and the demands of the marketplace intrude upon the domain of public service. Agency employees look across service counters and no longer see service beneficiaries who are dependent upon them, but customers with the option to go elsewhere. The agencies, therefore, seek substantial change in the way they manage their resources and activities. As a consequence, an expanding need for flexibility and adaptability clashes with older requirement of accountability to governments.

"The Washington General Action Plan recognized these developments by including the task of urging 'administrations to take all necessary measures to obtain from their governments corporate legal status and management independence'.

#### **"I. The dynamism of the telecommunications sector**

"The response of the telecommunications agencies to this situation has been dramatic. Restructuring, new strategies and experimentation with new ways of providing service and doing business demonstrate their dynamism. Almost weekly, headlines in the press call attention to the ferment:

- British Telecommunications and MCI form a partnership 'to bring businesses around the world a better way to communicate';
- Japan's international carrier, Kokusai Denshin Denwa, joins with Singapore Telecom and AT&T to form a joint venture called 'World Partners';
- Dutch, Swedish and Swiss telephone authorities form 'Unisource' and are joined by AT&T, while Spain, Belgium and Italy also consider joining;
- France Telecom and Deutsche Telekom consider a partnership with Sprint.

"The need to combine financial resources in order to build more sophisticated communications links which will better serve both multinational corporate customers and, ultimately, consumers is a driving force behind these initiatives.

"As a consequence, what were essentially national agencies appear to be adopting the characteristics of multinational corporations. On the one hand, the ability of national governmental authorities to oversee and regulate cross-border activities will be increasingly challenged. On the other hand, the need for international standards and service quality commitments will be enhanced, and the need for an effective international forum to consider the international legal framework for international services will be stronger than ever.

"In recognition of these developments, our sister organization, the International Telecommunication Union (ITU) has itself recently accomplished a major restructuring. As a result, it hopes to better meet the needs of its members. It will be in a better position to fulfil its key tasks which include standardization, stimulating and coordinating cooperation among telecommunications carriers, and development aimed at reducing the gap between developed and developing countries.

## **"II. The renewal of the postal sector**

"The postal world, too, has been in a state of flux during the past five years. As called for by the Washington General Action Plan, postal administrations around the world are changing from administrative to corporate legal structures. In some countries, even this step toward management independence is considered insufficient, and privatization is a serious consideration if not an already accepted next step.

"These developments cannot help but have an effect on the UPU. If we have learned anything about the UPU during the past four years of examination, it is that the organization and orientation of the UPU reflects the organization and orientation of its members. While its members had a predominantly administrative status and orientation, so too did the UPU. As the status and role of its members change, so too will there be continuing pressure on the UPU to change.

### *"A. UPU strengths*

"Like the ITU, the Universal Postal Union brings a number of strengths to the current situation. It is an organization with a considerable history and tradition. Since its creation in 1874, it has been credited with numerous achievements, including:

- the concept that the postal administrations of the world form a single postal territory;
- the guarantee of freedom of transit;
- the standardization of services and the sharing of charges;
- the tradition of maintaining service even in the event of war;
- the attainment of worldwide membership;
- the creation of the International Bureau;
- the regular exchange of views and collaboration in pursuit of common postal objectives;
- recognition as a United Nations agency in 1948;
- a deep-rooted spirit of cooperation.

*"B. UPU questions*

"Despite this record of accomplishment, serious questions are being raised about the UPU. As we have seen, the environment has changed considerably since 1874, and especially since 1984. In these new circumstances:

- Can the UPU continue to meet the changing needs of its members?
- Can the UPU mobilize the necessary human and financial resources to respond to these changing needs?
- In a time of competition for limited resources, can the UPU effectively decide on the best use of its resources?
- Can the UPU transform itself into the kind of forum needed to address both questions of governmental policy and the commercial and operating needs of postal administrations?

*"C. Background to the restructuring of the UPU*

"By resolution C 8/1989, the Washington Congress instructed the Executive Council to seek improvements in all aspects of the management of the work of the Union. In the process, the consultation of member countries and the course of events quickly brought to light fundamental questions about the purpose, mission, organization and working methods of the Union.

"A series of significant developments prompted the Executive Council to envisage a thorough restructuring of the Union and its bodies:

- the emergence of a growing market for international delivery services and the segmentation of that market into different customer groups with different service requirements;
- increasing competition between the Posts and private delivery services in that market, particularly for direct marketing and bulk business mail products and for time-certain services;
- the impact of new technologies on the communications market;
- the difficulty for postal services of maintaining a sufficient level of revenue while serving an increasingly diverse market, particularly with reserved services growing less rapidly than unregulated services;

- increased pressure on the Posts to change from a legal and administrative orientation to a commercial, market-based one;
- the tendency of some governments to encourage competition and limit or reduce the scope of the postal monopoly;
- the trend towards transforming State-subsidized postal administrations into public corporations receiving no government subsidies;
- consideration, in some countries, of the possibility of privatizing the Post, that is, actually selling all or a portion of the ownership of the Post to the private sector, while maintaining some universal service obligations;
- the emergence of the distinction between regulatory and operational functions and the call for an organizational distinction between these two functions;
- the new policy of the European Union supporting liberalization of the postal communications market;
- global and regional efforts to reduce barriers to trade in both goods and services, as reflected in the General Agreement on Tariffs and Trade and the General Agreement on Trade in Services, and the potential application of trade agreement principles to international postal services;
- the emergence of new models for international collaboration between postal administrations, as indicated by the creation of the International Post Corporation;
- the creation of a joint venture between five postal administrations and a major private courier, TNT, to offer international express services, thereby introducing the element of competition between postal administrations;
- the Extraordinary Executive Council meeting in October 1991 to consider the UPU's response to the joint venture, and the decision of the 1992 EC to conduct a collective solicitation, a competitive bidding process, to enable postal administrations to contract with the private operator of their own choosing for delivery of EMS items in joint venture countries; and
- the Extraordinary High-level meeting in May 1992 to assess the Union's policy in the face of these significant developments and in anticipation of the 21st Congress.

*"D. Proposals for restructuring the Union*

"In the light of these developments, the Executive Council has developed proposals which, following trends at the national level, aim to move the Union away from an administrative approach to postal services and toward greater attention to customer needs, service improvement, and cost control issues. The new structure achieves this essentially by separating governmental and administrative issues from operational and commercial issues and by providing a separate forum for each.

"In addition to structural matters, the EC also proposes changes in management and working methods.

"The proposals for reform rest on four mutually reinforcing elements:

- restructuring aimed at distinguishing organizational roles and responsibilities more clearly in order to allow greater decentralization of work, increased accountability for results and streamlined decision making;

- strategic and operational planning to improve the Union's ability to identify key issues, to establish objectives and priorities, to allocate resources and assign responsibilities, to monitor results and to accomplish all this in a much more systematic manner;
- programme budgeting to help relate expenditures to priority activities and objectives, to help evaluate benefits against costs and to support strategic and operational planning, particularly decisions about priorities and the allocation of resources;
- further simplification of the UPU Convention and Agreements in order to encourage greater focus on customer needs and to ensure that legal and administrative requirements support achieving this objective.

"Without getting into the details of the restructuring proposals, let me review briefly the highlights. The Executive Council has proposed the following:

- creating a Council of Administration responsible for constitutional, organizational, administrative, and government policy issues, primarily for mandatory services, to reinforce technical cooperation and to supervise the activities of the Union between Congresses, replacing the current Executive Council;
- creating a Postal Operations Council responsible for the operational and commercial aspects of all services, mandatory and optional, to replace the current CCPS and to become a decision-making body in its own right;
- the continuation of International Bureau responsibility for providing the secretariat for the Councils, with its structure and working methods to be adapted following the Congress to match the structures and needs of the new Councils;
- the transfer of responsibility for questions with major financial repercussions, for example, charges and terminal dues, from the current EC to the proposed Postal Operations Council, subject to oversight by the Council of Administration on matters of principle, for example, concerning government trade and competition policy or assuring equity in meeting the terminal dues compensation needs of both developing and developed countries;
- the transfer of responsibility for changes in the Detailed Regulations from the current EC to the proposed Postal Operations Council;
- an increase in the size of the Postal Operations Council, in comparison with the current CCPS, to forty member countries, in view of its expanded responsibilities, and an increase in the Council of Administration to 41 members to accommodate the general increase in the number of UPU member countries, while keeping the election to the CA on the same basis as that currently used for the EC and reserving at least half of the seats on the new POC for developing countries;
- further consideration of the possibilities for introducing a system of alternative financing which would permit the UPU to maintain the "zero real growth" discipline for mandatory membership contributions while providing other financing mechanisms, perhaps on an investment or a fee-for-service basis, for optional and new services;
- providing for the possibility that a UPU member country which has privatized all or part of its postal services may designate its privatized postal corporation to be responsible for fulfilling its UPU membership obligations and to participate in UPU meetings and activities relating to such obligations;

- confirming the decision to establish a UPU-Private Operators Contact Committee to provide a forum for dialogue between postal administrations and private operators so that they may have a better understanding of each others' circumstances and concerns and identify areas of common interest where cooperation may be beneficial;
- reversing the order of meetings, with the Council of Administration meeting in the autumn to consider changes to the strategic plan recommended by the Postal Operations Council and any financial implications and to approve the budget closer to the start of the budget year; and with the Postal Operations Council meeting in the spring to update the strategic plan and to submit proposals with financial implications for the Council of Administration.

### **"III. Conclusions**

"In conclusion, the key aims of this restructuring are:

- first, to align the UPU with developments that are occurring at the national level;
- second, to provide a more efficient and effective international forum for governments and postal administrations to come together and decide how they can better cooperate in order to meet the international service needs of postal customers;
- third, to provide a framework for global cooperation which respects the efforts of governments and postal administrations in different regions to pursue different strategies for balancing and managing tensions between the public service roles of the Posts and the demands of the marketplace;
- fourth, to eliminate the overlap and duplication that has been developing in the elected bodies of the Union, the current EC and CCPS;
- fifth, to sharpen the focus of the new Council of Administration on governmental policy issues and to centralize key postal operational and commercial issues in the Postal Operations Council;
- sixth, to support streamlined management with strategic and operational planning and programme budgeting; and
- seventh, to provide a forum in which developed and developing countries can continue to come together and support the common task of building up the global postal network which serves the single postal territory formed by our Union.

"With this combination of changes in organization, objectives and working methods, the Union hopes to be able to demonstrate a greater ability to support the needs of its members in an increasingly competitive environment, to attract the resources needed to meet member country needs for joint infrastructure development, and to better manage those resources.

"Are these changes sufficient to assure that the UPU will be able to meet the needs of its members?

"The structure does not go as far as some have proposed, with completely separate organizations, budgets, and even secretariats, for government functions and for postal administrations. Nor does it address the question of a larger oversight role for the UPU, one in which the relations between public and private

operators, for now regulated at the national level, and the activities of multinational operators who challenge the reach of national authorities, might be taken into account. For now, the UPU will monitor how national authorities and the World Trade Organization may handle these issues.

"But the structure proposed by the EC is consistent with the recommendations of the High-level meeting in May 1992, to take into account the emerging distinction between governmental and operational functions while maintaining a single Union.

"Considering the dynamic nature of the situation we face, many of those who have contributed to the development of these proposals consider the recommendations to be essentially an important first step in an ongoing process of renewal.

"What is most important is that a new structure is being proposed with sufficient flexibility to adapt to future needs.

"After our presentations, representatives participating in the General Debate will be encouraged to ask questions and to make suggestions regarding the direction that the Union must take on the eve of the 21st century."

Sub-theme No 1:  
"The structures of  
the UPU on the eve  
of the 21st century"

The representative of AUSTRALIA said:

"Thank you for giving me the opportunity to make a short intervention to convey to this Congress the Australian Government's view on the issues we have before us at this Congress and in this General Debate.

"The Australian Government is among those who see the evolving competitive commercial future of this industry as an opportunity and a challenge, not as a threat.

"We also see it as inevitable.

"We are among those countries that have started a process of introducing legitimate and fair competition into our own postal industry, while maintaining arrangements to secure universal service.

"Indeed, it is the need to carry this reform legislation through our Parliament that has kept my Minister, the Hon Michael Lee, from joining his Ministerial colleagues at this Congress.

"We have seen this as necessary in order that our national economy can secure the gains in efficiency, and customer service that inevitably follow fair and legitimate competition.

"Consistent with this policy, Australia has adopted a number of positions that underpin the views that this delegation will express on matters before this Congress.

"First, the Australian Government has formally adopted a policy of 'competitive neutrality' towards the trading enterprises that are owned by it or that come under its supervision.

"This includes the Australian Postal Corporation – one of the most successful of these Government entities.

"Under this policy the Government will ensure that where competition is allowed, its own commercial or business operations will not gain over their competitors by virtue of their Government ownership or by its actions or policies.

"Nor will Government policy or actions distort competition against its own enterprises in favour of their competitors – although that is hardly yet an issue – particularly in the UPU context.

"Australia will be progressively extending this 'competitive neutrality' principle into our role and work in the UPU.

"Second, Australia welcomes commercialization of the postal industry within a fair competitive environment.

"My colleagues from the Australian Postal Corporation have clearly demonstrated how, properly managed, commercialization can greatly improve efficiency, profitability, and customer service – while strengthening the economic and management capacity of the enterprise to meet developing competition and sustaining universal service.

"This achievement also reflects the natural and valid competitive advantage that is represented by the established business base of a national postal enterprise and its infrastructure.

"Third, Australia observes that the ever increasing competitive pressures are, quite legitimately, continuing to evolve – both from outside the traditional postal industry and within it.

"While Australia has itself already moved to authorize some of this competition in sections of our own market, including the liberalization of our international mail, we also recall the sovereign right and responsibility of every UPU member country to decide for itself how to address these developments within its own national jurisdiction.

"Australia notes that the full implications of these developments for the UPU will need to continue to be addressed flexibly and responsively by the members within the UPU, – especially as the traditional distinctions between public postal enterprises and private competitors continue to change (and continue to increase confusion about the roles of what is a 'postal administration!').

"The UPU also faces the challenge of ensuring that its own provisions, set by inter-governmental treaty arrangements, are consistent with the principles of fair competition in this new, more inclusive, concept of 'the postal industry'. This requires UPU provisions to be kept up to date, to be fair, to be open in respect of the wider industry and to be efficient.

"This requirement clearly encompasses pricing principles, especially terminal dues arrangements.

"Mr Chairman, the world community knows that it needs to address these matters urgently. We also know that we need to have a proper regard for orderly transition and a proper concern for the adjustment problems faced by all members – but especially the developing countries. At the same time we must also

avoid the ever-present risk of resisting necessary change or moving too slowly only because of the short term difficulties that change brings. In the longer term the pain of any delay would be worse and more damaging. We must avoid the risks of moving too slowly, while working together to settle the direction we will take.

"Against that background, Australia welcomes and applauds the progress that has been made in the preparations for this Congress, especially in the restructuring and terminal dues areas.

"These preparations are an important step in the orderly transition of which I spoke.

"I believe that we all recognize that there are still many more steps to be taken along this road – to continue to maintain and strengthen the UPU as the parent of the global framework for future postal services – whatever form those service may eventually take.

"Australia will work constructively in this forum and beyond to secure this aim."

The representative of PORTUGAL said that changing times, characterized particularly by internationalization and a spirit of competition and privatization, had had repercussions at all levels including the postal sector. The Union, the international standard bearer of the postal sector, could not control the waves of change and it was therefore clear that the present Congress would be marked by the debate on restructuring.

Without forgetting the other equally important themes such as revision of the terminal dues system and the recasting of the Convention on classification of the letter post (about which his delegation, along with other UPU members, had submitted a specific proposal), there was no doubt that Congress would be studying an important series of proposals. It would also consider the proposals made by the Executive Council which had made great strides towards reform and modernization of UPU structures and which for the most part deserved unconditional support, reaffirming the concerns expressed during preparatory work.

Nevertheless, he thought that several aspects needed to be considered with greater care during Congress, while other matters would have to be reviewed and studied further after Congress.

In any event, the intergovernmental status of the UPU must be strictly retained which, in his view, made it necessary:

- for the governments of Union members to retain the sovereign power to designate national representatives to the various Union bodies;
- for the UPU to be prepared to act in compliance with the very diverse regulatory systems of its members, while continuing to be the guarantor of a universal service of appropriate scope throughout the world;
- for the UPU to be the driving force for development of the postal services world wide (for *all* services: whether reserved or not, mandatory or not, based on conventional or on advanced technology) by accepting in an appropriate way *all* postal service players (whether they represented

- regulatory bodies, public service or non-mandatory service operators, with public or private capital, or user groups, industry representatives linked to the postal or research sectors);
- for the UPU, consequently, as the intergovernmental organization for the postal sector, to take on the role of leader in regard to the general regulation of provision of services and their technical harmonization;
  - for the UPU, inasmuch as it would participate in activities of a more commercial type, associated with services offered in parallel by private operators, to develop flexible financing systems appropriate to those situations.

He did not want to prejudge the debate on the subject but it was obvious that questions connected with UPU members' status (especially the concept of postal administration and the participation of operators and other entities), with the internal and external opening up of the organization and the financing of its various activities, could not be omitted from the agenda of forthcoming meetings. Portugal wished it to be known now that it was ready to take part in the debate and put forward some ideas on those matters which were so important for the organization's future.

He also wished to mention briefly that following the recent restructuring of the communications sector in Portugal which had resulted in separation of the functions of regulator and operators and the independence of the public service postal operator (CTT-Correios de Portugal, SA) total financial balance had been achieved in 1993 without the need for any subsidies from other institutions or sectors (particularly telecommunications). It must be remembered that that aim had been achieved while maintaining a universal service compatible with the UPU Acts, and with appropriate geographical and quality of service conditions and by charging reasonable prices.

The representative of KOREA (REP) said:

"I would like to first express my sincere welcome to all the participants of the General Debate Session, especially for the discussion of the UPU's future direction towards the 21st century.

"As you are all aware, the international postal communications sector has been experiencing a rapidly changing environment during the past two decades such as legal status conversion of postal administrations, rapid development of telecommunications technology, emergence of GDEW.

"It is regretted, however, that UPU as an international organization has not been able to effectively meet such environmental changes due to its functional limitations. The first limitation is that it lacks the authority toward the member countries to enforce regulations. The second limitation seems to be about private couriers. They are not liable to observe the UPU standards because they are not allowed to participate in the UPU activities without signing the UPU Agreement. Another limitation is that UPU has a limited saying on such issues as the separation of its operational and regulatory functions and the postal monopoly because those are considered as domestic policy matters.

"In realizing such functional limitations, the Executive Council of UPU has been exerting its every effort towards the overall restructuring of the UPU for the past five years. Consequently, the Executive Council has succeeded in submitting a comprehensive proposal to the Seoul Congress which is based on the

recommendations from postal experts, external consultants and a large number of member countries. In this sense, all of us have to be proud of having the wonderful proposal thanks to the unremitting efforts and contributions of the member countries of the EC. I am confident that a fruitful result will be produced during this Congress.

"May I now take this opportunity to suggest a few points on the future direction of the UPU towards the 21st century.

"Firstly, the fundamental objectives and purposes of the UPU introduced by the 1874 Berne Convention should be maintained on the one hand, an effort should be made to redefine the scope of UPU's activities and the definition of postal services in order to adapt to the environmental changes. In addition, the issue to allow private couriers to participate in the UPU's activities should be carefully considered provided they abide by UPU's regulations and rules.

"Secondly, in order to expand the business scope and to provide better services, it is worthy of consideration for the UPU to separate the regulatory function which is responsible for establishing the order in the international postal market from the operational function which allows competition among operators in the future. Moreover, at the time of separation of the aforementioned functions of UPU, the budget for the regulatory body should be tightly controlled on the one hand and the funds for R & D and expansion of facilities should be secured through a well-balanced allocation for the operational body budget on the other.

"Thirdly, it may be necessary to maintain a cooperative relationship between WTO and UPU because we expect that future policies of WTO will have an effect on UPU. For this purpose a UPU-WTO Contact Committee can be established. As regards the international postal network, we must make our utmost efforts in improving the network system within the developing countries and securing necessary financial funds since an efficient international postal network system is mutually beneficial for all member countries.

"With such efforts, I have no doubt that UPU will play a pivotal role in leading the international postal market to the realm of the next century. Thank you."

The representative of CHINA (PEOPLE'S REP) said that he had listened with great interest to the address given by the discussion leaders of sub-theme 1 whom he thanked most sincerely. His delegation wished to give a few ideas on the subject.

First, he thought that the entire communications sector would be subject to competition by the end of the century. The informatics revolution had now become the heart and mainstream of the modern technological revolution. The information industry could be considered as an "avant-garde industry" of present-day society. Many countries were in process of building or planning the information highway and that constituted a great challenge to the traditional postal services.

Next, the private couriers, who were not obliged to provide a universal service, could capture the most profitable parts of the market, which stepped up competition further. In that context, the UPU should reform its structure and working methods to assist member countries to change the spirit of the traditional post and design a modern postal service.

The UPU's structure at the dawn of the next century should make it possible to follow social evolution with regulations commensurate with the new postal environment and to strengthen solidarity among member countries while recognizing the universality and validity of the UPU Acts which had been progressively refined for over a century.

Everyone knew that the current Congress was going to make a number of very important decisions on reforming the Union. Undoubtedly, those decisions would have considerable repercussions on the organization's activities. Nonetheless, he felt that the reforms expected from Congress were not sufficient. That was why the new Council of Administration would be responsible for carrying out a study on management of the Union's work in which China would take a very active part and make the necessary contribution.

The representative of NETHERLANDS congratulated the Universal Postal Union on holding a General Debate at Congress devoted to discussion of a general strategy; that was very positive. His delegation had been very impressed by the form and content of the sub-theme presentation made by the discussion leader.

The Netherlands wished to express a number of opinions on the roles of the government and postal operators. There was no ready-made solution since the situation varied from country to country. The Netherlands Government considered the UPU to be an organization within which governments reached agreement on objectives and rights and obligations of countries in the postal sector. The application of agreements differed widely, however, as national responsibilities depended on the situation of each member country.

In the Netherlands, the government laid down general rules for the sector and provided guarantees for all parties, specially customers. The government had to distance itself as far as possible from the players and allow them the greatest possible freedom. The government was a kind of umpire but did not take part in the game. In the Netherlands, the government set down a number of rules for the national postal company, especially with regard to quality and nation-wide coverage. The company had its own commercial incentives and had to operate as a business. His country was in a unique situation as the government had sold off some of its shares in Royal PTT NETHERLANDS, of which PTT Post is part. The company had proved profitable and there was a lot of confidence from the financial market.

He welcomed the proposals made by the discussion leaders in the introduction. It was a continuing process and a delicate balance had to be maintained between retaining and improving the international postal network on the one hand and restricting government intervention to the minimum necessary on the other. It must not result in a UPU cartel. He thought that the proposals were on the right lines and should be refined and developed. The interests of all protagonists must also be kept in mind. Government activities and commercial activities should not be mixed. The Netherlands was ready to make a constructive contribution to the discussion.

The representative of the CZECH REP said:

"Allow me to express the opinion of the Czech Republic – a country which is undergoing a rapid transformation process – on the matters involved in the envisaged restructuring of the Universal Postal Union.

"I would like to assure you that we are ready to support the proposed changes presented by the Executive Council which essentially reflect the approach already implemented or being prepared by many member countries of the Union. We too, in the Czech Post, had to respond to new terms and conditions and modify the organizational structure, the competences, the legislation and the management principles to the requirements of the environment being created. That is why we have constituted the State enterprise Czech Post with full autonomy in the domain of commercial, market-oriented activities and laid down the principles of the regulatory framework with the competence of the public operator and the regulatory body. We are aware of the fact that the form of a State enterprise is not the optimum one. Therefore we envisage – after stabilization of its internal structure, of the economic principles and quality of services – the transformation of our Public Operator, into an entity fully respecting the position of the Post in the framework of the State with a market-oriented economy.

"On the basis of experience with this national transformation process, we are convinced that this era has also brought about changes in global postal events and in the body heading it. We consider it very reasonable for public operators to be part of the Union even when it is an intergovernmental organization. In this case, in our opinion, it is relevant for the competences of the individual bodies of the Union to be precisely defined and, most of all, for their relations to be based on mutual confidence and common goals.

"To conclude, allow me to express my conviction that the Twenty-first Congress will enter History as having made significant changes which – after responsible consideration – will make the Universal Postal Union a body ready to enter the twenty-first century."

The representative of BANGLADESH said:

"The achievements made by UPU since its inception in 1874 are remarkable. The concept of single postal terrain and freedom of transit have enabled each administration to dispatch mails to any part of the world if so desired. This has accelerated easy flow of written communications. The tradition of maintaining services at time of distress and even in time of war is highly commendable. Compared with Telecommunications which have made a technological revolution in communications market, postal services, despite sincere efforts made by UPU, could not make much headway. Scientific research is needed to keep pace with modern technology.

"It is heartening that certain questions are raised whether UPU can meet the challenges of the 21st century which may witness a vast technological revolution in the communication market and consequent competition between the Post and private couriers and electronic media (telephone, telex, fax, etc).

"I am happy to note that the problems the Post is facing today and also the challenge of the coming century are not lost from view. Significant developments have prompted the EC to give serious thought on the restructuring of the Union.

"The objectives enunciated by the Executive Council for improvement of the working of the Union will, I trust, yield the results desired.

"I hope that the renamed bodies of the Union, namely the Council of Administration responsible for matters involving general policy and the Postal Operations Council responsible for operational and commercial matters, will be in a position to find solutions to the problems the Post is facing today and will bring dynamism and better coordination in the management of the Union."

The representative of MALAYSIA said:

"I take this opportunity to thank Mr Regan for the detailed presentation on remoulding the UPU to meet the challenges of the 21st century.

"During the presentation, the speaker made some comments on postal privatization. I wish to confine my comments to privatization only.

"Mr Chairman, privatization is creeping in in every country's government agencies. This changing environment of the Post demands a serious look. In time to come, many countries would have more than one company to do the task of the Post Office. What role could UPU play in such changing circumstances?

"Can the UPU take into consideration a study on privatization of postal services throughout the world and what is the implication?

"We ask these questions because the postal agencies of many countries will have become companies and will have no obligation to the UPU declaration.

"UPU may have to deal with regulators representing governments. In such cases, how do we consider setting out guidelines to every countries' regulators. Courier services are efficient in delivery, but their charges are sometimes four times higher. The Post could not do that because they have an obligation to serve. What do we do in privatization? We have to study this question."

The representative of FRANCE said that his country ascribed great importance to the development of the UPU and the single postal territory. The implications of the GATT agreement on postal services should be studied by the UPU since, while the agreement did not challenge the universal service and freedom of transit, it would certainly have consequences for terminal dues and the structure of the Union. Furthermore, it confirmed the essential value of the restructuring work and modifications proposed by the Executive Council to bring the UPU into line with changing times.

The representative of SIERRA LEONE said:

"The delegation of Sierra Leone wishes to thank the Discussion Leader, Mr Regan, and all members of Working Party 3/3 for their excellent work which has culminated in today's brilliant presentation.

"Some of the changes which are to take place, we believe, call for a rearrangement of the work and responsibilities within the International Bureau of the UPU.

"We would therefore like to ask two questions:

- 1 To what extent, if any, will technical cooperation be affected?
- 2 Will the priority of technical cooperation be guaranteed, bearing in mind that technical cooperation has been one of the primordial and firm bases on which the UPU has been built?

"Having raised these two questions, let me take this opportunity to suggest that the future direction of the UPU should be able to address the concerns of both the developed and the developing countries through appropriate institutional frameworks that would support the commercial and business-oriented practices that member countries of the UPU will be required to follow. Such structures may have to do with increased presence, not only to support or promote technical cooperation but, also presence in the field will be focussed on the key business strategy of marketing. That is, UPU field representatives should be able to serve as marketing and sales representatives in addition to their roles as technical cooperation agents or any other tasks that their presence in the field would comprise in order to fulfil the aspirations of the UPU in the various regions of the world – along lines that would be developed – that best represent the business, marketing, commercial and cooperative interests of the UPU.

"Sierra Leone advocates the creation of a World Post Corporation, structures along lines similar to a multinational or transnational corporation. We believe that such a global postal corporation will serve the commercial and business interests of the UPU.

"We suggest that the new Postal Operations Council be given the immediate task of undertaking a feasibility study to determine the viability of creating a World Post Corporation within the framework of the UPU either as subsidiary business, or an independent commercial entity, or a part of the UPU. Interested postal administrations would then be invited to participate in financing this commercial world postal entity."

The representative of ARGENTINA first of all highlighted the excellent work done by the Executive Council, which had resulted in the submission to Congress of proposals aimed at bringing the Union truly up to date.

With regard to the document under consideration, his delegation wished to point out that it was not a matter of a simple conversion of the CCPS into the Postal Operations Council, as specified under point 6. They were two quite different bodies: the CCPS which was being abolished because it had fulfilled its role in a context different from the present one, and the Postal Operations Council which had very extensive powers, covering in particular postal operations and the marketing of services – essential areas of postal activity which constituted its *raison d'être* and, to a large extent, that of the Universal Postal Union itself.

Thus, the Postal Operations Council would be the body *par excellence* that dealt with matters which were of priority concern to the Post and therefore affected postal activity. For that reason the form adopted by Congress for establishing the Postal Operations Council would be extremely important.

As for representation in the bodies of the Union, that was undoubtedly a matter falling within the exclusive purview of the member countries, whatever the legal status of the postal administration: postal service coming under the central

government administration, public corporation, private enterprise, etc. The Government was the sole authority that could decide what the official postal authority was and who should represent it in the Union's bodies.

In that connection, the example of some countries whose representation included officials of private organizations to which the role of official postal authority had been entrusted could be cited as a precedent. That also applied to his own country. The Argentine Post to which he belonged had been a private enterprise for the last two years, yet it was self-evident that he represented his country at the present Congress.

There was no provision in the Union's Acts that referred to the postal administration as a centralized government organ. His delegation therefore felt that this particular question, which had been raised on various occasions, did not present any problems.

It was necessary to make the Union's work eminently practical by giving priority, as a rule, to the introduction of modern technologies in the postal service and by facilitating the operation of domestic and international postal networks, in order that the Post and the services it was responsible for providing should continue to form part of the basic infrastructure of the countries and of the international community as a whole.

The representative of ETHIOPIA said:

"First of all I would like to congratulate Mr Regan for his excellent presentation.

"We are all aware of the fact that the 1989 Washington Congress, through the WGAP, wanted to sensitize and encourage governments, postal administrations and corporations, the UPU permanent bodies and all concerned, to be aware of the services needed to catch up with the changing environment of the Post so that quality of service is enhanced and better customer service ensured. One of the means by which it was intended to achieve this was by restructuring to provide a Union which will meet the challenges posed by couriers and an ever-growing communication technology.

"The result of the work of the EC for the last five years has been very encouraging and has proved to be a very positive step forward in creating a business-oriented postal environment which would provide for better quality and better customer-oriented service.

"The guiding principles of WGAP and the activities that ensued, coupled with the government's new economic reform policy based on the free market has enabled my administration to follow the restructuring process. Therefore, in order to bring the status of the Ethiopian Post in tune with the current realities of a competitive world, new services have been introduced among which EMS and IBRS are worth mention.

"Moreover, revision of the legal status and restructuring of the organization have been completed. Also, the necessary legal framework under which the competition could operate has been studied and submitted for approval. Aware of the fact that the provision of an efficient and competitive service requires specially trained, qualified and motivated human resources, we have made considerable effort in training our staff with domestically available expertise and in

collaboration with the UPU, PAPU and other administrations. In order to motivate our staff, we have just completed the study of a new salary scale and an incentive system.

"The Ethiopian delegation strongly supports the transformation process of the UPU and feels that what has been started with WGAP should continue, along with the decisions of Seoul, to move towards the future, with greater commitment, so that the postal system can be strengthened in order to cope with the challenges of the 21st century."

The representative of GREECE said:

"Based upon the fundamental principles of the 'single postal territory' and 'freedom of transit' and in a spirit of cooperation and solidarity among its members, UPU secures high quality universal postal services.

"In the past few years however, the postal sector has undergone significant changes, mainly due to the following factors:

- operation of private companies in market sectors which are considered protected;
- increasing competition between postal administrations because of the *de facto* or *de jure* liberalization of international mail;
- separation of regulatory bodies from public operators at national level.

"Under normal circumstances postal administrations would have gathered together to confront private companies' competition. This has not occurred because in all cases (at least as far as the traditional Post is concerned) most of the private companies' activities are carried out with the postal administrations' assistance (eg remailing).

"The issue of relations between postal administrations and competition among them will have, in our opinion, a subversive influence on the future of the UPU structures as well as to the UPU itself.

"Competition between the postal administrations favoured by practices such as displacement of mail production and remailing, will assume enormous dimensions after the likely liberalization of international Post in the framework of the European Union.

"The co-existence, of course, of competitive and, at the same time, cooperating enterprises in the framework of an international organization is neither unprecedented nor unattainable.

"In order, however, to be feasible, regulatory and financial conditions which are to be applied within UPU should avert the phenomena of illicit exploitation, satisfying at the same time the demands of a new type of relations among members.

"The separation of the regulatory bodies from the operators' organizations is the element which puts more directly the UPU structures on trial and imposes the need for restructuring.

"The relevant proposals of the Executive Council which will be discussed in the following days are, according to our view, moving in the right direction, with the reservation that it might be desirable to secure greater autonomy for the two bodies: the Administration Council and the Postal Operations Council.

*"Conclusions – Proposals*

"We agree with the proposals of the group.

"We would, however, underline the fact that the new UPU structures will have to assure, through the members, the unhindered offer of services at a universal level and this in an increasingly competitive environment.

"In order to obtain this, new concepts and methods concerning the regulatory and economic framework should be introduced.

"Therefore:

- policy and concept on obligatory and non-obligatory should be different;
- this new concept should be the leading criterion for the distribution of tasks between the two organs;
- from an economic point of view there is a need for a sound economic framework in order to avoid abusive practices in members' relations.

"And last but not least,

- the new economic reality should not alter the present character of solidarity and cooperation between members;
- technical assistance should continue with a view to reinforcing quality at universal level."

The meeting rose at 12.40 pm.

For Congress:	Young-su Kwon	A C Botto de Barros
	Chairman	Secretary-General

M N Harding  
Secretary of the General Debate

**Fifth meeting of Congress**

Wednesday, 24 August 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 3 pm.

Sub-theme No 1:  
"The structures  
of the UPU on the  
eve of the 21st  
century"

The representative of MOZAMBIQUE began by greeting the Chairman of Congress and the delegations in attendance at that meeting of postal administrations from all over the world.

He also greeted the Republic of South Africa and congratulated it on its readmission to the UPU after such a long absence.

It was a great honour and a great joy for his country, represented by the delegation of which he was the head, to participate in Congress, the most important gathering of the Universal Postal Union, after an absence of almost fifteen years due to various reasons.

Mozambique was a young country that had won its independence in 1975. It had joined the Universal Postal Union very early, in 1978.

At regional level, Mozambique was a member of the SADCC (Southern Africa Development Coordination Conference). Member countries' postal directors met annually to determine joint action strategies in the field of communications.

For several reasons, the Government of Mozambique had signed a general peace agreement in Rome with the Mozambique National Resistance Movement. That agreement was being applied, thanks to a widespread effort by the people of Mozambique determined to respect it.

The country was now going through a historic period of democratization and transition towards a multi-party system. Its first general elections were to be held in October.

In terms of the Post, following the definition of the postal service development strategies by the WGAP (Washington General Action Plan), and in the light of the resolutions of the 20th Congress held in 1989, their administration had experienced some difficulty in applying the strategies because of the state of war, which now no longer existed.

The war had severely affected the rural postal service by destroying infrastructures and lines of communication, completely plunging entire populations into total isolation. It was urgent to rebuild the infrastructures.

Having set that objective for itself, the Republic of Mozambique had striven to ensure the implementation of projects requiring external financial aid.

Further efforts had been made to make the postal network operational and efficient, thereby significantly improving the domestic and international services.

Thanks to the fellowships granted by the UPU and various countries, it had been possible to add to the technical and vocational knowledge of some employees.

The Mozambique Post had become a State enterprise in 1981 when it separated from telecommunications. So that it could enjoy even more management independence by adopting the restructuring recommended by the Washington General Action Plan (WGAP), the Mozambique Post had become a public corporation in 1993.

To implement the strategies he had just referred to, they had introduced the Express Mail Service (EMS) as a means of ensuring quality. They took pride in having their own postage stamp printing plant, which enabled them to issue philatelic products of great value. They had also set up facsimile services, known as FAXPOST, and had started to computerize some sectors. A vocational training centre had been established with suitable infrastructures; with a few improvements, it could become a training school for the Portuguese-speaking countries of Africa.

Thus, the UPU would always have a greater role to play in providing and improving the operation of the postal communication services as well as its own organization. His delegation had come to Congress to support the other member countries and benefit from their experience and knowledge in the postal service field, to develop and maintain communication between the peoples of the world, to intensify friendships and cooperation in order to further the development of mankind, particularly at that time of reconciliation and solidarity between all peoples.

Finally, Mozambique more than ever endorsed the idea of the UPU looking to the future.

The CHAIRMAN then said they would move on to a summary of the discussions on point 1 by the discussion leaders, Messrs Regan and Masák.

The DISCUSSION LEADER had a few comments to make about that morning's discussions, during which many countries had raised questions concerning technical cooperation in connection with the project for restructuring the UPU. Mr M Regan had mentioned new methods for managing the work of the Union, such as strategic and operational planning and programme budgeting. Those methods would allow the UPU to better define key issues and to reallocate funds in line with the priorities that were to be established. Both Councils would have technical cooperation committees dealing exclusively with that field. Allocating half the seats on the Postal Operations Council to developing countries should help to ensure that the interests of the developing countries' administrations would not be neglected when programming technical cooperation projects.

Recipient countries would be expected to play a more active role in the field of technical cooperation where co-financing would be a basic rule. Such financial participation would allow more effective use to be made of resources allocated to specific programmes.

The DISCUSSION LEADER further noted that thirteen countries had stated their views on that first theme of the General Debate. Four of those could be classified as developed countries, while nine of them would more likely be developing countries. They had also heard from speakers from all five geographical regions, and he thought that they had had an excellent balance in the contributions relating to the first theme. A number of questions had been raised during that morning's discussion, and he proceeded to summarize them under eight major headings:

- i The first question concerned the environment in which postal administrations were operating. That environment was in the midst of change and all the speakers had underscored the importance to the postal sector of technological and communications development. Many speakers had also mentioned the positive impact of competition and the efforts made by postal administrations to improve the quality of their service and to pay more attention to customers' needs.
- ii The speakers had discussed the effect of that environment on the postal administrations. Postal administrations were in the process of changing their legal status, their organizational systems and their work methods, in order to adapt to new circumstances. Many speakers had felt that the UPU would also have to change. Also, the UPU had been congratulated on the efforts it had already made within its existing structures to react to that situation.
- iii The role of the UPU as an intergovernmental organization: many countries had separated the regulator from the operator functions and a number of speakers had felt that the governments should continue to designate the national entities that would be responsible for discharging the obligations stemming from membership in the UPU and to appoint the representatives who would sit on the bodies of the UPU. Some speakers had felt that governments should play an important role in guaranteeing a certain level of quality in view of the trend towards privatization and conversion of postal administrations into corporations. There were some who thought that the provisions of the UPU Convention should be brought into line with the principles of fair competition; in that context, mention had even been made of the role that governments should be able to play, as the regulators, in establishing neutral rules.
- iv The role of the UPU in the world postal network in full expansion and its reaction to commercial pressures: some speakers gave priority to the UPU's surveillance role. Others stressed the functions of the soon-to-be-created Postal Operations Council and felt that the UPU should continue to play an important part as an agency for cooperation between postal operators. Sierra Leone even thought that serious consideration should be given to the possibility of establishing a world postal corporation, one that would be responsible for the commercial strategies of the Post worldwide. All these discussions pointed to the fact that attention should be paid to the distinction between the regulator and operator roles. That distinction nevertheless had to be the responsibility of each country since there was no consensus in this regard at UPU level.

- v Developments relating to GATT and GATS and application of commercial rules to the postal services: France and Korea (Rep) had drawn the attention of the meeting to that question and Korea (Rep) had proposed that a contact committee be established between the UPU and the new World Trade Organization (WTO).
- vi Privatization: several speakers had commented on the importance of privatization and of the measures that were being taken by some countries in that respect. Malaysia even thought that this could result in the presence of more than one operator in some countries and that as a result, responsibility for the obligations stemming from membership in the UPU would rest on more than one operator; the repercussions of these questions should therefore be carefully studied. Others, however, felt that there were already precedents with the presence of air carriers in certain bodies of the UPU.
- vii Technical cooperation: in addition to the two new Councils that would deal with the cooperation and postal development aspects, the UPU was to consider new means for financing technical cooperation activities and would try to secure funds, as a follow-up to the work of the Postal Development Action Group (PDAG), from multilateral financing agencies such as the World Bank. There were also possibilities for co-financing that would have to be explored.
- viii All speakers had supported the proposals for reforming and restructuring the UPU, many of them stressing the need to continue the work after the Seoul Congress.

Sub-theme No 2:  
"The dichotomy of  
'universal postal  
services' and 'a  
commercial  
approach' "

The CHAIRMAN introduced the discussion leaders for sub-theme No 2, Mr Jean-Noël Rey, Director-General of the Swiss Post, discussion leader, and Mr Louis-Blaise Aka Brou, Director of marketing activities and international cooperation of the Ivorian postal administration.

The DISCUSSION LEADER presented the following paper: "Mr Chairman of Congress, Mr Secretary-General, Dear Colleagues, Delegates, Ladies and Gentlemen. It is a great pleasure and honour for me to lead discussion of Sub-theme No 2 of this General Debate on the dichotomy of 'universal postal services' and 'a commercial approach' and thus to share with you the experience of the Swiss Post in particular. The paper that I am going to present to you has been prepared in close collaboration with my colleague from Côte d'Ivoire (Rep), Mr Louis-Blaise Aka Brou, whom I wish to thank sincerely. Our text essentially reflects strategic options based on current and intended postal reforms in our two countries. It is not our assertion that these strategic options are universally applicable, but we feel that they merit consideration by such an assembly in order to stimulate discussion.

#### **"I. Introduction**

"The contemporary world is currently undergoing changes in the economic, political and social arenas alike. What this means for corporations, and for the postal corporations in particular, is taking account of the development of their environment in strategic planning so as to maintain their competitive edge in the market and, in so doing, guarantee their prosperity.

"Through the publication of its Green Paper on the development of the single market for postal services, the European Union is seeking to reconcile the gradual, controlled liberalization of the postal market and a lasting guarantee of providing a public service.

"Heretofore, the Post in every country has concerned itself with its national market, protected by a large monopoly. Competition was virtually non-existent. Today, that scenario is in jeopardy. Increasingly, private couriers are capturing slices of the market, even in areas which are the exclusive domain of the Post.

"It is above all in the most profitable market sectors that private couriers are undertaking such action, that is, in the major customer sector and in densely populated regions. The consequence is a twofold handicap for the Post; not only is it losing market shares, its rate equalization system is being challenged into the bargain.

"What attitude can the Post adopt towards this creaming off of the market? Should it strengthen its monopoly? Or should it, on the contrary, relinquish its public status and go private?

"Personally, I favour a realistic approach. The private economy cannot provide a truly satisfactory response to the task of delivering quality postal services to all corners of a territory. The State must therefore intervene to guarantee these services. But in so doing, it has to take account of two conditions, namely, operating more cheaply and offering services which effectively meet the needs of the population and of the economy.

"The postal services can therefore no longer be provided by a bureaucratic administration but rather by a corporation which, in my view, should remain public, at the same time respecting modern management methods. In other words, the Post must open up to the market while respecting its public service character. This approach immediately introduces a dichotomy, a source of tensions, not to say contradictions, which are sometimes hard to deal with.

## **"II. Overview of the international postal market**

"For a better understanding of what all this means, let us briefly analyze the international postal market.

### *"2.1 The forces that are transforming the structure of the postal market*

"On the whole, the international postal market has achieved major advances over the past decade. Its growth can essentially be ascribed to the increase in international commercial exchanges, to the globalization of the markets and the delocalization of production; it is nurtured by multinational companies offering their products and services globally. The acceleration of the development of the international market has also been sustained by the expansion and growing sophistication of the transport infrastructures and by the development of new communications technologies.

"The international volume of postal traffic has not registered any appreciable growth over the same period. On the contrary, the volume of international exchanges of letters and parcels is today less than it was in the mid-1980s. The conclusion must therefore be that in recent decades the Post has lost a large share of the international market at a time when the opportunities in that market were particularly favourable.

## *"2.2 Development of the postal market*

"In 1992, the international market for letters, parcels and express items was put at some US \$30 000 million per year. The postal revenue from that market was put at US \$11 000 million, or roughly a 35 percent share for the Post of the international market overall. Four players dominated the rest of the market and continue to do so: DHL, FEDEX, UPS and TNT, ie 40 percent overall, the remainder being shared between the small number of multinational private operators and a large number of local and regional operators.

"The Post's share per product sector in volume in 1992 represented some 13 percent for express items, 15 percent for parcels and 80 percent for letters.

"However, although controlling close to 80 percent of the international letter market, the position of the Post is less enviable than it appears at first sight, above all if the electronic transmission of documents, such as facsimile transmission and electronic mail, are included in the postal market.

"Today, international customers are making greater use of electronic communication methods, to the detriment of the traditional, physical means of communication. This phenomenon will gain further momentum in the coming years with the total liberalization of the telecommunications market.

"In addition, increasingly aggressive private operators have won over 20 percent of the international letter market, notwithstanding the persistence of local monopolies in most countries.

"The Post is thus confronted not only with the increasing use of the electronic services, but also with growing competition from private operators.

"Where parcels are concerned, the Post continues overall to lose ground to private operators, particularly when one considers the business market (exchanges of parcels between corporations). Without an international postal transport infrastructure, the Post will be hard put to compete with the large private operators.

"As regards the international market for express items, the management of the Post is far from satisfactory, despite regular growth in EMS sales. Partnerships and operating agreements between the Posts and private service providers are expected to grow in the medium term.

## **"III. Obligation to provide universal postal services**

"The Post derives its *raison d'être* from the fact that countries, their economies and their populations need high-quality postal services which are affordable and nationally uniform. This is what differentiates a nondescript corporation from the postal administration which, whatever its status, owes its existence and its *raison d'être* to the national constitution.

"The public service is above all a task which has to be performed, a task which, I grant, must regularly be subjected to political, social and economic scrutiny. For only too often when the subject at issue is the operation of the public service, it is solely the rigid principles of continuity and equality that are mentioned, the – flexible – principle of mutability being overlooked. This is a principle which

implies that the services provided to the public should always be adapted to its needs. Thanks to this principle, the public service is not imprisoned in a straitjacket, but is capable of development.

"However, the *raison d'être* of the public service is not just political and social; it is also and above all economic. For the public service is justified by the fact that the private economy cannot, unless this activity is substantially profitable, operate an effective postal network throughout a country.

"All that remains – and this is the nub of the matter – is to define the scope of the public or universal service.

"The public service is an objective recognized by the UPU (mandatory services, freedom of transit), by the European Union (universal service currently being defined) and by many countries individually (minimum public service).

"Not all postal services form part of the public service. Hence, in most countries, the express mail service, like the delivery of non-addressed items, is not part of the public service. As much public service as necessary, as much competition as possible – that must be the motto.

"To my mind, it is the aim of the public service to collect, convey and deliver postal items sent, determined on the basis of the weight and the price. The minimum and maximum dimensions of the articles concerned are those laid down in the Acts of the Universal Postal Union.

"Thus defined, the public service includes both national and international services.

"In order to guarantee the financial viability of its network, the Post, upon which a public-service mission is imposed, must be able to maintain reserved services. It will have to be ascertained how necessary reserved services are to ensuring that the providers of universal services have the means to accomplish their general-interest mission without jeopardizing their financial equilibrium.

"This realistic approach implies adapting the public services to the new economic environment we are familiar with: the public service must not exclude private initiative in domains where it makes for a more effective response to the needs of the community. To safeguard its future, the Post must base its activity on a commercial approach to its market and focus on the quality of its products and services rather than on the exclusive protection of its monopoly.

#### **"IV. Commercial approach**

"There are a number of possible strategies. Yet all of them are based on the organization and operation of the postal service on the business model. Some countries have already started to turn towards this model. This development of the business approach involves separation of the regulatory and operation functions.

"In the context of the universal postal services, the commercial approach should, in our view, be based on the same dynamic principles as those applied in the free market. Among other things, this requires the Post to adapt its structural and operational organization, as well as the attitudes and behaviour of its staff, to the imperatives of the market and the demands of the customers.

"In a word, the Post must move from the primacy of the catalogue of services to a strategy of demand. This calls for a complete volte-face, entailing as it does a transition from a simple production approach to a marketing approach. The customers are thus no longer an amorphous monolithic mass of simple users, but of consumers, whose demands and needs are as different as they are shifting.

"This novel approach, focussing on demand rather than supply, has implications for the organization of the Post now as it will have in the future. It also depends on a change in attitudes.

"Although the public service is a mission which has to be performed, it is also a practical activity and, as such, a management body. Management of the public service is therefore as important as its legal status. The degree of autonomy of the public service, which is essential to any commercial approach, therefore depends as much, if not more, on the management method as on the definition of the services it is supposed to provide and its status.

"The Post should enjoy greater corporate freedom. For the way most national postal services are organized at present impedes rapid reaction to the development of the market, to meeting the competition on equal terms and to cooperating with national or international corporations.

"Furthermore, financial balance is an imperative: it is actually the sine qua non of the true autonomy of the Post, a yardstick of its ability to adapt to the development of the markets and to guarantee the delivery of a high-quality public service. Pricing must be warranted by a precise table of production costs. This detailed knowledge will also make for better cost control and coherent, rational organization and investment choices, as between the objectives of improving quality of service, productivity and the scale of the network.

"Also, the level of quality provided must be geared to the social and economic level of the consumer. The search for quality therefore means that precise standards must be laid down and a monitoring structure developed. In general, the postal services tend to equate quality of service with the volume of complaints. What counts is rather to measure how satisfied the customer is and to ascertain whether the services offered are really those which best correspond to his needs.

"Far from hurting the public, the commercial approach on the contrary makes it possible to go to meet it with an enhanced knowledge of its needs. The notion of vocation, part and parcel of the traditional public service, must therefore yield to the more dynamic notion of know-how, deployed on the basis of the customer's needs and motives.

"It should be noted that, in the developing countries, the commercial approach is also a necessity, perhaps an even greater one than in the industrialized countries. In those countries, the emergence of private couriers could actually result in irreversible imbalances.

#### **"V. The search for strategies for overcoming the contradiction**

"At this point, I should like to address the matter of the strategy or strategies to be adopted in dealing with the contradiction, apparent or real, mentioned at the beginning of my paper.

"It is a good idea, not to say indispensable, today to lay down a new legal framework, as well as new bases for the operation of the Post. This precaution would make for better management of the tension which exists between the public service vocation and commercial objectives.

"That tension can best be dealt with by redefining the postal monopoly and action in support of the postal service.

#### *"5.1 Redefinition of the postal monopoly*

"The public service mission has led the Post to develop vast collection and delivery networks, whose maintenance costs are very high. To guarantee the financing of these networks, the Post must have a reserved area, or failing this, must receive compensatory subsidies from the State.

"The limits of the reserved sector or monopoly must be fixed in line with the resources needed to finance a nation-wide postal network. The reserved sector or monopoly is thus not a privilege, but an essential tool for ensuring funding of quality services on a nation-wide basis. The scope of the monopoly must be as broad as the funding of the public service requires.

"However, the reserved sector must not be a pretext for idleness, still less a rear supply base to be plundered for subsidizing other services. Even in the reserved sector, the Post must be efficient, in other words, it must provide quality at minimum cost.

"Lastly, it is preferable to finance the public service by a reserved sector rather than by complex compensation machinery, which is a source of fresh bureaucracy.

#### *"5.2 Action to support the postal service*

"In general, it is important for countries to encourage the promotion of the spirit of enterprise in their administrations as well as the transition from the concept of user to that of customer. Countries must also guarantee that the Post can finance the public-service missions.

"Countries must also lay down a new legal framework, for instance, in the form of a charter setting out the procedures for changing rates and varying degrees of autonomy depending on whether it is the products of the reserved sector or the products of the competitive sector that are involved.

"For its part, the Universal Postal Union should encourage countries to take steps to redefine the Post's management framework by initiating high-level talks.

### **"VI. Conclusion**

"In conclusion, allow me once again to mention the following:

"Competition requires a constant effort to modernize, to improve productivity and rationalize management methods.

"However, the introduction of modern management methods and the boldness of the strategies set out above should not obscure the fact that the postal administrations' *raison d'être* and justification reside in the public service mandate conferred upon it by governments. As in the Green Paper of the Commission of

the European Union, the guidelines contained in this mandate imply above all a redefinition and a clarification of the postal services, namely, as a universal service with reserved sectors and competitive sectors. This debate must be initiated, yet without falling into the illusions of the neo-liberal approach which would have us believe that unbridled privatization and liberalization are the panacea.

"In my view, public corporations can be as efficient as private ones. If the Post genuinely starts to listen to the customer, if it offers high-quality affordable services on a nation-wide basis, if those services are innovative, if they have a flexible structure and are open to cooperation in the private sector, the dichotomy between the 'public service' and the 'commercial approach' will rapidly be diminished or even eradicated entirely. The resulting renewal of the public service will not only ensure that the Post survives but also that it prospers.

## **"VII. Recommendations**

"Given the changes in the structure of the international and national postal markets, and to guarantee quality postal services to all peoples and to the economy as a whole, we recommend that:

- i postal administrations be made more independent of public authority (in at least four fields: pricing, finances, staff policies and strategic alliances), by redefining the tasks for which each party is responsible (resp: administrations, Government);
- ii a business attitude be fostered at all levels along with modern management methods, while retaining the social benefits already acquired by the staff (resp: administrations);
- iii a transition be made from a supply strategy to a demand strategy (resp: administrations);
- iv the public service field and the scope of the reserved services be clearly defined in order to finance their infrastructure (resp: Government, administrations);
- v harmonious and effective solutions be sought allying public sector and private firms (resp: administrations, Government);
- vi countries be urged to facilitate the implementation of the recommendations stated (resp: International Bureau, Restricted Unions).

*"To draw a more precise outline of the recommendations I have just set out, I suggest that the discussions focus on the following themes:*

### **"Principal themes of discussion**

#### **"I. Maintaining or not maintaining the public service**

- Status quo
- Complete liberalization
- Gradual, controlled liberalization

**"II. State-Post relations**

- Field of public service
- Scope of the reserved services
- Independence in matters of:
  - Pricing
  - Finance
  - Staff policies
  - Strategic alliances

**"III. Management structures**

- Promoting a corporate culture
- Moving from a user concept to a customer concept

**"IV. Implementation of reforms**

- Multilateral (International Bureau, Restricted Unions) or bilateral exchanges of information."

Taking the floor, the representative of JAPAN thanked the Chairman and the delegates for the valuable opportunity he had been given for expressing his delegation's views on that subject. After congratulating Mr Jean-Noël Rey on his excellent paper, he made the following statement.

**"1 Introduction**

"In every country, postal services serve as the most fundamental, indispensable infrastructure for socio-economic activities.

**"2 Universal services and monopoly**

"To provide that infrastructure, it is imperative for the Post to provide low-cost and homogeneous services everywhere, even in rural areas.

"As for the definition of universal postal services, there might be different views, I suppose.

"In Japan, universal services are extended not only to the letter post but also to postal parcels and printed papers.

"To maintain universal services throughout Japan, the monopoly must be preserved to a certain extent, to prevent private couriers from cream-skimming.

"Quite naturally it follows that this monopoly-protected service must be operated under the most efficient management methods, with a high level of quality and at the lowest possible postal rates.

"In Japan, due to all our efforts to streamline our management, we have successfully maintained the aforementioned universal services, rarely resorting to rate increases.

### **"3 Case study in Japan**

"Japan's postal service, despite being a government entity, enjoys management independence.

"For instance, postal services are managed through a special accounting budget distinct from the nation's general accounting budget. Moreover, our administration enjoys flexibility in making its long-term investment and setting its own financial policy. Furthermore, the postal staff are employed under terms different from those of other public officials, for instance, as regards salary payment.

"Japan's postal services have thus developed entrepreneurship and as a result are generally held in high regard by their customers.

"As a result of all these efforts, the number of international postal items handled by Japan in 1993 increased by 50 percent compared with ten years ago. As regards EMS, we now have about three times more EMS items than we did five years ago.

### **"4 Universal services and the commercial approach**

"We have adopted a more commercial approach to the provision of universal services. In addition to the business-like policy that I have just explained, I would like to give you more specific representative examples of our efforts.

"For instance, postmen in Japan promote sales of postal products while they are engaging in delivery services.

"Our postal clerks also contribute to postal sales promotion by paying visits to customers. Moreover, our services often establish partnerships with regional industries so that the postal network can be used as a nationwide distribution channel for their local specialties.

"Thus in Japan, the government itself serves as the provider of universal services on the premise that the government monopolizes letter service markets. This situation is nonetheless consistent with a commercial approach. I believe our case shows that State ownership is compatible with the introduction of a commercial approach. In fact, we have successfully enhanced our level of service quality by adopting a commercial approach.

### **"5 Conclusion**

"There is no uniform balance between the provision of universal services and the adoption of a commercial approach, because its conditions vary with the socio-economic setting in which each country's postal service is placed.

"(Separation of business and managerial functions)

"Some people insist that dividing the regulatory and operational functions should precede the introduction of a commercial approach to postal service management. We are sure, however, that Japan has succeeded in introducing a commercial approach without separation of the two functions.

"Accordingly, a discussion of the subject of universal services and a commercial approach should not lead to the conclusion that the regulatory and operational functions should be separated.

"At any rate, all postal administrations are definitely responsible for providing high-quality services. We believe that it is necessary for all UPU members to do their utmost in this regard and, at the same time, to strengthen their mutual cooperation with a view to fulfilling these responsibilities."

The representative of THAILAND then made the following statement: "Firstly, I would like to congratulate the UPU on its prudent proposal for restructuring the UPU on the eve of the 21st century.

"At this time when we are about to restructure the UPU and the postal services of member countries to keep pace with the development and the changing environment of our society, I would like to draw your kind attention to the basic and classical philosophy of 'social service' of the Post, which still plays a vital role in distributing happiness to people all over the world, particularly those who live in remote rural areas in each member country.

"The Thai postal administration has been continuously striving for self-improvement in all aspects of postal services, not only to survive in the severe competitive environment, but also to assert its self-sufficiency as well as its self-reliance. While the Thai postal administration has to comply with government policy in providing the general public with basic communications services as a social infrastructure, it has to improve its own organization structure and adapt it to present-day conditions in order to become a business-oriented State enterprise.

"The Thai postal services will very soon be separating from telecommunications and moving out of the shadow of their long-term partner to manage their own destiny, and in the long run, to become a more liberalized sector.

"Mr Chairman, it is imperative that we adopt strategies for harmonizing the universal postal services and a commercial approach.

"In conclusion, we in Thailand will try our best to reorganize and re-engineer our postal industry to respond to the needs of the customers and those of society, particularly to improve its efficiency and to maintain our strong support for the activities of the UPU."

Taking the floor, the representative of CANADA expressed pleasure at the opportunity given to her to contribute to the General Debate which was in fact really looking at the future and what it had in store for them, and at how the Post could succeed on tomorrow's communications market.

During the past decade, the Post had embarked on an irreversible process of change. Intensification of demand and diversification of the products offered to customers had stimulated competition and the worldwide expansion of markets. Some of the new options available were in direct competition with traditional postal products, while others, which required the use of different media, had an indirect bearing on their products. All of this was based on technological innovations that had enabled them – as well as their competitors – to make delivery more efficient and more reliable.

In the North American context, Canada Post Corporation (CPC) had successfully met those challenges and revitalized a faltering postal service that had become a heavy tax burden.

They had been given a chance to make that recovery just before the massive assault by the competition, so that they now offered an efficient and prosperous service:

- their customers were entrusting them with a growing volume of mail: in fact, every day, they were delivering some 40 million items, far more than 10 years ago, and were doing it with 10 000 fewer employees;
- their customers were telling them what they wanted in terms of delivery standards: within the country, the reliability of their service was assessed at 97 percent;
- they were no longer a financial drain on the government because they had achieved financial self-sufficiency a few years earlier.

The speaker realized that a great many colleagues from other postal administrations had managed the same tour de force or were about to do so. Now they should ask how they could ensure their future. What was needed for a major enterprise to survive, despite the many challenges facing it and its obligation to provide universal services?

They at Canada Post believed that as suppliers of international services, they had to continue to develop, to renew themselves in order to become the suppliers that their customers wanted as partners or suppliers or employers, or that they might even want to own. Faced with the effects of the competition, customer service and new technology, their vision was that of a world partnership based on cooperation within a partnership that:

- focussed primarily on customer service;
- understood that success meant anticipating and meeting the increasingly varied needs of customers;
- relied on its employees to bring it closer to customers;
- supported employees by making massive investments in training, upgrading of skills and technology, so as to remain in the forefront;
- united postal administrations in a world system offering universal state-of-the-art products and services at affordable prices;
- combined a highly efficient delivery network with the vast possibilities of electronic communications with a view to creating an electronic highway for use by all customers at an affordable price;
- sought to satisfy customers, generate revenue for its shareholders and provide employees with fair remuneration.

This was a world vision of postal service and it was on that vision that Canada Post wanted to build its future. This was the direction that it, or the postal enterprise of the year 2000, would focus on, since the measures they would take today and those they planned to take in the next five years would shape the postal service of tomorrow.

At Canada Post, they believed that survival of the postal service depended on such commercial values. They had already tripled their investment in employee training; customer service had been completely remodelled; mail collection, transport and delivery had been reorganized. They had also taken advantage of technology to streamline their service and to work out alternative solutions for their traditional markets. She was referring to electronic mail and to all the other components of the electronic highway whose potential was becoming more and more obvious.

If those in attendance shared her vision, the critical element that the General Debate should address was the following: how could they adopt a suitable approach within their respective postal services and create the international links that would allow them to move ahead? Surviving was not enough. They had to grow and regain the large share of the communications market they had lost more than a decade ago.

The first thing to do was to realize that their customers had a global outlook whereas theirs was national. They had to break away from their traditional way of thinking and understand that yesterday's postal service no longer had a place in the modern context of liberalization of markets. They had to put themselves in their customers' place and ask what their customers expected of them and of any other supplier of services at international level. Their customers trusted them to find affordable and immediate solutions to their worldwide communication problems.

To accept such a challenge meant that they would have to work together, as partners in earnest, to create and innovate wisely, to channel their joint experience and to adapt their infrastructures so as to meet those requirements. As partners, they would have to work in small groups to respond to the needs of their major customers; their respective postal communities would have to share more of their experiences and other values.

They would also have to exchange the information they had about customer opinions and work more coherently and transparently. Success in the new global communications environment depended on that.

The postal strategies which would emerge from the General Debate and Congress should take account of that reality. It was the fundamental issue, which would make or break a large number of postal services and the international Post as a whole in the years to come.

They had high hopes of being able to reinvent an international Post which derived its thrust from bold, innovative approaches based on the commercial values of the future. An approach which PUT THE CUSTOMER FIRST would enable Congress to direct its energy, priorities and action plans so as to ensure its survival and success.

The representative of the UNITED STATES OF AMERICA made the following statement: "I have listened with great interest to the remarks of the many speakers on our subject of debate, balancing public service obligations with a more commercial approach towards our customers.

"And I would like to share with you our recent experience in the United States Postal Service to bring ourselves closer to our customers.

"Despite growing pressures on postal administrations from such new technologies as fax, E-mail and electronic funds transfer, the public still relies on hard-copy postal delivery to all addresses, and will for years, perhaps decades.

"We cannot assume, however, that government-operated postal administrations are the only ones who can satisfy the need for universal delivery.

"In fact, for some classes of mail, our private sector competitors already provide universal service, and do it better than we do.

"To retain the privileges and responsibilities of universal delivery, and bottom line, to survive in the postal market, we must compete.

"And to be able to compete, we first have to change ... and keep changing and improving.

"The simple truth is, there are only two types of businesses today. Those that stay competitive and those that are closed.

"To stay in business, organizations today have no choice but to provide products that represent quality and value, while at the same time satisfying their customers' needs for quick and easy access.

"This requires some new approaches. Many of the traditional ways of doing things are simply no longer valid.

"We have made some dramatic changes to better serve our customers.

"We created a new, leaner management structure, starting at the top.

"We have fewer overhead positions, and less bureaucracy.

"We have also changed our attitude towards our customers. Instead of just *making the rounds*, we are looking for opportunities to *solve problems* and *satisfy customers*.

"We are developing stronger ties with customers and suppliers, and encouraging them to give us feedback and input.

"We are exploring business and marketing opportunities involving new technology and new services that will help us build revenues and stay strong. We are taking some approaches that would surprise those who still see us as an old bureaucracy.

"For example, we are working with other companies to provide an electronic post office so that customers can order and receive merchandise quickly.

"And we have put in place new external systems to measure our performance, because what *gets measured gets managed*, and *gets better*.

"Most important, we are working to change our corporate culture. We are empowering our employees to make the decisions needed to improve service and keep costs low.

"Breakthroughs in productivity do not come from on high. They come from the ideas and efforts of the people who do the jobs.

"With customer expectations increasing and the pace of world business accelerating, it is clear that the world's postal administrations must find ways to work together and respond to change faster.

"We must develop a clear vision for future success and create the systems and culture to help bring it about.

"Working together, the member administrations of the *Universal Postal Union* can continue to bind the world together, and achieve success in the 21st century."

The representative of KAZAKHSTAN said that his country had joined the Universal Postal Union only eighteen months ago, following the collapse of the Union of Soviet Socialist Republics. In 1993, it had successfully separated the various communications sectors, enabling it to create two different companies:

- Kazakh Telecom;
- the postal administration of Kazakhstan.

A private postal service had also emerged in Kazakhstan. Moreover, certain activities which had in the past been the Post's responsibility were in the process of being privatized.

His administration wanted to guarantee the quality of all its services and not confine itself to optimizing the reserved services, adopting a go-ahead attitude to customer requirements and wishes. That management policy should normally generate the resources necessary for developing and improving the postal services. Moreover, he felt that postal administrations and private couriers should be complementary, which was why it was necessary to let the private sector exercise postal activity whenever possible. In that way, new services with different levels of quality could be offered to customers. His administration was therefore in favour of the restructuring proposals envisaged by the Universal Postal Union.

The representative of SPAIN referred to the morning's debate about the guidelines for the future structure of the Union to enable it to overcome the trials inherent in economic change and technological progress.

As Mr Rey's excellent statement had brought out, there was a dichotomy between the commercial approach to be adopted and the traditional public service with its monopoly.

He for his part wanted to bring out the nuance between the notions of liberalization and privatization.

In Spain's case, telephone services were operated by a private company set up in 1924, over seventy years ago, which held the basic public service monopoly for that country. In 1998, that market sector would be opened up to competition, but that operator would certainly continue to meet its public service obligations. In the field of postal services, the situation was completely different. The main operator – the public service operator – was government-run, yet the postal sector had been open to competition for over thirty years, making Spain the only country in the European Union whose city mail transmission services were completely liberalized. He therefore felt that his administration was qualified to explain the risks of liberalization.

Its advantages were obvious. It encouraged competition, thus perhaps helping to improve quality of service and making it possible to benefit from technological progress. The dangers were equally obvious. Competitors were creaming the market in the most profitable sectors – in Spain, those were city mail transmission and value-added services – leaving the main operator, which was generally a government body, with the non-profitable market sector where it had to meet the obligations of a universal public service.

Several years ago, his administration had suffered as a result of that situation. Public service losses had grown, resulting in a fall-off in quality, because the Government always had limited budgets which might well have to deal with other priorities. Under those conditions, the public operator generally stopped investing in new technologies, so that quality suffered, and it lost major customers, entering a fatal downward spiral.

Confronted by that situation, his administration had asked itself what governments – in other words, regulators – should do. What did the Spanish Government do, for example? The answer was that it regulated the sector:

- by laying down obligations for the basic universal service, representing the public service, which had to be more dynamic and comprise better and better services;
- by drawing up a contract between the Government and an operator to which responsibility for meeting those obligations was assigned, thus converting it into a public service provider;
- by authorizing and guaranteeing effective competition among all the liberalized services, especially value-added services;
- by setting charges for access to the postal sector so that new operators who concentrated their activity on the more profitable areas contributed to the financing of activities related to universal public service obligations.

The last point was particularly important. Providing the basic universal service cost money, a lot of money, in countries like Spain where the population was very unevenly distributed, with provinces with fewer than five inhabitants per square kilometre and a highly complex mountain system.

While it was true that financing could be ensured through sufficiently mature reserved services, that was impossible in certain cases. Under those conditions, when the universal service was guaranteed by a contract with the State and all the operators contributed to its funding, it was unimportant whether that service was provided by a public or a private body. In all cases, the provider should benefit from maximum management independence and thus be sufficiently motivated to improve the quality of its service, thus meeting the regulator's requirements.

In that context, just when Spain was putting the relevant legislative amendments into practice, his administration thought it very prudent to reform the UPU on the lines presented by the Executive Council, involving all the operators in its work. Spain therefore felt that the UPU should give priority to continuing its fundamental task of guiding and harmonizing postal activities in the worldwide environment.

That was why, on the basis of its experience, Spain was taking an active part in the work of the Union's various Working Parties and, within the framework of technical cooperation which the UPU should promote, was trying to communicate its experience in the relevant field to all member countries.

The representative of INDIA made the following statement: "The panellists for sub-theme No 2 The dichotomy of 'universal postal services' and 'a commercial approach' have indeed done an excellent job and I would like to applaud their presentation. I also congratulate the other distinguished speakers on their presentations.

"The dichotomy manifests itself in the most virulent form in India, faced as we are with conflicting objectives due to the multi-dimensional role that the Post has to play in our country. But over the years, we have realized that the dichotomy is not totally irreconcilable. An element of 'give and take' is inevitable and the dilution of the monopoly unavoidable.

"We, in India, therefore, are seeking to strike a balance between the social objectives of providing universal postal service at affordable prices and the commercial imperatives of ensuring the Post's viability.

"We intend to forsake a large portion of our monopoly and simultaneously institutionalize commercial approaches in the day-to-day functioning and policy-making in the Post.

"We believe that in economies and societies like ours, the middle path is the most practicable approach, an approach advocated by our Prime Minister at the World Economic Forum held at Davos in Switzerland last year. This approach seeks to promote competition while ensuring a safety net of affordable universal services.

"Mr Chairman, the paper already submitted by India on sub-theme No 2 merits the consideration of the house."

The representative of DENMARK made the following statement: "The pressure of competition on public postal service providers will undoubtedly increase in future and the postal administrations of the world will have to ensure they are able to provide market-oriented products at affordable prices and with a content corresponding to the needs of customers.

"We fully agree that a commercial approach is necessary even if you have some sort of monopoly.

"In our view, the best way to stay competitive on the market is to offer a high and reliable quality of service and keep the costs low.

"Furthermore, it is essential to have efficient international cooperation between public postal service providers because customers increasingly require international services to be at least of the same standard as domestic services.

"This can only be achieved through common initiatives, where the quality of service is defined in accordance with the needs of the customers.

"In this connection, it is important for the end-to-end logistic chain to be efficiently controlled in a way that is related to the needs of the customer. Also it is of paramount importance that outgoing and incoming international mail is handled with the same quality of service as domestic mail.

"We have to remember that from our customers' point of view, they buy an end-to-end service and if just one of us along the postal chain does not live up to our obligations, we will all lose ground to other operators.

"One of the inconsistencies of the public postal international services that runs counter to a commercial approach is payment between postal administrations. We do not pay each other according to service and quality rendered and costs involved.

"So it is very important that there should be a link between the payment among postal administrations for services rendered and the actual services obtained. That will help to enhance the quality of service.

"For this reason, it is very important that the proposals regarding the revision of the terminal dues system prepared by the Executive Council be adopted during this Congress.

"The adoption of the proposed new system of terminal dues, in principle related to costs, is a necessary basis for the introduction of commercial conditions for international mail.

"The adoption of the new system of terminal dues is one of the most important tasks for this Congress."

The representative of INDONESIA made the following statement: "Our delegation would like to raise the issue of the dichotomy of 'universal postal services' and a 'commercial approach', particularly the role of the government and the UPU in making a smooth transition to a new situation where the new postal administration or operator responsible for meeting the obligation of a universal postal service could continue to compete with the private operators when it comes to lucrative services.

"It would be ideal and beneficial if the UPU could provide a model for making the transition to the above-mentioned situation. This model could be used as a reference for member countries, and more particularly for the developing countries which have had no experience in this field.

"The transition model should cover legal, regulatory and commercial aspects.

"We therefore suggest that this transition model could be drawn up by a working party or study group created during Congress.

"I hope that the above opinion can be taken into account by Congress as part of its response to the challenge to the Post in this increasingly competitive environment."

The representative of ZAMBIA made the following statement: "We should like to congratulate Mr Rey on his frank and practical analysis of the subject of sub-theme No 2 The dichotomy of 'universal postal services' and 'a commercial approach'.

"In 1992, Zambia had the privilege of sharing the platform with Australia at the Executive Council in Berne as discussion leader on the topic 'profitability of postal administrations' in a competitive market.

"It was clear from the presentation of the experiences of the two administrations that postal services can be commercially viable if managed on sound commercial principles. Moreover, it is no longer a valid defence for any postal administration to blame its failure to be commercially viable on its public service obligations.

"The commercial approach should apply to the postal service, whether public or private, for the needs of the customer to be addressed effectively and for commercial viability to be achieved. The commercial approach respects quality of service, and good quality of service assures customer confidence, in turn leading

to higher volumes of business which will naturally generate adequate resources for the public postal service to support the deprived, low-volume areas which would otherwise be unattractive to a private operator.

"We agree with Switzerland that there is no contradiction between universal postal service obligations and the commercial approach. In fact, the commercial approach is a universal catalyst for efficient management of a public postal service.

"In Zambia, as in other developing countries, the remote rural areas are not playing grounds for our competitors. If the postal service were not a public service, obviously there would be no services in those areas.

"Nevertheless, governments should take the important first step of recognizing the Post as a sector separate from telecommunications. This, even more than monopoly, is a prerequisite for enabling a postal service to embark on the path to commercial viability.

"Finally, the public postal service must accept the inevitability of competition. Competition presents the customer with a choice and the customer is entitled to a choice. If the quality of service given by the public enterprise is inferior, the customer will naturally go to the private sector provider."

The OBSERVER FOR THE CONFERENCE OF POSTS AND TELECOMMUNICATIONS ADMINISTRATIONS OF CENTRAL AFRICA (CAPTAC) took the floor to emphasize the importance of certain points necessary for drawing up future postal strategies which had attracted CAPTAC's attention since the work on applying the WGAP. The points were:

- seeking financial profitability;
- effective introduction of management independence;
- optimizing State-generated revenues;
- specialized management training and staff outlook development;
- more effective cooperation.

1 *Seeking financial profitability*

Seeking financial profitability was a major objective because it made it possible to study all postal activities in depth. It was that concept of financial profitability which would give the Post its true business character.

2 *Effective introduction of management independence*

Management independence came from structural and institutional reforms, but for those reforms to be effective not only did governments have to be convinced of their appropriateness, but postal managers themselves had to be persuaded that the best use of the Post's financial potential would enable it to meet its costs and even to become self-financing.

In countries where those reforms had been carried out, the rules of management were being applied more rigorously and managers had become more aware of their responsibilities. Those reforms had also made it possible to recruit specialists and had helped to lead former managers to adopt a corporate mindset based on competitiveness, improved performance and motivation.

### 3 *Optimizing State-generated revenues*

While the State and its bodies were customers of the Post (though special ones), that should not be seen as a major obstacle. The problem was that the Post had to avoid losses stemming from its relations with the State and its bodies.

When CAPTAC had studied that matter, it had included in its action programme a study to determine the losses suffered by the Post through its non-profitable State activities. Once that study was completed and the profile of the losses established, the independent corporations would hold negotiations with their respective governments with a view to making them pay for those losses. CAPTAC thought they would agree. If not, it would be up to senior postal officials to study how to get rid of loss-generating firms. Spain's example had been edifying in that connection.

### 4 *Staff training and staff outlook development*

The essential factor for ensuring a glowing future for the Post was to provide management and staff with optimal performance conditions. Three factors were necessary:

- management specialization;
- job stability;
- motivation.

In fact, the fundamental problem was to ascertain how to make the profession attractive and reassuring from the standpoint of human and social conditions, while respecting the merits of each individual.

There, too, efforts had to be made to focus on the individual and collective genius.

### 5 *More effective cooperation*

As national postal administrations were becoming economic and commercial corporations, relations between them also had to develop. The concept of simple assistance had to give way to business relations, which were in themselves closer to partnership or the preservation of common interests.

CAPTAC felt that the exercising of such cooperation could be facilitated by study or survey missions which should be conducted by administrations/corporations whenever a link presented special interest or problems to be solved.

It was that joint management of the commercial interests of national postal corporations that could enable them tomorrow to appear as a single enterprise in the eyes of the customers, so that not only would they have an efficient postal network but they should also be able to combat the competition more effectively.

The representative of SWEDEN made the following statement: "The public postal service in any given country should of course be organized according to the conditions of that particular country. The most important thing is, however, that it must be continuously adapted to changes in those conditions. If not, the market will itself find ways and means to set up the structures that it needs.

"Our answer to the question put by our discussion leader, Dr Rey, is that there is no contradiction between universal services and a commercial approach. On the contrary, a commercial and market-oriented approach is the basis for providing a universal service. We might, however, to some extent see the problem in a different way from Dr Rey.

"The key word in this respect is competition. It is because competition is the basis for market economy systems that these systems have proven to be better than any other known system as regards promoting the prosperity of the country and the welfare of its citizens.

"We have noted with satisfaction that Mr Botto de Barros, Secretary-General of this Congress, has underlined that this principle applies equally to the postal sector. In an article in the latest edition of the magazine 'Union Postale' he writes about the changes in this sector and refers to – I quote – the 'reduction of the postal monopoly whereby the Post loses some of its protection but gains in vitality', unquote.

"The Swedish Government and Parliament have drawn the conclusions from this development and have recently implemented a series of reforms in order to adapt the postal sector to market economy realities. I will briefly outline these reforms in order to demonstrate what type of structure our authorities have chosen in order to provide postal services in our country.

"The first in this series of reforms was the *abolition of the postal monopoly* from 1 January 1993. The traditional monopoly on the conveyance of letters had been slowly eroded in particular by the widespread use of alternative means of communication. The studies of the economics of the postal sector also showed that the market position of the public operator, Sweden Post, was so strong that it could easily sustain competition. Now there are several mail operators, but Sweden Post is still providing high-quality services at low prices and is making a satisfactory profit.

"The second reform was the *promulgation of a Postal Services Act* from 1 March 1994. In fact, Sweden had never had any postal law. However, in the new situation with several operators on the market, the State had to set some basic rules to cover all operators. This Act furthermore in its opening article puts the obligation on the Government to see to it that there is a good postal service in the country. The Government is then in principle free to buy such services from suitable operators on the market. For an initial period of three years, Sweden Post has been appointed to be the Government operator both for the domestic and for the international service.

"Going back to the quotation I made from Mr Botto de Barros' article, Sweden Post now has to be very vital both in order to defend its market shares against private competitors and to fulfill the contract signed with the Government. If not, the Government may think about picking another operator after the expiry of the present contract. Competition requires Sweden Post to design the products needed to solve customers' problems, to sell them in a professional manner, very often on a contract basis, and to slim the organization in order to produce services in the most cost-effective way compatible with maintaining high quality.

"The third reform I would like to mention is that Sweden Post has been converted, also from 1 March 1994, from a State-owned enterprise into a normal limited company. By that reform, Sweden Post has acquired the same status as most other businesses in the country, including other postal operators, and is

thus on a level playing field with them in this respect. The limited company status also has considerable advantages for company operations as it entails a very large freedom of action and furthermore is the form of association which the major customers apply and with which they feel comfortable. The Government retains 100 percent of the shares in the limited company. It should also be mentioned that a new regulatory body, the National Posts and Telecoms Agency, has been set up to monitor the application of the Postal Services Act and it has also taken over all tasks related to the application of public authority.

"Fourthly, and also in order to provide the level playing field, all operators including Sweden Post have to add Value Added Tax, or VAT, to the prices of most postal services, including international services.

"I have listed these reforms of the structure of the postal sector in Sweden in order to show that the Swedish Government has accepted its responsibility by organizing this sector in order to cope with the changes which have already occurred and the major changes which we believe lie ahead.

"We firmly believe that we have only seen the beginning of a considerable transformation of the whole communications sector in the coming years and that the postal part of it will be heavily affected. Be sure, the world will not be the same when the next UPU Congress meets.

"These changes will be of many different types and time here does not permit me to do more than list four of them:

- changes in customer needs and habits, in particular by their increasing use of electronic means of communication. Postal administrations unable to offer a complete basket of communications services, physical and electronic, will quickly be out of the profitable business market;
- deregulation of the postal sector. The market will always find ways of circumventing monopolies. The fact that remailing has taken 15 percent of the international mail market although it is illegal in most countries is sufficient to prove this point;
- deregulation also means less government interference in business. If market forces make the market function to the satisfaction of customers, there is no need for governments to intervene. In particular, it will soon be impossible for governments to favour one operator, even if it is the public operator, to the disadvantage of other operators;
- changes in the ways operators work together. In order for operators to meet the needs of customers, we will most probably see more and more alliances being formed, both bilaterals between public operators and links between public and private operators, maybe going as far as to merge public operators in order to form strong companies taking care of the public service in several countries. This is to some extent already a fact in the airline industry and seems to be already emerging in the telecom sector. This means indirectly that, from a business point of view, multilateral forms of cooperation will probably become less important.

"The new structure suggested for the UPU is a first step towards adapting the Union to changing circumstances. However, in order to cope with the changes I have just listed and others which we might not even be aware of yet, this structure must be continuously modified and we wish the two new Councils all the best for their difficult tasks in the five years to come."

The representative of the NETHERLANDS made the following statement: "Before I start, I would like to thank Mr Rey for his excellent introduction which I can fully support.

"I would like to specifically go into the aspect of how profitable the combination of universal service obligations and competition can be.

"As you will all know by now, Royal PTT Nederland NV has recently achieved the status of a stock-exchange quoted company, only five years after its corporatization.

"In these five years, Royal PTT Nederland NV, of which PTT Post is a subsidiary, has become an independent, market-driven, profit-making and outward-looking company.

"All this has been achieved whilst having a universal service obligation up to 10 kg.

"We provide our universal services at uniform prices throughout the country.

"The conveyance of all postal items other than personalized letters weighing up to 500 g is open to unrestricted competition.

"This means that PTT Post is operating in a highly liberalized market with competitors in the fields of printed matter, parcels, direct mail, courier services, logistics, etc.

"We can achieve economic viability for our universal services network even though there is growing competition and we expect the monopoly volume for this network to decrease in the near future to about 25 percent.

"We are able to sustain this economic viability only because we are able to compete fully in the market. Otherwise we would not be in a position to pay for some loss-making areas of universal services.

"Having said this, I definitely do not want to give you the impression that our achievements are unique and beyond the reach of many other countries, although of course we realize that there are many differences in the stages of development of postal services around the world.

"We with PTT Post believe that in each specific situation and in terms of each specific market, changes can be made by the postal services to meet the requirements of the market, thereby at the same time meeting universal service obligations.

"What we should realize is that a good balance between universal service obligations and a competitive position does not come automatically.

"It comes from a carefully planned corporate strategy that paves the way for the right changes. It goes without saying that some changes are the logical consequence of external developments.

"Internal developments, of course, also play their part. The company needs latitude in deciding how to finance its operations and how to offer attractive conditions.

"The key words in day-to-day operations are high-quality, reliable, tailor-made products and services, fast and efficient servicing and a customer-oriented, commercial approach.

"The strategy concept behind these fundamental changes is based on a twin-track approach of continuous improvement of quality combined with customer care and the expansion of services.

"Postal companies should expand and not merely retain their positions as global players in their core business. We see a strengthening of the market positions through expansion in value-added services as the best guarantee for the future of the business.

"However, if we continue to resist liberalization of the domestic and international market, I can only foresee a dark future for the postal sector as a whole. If we do not react adequately, customers will find other ways and means and we will face high-volume losses to our main competitors: private operators and new electronic, interactive media.

"In conclusion, becoming a corporation or privatization alone are not a guarantee of success. It needs a change in attitude: on the part of the government towards the postal company, on the part of the postal company towards its employees and on the part of the employees towards the customers.

"And it also needs a different attitude towards competition. Competition with the ultimate goal, namely that of satisfying our customers."

The representative of PAKISTAN made the following statement: "In most developing countries, the Post is considered as a 'public utility service'. This means that, as it is an essential communication infrastructure it is the moral and social obligation of the State to provide the postal service to the public at large, irrespective of whether the service is self-supporting or has to be subsidized at considerable expense. It is also a fact that most developing countries, particularly the larger postal services such as Pakistan and others in South Asia, have large rural areas where providing the service is much more expensive than its provision in urban areas. It is also true that most rural areas, due to various factors, generate very little postal traffic to earn revenue for offsetting the costs incurred in providing the service. The Government feels that the postal service has to precede other development activities in backward hinterlands and that, of all other communication infrastructures, it is the Post that is essential and vital for establishing links to open up these areas.

"At the same time, it is also a fact that because of the lack of resources, the postal services are not always provided with sufficient funds to meet the social and moral obligations of a basic communication infrastructure in a fast-changing and developing world.

"However, rapid industrialization and vast expansion in international trade and commerce have brought a revolution in communications, with the result that the world, as a global village, is on the information highway and the developing administrations must start riding this highway with the utmost speed.

"Changes are taking place in all fields; in technology, in information, in international trade and commerce, fast changes are taking place in the everyday needs of our customers, and these changes are taking place at global, national

and regional level. The concept of marketing as a pillar of universal exchange of goods and services demands satisfaction of the needs and wants of customers of postal services.

"As a result, our clients – the users of the Post – are more aware and more demanding. In fact our users have become appraisers and assessors of the postal services.

"That is why the postal administrations are today on the dividing line between the universality of the postal services on the one hand and a commercial approach to providing these services on the other.

"In order to meet this challenge and break the dichotomy, postal administrations have to consider that bureaucratic procedures, rules and regulations which have served our organizations for a number of decades have to take a backseat in the face of present-day marketing and marketing management requirements and in view of rapid changes in social structures and economic factors.

"As such, our developing organizations have to be aware of public-sector priorities and private-sector requirements. It is high time the gap between these often conflicting positions was narrowed. We are glad to say that efforts are now being made by some of us to narrow this gap.

"We have long been relying on GDP, per capita income, industrial production and indicators of progress and development, but of late the emphasis is shifting towards the human development index, and indicators like literacy, education, health, purchasing power, etc, are gaining in importance which, in simple terms, means a shift towards quality of life which for us, as a public service, means quality of service. As such, we have to achieve a level of quality of service that satisfies the ever-changing and ever-demanding needs and requirements of the postal clientele.

"This should ensure that marketing, as a necessity in a competitive environment, would not only aim at salesmanship and profitability but should also have an aspect of social responsibility. That is to say that a balance between marketing aspects and social and economic factors is rather important for us.

"The new international economic order calls for free exchange of information in international finance, international trade and commerce, international stock exchanges and commodity prices. Any development in these fields in one part of the world has an instant effect on other parts of the world. An instance would be the 'bloody Monday' of October 1987, when the world stock markets tumbled down by 40 to 70 percent in a matter of a few hours. We have therefore to adopt our offerings to this new information climate. We cannot simply rest upon the laurels of the postal monopoly.

"Today we have to meet this challenge, which cannot be met in this fast-changing order by enforcing legal provisions. It can be met by providing quality service, by providing highest speed and security and by the adoption of modern technology, by transmitting the written word over the wires, by facsimile service or by electronic mail. We have to meet this challenge by innovation and by technological expedients, even by using robots for replacing sorters and letter-carriers.

"So in line with what is happening around us, looking at the approach of developed administrations, but primarily keeping in view our own environment and the traditional requirements in developing countries, we in Pakistan have taken relevant steps and have adopted necessary measures to keep up with the present-day demands and requirements.

"For instance, as a first step towards corporatization, the erstwhile Pakistan Post Office Department has been converted into a public sector corporation, entitled Pakistan Postal Services Corporation, according greater administration control, financial and budgetary flexibility and wider efforts towards economic viability. Certainly there will be a transition period, but we hope that over the years we will be able to have an edge in a commercial approach rather than the universality of the postal services.

"Other such measures have been not only the expansion of existing services but also the introduction of innovative new services:

- a Special mail services: Airexpress, Fax Mail, International Speed Post (ISP), Urgent Mail Service (UMS), Local Express Delivery Service (LEDS).
- b Special financial services: Fax Money Order (FMO), Urgent Money Order (UMO), Post Office Saving Bank Mobile Account (POMA), Postal Draft Service (PDS) and Post Giro.

"As a result, there has to be a special emphasis on the marketing of these newly established services. Efforts are also being made to involve the postal clientele – the public – as partners in this joint enterprise for the sake of more reliable, more effective and speedy services, not overlooking the essential aspect of improving and maintaining quality of service of a level that could match the customer needs.

"A reference would be appropriate to the setting up of the STATE EXPRESS as a joint venture for the delivery of special mail articles with a private company, namely Shaheen Express, in Karachi, the largest city of Pakistan, and with PAK POST FOUNDATION in the twin cities of Rawalpindi and Islamabad. Needless to say, the experiment has yielded admirable results.

"Encouraged by this experiment, the private sector has now been associated with the transportation of mail over the public road network instead of the age-old system of railways which had become rather slow and outmoded. As a result, the old Railway Mail Service (RMS), elsewhere called travelling post offices, has been largely eliminated and district mail and sorting offices have been set up at all district headquarters and transportation of mails has been linked with the road network and a number of private transporters have been entrusted with the task of mail transportation. This has speeded up the conveyance of mails to and from the district mail centres and the delivery offices within a matter of a few hours.

"Another noteworthy step has been the setting up of franchise post offices in large urban areas in collaboration with private business houses, departmental stores, private communication centres and other large general stores to provide essential postal counter services to clients on commission. These counter offices, called agency post offices, have been established in Karachi, Lahore, Rawalpindi/Islamabad and Peshawar. This network will be extended to other towns in the near future. These counter offices also have the arrangements to collect postal articles from the premises of the clients, thus taking the postal counter service to their doorstep. The above measures have launched the PAK POST on the successful transition to the new and growing markets.

"At the same time we are galvanizing our efforts in maintaining the quality and improving the traditional services and development and expansion of rural postal infrastructure. There is no gainsaying the fact that to be traditional does not necessarily mean to be archaic or obsolete, rather to go with the times and make efforts to win over the confidence and trust of our clientele – our public.

"In the end, it may be said that 'back to basics' is a call referring to essential values of work and conduct in the marketplace.

"We therefore think that there is no real dichotomy between the universality of the postal services and a commercial approach called for by marketing management sciences."

The representative of GERMANY supported the conclusions of the paper submitted to the General Debate by Switzerland, the discussion leader for the second sub-theme. Referring to its own written contribution transmitted to the Congress Secretariat, he emphasized that a commercial approach and liberalization were two very important factors in the field of international relations which concerned in particular relations between the developed and developing countries. Some of the problems involved should be studied at the Seoul Congress. A dialogue was needed in order to provide for appropriate measures.

The representative of TANZANIA (UNITED REP) made the following statement: "Although the gravity of the dichotomy may differ from country to country and the dilemma may sometimes be used as a scapegoat for avoiding the challenges of change, it is felt that the universal postal service should not be a constraint to commercialization. Neither is the concept of public service contradictory to the concept of profitability of the Post. Some speakers have attempted to associate loss-making of the Post with its status as a public service and suggested that privatization of the Post might provide the answer. We wish to bring to the attention of delegates present that privatization is not the answer. We are aware of many private companies which are loss-making and even go bankrupt. There are many reasons for loss-making, some of which involve inefficient operations, poor quality of service leading to loss of the market, etc.

"The Post has the capacity to cope with the public service obligation and commercialization. In Tanzania for example, more than 80 percent of the population lives in the rural areas but contributes hardly 20 percent of the mail traffic. This means that the Post must adopt a commercial approach to face the growing competition from couriers who operate mainly in the urban areas. It is for this reason that the Tanzania Posts Corporation has taken measures to change the mode of operation and management in order to improve quality of traditional services, increase productivity and reduce operating costs. We have also introduced new services and value-added services which are proving to be profitable. Indeed, considerable resources have been devoted to human resource development because the human element is of crucial importance in modernizing management techniques and the introduction of new technologies.

"We also wish to inform you that effective from 1 January 1994, the Tanzania Posts Corporation launched its Strategic Postal Business Plan which is principally a customer-oriented development and operational corporate strategy. The implementation of the Business Plan is giving satisfactory results in improving quality of service, marketing, customer care attitudes and satisfying customer needs. We request that the detailed written document pertaining to the various

aspects of this debate be reproduced in extenso so as to share the experiences we have gone through so far with other administrations, especially those from the developing countries."

The representative of GABON said that, as everyone knew, the postal monopoly had been unable to resist the pressure of the changing needs of users, generally known as "the public".

The arrival of private operators on the market had upset the postal environment and long-standing habits. Indeed, the postal services were no longer directed at a passive, homogeneous public but at people with varying needs.

While the Post had to adopt a commercial approach in order to fight the competition, it also had to preserve the universal nature of its services. And whether it was easy to reconcile these two approaches depended on the specific socio-economic situation of a country and its stage of development.

In Africa generally, and Gabon particularly, the challenge was to establish a commercial postal service capable of resisting competitors' assaults and to adopt a new attitude and methods to conquer the very limited existing market.

In fact, the postal service in Gabon (like most African countries) was developing in a poor economic environment with a small population, and there existed no equivalent to the very large postal market provided by households, firms and publicity in the industrialized countries. Domestic postal traffic was even lower than international traffic there.

Substantial efforts were therefore required to take up the challenge. And the means of doing so existed already: the findings of symposia on market studies, quality of service and new products and services held by Union bodies under the Washington General Action Plan were all valuable assets for the Post. And he believed that their effective application depended on acquiring independence to act in keeping with a true commercial approach.

In Gabon, the ongoing definition of a new institutional framework should result in the very near future in separation of the Post from telecommunications and should energize the commercial momentum, while contributing to clarification of the roles of the supervisory body and the operational services.

But, since it was essential to conserve the universal public service which, furthermore, was irreplaceable, practical measures guaranteeing that dichotomy had to be conceived. The obligation to provide services of a social nature, especially in low-profit areas, had to go along with the need for the postal enterprise to balance its accounts, for both internal and international services: internally, through specific activities supporting the efforts made to provide services countrywide, and internationally, through increased solidarity among member countries by means of sustained bilateral cooperation but also through the adoption of joint measures protecting the interests of all.

That was what he considered to be a realistic approach, to reconcile the obligation as a public service with the essential need to ensure the Post was profitable.

The representative of JORDAN stated that the postal services were often said to have very close links with the history of civilization. Throughout history, it could be seen that the postal services had fulfilled a social, cultural and civilizing role

while constituting a focus for economic development. Over the centuries, however, that had been possible only because postal services were regulated under a monopoly which ensured they had a market. The situation had changed radically in recent years. Many commercial firms were using technology used traditionally by the Post and other hi-tech developments such as fax to compete with the Post. The postal services' long history no longer sufficed to guarantee its share in the market. And that was why valid means of responding effectively to the competition had to be found. He wished to refer briefly to some of the Jordanian postal administration's objectives to improve marketing of its postal services. It was currently attempting to find the point of convergence between the historical concept of the postal services as social services and the commercial dimension of the Post from the profitability aspect. If it was to retain its market share, there absolutely had to be the necessary freedom to manage the Post and get close to customers. It had to be more dynamic and not stay behind the counter waiting for the customer to ask about a particular product. It had to get out and take the product and postal services to the customer. One prerequisite for the Post's survival lay in expanding its range of services and providing value-added postal services. Of course, there was competition between the Post and the private firms, especially in relation to the quality of products and services offered to customers in the electronic services' area. Nevertheless, in future the post could make use of telecommunications services to improve and diversify its products. It had to concentrate on products and services which could not be offered by telecommunications. There had to be much greater coordination between the Post and industrial enterprises so that the latter could manufacture new products suitable for improving the quality of the postal services. A dialogue with the competitors had to be opened, and market studies on postal products and services conducted. In addition, more resources had to be marshalled so that postal services and products were better planned and managed.

The representative of BANGLADESH made the following statement:

**"I. Introduction**

"The Post is obliged to render universal services to all areas whether national or international. Today the Post is facing competition from private couriers which are operating in the profitable sectors and taking away substantial revenue from the arena of the Post. Monopoly is no longer protected. The Post is facing competition from private couriers. At the same time it is asked to make a profit and to balance its budget. Subsidies in many cases are refused or reduced.

**"II. Overview of the postal market**

"In such a situation, the postal market should be thoroughly studied. The forces that offset the postal markets should be carefully observed and better marketing techniques should be adopted.

**"III. Obligation to provide universal postal services**

"The Post as a public service undertaking is giving universal services to the customers through its vast network in the far-flung areas of the country whether mountainous, arid or riverine. It will be very difficult to balance the postal budget without some sort of postal monopoly. However, the Post is trying to be self-supporting by improving the quality of services.

**"IV. Commercial approach**

"The commercial approach highlighted in this paper must be pursued by the postal administrations for their survival. There cannot be second thoughts on it.

**"V. Strategies for dealing with the dichotomy**

"Redefinition of the postal monopoly calls for postal autonomy again. Postal administrations must be given the necessary power to manager their own affairs efficiently for balancing their own budgets.

**"VI.** Inconsistency between the public service and a commercial approach must be eliminated so as to attain reconciliation between social service and economic profitability."

The representative of FRANCE said that the French Post was present on the competitive market both as a public service and as an integrated factor in the country's economic fabric. Thus it had a real determination to keep pace with the change in the environment without renouncing – far from it – its public service function. This determination was enshrined in the strategic plan covering the years 1994 to 1998, based on the two-fold preoccupation to move from an administrative to a corporate strategy and to reconcile public service and a commercial approach.

*1 Evolution of the environment*

The postal sector was facing increased competition. First, there was direct competition from a number of competitors, often with resources greater than the most developed postal services.

This competition was taking place on the most profitable market segments: inter-city routes, non-monopoly urban deliveries and domestic and international business mail.

Then there was indirect competition by substitute technologies such as fax and EDI. This competition was formidable as it allowed development of products which were increasingly accessible to all types of people, at a constantly diminishing cost. For example, two thousand million faxes were sent in France in 1993, in direct competition with letters.

This development of direct and indirect competition was taking place in an environment characterized by the globalization of exchanges promoting the establishment of worldwide networks, through a strategy of integration and alliances; there was the case of integrators in the express sector who interconnected their networks with national carriers and airlines. They set up the

necessary infrastructure, attacked the domestic market and diversified by marketing less sophisticated and cheaper services. Monopolies were being threatened under pressure from active competition, restrictive jurisprudence and the deregulation trends affecting all sectors.

Furthermore, sociological evolution was not without its effect on postal activities: rises and changes in living standards, improved social welfare, education, the increase in consumer power and the development of information were all factors generating increased traffic to households, publicity mail, postal marketing and, conversely, a fall-off in traffic between individuals.

The actual nature of mail in content, weight and volume had altered; a tendency towards standardization of items (for manufacturing reasons) had been paralleled by demand for continuously diversified services.

## *2 The response the French Post is striving to make to adapt and ensure its long life and development*

Until a few years ago, the Post was a government department. It carried out a commercial activity, but on administrative lines. It was not in charge of its accounts: its budget, along with that for telecommunications, was an extension of the State budget. It did not have sufficient independence to conduct its commercial policy.

Since the reform of the PTT, enacted by the French Parliament in 1990, the Post had undergone a number of major alterations; institutionally, it had become an independent public corporation. The State exercised supervision over it and ensured compliance with its public service function. But in defining its strategy and conducting its development, the Post was responsible for itself. It was in charge of its future.

Its organization and structures had been modernized. The Post used to be divided into 22 regions based on the administrative divisions of the national territory. It now had eight delegations. Its organization used to be highly centralized, with head office making most of the operational decisions. With the structural reform, it had moved towards decentralization. At head office, strategy was designed with the delegations and relayed through them; in the field, operations were conducted, bringing know-how and skills closer to the customer.

The alterations had thus affected management methods by changing administrative accounting into corporate accounting.

Finally, in regard to human resources, there had been a huge reform designed to enhance everyone's jobs and responsibilities, promotion, training and individual career management. In other words, a new approach centred on professionalism and combining all the corporation's forces.

## *3 It is able to reconcile public service and the commercial approach*

The Post was a public corporation based on values of different kinds, strongly attached to its past and its present. It was simultaneously a public service and a player integrated into the economic fabric, and gave priority to its main connections, business people and customers.

For the Post there was no contradiction between public service and a commercial approach.

"Public service" was a concept dear to the hearts of customers and staff.

The concepts of equality, continuity, adaptability and neutrality in service, the Post's role in regional development and as a factor in economic and social solidarity, were deeply rooted in an ethos which had to remain the basic component of its strategy; but the idea had to develop smoothly and be adapted to a wider view of public service and satisfying different customers equally, particularly by taking into account their specific needs.

Technological evolution notwithstanding, people were still the Post's greatest asset, with their skills, their professionalism, their experience and their culture. The Post of the future would be constructed by postal staff.

Social values were essential for a corporate work force; that aspect, deeply rooted among staff, was linked to the idea of the general interests of the postal corporation, but also to its social responsibility.

As a public service but also an independent corporation operating in competitive markets, the Post had to envisage its development as including a concern for competitiveness and profitability.

Beyond providing a universal service everywhere and for everyone, the Post had to sustain balanced accounts in the medium and long term and operate profitably to finance its investments.

The public authorities had to ensure, for their part, that the market operating conditions were not unfair to the postal services.

Creaming off of the most profitable segments by the competition should not be encouraged and the Post's public service obligation should be matched by fair compensation.

Finally, the Posts should be able to diversify their product range and launch new services and products linked to their activities. In a word, they should have the same space to manoeuvre as their competitors in order to ensure their development and face up to their social responsibilities.

The public service provided by the Posts was needed to ensure the economic, social and cultural development of our societies: that was the right of enterprises and individuals. Since market forces were undoubtedly a factor in economic development, they had to be modulated in order to maintain and improve the general-interest mission of the Post. There had to be an appropriate legal framework for the Posts. This legal framework also had to enable the Posts to respond to their public service function as a whole and to customer expectations. He hoped that the UPU would further the achievement of that ambition.

The representative of PORTUGAL, after first stressing the high quality of the paper given by Mr Rey, said that the postal operators needed greater independence, especially in regard to pricing. Of course, the discussion leader's address had been very general but the speaker wished to give his delegation's opinion on the more specific topic of pricing.

They did not think it a good idea for the postal operator to have freedom to set prices for the reserved services; they were sure that for those services, though not for competitive services, it was up to the government to control prices, while showing maximum flexibility. So the government could opt for a maximum variation in the price of a package of services, in other words, price capping.

Portugal had adopted that model by controlling prices through an approved variation in service prices in accordance with an agreement concluded between the central administration and the postal operator, and approved a posteriori by the government. The postal operator was thereby allowed some flexibility in the price-setting machinery which, naturally, was used only for the reserved services.

In conclusion, he noted that the question had special importance in the context of privatization of postal operators since the price-setting machinery had to be clearly stipulated in the postal service concession contract.

The representative of ARGENTINA said he would speak about the situation of the Argentine postal service in the context of sub-theme 2. The discussion leader had said that the reserved services had to be specified. In Argentina, for a year now there had been no postal monopoly or reserved services. The postal market was wide open to competition with no restrictions. He thought that the Argentine postal service was among the first to have opened up its market completely.

In those circumstances, how was the universal public service – which was an inescapable State obligation – to be provided? When services were lacking, a public call for tenders was issued so that the government could set appropriate payment for the services. It was not a question of a subsidy, as payment was made only to the organization which won the tender and contracted to provide quality services. So it was a real challenge which the Argentine postal service had to meet. But it could count on certain advantages which its competitors did not always have, such as the postal network and the fact that big customers preferred to deal with a single service provider so long as high service quality was guaranteed. Opening up of the market had stimulated the Argentine Post to modernize its services by applying advanced technology and creating new value-added services. He therefore thought that there was no dichotomy between universal postal services and a commercial approach for those services but that the two aspects were linked. There was no contradiction between the two missions in that the commercial approach made the traditional Post develop and forced it to better respond to customer requirements. In regard to the international order, the establishment of an appropriate compensatory tariff system would make the Post more competitive. In this specific domain, the UPU had an absolutely fundamental role.

The DISCUSSION LEADER said that due to the short time available for summing up, he would not make specific comments on speakers' statements. He wished only to say that he welcomed the great interest the theme had elicited, which showed that the UPU had made a good choice and the topic was of fundamental concern to all countries. He wished to conclude by asking two questions: the first was, in view of the special interest shown in the many interesting and important statements, he wondered whether it might not be useful to set up a study group to further refine the subject. The second question was whether it

would be possible for the UPU to help the developing countries to set up a commercial approach system in their services to assist them in moving from a civil service culture to a corporate culture.

Because of the work schedule, he would also be very brief in presenting his conclusions. First, he wished to thank the speakers for the quality of their analysis of the subject. He noted that, on the whole, their views had been very similar and asserted that it was possible to reconcile the public service and the commercial approach of the Post. He considered there were two themes which warranted further study: these were the financing capacity of postal administrations and alliances between them and private service providers. Initially, it had to be stated that it would serve no purpose to provide the Post with a modern status and independent management if it remained poor. The essential problem for UPU members was to ensure that the Post was in sound financial health. That also depended on the will of States to give the Post the necessary margin for manoeuvre allowing it to be competitive in the market, especially since the postal network was costly. For the Post to be competitive, it had to have the same margin for manoeuvre as its competitors. Congress had not really much discussed the second theme concerning alliances or operational agreements on the international postal market between the Post and private service providers. This key question should undoubtedly be further discussed if the UPU wished to ensure that the Post had its share of the world market in an orderly manner and not according to the law of the jungle. In conclusion, he thought it could be said that everyone was in agreement that in future as many public services as necessary and as many competitive services as possible should exist. Many speakers had stressed the point that the Post should reinvent itself and use the UPU framework to reflect on how that could be done. In fact, everyone present hoped that business and private customers would, in the future, say that even where there was a choice, they had chosen the Post.

The CHAIRMAN said that the discussion leaders for sub-theme No 3 "Total quality in a competitive environment" were Mr Nakamura, one of the Directors of the Japanese Post, and the joint discussion leader was Mr Bouhassan, Director-General of Posts of the United Arab Emirates. He gave the floor to Mr Nakamura to present the sub-theme.

Sub-theme No 3:  
"Total quality in a  
competitive  
environment"

The DISCUSSION LEADER made the following presentation:

"Before proceeding with my presentation, I should first like to thank Mr Botto de Barros, Director-General of the International Bureau, and Mr Kwon, Chairman of the Congress, for designating Japan as Discussion Leader of sub-theme No 3 of the General Debate, which is one of the most important tasks to be accomplished by this Congress. The Japanese administration is extremely honoured to be accorded this important role in the Congress.

"Let me note here that Mr Kobo Inamura, former Director of the International Affairs Division of our administration, was promoted to another post. I was thus nominated to take over this very important and challenging task for which I feel greatly privileged.

"May I also introduce our joint discussion leader, Mr Abdallah Said Bouhassan, who is Director General of the postal administration of United Arab Emirates. He is one of the leading personalities in the Arab countries in the field of postal services among others. Mr Bouhassan has indeed provided us with a number of very useful suggestions in the course of preparing our paper, focussing on the developing countries' aspect of our sub-theme, for which we are exceptionally grateful.

"Thanks to his invaluable support and cooperation, as well as the very worthwhile interventions we expect from the floor, I hope that we will be able to offer numerous positive suggestions and recommendations for the improvement of the quality of our international postal services.

### **"I. Rapid changes in the market environment**

"I should now like to proceed to the substance of sub-theme No 3, 'Total quality in a competitive environment', which is the subject for discussion.

"In the past few years, the environment surrounding the international and national postal services throughout the world has been undergoing rapid and dramatic changes in terms of regulatory policy, legal status and competition both with telecommunications and with private operators.

"I should like to briefly analyze these developments from the viewpoint of the services provided to our customers.

"Under the deregulation policy, the postal monopoly has given way to competition in parallel with the privatization or corporatization of government-owned postal operations. This has meant that deregulation in many countries has encouraged rapid expansion of private courier services and proliferation of multinational courier companies. The public postal operators are thus forced to face severe competition from private operators. Therefore, the emerging new operators in the private sector have had and will have a tremendous impact on the world postal market, and on the direction of the postal service well into the 21st century. It is on this area that we plan to focus our discussion this morning.

"Such severe competition is primarily observed in the rapid delivery area, namely EMS in the UPU's case. Major courier operators have rapidly eroded the most profitable routes of the conventional postal market through their customer-friendly services, such as rapid delivery, pick-up services, tracking and tracing, and moderate and flexible pricing, which may sometimes be difficult for a postal administration to offer as a government-controlled agency, and with a constraint arising from the obligation to offer universal service.

### **"II. Improvement in the quality of services to meet customer needs**

"Under such circumstances, the requirements of postal users have considerably changed with customers now quite naturally demanding that the quality level of international and domestic postal services be the same as that provided by private couriers. Therefore, if we as public operators desire to continue to survive in competition with private couriers, we must make every effort to provide services featuring the same level of quality as provided by the private couriers.

"At this point, then, interpreting the quality of service can be done in terms of:

- speedy delivery;
- predictable transmission time;
- security;
- cheap rates (or affordable rates);
- quick response in the case of irregularities;
- easy access; and
- convenience.

"In order to improve the quality of service, it is firstly necessary to ascertain the trend in the international delivery market as a whole, the performance of competitors in international and national markets, customer needs and the satisfaction rate of our customers with our services. To be at all effective, the market research in these fields should be conducted at the international and national levels. Making the appropriate responses will then be essential following careful analysis of these matters. And the answer in the broadest possible terms is none other than improvement of service quality.

### **"III. Improved service quality through a harmonized and homogeneous postal network**

"Needless to say, the global postal network operating under the umbrella of the UPU is basically formed by uniting the individual national postal networks of its member countries. Although this has worked efficiently in a great many ways, this is also why it lacks homogeneity in terms of the level of our service standards. This criticism is, of course, based on the facts that the work of improving and developing the domestic postal network of a member country is left to that country, and that the UPU is not supposed to intervene forcibly in this respect. And, if I may say, this means that no one is responsible for a failure arising in another country's network, which leads to another customer turning away dissatisfied. To our disfavour, this situation generates the argument put forth by private courier operators that they can provide an end-to-end service by a single company.

"As we all know, however, this argument is not so well founded in light of the UPU having a certain amount of success with its EMS service. The UPU and all of its members have done their very best to improve the EMS and have demonstrated their ability to do so with significant developments being introduced in this field.

"In areas of postal services other than the EMS, thanks to the efforts made by all parties concerned, the gap in postal networks between developed and developing countries seems to have been narrowed in the last few years. However, there is much to be done to elevate the level of our networks as a whole. Therefore, I must repeat that priority in formulating the future strategy of the UPU should be given to the improvement of service quality since significant and lasting improvement of our international postal network as a whole is imperative if we are to contend with severe competition from private couriers.

#### **"IV. Total quality management**

"Having enumerated the fields to be tackled to ensure an improved service quality in a broad sense, I would now like to comment briefly on enhanced service quality in the narrow sense. What I would like to introduce to this session for the mutual benefit of our entire membership is the concept of Total Quality Management: an effective means for improving the service quality as a whole within each of our administrations. As we are sure you are aware, this is a field in which Japan has accumulated a number of particular positive experiences. We are very much of the belief that this management concept can significantly contribute to improving our international postal services when applied to each individual administration, which together constitute the foundation blocks of our very existence.

"Total Quality Management, or TQM, is a management strategy for energizing an entire organization for the purpose of satisfying customer's needs. This is accomplished through putting in place systems that naturally add periodic and continuous improvements to every area of the organization's operations and thereby enhance the quality and added value of its products and services.

"This management philosophy, originally propounded by W Edwards Deming, seeks to resolve problems in the workplace through the efforts of employee teams, which we know as quality circles. The first step in solving a problem here is to quantify the organization's performance so that every employee can see where the problems lie. The subsequent approach to energizing the organization involves creating an environment in which employees can actively participate in efforts to analyze a particular problem, pinpoint its root cause, formulate a solution, and then implement that solution.

"More simply, total quality management is characterized by a process consisting of three steps. The first step is to make it easy for employees to see where problems are located by quantifying the organization's performance. The second step is to heighten employees' motivation and get them involved in active and positive efforts to solve problems in their own workplace. The third step is to meet customers' needs better as a result of having resolved the problems.

"In more detail, first let me give you an outline of performance assessment. One method for assessing an organization's performance is to gather the opinions of a broad spectrum of consumers outside the organization through, for example, questionnaires. Another approach is benchmarking, which involves preparing flowcharts of operations or setting annual sales goals, and then comparing the actual results attained with the desired performance.

"Accordingly, an effective way to assess performance is to broaden the channel for gathering customers' opinions on a regular basis and feeding that information back to the workplace, to check constantly on the way work is performed by holding regular work study meetings, to set goals for annual service sales or quality standards, and closely monitor the progress made in attaining them.

"The second step deals with workplace development. Workplace development is achieved through the traditional methods for heightening employee motivation coupled with quality circle activities that serve to foster a spirit of competitiveness and cooperation among employees.

"One point that should be kept in mind here is that these methods are nothing more than a means for motivating employees. The ultimate objective of workplace development is to create an environment that supports employees actively

taking the initiative in finding problems in their own workplace and resolving the problems by themselves, and thus deriving satisfaction and fulfilment from their jobs.

"The third step, satisfying customer's needs, is obviously important to all employees. Here, promoting TQM involves emphasizing qualitative and quantitative improvements to the customer interface, such as counter service or mail delivery, where postal employees have direct contact with postal service users. At the same time, it must always be kept in mind that reliable delivery of mail forms the basis of the trust that users place in our postal services.

"It is essential to note here that TQM is only accomplished through team activities. A team consists of about five to eight employees at the same workplace, for example, in our case, a post office. Each team sets its own activity targets for improvement in such areas as operations, service, products and sales. The team members identify problems through analysis of the present level of quality performance at their workplace, making use of statistical-control techniques as well as brainstorming and developing ideas through teamwork. They then devise plans to solve the problem and execute the plans by working together as a unified team. They subsequently review and evaluate the results of the team activity, and continue their efforts, initiating their next team activity based on the results of team activities that have just been completed.

"To show how team activities work, let us look at one example common to all of us, that of misdeliveries, and how one of our post offices greatly reduced them.

"This particular team of letter carriers established the slogan "Prevent misdeliveries". The team analyzed the types and causes of misdeliveries and worked out measures to eliminate the problems. They set as their target the goal of reducing the number of misdeliveries, which at that time averaged 15.6 per month, to less than ten.

"In the planning stage, the team first pinpointed the problem as I noted: having 187 misdeliveries in the previous year for an average of 15.6 per month. The team members then analyzed the causes. They found that many people in the area had identical or similar family names or given names, and that mistakes were made sorting mail because the address or addressee's names were not accurately confirmed. They also found that even mail items with an incomplete or wrong address were delivered without being properly confirmed. Also about 30 percent of the households in the delivery area either had no family nameplate at all at the entrance to their residences or did not list all family members' names.

"This latter fact led the team to set a secondary target, along with the main target and to seek its achievement: to reduce by half the number of households without nameplates identifying all family members. This was to be done through on-the-spot encouragement at the time of mail delivery.

"In the action stage, the team posted on sorting shelves the names and addresses of people who frequently received misdelivered mail. They double-checked the address on each mail item at the time of delivery.

"At the final stage, that of goal review or evaluation, the team found that the main goal was achieved successfully. Misdeliveries were lowered to an average of 9.5 per month. Review on a monthly basis, however, revealed that about half of

the months during the programme saw 10 or more misdeliveries. It was therefore decided to continue efforts with the aim of completely eliminating these misdeliveries. In turn, the secondary goal was also attained.

"Moreover, misdelivery-prevention activities brought about a surprise bonus of unexpectedly higher sales of postal products, such as event parcels and stamp sets. This could be attributed to greater contact with residents resulting from canvassing activities for solving the initial problem.

"Through applying the TQM method, this post office team could successfully reduce their misdeliveries to less than 10 per month. This small operational improvement is trivial by itself, but please imagine that this kind of small improvement could occur everyday and everywhere in post offices throughout Japan. These small changes together will surely help us address our daily problems and will create a dynamism within our organization that will let us greatly adopt to changes in the markets.

"To conclude this brief outline of TQM, I hope you will remember that its central purpose is to satisfy our customers and thus ensure the survival of our postal services. Importantly, in the face of an increasingly tougher and more competitive environment, the implementation of the practices through the promotion of TQM is vital to our very survival.

#### **"V. Recommendations**

"To conclude my presentation, I should now like to summarize the principal points which we believe should be followed up by the UPU and each member country aiming at improving the quality of service of our international postal services.

"First, the UPU and Restricted Unions as well as each postal administration should set up a mechanism whereby every effort can be unified and coordinated to better meet the customers' needs and to provide services with the same quality level as provided by the private operators.

"Second, the UPU and Restricted Unions as well as each postal administration should ascertain the trend in the international delivery market as a whole, the performance of competitors in international and national markets, customer needs, and the rate of customer satisfaction with our services.

"Third, the UPU and Restricted Unions as well as each postal administration should expand their monitoring activities of mail circulation in our international and national postal networks.

"Fourth, the UPU and Restricted Unions as well as each postal administration should endeavour to establish a collective approach to provide homogeneous end-to-end service.

"Fifth, the UPU and Restricted Unions should construct an appropriate system for applying corrective measures to a member country when deficiency in a transmission route or postal network is detected through the monitoring process, paying due consideration to the sovereignty of the member country.

"Sixth, each postal administration should create a workplace in which employees can derive satisfaction and fulfilment from their jobs, which will heighten the motivation of employees and impart to the organization a dynamism capable of producing change and progress for contending with the constantly changing market environment.

"Seventh, each postal administration should encourage employees to build an organization that is capable of responding quickly and flexibly to satisfying customers' needs, fostering a customer-focussed corporate culture, outgrowing outdated, bureaucratic ideas.

"Eighth, postal administrations should try to implement TQM at exchange offices or other specialized facilities providing international services in order to motivate employees to improve their daily activities concerned with handling international mail items.

"Ninth, postal administrations should encourage postal employees at the post office level to include or choose as their team target the improvement of international postal services or expansion of sales activities of international postal products.

"Finally, though it may be difficult to apply directly the concept of total quality to the international level, the UPU and Restricted Unions should attempt to apply the TQM concept in their work methods to strengthen its means to improve its overall international postal service.

"Again, the first step here is performance assessment. The UPU's efforts to set quality standards and to monitor actual performance should be further advanced.

"The second step is the formulation and implementation of activities aiming at improving the international services in various fields. Also, a more unified international effort among postal administrations to satisfy customer's needs must be sought.

"The third step is the all-important feedback. Appropriate procedures should be set up so that the UPU can make more positive or stronger recommendations for improving the postal network in a member country when it is necessary.

"Having respectfully presented our recommendations for enhancing our service quality, I should now like to ask the distinguished delegates present here to offer their suggestions and recommendations concerning any of the aspects I have mentioned regarding the improvement of our service quality as a whole and also total quality management in general.

"Finally, I should like to report to the session that we have with us today an expert in charge of total quality development in the Japanese administration. He would be quite happy to respond directly to any questions from the floor or even after the meeting."

The meeting rose at 6.20 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

M N Harding  
Secretary of the General Debate

**Sixth meeting of Congress**

Thursday, 25 August 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.40 am.

Communication

The DOYEN, speaking on behalf of all participants, warmly thanked the Postmaster General of the United States of America and his delegation for their generous hospitality and the warm welcome extended to delegates at Wednesday evening's reception, with its lively atmosphere and delightful music. Time had passed so quickly since the Washington Congress but the memory of a major Congress efficiently chaired by the United States lingered on.

*(Applause.)*

Statements

The representative of UGANDA made the following statement:

"Mr Chairman, allow me to start by thanking the Government and the people of the Republic of Korea for the kind welcome and hospitality extended to my delegation since our arrival in this beautiful and environmentally-conscious city of Seoul. Let me also take this opportunity to congratulate you, Mr Chairman, on your unanimous election to this important office and thank you for the way in which you have guided the proceedings of this Congress so far.

"Mr Chairman, Uganda has since 1986 taken keen interest in participating in the activities of the UPU. We attended and participated in the 1989 Washington Congress and we therefore strongly support the decisions taken during that Congress. We are now happy to be here and make our contribution in this 21st UPU Seoul Congress. Uganda will support any proposals made during this Congress that will ensure the strengthening of the UPU. In this regard Uganda notes the proposals to restructure the UPU with satisfaction and looks forward to their approval and implementation in order for us to be able to provide competitive, qualitative and financially viable postal services globally while at the same time satisfying the expectations of our customers at home.

"Globally, the Post faces a very challenging future in the wake of restructuring world economies and national enterprises. For example, whereas the Post previously enjoyed State monopoly, this will be no more, at least in Uganda. Currently the Post in Uganda thrives through cohabitation with telecommunications. But the Government of Uganda's new policy is to separate the two entities, establish a regulatory body and eventually get postal and telecommunications operations liberalized.

"We are aware that similar steps have been taken or are taking place in other countries. The Post therefore has a big task to face the challenges of our time both globally and nationally. Indeed this Congress is convening at a crucial moment when postal administrations assembled here have to get their act together in order for the Post to survive. Short of this, postal administrations, especially those of the least developed countries, may fall apart with disastrous consequences for the Post as we know it today through the existence of the UPU. We should strive to ensure that the universality of the Post is maintained despite the policies each country may choose to take.

"I would now like to take this opportunity to welcome the Republic of South Africa back to this noble organization as its 189th member and look forward to full participation, not only in the UPU but also in the Pan African Postal Union. Let me also use this occasion to thank our outgoing Secretary-General, Mr Botto de Barros, for the tremendous work he has done for our Union and hope that he will continue to give the UPU his wise counsel whenever he is consulted.

"Finally, my delegation wishes to record its heartfelt congratulations to the Government and the people of the Republic of Korea for accepting and successfully hosting this Congress at this point in time when the world economy is going through a difficult period.

"Mr Chairman and distinguished delegates, I wish you fruitful deliberations and thank you for giving me your attention."

The representative of BANGLADESH made the following statement:

"The 21st Congress of the Universal Postal Union occurs at a defining moment in the history of international cooperation. We are on the threshold to the 21st century, facing many challenges not only in our own field of postal communication but in other equally important areas of development. At the same time, many opportunities are also beckoning us to a more congenial world order which can be forged through a common approach.

"Before proceeding further, I would like to congratulate you, Mr Chairman, the Vice-Chairpersons, and the Chairpersons of the Committee on your election. We are sure of your wise guidance in conducting the affairs of this Congress. My tribute goes to the host country, South Korea, for the warm welcome extended to us and the excellent preparatory arrangements made for the success of this Congress. I particularly recall His Excellency President Kim Young-sam's inaugural speech which will no doubt remain a source of inspiration for our deliberations throughout this Congress.

"The UPU in its 120 years of existence has steered the world postal community through difficult times, establishing an outstanding record of dedicated service to humanity. Our world is, however, going through rapid transition. Adoption of market economy on a global scale has given rise to a new international scenario where competition rather than monopoly has gained supremacy. In such a situation, the postal service has to face competition and challenges. We can no longer rest on our past success as our continued success will depend on our ability to provide quality service and new products to our customers. Our postal services have to adapt to the changing needs and demands of the customers. This will require in-depth study of the postal market if we are to develop an adequate response to the emerging situation.

"My country, Bangladesh, with over 115 million people, is doing its utmost to meet the demands of the present times by modernizing our services. We have among other things introduced EMS with 39 countries and the guaranteed express service (GEP) ensuring delivery on the second day within the country. We have already undertaken the task of mechanization of sorting and motorization of mail communication within the country. Counter services are also being mechanized. We have opened 300 post offices within the period of two years of the present democratic government in order to extend service to the vast majority of our population living in rural areas. We are also successfully competing with the private couriers.

"But our efforts are being slowed down by many constraints and our progress has not attained the desired level. Developing countries like ours feel severely handicapped in terms of technology which I feel can be overcome by transfer of technology and its adaptation to suit the local circumstances. It is our feeling that in the interests of improvement of postal services, this issue should be given adequate consideration during this Congress.

"We strongly believe that adequate attention needs to be given to the development of human resources in order to raise productivity. A trained and efficient work force is imperative in achieving this objective. My delegation would, therefore, request the Universal Postal Union to take the necessary steps to evolve ways and means for developing human resources in the postal sector."

The representative of MALAWI made the following statement:

"Honourable Chairman, permit me to congratulate you on your election and to congratulate the other distinguished delegates elected to serve at this Congress.

"On behalf of my delegation and on my own behalf, I wish to thank our host, the Government of Korea, for the warm reception and the wonderful conference facilities.

"We have noted with interest the various studies undertaken to improve the universal postal services, and to restructure the Universal Postal Union. We welcome these efforts.

"To the extent that postal services are universal and not limited by territorial or political boundaries, an efficient world postal service or universal postal service is that which would comprise efficient national postal services.

"Any weak and inefficient national postal services would weaken the universal postal service. The evolution of policies which benefit a few members at the expense of the rest will in the long term negatively impact on the entire universal postal service.

"In May this year, Malawi held its first multi-party elections after 30 years of one-party rule. The United Democratic Front party emerged victorious in the election. The new Government has as its central policy poverty alleviation, particularly in rural areas of Malawi. To achieve this noble objective, the Government will have to improve communication infrastructure in rural areas including the construction of rural post offices and the establishment of rural telecommunications networks. This development will require the cross-subsidization of rural services by the more profitable urban services.

"We are conscious of the need for rationalization, cost reductions in the provision of services and modernization, but these steps will be taken in accordance with our economic and political circumstances. We do not believe that there is a single effective solution that applies to all the problems faced by the various administrations because each country has a different set of problems and different dynamics true to the particular society.

"We are aware of the problems confronting us. We would benefit from instructors from developed and other developing partners and where possible from the provision of equipment to improve our postal services.

"Having seen many consultants produce an avalanche of documentation for the Malawi Government in the various specialized fields, we wonder at the facility and usefulness of most consultancies. To the extent that most consultants are drawn from countries outside our region, we do not as a country, and I dare say as a region, always benefit significantly from some of these studies.

"Malawi welcomes the return of the Republic of South Africa to the Universal Postal Union. The economies of our region are inextricably integrated and a free and democratic South Africa will contribute to the improvement of the economies of our region and, as a consequence, impact on the improvement of our postal services.

"As I will leave these delectable shores this Saturday, I wish Congress every success. The rest of my delegation will remain in Seoul in order to participate fully in the deliberations of this Congress."

The representative of BURKINA FASO, speaking on behalf of the delegation he headed, paid his respects and extended his thanks to the Korean Government and people for the warm welcome given to them in the beautiful country of Korea and its historic capital.

He also congratulated the Chairman on his brilliant appointment, while including the Vice-Chairmen, Committee Chairmen and Committee members in those congratulations. The Chairman's wisdom and long experience of postal problems were a sure guarantee of success in the conduct of the proceedings.

For over a century, the UPU had been working ceaselessly for the harmonization, modernization and adaptation of international postal services to society's requirements.

That perpetual quest for greater dynamism explained its ability to cope with the fast, far-reaching changes which had characterized the 20th century.

On the eve of a new era, a common wish for greater efficiency had prompted the postal services to reflect on their work methods and the structure of their institution to adapt it to current reality and equip it with the means for tackling the challenges looming on the horizon.

Since 1987, Burkina Faso had undertaken an in-depth restructuring of the postal services with the creation of an Office with extensive management independence. It was in that context that the postal services of Burkina Faso had been able to implement the vital directive which had emerged from the Washington Congress, namely, the Washington General Action Plan.

Burkina Faso was continuing to investigate different avenues in order to increase its efficiency on the communications market even further and was envisaging the conversion of the Office into a private company in the near future.

In conclusion, he took the opportunity to reiterate Burkina Faso's gratitude to the UPU and all those countries which had continued to support its modernization efforts. Their actions bore concrete witness to international cooperation and solidarity. He therefore wished the delegates every success in their work.

The representative of MALAYSIA made the following statement:

"I am immensely impressed with the paper presented by Mr Nakamura. I must say that the group had done extensive studies on the prevailing postal environment of the world and the problems the postal administrations throughout the world are facing.

"I think we are in a great dilemma today with the strong challenge from the private operators. I also think that the postal services of many countries are at a crossroads.

"I think that the UPU's paper will provide us with some important guidelines showing the way to the future. Post offices today encounter stiff competition from the private operators. Criticisms are always levelled at the post office by the customer for its inefficiency.

"We need to do a comparative study between the private sector and the public sector which is the post office. In this study one has to examine the following:

- 1 The private sector can levy high charges for the service, whereas the public sector has a social obligation to keep the tariff at an affordable rate;
- 2 The investment of the Post Office with its large number of staff, network and buildings, to perform the various services, are indeed enormous. The private sector on the other hand operates on lower overheads;
- 3 Postal administrations have to pay terminal dues while the private sector does not. The private operators have no obligation to conform to any convention;
- 4 The private sector can be choosy and would only operate in lucrative sectors. This is not the case with the Post Office. Whether they like it or not, they have to operate in every sector whether it yields profit or not. This indicates the element of cross-subsidy which is absent in the case of the private operators.

"The Post Office has no choice but to serve whether rain or shine. A postman, in the case of Malaysia, has to deliver a minimum of 1200 letters per day, which is not the case for the private operators.

"I have briefly explained the difficulties faced by the postal authorities as compared to the private operators.

"The private sector operates on corporate culture, whereas the public sector operates on bureaucratic culture. The Post Office has to go through various levels of bureaucratic processes before a decision is made. But this is not the case in the private sector.

"I feel that the answer to the fundamental question posed by Mr Nakamura is how are we going to turn the Post Office into a corporate-cultured, high-performance organization to survive in the 21st century.

"The culture needed today is to be highly competitive, quick in thinking, efficient in decision-making and speedy in implementation. These are the basic ingredients in cultivating a corporate style or approach for the Post Office. In short, for the Post Office to match the private operators, it has to play the game in a level playing field, at least through privatization. I don't know how many governments are ready to look into this seriously.

"Yesterday, we heard the comments of the Swedish delegates on their success in implementing a privatized framework for the Post. I am proud to say that Malaysia will follow suit. The Post Office used to make a yearly profit of only US \$5 million for many years but, for the first time this year, it made a profit of US \$35 million, a seven-fold increase. This is due to new culture, new enthusiasm and the new style of corporate leadership.

"I am confident that, with the help of the UPU, many governments will follow suit."

The representative of TONGA stated that his delegation concurred with all speakers who had welcomed the Republic of South Africa. Congress was meeting at a time of fast changes, especially in the communications field.

Deregulation and liberalization had triggered competition, as had been pointed out by the United States Postmaster General on Wednesday evening. A new structure had to be defined to constitute a valid basis for an efficient postal service in the 21st century. The delegation of the Kingdom of Tonga had noted with satisfaction the proposed restructuring of the UPU and expressed the wish that its postal service too should be studied to ensure a fast, efficient service in the 21st century. Short-, medium- and long-term consultants were greatly appreciated by the Tongan Government.

On behalf of his delegation, he asked the Chairman to convey, in appreciation of their warm hospitality, its best wishes to the President, Minister of Communications, Government and people of Korea for happiness and prosperity in the 21st century.

*(Applause.)*

Sub-theme No 3  
"Total quality in a  
competitive  
environment"

The CHAIRMAN, in view of the time allotted and the fact that conclusions should be drawn from the discussions on the Seoul strategies that afternoon, opened the discussion of sub-theme No 3 which had been presented the day before by Mr Nakamura of Japan.

The representative of GERMANY made the following statement:

"As Director-General of the German Post, I particularly wish to contribute to this General Debate on the subject of quality.

"In the light of existing competition and our customers' demands, we have developed a strategy which we describe as 'customer-oriented quality'.

"At the outset, we asked our customers what their most important quality requirements were.

"For each of our operational branches, we laid down four or five specific quality targets. For freight/cargo, letter mail and international mail, these targets are:

- absence of loss or damage;
- reliability;
- speed; and
- correct delivery.

"For counter service, they are:

- waiting time;
- competence of counter staff;
- courtesy and the image presented by the post office premises.

"In each case we have laid down a specific quantified target which we and our colleagues aim to achieve.

"It is essential to carry out permanent measurements to establish current quality status, in order to be able to adopt the necessary corrective procedures. To this end, we have developed measurement methods which, on a monthly or quarterly basis, show us the current objective results of our efforts to improve quality. For example, we measure end-to-end delivery times of letter mail by means of a certified external measurement procedure. In local post offices, test customers evaluate quality criteria such as waiting time and competence, more than 20 000 times a year.

"It is one thing to improve objective results. It is another to improve on the subjective feeling of satisfaction felt by the customer. This is, in the final analysis, decisive for the Post and that is why we question 10 000 customers about this.

"So that our staff know what the Post requires of them and what they can expect from their superiors and other colleagues, we have developed seven quality principles. They are as follows:

- i quality is determined by the customer;
- ii quality requires clear targets;
- iii quality is measured;
- iv quality concerns everyone;
- v quality is a team effort;
- vi quality tolerates no mistakes;
- vii quality is a long-term issue.

"Now for some of the results of our ongoing quality management exercise in recent years. With effect from 1995, throughout the whole of Germany (East and West) parcels will be delivered with a door-to-door delivery time of twenty-four hours.

"According to external assessments, 86 percent of letters reach the addressee on D+1, 95 percent by D+2.

"As far as the international letter post is concerned, according to a recently published survey carried out by an external consumer organization, we are at the top of the quality league in Europe.

"As a quality-oriented postal enterprise, we rely on high-quality postal organizations in other countries. We promote all measures which could improve international postal quality. In this case, the automation of international operational data exchange is extremely important. As you know, at the request of the International Bureau in 1993 Germany made available to other countries, free of charge, its own software, which it had developed at a cost of many millions of Marks. In 1994, we would like to propose an additional measure. The German Post is making available a fund of one million Deutschmarks to the Universal Postal Union for the installation of our software in member countries of the UPU. We wish the International Bureau every success in the future in this important activity.

"Ladies and Gentlemen, the world around us is changing dramatically. The pace of life is accelerating, the need for communication is growing relentlessly, planet earth is becoming a global village. In this new world, quality is the decisive foundation stone for the lasting success of the Post."

The SECRETARY-GENERAL, observing that the Chairman of the Board of Directors of the Deutsche Bundespost POSTDIENST had ended his statement by saying that the world had changed, wanted to begin his by saying that the UPU had changed as well. He felt that a spirit of solidarity was beginning once again to prevail among them, along with the will to work together. These were elements that would no doubt allow them to work out a single system satisfactory to all. All of this reinforced his conviction that they all belonged to one system, in which he had always believed, which meant that they all belonged to an institution where people worked together and shared their thoughts in order to find solutions to the problems that arose. He recalled and emphasized the fact that Germany had recently made a substantial contribution by providing the UPU with software to a value of one million deutsche marks. He expressly mentioned the price of the software because he thought it important that they all be made aware of it. Now that they were able to make maximum use of it after overcoming a few difficulties, they were gratified to find that the software was present all over the postal world. A substantial sum would still have to be found in order to set up the system in such a way that the developing countries would be able to benefit from Germany's contribution. Australia had contributed 500 000 Australian dollars, and Japan had already paid 5 500 000 Swiss francs; the annual contribution of the latter country over the next three years was expected to be in the order of 500 000 US dollars. The United States of America had contributed 100 000 US dollars and was in the process of transferring MAIS to the UPU. He was sure that they were all conscious of the fact that in order to succeed, they would have to continue along the road to modernization and thus achieve the standard of quality they had set as one of their primary objectives.

The observer for PAPU began by congratulating Mr Nakamura of Japan and Mr Bouhassan of the United Arab Emirates on the quality of their presentation which had shed new light on the concept of total quality.

Given the basic function of the Post, quality of service was measured in terms of mail transmission and delivery times, hence the need to determine beforehand the length of time that would be acceptable in a competitive environment.

Because of the increasingly uncertain nature of the monopoly, the Post had lost control of supply and demand on the mail transmission market. It would henceforth have to compete with a growing number of couriers and adapt to the rules of free competition. Moreover, in many other sectors in which it was active, the Post had no monopoly and had to struggle, often at a disadvantage, against very powerful competitors.

This was why, in order to maintain its position on the market, it had been compelled to change its work methods and to make quality its watchword, not only in terms of mail transmission and delivery, but also in respect of all its activities in every sector.

For quality to be total, mentalities would have to change and a new and comprehensive approach adopted with regard to management organization and methods for material as well as human resources, so as to create a wholesome and propitious environment in which improvements of all kinds would be possible.

Management presupposed administration and organization, both activities with people at their core. It was indeed people who must organize, who must come up with ideas and state them clearly so that they could be implemented with a view to achieving the objective sought, ie, in this instance, improvement of the quality of the services offered.

To achieve that objective, people, the Post's most valuable resource, would have to be suitably trained and be given the motivation they needed in order to make the right decisions at the right time. They would have to be given incentives to do their very best in support of a cause they will have adopted as their own: meeting customers' needs. They would have to know that top-quality performance had its rewards: promotion, bonuses and other kinds of incentive, giving the employee a feeling of belonging to the enterprise.

This was why it would be necessary for postal administrations/corporations to implement the management concept based on "total quality".

One of the areas through which the UPU could provide assistance to administrations needing it would be activities in support of training in the field of "total quality" as a means more specifically of extending the establishment of quality circles in the operational services.

In particular, countries should be able, through the intermediary of the International Bureau, to call on the assistance of other countries experienced in the field in question. The speaker was convinced that this wish would be taken into consideration in the objectives and actions set out in the Seoul Postal Strategy.

The representative of ROMANIA, speaking on behalf of all Romanian postal employees, extended greetings to the assembly and urged them to do their utmost for the world Post during that Congress.

He also thanked all the senior specialists who had studied and diagnosed the state of the world postal network in a competitive environment. Keeping up with the competition had recently become the main objective of every postal administration and the UPU pursuant to the Declaration of Hamburg and the Washington General Action Plan, had skillfully set out the action to be taken. In 1989, a happy coincidence had given the Romanian Post the freedom to implement the Washington General Action Plan. Using that Plan as its reference

and taking account of the experience of the postal consultants who had visited its country, the Romanian Post was able to work out its own strategy, always in consideration of its means, its problems and its objectives. The means they used came from the administration, with no subsidy whatever either from the State or from other sources; the difficulties stemmed from their economy in transition, but the objectives had remained the focus of their actions.

Surviving was not the same as living, and 1991 marked the beginning of a new existence for the Romanian Post. On 1 July of that year, the Autonomous Romanian Postal Authority had been created, with a status that made it self-financing and independent in its activities. That new status had imposed the strategy they would have to follow, the main objective of which was quality of the postal service.

Romania had an area of 237 500 square kilometres and a population of 23 million. To provide it with a quality postal service, decisiveness and a firm approach had been needed to implement the postal strategy adopted. The results of the action taken had benefited the Romanian Post, which could now be counted among the postal administrations showing a profit.

With its hand now on the joystick, allowing it the necessary freedom of manoeuvre for its revenue, the Romanian Post had begun to invest in human and technical resources, according to the requirements of each stage of its action plan, meanwhile restructuring its entire network.

The Romanian Post now comprised nine regions, each responsible for its own activities. In the short term, each of those regions would itself be responsible for every service offered.

Liaison between regions was maintained by means of a transit hub located in the centre of the country and by the administration's own means of transport. Acquisition of its own fleet of motor vehicles had required a great financial effort on the part of the Romanian Post, but it was now able to transmit a postal item between any two points in the country within 48 hours.

To manage the network more efficiently, the Authority's "managerial" system had been computerized and soon the 46 internal regions (Unix and Informis) were to be connected to the "managerial" system. In that way, they would be better able to manage their assets and determine costs per product. They were soon to introduce profit and service centres.

After establishing an information control mechanism, they were prepared to begin computerizing the counters and developing their financial services. The market research they had conducted had allowed them to ascertain their customers' needs and to introduce new services at national level: rapid post, international business reply service, postfax, mail orders, promotion by envelopes and cancellation marks, postal posters and others.

A customer had only to glance at their new Directory of postal services to become aware of their business approach and to learn that he would be compensated for any irregularity in the service. Customers had said that the quality of their services had improved and it was the administration's hope that the image of the Romanian Post would soon change.

At international level, the administration had improved the quality of its service, a fact that could be verified by the transmission-time tests conducted by the International Bureau of the UPU and by POSTEURUP, and which was also

evident from the lower number of customer inquiries. The speaker felt that in addition to those results, the image of the Romanian Post could be improved by its partner postal administrations which were in a better position than the customer to verify the postal service chain.

As part of its customer policy, the Romanian Post had decided to compensate customers even when the party responsible for the irregularities was an administration that did not provide compensation.

In applying the proposed strategy, the senior management of the Romanian Postal Authority had decided to motivate its employees by increasing salaries to the sixth level of the national economy and the quality of their work had improved as a result.

From the stages already completed, it could be said that the key to success had been the adaptation of principles and recommendations to their own needs. The Romanian Post had acquired experience in that area and was eager to share it with any interested administration.

In achieving autonomy, the Romanian Post had secured control over its finances, its investments and its salary policy and it had been able to improve the quality of its services.

It was now ready to conclude quality of service contracts with all interested administrations. The theme of the Debate they were attending had given them all an opportunity to express varying views, but the conclusion that should be drawn was that together they would have to close the gap that separated them from their customers and from the achievements of their competitors. It was the customer who wanted a modern worldwide postal network, and it was the customer who would seek it elsewhere. The customer wanted a high-quality service with no borders, and they should make sure that they did not set up any new borders.

The representative of INDIA then made the following statement:

"We have heard with great interest the illuminating presentation of the distinguished panellists and other speakers on today's subject and would like to compliment them.

"In our view, irrespective of the nature of the postal environment, be it competitive or monopolistic, the Post has to be demand-driven and has to learn to care for its customers. In fact, the obligation of universal postal service imposes the obligation of total quality management. We, in the Indian Post, are now deeply aware of this obligation and are making every effort to make total quality a total commitment.

"We have now taken a number of steps to achieve this mission. Necessary ergonomic re-design of the work place to enhance employee and customer satisfaction, setting up completely intelligent postal front offices, automation of mail processing, faster money transfer service through satellite data channels are some of them.

"Our objective is to make total quality an integral part of the work ethos right from the shop-floor level. A special team headed by a senior executive has been formed to vigorously pursue this objective.

"The Post in India today realizes that being the best is not good enough and anything short of total quality is totally unacceptable."

The representative of SRI LANKA made the following statement:

"Since I am taking the floor for the first time let me first of all congratulate you, Mr Chairman, on your election as the Chairman of this august assembly. Let me also extend my sincere thanks and appreciation to the Korean Government, the Korean postal administration, and the UPU, for the excellent arrangements they have made for the 21st UPU Congress.

"Coming back to the subject, let me extend my thanks to Mr Nakamura for his excellent presentation.

"The terms 'total quality' and 'total quality management' are widely used in the modern business world including the postal sector. No business can succeed without meeting the needs of its customers. This is also true of the postal service, in the present context. We should mention, however, that we had been enjoying a monopoly in the postal sector for a long time. As long as the postal service enjoyed the monopoly of its activities, this aspect was completely neglected, with the result that the private sector stepped into the postal sector in areas where it could make a profit.

"Today we are facing severe competition from the private sector and we are compelled to maintain a high quality of service if we are to survive.

" 'Total quality in a competitive environment'. After fully understanding the concept of total quality and the tasks to be implemented to achieve the desired goals within the limits of the Sri Lanka postal administration, viewed in this context as an enterprise, several steps were taken although progress had been rather slow.

"Because we were a government department with very little financial independence, it was difficult to create an attractive working environment and to motivate our staff with extra benefits.

"In spite of these constraints, action was taken to improve and expand contact points for new services. Sri Lanka, of course, has a very satisfactory postal network with door-to-door delivery over 80 percent of the area and a comparatively good service to the remaining areas as well. Improvement is steady in all services including the rapid services.

"We also possess a wide postal security network and losses in our internal network are negligible compared with the volume of postal articles handled.

"Since the conveyance of mails internally as well as externally is in the hands of contractors, surveillance at these points is difficult.

"We have received data from the UPU and several postal administrations and have used it in staff training and in the day-to-day execution of operational activities.

"Action has also been finalized for exchanging mails directly with airlines with a view to eliminating thefts at airports. However, we need international cooperation in combating abuses while the mails are in the custody of airlines. There is a need to improve the quality of sealing of mailbags and receptacles in order to eliminate tampering without visible signs from outside."

The representative of SWEDEN made the following statement:

"On behalf of Sweden Post (Ltd) I would like to add a few reflections on the quality issue and on the valuable presentation we heard yesterday from Mr Nakamura.

"The quality issue is the most important question facing us now and in the future. With declining market figures for international letters (85 percent) and I would add diminishing figures for international parcels (15 percent) and expedited courier items (12 percent), this, in a way, is a question of survival.

"Sweden Post has been applying the total quality concept for many years. We have a special quality auditing unit that operates independently from our five business units. It actually reports directly to the Managing Director of Sweden Post. It regularly audits the performance of our different services, the overnight priority post (with a performance rate of 96 percent), the parcels service but also the errors made in the giro and counter service and the queuing time at the counter. Daily, weekly, and monthly reports are submitted to the management team and communicated to the staff involved.

"Our ambition now is to get certified according to the ISO 9000 quality standards. Here quality is measured in all its different aspects, from strategic planning systems to the operational levels. One big advantage of this system is that one is obliged to put down in writing an exact description of every single part of a procedure. It is time-consuming and it is costly, but once performance has been measured, it is easy to go back to that part of the procedure which didn't work, analyze the reason and correct it. That is the important part. Measurement of quality is not a goal in itself but a *base* for action. For managing things, as Mr Runyon, Postmaster General of the United States of America, said yesterday, measuring is the first step and managing is the other side of the coin. We at Sweden Post see quality of service very much as a management responsibility. Also top management must be committed to quality, and it must be trained to inspire staff to be concerned about quality and committed to it at all levels of the organization.

"It is also important to have people at all levels in charge of quality and quality control. Working groups or quality-circles should be set up wherever quality fails or problems arise. When it comes to measuring quality of domestic mail, many countries today have well-developed, efficient systems. When it comes to international mail and parcels, it is more complicated and even more costly. We are still far from having the end-to-end control systems our competitors have. In the Nordic countries, we have been measuring quality for several years, and the Nordic terminal dues system includes a quality of service element. Simply that if you fail in your quality, it will cost you. In other words, the terminal dues paid to the country of destination are calculated on the basis of the quality of its service. This will also be included in the new terminal dues system which POSTEUROP and IPC are currently finalizing, and in my opinion, this should eventually be included in the UPU terminal dues system as well.

"Finally I would like to stress the point that quality cannot be separated from price. The customer will decide which he is willing to pay for the service he gets, on the basis of both price *and* quality. We know from consumer panels and our customer satisfaction index, which we measure monthly, that *reliability* is the most important factor in the consumer's mind. He is even willing to pay a higher price for it. This we know from the cold experience of losing market shares to our competitors. To keep the international mail and parcels in a postal world known for quality and to take back market shares: these are our most important concerns for the future."

The representative of KOREA (REP) made the following statement:

"In connection with total quality and human resource management, I would like to share with you our recent experience related to a customer satisfaction campaign carried out by Korea Post. It is worth mentioning, first of all, that postal service is different from product in that it is invisible and intangible.

"As a result, the degree of service quality depends largely on the person who provides the service. In other words, the attitude of postal employees towards customers is most important. In line with this concept, Korea Post makes it a practice to select the top post office on the basis of the customer satisfaction index standards. Each year, the selected post office is given a championship banner as well as prize money of about 10 000 US dollars. Here, you may wonder how the Postmaster spends the prize money. If you were the Postmaster, how would you spend it? It is at the discretion of the Postmaster whether to invite his staff to a drinking party or to hold a postal service open house for the community; he can also go abroad to conduct a comparative study of postal services. We call this the 'best service performance award system'. This system aims at encouraging all postal employees to raise the quality of their relations with customers.

"In parallel with this best service performance award system for post offices, Korea Post is very proud of another system, the management evaluation system for the eight regional controllers' offices. Management and achievement are evaluated, then, on Korea's Communications Day (22 April), the final result is announced by the Minister at a ceremony. The selected Regional Controller's Office is also given a championship banner and prize money.

"So far I have touched upon one aspect of total quality and human resources management in Korea.

"I hope that my contribution and the brief explanation I have just given will be informative to those countries eager to conduct a customer satisfaction campaign to improve the quality of postal service in a competitive environment."

The representative of ZAMBIA made the following statement:

"Security is a vital component of the quality of postal service. If security aspects are not addressed, total quality cannot be achieved.

"Zambia is a landlocked country surrounded by nine countries. We have direct mail exchanges with these and many more countries in the world. We also handle substantial volumes of transit mail, particularly surface mail coming through the sea ports of our neighbours.

"Since 1970, Zambia has suffered damage to property and loss of life of postal staff and customers through letter or parcel bombs whose origin has been traced to foreign sources. We have since consistently invested in activities to improve and maintain security of postal services. At UPU level, we also participate actively in the activities of the Postal Security Action Group.

"We have brought to this Congress a few exhibits to be included in the PSAG display in the lobby. The purpose behind our modest initiative is to demonstrate that whatever the economic circumstances of a postal administration, security must occupy as high a place in quality of service considerations as other factors such as speed. If security is lacking then total quality is absent.

"We are not going to make a positive impression on our customers by delivering items to them very quickly but in tampered condition or containing harmful objects.

"We are encouraged by the wonderful presentation by Japan and the United Arab Emirates and I can assure you that 'TQM' will play a part in our new existence as a corporation separate from the telecommunications sector."

The representative of FINLAND then made the following statement:

"First of all, I would like to thank Mr Nakamura and Japan Post for his interesting and excellent presentation of their total quality management. Its three steps were indeed well presented. (Total quality management in Finland Post Ltd proceeds generally along the same lines, but we place more emphasis on the opportunity it provides for a major redesign of business processes.)

"Our focus is on the following areas of quality activities:

- i Training and coaching which means:
  - coaching in attitudes and knowledge;
  - changes in methods of proceeding;
  - improvement methods.
- ii Measuring and follow-up, comprising:
  - continuous follow-up of the execution of procedures and operations;
  - customer satisfaction;
  - employee satisfaction;
  - benchmarking.
- iii Improvement and development, meaning:
  - problem-solving methods;
  - projects for step-by-step improvement;
  - development programme for the business centres and units;
  - description, improvement and redesigning of procedures.

"Finland Post has made a profit the last ten years. We are certain that even a good net financial result does not ensure success in the face of increasing competition but that quality will remain a permanent competitive advantage. To preserve this advantage, our main strategies are:

- firstly, to improve quality and customer satisfaction;
- secondly, to reduce costs and tariffs.

"Systematic and extensive development of total quality management was initiated in 1990 in response to the anticipated greater competition and changes in customers' needs.

"We have proceeded according to the ISO 9004-2 standard and the Malcolm Baldrige Quality Award criteria.

### **"1 Quality policy and management's commitment**

"We cannot succeed with total quality management unless top management is clearly committed to it. Our critical success factors and values are:

- customers;
- our company employees;
- dialogue and communication;
- continuous improvement.

"The goal of our total quality management is:

- customer satisfaction and customer retention;
- employee satisfaction and involvement;
- shareholder satisfaction and profitability of the company.

"These three targets are included in the annual result matrix of headquarters directors and business centre managers. Thus, indicators have a direct effect on managers' personal bonuses.

### **"2 Customer satisfaction and retention**

"Every year, we measure business and individual customer satisfaction using 50 quality factors important to our customers. We consider our customer will be satisfied only when performance values are 'really excellent' and 'excellent'. Customer satisfaction below this level will not increase business.

"Annual customer satisfaction results are supplemented by continuous feedback system. The system ensures that a single customer receives a reply in two weeks and management gets monthly reports concerning the issues and volumes of the feed-back.

### **"3 Employee satisfaction**

"Employee satisfaction is measured once a year by means of an inquiry covering all 25 000 employees. The inquiry form contains 40 questions by which we are able to figure out the overall picture of:

- the Post as an employer;
- the atmosphere in work places and offices;
- management functions;

- internal dialogue and communication;
- incentive system used;
- progress of the quality work.

#### **"4 Process management**

"We are proud that our total quality management emphasizes process management, which supplements our traditional management by results.

"Vital attention is paid to customer-to-customer processes across and beyond the boundaries of business centres and activities.

"The main processes have been identified and described. The interdependence between them is described on an operational chart. Objectives and indicators are set for the procedures and are used to measure performance. Letter services marked the start of operational performance measurement. By the end of the 1980s the level of 90 percent next day had been achieved.

"Nowadays we measure the quality of letter-mail service by various kinds of letters:

- i End-to-end service is measured annually by an external research institute.
- ii We make our own continuous sampling measurements. The objective level of 95 percent overnight was reached in the last three years.

"We are also monitoring the service quality of parcels, newspapers and magazines by means of tests.

"We have also done follow-up and monitoring work together with our major customers. We believe that joint analyses of the results and agreement on improvement measures deepen and strengthen our relationships with the customers.

#### **"5 Conclusions**

"I am sure that the total quality is our customers' number one priority for domestic and international mail. To improve quality, postal administrations should increase their cooperation and take advantage of each other's experiences as well as our competitors' applications by benchmarking. Postal administrations have better chances for succeeding, if they set high and challenging yet realistic targets regarding employee and customer satisfaction and if they continuously improve their procedures and team work.

"We realize that financial results represent our past and that customer satisfaction is our future."

The representative of CHINA (PEOPLE'S REP) made the following statement:

"First of all, please allow me on behalf of the Ministry of Posts and Telecommunications of the People's Republic of China to congratulate you on the magnificent opening of the 21st UPU Congress in Seoul – the beautiful capital of Korea. I would also like to express our heartfelt gratitude to our host – the Ministry of Communications of the Republic of Korea – for its excellent preparatory work for this Congress. We also congratulate you on being elected the Chairman of Congress.

"This Congress is being held at a time when the development of the world Post has embarked upon a new period of transformation. The wave of reforms has not only provided development opportunities for the postal sector all over the world, but also brought us the challenge of tough competition. The situation is favourable but also difficult for us. Serving as the infrastructure for social development and progress, the Post is now increasingly in demand by individuals and society at large in today's highly informational society. We note that there is strong vitality in the postal industry and a large market for its development. In such a situation, there must be radical reform so that the postal sector can adapt itself to the trend of the development of the society. On the other hand, we should pay due attention to the characteristics of the Post. The aim of reform is to provide greater scope for the unification, advantages and completion of the postal network. The Post should develop greatly through reform so that faster, safer, more popular and convenient services can be provided to both society and mankind. Postal administrations should have the courage to take up the challenge of the competition, learn the art of competition, and grow through competition.

"From this perspective, the Chinese administration has proposed that this great market should be confronted, new areas developed and postal services expanded so as to seize the opportunity of our country's reform, opening-up and development in order to accelerate the expansion of the postal network, to promote the advancement of postal science, to maintain the operation of the traditional services and to explore new areas. With this in mind, we have made great efforts to raise the quality of our staff at all levels and earnestly improved our services to ensure that we can take advantage of our unified, advanced and complete postal network and our excellent services to face the competition and take up the challenges from all aspects.

"We are fully confident that the postal industry will advance in step with the development and progress of history and society. The world postal community should cooperate even more closely than before in the new situation and seriously study the advantages as well as the difficulties of the postal sector. Colleagues in the postal family should learn from one another according to different situations of each country and make the full use of our advantages to overcome our shortcomings. Under the umbrella of developing the Posts, we should improve operational management, promote technological progress and enhance our service work so that vigour can be injected into the postal sector – this old industry, with the result that it appears to the public in a new light.

"In a competitive environment, the importance placed on postal service quality is crucial for the growth of the service and market share. In a sense, it determines the survival, the development and the future of the postal service. Since the introduction of the socialist market economy in China, the market economy has been vigorously expanding with competition present in all sectors of our economy, the postal market certainly being no exception. Competition has brought both challenges and opportunities to the postal service. Therefore, we should be market-oriented to take up the challenges and take part in the competition. The most effective way to get ahead in competition is the across-the-board improvement of service quality. In our opinion, service provision is a constant theme in the world postal service and the 'raison d'être' of our postal enterprises. For this reason, in addition to implementing a number of measures for network building, the Chinese postal service has also adopted some concrete steps for improving service quality.

"We have set up market-development and public service institutions which is a positive step in market research and development. By so doing, we have been able to keep track of the social demand for the timely provision of new services and continuously improve our work in accordance with suggestions voiced by users.

"Following the guideline of providing 'speedy, accurate, safe and convenient' services and aiming at accelerating mail delivery, we have set a delivery-time standard and stepped up the checking and monitoring of it. With limited resources at our disposal, we have focussed on building up postal networks in order to constantly increase our own transport capacity in our network and truly expedite mail delivery.

"We have stressed the importance of the safety of postal items and of implementing preventive measures, and enhancing routine work by the inspection bodies. Modern monitoring facilities have been installed in key areas not only for ensuring the safety of the mails and cash but also for preventing and cracking down on criminal activities.

"To achieve better distribution, we have added a number of postal offices to the existing ones, which offer all services in pleasant surroundings and with great efficiency. Computer terminals have been adopted for the counters to improve efficiency and management. The organization and management of mail delivery have been improved with the emphasis on addressing deliveries to urban high-rises and remote rural areas.

"A vocational training system has been put in place to provide better staff. Training has been given in a structured way to leading postal staff through the Postal Training Centre in an effort to increase their competence, technical capabilities and managerial skills. Thanks to our strong emphasis on postal service quality, our postal service has maintained the momentum of high growth several years despite the stiff competition in the marketplace. As compared with 1992, 1993 growth rates were 20.1 percent for letter-post items, 27.6 percent for parcels, 124.8 percent for EMS and 37.1 percent for service revenue.

"I believe that as long as earnest efforts are made to strengthen total quality management and improve service quality, the age-old industry of the Post will regain its youthful vigour and achieve new successes and development in competition."

#### Statements

The representative of FRANCE congratulated Mr Nakamura of Japan on the clarity and content of his statement before briefly outlining the steps taken by the French postal administration regarding quality.

As in other sectors, be they industry or services, the policy of total quality was a mainstay of French postal strategy. The chief characteristics of that policy were the following:

- improving the response to customer demands;
- improving the quality of the services provided and the competitive edge;
- mobilizing the organization's staff around these objectives.

In order to provide a better response to its customers, the French Post had undertaken a fixed analysis of their needs, as a result of which it had segmented its offer in relation to the customers. It had therefore had to develop services which were increasingly integrated with personalized services, generating added value. Its sales force had also been organized on specific bases determined by major customer groups, such as large-scale users, small and medium enterprises and individuals.

Two major policy lines had been adopted with respect to quality of service:

- i constantly increasing quality as determined by the customer's perception of it;
- ii increasing the efficiency of the services and organizations by adapting the behaviour and working methods of staff.

The quality of the services, whether it was a matter of the level of customer satisfaction or delivery times, was assessed externally by specialized companies; for instance, since 1991, SOFRES, a market research company, had measured and published mail transmission times.

Major efforts had also been devoted to improving after-sales service. Complaints were rapidly processed, an analysis of them then constituting an indispensable tool for improving the corporation's performance.

Although the Post had customers, it too was a customer of those who supplied it with hardware, equipment and services. It had therefore concluded a guarantee-of-quality contract with its principal suppliers. Buying quality products in fact meant securing the introduction into organizations and production processes of reliable components which contributed to the quality of the whole.

A second but no less important requirement in a corporation with a staff complement of 300 000 individuals was the mobilization of human resources. The result was that the French postal administration had made the staff into a force for generating suggestions, along the lines of the quality circles referred to by Mr Nakamura the previous day. It had also developed participatory innovation which, each year, made it possible to consider several thousand suggestions from staff members. An example was that one of these ideas had served as the basis for adapting the mail delivery vehicles.

The representative of ZIMBABWE made the following statement:

"I congratulate Mr Nakamura on his brilliant introduction to the subject of total quality. The concept of total quality can be described as an offshoot of the Washington General Action Plan. In this regard, when formulating strategies and recommendations that need to be taken, stock must therefore be taken of the achievements made in implementing the Washington General Action Plan.

"As will be realized, postal administrations worldwide are at various stages of transformation ranging from being government departments to public and private corporations. Therefore, it is of utmost importance that when we are looking at the concept of quality management, we should be cautious of the constraints faced by various organizations. It is our belief that the objective of attainment of management independence as stated in the Washington General Action Plan must take precedence if ever we are to make significant headway in the area of total quality.

"It is no longer a secret that the bureaucratic operations of the Post have in many ways contributed to the lethargic response of postal services to the needs of the customer.

"Therefore, my delegation would like to stress the need to transform or review the legal status of postal services to increasingly autonomous entities which are free to make decisions on important issues such as conditions of services, operational and development matters, in order to be able to achieve total quality in a highly competitive environment.

The representative of SIERRA LEONE made the following statement:

"I wish to thank the discussion leader for his excellent presentation on total quality. The beauty of total quality management lies in that fact that it advocates enhancement of the capacity of the employees who are seen as the agents of quality and the providers of the customers' satisfaction. Indeed, postal services are highly customer-oriented and national postal services will have to take appropriate steps to ensure that customer focus is not diminished.

"Mr Chairman, our world today is characterized by a wave of privatizations and divestitures and, in many developing countries, such privatizations have been dictated by the prescriptions of the World Bank. Included in the privatization programmes of many countries are service industries such as postal services, but privatization decisions in many situations have not always taken account of the sustainability of privatized industries.

"To prevent postal enterprises, particularly those of developing countries, from being bought up by competitors with predatory motives, it would be advisable for richer and industrialized countries within the UPU to take all necessary steps to ensure their participation whenever postal assets in developing countries are sold off under a privatization or divestiture programme.

"Also, it would be pertinent for the UPU to approach the World Bank for consultations where such a privatization programme involves the latter, so that such a privatization can be brought to the attention of interested UPU member postal corporations. Such action is necessary to ensure that postal systems worldwide come together and that the universality of the postal system does not disappear under the prevailing privatization programme in many countries."

The representative of TANZANIA (UNITED REP) made the following statement:

"We join other speakers in congratulating the panellists for the excellent presentation of this important subject. We in Tanzania are deeply preoccupied with the three basic quality of service variants, which are speed, reliability and security or safety.

"In the Strategic Postal Business Plan we have established strategic business units or business centres which form the basis for measuring performance. The business centre concept has the following advantages:

- i it is customer-focussed;
- ii it is focussed on specific products/services;
- iii it is quality of service focussed on the basis of products;

iv it is employee-focussed in terms of:

- productivity,
- responsibility and,
- accountability.

"In this respect, the Tanzania Posts Corporation is taking the necessary measures to:

- train and develop staff to enhance their professional skills;
- provide incentives based on performance (productivity-based incentive schemes);
- improve general conditions of service to uphold staff commitment and morale.

"At the retail level, the Corporation is striving to ensure provision of adequate and efficient retail facilities for customer access and convenience, including modern facilities for value-added services.

"The Corporation is encouraging the personalized handling of customers determined by type of customers and their specific needs to the extent that operational procedures are being revised to meet customer requirements.

"We are establishing efficient inquiry procedures to provide prompt responses to customers: we also carry out regular customer surveys to determine the level of customer satisfaction with the various services we provide.

"The Corporation is planning to establish quality of service units at all the 18 major centres to deal with all aspects of quality, security and customer care. We are convinced that if we can guarantee quality to our customers, we will be guaranteeing our own survival in the marketplace."

The representative of EGYPT, speaking for the first time, congratulated the Chairman and also congratulated Congress for electing him Chairman. He thanked the Chairman and the government, people and postal administration of Korea for their excellent preparatory work and for the concern they had shown the delegates. He also took the opportunity to congratulate the Republic of South Africa on its return to the universal postal family.

During the last few days he had followed the high quality speeches and the discussions to which they had given rise, as well as the constructive experiences aimed at putting postal administrations on the right track so that they could face up to the challenges of the times.

A few important points were, in his opinion, worthy of further explanation:

- Postal activity throughout the world was faced with serious competition, which had effectively led to the loss of certain parts of that activity.
- A large part of the market was now in the hands of private carriers.
- A further part had been lost due to the transfer of data by modern means of communication.
- Finally, certain postal administrations were facing competition on their own territory from other postal administrations.

This situation needed a prompt and decisive reaction.

Competition generally obeyed the principle of the survival of the fittest. The equation consisted of the terms: "new product" and "new tariff". The tariffs of the services offered by the majority of postal administrations had until now been considerably lower than those of the private couriers. Administrations had therefore effectively achieved one of the terms of the equation, the "new tariff".

There remained the second term, the "new product", but a few introductory explanations were needed:

- i Each administration had a vast infrastructure which no competitor was able to build up for its own use. That much was certain.

Indeed, all towns and most villages had a post office. In contrast, no competitor had such a network in any country, apart from a few branches in capitals or in certain towns.

- ii As regards internal mail, in most countries the boxes conceded had until now been in the hands of the postal administrations, with no real competition.

These two truths often led to a third, namely the fact that in order to cover their costs, competitors had to make use of the immense infrastructure of the postal administration, whether or not the latter was aware of this.

That was where the postal administration needed to show its skill in using this advantage together with the other, that of the "new tariff".

There were also a few facts which needed to be highlighted regarding the "new product":

- i A mediocre level of service in any country reflected badly on other countries. If for example a user in one country sent an urgent letter to Egypt and Egypt delayed its delivery to the addressee, the consequences would be felt in the relations between the administration of origin and its customer as regards liability for any damages.

This meant that the postal community as a whole should guarantee the level of quality expected by customers in each country.

- ii Good quality of service required in the first place sufficient material possibilities to allow a certain level of action, behaviour and determination to be demanded from employees who had become used to carrying out a public service over many years and who needed to change jobs for what would hopefully be a short period.

Human resources were the first area to be improved in order to produce the desired development. It was necessary to improve the quality of the employee so that he was able and willing to improve the quality of service. An employee either felt or did not feel the needs of the customer and it was he who facilitated or did not facilitate the procedures and operations, he who successfully or unsuccessfully managed time, machines, modern information sources, the possibilities available, etc. With intelligent management, he could realize the slogan "The Post ... the best choice".

The Egyptian Postal authority attached considerable importance to all these considerations and followed with interest modern tendencies throughout the world, which it would be too time-consuming to list.

The representative of UKRAINE also began by congratulating the Chairman of Congress on his election and by thanking the Post Office, government and people of the Republic of Korea for the warmth and hospitality shown by the Congress organizers.

So as not to repeat what had already been said, he stated that the postal administration of Ukraine approved the idea of the structural reorganization of the UPU.

Ukraine had been a member of the UPU since 1949 and had always played an active role in its work. However, the change in the status of Ukraine and its declaration of independence had necessitated the reconstruction of the whole infrastructure of the country, in particular the communications sector.

The social and economic situation of Ukraine meant that the administration had to find a short-term solution to the problem of creating a national communications network.

Today, the 52 million inhabitants of Ukraine were served by 17 500 postal establishments and post offices.

A large-scale reorganization of the structure of the postal sector had been under way for the last two years. The postal and telecommunications services were being separated, using experience gained by other countries and following the recommendation of the UPU.

Within the postal structure, a postal bank and pensions had been created, the range of services had been expanded and the Post Office now offered commercial and banking services, express-post and EMS. Several organizational activities had been carried out aimed at improving the service for users and raising the quality of the employees' work. The current quality measurement system was also being improved.

However, Ukraine's transition towards a market economy had highlighted several serious problems which were hindering the progress of the planned postal reforms.

The fall in production, inflation, the absence of an adequate legislative framework and the existence of strict regulations on tariff policy for postal services offered by public postal enterprises had all contributed to the appearance on the market of alternative services offering more profitable and less labour-intensive services at free tariffs. The public services were obliged to offer loss-making services, and this could lead to the destruction of the postal network, which had not yet built up sufficient strength to resist.

A similar situation was no doubt occurring in other countries which were also just taking the first steps towards the introduction of a market economy.

This situation was far from comparable to that on the postal services markets in developed countries.

In these conditions, UPU recommendations and consultations with specialists based on the experiences of countries with developed postal services markets would be a sure way of supporting the efforts of postal administrations to develop their networks and face up to the competitive environment.

The other problem affecting the competitiveness of the public postal service was the inadequate quality of the postal services on offer. This was linked to the fact that the current level of economic development in Ukraine did not allow the introduction of advanced technology or modern technical methods. The absence of an adequate regulatory basis of quality measurement criteria could also be felt and on top of that, human resources were professionally and psychologically unsuited to working in competitive conditions.

It was probable that similar problems existed in other countries and it would therefore be appropriate to find a solution to these problems in the context of the global strategy of Congress.

The representative of SPAIN congratulated Mr Nakamura on the very clear and interesting paper he had given the previous day.

In the area of quality of service, one of the most important questions today concerned total quality, whose principles must guide postal activity. The Spanish Post Office had recently implemented a project which could serve as an inspiration to other countries.

It was a new service for inquiries, complaints and suggestions, which naturally corresponded to what could be called the after-sales service. This service was used after the first stage of offering services and after the second phase of access to the services and welcoming the customer.

It was an activity which, in spite of its relatively simple nature, had had a considerable influence on the strategy for changing the management system of the Spanish service, in accordance with total quality criteria. The starting point had been an analysis of the inquiries service, which had shown that the processing of inquiries was often the source of new complaints due to the long response times, the need to go to the post office and to fill in forms, etc.

For this reason, in 1993 the Spanish Post Office had introduced a new telephone inquiries and complaints service throughout the country. This was a free service offered to all citizens wishing to make an inquiry or complaint about the postal or telegraph services, without having to go to a post office, fill in a form or pay anything, as the telephone call was also free. Offering the user a practical service, fast response times and efficient management of his problem were the principles which had inspired the creation of this new inquiries service.

The service operated by means of a system of computer connections, the complaints and inquiries being received by a specialized team which answered calls from 9 am to 9 pm and entered the information needed for locating the item into a computer.

In the event of an inquiry, the information was transmitted to an operations, tracking and decision-making team consisting of postal traffic specialists, whose activity was centralized in Madrid. With the help of computers and telecommunications, this team checked whether the item had in fact been delivered to the addressee. If it had not been delivered, they processed the claim for compensation. In this way, the claimant received a money order at home for the amount of compensation.

All irregularities found were reported to the inspection service so that it could solve the problem later. This system allowed the storage and processing of all data so that statistics could be calculated and so that the Post Office could know what immediate steps to take to improve the products and the most important service characteristics.

If the call concerned a complaint or a suggestion, the inquiries team sent it to the marketing service which studied it and then wrote to the user or to the team which received the telephone call so that a reply could be transmitted to the user by the same means.

The Spanish Post Office had noted with satisfaction that it had been possible to achieve its planned short-term objective, which was the improvement of the inquiries service by means of a direct, personalized service that did not inconvenience the user and solved his problem in a very short time or within a few days.

The representative of the SYRIAN ARAB REP said that the main problem for his administration was how to bring together three different priorities within one competitive commercial system.

It was the priority of the Post Office as an institution, to continue to provide postal services, particularly as it was the only body capable of providing services to all customers, regardless of the remoteness of the area and the resulting high costs.

It was the priority of the customer to be offered a simple, guaranteed, secure and fast service at competitive prices.

Finally, it was the priority of the competitive private couriers to make a profit.

Until now, discussions on this subject had not led to a global solution capable of bringing together those three priorities. However, the studies which had been presented were very useful. He therefore thanked the discussion leaders and joint discussion leaders for their papers, which had been very useful, and for the comments made during the discussion, which had allowed each administration to benefit from what best corresponded to its internal regulations.

The Syrian postal administration was aware of the needs of the market with regard to competition and of the needs of the customers for a better postal service. A financially and administratively autonomous economic and commercial public institution had thus been created under the supervision of the Ministry of Communications.

The administration had also introduced additional postal services to make up for the losses sustained in the competitive market. It was endeavouring to introduce more additional services in the future. Nevertheless, it was necessary to point out that the Syrian postal service was being urged by the International Bureau, the other international organizations and the national planning bodies to extend its services to the most remote areas and to small urban developments at high cost and without taking into consideration economic viability.

As a result, it was possible to turn to private courier companies in order to guarantee the interests of the customer and to contribute in one way or another to the loss caused by the extension of postal services.

In the opinion of the Syrian delegation, the competition it was facing should not be aggressive, but rather cooperative competition guaranteeing a compromise between the above-mentioned three priorities.

The representative of LEBANON thanked his colleagues who had dealt with and discussed the three subjects and said that he had nothing to add to what they had said in their statements, as they had accorded to each subject the importance it deserved, and time was short.

However, he informed those present of what was happening in the Lebanese administration, which had drawn up a strategic plan to solve the problem of the intervention of private companies in the postal market. They had been permitted by the Lebanese postal administration since 1983, which had simply collected all the previous receipts that had led to a heavy deficit in external revenue. This was only provisional, pending a restructuring of the postal administration. The transformation from the current situation to a private postal company or enterprise (privatization) was not a simple matter. It required a great deal of effort and their contacts with other postal administrations were the best proof of this.

The sole desire of the Lebanese postal administration was to enter the postal market in conformity with the programme currently under way for the reconstruction and development of Lebanon, according to modern methods and without hesitation, taking into account employees who were qualified and capable of interacting commercially with the new systems in order to deal with all the new products with the financial and administrative independence that required changes in the current texts.

He had no doubt that his delegation would retain what suited them from the present discussions, which were the fruit of the experience of the administrations in those matters, in order to satisfy the demands of the customers and the needs of the market. They were acting with great optimism and confidence.

The CHAIRMAN said that the conclusions of sub-theme No 3 would be presented together with the general conclusions of the Debate. It was now time for the papers by the discussion leaders of sub-theme No 4 "Global strategy and postal development". The discussion leaders were Mr Graeme John Kilner, Managing Director, Australia Post, and Mr Mario Felmer, Managing Director of the Chilean Post Office.

Sub-theme No 4

"Global strategy and postal development"

The DISCUSSION LEADER made the following presentation:

"It is my great privilege to speak to this General Debate at the 21st UPU Congress. My perspective is that of the Chief Executive of a commercial postal enterprise seeking ways in which this industry, and my own enterprise within the industry, can develop by serving its customers better.

"My views come from more than 20 years' experience in the private sector, and now some four years in the postal industry in Australia. With that background, it is my intention today to endeavour to inject a sense of urgency into considerations of this important topic 'Global strategy and postal development'.

"The international postal environment is changing at an accelerating pace:

- competition is increasing;
- the role and market influence of traditional postal enterprises are changing;
- international trade barriers are being dismantled; and
- a number of countries are liberalizing their regulatory regimes to provide for greater competition.

"If this environment is to deliver real benefits to consumers worldwide, postal enterprises cannot afford to tread water but must compete fully in this new environment at world's best practice.

"This means being responsive to the needs of our customers in terms of developing and marketing products and working together to provide high quality end-to-end service.

"This forum provides a good opportunity for all countries to consider and discuss these important issues and to examine strategies which will meet these changing times.

#### **"I. Our changing environment**

"Since 1874, the UPU has been a catalyst for international cooperation, assisting its member countries to develop their own postal systems.

"For much of this time, post offices operated in a stable environment. This is no longer the case. The industry, which now comprises traditional postal enterprises as well as private carriers, is being challenged by accelerating technological change at a time when governments are reviewing their traditional approach to postal services.

"In the past, postal enterprises understandably have seen themselves predominantly as individual, nationally-based organizations meeting domestic needs.

"There have been two consequences.

"First, domestic services have developed unevenly, with marked differences in mail delivery standards and performances between nations.

"Second, international marketplace issues have, for the most part, been relegated to the bottom rung of work priorities for postal enterprises.

"This lack of attention to the international postal marketplace, and the low service priority given to this traffic, have meant that large and growing segments of that market have been neglected by public postal enterprises.

"As can be expected in such an environment, other industry players, in particular some of the large international express freight operators, filled the gap to provide services to meet business demands.

"National postal enterprises are now too often regarded as being unable to provide the end-to-end monitoring and management needed to ensure delivery reliability.

"None of this is new to the UPU. It was discussed in 1989 when the Washington General Action Plan was adopted. I am raising it again because it concerns me that the industry as a whole has failed to produce the necessary strategic approach that will result in the greater efficiencies and higher levels of customer service and satisfaction that competitive markets deliver.

"In the meantime, another potential challenge has emerged to the traditional postal industry, this time in the form of technological convergence.

"We have lived with challenges from electronic substitutes such as the telephone, telex and facsimile machines for many years.

"Now the pace of electronic change is accelerating:

- it is just 60 years since television was invented as a one-way 'information and entertainment' conduit;
- and only 10 years since the invention of the personal computer which produced a tidal wave of change.

"Driven by computers, linked by satellites or fibre-optics, telephone, television and computer technology is converging around the world and governments are wrestling with the implications of an electronically 'wired world'.

"Their response is to liberalize the telecommunications sector, and having done that, they are turning their attention to the postal services sector.

"I don't mean to overstate this development. We are not facing the demise of written mail which has long been forecast for one reason or another.

"But the postal industry faces a different role, and we all need to contribute to defining that role and the services that will be offered within it. This redefinition and redevelopment will call for new strategic and other business relationships.

"Changing roles, coupled with technological advances, provide opportunities for niche providers to offer specific solutions and specialized products.

"It will be up to postal enterprises to show they too can capitalize on the opportunities offered by new technology.

## **"II. Strategic response**

"For postal enterprises to fully participate in this changed environment, there must be a strategic approach that addresses two major issues:

- international postal services; and
- the impact of technological convergence.

"From my private sector experience, I know the traditional postal enterprises perform a difficult task well – much better in fact than many of you realize. Collectively these enterprises are a unique partnership of enterprises with expertise and networks developed over more than a century.

"For example, together the world's postal enterprises have the ability to deliver to any address in the world at low cost. No one else can do this.

"A further advantage is the sheer spread of the worldwide post office network, with almost 600 000 post offices servicing the needs of customers.

However, it must be recognized that in this changing environment other industry participants may also contribute to a more efficient and effective postal industry.

"To begin to realize the potential (for the industry), four closely linked steps must be taken.

*"Firstly*, postal enterprises and their strategic partners must be committed to working together to achieve and maintain complete management of their international services, from pick-up to delivery.

"In working to achieve this objective, however, there must be flexible strategies. Postal enterprises must retain the flexibility to utilize the most efficient service and delivery systems available, either within the traditional postal system or by alliances with contractors. Of course, sophisticated customers now expect to contract for end-to-end service with a single agent who accepts full responsibility, and provides a single point of monitoring. That requires the industry to develop interfaces and interconnection among all participants in a way that meets customer needs.

*"Secondly*, there must be sharper focus on the market and its segments:

- for example, the needs of one business segment may be met by adopting universally recognized products;
- this need not be a wide range, but should accommodate key areas of business customer demand (for example, for document and small parcel carriage).

*"Thirdly*, service quality must be developed by the adoption of delivery standards which are compatible, and the achievement of performance that is uniformly high:

- these standards must meet the expectations of the marketplace; after all that's not too much to ask!

*"Fourthly*, there is a need to look at how these technical developments are to be financed.

#### *"Delivery systems*

"Turning first to the delivery of end-to-end services.

"Ours is not the first industry forced to confront the problem of delivering integrated services, so we should look to the experience of others for solutions.

"Responding to market pressures, the airlines developed very sophisticated computer reservation systems – Amadeus, Galileo, System One and Gemini, to name a few.

"They provide the linkages and reach which give customers confidence that when they book a flight from Sydney to Seoul, it will be trouble-free – even if they choose to travel via Singapore, Delhi, Bangkok, Hong Kong or Beijing.

"Their reservation systems bring individual – and competing – airlines together, cooperatively providing complex travel arrangements amongst a number of airline companies.

"Integration of their services means that one telephone call makes the booking; one payment is made; and one ticket is issued regardless of the number of stages flown in a journey.

"To the customer, it is as if his or her travel was being handled by a single organization. The airlines achieve this sense of cooperation and single-minded approach to customer service even though they are in competition with each other. It is this same perception which the postal industry must also foster.

"Customers seeking international postal services tend to see post offices as mail dispatch agents, rather than as end-to-end carriers. This situation can be remedied to some extent by technology which will enable postal enterprises, both public and private, to work more efficiently with each other in providing services. Such linkages would encourage customers to view the delivery of postal services as a single company operation.

"For example, an international postal system is being developed which will enable global coordination of collection, carriage, customs clearance and delivery.

"Along with track and trace, these new tools will bring new levels of interconnectability and cooperation within the postal industry that ought to convince customers that the postal service has complete end-to-end management of the mail.

*"Market focus*

"Turning to customer needs, companies like Hertz, Visa, Kodak, Shell, Coca Cola, or even McDonalds, provide models for the development of internationally recognizable postal products.

"Like theirs, the menu of postal services should be simple.

"The highest possible standards of quality and uniformity should be applied to these products.

"Simplicity is essential for customers to know exactly the service they are buying, and for postal staff to know exactly what is expected of them in providing the service for which customers have paid.

"When a Kodak customer orders a film, he or she knows what product will be delivered, whether it is ordered in New York, Paris, Tokyo or Sydney.

"The same applies to McDonalds. A 'Big Mac' bought in Sydney's King Cross is the same or similar quality as one bought in Tokyo's Ginza.

"Adopting a simple menu for postal services will be the means for staff to recognize the international service bought by a customer, and to accord the priority expected by the customer.

"EMS: EMS fits well my prescription for product simplicity, but its variable delivery performance – excellent in some destinations and only mediocre in others – works against achieving its full potential.

"There are other traditional and simple services with great potential.

"*Express Post*: Australia Post has recently launched a prepaid speed product which guarantees next business day *dispatch* to international destinations. Prepaid, with a price, around 50 percent or so less than comparable offerings, the service is growing steadily.

"The product is similar to others under the post 'express' umbrella, for example Royal Mail's 'Swiftair'.

"All postal products must compete in the 'real time world'.

"Customers know very well major flight times and expect the delivery performance of international postal services to be close behind.

"As well as matching 'real time', they expect delivery performance to be consistent. Too often this is not the case.

"Postal enterprises, like players in any competitive market, need to look critically at customer expectations and delivery promises, compare international performance with other services, and lift performance standards universally.

"Some countries are already working together to address customer needs on a regional basis. In Europe there are groupings addressing the particular needs of their market, and there are also developments in the Asian-Pacific region.

"Last month, members of the Asian-Pacific Postal Union recognized the urgency of meeting their customers' changing postal needs, and agreed to establish a regional business office in Singapore. This office will form a focus for regional work in market research, postal product development and service improvement. Although only in the concept phase, this initiative could provide a useful model for further regional and international cooperation.

"In summary, the postal industry must move quickly – and cooperatively – to introduce a concise range of products and services which are globally recognizable and which meet the specific needs of customers. Traditional postal enterprises have the opportunity to reinforce their role by emphasizing the value to the industry of the worldwide post office network as a universal outlet for products and services which could be prepaid for customer convenience.

#### "*Other products*

"I have referred to the need to define roles and develop products to align with the trends in convergence of technology.

"I am confident that full cooperation in this field will convert this challenge to an opportunity. Postal enterprises can access markets that are growing, and which will continue to grow at significantly greater rates than those of traditional mail products. Many postal enterprises have already begun to reap rewards through their presence in these markets.

"There is a wide range of products and services that the postal industry can logically offer, including:

- hybrid mail services – which combine electronic sorting, transmission and printing with final hard copy delivery;
- financial services and, in particular, bill payment and accounts management which provide for payments either over-the-counter or through the mail:
  - it will be increasingly attractive for customers to outsource these arrangements, particularly as electronic mail becomes more widely accepted;
- interactive television, and in particular its ability to generate extensive fulfilment services;
- information storage and retrieval – for example, producing high-quality mailing lists through the continual review of addresses which comes with post office initiated change of address systems.

"At Australia Post, we have already achieved great success with the first of two of these products.

"Our 'EDI POST' operation aims to handle 10 percent of our bulk business by 1996. We offer 'EDI POST' customers early entry into the mail stream and a complete collection service for inward financial remittances.

"Our bill payments service across post office counters now handles 70 million transactions a year in 2500 outlets. Bill payment and cross-counter banking transactions now account for five percent of Australia Post's total turnover and contributes significantly to our bottom line.

### *"Quality*

"Now turning to the third step that the postal industry must take:

- adoption of quality as a key aspect of everything that they do.

"To start with, it must be acknowledged that often international postal services are not up to the quality of domestic services.

"The postal industry *must* consistently deliver a higher service quality to expand beyond its existing international mail customer base. Without this commitment to quality and reliability, postal services will not be seen as viable alternatives to new technological solutions.

"Quality service must become a vital component of a global strategy which is aimed at achieving universally high levels of service quality to match the expectations of customers.

"Achieving world leading quality will require concentrated effort and cooperation and in many enterprises it may require a change in workplace culture.

"The objective of postal enterprises should be to ensure that the world's best practices are adopted for international service quality in all countries. This is essential to meet customer needs for seamless international hard copy communications.

"I believe that UPU members and their administrations must work towards universal adoption of the ISO (International Organization for Standardization) Standard 9002 to provide customers with an assurance of the commitment of the postal sector to world's best practice. This must be complemented with the training of all employees on the importance of quality in our long-term strategy.

"A change in workplace culture was necessary at Australia Post to bring real focus to customer service, and this change is being successfully realized through a number of quality programmes.

*"Coordination and funding*

"Finally, turning to cost, it is understood that the postal enterprises of some members of the UPU may be constrained by cost factors and there is a need to look at more cooperative bridging to progress towards a vision of a united and competitive global postal industry.

"Japan has generously demonstrated how funding can be arranged for one important project, the development of the EMS track and trace system. For our part, Australia Post is pleased to contribute to funding development of the UPU's global EDI system.

"But the postal industry should not rely on individual postal enterprises to assume responsibility for key projects on a continuing basis. To advance its international strength, the postal sector needs to look to a broader-based approach to financing development work.

"I believe that mechanisms must be developed which provide for increasing joint funding for ongoing business research and development with a special emphasis on the application of new technology.

"Operational structures should also be explored for the accelerated introduction of new technology universally.

**"III Conclusion**

"In concluding, I would like to emphasize the key proposals in my address. I believe there are four areas of action which postal enterprises should consider to enhance the Post's international strategy:

- Firstly, there should be a cooperative approach to guarantee a viable, competitive and efficient universal network. Change is accelerating and new forces are emerging in international communications, yet postal enterprises are lagging behind in the application of technology to international services. By working together, we must set in place the capability to respond quickly and effectively to major market change.
- Secondly, we should accelerate the development of end-to-end international linkages using the electronic technology provided by the EDI system. This can provide the basis for seamless service that customers now demand.
- Thirdly, selected commonly branded services which meet universal customer needs should be introduced. The first efforts should boost the marketing of existing international post products like EMS and ensure that they are handled efficiently at all destinations.

- Finally, quality service is of the utmost importance to customers. Recognizing this, a programme to achieve high standards of service excellence, must be adopted and this must be accompanied by development of a quality-focussed culture amongst all postal operators and their staff.

"The degree of effort and the timing of it are critical to success in the marketplace. The pace of technological change is quickening:

- there is no time for complacency;
- there is no time for inertia which could restrict the potential of the postal industry.

"Now is the time for concerted action.

"To hesitate is to lose the initiative.

"Today the modern postal industry in all its facets has the opportunity:

- to inject fresh momentum to processes already underway within the UPU and regional postal forums; and
- to provide new impetus to implementing policies that are essential for the industry's growth and survival.

"Now is the time to adopt bold new strategies to underpin the growth of the postal sector into the 21st century, rather than allowing outside forces to dictate the nature of our international postal services.

"Now is the time to seize the day – and shape our industry's future."

The meeting rose at 12.45 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

M N Harding  
Secretary of the General Debate

## **Communication from the delegation of Germany**

### **Universal Postal Union project to install computerized applications for basic office of exchange operations; voluntary contribution from Germany**

Between the Washington and Seoul Congresses, the permanent bodies of the Universal Postal Union, in close cooperation with the postal enterprises of member countries, worked intensively on developing a modern international computerized data communication system for postal operations. In this context, special mention should be made of the work of the Electronic Transmission Standards Group (ETSG), a joint EC-CCPS group, and of the International Bureau EDI Development Unit.

Last year, the Deutsche Bundespost POSTDIENST also encouraged these efforts by making available to the Universal Postal Union free of charge its software system for international airmail dispatch handling. An agreement was concluded on this, during the 26 October 1993 CCPS meeting, between the Universal Postal Union and the Deutsche Bundespost POSTDIENST. This software can also be used for automated airmail accounting.

The Deutsche Bundespost POSTDIENST has decided to make a voluntary contribution of some one million deutsche marks to the Universal Postal Union in 1995 to promote the rapid development of the computerized documentation and data-exchange system in the international postal service.

Essentially, the International Bureau of the Universal Postal Union will be responsible for the use and allocation of the resources on the basis of agreed principles.

These principles may be summarized as follows:

Interested administrations should inform the International Bureau of their wishes, provided, however, that they are administrations requiring greater development which are not in a position themselves to marshal the funds necessary for implementing the computerized system. Furthermore, adequate cooperation capability is needed to carry out some of the work connected with implementation of the computerized system; for that purpose, recourse should be had to the software made available free of charge by the Deutsche Bundespost POSTDIENST.

It is planned to allocate some 50 percent of the funds to projects for the administrations of Central and Eastern Europe as well as to the countries of the Commonwealth of Independent States (CIS), with the remaining funds to be used on projects implemented outside that region.

The International Bureau will be responsible for deciding on the action to be taken on a request and for reaching agreement with the Deutsche Bundespost POSTDIENST. As soon as the broad lines have been drawn up and a decision has been taken in favour of a project, the International Bureau and the Deutsche Bundespost POSTDIENST will decide by mutual agreement on the method of paying the funds made available.

At the end of the relevant period, the International Bureau will prepare a report on the results of the projects implemented and will inform the Deutsche Bundespost POSTDIENST.

Through the above-mentioned financial contribution, and in close cooperation with the International Bureau, the Deutsche Bundespost POSTDIENST hopes to be able to give fresh tangible impetus to the construction of a world EDI system for postal operations.

For the delegation of Germany  
(Deutsche Bundespost POSTDIENST)

### **Seventh meeting of Congress**

Thursday, 25 August 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 3.05 pm.

Sub-theme No 4:  
"Global strategy and  
postal development"

The DISCUSSION LEADER said he would speak briefly to supplement the preceding speaker and would limit himself to highlighting a few very specific characteristics of the developing countries in relation to the formulation of a global strategy for the Post. He thought there were three very important points:

- i the very particular characteristics of the developing countries;
- ii the responsibilities of the main actors;
- iii a number of criteria which he considered important in the context of technical cooperation for postal development – he was thinking particularly of technical cooperation at the UPU.

Regarding the specific characteristics of the postal market in the developing countries, he wished first to describe the situation in the developed countries. A mature, well-established postal market existed there for the traditional postal products, which had sometimes even been overtaken by telecommunications, electronic mail, EDI and other technological advances. It was quite different in the developing countries. Development of physical message handling was in full flow for business mail, private mail, publicity and marketing mail. The transmission of traditional mail by EDI or electronic methods was in its infancy. International expedited mail was very firmly established in those countries, in contrast to inland message handling. Those were the particular characteristics of a situation ripe for innovation.

What then were the basic requirements for postal development in this really profitable market? First, government support was needed, but, above all, the will to modernize, clearly expressed by the postal authorities of each country. Then, a strategic project was necessary.

He would also speak about technical cooperation from the viewpoint of UPU responsibility. The postal services could not be improved without real international cooperation, which should be aimed at enabling postal administrations to develop in a manner that could be quantified.

Before concluding, he wished to mention two aspects of the Chilean postal service development project:

- i by the end of 1992, the Chilean Post, which was a public corporation, had increased its assets by 40 percent;

- ii the Chilean Post was among the public corporations which had obtained the best results in the country. A public survey had revealed that it ranked third among service companies. This was the result of the postal modernization project begun four years earlier. He wished to show, with that information, how a modernization plan could proceed in a developing country.

*(Applause.)*

The representative of NORWAY made the following statement:

"I wish to express my pleasure that UPU has put this very important issue on the agenda, and I am personally impressed at the excellent presentation given by Mr Graeme John from Australia Post, supplemented by the representative from Chile Post, and I strongly support their views and ideas.

"I wish to share with you some views on 'Global strategy and postal development'. Today I have to limit myself to give some ideas about strategy and development that are related to our core business, the letter-mail services or the physical messaging service – and the growing communications markets. I fully agree with Graeme John that the Posts should develop and offer hybrid services, which I will say a few more words about. It's vital for us to act now!

*"The postal administrations are working in a fast changing and highly competitive environment:*

- The postal mission is about communication but the form is changing with technology.
- Customers have more complex messaging requirements utilizing both physical and electronic systems and still more businesses are aiming at paperless commerce. The market needs more competitive solutions for commerce and transportation.
- The Posts will lose their relative market share to electronic messaging and absolute volume in some postal markets.
- The Posts can increase value-added services to customers and participate in new revenue streams.
- New electronic products can increase the utilization and effectiveness of traditional products (eg the parcel services).

"Several delegates have already mentioned the increasing competition from other service providers and modern communications and data technology. The so-called electronic highways and different communication services are threats to the traditional postal letter-mail services. *Lack of* postal communication-based services also represent a threat to our parcel and courier services and other postal services. But on the other hand, it is important to be aware that the communications and data technology also represent many new opportunities for the Posts. It has been said that *'Most threats in life are disguised opportunities!'*

*"It is of vital importance that the Posts respond as soon as possible to the emerging communications markets as well as the electronic ones.*

"The Posts are in a *unique position* to develop better and more competitive messaging services and to develop communication-based and market-led applications that add value to the traditional postal messaging and transportation

services – and add value to business processes for our customers. This is *a business opportunity for the Posts*. The postal administrations should have the ambition to become dominating service providers also in the electronic communications market.

"To become a competitive provider of physical and electronic messaging services and value-added transportation services, the Posts have to offer basic network services, electronic messaging services, communication-based applications and high-quality customer support, etc. We do not have to develop and operate all of them ourselves. For instance, should basic network services be brought from one of the best service providers in the market.

"As you know, many are focussing on the development of EDI (Electronic Data Interchange), but still EDI is the zero billion dollar market. So far it seems very difficult to make money on EDI. Very few seem to focus on the Paper-based Data Interchange (PDI), which is the physical letter. Many focus on the threats from the communications technology but not on the fact that PDI is the multi billion dollar market and the 'competitive bridge' to enter new electronic markets. PDI is still profitable for many Posts and we have the opportunity to develop a global strategy and postal services that protect our core business and enable us to stay competitive providers of letter-mail services and electronic messaging services that respond to our customers more complex messaging requirements. We have the physical messages, the letters, and we have a large customer base.

"As you know, 70–80 percent of all business mail is on computers so the Posts have a unique opportunity to build new solutions which integrate letter-mail services and electronic messaging services. Our vision should be to offer total communications solutions and enter the electronic markets as soon as possible.

"We should offer our customers a single line to the Posts which collect, pick up transport and deliver messages both physically and electronically, worldwide. We still have a window of opportunity where the Posts can offer integrated messaging services which give our customers 100 percent access to their customer base, and the Posts can offer full EDI even if the recipients do not have information technology which is compatible with senders technology.

"How do we enter the markets? *Postal administrations should develop a global strategy for electronic mail with physical delivery, the so-called hybrid services, and start acting in the markets as soon as possible. Next we should develop electronic end-to-end services and other electronic network services (value-added networks (VANS)):*

- hybrid services (from electronic to physical letters and facsimile);
- pure electronic e-Mail (screen-to-screen) and eDA (access to data bases);
- EDI;
- electronic directory services;
- communication-based applications.

"Worldwide hybrid services add value to and protect postal core business and simultaneously create a competitive basis for new postal electronic services. By means of electronic mail and physical delivery, we can increase speed and quality considerably in the global exchange and delivery of letter-mail and courier documents.

*"Being in both 'the physical world and the electronic world' enables the Posts to respond in a very competitive way to the changing needs in this highly competitive market. The Posts will be able:*

- to both see and understand what is going on in the fast-changing environment;
- to foresee consequences and take measures in advance (risks, threats and opportunities);
- to see new business opportunities and place them in postal perspective;
- to plan, take initiatives and implement measures in this very competitive area;
- to consider relevant business partners and implement competitive alliance establishments.

*"To be on the right track is not enough! We also have to move fast enough not to be overtaken! (See UPU document/alliances.) The establishment of relevant strategic alliances is crucial to enter this highly competitive market (to ensure timing and quality!).*

*"Why now? When will the market 'take off'? The timing is critical. We know the market will take off, we don't know when, but we know that if we enter the market when it takes off, we are going to be one of the losers! It takes about three to four years to build up a sustainable business. It takes another three years to take a market position. There is a window of opportunity now!*

*"We don't have to start from scratch! We know that important activities are going on in several postal administrations and in the UPU. In Europe, several postal administrations, among them the postal administrations in the Nordic countries, have jointly developed the solutions I am talking about. What we need is a global strategy which profits by the ongoing activities and the Posts' unique market position, which is not going to last very long. We also need international standards and global product specifications.*

*"I will once more praise the UPU which has put this very important issue on the agenda. With the restructuring of the UPU, the new organization can play a more active role in developing global strategies also in the area I have mentioned, and I hope UPU will get the necessary support to develop global strategies which are crucial for the competitiveness of the postal services in the near future.*

*"Norway Post is fully prepared to take part in the further discussions in UPU also about 'Global strategy and postal development'.*

*"Finally, I would like to add that, like a lot of other countries, Norway is also delighted to welcome South Africa's return to the Union."*

The representative of GREAT BRITAIN made the following statement:

*"The rate of change in the world distribution and communication market is staggering and will accelerate.*

*"Since the Washington Congress, five years ago:*

- World telecommunications have greatly advanced.
- The multi-media revolution is underway with big structural changes taking place in the industry, new partnership and alliances taking shape by the day.
- The world of information technology has advanced significantly – in terms of products, customer demand, real cost reduction and the converging technologies (telcos, cable companies, entertainment, home shopping, IT companies, etc).
- Our market place has become much more international. Make no mistake, our customers and their growing choice will ensure that the market is opened up. The pace of change will not be the preserve of the UPU or its individual constituent members – it will be driven by customers and the market.
- Our world market share of messages and packets/parcels has declined and will continue to do so at increasing speed unless we respond effectively. There are now more international fax messages than international letters. Ten years ago the fax market share was insignificant. The same trends are happening in our domestic market. But fax is an old technology – beware the new developments of multi-media, EDI, low-cost networks, etc.
- Quality of service has not improved enough – this is dangerous and unacceptable.

*"What kind of response is required?"*

- The first is to recognize the reality and find out more. Ignorance is no longer bliss, it is reckless and dangerous.
- An obsession to exceed customer expectations in terms of service reliability, value for money, speed of response. A customer responsive culture is needed to replace the inward focussed operational approach – 'We know best, take it or leave it'. It's not good enough just to use the words. We must believe it, mean it and practise it!
- We must get the right organizational framework from our governments, greater commercial freedom, less government controls and restrictions:
  - this is a big issue at present in the United Kingdom;
  - our Government have been reviewing our future for over two years and are currently consulting formally throughout the country. That process will be completed at the end of September.
- Our Government's preferred option is to:
  - retain the retail post offices in the public sector but give wider powers to do more business for private sector clients (eg financial services, insurance, travel, bill payments, etc);
  - privatize the mails business (letter and parcels) by selling 51 percent of the shares (retaining a minority, 49 percent, for the taxpayer): 10 percent of all the shares to be sold to employees on preferential terms.
- Other options are to retain mails in the public sector with limited additional freedom or to sell 100 percent.

- The Post Office Board's position is to support the privatization options generally and the Government's preferred option. Keeping mails in the public sector would not provide the real commercial freedom so essential for the future.
- We need an end to the uncertainty and a clear decision.
- There is no crisis in the British Post Office – 18 years of impressive profits; a strong financial base which many private sector companies envy; good quality; a good reputation in the community. There is a popular view that no change is necessary but that would be the worst option. We must change to avoid crisis.

*"What other responses are necessary?"*

- We must modernize our UPU processes:
  - the UPU must be more commercially responsive, more outward looking, less bureaucratic, speedier and realistic.
- We must forge new partnerships and alliances on a more commercial basis:
  - with other post offices;
  - with telcos, IT companies, other distributors, airlines, printing companies;
  - with some direct competitors – whether we like it or not they are here to stay.
- We must accept greater accountability and more demanding regulation and less monopoly protection.

*"Conclusion"*

- I've welcomed the opportunity to contribute and to say something about the developments in my post office, potentially the most significant since Rowland Hill's reforms of 1840.
- Change is the new order and we must respond effectively.
- We are at an important crossroads in our history. The Seoul Congress is a significant opportunity – the next five years will be crucial for all of us.
- I'm optimistic for our future but success will require vision, boldness, courage, innovation and above all, a passion to anticipate and exceed customer expectations."

The representative of BANGLADESH first thanked Mr John for his paper, which had gone deeply into the subject. His delegation also took the view that world communications today were fast, even instantaneous, and that the postal services had to change in order to respond to that evolving situation. They had heard several delegations repeat that view. His delegation therefore believed in the need for a strategy that would take account of all factors and synthesize the whole of the strategy they wanted to put in place. The postal services had to change, but traditional responsibilities must not be neglected either. The twenty-first century was at hand and change was urgent. But they should make "slow haste" to lay the foundations of their survival into the next century.

Another point he wanted to address was the development of the professional capability of their staff. He was convinced that the postal community could become more efficient through action plans linked to a national and global

strategy. Attention must be paid to the transfer of technology from the developed countries to the developing ones. That was an important aspect, and his delegation considered that it was to the advantage of the whole postal community.

In conclusion, he associated himself with all those who had emphasized that the postal services were useful and that they should not suffer from an inferiority complex, provided they responded to the customers' needs. It was admittedly a bureaucratic culture, but they should work out improved modernization and management strategies through the development of human resources. In that way they would be able to face up to the competition. It could be done only in a spirit of partnership and cooperation.

The representative of MONGOLIA made the following statement:

"I am particularly pleased to have the opportunity to address the General Debate which is the very important part of the 21st Congress where important matters of postal service are discussed.

"First of all, I would like to express our sincere gratitude to the Korean Government for the warm hospitality extended to us and excellent preparations made for this Congress.

"I want to start my statement by saying that the Post serves as an important ground and stimulus for development of the economy and all types of socio-economic activities.

"However, a number of member countries still show a low level postal development due to numerous factors which contribute to this phenomenon, such as low priority given to this sector, insufficient investment and lack of financial resources, proper human resources and technology.

"The speed and the extent of growth of postal service differs from country to country. There are a few member countries which have well-developed Posts, but the majority of us are at various stages of development.

"Mongolia is a developing country which has a slow speed of postal development.

"Although there are many difficulties in the country, Mongolia has tried its best to support and to implement the policies of the UPU in responding to the recommendations, resolutions from meetings and seminars organized by the UPU, particularly WGAP provisions. Today, the Mongolian Post has more independence than it has had before. The separation of postal service from telecommunication business is expected this year.

"Mongolia essentially needs to keep pace with the postal development of those countries which are making significant progress in their postal sector and it is seeking partners that could help to alleviate and improve its problems in relation to the development of the postal sector.

"We understand that many other members have faced and are facing a similar situation. We also recognize that each member has to find out its own way, taking into account its particularities. We will welcome the final document of this debate, 'Seoul Postal Strategy', and we are confident that developing countries like ours will attach great importance to this document.

"In recognizing the significance of the postal service and the necessity of cooperating in this field, our Ministry of Infrastructure Development has been trying to participate actively in the activities of the UPU, implementing WGAP, and will continue our efforts in developing the postal sector.

"Using this opportunity, I would like to express appreciation of UPU assistance in improving the postal service in Mongolia through certain projects and training staff by means of seminars and courses. Mongolia believes that the UPU will strive for the improvement of postal services in the developing countries.

"In conclusion, I want to stress that the efforts of the UPU to provide assistance to the less developed members is commendable.

"I hope that this Debate will be an opportunity for active exchange of experience and cooperation and for achieving substantial progress in the postal development and activities of the UPU.

"Finally, I once again express my appreciation to all UPU staff and the Korean Government for their efforts in preparing the UPU Congress. I wish the Congress success and good luck."

The representative of NEW ZEALAND made the following statement:

"My congratulations to both Australia and Chile on their very fine presentations in this segment of the Debate.

"New Zealand Post's transformation from that of an unprofitable, bureaucratic and inferior service provider a few years ago to that of an efficient and very profitable enterprise which is now providing customers with service second to none and at prices which are probably the cheapest in the OECD group of countries, is, I believe, well known.

"In New Zealand today, on-time delivery is running at 99.5 percent plus; postage rates for the basic letter have remained the same since 1989. Indeed, we reduced our rates last year for business mail and further rate reductions are planned. We are, largely as a result, experiencing very strong business growth.

"We have only been able to achieve this because, since we became a company in 1987, we have had a constant focus on reducing operating costs, as well as improving the quality of customer service – conflicting interests to some extent.

"Operating costs have been reduced substantially through management restructuring, modernization of plant, systems and equipment and, in particular, through the introduction of production planning systems to clearly and closely align man-hours to the actual amount of volume throughput to be handled in a given time frame. All mail in New Zealand is regarded as first class and mail carry over from one day to another are simply not tolerated.

"Unlike a few years ago, today we are not all that concerned about losing market share through the actions of competitors either already on the scene or by likely new entrants. Why? Because we know we are reasonably match-fit to compete in terms of price and service – albeit we still have some way to go. We have in some ways created our own even playing field. New Zealand Post would even be happy to now see the removal totally of the very limited postal monopoly protection it now enjoys so it can meet competition fairly and squarely head-on, on the basis of providing universal service excellence.

"Mr Chairman, a great deal has been said in this General Debate about competition, deregulation and privatization and the removal of monopoly protection; of the need to improve and modernize postal services to make the Post truly competitive. And we have heard from a number of countries about the need to provide a regulatory environment to foster fair competition. We have also heard worries expressed about administrations competing for business with each other.

"The point I would like to make is that to be truly competitive, one must be prepared to act in a similar way to the competition, consistent with fair competition. Indeed, to try to be the market leader.

"Internationally, we all know that service in a great many countries is well off the pace in terms of reliability and service performance generally. And this applies across the board with either developing or developed countries. Mr Cockburn from Great Britain has just referred to the fact that international postal service quality has not improved to any extent since the Washington Congress. This is a major concern for us all.

"We also know that many administrations that are required to operate at a profit are by no means cost-efficient. Many are over-capitalized or simply do not have their costs under control; albeit they may be providing an adequate level of service to customers.

"And as one delegation mentioned yesterday, at the global level, it must be recognized that the international system is completely dependent on the efficiency of the domestic postal services.

"The best way to safeguard the concern of the loss or the concern about administrations competing for customers is for all of us to simply focus our energies on upgrading the quality of our service and ensure we are operating in the most cost-effective way possible.

"For in the final analysis we will only survive collectively if we have the determination and political will to drive the change processes through; to provide top quality services at affordable prices; to see that new products and services are tailored to customers' needs; and to take advantage of the opportunities that technological messaging developments present for us as further measures to protect our core business.

"And when considering future strategies and actions that need to be taken to achieve them, we need to be constantly asking ourselves this fundamental question: 'Would the competition be doing this?' Or put another way: 'If we were the competition, what should or would we be doing?'

"As Dr Rey from Switzerland inferred yesterday, action, not worthless verbiage, is what is needed. A change in the mentality of the way we think is needed. Innovation, market awareness and versatility in introducing new concepts and services to protect our core business are essential for our future survival."

The representative of CHINA (PEOPLE'S REP) made the following statement:

"I am very pleased to be here to briefly address the postal strategy and development in China.

"As is well known, the Government of China is determined to establish the socialist market economy system. To this end, a series of firm measures have been taken in order to complete the historical transformation from the central planned economy to the market economy by the year 2000.

"In addition, according to the provisions of Post law in China, the Post is a public utility. Therefore, the Directorate-General of Posts has been separated from the Government function of the Ministry of P&T in May of 1994 and became an independent enterprise that keeps separate accounts.

"On the basis of economic reform, opening-up and the high growth rate of our national economy, the postal strategy and development target has been put forward. That is, the postal administration of China should face the big market, develop new areas, expand postal services and basically complete a modern postal network suitable for the demands of the socialist market economy by the year 2000. The major components of this target include the following points:

- i to set up a high-speed postal transportation network which consists of postal airplanes, vehicles, trains and ships. This network is either run by the postal authorities or by some agencies that have operation agreements with the postal administration;
- ii the construction of a central office system will be completed so as to greatly increase the mechanical or automatic processing ability of the central post offices;
- iii a tracing and inquiry system will be built up to connect EMS service offices;
- iv a computer network handling postal financial services will be established to connect ten thousand post offices that provide such service;
- v operational terminal equipment will be commonly adopted in urban branch offices and gradually this equipment will form a network.

"Apart from the hardware development mentioned above, software reform will also be undertaken in terms of service development, operational management, market development, the establishment of operating and sales offices, quality control in the competitive environment and labour management, so that our work will meet the needs created by the growth of the market economy.

"This is the major target of our postal development to the year 2000. We are willing to learn from the experience of other countries in their postal development and constantly improve our work so that we can make our own contributions to the postal community of the world in the course of marching into the 21st century and taking up new challenges."

The representative of KOREA (REP) made the following statement:

"It is difficult to uniformly compare the postal services of all the countries in the world. Each country offers different postal services and degree of centralization and decentralization varies among countries. The degree of postal development in a country can be primarily evaluated by the quality and variety of the postal service in the country. Roles and weight of the postal service in the overall development of the country can also affect evaluation of the degree of postal development of the country.

"It is true that tremendous development of postal service has been realized even under the worsened business conditions and unfavourable environment of intensifying competition by the advancement of the various means of communications. However, the survival of postal service these days depends on how we can successfully overcome the traditional concept of postal service and adapt to the new challenges and opportunities.

"One of the tasks in the international postal service which should be solved urgently is how we can solve the problem associated with imbalanced postal development in all the countries of the world regardless of the differences in the form of postal business. In almost all the developing countries, conditions needed for postal development has not been fully created so far. Therefore, aggressive measures should be taken such as innovation of management and investment, enhancing competitiveness, reorganization of market structure and improvement of the service quality.

"On the other hand, as management system of the postal service in each country is rapidly changing, the direction in which international cooperation can be developed needs to be studied.

"Privatization and increasing participation by the private sector can make a contribution to postal development, although, at the same time, it can pose a serious threat to the universal service of single rate and public interest.

## **"I. Global strategy**

### *"1 Necessity*

"Although persistent efforts have been made to date to solve the imbalance in postal development in all countries, there has been considerable difference between the goal of development and demands by the developing countries, and also a common standard, which can be used internationally to propose a development model, has not been agreed and prepared. Therefore, a new development strategy which contains a distinct mid and long-term goal has become necessary for efficient development of the postal service.

### *"2 Development direction*

#### **"Operating system improvement**

"In order to accomplish the goal for improving the quality of the postal service and satisfy the customer's needs through the new global strategy, the countries concerned need to introduce an efficient operating system, in which organization needs to be activated by improving the operating system and profitability should be secured by developing various services and products.

"National monopoly was justified in the past by the theory of natural monopoly and universal service, but the justification of such theories of monopoly have been diminished these days, as business environment changes. In other words, one of the justifications for government monopoly must be a market failure, which should be substituted by a government for public interest.

"As the national economy grows, the role of government has suffered limitations and resulted in inefficiency. For this reason, many countries allow competition in their postal market.

"However, in order to compete with the private sector, customer-oriented management and marketing strategy are required and, equally, government interference and control should be removed.

"International cooperation enhancement

"In the postal area, traditional cooperation needs to be strengthened and at the same time efforts should be made for international cooperation. International cooperation should be generated so that a competitive postal system is established and developed efficiently. This cooperation will come up with positive results in many phases such as improvement of management, technology development, marketing technique development, product development and business territory expansion.

"New postal profile establishment

"It has been generally understood that the postal service is considered as a public service and contributes to the socio-economic development of a nation. However, there has been lack of recognition of the roles and importance of the postal service as an infrastructure of a nation. Although the importance of postal service as a public service has been generally recognized, there has been lack of concern in matters such as financial independence, efficiency of operations, commercial aspects, etc. Therefore, a new postal profile needs to be proposed, based upon the postal policy generated with considerations on the above-mentioned matters.

"3 *Detailed strategy*

"First of all, an efficient international information system needs to be established. For mutual cooperation, not only exchange of general information but also postal network related with the service will be needed. Especially developed countries should expand the roles in the international postal service and assistance to the developing countries.

"Computerization and mechanization need to be pursued for improvement of the postal service and efficiency of manpower, and development and transfer of technology need to be made to narrow the gaps between the developed and the developing countries.

"A scheme which can maximize the use of the existing postal organization and manpower needs to be sought. Development of new products, greater independence in postal management and commercial affairs and expansion of business territory need to be pursued actively. Joint ventures or cooperation with the private sector or other parties also need to be studied carefully.

## "II. **Korea Post**

"1 *Present situation*

"The primary characteristics of the Korean postal system are that postal services and postal finance and banking services are offered by the same post office under Korean Government without any distinction in terms of organization, personnel and accounting.

"The most important goal of Korea Post to date has been to offer a nationwide universal service in which public interest has been emphasized. Through this goal, the Korean people have been provided with a nationwide single-rate postal service. As public interest has been emphasized without consideration in commercial matters, many problems have been encountered. The most obvious problem is the postage which is much lower than the cost. Average cost coverage ratio for domestic ordinary mail is about 60 percent and that for periodicals is lower than 50 percent.

"As the Korean postal system has been operated by a government department, autonomy of the system has been very limited in terms of organization, personnel affairs, etc and the spirit of ownership has been lacking, and efficient operations by professional managers has not been achieved.

"Due to the problems mentioned above, the Korean postal system is in a difficult position with accumulated financial losses. Accumulated postal losses make it almost impossible to take measures for improving the employment conditions such as supply of the personnel, bonus payment, etc. The morale of employees, therefore, has been depressed and, as a result, quality of service has become low and customer's satisfaction has not been achieved and the overall image of the postal system has been deteriorating.

"The postal service is labour intensive in nature and the labour cost accounts for 70 percent of the total cost. As the labour cost increases, the postal cost continuously increases. In order to minimize the increase of postal costs, mechanization and automation are needed essentially; however, funds for them can be secured with difficulty, and therefore such a plan can not be actively pursued at present time.

## "2 *Development direction*

"In order to establish financial independence and improve the quality of the postal services by minimizing personnel numbers and postal cost and by complete corporatization in 1977, the following policies are planned. The most innovative policy can be considered to be reorganization of the postal classification system and corporatization:

- 2.1 Establishment of the spirit of customer satisfaction
- 2.2 Reformation of the investment policy for reconstruction and expansion of post offices
- 2.3 Construction of mechanized mail centres nationwide
- 2.4 Rational adjustment of the transportation system
- 2.5 Improvement of policy for locating post offices
- 2.6 Activation of postal agencies
- 2.7 Computerization of the postal operations
- 2.8 Expansion of collection and delivery area
- 2.9 Reorganization of the postal classification system
- 2.10 Adjustment of postage to the actual cost
- 2.11 Corporatization of Korea Post.

"3 *Reorganization of the postal classification system*

"Although postal classification to date has been made in four different kinds in accordance with the contents of postal items, customer's complaints have been continuously raised regarding delivery speed and security. In order to meet customer's needs, the postal classification system is planned to be reorganized from 1 October 1994 after preparation for two years and all the related rules and regulations are to be changed. The new classification system introduces priority and non-priority mail systems.

"4 *Corporatization of Korea Post*

"The necessity of corporatization of the postal system has been continuously raised due to the problems mentioned above and finally the decision has been made to implement corporatization of the postal system in 1997. The necessity of corporatization has been emphasized due to not only internal but also external reasons.

"Ultimately, privatization of the postal system is most desirable. However, at the present time, various obstacles can be anticipated on the way to privatization and therefore corporatization is considered as the most desirable alternative which can be a preliminary stage to privatization.

**"III. Conclusion**

"Postal development under the ever-changing environment will become possible like any other business only when interference and control by the government or the regulatory body are minimized. Improvement in the postal services can be achieved by making clear the official duties and responsibilities and at the same time strengthening the autonomy and authorities.

"Although there can be some differences in each country, computerization and mechanization of the postal system and also better organization of the postal network are needed to lower labour costs in labour-intensive postal operations and to improve productivity. Common development of new postal services is required to cope with private couriers.

"Private couriers need to be included in the existing postal territory. The relations with private couriers can be competitive or cooperative; in either case they need to be included in the postal market and their capability should be utilized to the maximum.

"To attain significant postal development, common understanding of postal problems and cooperation for mutual interests are needed more than ever among the government, regulators and public operators, private couriers and customers."

The representative of HUNGARY (REP) said that, as was evident in the introduction of the detailed outline of the paper on the sub-theme "Global strategy and postal development", the Post had to introduce structures capable of meeting the challenges presented by the competition. It was in that context that he wished to tell the assembly as concisely as possible about the events and circumstances leading to the transformation of the Hungarian Post into a public

limited company, mentioning in particular the provisions of his country's new law regarding the Post, which determined the legal environment for postal activities in Hungary (Rep).

During the period 1988–1989, the trends that it had already been possible earlier to discern in the posts and telecommunications organizations of Western European countries following the spectacular development of telecommunication technologies had also been making headway in his own country. On both the professional and political levels, increasingly urgent needs had emerged regarding the separation of the "classical" postal services from the telecommunications services. That separation appeared to be justified in particular by the differences between the technical, economic and commercial characteristics of the operating mechanisms of the two sectors.

In the meantime, fundamental changes had taken place in the structure and jurisdiction of the Hungarian PTT through the gradual transfer of administrative and regulatory functions to the Ministry of Transport, Communications and Construction, now the Ministry of Transport, Communications and Water Management.

On the basis of that separation of posts and telecommunications, the Hungarian PTT, on 1 January 1990, was transformed into three enterprises, each managed independently. Postal activities were assigned to the Hungarian Post Corporation, which operated under the administrative control of the Ministry up to 31 December 1993.

The new law regarding the Post, which took effect on 1 July 1993, had ushered in a new era in the development of the Hungarian Post, particularly by its new provisions concerning the conditions, and the relevant rights and obligations, regarding the conduct of postal activities. The new law abolished most of the postal monopoly. The only exceptions involved postage stamps (particularly their issue, circulation and withdrawal from circulation) and the international service for the exchange of postal items.

The law's provisions also made it possible, under certain conditions and on the basis of contracts, for basic services such as the posting, conveyance and delivery of letter-post items and money orders to be provided by operators other than the public postal operator.

A new component introduced by the new law also enabled the public operator to use an individual or an intermediary organization, which could be a postal agency or other such intermediary, to ensure the execution of its tasks.

The elimination of the monopoly and the other changes just mentioned had brought about increased competition in the postal sector and, in order to remain viable in the market, the Hungarian Post had decided to alter and modernize its structure and operation.

Because Hungarian legislation had also provided for the transformation of the Hungarian Postal Corporation into a profitable enterprise, and in view of the mission of the Post and the size of its operation, the only possible solution was to become a public limited company.

The founder of Hungarian Post PLC, created on 1 January 1994, was the Minister. It was he who had approved the foundation charter and had appointed the senior management and the members of the oversight committee, and who now exercised the rights of ownership.

The transformation into a public limited company had made it possible to detach certain services and have them operate within the framework of independent profitable enterprises. In an effort to take advantage of that possibility, limited companies had been set up for vehicle repair operations and public limited companies had been created for the sale of newspapers.

Nevertheless, the principal objective of Hungarian Post PLC was still to retain all profitable activities, while taking into account the constraints of the public service as regards the basic services that it had to continue to provide.

In order to meet the requirements of the external economic and legal environment, preparatory studies were currently under way with a view to establishing a commercial-type postal organization. That would include introducing a system in which the various branches of activity shared in the turnover realized, reorganizing those branches into divisions and establishing a network of product managers. Its first phase was the creation of a management system for EMS, to be followed by other products after a detailed analysis of the various branches of service.

Over the last few years, a dramatic increase in traffic had been recorded in practically every service field and, according to the forecasts, that trend would continue. Concurrent with volume increases was an increase in quality requirements as well. Customers expected increasingly shorter transmission times and increasingly reliable service with regard to mail circulation and delivery.

As public operator, Hungarian Post PLC was doing everything it could:

- to keep and expand its market share by implementing a market-driven strategy;
- to realize a profit in all of its branches of service;
- to promote a business attitude based on the customer.

The process of developing the structure of Hungarian Post PLC required a great deal of energy at all levels. At the same time, care had to be taken to ensure that transition periods were as short as possible, bearing in mind that even during the time spent optimizing the organization, quality services had to be provided and services had to be developed under new market conditions in order to guarantee the company's economic viability.

The representative of PORTUGAL first of all thanked Australia and Chile for their excellent presentations, which dealt with a topic of particular importance for the Post's activity.

Because of the increasing competitiveness of the market and the increasing demands of the industrial and commercial fabric, the postal sector had to consider defining medium- and long-term strategies that would enable it to keep its privileged operational position in the market.

While not forgetting its public service mission and the extremely important social role it played, the Post would have to have its management become more like that of a commercial enterprise.

It was still clear that the rapid technological development of the communications sector represented a serious threat to the Post even though it made enormous efforts possible, especially in the areas of commercialization and marketing.

The Portuguese Post was an interesting example in that regard: it had found a fairly worthwhile solution in the diversification and conversion of its services, which had led to the growth and development of postal activity and had enabled it to obtain very positive results.

It had focussed its greatest efforts on the transmission of advertising material and financial documents (account statements, invoices and receipts) by creating several types of services tailored to the characteristics of a market that was increasingly specialized and segmented.

His delegation was convinced that the Post had to take that direction and pay particular attention to market research so as to be able to anticipate the needs of its customers.

The Portuguese Post had also turned to good account a few innovative ideas that had enabled it to make better use of its postal counters and delivery network. In the busiest sectors, solutions had been found for increasing productivity and the cost-effectiveness of the enormous human and material resources available.

Contracts had been concluded with insurance companies and banks aimed at providing financial services of interest to the public in general and to businesses in particular.

In other areas, particularly that of consumer services, worthwhile solutions had been tested as part of a diversification and reconversion strategy, which was recommended in the current economic and social context. That strategy consisted in creating new services and in relaxing internal regulations. It also enabled the Post to opt for a more aggressive and business-oriented rates policy and to invest in the training and monitoring of staff that dealt with the public.

Nor could one overlook the efforts being made to improve the appeal of the international services, which were now based on speed of service and divided into several categories according to quality and price.

The representative of INDONESIA made the following statement:

"First of all, our delegation would like to express its appreciation to the discussion leader, Mr Graeme John, Managing Director of Australia Post, and the joint discussion leader, Mr Felmer Klenner from Chile, for their clear presentation on the approach for developing global strategic planning in a competitive environment.

"Our administration is of the opinion that the development of a global postal strategy should be based on both the universal service obligation and a commercial approach.

"We believe that the global postal strategy will be successfully implemented if it is accepted by all administrations and implemented harmoniously worldwide.

"Worldwide implementation is needed because the postal service is an end-to-end service requiring the cooperation of other postal administrations. It is a network of individual postal enterprises. There is a need for close cooperation

between postal administrations or postal enterprises, as has been demonstrated in the past, in the development of the Post\*Net and its EDI applications, such as the tracking and tracing of EMS items.

"The global postal strategy to be developed should include, among other things, cooperation or partnerships between postal administrations modelled on the development of Post\*Net. Postal administrations of developed countries, in this case Japan, Australia and the United States of America, provide moderate financial contributions – for its part, the administration of Germany has contributed software – and the result has been the development of a network benefiting everyone and enhancing the competitiveness of the postal services, particularly EMS.

"The existence of the global postal telecommunications network, or Post\*Net, will make possible the development of other services, such as:

- UPU electronic financial services which will be more efficient, fast and competitive;
- international hybrid mail, similar to e-POST, which was developed by the European postal administrations and is currently being implemented in France, Germany, Norway, Denmark and Sweden.

"For your information, the Indonesian postal administration is currently planning the implementation of domestic hybrid mail, which in the near future can be linked to international hybrid mail. For this purpose, we will need a UPU standard in order to make interconnections possible between the various systems.

"Other forms of cooperation or partnerships could be developed as part of the global postal strategy in other fields such as global or regional marketing and the improvement of quality of service. The implementation of this strategy will create global or regional centres managed by professionals and intended to supervise global or regional development, as is currently being considered in the Asia-Pacific postal region. This strategy has also been mentioned by Mr Graeme John, discussion leader, and we are in full agreement with him on this point.

"Finally, Mr Chairman, I hope that our suggestions or contribution will be of use in assessing the results of this debate."

The representative of SENEGAL said he wished to stress the particular case of developing countries that did not have the material, human or financial resources needed to achieve their objectives regarding quality of service and network modernization.

Those countries, more than ever, needed to derive the maximum benefit from the synergies created in the postal administrations of developed countries.

Still in regard to the overall objective of postal development, it therefore seemed essential to him that bilateral cooperation as well as multilateral cooperation within the UPU be further strengthened.

Senegal had already begun the strategic planning process with the recent adoption of a postal development plan for 1994–1998. That plan established quality of service objectives in particular, as well as global and sectoral objectives, and specified the resources needed to implement yearly action plans.

Combined with that planning effort was a structural reform of the Senegal Post Office, which would be transformed as of 1 January 1995 into a public corporation in order to provide the management flexibility it needed to deal with the competition more effectively.

The representative of BURKINA FASO congratulated the discussion leaders on their excellent presentations, which served as a basis for reflection and worthwhile discussion on a theme so crucial to the survival of postal administrations.

He and his delegation wished to further emphasize a point that, although raised earlier, had to be viewed as an ongoing concern, namely, the situation of developing countries in the current drafting of the Strategic Plan.

It was obvious that the growing competition was affecting all administrations, even those that believed they were protected by institutional legal provisions that had made them virtual monopolies.

It was also evident that, because the resistance they put up was still so weak, most administrations, particularly those of developing countries, seemed to be paralyzed when confronted with the extent of the phenomenon and the serious threat it posed, a condition resulting either from their legal status or from psychological conditions associated with a lack of preparation and with difficulties in adapting to a rapidly changing environment, when they did not simply become powerless in the face of the resources developed by competitors.

Those countries remained the weak link in the struggle to fight off such attacks of all kinds.

In order to achieve maximum success in dealing with the competition, international cooperation and solidarity as well as substantial support to those countries were considered to be essential, for while it was true that the competition was being countered with greater success in the developed countries, it found, in the developing countries, an ideal base from which to attack the international postal service, thereby undermining its cohesion and effectiveness.

He felt that unless the strategy of the Post took account of that concern, the results of the efforts now being made by developed countries risked being diminished.

General summing up  
by the discussion  
leaders

The DISCUSSION LEADER for sub-theme No 1 "The structures of the UPU on the eve of the 21st century" said that he did not want to repeat the summary he had already made following the discussion of that sub-theme, but merely to take note of a number of points which had been discussed thereunder and which had then been raised again in the discussions on the other sub-themes.

First, a lot had been said about the dynamic nature of the environment in which today's Post was operating, the impact of technology on the communications sector, the impact of competition and the intrusion of market demands on postal administration activities.

Second, given the impact of the market on postal administrations, it was necessary for them to find a legal status and work methods which would enable them to work more commercially and independently, improve their management techniques and have the necessary management and financial independence to be able to respond to customer demands in an increasingly commercial environment.

Third, the impact of the new environment on the UPU had also been frequently mentioned. It appeared that there was vigorous support for the proposal to reform the UPU as submitted by the Executive Council. The need was also stressed for the Union to continue to monitor and study developments as well as the impact on it of technologies and the competition. The UPU should continue its reform efforts and keep a close eye on the development of postal administrations which were becoming more and more independent, if not privatized. That was important for administrations' ability to work together to uphold a global network.

The DISCUSSION LEADER for sub-theme No 2 "The dichotomy of 'universal postal services' and 'a commercial approach'" spoke as follows:

### **1 Maintaining or not maintaining the public service**

First, the analysis showed converging views, namely that there was no contradiction or antagonism, to adopt the term used by France, between the public service and a commercial approach. However, as India had emphasized, it was necessary to strike a balance, a kind of "give and take", between social objectives and commercial imperatives.

Maintaining the public service was justified by the fact that it alone was able to give a truly satisfactory response to providing an entire country with high-quality postal services. The fundamental question, as many countries had pointed out, was to guarantee the financing of the public service.

Otherwise, when, to encourage competition, the entire postal market was fully opened up, there was a risk that private couriers would make a profit in urban areas while postal services were confined to rural areas and mainly operated at a loss.

It was generally acknowledged that the traditional way of organizing the Post was going through a crisis and did not allow an effective response to the cream-skimming of the market by private couriers. On the other hand, Japan's example showed how maintaining a certain monopoly was not incompatible with the commercial approach. Thus, there was a wish for gradual liberalization, which should not be one-way only. A framework had to be defined to enable postal services to fight with the same weapons as private operators so as to be able to ensure their prosperity and meet their social obligations. The key to success lay in putting into effect the principle of "as much public service as necessary, as much competition as possible".

## **2 State-Post relations**

It was a question of redefining the public service mandate in line with national needs and redrawing the boundaries of the competitive sector. The definition of those areas was undoubtedly changing, but any increase in the competitive sector should satisfy the following criteria:

- existence of a market;
- functioning of genuine competition;
- improvement of the price/quality ratio.

As had already been said on several occasions during the Debate, postal services needed reinforced independence to cope with the new challenges, particularly as regards pricing, financial capability, staff policy and strategic alliances.

To enable postal services to continue their activities and regardless of their status, the following financial problems would have to be solved:

- the financing of general-interest services;
- the definition of the scope of the reserved services "covering" the financial needs of the public service;
- the granting of a solid financial basis.

It did not seem possible to rehabilitate finances by rationalization measures alone, nor desirable to do so by increasing charges. New sources of revenue had to be found. To do so, postal services should have entrepreneurial freedom. In the interests of the mission assigned to them, postal services must also have at their disposal the resources to conclude the national and international strategic alliances necessary for their survival on a fast-changing market.

## **3 Management structures**

A transition had to be made from a supply strategy to a demand strategy. Moreover, the Post should become a supplier of global services in order to better respond to the needs of customers, more and more of whom were increasingly eager to deal with a single service provider. The Post had to invest in innovation, and to do so, a corporate culture had to be promoted. Even the most highly automated postal service would not be efficient unless its staff was motivated. Its manpower was still its main asset. Money should be invested in training.

## **4 Implementation of reforms**

The Post had to reinvent itself within the framework of the Universal Postal Union. It was essential for the UPU to quickly adopt an efficient structure in order to deal with its true mission of promoting a worldwide postal network. In the age of economic globalization, that task was more topical than ever. The UPU should promote development and postal innovation without, however, forgetting to further the cooperation needed to reduce the development gap between postal services and thus strengthen the weakest links in the chain.

The commercial approach with respect for the public service which had been outlined, though it laid no claim to universality, should make it possible to reconcile a concern for profitability with the need for social cohesion.

As he had done the previous day, the speaker concluded by saying that customers should be able to say in the future that even if they had the choice, they would still choose the Post.

The DISCUSSION LEADER for sub-theme No 3 "Total quality in a competitive environment" summed up as follows:

"Sub-theme No 3 focussed its discussion on the improvement of service quality of international and domestic postal services.

"I will not repeat what I presented in my paper. I will try to summarize here major points brought forward by delegates.

"There were no differences of opinion on the following points:

- the rapid changes in the environment surrounding the postal services are under way in the international and domestic arenas;
- the improvement of service quality is imperative for the survival of the postal service under severe competition.

"No postal operator can survive without providing high quality services. This is applicable to all postal service providers regardless of their legal status: government-controlled, corporatized or privatized operators.

"In many countries, the 'Customer First' policy has been accepted and applied.

"The unanimously supported concept is that the public postal operators' ultimate objective should be to provide services of the same or better level as provided by private operators.

"The keyword here is to satisfy customer needs by improving service quality.

"Principal points of major aspects regarding the improvement of service quality can be summarized as follows:

"*First*, a 'good service' can be interpreted in terms of the following points:

- speedy delivery;
- predictable transmission time;
- security;
- cheap or affordable rates;
- quick response in the case of irregularities;
- easy access;
- convenience;

"High quality service and reasonable rates are the keywords here.

"*Second*, the prerequisite step for the improvement of service quality is a good knowledge of the market from the following viewpoints:

- customer needs;
- customer satisfaction;

- performance of competitors;
- overall state of the market.

"*Third*, many delegates urged the necessity of grasping, analyzing and reflecting the real state of our service quality.

"For this, permanent or continuous and periodical monitoring of the service should be undertaken, specially on the end-to-end transmission speed or on various aspects or segments of our service performance.

"Several delegates stated that their administrations have introduced standardized methods for data gathering and evaluation (ISO 4002, etc).

"An objective analysis of our performance is essential here.

"Along with these measures, the use of the management information system and international data exchange through an electronic data exchange network will become imperative.

"In addition to these matters, some delegates pointed out that financial and management autonomy should be given to the public postal operators for easier and more rapid improvement of service quality.

"One delegate pointed out the necessity of better utilizing the extensive national and international networks which cover every corner of a nation or the world.

"*Fourth*, specific measures for the improvement of service quality can be enumerated as follows.

"In many countries, a specific strategic plan or an action plan is set up. This practice should be extended to other countries through the support of the UPU.

"The management technique for enterprises is also effective for this purpose.

"Integrated and harmonized efforts in the following fields should be made in each administration or collectively under the UPU or under a Restricted Union:

- sound knowledge of the market;
- monitoring mail traffic;
- streamlining mail circulation;
- setting postal service standards;
- improvement of the national postal network;
- improvement of overall postal security;
- expansion of postal products, etc.

"In the international field, it is imperative to set up or develop a homogeneous and harmonized network to cover the whole world.

"In all these aspects, active involvement by or strong leadership from the UPU and Restricted Unions will be indispensable.

"*Fifth*, specific means for the improvement of service quality could be summarized as follows:

- improvement and expansion of existing postal facilities and equipment;
- streamlining management;
- application of electronic data exchange technologies (EDI);
- human resource development.

"*Sixth*, human resource development or the mobilization of human resources can be enhanced in the following ways:

- training at an international, regional or national training centre, and the grant of fellowships;
- on-the-job training;
- in the future, probably, training by a distance learning system.

"Another very effective measure is 'Total Quality Management' (TQM).

"By TQM, the employee's commitment to the enterprise will be significantly strengthened.

"Some delegates suggested the introduction of staff motivation or incentive measures such as the award system or the payment of a bonus to high performance employees or post offices.

"*Seventh*, the possible application of TQM to the international postal services should be examined.

"The UPU could help developing countries to introduce TQM in their national network. This can be done through a technical cooperation project.

"The unified international network can be maintained by expanding and upgrading service quality. In this regard, it will be necessary to set service standards for the international postal service. Here, also, very strong initiatives should be taken by the UPU."

The DISCUSSION LEADER for sub-theme No 4 "Global strategy and postal development" summed up as follows:

"We all accept that the postal industry is confronted by a world of change:

- changes in structure;
- changes in the world of communications;
- changing customer needs.

"We cannot afford to ignore these changes, but must embrace them and through them, stimulate change throughout the postal industry. We must view the changing marketplace as an opportunity, rather than as a threat.

"The Seoul Strategy Plan must be our blueprint for effecting these changes over the next five years, in our preparations for the 21st century.

"Governments will need to take on board the discussions at our Congress and seek to provide the framework in which the postal industry can better meet customer needs.

"This will mean that, as we restructure our Union, greater autonomy for public postal service providers must be accompanied by appropriate accountability measures for both shareholders and customers.

"Postal enterprises must also be ready to accept changes:

- by improving and monitoring quality of service – our services must be reliable with easily understood standards;
- by correcting deficiencies in services;
- by seeking opportunities to provide common branding and seamless international services.

"Such changes will require that steps are taken within postal enterprises to address staff training and to prepare the industry culture for the new environment.

"Mr Felmer, my co-presenter from Chile, referred to technical cooperation and the need for international project cooperation and evaluation. Experiences should be shared – through them the industry can go forward in view of the differences between developing and developed countries.

"Norway agreed the need to provide hybrid services in an effort to open up new markets and increase revenue streams. The competitive advantage of the unique postal network was mentioned and the need for hybrid services is proposed within our future strategy.

"Great Britain highlighted the dramatic changes in the communications industry and proposed the need for prompt action on reform and in correcting our less-than-acceptable performance. We must change to avoid crisis – we must seize the opportunity to advance rather than continue to fall behind.

"Bangladesh mentioned that the need for change is urgent. Transfer of technology between developed and developing countries is essential to meet the demands of the global network if we are to meet effectively customer needs.

"Mongolia also spoke of the need for the exchange of experiences and knowledge to assist the development of postal services. The UPU's role in this endeavour is acknowledged.

"New Zealand indicated that it holds no fears of a more competitive environment. It believes that high quality, cost-effective service will be the key to future postal industry successes.

"China (People's Rep) shared its developments in the postal industry with us. Major steps are being taken to meet the needs of the new market economy and it has embarked on an exciting journey of progress.

"Korea (Rep) endorsed the need for an international data network and the exchange of ideas and experiences to advance the postal industry.

"Hungary (Rep) explained its process of change and the increasing demands of customers. The new postal structure required new energies and a managed transition process.

"Portugal proposed the need for development of new services in specialized market niches, including financial and agency services.

"Indonesia believes in the need for global implementation of the Seoul Strategy. UPU-coordinated financial and hybrid services are envisaged.

"Senegal looks to advice and cooperation for developing posts. It reports excellent progress in strategic planning and signals future privatization plans.

"Finally, as Great Britain said, 'Change is here to stay'. Let's not fear it, let's shake hands with it and together improve our existing services and exploit the opportunities for new and seamless global services.

"Here I suggest you refer to the four key conclusions of Australia's paper as the means to achieve this:

- by adopting a more cooperative approach;
- by the acceleration of end-to-end linkages;
- by adopting common branding of services;
- by placing over-riding emphasis on quality service and world-best practice."

Conclusions and  
closure by the  
Chairman of  
Congress

"Delegates,  
Observers,  
Guests,  
Ladies and Gentlemen,

"I shall make my remarks as brief as possible – as I have been urging you all to do throughout this Debate! However, I am afraid that I will not be able to keep to the five-minute limit: that is the Chairman's privilege. I thank you all for your cooperation in keeping your remarks brief and to the point. However, the record number of member countries which have participated in our discussions on all topics has meant that our programme for this afternoon has had to be considerably modified. I do not think that this has posed us any real problems. I have been very encouraged and gratified by the very active way in which you have all participated in the Debate.

"I am sure that it is far better that you should have had maximum opportunity to express your views on these important subjects than for me to stick rigidly to our original timetable.

"It had been my intention to present to you in some detail a first draft of the *Seoul Postal Strategy (SPS)*. In view of time constraints I shall, however, content myself with a general outline of the SPS. I shall precede this with a brief explanation of the link between the SPS and the UPU Strategic Plan contained in Congress – Doc 74. I have, however, asked the Secretariat to let you all have the full text of the draft SPS as soon as possible. This will give you the opportunity to examine the proposed SPS in some detail, to check that it takes account of the many excellent suggestions and action points put forward in our debates,

and to propose amendments and additions in writing to the Secretariat. The General Debate team and I will then be able to prepare the final version of Congress – Doc 87 for submission to the Plenary at one of our final sessions.

"First, I may perhaps deal with the relationship of the SPS to the Strategic Plan. Some of you may have wondered why we propose to adopt a Seoul Postal Strategy in addition to a UPU Strategic Plan.

"I can, however, dispel any fears that you may have concerning overlap or duplication of effort. Essentially, the SPS is intended to be a signpost towards the future for the *member countries* of the Union, their *governments* and *postal administrations*, and also for the *Restricted Unions*, which play a coordinating role in fostering regional initiatives and activities.

"The UPU Strategic Plan (which will be presented in Congress – Doc 74) concerns itself exclusively with the future programmes, projects and activities of the *bodies of the Union*, namely the *Council of Administration*, *Postal Operations Council* and the *International Bureau*.

"There is of course a high degree of complementarity between the SPS and the Strategic Plan. The Strategic Plan deals – in large measure – with programmes intended to support member countries in achieving the objectives of the SPS, and in implementing its actions. It will hopefully form the basis of a programme-budget system which will allow the Union's bodies to effectively implement these strategic programmes.

"I hope that my remarks have clarified the distinction between the SPS and the UPU Strategic Plan for the bodies of the Union, and the close links between these two blueprints for our collective future.

#### *"Seoul Postal Strategy*

"I will turn now to the content of the SPS. As I said in my opening remarks, it is my intention that it should be firmly based on the Washington General Action Plan (WGAP). The Director-General described the WGAP as the UPU's first Strategic Plan. It is therefore an excellent foundation for our work. We should also recall that both the EC and the CCPS in considering the final report on the implementation of the WGAP expressed the firm opinion that all the objectives and actions of the Plan which remained valid should be carried forward into any future strategic plans for the UPU and its member countries.

"It is our task – as I said at the opening of our debate – to build upon this foundation, to develop and improve upon it, and to ensure that we take account of changes in our environment since the Washington Congress. We also need to look ahead and try to anticipate the ways in which our environment will change during the next five years, identify the developments which will affect us and our market, and be prepared to adapt our strategy to cope with continuous change. As Mr Cockburn said in his remarks on the last topic, 'Change is here to stay'. Of that, at least, we can be sure.

"I have said that you will soon receive a detailed first draft of the SPS for study. I will therefore limit myself this afternoon to an outline of the shape which I – and the members of the General Debate team – see the SPS taking.

"We will group our objectives and actions into the following four major groups or categories:

- A. Customer needs and commercial strategies
- B. Quality of service and improvement of operations
- C. Management independence and postal development
- D. Human resources.

"Our overall objectives under these headings will be:

"A. *Customer needs and commercial strategies*

"A1 Ensure a better knowledge of the various components of the market.

"A2 Prepare and implement, on the basis of market research, customer-oriented commercial strategies founded, as far as major clients are concerned, on a partnership relationship.

"A3 Adopt a services and rates policy that is suited to customer needs and takes account of market conditions.

"A4 Adapt the structural and functional organization to market requirements: restructuring, reorganizing and improving services and their functioning as a means of increasing the capability of the enterprise to care for its customers.

"A5 Implement commercial customer relations programmes based on the best existing practices.

"B. *Quality of service and improvement of operations*

"B1 Improve the quality of products and services by the adoption of an integrated total quality management system.

"B2 Adopt security-related policies and standards at all stages of postal activity.

"B3 Expedite customs clearance of items.

"B4 Make use of new technology (telematics and EDI in particular) aimed at ensuring the interconnection and performance of the international postal network.

"C. *Management independence and postal development*

"C1 Secure the administrative and financial management independence needed by the Post to support a commercial type of management and to deal effectively with the competition.

"C2 Relax and adapt the monopoly and national regulations.

"C3 Prepare and implement common strategies at regional level.

"C4 Participate within the UPU in the various postal development activities in the technical cooperation field in order to improve the performance and competitive position of the world postal network.

"D. *Human resources*

"D1 Emphasize human resource development.

"D2 Adapt training, to the commercial function of the Post and to new management techniques, among other things.

"D3 Adopt a management approach that makes the most of team work.

"D4 Strengthen employee commitment to the enterprise by adopting a consistent policy of internal communication.

"We have developed a series of actions to support these objectives and these will figure in the draft document you will receive.

"I count upon your interest, imagination and experience to put more flesh on these bones: to suggest to us any new objectives which seem appropriate as strategic goals for member countries; and to propose actions which will contribute to the implementation of the objectives.

"I must thank you all for the excellent way in which you have contributed to this General Debate. I have been particularly pleased that my words of warning about avoiding partisan attitudes were unnecessary.

"Throughout the Debate I believe that speakers have shown a strong spirit of solidarity, an understanding of others' problems and circumstances, and a wish to cooperate wholeheartedly with the aim of serving our customers better.

"As Chairman of Congress, I hope that this spirit of cooperation and understanding of others' circumstances and interests will be carried forward into our discussion of other controversial topics which are scheduled for discussion by Committees and the Plenary.

"I would also like to thank – on your behalf – all the members of the General Debate team – the discussion leaders and the International Bureau Secretariat members – for their excellent and untiring efforts in preparing and conducting the Debate.

"Also, on your behalf, I must thank the interpreters for their patience and their excellent work.

"As Chairman of the General Debate, may I again thank you for your contributions to this General Debate. I look forward with confidence to your continued cooperation in helping us to build a Seoul Postal Strategy of which we may all be justifiably proud, and which will contribute significantly to our common goals of

providing a range of international – and national – postal services which fully meet the needs of our customers. This is the only effective way in which we can ensure our future as we move towards the 21st century.

"Delegates,  
Ladies and Gentlemen,

"I thank you, and declare this General Debate closed."

The meeting rose at 5.40 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

M N Harding  
Secretary of the General Debate

**Eighth meeting of Congress**

Friday, 2 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.30 am.

Communications

The DOYEN of Congress, speaking in that capacity and on behalf of all participants, thanked several delegations for the receptions they had given in the past few days. He started by thanking Canada for the warm welcome it had extended on the occasion of a luncheon. The German evening had been a success, even if the weather had not cooperated. He also thanked the Japanese delegation for the remarkable reception they had given at the Intercontinental Hotel, where all had been able to admire an amazing artificial Japanese garden, and the Indian delegation whose reception had provided an opportunity to enjoy lotus blossoms and Shehnai Indian music. He then thanked France for its reception at the Intercontinental Hotel, which had taken place in a genuinely French atmosphere, as well as China (People's Rep) for its reception at the Lotte World Hotel which had been attended by a great many people, an indication of the delegates' keen interest in the prospective host country of the next Congress. He also thanked all those who had issued luncheon invitations, and finally he thanked the host country of Congress for the excursions to the Olympic Park, the Korean Folk Village and the EXPO Science Park, which had been organized for the delegates. Those excursions had given them an opportunity to become better acquainted with the Korean culture and people. They had been able to listen to centuries-old music played on period instruments and to appreciate the dancing that was an integral part of that culture.

The CHAIRMAN said that the 21st Congress was already at the half-way point and it had been extremely gratifying during the past week to observe a spirit of cooperation and compromise that had allowed them to solve a substantial number of vital issues. Committees 3 and 4, however, were behind in their work in relation to the timetable, and this was why Committee 3 would be holding an additional meeting that afternoon in lieu of the second half of the plenary meeting. Moreover, the Committee 4 meeting, scheduled for Monday, 5 September 1994, would begin at 8.30 am instead of 9.30 am.

Oral report by  
Committee 1  
(Credentials)

The CHAIRMAN OF COMMITTEE 1, speaking in that capacity, reported that his Committee had held two meetings and that it had completed its work. It had prepared a draft report to which was attached a list of the delegations authorized to vote or to sign the Acts. That list would be submitted to the

plenary meeting of 6 September 1994. For the time being, the situation concerning credentials was as follows for the 157 member countries of the UPU represented at Congress:

- 148 delegations were authorized to vote;
- nine countries had not yet presented their credentials; they had been contacted by the Secretariat so that their situation could be regularized;
- there were six proxies.

According to article 3, paragraph 3, of the Rules of Procedure of Congresses, delegations that had not deposited their credentials would no longer be empowered to vote from the time Congress approved the last Committee 1 report. For that reason, he urgently appealed to the countries concerned to present their credentials before the morning of 6 September, failing which they would no longer have the right to vote.

#### Agenda

The agenda (Congress – Doc 4/Rev 1) was adopted.

Congress –  
Doc 4/Rev 1

Approval of the  
minutes of the  
plenary meetings

The CHAIRMAN said that, in accordance with article 23, paragraph 4, of the Rules of Procedure of Congresses, delegations were allowed 24 hours from the moment when the draft minutes were distributed in which to make their comments. For that reason, consideration of PVs 1, 2 and 3 was postponed to Tuesday, 6 September 1994.

Comprehensive  
report on the work of  
the Executive  
Council 1989–1994

The CHAIRMAN OF THE EXECUTIVE COUNCIL made the following statement:

"It is my pleasure to present to this Congress the report on the work of the Executive Council from 1989 to 1994.

Congress – Doc 16

"You all have before you Congress – Doc 16, which contains a detailed description of the activities and accomplishments of the Executive Council over the past five years. As you have seen in your review of this document, the work of this EC covered an unusually wide range of issues.

"It is not my intention to review this report point by point, or enter into details about the EC's work on technical questions.

"In this summary, I would rather draw your attention to the major issues emerging from the work of the EC that have become *urgent* priorities for our Union.

"At the EC's first session in 1990, we set our course by adopting a five-point plan of action. These were (1) improving quality of service, (2) expanding postal business, (3) promoting international cooperation, (4) enhancing the UPU's effectiveness and (5) increasing resources for UPU activities.

"In the past four years, we made considerable progress in fulfilling this plan. But in the process, *the plan itself changed*. Because our environment is evolving so rapidly, and because the pressures from new technology, increasing competition, and privatization continue to bear down harder upon us, we have been forced to adjust our priorities. By necessity, and by design, we have made the EC a more *flexible* body.

"Let us review what these priority areas are, and how far we have progressed in each.

"First is the restructuring of the Union. The EC's work on reform of the UPU – formally known as Working Party 3/3's 'Management of the work of the Union' – may best demonstrate the *new adaptability* of our EC. Our work on restructuring began as a relatively narrow study of the working methods of the International Bureau. It quickly expanded into a comprehensive re-examination of the goals, structure and working methods of *all* bodies of the Union. This is a daunting task, and the work done thus far is by no means final. In Committee 3 of this Congress, we will have an opportunity to debate the EC proposals arising from Working Party 3/3. Essentially, these proposals as you know would create two new Councils – the Council of Administration and the Postal Operations Council – to replace the EC and CCPS. The responsibilities of these new bodies would be realigned to reflect the new environment in which we operate. Under the proposals, Congress would concentrate on setting the Union's broad policies, while the structure of the International Bureau would be reorganized to bring it into line with the functions of the new Councils.

"The EC proposals on restructuring also include the use of strategic planning and programme budgeting in setting the goals of the Union and in fixing budget priorities.

"The next major priority is expanding the use of Electronic Data Interchange, or EDI, in the exchange of international mail. Our impressive accomplishments in this field are due mainly to the Electronic Transmissions Standards Group. Since its formation, the focus of the ETSG has shifted from approving bar-code standards to undertaking *a wide range of EDI activities*. As a result, we now have sensible procedures for adopting standards for bar codes and messages; user requirements for postal networks, external interface with airlines and Customs; and an EDI Unit at the International Bureau. This unit is responsible for developing and managing POST\*Net, the UPU's EDI network. POST\*Net will grow rapidly over the next few years, and I anticipate that most administrations will connect to it before the next Congress.

"Technical cooperation was also one of our major priorities during the EC of the last five years. Since the Washington Congress, we have expanded technical cooperation programmes, and have given them a more commercially-oriented, business-like focus. But we've gone beyond our traditional approach to technical cooperation by pursuing *postal development*. Through the creation of the Postal Development Action Group, governments have been urged to include the postal sector in their national development plans, and major investors, such as the World Bank, have started funding the transformation of postal administrations into commercial corporations.

"In all our technical cooperation projects, we've been assisted by the Regional Advisers. These officials, whose positions were created by the Washington Congress, have brought the UPU's technical cooperation activities closer to the regions and have proved their worth by gaining additional funding for technical assistance projects.

"We're encouraged to observe that our approach to technical cooperation is already producing useful results.

"Like our work on restructuring, EDI and postal development, shifting forces in the postal environment compelled us to take bold action to defend the interests of UPU member administrations vis-à-vis the private sector. Responding to our own governments, we opened a dialogue with our private sector counterparts by forming the Private Operators-UPU Contact Committee. Since 1992, this Committee has met four times, and we have already found common ground with the couriers in the areas of security and customs clearance.

"The formation of a joint venture between five of our member countries with one of our large multinational competitors also placed challenging issues before us.

"Our first step in confronting this tough challenge was to convene an extraordinary session of the Executive Council – the first such session in UPU history. There we recognized the *right* of these administrations to offer express services to their customers in the manner they consider most appropriate. Those not taking part in this joint venture found alternate suppliers of express delivery services in the five countries concerned through a collective solicitation. Most importantly, we met the issue head-on and found workable solutions that we believe will preserve the solidarity of our Union that we cherish so much and also preserve the EMS network.

"Postal security also received priority attention under this EC through the Postal Security Action Group. We prepared model training materials for regional security courses, produced a series of technical publications on security, and developed close contacts with other international security agencies.

"And, as at previous Congresses, we undertook a thorough study of the complex question of terminal dues, and its corollary issue of remailing. Terminal dues is never an easy subject for the UPU, but we are confident that the EC proposals on these issues represent our best effort in arriving at an equitable, and commercially sensible, solution.

"In the field of finance, we took the initiative to create the UPU Voluntary Fund, which allowed this EC to manage UPU finances in a fiscally responsible manner while still discovering new means of financing critical postal projects.

"This EC can also point to accomplishments in several other fields. These include our study on the Post and the environment; the elimination of certain outdated UPU publications; approval of proposed new computerized editions of the List of Prohibited Articles and the International List of Post Offices; promotion of International Business Reply Service; support for philatelic programmes; rationalization of UPU forms; negotiation of a lower air conveyance rate with IATA; and a series of decisions aimed at improving the clearance of postal items through Customs. In the political arena, we also set the stage for the readmission of the Republic of South Africa to our Union at this Congress. The list of achievements continues, but I will stop here.

"To those member countries that did not have the chance to attend the sessions of the EC, I would like to emphasize that the EC's accomplishments are the result of a collective effort of many individuals, whose work reflected the interests of *all* UPU member countries. Let me therefore express my sincerest appreciation to the members of the Executive Council, and in particular to the Chairmen and Vice-Chairmen of the EC's ten Committees and the various Working Parties. I would also like to thank Director-General Botto de Barros and his

colleagues on the International Bureau staff for their tireless work over the past five years. I am also grateful to the Chairman of the CCPS, Mr Boris Boutenko, for his unfailing cooperation with the EC. I cannot stress enough the value of the contributions of these individuals to the work of the EC.

"So how can we best summarize what we've learned, and what we've accomplished, since the Washington Congress?"

"Before, an EC could set priorities, knowing they would need no modification over the ensuing five years. But times have changed. In just a few years, market pressures have grown so fast we have had to become more adaptable, than any previous EC.

"Our most important lesson is that *change itself* is the only constant in today's postal world. But we have learned that we *can* adapt, that we *can* be more efficient, that we *can* be more effective. And not only have we learned how to *adapt* to change, but we have learned that we can – and in fact we must – *control* change.

"We recognize the differences in the levels of development of the 189 member countries of our Union. But we also have learned that we can create an energetic, adaptable EC that serves the interests of *all* member countries, despite these differences.

"So how should the EC's work be carried forward after this Congress? What suggestions would we make to the new Council of Administration to be led by the very able Mr Kwon?"

"Well, we would urge the Council of Administration to build upon the work we have begun, and to set flexible goals in a few priority areas. We know what our priorities are *now*, but these will undoubtedly evolve and change before our next Congress.

"Finally, we would urge the Council of Administration to draw on *all* the resources of the Union – those of the Postal Operations Council, of the International Bureau and of the member countries themselves. We all must work together to make our postal services competitive in today's marketplace. We must continue, and build upon, the efforts we have begun if we are to successfully meet the challenges awaiting us. Within the EC, we have done our best to contribute to a stronger, more flexible UPU with a membership that is better able to compete in today's communications market."

The representative of BANGLADESH congratulated Mr Leavey, Chairman of the Executive Council, and all the members of the Council for the excellent job they had done over the past five years. During that period, they had all had to deal with competition from the private couriers and with technological developments. But measures had been taken to make the Union more efficient. The fact that Congress had just reached a consensus on a subject as important as terminal dues was a very good sign. Moreover, EDI had achieved remarkable success. He hoped that the activities of the EC would continue in the same direction in future.

The CHAIRMAN thanked Mr Leavey sincerely for having directed and completed the work of the EC over the past five years.

Congress – Doc 16 was adopted.

Comprehensive report on the work of the Consultative Council for Postal Studies 1989–1994

The CHAIRMAN OF THE CONSULTATIVE COUNCIL FOR POSTAL STUDIES elected by the Washington Congress, speaking in that capacity, said that it was an honour and a pleasure for him to submit the Comprehensive report on that body's work for the period 1989–1994, in accordance with article 105, paragraph 3, of the General Regulations.

Congress – Doc 17

As was mentioned in the introductory part of the Report, it reflected the activities of the CCPS during the past five-year period, activities carried out in pursuance of the tasks assigned to that body by the Washington Congress.

Chapter A of the Report provided a short overview of the history of the CCPS, the most important stages in its development and its adaptation to the needs of the world postal community from Congress to Congress.

Chapter B, the longest of the Report, reported on the main results of the activities of the CCPS during the five-year period from 1989 to 1994.

Sub-chapter I contained a list of the 35 member countries of the CCPS elected to that body by the Washington Congress. At its constituent meeting during the Washington Congress, the CCPS had elected the USSR as its Chairman and Canada as its Vice-Chairman. The Russian Federation, the successor to the USSR, as a member of the UPU, had chaired the CCPS since late 1992.

Meanwhile, at its constituent meeting, the CCPS had decided to create seven Committees and had appointed seven countries to chair them, namely:

- Committee 1: "The Post and its Markets" – Chairman: Australia
- Committee 2: "Development of Rapid Services" – Chairman: Denmark
- Committee 3: "Operations and Quality of Service" – Chairman: Belgium
- Committee 4: "Modernization" – Chairman: France
- Committee 5: "Management" – Chairman: Egypt
- Committee 6: "Human Resources" – Chairman: Kenya
- Committee 7: "Postal Development and Washington General Action Plan" – Chairman: India.

The Chairman of the CCPS, its Vice-Chairman and the Chairmen of its seven Committees made up the CCPS Steering Committee. CCPS secretariat functions were handled by the International Bureau. The Director-General and the Deputy Director-General of the International Bureau served respectively as Secretary-General and Assistant Secretary-General of the CCPS.

Brief details of the annual sessions of the CCPS held at Union headquarters in Berne were given in sub-chapter IV, and annexes 1a, 1b and 1c to the Report provided some statistics.

Union member countries had been kept regularly informed of the progress of the work of the CCPS by means of the following publications: the Summary Record, the Resolutions and decisions of the CCPS, and the Documents of the CCPS, which had been sent to them after every session.

By its resolution C 19, the Washington Congress had approved the 1989–1994 work programme of the CCPS, giving the latter the option to make the necessary changes to it in the light of the situation, problems and needs of postal administrations.

Thematically, the CCPS work programme for 1989–1994 was as follows:

- i The conducting, within the framework of the seven CCPS Committees, of 20 main studies, to which had been added the urgent study on "The Post and the environment", carried out in accordance with the 1992 CCPS decision.
- ii The work carried out by the three Joint EC–CCPS Groups:
  - Electronic Transmission Standards Group (ETSG);
  - Postal Security Action Group (PSAG);
  - Postal Development Action Group (PDAG).
- iii Continuation of the work of three Contact Committees:
  - Publishers–UPU;
  - ISO–UPU;
  - ITU–T/CCPS.
- iv Work of the permanent Working Parties:
  - WP 722 "Electronic mail";
  - Joint ISO–UPU Working Party "Addressing";
  - WP A 19 "Multilingual Vocabulary of the International Postal Service".

The CCPS studies carried out from 1989 to 1994 were listed and summarized in the table of paragraph 23. The results of study 714 "Introduction of a range of parcel-post products/services" were described in detail in paragraphs 24 to 28.

He would not go into detail describing the studies conducted by the CCPS and their results, but simply pointed out that they encompassed nearly all important postal activity fields.

Not only 35 CCPS member countries, but also 36 postal administrations that were not Council members, had played an active role in the work done. All of the 17 symposia dealing with 10 CCPS studies had thus brought together many participating countries, demonstrating that the CCPS studies addressed the needs of postal administrations.

The many decisions, recommendations and resolutions of the CCPS and the preparation and publication of manuals and operational guides were another tangible result of the studies carried out.

The CCPS was submitting to the Seoul Congress two draft resolutions regarding future activities in the area of EMS and electronic mail, as well as proposals dealing with amendments and additions to texts of the Convention and the Detailed Regulations on questions involving electronic mail, telematic links, bar codes, conditions for accepting letter-post items and the designation of mails.

As regards relations with the Executive Council, the CCPS, in accordance with the provisions of article 102, paragraph 6.23, and article 106, paragraph 2, of the General Regulations, had prepared annual reports on its activities and its Chairman had submitted those reports to the Executive Council at each session of the latter.

The activities of the three Joint EC-CCPS Groups – in particular those of the Postal Development Action Group (PDAG), the Postal Security Action Group (PSAG) and the Electronic Transmission Standards Group (ETSG) – were being submitted to Congress in specific reports. Brief information on the background to the creation of those groups and on their tasks was given in sub-chapter VII of the Report. In the opinion of the CCPS, the work of the PDAG, PSAG and ETSG had been very productive and rewarding and had produced positive and concrete results.

Paragraphs 35 and 36 of sub-chapter VIII of the Report reflected the functions of the CCPS and its activities in the area of technical cooperation.

CCPS relations with international organizations, described in sub-chapter IX, included relations with the ISO, ITU and publishers.

ISO-UPU relations were tied to the activities of the ISO-UPU Contact Committee and the Joint ISO-UPU "Addressing" Working Party. The work of the Contact Committee and ISO-UPU relations had been generally satisfactory during the five-year period in question. The regular contacts and the reciprocal attendance of representatives at the meetings of the two organizations would make it possible to resolve fairly quickly the issues relating to standardization in several postal research fields.

A good example of the effective cooperation between the ISO and the UPU was the preparation and official publication of international standard ISO 11180 "Postal addressing", which had been published by the ISO Secretariat on 1 March 1993.

ITU-UPU relations were in general tied to the work of the CCITT-CCPS Contact Committee (called "ITU-T/CCPS Contact Committee" as of 1993 following the ITU's reorganization) and WP 722 Working Party "Electronic mail".

Through its work, WP 722 "Electronic mail" had helped to expand, develop and regulate electronic postal services (electronic mail as well as bureaufax and facsimile services).

Despite the constructive relations and cooperation between the ITU and the UPU over the five-year period, the ITU-T/CCPS Contact Committee had never met because neither organization had identified questions requiring discussion in that Committee.

As regards Publisher-UPU relations, which had developed within the framework of the Publishers-UPU Contact Committee, associated with study 713 "Press and publishing", that Committee's two meetings, which had taken place after the Washington Congress, had demonstrated the usefulness of mutual contacts between the UPU and the publishers.

The CCPS felt that the results of the Committee's work could have been more productive had the two organizations been willing to compromise and seek acceptable solutions. The publishers' desire to achieve only their own objectives, however, substantially reduced the effectiveness of the Committee's work.

Sub-chapter X of the Report provided information on the measures taken by the CCPS to improve the presentation of its documentation and the utilization of study findings.

Those measures included revising and abolishing several CCPS publications, and publishing a series of operational binders intended to concentrate, regroup and quickly update information on UPU activities in the various postal fields.

The first series of operational binders had been received by all postal administrations in 1994.

With better utilization of study results as an objective, the CCPS had taken the decision to supplement the operational binders with "operational and follow-up sheets", sent to postal administrations with the results of studies or of other reports containing practical recommendations. Those sheets, duly completed, were to be returned to the International Bureau in order to give it and the CCPS an overview of the practical utilization of study findings.

Also during the five-year period, a great deal of work had been carried out on further improving the Multilingual Vocabulary of the International Postal Service.

In close cooperation with the International Bureau, the CCPS had paid particular attention to considering and analyzing its organization and functioning, and to reforming its work methods to improve the efficiency of its work, the speed of its studies and the quality of their findings.

As regards the results of CCPS activities during the five-year period, preparation of the draft study programme for 1995–1999 should be mentioned. Spelled out in chapter C of the Report were the basic principles that guided the CCPS in preparing its draft study programme. Despite the far-reaching changes within the UPU after Congress which would affect the CCPS, the need would continue for the UPU to conduct studies in the main postal activity fields, regardless of the body that would be responsible for them.

This was why there was a clear need to prepare the priority study programme for the next five-year period.

The draft study programme for 1995–1999 had been submitted to Congress in a separate detailed document. It was not a document containing directives, but was intended for the future UPU research body which would use it itself as it saw fit. In any case, having such a draft study programme would enable the new body to orient itself quickly and begin the required studies in an operational and efficient manner.

Throughout its thirty-seven years of existence, the CCPS had continually adapted to the realities of change. Over that period, it had accumulated considerable work experience and today, on the eve of radical changes within the UPU, the CCPS thought it worthwhile to talk about its achievements and the difficulties it had encountered, not to boast about its successes, but to give the bodies designated to carry out studies some ideas that could prove useful in their work.

One fact that could be considered an achievement was that the studies conducted by the Council had reflected the needs of postal administrations and had contributed to the development and improvement of such new postal services as electronic mail and EMS. The results of the CCPS studies included the many guides, manuals, tables and binders currently in extensive use at the UPU. The brochures of the Collection of Postal Studies, which now numbered some 200, were a valuable source of information for the various postal activity

fields. Also counted among CCPS successes were the results of the work of the Joint EC-CCPS Groups and the CCPS Permanent Working Parties, mentioned earlier, as well as the holding of symposia and the growing number of participants.

The indisputable success of the CCPS was the participation of non-CCPS member postal administrations in the studies conducted. The fact should be mentioned once again that, apart from the 35 CCPS member countries, 36 countries not members of the CCPS had taken part in the studies.

The main difficulty encountered by the CCPS was the composition of the Working Parties charged with conducting the studies. Clearly, if a Working Party did not include postal administrations with experience in the field to be studied, the results would be fairly limited.

Another problem for the CCPS, which he felt was related to some extent to the composition of the Working Parties, was the fact that, despite the considerable efforts of the countries participating in the studies and those of the secretariat, the results of a few studies served only as information and did not have the practical outcome required. That danger could have been alleviated or even averted had it been possible to call on experts to advise reporting countries on how to conduct the study so that it achieved concrete results in the form of practical modules, guides and manuals facilitating the practical use by postal administrations of the studies' conclusions.

The CCPS felt that all of its work was in the spirit and the letter of the Washington General Action Plan and was directed towards safeguarding, strengthening and modernizing the international postal service. It believed that it had done its best to achieve those noble objectives.

In conclusion, he expressed his sincere thanks to all the CCPS member administrations, all the CCPS Committee Chairmen, the Vice-Chairman, Mr Halpin, and the International Bureau staff led by Mr Botto de Barros, with whom they had worked hard and productively during those five years.

He was also most grateful to the Executive Council and to its Chairman, Mr Leavey, for their friendly cooperation.

The CCPS was asking the 21st Congress to take note of the work done by the CCPS during the period 1989-1994.

The representative of CANADA made the following statement:

"Thank you Mr Chairman for providing me the opportunity to take the floor as Vice-Chairman of the former CCPS at this time.

"Canada has served as Vice-Chairman of the CCPS for the last decade and has been part of the evolution that the Chairman, Mr Boutenko, has referred to in his intervention.

"If we examine the accomplishments of the Council from year to year, it is impressive; looking at it over a decade, CCPS members can be proud at having changed from a less focussed group with a modest study programme to one where the studies are part of an integrated programme with clear objectives, well-defined deliverables and concrete recommendations to administrations concerning implementation.

"It has also been a decade of symposia as the vehicle for bringing information and issues to the table as well as a way of quickly arriving at solutions.

"It was launched by the series of EMS symposia which continues to bring EMS administrations together and has helped to facilitate the growth and development of the service.

"It was complemented by:

- marketing;
- electronic mail;
- security;
- quality of service;
- as well as many others.

"It also saw the preparation of the road to the UPU becoming a standards body; a platform for the establishment of postal standards. The ETSG, the EDI Unit are the beginnings of this process.

"If we step back to 1957 at the Ottawa Congress where the CCPS was conceived, Mr Chairman, we can appreciate that there was a need at the time to discuss common management and operational issues – issues which were not in the mainstream of discussions relating to international legislation at the time.

"The CCPS has come a long way from those early days and has probably reached its limits of being able to work effectively in this fast-changing communications world. One limit is the fact that the CCPS can only make technical recommendations and has no authority concerning the implementation of these recommendations.

"Under the new UPU structure, the Postal Operations Council will take on some of these new dimensions. The proposed powers, responsibility and authority of the new Council have been carefully crafted to permit it to respond more effectively to the challenges we all face.

"The work of the CCPS would not have been possible without the enthusiasm and dedication of the 35 member countries of the Council and the 36 non-member countries that had participated in its study work, as well as of the Committee Chairmen, nor without the strong support of the Director-General and his staff at the International Bureau.

"Last but certainly not least, Mr Chairman, I must acknowledge the excellent work of our Chairman for the last five years. Mr Boutenko has ably directed the work of the CCPS ensuring timely delivery of an extensive and meaningful work plan.

The representative of BELGIUM said that the Report on the work of the CCPS referred, in paragraphs 71 to 75, to the Multilingual Vocabulary of the International Postal Service. Belgium, which was Chairman of Working Party A 19, was pleased to have successfully completed the tasks conferred upon it by that body. The two supplements to the Multilingual Vocabulary were to include terminology relating to special technical fields. It should be noted that, at present, the terminology of marketing, informatics, telematics and electronic mail was available to the postal administrations. After Congress, Belgium was ready to

continue the ongoing task of updating the Multilingual Vocabulary and its supplements with the help of the countries having contributed to date and the support of the International Bureau. He thanked all the delegates of the member countries of the expanded WP 19 for their valuable help and, in particular, the officials of the International Bureau who had offered their valuable cooperation.

The CHAIRMAN warmly thanked Mr Boutenko for directing and successfully completing the work of the CCPS over the past five years.

Congress – Doc 17 was adopted.

Report of the  
Director-General of  
the International  
Bureau 1989–1994  
  
Congress – Doc 18

The SECRETARY-GENERAL said that it was a pleasure to present his report on the activities of the International Bureau during the five-year period 1989–1994.

The Report was an overview, focussing on the main issues concerning the International Bureau.

Overall, the presentation of the document was similar to those submitted to previous Congresses for consideration, while avoiding the pitfall of overlapping with the other documents reflecting the activities of the Union's bodies, and principally Congress – Doc 16 "Comprehensive report on the work of the Executive Council 1989–1994", and Congress – Doc 17 "Comprehensive report on the work of the Consultative Council for Postal Studies".

Among the things he wished to stress, on the strength of his ten years' experience as head of the International Bureau, was the importance of permanent contacts with all member countries.

He had tried always to have an ear to the needs and expectations of the postal administrations, the Restricted Unions and all bodies operating in the postal services field.

He had also intended to make the decision-makers as aware as possible of the need to modernize the postal services, which were facing increased competition from private couriers or from electronic message transmission technologies.

In the second part of the Report, he had stressed the close cooperation between the International Bureau, the member countries and the Restricted Unions.

It should also be mentioned that, over the past five years and in the wake of the geopolitical changes in certain parts of the world, the postal family had grown, the number of countries having risen from 170 to 189.

Nor had the Restricted Unions been strangers to those changes. Two new Restricted Unions had been created, while others had undergone structural changes or had been disbanded.

Accession to the Union by new countries had to be seen as a sign of its vitality. The International Bureau had always done its utmost to ensure that the complete integration of the new countries could proceed as quickly as possible and in optimum conditions.

In Chapter III, "International Bureau", he had also concentrated on the rationalization measures which the International Bureau, in consultation with the Executive Council and the Consultative Council for Postal Studies, had taken without waiting for the outcome of the study on the management of the Union. These measures covered the fields of administration and personnel and the computerization of infrastructure, documentation and information.

A number of adjustments had also been made to the International Bureau's structures in order to provide a better response to the needs expressed by the Union's bodies and to adapt the available instruments and methods to the workload, which had appreciably increased during the period concerned.

Chapter IV, "Cooperation with the Executive Council and the Consultative Council for Postal Studies", highlighted the contribution made by the International Bureau to enable those two bodies to perform their many tasks satisfactorily.

He cordially thanked Mr Leavey, Chairman of the Executive Council, and Mr Boutenko, Chairman of the Consultative Council for Postal Studies, together with all the delegates of member countries of the two Councils for the help and unflagging support they had given to the International Bureau.

With the available funds and human resources, the International Bureau had made great efforts to energize the work and provide the necessary logistical and planning support.

Chapter V drew attention to the strategic importance of the activities conducted for some years now in the field of electronic message transmission and telematic applications.

A whole range of telematic services was offered to the postal administrations thanks to the projects to install informatics applications on which the EDI Unit was working. Even now, the postal administrations could access, among other things, informatics applications enabling them to track and trace EMS items and mails.

To date, 144 countries had applied to join the UPU's EDI network.

That extraordinarily rapid development of EDI activities had been made possible by the financial support generously provided by a number of countries. These achievements should provide added encouragement to continue those efforts, among other things through additional, regular, financial support. There was no doubt that such investment paid dividends.

Technical cooperation activities were discussed in a series of Congress – Docs. The relevant part of his report very briefly resumed some parts of those other reports, stressing the UPU's efforts to satisfactorily implement the technical assistance projects and programmes for the benefit of its member countries.

Among the major difficulties, the drying up of financial resources should be mentioned. The International Bureau's entire attention had been focussed on the search for financial backers and on rationalizing available resources funded by the UNDP or from the Union's budget. There were a number of problems stemming from the fall in UNDP contributions, but these would have to be overcome and other solutions found to enable progress to be made.

The final part of the Report, entitled "Conclusions and prospects for the future", stressed the major challenges which had to be taken up by the postal administrations globally in order to strengthen their position in a strongly competitive market. The Union's response must be to remain faithful to the continuity of its mission, which included the notion of "a single postal territory for the reciprocal exchange of letter-post items", as well as that of guaranteeing freedom of transit throughout its entire territory.

In conclusion, he said that he welcomed any comments on the document from the floor.

The representative of JORDAN said that he wished to express his thanks, esteem and respect to the Director-General of the Universal Postal Union's International Bureau, to the Chairman of the Executive Council and to the Chairman of the Consultative Council for Postal Studies for the important tasks they had accomplished over the past five years.

He underscored the conclusion of chapter VII of the Director-General's Report, referring to the great missions the Union had been successfully accomplishing for what would soon be 120 years and its efforts to create a wide framework of international cooperation.

In his inaugural address, Mr Botto de Barros had underlined the efforts he had made since assuming his post as Director-General of the International Bureau to re-establish postal exchanges between the two Koreas, referring to the emphasis placed by the Seoul Congress on the principle of a single postal territory governing the international postal service, which was set out in the first article of the Union's Constitution. Against the backdrop of those memories, the speaker had today recalled King Hussein, who had decided to put an end to the war with Jordan's neighbours, thereby drawing a line under almost half a century of bloodshed throughout the Middle East, and paving the way for the imminent re-establishment of postal links, severed between members of the same family on either side of the river Jordan.

Recalling Jordan's action, his mind now turned to a number of regions in the world where links had been severed and the principle of a single postal territory did not apply, one of them being the Korean peninsula. After seeing the children visiting the philatelic exhibition in the KOEX Centre buying stamps yet unable to stick them onto letters to their families on the other side of the frontier, and vice versa, he wondered how those assembled could speak of a single postal territory when this principle was not implemented in the very region which was the venue of Congress. He wondered how it was possible to accept and enjoy the excellent Korean hospitality when nothing was being done by the Union to re-establish exchanges of letters between children and their families. It was a humanitarian issue which deserved full priority, transcending political considerations.

The Post was a single service when the guns of two world wars were mowing down millions of human beings. He therefore wondered why it was not a single service now that the foundations of peace had been laid. The Post had to be made neutral and regarded as a humanitarian service, in all respects like the Red Crescent and the Red Cross.

He called upon the Chairman and Congress to make a gesture to the families whose lines of communication were severed in certain regions of the world, and particularly in the region where Congress was being held.

He suggested that a resolution should be passed by Congress instructing the Secretary-General of the International Bureau to propose his good offices to the competent postal authorities of the two Koreas in order to ensure postal services between families separated from each other. The eyes of the children were turned on members' consciences, asking them to do something. Failing that, those present would return to their countries as they had left and the eyes of the children of Korea, North and South, would follow them, awakening remorse and impelling them to help them.

In this, there was no intention to meddle in politics, and due respect was being shown to all parties present, but what was at issue was letters and mail and the Post was always neutral.

He would even be ready to leave his post as Deputy Minister of Posts of Jordan and become a postman delivering letters from children to their families who were separated from them in the two sister Koreas.

That was what the King of his country had taught his people: to be human, to the highest degree.

The representative of BRAZIL said that the matter really deserved the full attention of Congress.

Indeed, the UPU's main characteristic – and its greatest strength – was the fact that its member countries constituted a single postal territory. Letters crossed frontiers and, in his region, people would say that postal services were also a human right. Thanks to the Post, everywhere in the world was within reach; thanks to the Post, contacts could be made and links forged in private as well as professional sectors.

Everyone had waited a long time for North Korea and South Korea to apply the agreement which would allow postal exchanges between the two countries. A Congress resolution instructing the Director-General to remind the two governments of that matter would be beneficial for all parties and highlight, once again, the universal nature of the UPU.

The representative of ROMANIA said that she was very moved by Jordan's statement. At professional level, the objectives laid down by the Washington Congress had already been achieved. That had been made possible by the excellent work of the Union's two Councils and the devotion of the Secretary-General. She thanked all concerned. UPU members' duty was to look not only to improving postal services at world level but also to the human aspect of their activities. Congress was a great forum at which all peoples of the world were represented. The Seoul Congress was marked by strong solidarity, which had already allowed many difficult problems to be resolved. Now was the time for all to concentrate on the human aspect of their mission. In her capacity as representative of her people, as a postal worker and a woman, she appealed to Congress to strive to the utmost to re-establish the long-interrupted postal links between the children of the two Koreas. She begged Congress to take a humane decision allowing the Post to fulfil its fundamental function of providing written communication between human beings.

The representatives of CONGO (REP) and KENYA congratulated Mr Botto de Barros, Director-General of the International Bureau, on his excellent report, for carrying out the tasks allotted to him by the Washington Congress, and for the impressive results he had achieved during the past five years.

They emphasized that, in accordance with article 1 of the UPU Constitution, member countries of the Union comprised a single postal territory for the reciprocal exchange of letter-post items. The countries the speakers represented therefore gave their support to the suggestion made by Jordan to draft a resolution concerning the institution of postal relations between the Republic of Korea and the Democratic People's Republic of Korea. As postal communication was one of the essential prerequisites for establishing understanding between peoples, both delegations also supported the other proposal of a general nature on the restoration of postal links where there were none.

The representative of the NETHERLANDS said that differences of opinion between some countries must not prevent postal links, which helped enormously in understanding between peoples.

The representative of INDONESIA thanked the Director-General of the International Bureau and all his staff for the results achieved, especially in the matter of restructuring the Bureau, the introduction of computers in the International Bureau and the creation of the EDI Unit, making it possible to increase the efficiency of the world postal network. He also offered his sincere thanks for the technical assistance supplied by the UPU to Indonesia in establishing an EMS tracking and tracing system and mentioned that Indonesia was one of the countries where a Regional Adviser was stationed.

The representative of GERMANY said that, after the Second World War, his country had suffered a fate similar to Korea's, for very different reasons. Like Korea, it had been split for a long period of time without, in the beginning, having proper postal exchanges between the two Germanys. Over the years, postal exchanges had been re-established, although items were heavily censored by the authorities of the former German Democratic Republic. The suffering caused by those measures would never be forgotten by the German people who, fortunately, had been unified in the wake of political events in 1990. Such suffering could not be legitimized by any ideology. He supported a resolution on the institution of postal relations between the Republic of Korea and the Democratic People's Republic of Korea, in the spirit of the UPU Acts.

The representative of LEBANON congratulated Mr Leavey, Chairman of the Executive Council, Mr Boutenko, Chairman of the Consultative Council for Postal Studies, and Mr Botto de Barros, Director-General of the International Bureau, on their excellent reports to Congress.

For a number of years, the people of his country had also suffered because families and friends were separated. He therefore supported unreservedly the proposal in question and hoped that Congress would adopt it by acclamation.

The representatives of MOROCCO and CANADA supported Jordan's proposal but thought that the scope of the resolution should be broadened to cover all countries and regions where there were no postal links at present.

The representatives of ARGENTINA, IRELAND and JAPAN said that, irrespective of conflicts between States, postal isolation could not be imposed because it was contrary to the humaneness which should characterize relations between nations. Furthermore, postal communications between peoples should promote the development of international relations. The provisions of the Constitution concerning the UPU's scope and aims had to be respected, including the one relating to the establishment by all Union member countries of a single postal territory. Referring to the hope expressed by Mr Kim Young Sam, President of the Republic of Korea, at the inaugural ceremony of the 21st Congress, the speakers' countries also supported the proposal submitted to participants by Jordan, to prepare a resolution recommending the institution of postal relations between South Korea and North Korea, as well as the normalization of postal traffic among all countries of the world, without exception.

The representative of ARGENTINA also stressed that a Congress recommendation to the Director-General had less force than a resolution.

The representative of CYPRUS said he fully supported the proposal by Jordan. On that score, he noted that there were also other regions of the world which faced problems of the same type, and he referred to the Republic of Cyprus. Since 1974, part of the country – some 40 percent of its territory – was under occupation after the Turkish invasion of Cyprus in July of the same year. At present, the postal services of the Republic of Cyprus were prevented from delivering mail addressed to Greek Cypriots who were still living in the occupied territory.

He proposed that the resolution's scope be broadened to cover all regions in the world where the concept of a "single postal territory" was not respected.

The representative of TOGO said that he was speaking for the first time at that Congress and offered his thanks, in particular, to the authorities of the marvelous country of Korea for the very warm welcome extended to all the delegations and the well-organized working conditions.

He also wished to thank the International Bureau for the quality of the documents placed before Congress.

He then congratulated the Chairman on his election and said that, to those who had met and knew him, his competence, professional experience and integrity were a sure guarantee for the success of the work.

The Seoul Congress had to take decisions that would determine the future of the Post in general and the UPU in particular; the Togolese delegation, which had participated in the Executive Council's work for the past five years, welcomed the fact that Congress was in the process of approving the Executive Council's important proposals on:

- the application of a new terminal dues structure reflecting more equitably the interests of the developed and of the developing countries;
- the institution of fundamental restructuring of the Union, including the introduction of strategic planning and programme budgeting;

- that new initiatives with the World Bank and other funding sources for the development of the postal services could finally give the Post access to international credit in the same way as telecommunications.

Moreover, the decision which Congress would take to increase significantly the number of UPU Regional Advisers in order to increase presence in the field undoubtedly reflected administrations' determination to strengthen technical cooperation. That was a source of comfort to the developing countries which believed that solidarity among all administrations was essential if the aim of constituting a single postal territory remained valid for the UPU.

All the reforms being decided on at Congress showed that all administrations had taken the measures needed for adapting to changes occurring in the communications market.

The Togolese Post, for its part, was more determined than ever to contribute in the search for the most appropriate solutions to the challenges the Post would have to meet in order to adapt to present and future changes.

He concluded by congratulating once again the International Bureau and the Executive Council on the high quality and comprehensibility of the documents submitted, which would assist the work to proceed smoothly.

He expressed his admiration for Mr Boutenko, Chairman of the Consultative Council for Postal Studies, Mr Leavey, Chairman of the Executive Council, and Mr Botto de Barros, Director-General of the International Bureau, for their work over the past five years.

In regard to the proposal made by the delegate of Jordan, the speaker strongly supported the idea for a draft resolution on the institution of postal relations between the two Koreas.

The representative of ISRAEL supported Jordan's proposal on the institution of postal relations between the two Koreas and thereby wished to encourage postal administrations to establish postal relations with Israel where there were none.

The representative of LIBERIA said that Jordan's proposal should be discussed by the Postal Operations Council, not the plenary. The issue should not be dealt with in an emotive atmosphere.

The representative of TURKEY said that he did not consider the UPU Congress to be a political platform and hoped that all delegations shared that view. Hitherto, Turkey had never raised political problems and he considered that the Greek Cypriot representative had just made an unfortunate statement.

He recalled that the Cypriot Government did not represent the whole island of Cyprus. The international community was well aware that Cyprus was inhabited by two peoples. The existence of the Turkish Cypriot people could not be denied.

Furthermore, he felt that the Turkish presence in Cyprus could not be deemed to be an occupation. In 1974, it was the Greek military junta which had overthrown President Makarios' government.

In any case, the government of the Turkish Republic of Northern Cyprus was prepared to establish postal relations between the two Cypriot peoples.

The representative of CYPRUS, referring to the allegation of the Turkish delegation that in Cyprus there existed two governments, one for the Greek Cypriot sector and one for the Turkish Cypriot sector, stressed that there was only one government in Cyprus, the Government of the Republic of Cyprus, which was recognized by the whole world, the United Nations Organization and all its specialized agencies. He further said that the occupational regime in the occupied part of Cyprus could not declare itself a separate "State" and that no such "State" was recognized by the international community.

The CHAIRMAN said that like most of the delegations present and particularly as a Korean, he was deeply moved by the speech by the representative of Jordan. He therefore invited the Secretariat to draw up a draft resolution in consultation with several delegations, which would be submitted to the assembly for study at a future meeting. He designated the representatives of Brazil, Romania, Germany, Jordan and Canada to assist the International Bureau in preparing this draft resolution.

He wished to put an end to the consideration of this matter relating to the Director-General's report, which, he was glad to note, the assembly approved by consensus.

Lastly, he proposed that the representatives of Cyprus and Turkey submit written statements, which would be attached to the minutes of the present meeting (see annexes 1 and 2).

The SECRETARY-GENERAL suggested that in the light of the statements made, the question of the institution of postal relations between the two Koreas might be dealt with separately from the general question of the institution or restoration of postal relations in parts of the world which for some reason or another did not have them.

The representative of the SYRIAN ARAB REP stated that those present were aware of the arguments in favour of the introduction of postal relations between the two Koreas.

However, the restoration of postal relations was not within the competence of the postal administrations, but depended on decisions taken by the political authorities.

This delegation therefore proposed that Congress recommend the Director-General of the International Bureau to use his good offices for the establishment of postal relations where they did not currently exist.

The representative of ARGENTINA said his delegation considered that Congress could only adopt a resolution and not a recommendation.

The ASSISTANT SECRETARY-GENERAL said that he had followed the debate with great interest and that Congress should follow up the idea developed by the Secretary-General. That would allow the Director-General to do everything possible to encourage the introduction of postal relations between the two Koreas and to initiate action vis-à-vis other States in similar positions. The only legal instrument with the force necessary to produce a successful result was a resolution by Congress. A recommendation to the Director-General did not have the same force as a resolution.

The CHAIRMAN then invited the Secretariat and the designated countries to draw up, on the basis of the deliberations of Congress, the necessary texts so that they could be dealt with at the next meeting.

Congress – Doc 18 was approved.

The meeting rose at 12.40 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Declaration by the Head of the delegation of the Republic of Cyprus**

The Head of the delegation of the Republic of Cyprus, Mr M Antoniou, referring to the proposal made by the Jordanian delegation for the approval by Congress of a resolution regarding the establishment of postal services in the whole of the Korean peninsula, said that Cyprus shall fully support the proposed resolution. Nevertheless, he said, the proposed resolution should be extended in order to cover any other areas of the world where the concept of a single postal territory cannot, for one reason or another, be enforced. In this respect he made specific reference to the Republic of Cyprus, part of which (37 percent) has been occupied by Turkey since July 1974, when it invaded Cyprus. The consequences of the invasion for the people of Cyprus were horrendous: almost 200 000 Greek Cypriots (40 percent of the total population) were forcibly displaced and became homeless overnight, thousands were killed or went missing, whilst the cultural heritage in the occupied area is being destroyed and hundreds of churches have been converted into mosques or recreation halls. Mr Antoniou stressed, in this respect, that the lawful postal authorities of the Republic of Cyprus are not allowed by the Turkish occupation forces to offer a postal service in the occupied part of Cyprus and many Greek Cypriots living in this area cannot communicate with their relatives in the free area and vice versa.

Referring to the allegation of the Turkish delegation that in Cyprus there exist two governments, one for the Greek Cypriot sector and one for the Turkish Cypriot sector, Mr Antoniou stressed that there is only one government in Cyprus, the Government of the Republic of Cyprus, which is recognized by the whole of the world, by the United Nations Organization and all its specialized agencies. The occupation regime in the occupied area, he said, cannot in any way declare itself as a "State" and he reminded that an effort made to this effect in 1993 had been condemned by the Security Council, which called upon all of its Member States not to recognize any Cypriot State other than the Republic of Cyprus; and in fact, no other State has recognized the occupation regime as a "State" with the exception of Turkey (the invading country).

In view of the above, the delegate of Cyprus suggested that the proposed resolution be extended to cover, apart from the Korean peninsula, any other areas where the principle of a single postal territory is *obstructed from* being enforced.

### **Declaration by the Turkish delegation**

Upon the statement made by the Greek Cypriot delegate about Cyprus, we are not surprised to witness the exploitation of such international forums on technical matters for their political ambitions, nor has this been the first time they attempted to do so.

Unfounded allegations distorting facts and prevailing conditions in the island have compelled my delegation to respond in order to set the record straight.

The Republic of Cyprus came into being as a result of international agreements, but, unfortunately, in December 1963 Greek Cypriots unilaterally abolished the very existence of the Republic and on 28 December 1963 they massacred a great many Turkish Cypriots. As a matter of fact, on 28 December 1963, the Daily Express carried the following report from Cyprus:

"We went tonight into the sealed-off Turkish quarter of Nicosia in which 200 to 300 people have been slaughtered in the last five days. We were the first Western reporters there and have seen sights too frightful to be described in print. Horror so extreme that the people seemed stunned beyond tears."

And since then the Turkish Cypriots were forced to live under siege and deprived of all their political and human rights.

When in 1974 a second coup engineered and staged by Athens took place in Cyprus against the independence of Cyprus and a "Hellenic Republic" was declared with the aim of immediately annexing the island to Greece, the Republic of Turkey, in exercise of her rights and obligations under the 1960 Treaty of Guarantee, intervened to protect the independence of the island by preventing its annexation by Greece and to save the Turkish Cypriot people from total annihilation.

The Turkish intervention in 1974 put an end to the invasion of Cyprus by Greece and to the illegal predominance of the Greek Cypriot administration over the island.

Since 1974 up to today, peace and tranquillity have prevailed in the island and, as is known, intercommunal talks have been continuing under the auspices of the United Nations Secretary-General, and both communities live in their respective zones.

However, it is a well-known fact that the Turkish Cypriots were the ones who were victims of Greek Cypriot desires to annex the island to Greece and annihilate the Turkish population in the island. They are the Turkish Cypriots who suffered and were prevented from communicating with the outside world by telephone and post and prevented from exercising their freedom of travel, and they still can do this only via Turkey. Contrary to the unfounded allegations of the Greek Cypriot delegate to mislead the distinguished delegates of this conference.

Moreover, the ruling of the European Court of Justice on 5 July 1994, instigated by the Greek Cypriot administration, barring European Union Member States from importing goods from North Cyprus, demonstrates Greek Cypriot ill-intentions and insincerity towards the UN-sponsored confidence building measures, and also provides proof to refute the allegations made to the distinguished delegates of this conference. This attitude of the Greek Cypriot delegate is a vivid example of the unjustness that the Turkish Cypriots face frequently.

I regret that we are compelled to make this statement in order to enlighten the distinguished delegates here about the real situation in the island.

**Ninth meeting of Congress**

Friday, 2 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 3.10 pm.

Agenda item 10

Appeal in plenary meeting: temporary non-application of the mandatory rotation of members of the Council of Administration

The CHAIRMAN proposed altering the order of discussion of the agenda items to first consider item 10 concerning the appeal in plenary by Japan about the temporary non-application of the mandatory rotation of members of the Council of Administration (Congress – Doc 92). That appeal concerned proposal 015 which had been rejected on 29 August 1994 at the second meeting of Committee 3.

The representative of JAPAN explained the arguments underlying the appeal which were the subject of annex 1 to Congress – Doc 92.

Proposal 015

Congress – Doc 92

The representative of CANADA said that, without being a candidate for the Council of Administration, his delegation supported Japan's proposal and hoped that all the countries would be able to stand for the forthcoming elections.

The representative of HUNGARY (REP) said that the Executive Council no longer existed but had given way to a new body for which one could not talk of former members. For that new body, the principle of rotation or non-rotation could not logically be applied. In Hungary's opinion, the provisions of article 102, paragraph 3, of the General Regulations should be strictly applied, and rotation could only be implemented from the third election to the new body.

The representative of SWEDEN, speaking on behalf of the five Nordic countries which were members of the NPU, said that Congress had taken two good decisions, namely to uphold the principle of rotation in the long term and to apply that principle to the elections at the Seoul Congress. If Japan's proposal were accepted, countries with a legitimate wish to contribute to the Council of Administration could not become members. The Nordic delegations were convinced that Japan had every chance of being elected to the Postal Operations Council and would be able to make its contribution to the Union's work. They did not support Japan's proposal.

The representatives of LIBERIA and ZAMBIA concurred with the arguments of Hungary (Rep) and supported Japan's proposal.

The representative of PORTUGAL said that the question of mandatory rotation was governed by fairly wide-ranging principles which made it possible to periodically renew the relevant Union bodies. The Council of Administration had powers which were not very different from those of the Executive Council. Japan's proposal could not be adopted.

The representative of LEBANON said that since the Council of Administration was a new body with new powers, his delegation supported Japan's proposal.

The representative of the NETHERLANDS said that his delegation favoured retaining the principle of rotation, first because if the 16 member countries mentioned by Japan were to become eligible, other candidate countries would lose their chances; second, because the developed countries of Asia-Pacific would be represented on the Postal Operations Council and could participate in the Union's work; and third, because in the new Councils, non-member countries would be able to make a meaningful contribution.

The representatives of NEW ZEALAND and PAKISTAN supported the appeal and opined that there should be no restriction on the number of consecutive terms for the participation of countries in the Union bodies concerned. It would be unfortunate if no Asian-Pacific developed country could be represented on the Council of Administration if the appeal were rejected.

Put to the vote after a quorum check, the appeal in plenary by Japan about the temporary non-application of the mandatory rotation of members of the Council of Administration (Congress – Doc 92) was rejected by Congress by 70 votes to 57, with 17 abstentions.

Implementation of  
the Washington  
General Action Plan

The Chairman passed on to agenda item 7, namely the implementation of the Washington General Action Plan (WGAP), and invited the Chairman of the Executive Council to take the floor to present Congress – Doc 21.

Congress – Doc 21

The CHAIRMAN OF THE EXECUTIVE COUNCIL gave the following address:

"It is an honour to provide this Congress with a report on the implementation of the Washington General Action Plan. I say an honour because I strongly believe that this Action Plan marked a dramatic turning point in the development of the world's postal services. In embracing this Plan, we recognized for the first time that our customers will ultimately determine our success, and that in order to survive, we must convince them that we offer the best value in the communications market.

"The Washington Action Plan also marked our determination to follow the path of change as our direction for the future. As I consider the tremendous transformations which postal services have undergone since the last Congress, and as I review the proposals that have been submitted to this Congress, I am struck both by how far we have travelled down that path and at the same time, how much further we still have to go.

"Committees within the Executive Council and the CCPS, as well as the International Bureau, have assisted administrations in implementing the Action Plan, and have monitored its progress over the past five years. Document 21 gives a comprehensive overview of this process, as does the brochure that you all have also received entitled 'Follow-up to the Washington General Action Plan'. These documents also demonstrate the high degree of acceptance of the Action Plan among member administrations. As shown at paragraph 7 of Document 21, only 20 administrations failed to respond to the IB follow-up questionnaires concerning its implementation.

"However, I do not propose to discuss the contents of Document 21 in detail. Instead, I would like to share with you my view of the role of the Washington Action Plan in creating a 'commercial drive' within the postal world, a role which this Plan will continue to play for many years to come.

"We can recall that two simple but extremely powerful principles stand at the centre of the Washington General Action Plan:

- meeting the needs of customers; and
- improving the quality of service.

"The reports of the Regional Advisers in Congress – Doc 50 concerning implementation of the General Action Plan and reports of the work of the Restricted Unions reflected in other Congress documents clearly demonstrate that we have made a great deal of progress both regionally and globally.

"In Africa, we can note the expansion of the EMS network and improvement in international mail links. Many African administrations have also introduced modern marketing techniques.

"Latin American and Caribbean administrations have made notable advances in the areas of security and transportation. Many administrations have already converted into postal corporations or are in the process of doing so. In the Caribbean, moreover, major initiatives have been taken to develop a regional approach to managing the movement of mail.

"Among the Arab services, many administrations are aggressively pursuing new commercial strategies, expanding the range of their products and services, and introducing targeted training to maximize the development of human resources.

"In the Asia-Pacific region, many administrations have made progress in improving quality of service by carefully monitoring their service standards. Many in that region are also reorganizing their services along more commercial, customer-oriented lines. A process has even been started to form a regional business centre to coordinate marketing and operational projects for postal services in the region.

"Finally, in Europe, many bold and innovative commercial initiatives have been undertaken, such as forming joint ventures, initiating the process of privatization, and raising the level of allowable competition for postal customers. Further, several services in this region are successfully confronting and managing the challenge of establishing new and independent postal administrations.

"And there has also been progress in implementing the Washington Action Plan on a global level.

"Through the combined efforts of the Executive Council, the CCPS, the International Bureau and several administrations, the Marketing Analysis Information System, or MAIS, was installed at the IB and training was given to MAIS users. Now, for the first time ever, the postal world has computerized access to the marketing data it needs to compete effectively.

"Thanks to substantial financial and technical assistance from several administrations, the UPU's EDI project and its POST\*Net network have been installed. As a result, major strides are being made in improving the tracking and tracing of EMS worldwide.

"While we must admit that our efforts to improve the quality of service of international mail have not fully yielded the results we expected, we have been able to refine the measurement of our ability to meet service quality standards. We must now move forward to improve our performance in this area. Further, as shown in the graph at paragraph 35 of Document 21, there has been dramatic improvement in our ability to meet service standards for domestic LC/priority mail. The work of the Postal Security Action Group has also increased our awareness of this critical issue.

"Finally, we want to point to the work of the Postal Development Action Group as an excellent example of global implementation of the Washington Action Plan. The PDAG has helped address the Plan's call for increased postal autonomy and management independence by freeing up international investor funding for postal development.

"The Washington Action Plan has guided us in these efforts over the past five years, and as this period draws to an end, we must ask ourselves, does the WGAP have a role in the future?

"As I mentioned, the Washington Action Plan was a decisive call for change within the postal world. The developments of the past five years, as reflected in the interventions during our General Debate last week, have done nothing to diminish the urgency of this call.

"In fact, as the pace of change has accelerated, so has our need to learn how to adapt to a constantly evolving communications environment. We even held a high-level meeting to refocus the vision which we had developed during the General Debate in Washington.

"The Washington General Action Plan also was our first decision to boldly confront the competitive forces surrounding us.

"But the General Action Plan provided us with much more than a set of guiding principles and a call to action. Through its detailed description of priority programmes and defined responsibilities, it also provided a blueprint of how to control the process of change. Indeed, the Washington Action Plan provided a model for the strategic plan which we have adopted to increase our flexibility and efficiency. In this sense, the spirit of enterprise embodied by the Plan will be carried forward into the next century.

"Finally, we must not lose sight of the fact that the forthcoming Seoul Postal Strategy is in fact built upon the foundation of the Washington Action Plan. This is certainly true for those areas of the Plan where we still need to make progress, such as marshalling human resources and increasing management independence. But it is similarly true that the basic goals of the Washington Action Plan, namely getting closer to our customers and delivering the services

they need, are also at the heart of the Seoul Postal Strategy. We must not lose sight of the fact that our continued existence as postal services depends totally on our ability to achieve these goals."

The representative of TANZANIA (UNITED REP) congratulated the EC and CCPS Chairmen, as well as the Director-General of the International Bureau, on an excellent report and on their constant interest in the special problems of the developing countries. Despite the increasingly slender resources available under technical assistance, the Director-General and his staff had always insisted on the importance of technical cooperation among UPU member countries, and Tanzania was grateful for the efforts made to find other funds for developing the least developed countries. The developing countries would have to take the initiative more and more to find donor countries willing to finance the postal sector. The UPU could give them the necessary assistance with carrying out projects financed in that way. Implementation of the Washington General Action Plan had given satisfaction, bearing in mind the very positive changes which had taken place in many administrations. Thanks to the activities of the Council of Administration and the Postal Operations Council after Seoul, and bearing in mind the experience which was being acquired in reforming postal structures, his delegation was convinced that the transformation process would gather momentum and would require more technical support from the developed countries. In his delegation's opinion, the WGAP should find its place in the Seoul Strategy in view of the permanent nature of the strategies it contained.

The representative of MAURITANIA said that the WGAP was the prime point of reference for postal planning. Any plan called for the existence of clearly defined objectives but also, and above all, for resources to implement them. Unfortunately, the Washington General Action Plan had not provided for specific financial resources but had instead requested an effort from the administrations, which had generally encountered financial difficulties in implementing the Plan. He therefore suggested that the future Seoul Strategy provide for the earmarking of new resources for implementing its objectives. A major problem had arisen for the postal administration of Mauritania in implementing the WGAP, namely the non-existence of a data base, and that had made planning work difficult. The setting up of a data base therefore seemed indispensable. As part of staff training, his delegation suggested placing special emphasis on training slanted towards management and modern management sciences and no longer just towards postal operations. For following up implementation of the Seoul Strategy, Mauritania suggested organizing special training for future national coordinators so they could pilot the execution of the strategy adopted.

The representative of KENYA said that Congress – Doc 21 made pleasant reading in that it showed that the postal administrations had really decided to take the offensive in the field of marketing, modernization and improving quality of service. However, his delegation would like to request the International Bureau to circulate quickly to postal administrations the human resource management guide drafted by a consultant recruited after the CCPS study. That would help them to speed up implementation of the WGAP in the field of human resources.

The CHAIRMAN thanked the Executive Council, the Consultative Council for Postal Studies and the International Bureau and congratulated them on all the wise measures they had taken to implement the Washington General Action Plan efficiently and successfully.

Congress took note of the report on implementing the Washington General Action Plan (Congress – Doc 21).

Immediate application of the provisions adopted by Congress concerning the Council of Administration (CA) and the Postal Operations Council (POC)

The CHAIRMAN presented proposal 023, indicating that adoption by Committee 3 of the relevant texts on the restructuring of the Union would lead Congress to set up new bodies. It was therefore essential to decide to bring into force immediately the provisions concerning the Council of Administration and the Postal Operations Council in view of the fact that those bodies would soon be elected by Congress.

The representative of BANGLADESH supported the draft resolution.

Proposal 023

The representative of JAPAN said that the provisions regarding the constitution of the new bodies should appear in the Acts because the resolutions of Congress did not have any legal foundation and could therefore embarrass member countries which were in need of a legal basis. There were provisions in the Additional Protocols that dealt with the entry into force and duration of the Additional Protocol to the Constitution. It would be appropriate to indicate there the date of entry into force of the provision relating to the Council of Administration and the Postal Operations Council. And it would also be appropriate to add similar provisions in the General Regulations, in the Postal Convention and in the Agreements.

The ASSISTANT SECRETARY-GENERAL said that there were precedents in that regard and he specifically cited resolution C 1 of the Washington Congress which, in referring to articles of the Constitution, the Convention and the Agreements on the new legislative powers of the Executive Council, had decided to bring those provisions into force immediately. That had made it possible not to wait for the Acts to come into force so that the Executive Council could exercise its legislative powers. There were in fact no legal consequences in that and the concern of the Japanese delegation could thus be dispelled.

The representative of JAPAN took note of the Assistant Secretary-General's explanations but nevertheless voiced reservations about the resolution in view of the requirements of Japan's treaties and conventions department.

The representative of the UNITED STATES OF AMERICA suggested taking account of Japan's concerns by considering a specific text which would supplement resolution 023 and which could be drafted and submitted by Japan. In the meantime, it would be worthwhile to adopt resolution 023.

The representative of JAPAN accepted the United States of America's proposal, but pointed out that, should Japan's text not be adopted, his country would apply that decision provisionally, in accordance with the provisions of its national legislation, and after having followed Japan's statutory procedure, as well as within the limits of the budget estimates. Japan asked that its statement be recorded in the minutes of the present meeting.

The representative of ITALY recalled that it was common practice in the United Nations and its specialized agencies to immediately apply provisions adopted by conferences of plenipotentiaries. The ITU, for example, had adopted resolutions for immediate application of provisions regarding its permanent bodies and their composition.

The representative of MAURITANIA pointed to an anomaly in the fourth paragraph of the preamble. The wording of that paragraph implied that the Councils in question had existed before Congress, whereas they had just been created. No new composition or new powers were involved. It was a matter of specifying that the powers of the Postal Operations Council and the Council of Administration differed from the powers of the Executive Council and the Consultative Council for Postal Studies.

MR GHARBI, ASSISTANT DIRECTOR-GENERAL AT THE INTERNATIONAL BUREAU, said that the comment made by Mauritania did not affect the substance of the proposal since the purpose of the resolution was to immediately apply the provisions relating to the Council of Administration and the Postal Operations Council. Account could however be taken of that comment by improving the wording of the text in order to avoid any ambiguity. The following wording could be adopted: "Bearing in mind the composition and powers adopted by Congress for the Council of Administration and the Postal Operations Council".

The representative of ARGENTINA said that he did not understand what the text the Japanese delegation was considering preparing referred to. Was that text intended for inclusion in the General Regulations?

The representative of JAPAN replied that the additional text would appear in the Fifth Additional Protocol. The date of entry into force could appear in the General Regulations as there were other similar agreements that contained that type of provision.

The representative of ARGENTINA said that it seemed to his delegation more convenient and practical to adopt resolution 023. A similar situation had already come up at previous Congresses and that was why they considered it appropriate to proceed in such a manner. It also had to be noted that the draft resolution, in one of the preambular paragraphs, considered that the Council of Administration and the Postal Operations Council had to operate without delay and meet before the closing of Congress. That meant that if the resolution were not adopted, a kind of legal vacuum would exist. It was therefore essential to adopt resolution 023.

The representative of SAUDI ARABIA said that his delegation could not adopt a resolution if it did not know the content of any amendments that might be submitted. In his country, the ratification of international treaties required a great deal of time. He would like to support the Japanese delegation and, on behalf of his country, to express reservations about the resolution which should appear in the minutes of the meeting.

The CHAIRMAN stated that all the provisions concerning the new bodies had in fact already been considered in Committee 3, but had not yet been put in their final form. The plenary would have to give its endorsement at the end of Congress and that decision would of course be submitted to each State for ratification in accordance with the national procedures in effect. In his opinion, it was about that stage of the procedure that Japan and Saudi Arabia had some concerns.

The representative of GERMANY said that the source of Japan's difficulties was its legislation. Accepting its proposal could pose a whole series of problems for most Union member countries and would create more problems than it would solve. Resolution 023 should therefore be adopted as is.

Put to a vote, resolution 023 was adopted by 137 votes, with 3 abstentions.

The meeting rose at 4.50 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Tenth meeting of Congress**

Tuesday, 6 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.40 am.

Communications

The CHAIRMAN expressed his gratification at the smooth progress of the work of Congress, which had entered its third week. Only one or two Committees had fallen slightly behind and would, he hoped, quickly catch up. Before starting the proceedings, he recalled that the deadline for submitting candidatures for the Council of Administration and Postal Operations Council was noon that day, 6 September. A list of countries which were candidates for the two bodies would be distributed to all delegations before the elections to be held on 9 September 1994.

The DOYEN thanked the Chairman and the Korea Secretariat for the weekend excursions which had given Congress participants favourable impressions of both the old and new Korea. He likewise thanked the Italian delegation for its cordial Monday evening reception at the Hotel Shilla.

The SECRETARY informed the assembly that, subject to the information which would be provided when agenda item 14 concerning the report of Committee 1 (Credentials) was considered, 168 countries were present at Congress. Of those countries, Belize, Dominica, Georgia, Jamaica, Liechtenstein, Lithuania, Saint Christopher and Nevis and Turkmenistan were being represented at Congress by Barbados, Great Britain, the Russian Federation, Guyana, Switzerland, Latvia, Saint Lucia and Ukraine respectively. Gambia had handed the Secretariat notice of its representation for that day's meeting by the United States of America.

The CHAIRMAN noted that the quorum of 85 countries was attained by a wide margin.

Statements

The representative of YEMEN congratulated the Chairman on his election and said his delegation was confident of the Chairman's ability to guide the work of Congress towards success.

He also expressed appreciation of the fact that Congress had been officially opened by President Kim Young Sam and Mr Yoon Dong-yoon, Minister of Communications of the Republic of Korea, proving the high esteem in which the Universal Postal Union was held in the current environment of international organizations.

He himself was pleased to be participating in a UPU Congress for the first time since Yemen's reunification and he wished to pay tribute to the sincere efforts of Congress to reorganize and restructure the Union. That achievement would have a tremendous impact on the future development of the historic organization and on its advance towards modernization and renewal.

Nowadays, the political, economic and social environment was changing rapidly and keeping abreast of it called for fast initiatives and decision-making in order to be able to cope with the demands of modernizing public services to make them capable of interacting with change.

In line with those ideas and as a result of the reunification of Yemen in 1990, his administration had taken the initiative of reorganizing and modernizing the postal structure. Thus, a general postal authority of an economic and commercial nature with financial and administrative independence had been set up. It was authorized by law to carry out a wide range of public and commercial activities, with all the powers and rights deriving from them.

His delegation expressed its respect for the UPU which had accomplished a major achievement by creating the international EDI network. That was an action it wanted to support, encouraging all Union countries to join the network, especially the developing ones. Yemen would like the UPU to give that task absolute priority over all others, because it had an immediate effect on the improvement and modernization of the postal services and on their ability to compete in order to win back market shares which had been lost because the Post had been slow to develop in today's world. For the past two years, the administration of Yemen had been working to set up a national EDI network which would be operational in the third quarter of 1994. Yemen wanted to show the UPU and the UNDP its appreciation for their assistance in that connection. It hoped that support would continue in the future, in particular for linking the national network to the international one, bearing in mind the importance of that move for compiling a sound data base in Yemen.

The introduction by the UPU of the strategic planning principle was one of the leading achievements of the Seoul Congress. By working in accordance with that principle, the UPU was going to progress in leaps and bounds, and his delegation thought that the principle should be supported in Union member countries so as to create complementarity between the Union and the member countries and because of its impact on management and work methods in postal administrations.

His administration therefore appreciated the work done by the Union in the field of technical assistance and wanted the UPU to focus its main concern on those tasks over the forthcoming period with a view to providing genuine support for the efforts of the developing countries to raise their postal activities to the desired standard. He took that opportunity to thank the Union and all friends of Yemen for their constant support for its efforts and hoped that their support would continue during the next five-year period.

In conclusion, he wished the delegates every success and the Korean nation the achievement of the unity to which it aspired. The Yemeni delegation had high hopes that the action and efforts of the Secretary-General to obtain mail exchanges between both parts of Korea would be crowned with success in the very near future.

The representative of AFGHANISTAN made the following statement:

"Mr Chairman, distinguished delegates, Ladies and Gentlemen,

"It is a great pleasure for me and my delegation to address this assembly and to take part in the 21st Congress of the UPU after the establishment of the Islamic State of Afghanistan.

"Mr Chairman, first of all, I would like to congratulate you on your election as the Chairman of this Congress. I would like to take this opportunity to convey through you greetings and best wishes from the President of our country, His Excellency Professor Burhannudin Rabbani, and the people of Afghanistan, to the 21st Congress which is being held in Seoul, the ancient and beautiful capital city of the Republic of Korea. I would also like to express my delegation's gratitude to the host country and the postal administration of the Republic of Korea for the warm welcome and hospitality accorded to us.

"Afghanistan is a landlocked country with an area of 650 000 km<sup>2</sup>. The country is mainly mountainous with a number of fertile valleys. The population was estimated at 18 million, 4 million of whom were urban, with Kabul having a population estimated at 2 million. The country is primarily agriculture-based.

"There are 355 post offices in the country, 261 of which are established in the rural areas. Each post office serves an area of approximately 1842 km<sup>2</sup> and 50 000 persons on an average.

"This figure is considerably lower than accepted international norms, but due to a series of unfortunate events, imposed upon us over the last sixteen years, the public services of the Islamic State of Afghanistan, including the postal ones, have been either disrupted or scattered. The imposed difficulties have resulted in total destruction of 200 post offices which were totally destroyed or rendered inactive. The communication network has also sustained serious damage, the losses of which are estimated at about fifteen thousand million Afghanis, of which 50 percent were incurred to postal sector.

"This amount cannot be obtained through internal resources. However, my delegation appeals for urgent international support to enable us to reconstruct and rehabilitate the postal service in both human and material terms. Generally speaking, substantial bilateral and multilateral aid is necessary to enable the Afghan Post Office to resume and acquire its place in the international postal network.

"Distinguished Delegates,

"Afghanistan is in the process of reconstructing its public service and, therefore, it is badly in need of the technical cooperation and economic assistance of the Universal Postal Union and of the developed countries for the upgrading and improvement of our organization and management system. Afghanistan had long been a member of the UPU since 1928, had attended many Union Congresses and has always been able to contribute to the Union. It also did its

best to apply the provisions of the Constitution, the Convention, the Agreements and their Detailed Regulations which it has signed and ratified. Our active participation at the Congresses has enabled us to acquire knowledge and experience which, as an opportunity, encouraged us to be hopeful for the forthcoming development of the postal service in Afghanistan.

"I must mention, in particular, our appreciation of the valuable technical assistance channelled to us through the UPU, UNDP and APPU. We have benefited from the participation in a limited number of seminar, workshop and training programmes on junior and middle management, postal planning and instructor training. We are also grateful for the UPU-sponsored consultants in different fields who have started documentation of related projects and have handed in their report to the International Bureau. The last mission was carried out by Mr K R Murthy, UPU consultant, in 1990. We do hope that further steps will be taken for completion of those incomplete projects, such as RAS/86/172.

"In the spirit of the WGAP and particularly due to technical progress in developed countries, the Post has witnessed significant changes, such as the processing of mail taking no more than a few hours, and its forwarding from one point of the world to another in a matter of days. But, on the other hand, there are the drawbacks of the postal service in developing countries, especially in the least developed ones, which can be seen as a sign of regression. Therefore, the gap between the postal service of the developed countries and that of the LDCs is widening.

"That weakness had been made worse by critical economic and financial problems. It is to be said that the main obstacle to the smooth running of the world postal service and the improvement of its quality is the poverty and weak economy of majority of the member countries. However, for the smooth operation of the universal postal service and improvement of quality, it is necessary for more attention to be paid to the real needs of the poor countries. Technical cooperation and economic assistance by rich member countries of the Union should be strengthened and increased in favour of poor ones. We hope least developed countries such as Afghanistan will not be forgotten as in the past.

"Mr Chairman, Ladies and Gentlemen,

"We strongly believe that in the near future, we will be able to use and implement technical and economic cooperation in a beneficial way so as to meet the postal needs of our customers.

"In conclusion, I would like to extend my thanks and gratitude to Mr Botto de Barros, Director-General of International Bureau of the Union, and all his staff for the excellent work they have done during their term of office, and I wish the 21st Congress of the Universal Postal Union every success.

"Thank you for your kind attention."

The representative of NIGERIA then made the following statement:

"I feel highly honoured for the opportunity given me to address this august assembly on the occasion of its 21st Congress here in this beautiful city of Seoul, Republic of Korea. Mr Chairman, I must congratulate you and all of you here elected to chair this session of Congress, on your well-deserved election. It

is a thing of joy that you have this opportunity to bring your vast experience in the field of postal endeavours to bear, not only on all the members gathered here today, but on the entire postal world.

"Let me also join my other numerous colleagues in placing on record my delegation's appreciation and gratitude to the Korean Ministry of Communications and its postal service headed by the Honourable Minister of Communications, Mr Yoon Dong-yoon, and the Director-General, Mr Lee In-hak, respectively. Mr Chairman, I wish also to thank the President of this great nation, His Excellency Kim Young-Sam, for the very warm and wonderful hospitality extended to us since our arrival here. I wish to say that this will remain a very memorable event for me and my entourage.

"It is my privilege to convey through you to this august assembly, the warm and kind regards of General Sani Abacha, the Head of State and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria. He particularly congratulates the Government and people of the Republic of Korea for having the rare opportunity and privilege of hosting the Universal Postal Union Congress. I also recall that your nation successfully hosted the 1988 Seoul Olympic Games. These privileges no doubt reflect the ability and commitment of the Government of the Republic of Korea, not only to achieving excellence in world postal service but also to giving it a pride of place in international and economic development.

"It will be recalled that among the resolutions made at the 20th Universal Postal Union Congress held in Washington D.C., United States of America, from 13 November to 14 December 1989 was the introduction of the Washington General Action Plan, which urged the Governments of Universal Postal Union member countries that had not granted their postal administrations sufficient structural autonomy and financial independence, to do so. It was in the spirit of that resolution that the Government of the Federal Republic of Nigeria granted the Nigerian Postal Service the status of a parastatal enterprise with effect from 1 July 1992. Thus, the Nigerian Postal Service with the granting of the new status, had further gained a measure of financial independence while remaining statutorily supervised by the Ministry of Communications.

"The postal administration of Nigeria has witnessed positive changes since the 1989 Congress. Indeed, efforts have been made to implement the Washington General Action Plan through diversification of its services to meet the yearnings of its numerous customers and the challenges of our competitors. Some of the new services introduced by the postal service in Nigeria include expedited mail service (EMS), bulk posting services, agency services, pick-up services, electronic mail services and post office space rentals. In addition, we have established business centres in Nigerian commercial centres, a venture which had hitherto been the preserve of private organizations. We also engage in the sale of products from our own workshops. I am happy to say that the Nigerian Postal Service has made tremendous strides and efforts are continuing to consolidate the gains already made to generate more revenue and to enhance the efficiency of the delivery service.

"As this Congress meets, Nigeria would like to express her gratitude to all member countries for the cooperation she enjoyed from every one of them during the last five years. Worthy of mention is the opportunity Nigeria had to serve as Chairman of Committee 9 of the former Executive Council. In view of the cooperation Nigeria enjoyed and shared with the Committee members and all the members of the Universal Postal Union, Nigeria is again willing to serve on any one of the Committees of the newly restructured Postal Operations Council.

### **"Prospects**

"My administration is striving to diversify the scope of our revenue base in order to generate additional revenue with which to meet the growing expectations of our people. To this end, some aspects of our services have been commercialized. In addition, the plan to introduce a postcode system has reached an advanced stage. This, I believe, will enhance mail delivery. The proposed Post Office Savings Bank Project, if properly structured and managed, should boost the Government's determination to develop rural communities and to inculcate the habit of thrift and savings among the rural population. All these will complement similar projects like the people's Bank and Community Banking System already established in rural areas for the same purpose of enhancing growth and generating revenue.

### **"The Post in developing countries**

"The postal services in the developing countries are still engulfed in problems and deficiencies. These, as you are all aware, do not make for the smooth flow and fast exchange of mails between administrations. We therefore appreciate the action taken by the Universal Postal Union in sending technical experts to monitor more regularly and advise on tests of mail circulation. This action has reduced the problem of delay of mails. However, with better funding, inadequate facilities resulting from poor funding can be improved. The customer, on the other hand, is gradually getting the satisfaction of having his business mail delivered faster. It is on this premise that I call on the developed countries, through this august assembly, to re-examine their assistance to the less fortunate nations within the framework of the Washington Action Plan to further enhance the fast exchange of mails.

### **"Employment of staff in the International Bureau**

"Another area worthy of mention relates to the policy of recruitment of employees of the International Bureau. It would seem that a language barrier limits the number of officials from English-speaking countries who could apply for employment at the Bureau. I understand that the question of adopting English as one of the official languages of the Universal Postal Union (UPU) has been debated for years and I believe that the question ought to have been settled in the interest of the many member countries none of whose nationals are employed at the International Bureau in Berne, Switzerland.

### **"Conclusions**

"Mr Chairman, distinguished delegates, while reiterating my administration's gratitude for the technical assistance so far received, I implore this Congress to give due consideration to the issues raised in this address. It is my hope and desire that improvements to the postal services of the less privileged administrations will be in the best interest of this global organization, so that together we can change our world for the better."

The representative of ZAIRE reported the presence of his delegation and apologized for its late arrival, which was due to problems related to its travel itinerary; he added that part of their delegation would soon be joining them. He took that opportunity to thank Korea (Rep) for the efficient organization of the Congress and to assure Congress that once its delegation was at full strength, Zaire would contribute to the work.

The CHAIRMAN said that since no comments had been made, the agenda (Congress – Doc 4/Rev 2) was adopted, and proposed that they begin their work by considering item 15 of that agenda.

Postal relations on the Korean peninsula

The representative of BRAZIL observed that at the previous plenary meeting, the head of the Jordanian delegation had touched them all with his moving appeal relating to the problems of postal communications on the Korean peninsula.

Congress – Doc 93

He had spoken of families split between the two countries and unable to communicate with each other, and of the deep sadness that had resulted from it, and then he had very aptly and with great tenderness described the situation of the children.

Congress had then decided to form a working party to prepare a draft resolution urging the Democratic People's Republic of Korea and the Republic of Korea to establish reciprocal postal exchanges.

In compliance with that Congress recommendation, he was pleased to submit to the meeting the draft resolution given in Congress – Doc 93, prepared jointly by the International Bureau and five countries – Jordan, Germany, Romania, Canada and Brazil.

They were convinced that approval of that document was essential if full reciprocal exchanges of mail were to be initiated as quickly as possible on the Korean peninsula, in the form advocated in the UPU Constitution with regard to freedom of transit in the postal field.

Brazil was very happy to have had the privilege of being instructed to introduce Congress – Doc 93 and sincerely hoped that the draft resolution would be approved.

The representative of JAPAN supported the draft resolution.

The draft resolution on postal relations on the Korean peninsula (Congress – Doc 93) was adopted unanimously.

The representative of JORDAN thanked Congress for its positive response to the sentiments expressed by his delegation at an earlier meeting about establishment of postal relations on the Korean peninsula. The Jordanian delegation hoped that the Koreans would now exchange letters in both directions between the North and the South, and that the resolution in question would have helped to dry the tears of those who were unable to communicate by post. The day would surely come when the postal family would join the children of both Koreas in celebrating the full exchange of correspondence between the two countries.

The SECRETARY-GENERAL added that this was a very moving moment for them, particularly for the two Koreas, which would begin to establish the exchange of postal items. He was happy that the resolution had been adopted unanimously, adding that it was a project he had worked on for ten years. He had spoken many times in his own name and also on behalf of them all to the ambassadors representing North and South Korea at Geneva. He had found the very best intentions on both sides and they had even considered a project for initiating an open dialogue between the two countries. Congress had now made

it possible for the Director-General to continue that work with the support of all. In his view, it was a task in which they would be able to show the solidarity, the open-mindedness and the sincerity that had always been a hallmark of their organization. He thanked them and assured them that they would be kept regularly informed of developments in that connection.

The representative of KOREA (REP), on behalf of the Government and the people of the Republic of Korea, expressed his delegation's pleasure at the unanimous adoption by Congress of the resolution on postal relations on the Korean peninsula. He sincerely thanked the member countries for having formally supported the resolution in the spirit of cooperation that had been characteristic of the Union throughout all those years. He thanked the delegations of Jordan, Brazil and the other countries that had put forth their best effort in drafting and presenting the resolution. There were some ten million dispersed families on the Korean peninsula; those people had been suffering for 50 years, having been unable to receive any news from their relatives since the division of the peninsula. It was their hope that, with the adoption of that resolution, they would be able to mark a step forward towards establishment of the free exchange of postal items between North and South Korea, thereby bringing the two Koreas closer together and marking the beginning of a new era of communication for the entire population of the peninsula, while relieving some of the suffering of the Korean people. The Korean Government would do its utmost to ensure full implementation of the resolution.

Approval of minutes of plenary meetings

The minutes of the first, second and third meetings (Congress – PVs 1 to 3) were approved.

Relations with the United Nations and other international organizations

The SECRETARY-GENERAL then introduced the document on relations between the UPU and the United Nations and other international governmental and non-governmental organizations.

Congress – Doc 24

This was a report that the Director-General of the International Bureau routinely submitted to Congress, pursuant to decisions made at the preceding Congress instructing him to maintain relations with the UN and to take whatever action he deemed necessary in the interests of the Union and its members, while taking account of any instructions received from the Executive Council.

The members of the Executive Council were kept regularly informed of developments in respect of those relations through annual reports. All member countries received information on that subject in the Report on the work of the Union sent to them.

Because of the relatively small size of their organization and the highly technical nature of its activities, the UPU's contribution to the joint implementation of many programmes and activities at world level might seem rather limited, but there were areas in addition to communications in which the UPU could be very useful, such as transport and the environment.

Next year, the United Nations would be celebrating its 50th anniversary, and the UPU was involved in preparations to mark that event. Its contribution would include the issue of commemorative stamps and the organization of a competition to that end.

Moreover, as far as it was possible, the UPU participated in a number of studies by the United Nations Joint Inspection Unit. The fields more specifically concerned were staff, technical cooperation and management.

The UPU was constantly seeking natural partners as a means of intensifying and revitalizing its activities. In addition to the organizations of the United Nations system, the UPU had recently developed working relations with many international organizations of a technical nature such as the CCC, IATA, the ISO and those comprising or representing publishers and philatelic circles.

As regards attendance at meetings, the UPU, for lack of sufficient resources, confined itself to those whose agenda included items of immediate interest to the Union. Whenever possible, the Union arranged to be represented by the Regional Advisers or by the postal administrations of the countries in which the meetings were being held. He took that opportunity to thank them most sincerely.

He asked them, as indicated in the part entitled "Conclusions", to take note of the information given in the report, to instruct the International Bureau to continue to follow developments and to intensify its relations with the UN and other organizations, and to take other appropriate measures as indicated in paragraph 23.

The representative of NEW ZEALAND recalled that during the General Debate, France had reminded them of the importance of the new multilateral roles relating to the control of trade and services which they would have to take account of in their work. He referred more specifically to the GATT Agreement signed by a great many governments earlier in the year at Marrakech. The documents before them made no reference to any discussions that might have taken place between the International Bureau and the GATT Secretariat on the possible application of the GATS accords to postal services. The speaker assumed that this did not mean that there had been no talks but simply that they had not been mentioned in detail in the document. The Council of Administration would certainly want to address the question of whether the GATS accords would have any impact on multilateral or bilateral arrangements under which postal services were provided at international level. The Union might want to try to obtain observer status at the GATT Council once the World Trade Organization (WTO) began operations.

The SECRETARY-GENERAL replied that they had indeed been in contact with GATT and that an agreement had been reached to the effect that the UPU could be given a chance to exchange ideas on subjects of interest to the Post. The UPU had even requested observer status but since GATT had been in the midst of transition, he thought that the time had come to take the matter up again because he felt that GATT, once it had become the WTO, would be one of the most powerful international organizations of the future.

Congress took note of the report by the Director-General of the International Bureau on relations with the UN and other international organizations (Congress - Doc 24) and requested the Director-General of the International Bureau:

- a to maintain and intensify relations with the UN and other international organizations;
- b to continue to follow developments in the questions mentioned in the report;

- c to take whatever action he may deem necessary in the interests of the Union and its members, subject to any instructions from the Council of Administration;
- d to report every year to the Council of Administration to an appropriate extent.

Implementation by the specialized agencies of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Congress – Doc 25

The SECRETARY-GENERAL said that the legal basis of the document under consideration was the resolution of the 1960 United Nations General Assembly concerning the granting of independence to colonial countries and peoples, as well as a series of other resolutions regarding the follow-up of the original resolution.

He drew particular attention to paragraph 4 of the report in which States and specialized agencies were urged "to do their utmost to ensure the full implementation of the Declaration on the granting of independence to these countries and peoples, and to intensify their efforts to support peoples under colonial, foreign and racist domination in their just struggle for self-determination and independence".

Chapter II of the report referred to the measures taken by the UPU in implementing that United Nations resolution.

It also mentioned examples of assistance provided by the Union to refugees and non-self-governing territories, as well as to the newly independent countries and the least developed countries.

In conclusion, Congress was invited to take note of the information contained in the present document and to issue guidelines on the best way of intensifying assistance within the framework of Union activities, taking into account the resources available.

Congress decided:

- a to take note of the efforts made by the UPU to aid refugees and non-self-governing territories, as well as the newly independent countries and the least developed countries (LDCs);
- b to intensify efforts, within the limits of existing possibilities and resources, to increase assistance to those countries, adapting its activities to changes in the situation in the regions concerned and as part of a coordinated action plan.

Contribution class changes

Congress – Doc 39

The ASSISTANT SECRETARY-GENERAL presented Congress – Doc 39 concerning contribution class changes. Under article 125, paragraphs 4 and 5, of the General Regulations, member countries could change contribution class on condition that that change was communicated to the International Bureau before the opening of Congress, and that it involved a lowering by only one class at a time. The document also mentioned the new member countries that had acceded to the Union since the Washington Congress. The Republic of South Africa, which had just been readmitted to the Union, had to be added to the list of those countries. The document also indicated the countries that had left the Union. Congress was requested to take note of the notifications in question.

The representative of ERITREA made the following statement:

"Since this is the first time I am taking the floor, please allow me, Mr Chairman, to thank the Government of the Republic of Korea and its people and the Secretariat of the host country for the warm hospitality accorded to us on our arrival and during our stay in this historic city of Seoul.

"Mr Chairman, I would like to congratulate you on your election to the Chairmanship of this Congress along with the Vice-Chairmen.

"Mr Chairman, distinguished delegates, it is indeed an honour for my country, the State of Eritrea, and myself to participate in this 21st Congress of the UPU as the 185th family member of this dignified Union. Needless to mention that Eritrea's direct participation in the world Post began almost one hundred years ago, when Eritrea was a colony of the Italian Empire. Among other things, the old UPU documents and the postage stamps issued in 1893 are but historic witnesses to this fact.

"As you may realize, the postal administration of the State of Eritrea, while recognizing the problems it has, should not be regarded like any other postal administration of developing countries whose infrastructure and human resources are in place, but as one whose infrastructure and skilled human resources remain in disarray as a result of the 30 years of war of liberation. Despite such difficulties, however, the Government of the State of Eritrea, realizing the vital role postal services could play in the economic, social and cultural development of our nation, has granted my administration full freedom of action to manage all its financial and other resources without any intervention. In view of this development and with its limited resources, my administration is making an effort to undertake a comprehensive programme to develop Eritrea's national and international postal system. So far, we have resumed international letter-post and parcel-post services, and soon, at the end of this 21st Congress of the UPU, we hope to add international money order and EMS services to our system. Yet, we have a long way to go.

"I have to avail myself of this occasion to thank Mr A C Botto de Barros, Director-General of the International Bureau, and all his colleagues for the cooperation shown to us so far, especially in providing technical assistance in the form of consultancy missions and overseas fellowship training to meet our immediate needs, under the UPU and UNDP funding schemes. We still hope that more such technical assistance will be granted in the future so that our postal system can integrate and fit itself into the global postal network.

"At this juncture, as has been already communicated to the International Bureau, I would like to remind the Congress that Eritrea wishes to be placed in the 0.5 unit contribution class, in conformity with the UNDP recommended classification, rather than the one-unit class.

"Mr Chairman, on this historic first event both for my country and for myself, I extend to you and to the Congress all our best wishes for success."

The ASSISTANT SECRETARY-GENERAL said that the International Bureau had shared the concerns of Eritrea since its accession to the Union. In accordance with the procedure in effect, Eritrea's request first had to be dealt with by the United Nations General Assembly. Once Eritrea had been classified as an LDC

(least developed country), the International Bureau would proceed automatically to lower its contribution class without it being necessary to submit a request to the International Bureau or to Congress.

Congress took note of Congress – Doc 39.

Entry into force of  
the Acts of the 1994  
Seoul Congress

Proposal 02

The representative of GERMANY said that the date proposed left countries very little time to translate and distribute the texts in the other languages. That deadline was especially short since translation could begin only when the final French version was available. In view of the importance of the amendments, it was not advisable to undertake the translations before finalization of the definitive French version. The countries that had to translate the texts should be given more time. According to proposal 02, more than 15 months instead of 12 would be available, but the documents in question were more voluminous and the Detailed Regulations would not be available until after their analysis by the competent body in February 1995. That meant that the final versions would be distributed only in May 1995. That shortened in proportion the time that would be available between now and the end of 1995. Proposal 02 implied that the Seoul Acts were to be implemented as soon as possible and that the documents adopted at Seoul and by the Postal Operations Council would be translated into the other languages as soon as possible from the final version in French. He and his delegation were aware that that represented a heavy workload for the International Bureau and therefore wished to know when the International Bureau would be able to make available the final versions of the French texts concerned.

The ASSISTANT SECRETARY-GENERAL said that the delegate of Germany made a significant distinction between the Acts approved by Congress and those that would be approved by the POC. On the basis of that difference, it was easy to understand that two distinct time periods had to be referred to. A precise date could not be set because that depended in part on external suppliers. However, the International Bureau would be able to make the corrected final texts available to Germany within two months after the close of Congress. The Acts that were within the purview of the POC would be available not later than two months after that body had met.

The representative of CHINA (PEOPLE'S REP) said that the Detailed Regulations of the Acts and of the Agreements stemming from Congress had to wait to be considered by the POC, which shortened accordingly the time countries would have at their disposal, unlike what had been the case at previous Congresses. It would therefore be difficult for most countries to bring those texts into force on 1 January 1996. However, considering the need to apply the Acts as soon as possible, his delegation could accept the date proposed on condition that the meetings responsible for discussing and approving the Detailed Regulations took place in early 1995 and that the final documents were distributed to countries before 1 April 1995.

The representative of JAPAN pointed out that before the date of entry into force of the Acts of the Washington Congress, only seven countries had been able to clear all the hurdles associated with their internal procedures. His delegation proposed that the date of entry into force of the 1994 Seoul Acts be set at 1 July 1996, or at the earliest 1 April 1996.

The representatives of JORDAN, HUNGARY (REP) and ITALY all supported the date of 1 April 1996, the date chosen for the entry into force of the Acts of Congress, citing the difficulties involved in preparation of the documents and the work connected with the POC in 1995.

The representative of MOROCCO said that since the Washington Congress, the UPU had been charged with reviewing its work methods and its management. The result of that analysis had been the creation of two new Councils, which was certainly a sign of vigorous action. The decisions taken should make it possible to withstand the competition, given that the work methods of the existing bodies were no longer in tune with the current situation. No enterprise could afford to take a decision today and implement it a year and a half later. It was difficult to imagine at the present time what the situation of the UPU would be in the face of the competition. Since the UPU had been asked to change its work methods, administrations ought to do likewise. A realistic attitude ought to be demonstrated and such a decision implemented within a reasonable time period.

The representative of the SYRIAN ARAB REP said his delegation was in favour of 1 July 1996 as the date of entry into force of the Acts.

The representative of CUBA supported the arguments put forward by Morocco and came out in favour of the proposal originally made by the Executive Council.

Mr RAMAN, ASSISTANT DIRECTOR-GENERAL AT THE INTERNATIONAL BUREAU, said that Committee 4 had taken a number of decisions regarding terminal dues which set, as one of the conditions, a threshold of 150 tonnes for applying the correction mechanism. Normally, terminal dues and transit charge accounts were done on a yearly basis, that is, by calendar year. What would happen to the thresholds if the Acts came into force on 1 April or on 1 July? If the Acts came into force on 1 July, would a threshold of 75 tonnes be acceptable? What would the statistical period be? Those were questions that had to be answered. As far as terminal dues and transit charges were concerned, it was certainly easier to begin implementing them on 1 January of each year.

The representative of NIGERIA said that, while he appreciated Mr Raman's comments, he favoured 1 April 1996 as the date of entry into force of the Acts.

The representative of FRANCE supported Mr Raman's proposal, stressing that the Hamburg Congress had set 1 July 1986 as the date of entry into force of the Acts; however, the entry into force of the provisions regarding terminal dues had been set at 1 January 1986.

The ASSISTANT SECRETARY-GENERAL, in reply to China (People's Rep), informed the assembly that the Postal Operations Council would meet towards the end of January 1995, but that it was still too early to set a precise date.

The representative of MAURITANIA said that the details given by Mr Raman were very well founded and that therefore an exception should be made for application of the provisions concerning terminal dues. It would be better to have a consensus on the date of entry into force of the Acts because even if most countries voted for a date, countries with internal administrative constraints could have serious difficulties complying with those time periods.

The representative of GHANA said that in the light of the comments made by Mr Raman, he supported the date of 1 January 1996 and asked other delegations also to support the proposal.

The representatives of GERMANY and AUSTRIA said that they supported the compromise proposal put forward by France.

The CHAIRMAN stated that some countries had expressed their concern over the date proposed by the Executive Council, whereas others had supported the proposal. It was necessary to choose between the three or four dates suggested. The first proposal was that of the Executive Council, which called for 1 January 1996 as the date of the entry into force of the Acts; another proposal called for 1 April 1996. The proposal which took account of the comments by Mr Raman called for 1 January 1996 for the provisions concerning terminal dues and 1 April 1996 for the Acts. The fourth and last proposal set the date for the entry into force of the Acts at 1 July 1996. It was now possible to put the matter to the vote and, in accordance with the clarification given by the International Bureau's Legal Counsellor, the first vote would be on the most radical proposal, that of the Executive Council.

The representative of ZAMBIA said that it was important to establish whether the decision on terminal dues could have adverse consequences for certain administrations if the date for the application of the provisions on terminal dues was set at 1 January 1996. There seemed to be a link between terminal dues and charges and if all the emphasis was placed on terminal dues, problems could arise in other areas.

The representative of MOROCCO said that there were three time periods involved. The first was 15 months, the second 19 months and the third 22 months. Why was the proposal to apply the Acts on 1 January 1996 that which departed furthest from the status quo?

Mr DUCOMMUN, LEGAL COUNSELLOR, said that when it was a question of dates, it was difficult to speak of the proposal which departed the furthest from the texts currently in force. It was in fact necessary to know what period of time was required before those dates came into force. It would therefore be advisable to consider that the shortest period was, in this particular case, the most radical one. This was also the most logical way of conducting the ballots. If a short period was rejected, it would then be possible to vote on a slightly longer one. If, however, the longest period was voted on first, it would then be more difficult for delegations to decide.

The CHAIRMAN said that a decision first had to be taken on the procedure to be followed. He proposed taking a vote to decide whether the first proposal, on the basis of the interpretation given by the Legal Counsellor, would be the proposal by the Executive Council, which set the date for the entry into force of the Acts at 1 January 1996. That first vote would be a vote on procedure. The second vote would be on the substance of the question, ie the date of the entry into force of the Acts.

Put to the vote, the decision to deal first with the proposal of the Executive Council was taken by 142 votes to 11, with 4 abstentions.

Put to the vote, resolution 02 fixing the date for the entry into force of the Acts of the Seoul Congress at 1 January 1996 was adopted by 142 votes to 9, with 6 abstentions.

The meeting rose at 12.45 pm.

For Congress:

Young-su Kwon

Chairman

A C Botto de Barros

Secretary-General

L L Fernandes Pinheiro

Secretary

**Eleventh meeting of Congress**

Tuesday, 6 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 3.10 pm.

Approval of the  
report of Commit-  
tee 1 (Credentials)

Congress/C 1 –  
Rep 1

The CHAIRMAN OF COMMITTEE 1 made the following statement:

"It is my pleasure to present to you the report of Committee 1, now before you as document Congress/C 1 – Rep 1. As indicated in the document, this Committee met twice, on 25 and 31 August. In summary, thanks to the extremely high level of cooperation offered by all delegations present and to the pains taken in preparing credentials, no major problems have been encountered so far with the credentials deposited. The secretariat has taken the necessary steps to contact those delegations whose credentials did raise problems, and it is expected that these will be speedily resolved.

"This document presents the situation as it existed at the end of 2 September. Since then, however, there have been several changes. In particular:

- credentials granting the right to participate in the meetings and to vote, as well as to sign the Acts, have been received from Nigeria and Saint Vincent and the Grenadines;
- additional credentials granting the right to sign have been received from Monaco;
- two additional proxies have been received. The first was from Turkmenistan in favour of Ukraine, and the second from Jamaica in favour of Guyana.

"This brings to 160 the number of credentials in due and proper form and to seven the number of credentials which do not confer authority to sign the Acts. We now therefore have 21 countries which are not participating in the work of the Congress.

"I would now like to make some observations of a general nature concerning annex 2 of this document:

- 1 Only names mentioned in the credentials have been included in this list. They have also been mentioned in the same order and the same spelling as those mentioned in the credentials. There could thus be slight differences between annex 2 of this document and the list of Congress participants.
- 2 Country names are those indicated in the French version of Congress – Doc 26/Rev 1.

- 3 You will observe that column 2 of annex 2 lists the name of plenipotentiaries who are authorized to sign the Acts. For some countries, not all the persons listed can sign at the same time. For example, there are many cases where only the head of delegation has been authorized to sign, with other persons being authorized to sign only if the head of delegation is prevented from doing so. These details have not been indicated in this annex. However, the secretariat has detailed lists which take into account these restrictions and will be guided by these lists when the Acts are signed.

"Should any changes in spelling, etc, or other corrections prove necessary, we would be happy to incorporate them. Certain delegations have already contacted the Committee secretariat in this regard and it is proposed to issue a revised version of annex 2 once all the changes desired by delegations have been received.

"Some delegations who have not as yet submitted their credentials have contacted this Committee about their situation after the approval of this report. In this connection, I would like to state that this Committee will prepare a final report which will be submitted to the plenary on 9 September, just before the elections, and which will include an annex containing details of credentials received between now and that point of time.

"As this is not the last document to be submitted by this Committee all countries present may still continue to vote at Committee meetings.

"If necessary, I could also make an additional oral report to take into account any credentials which may be received even a few minutes before the election. In this context, Congress is requested to authorize the Chairman of Committee 1 to recognize any credentials that may be deposited later and to inform Congress thereof in due course. This Committee is aware of the great effort made by delegations to participate in the work of Congress and would like to adopt as flexible and positive an approach as possible.

"In closing, I would like to thank Korea, the host country, for the excellent work environment they have provided for this Committee and for their collaboration in remitting to this Committee credentials which had been received by them. I would also like to specially thank Mr Gharbi for his cooperation and Mr Langheld and his team for doing an excellent job. Last but not least, I would also like to thank all delegations for their collaboration, without which the work of this Committee would not have been so easy."

The CHAIRMAN underlined the importance of the Committee 1 report and added that a final report would be submitted to Congress participants at the beginning of the plenary meeting on the morning of 9 September 1994.

He further asked the Congress Secretariat to update the text of the report to include the necessary amendments indicated by Kuwait and Tanzania (United Rep), and reminded the meeting that, pursuant to article 3, paragraph 3, of the Rules of Procedure of Congresses, the final version of the last Credentials Committee report had to be approved before the elections, other than that for Chairman of Congress, and before the approval of the draft Acts.

In reply to a statement by Uganda, he confirmed that the plenipotentiaries who were authorized to sign the Acts were also authorized – in accordance with article 3, paragraph 1, of the Rules of Procedure of Congresses – to speak and vote, unless the contrary was explicitly stated in the wording of the credentials.

The report of Committee 1 (Congress/C 1 – Rep 1) was approved.

The meeting rose at 3.35 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Twelfth meeting of Congress**

Friday, 9 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.25 am.

**Communications**

The DOYEN observed that in the past few days, delegations to Congress had been invited to visit two Korean firms with close links to the Post and he thanked both of them very sincerely for their cordial welcome. He also thanked the Ambassador of Spain and the Spanish Deputy Minister of Communications for the very pleasant reception held for them on 6 September. It had been a remarkable evening. The previous evening, they had attended a reception given by Mr Boulgak, Minister of Posts and Telecommunications of the Russian Federation. The choir of the postal region of Krasnodar had given them an opportunity to enjoy traditional Russian songs, and in addition, they had been able to sample the culinary delights of Russia. He thanked Mr Boutenko, head of the Russian delegation, for that particularly successful evening.

**Statements**

The representative of MADAGASCAR began by thanking the Chairman for having given him the floor. The Malagasy delegation apologized for its late arrival at Seoul, which had been due to a recent reshuffle of its country's government.

He then expressed his delegation's gratitude to the Government and people of the Republic of Korea for the warm welcome extended to them since their arrival in that beautiful country.

He thanked and congratulated the Republic of Korea and the International Bureau of the UPU for the flawless organization of Congress.

Since the previous Congress, Madagascar had set out on the road to liberalization. The Post itself was in the midst of restructuring, and legislation had recently been adopted by the National Assembly making the postal administration an independent public operator.

Madagascar was expecting a great deal of support from the UPU in bringing its restructuring and modernizing work to a satisfactory conclusion. It was therefore pleased with the Congress decision to give the Union a new structure and a new operating method.

That decision was the culmination of very intense work by the Executive Council over the past five years with the cooperation of the Consultative Council for Postal Studies and the International Bureau, and he congratulated the Chairmen and members of the bodies of the Union, as well as all those who had participated, whether directly or indirectly, in the work.

He was certain that the reorganization of the UPU would help to improve the image of the Union and to increase user confidence in the Post; this was a tangible result that should be brought to the attention of the public at once, by means of a press release, for example.

Madagascar was also willing to participate in UPU efforts to improve postal relations among all Union member countries, particularly measures seeking to enhance the security of postal items.

He wished the 21st UPU Congress every success in its work and thanked the meeting for its attention.

Approval of the agenda  
(Congress – Doc 5/ Rev 1)

The representative of GREAT BRITAIN, supported by Italy, proposed that the requests by Slovenia and Croatia to henceforth be classified in group 3 "Western Europe" be considered after agenda item 4 (Congress – Docs 41a/Add 1 and Add 2).

Subject to that comment, the agenda (Congress – Doc 5/Rev 1) was adopted.

Approval of minutes of plenary meetings

The minutes of the fourth meeting (Congress – PV 4) were approved.

Final report of Committee 1 (Credentials)

The CHAIRMAN OF COMMITTEE 1 submitted his Committee's final report, given in Congress/C 1 – Rep 2, which the meeting had before it. The document, which needed no explanation, reported on the situation at 7 September 1994.

(Congress/C 1 – Rep 2)

At the plenary meeting of 6 September, during its consideration of the report of Committee 1, Congress had authorized the Chairman of that Committee to recognize any late-arriving credentials and had asked that Congress be informed of them in due course.

Since the publication of the report the meeting had before it, other credentials had been received, from the following countries in particular:

- the Republic of Tajikistan had given a proxy to the Republic of Uzbekistan, thereby authorizing it to participate in the meetings, to vote and to sign on its behalf. The proxy had been examined and found to be in due and proper form;
- the Republic of Uzbekistan had deposited its credentials, giving full powers to its delegate. Those credentials had been examined and found to be in due and proper form;
- the Republic of Kyrgyzstan had deposited its credentials, giving full powers to its delegate. Those credentials had been examined and found to be in due and proper form;

- the Republic of Zaire had deposited its credentials, giving full powers to its delegation. Those credentials had been examined and found to be in due and proper form;
- India had deposited supplementary credentials, giving full powers to a new delegate. Those credentials had been examined and found to be in due and proper form.

Congress was asked to approve the above credentials, which had been found to be in due and proper form.

Once those credentials were accepted, there would be four countries participating in the proceedings of Congress for which the Secretariat had not received any credentials from the appropriate authorities. Those countries were:

- People's Republic of Angola;
- Republic of Guatemala;
- Socialist People's Libyan Arab Jamahiriya;
- Democratic Republic of Sao Tome and Principe.

In accordance with article 3, paragraph 3, of the Rules of Procedure of Congresses, those countries would no longer be authorized to vote or to sign the Acts from the moment Congress approved that report and as long as their position had not been regularized.

At the time of the meeting, the following 18 countries were not participating in the proceedings of Congress:

- Socialist People's Republic of Albania;
- Antigua and Barbuda;
- Republic of Azerbaijan;
- Republic of Bosnia and Herzegovina;
- Islamic Federal Republic of the Comoros;
- Democratic People's Republic of Korea;
- Republic of Guinea-Bissau;
- Republic of Haiti;
- Republic of Iraq;
- Republic of Kiribati;
- Lao People's Democratic Republic;
- Republic of Moldova;
- Republic of Nicaragua;
- Rwandese Republic;
- Somali Democratic Republic;
- Republic of Trinidad and Tobago;
- Tuvalu;
- Federal Republic of Yugoslavia.

Up to that point, the Committee had received 158 credentials in due and proper form and nine proxies; a total of 167 countries would thus be authorized to speak and to vote, directly or by proxy, at all meetings after approval of that report. The list of countries whose credentials did not include the right to sign the Acts was identical to that given in annex 2 to the report.

The speaker asked Congress to approve Congress/C 1 – Rep 2, taking account of the corrections made as a result of the changes he had just mentioned.

The report of Committee 1 (Congress/C 1 – Rep 2) was approved.

A request by the Dominican Republic to resubmit its application for election to the Postal Operations Council following regularization of its credentials was approved.

Election of the members of the Council of Administration; list of member countries on the basis of the five geographical groups  
(Congress – Docs 41a/Add 1 and Add 2)

The representative of GREAT BRITAIN did not wish, at that stage, to state his views on the relevance of Slovenia's and Croatia's request for classification in group 3 "Western Europe". He pointed out, however, that transferring a country from one group to another could upset the balance of the Councils, not only as regards the number of countries in each group, but also as regards the number of seats allocated to the groups. Congress should not be asked to consider such requests without being given an opportunity, at the same time, to look into the very important related matter of the balance of the seats on the Councils. Committee 3 had considered but had not approved Iran's proposal 05/Rev 1 about allocation of seats on the Council of Administration; on the other hand, however, it had decided that the composition of the geographical groups should be reviewed by the Council of Administration. Because of their very late submission, he proposed that Slovenia's and Croatia's requests for transfer be kept in abeyance and that they be included in the comprehensive study that the Council of Administration had been instructed to carry out.

Moreover, he understood that the United Nations General Assembly was considering similar issues, in the light of the recent geopolitical changes in Europe, which was one more reason for referring consideration of those requests to the Council of Administration study.

The representative of SPAIN endorsed Great Britain's proposal and called for a thorough study of the matter.

The representative of ITALY endorsed the views expressed by Great Britain and Spain, adding that he hoped that the UPU would avoid any further such cases by introducing appropriate regulations as quickly as possible.

The representative of SLOVENIA, addressing Congress for the first time, greeted all the delegates in attendance and thanked the Secretariat and the entire International Bureau staff for the remarkable organization of the Congress. He also expressed his gratitude to the Republic of Korea, the Ministry of Communications, and all those who had played a role in preparing Congress.

Regarding Slovenia's transfer to another geographical group, he referred the meeting to Congress – Doc 41a, which stated that the new member countries had been allocated to the various regions on the basis of their geographical location. The fact was that Slovenia was located in Western Europe and not in Eastern Europe, and this was why he had sent a letter to the Secretary-General asking him to transfer Slovenia to group 3. As for the distribution of countries in the two geographical groups, the transfer of Slovenia from group 2 to group 3 would improve the balance between the two groups. Moreover, every country had the right to choose the region to which it felt it belonged. Since the Convention contained no provision preventing a country from making such a choice, he simply asked that his request be treated in a democratic manner.

The LEGAL ADVISER recalled that at the 1952 Brussels Congress, the first list of member countries by geographical group had been prepared before proceeding to the election of what at the time was the Executive and Liaison Committee. Later, at the Ottawa Congress, some delegations had asked to be allowed to change group, and Congress had considered those requests before preparing the list for the elections. Since the 1964 Vienna Congress, Congress had not discussed the matter, confining itself to taking note of the few requests for transfer – a total of three in 30 years – that had been communicated to it by the countries concerned. All those requests for transfer had been announced either before the opening of Congress or before the Committee concerned had made its arrangements for the elections. The problem now facing them had never arisen before. It was also true that there were no provisions covering that matter and it would be desirable, as some delegations had proposed, that regulations be drawn up on the subject. It would seem, in view of the decisions reached by Committee 3 about the composition, functioning and duties of the two bodies, which had already been approved by Congress and which were to come into force immediately, that it would be difficult to make any changes.

In that specific case, Congress could, if it so wished, decide to take note of the two requests submitted to it and postpone their coming into force until after Congress.

The representative of ITALY expressed complete satisfaction with the Legal Adviser's explanations.

The representative of SLOVENIA said that his country was willing to withdraw its application for a seat on the Council of Administration but still wanted to be considered as belonging to the Western Europe group.

Congress took note of the withdrawal of Slovenia's application for a seat on the Council of Administration and approved Congress – Docs 41a and Add 1 and Add 2, on the understanding that the question of geographical groups would be studied by the Council of Administration.

Election of the  
Director-General of  
the International  
Bureau

(Congress –  
Doc 40 and  
Annex 2)

The CHAIRMAN said that the elections would be conducted in accordance with the procedure described in article 22 of the Rules of Procedure of Congresses, which specified that they should take place by secret ballot and that the candidate who obtained a majority of the votes cast by the member countries present and voting would be elected. Abstentions and blank or null and void ballot papers would be ignored in counting the votes required to constitute a majority.

According to Congress – Doc 40 and its Annex 2, there were two candidates: these were, in alphabetical order, Mr Jaime Ascandoni Rivero (Spain) and Mr Thomas E Leavey (United States of America).

Congo (Rep), Malaysia and Slovakia were appointed tellers.

The CHAIRMAN stated that the vote could begin and proceeded to have the ballot papers distributed and the roll called.

The result of the vote by secret ballot was as follows:

Ballot papers distributed: 167

Ballot papers returned: 167

Abstentions, blank or null and void ballot papers: 1

Votes cast: 166

Majority required: 84

Mr Leavey obtained 124 votes.

Mr Ascandoni obtained 42 votes.

Mr Thomas E Leavey, having obtained the majority of the votes cast by the member countries present and voting, was elected Director-General of the International Bureau of the UPU.

*(Applause.)*

The CHAIRMAN congratulated Mr Leavey on his election to the post of Director-General of the International Bureau of the UPU, and personally wished him success during his five-year term, which would be marked by the restructuring of the UPU. The next five years would constitute an extremely difficult and challenging period and the very heavy workload that would stem from that Congress would fall upon the new Director-General.

He then thanked Mr Jaime Ascandoni for having offered to make his extensive experience and competence available to the International Bureau. The choice between the two candidates had been a difficult one, since they were both well known and their qualities were duly appreciated. Nevertheless, they had had no alternative but to choose between these two altogether remarkable candidates.

Election of the Deputy Director-General of the International Bureau (Congress – Doc 40 and Annex 3)

The CHAIRMAN said that under article 22 of the Rules of Procedure of Congresses, the election of the Deputy Director-General also took place by secret ballot. The candidate who obtained the majority of the votes cast by the member countries present and voting would be elected. As many ballots would be held as were necessary for a candidate to obtain that majority.

Bulgaria (Rep), Colombia and Ireland were appointed tellers.

The CHAIRMAN stated that the vote could begin and proceeded to have the ballot papers distributed and the roll called.

The result of the vote by secret ballot, during which there were two ballots, was the following:

*Result of the first ballot:*

Ballot papers distributed: 167  
Ballot papers returned: 167  
Abstentions, blank or null and void ballot papers: 2  
Votes cast: 165  
Majority required: 83

Mr Gharbi obtained 46 votes.  
Mr Mazou obtained 79 votes.  
Mr Raman obtained 40 votes.

*As Mr Raman had obtained the fewest votes, he was eliminated.*

*Result of the second ballot:*

Ballot papers distributed: 167  
Ballot papers returned: 167  
Abstentions, blank or null and void ballot papers: 1  
Votes cast: 166  
Majority required: 84

Result of the second ballot:

Mr Gharbi obtained 64 votes.  
Mr Mazou obtained 102 votes.

As Mr Mazou had obtained the majority of the votes cast by the member countries present and voting, he was elected Deputy Director-General of the International Bureau of the UPU.

*(Applause.)*

The CHAIRMAN, speaking on behalf of Congress and in his own name, very heartily congratulated Mr Leavey and Mr Mazou on their election to the posts of Director-General and Deputy Director-General of the International Bureau of the UPU.

Mr LEAVEY, DIRECTOR-GENERAL ELECT, said that this was a very important moment for their Union, as well as one of great joy for himself and his colleagues from his administration. They viewed his election to the post of Director-General of the International Bureau of the UPU as an indication of the meeting's confidence in his ability to lead the Union. It was also a great responsibility because of the challenges awaiting them. He assured them that he was fully aware of the great responsibility that went with the post and he appreciated their support and felt sure that together, they would be able to deal with the many challenges facing them. He was also sure that they would succeed in building a very strong Union, and thought that the decisions they were taking during that Congress would make their Union stronger and more able to face the challenges of the times. He very sincerely thanked Mr Ascandoni with whom he had worked for many years and whose great dedication to the Union and whose contribution to its work were well known and highly appreciated. Mr Ascandoni, out of a spirit of dedication, would help them to conclude the work of Congress. Mr Leavey then thanked all those who had contributed to his victory, adding that he knew he would always be able to count on their support.

*(Applause.)*

Mr MAZOU, DEPUTY DIRECTOR-GENERAL ELECT, said that at that very moving moment, his thoughts turned in friendship to his two colleagues and friends, Mr Mostafa Gharbi and Mr M S Raman who, throughout the campaign, had both shown balance and an acute sense of moderation. Like himself, they had both understood that the post all three were seeking required such moderation, out of respect for the universal postal organization. He assured them of his high regard and said he was counting on their understanding and support so that together, they would continue to form a team around the new Director-General.

He was very aware of the honour that had been done to him by Congress in electing him Deputy Director-General and he thanked the meeting very sincerely.

He expressed his gratitude first of all to the Congo, his country of origin, which had always given him full and active support throughout his career at the International Bureau. He was particularly grateful to the Congolese Government which, through its Minister, Mrs Albertine Lipou-Massala, who was present in the hall, had spared no effort to ensure that he would be successful. He also thanked the administrations in every part of the world where he felt privileged to have a great many colleagues and especially friends who had given him invaluable support, both administrative and moral.

He thought that the results of the election of the Deputy Director-General were symbolic in several ways.

First of all, they had chosen an African candidate. How could they fail to see therein an indication of a movement of solidarity and of confidence in that continent which even now might project the image of a land of paradox, rocked by the very powerful end-of-century upheavals of political and social transformation. Africa, which had not arrived empty-handed at the dawn of civilization, was today desperately seeking the road to genuine development, a road that could not be a replica of the choices made elsewhere. When Africa awoke, it would recover the peace, the wisdom, the confidence and the cohesion needed to foster the development of its technical and human potential for the benefit of the world.

He thought that their choice had been symbolic for a second reason, in that they had taken an official whose career at the International Bureau had begun modestly, 32 years ago, and raised him to one of the highest positions in the organization. He felt that they had wanted to acknowledge unquestionable fidelity and a willingness to serve. That symbol was a message of encouragement to his colleagues at the International Bureau. It meant that work, determination and a measure of luck would always pay off.

At that happy moment, he once again recalled the memory of a man who had marked his career, the late Dr Weber, a former Director-General of the International Bureau, who would remain for him and for all who had known him a man of vision who had brought his philosophy of solidarity between men and his great passion for international cooperation into harmony. He also mentioned Directors-General Rahi, Ridge and Sobhi who, each in his own way, had allowed the junior official that he was to work in an international milieu where a sense of duty and a concern for balance were the golden rule.

He felt that Mr Botto de Barros, their Director-General who would be handing over to his successor next 1 January, deserved a very special mention.

Mr Botto de Barros, a passionate man, demanding of others if anyone was and even more so of himself, was the Director-General who had made the greatest changes within the Universal Postal Union. It was he who, paradoxically, had shared with them his passion for information technology, a new science often thought of as being closed to older people. It was he too who, despite some reservations, had paved the way for use of modern communications technology – telematics – in exchanges between postal administrations. He thanked Mr Botto de Barros and expressed his admiration for what he had done for the member countries of the Union in general and for the least developed of them in particular.

He also mentioned his two predecessors and friends, Mr Félix Cicéron and Mr Jaime Ascandoni, men of vastly different temperament who had left the mark of their many talents on the organization.

He continued by saying that while he appreciated the confidence that had been shown by Congress, he was aware of the extent of the responsibility he was taking on. The International Bureau, of course, was administered by the Director-General, who knew that he would be needing the willing cooperation of his deputy and other close colleagues.

He assured Mr Thomas Leavey, whom he congratulated once again, that he would be able to count on his full and complete cooperation in ensuring dynamic, effective and balanced management at a time when restructuring would require the International Bureau more than ever to be a force for new ideas, in the forefront of change.

Once again, he thanked Congress and all his brothers and sisters of Africa and those of the African diaspora in the Caribbean, his friends in America, Asia and the Pacific, from the Arab world and in Europe, and assured them that with the help of God, he would strive to perform his new duties to the best of his ability, and thus be worthy of their trust.

*(Applause.)*

The SECRETARY-GENERAL observed that elections were the symbol of democracy and that it was democracy that had won that day. Renewal was always positive because it allowed one to move ahead. Renewing their senior officials gave them an opportunity to innovate and thus to give new momentum to the activities of the organizations for which those officials were responsible. He congratulated Mr Leavey on his election to the post of Director-General of the International Bureau of the UPU. His personal and professional qualities were well known and he was fully capable of running the Union in the best possible manner. He was convinced that the new Director-General would lead the affairs of the UPU towards the future without forgetting the lessons of the past. Their organization was more than 120 years old and had a long history that had to be taken into account. Moreover, the UPU was made up of all its member countries and the senior officials of the International Bureau were at their service. In the end, it was the member countries that had the noble task of deciding how the UPU should be run.

He then congratulated Mr Mazou on his election to the post of Deputy Director-General of the International Bureau and pointed out that this was a man of great merit. He had begun his career at the International Bureau in a very lowly position. Since taking up his duties, he had displayed exceptional qualities and thus had earned many promotions throughout his long career. To move ahead, he had nothing but his own strength to draw on, a strength derived from his African roots. He had sacrificed his free time to undertake advanced studies and in the process had acquired a wealth of academic and intellectual credentials. This had enabled him to present a worthy curriculum vitae and now to be elected to the post of Deputy Director-General of the International Bureau of the Universal Postal Union. He therefore congratulated Mr Mazou, with whom he had worked for ten years, as well as the African continent that had seized that opportunity to have the post filled by one of its own. The International Bureau's two other candidates, Messrs Gharbi and Raman, also had excellent professional and personal qualities of which he was well aware, and they too had deserved to be elected, but unfortunately, there was only one Deputy Director-General's post.

Turning to Mr Ascandoni, he observed that everything in life had a positive side. The result of the election made Mr Ascandoni's family the winners; the time they would now be able to spend together was very precious and they should make the most of it.

Finally, he stressed Mr Ascandoni's exemplary devotion to the cause of the Union and his great intellectual capacity which he had unfailingly placed at the service of all the Union's member countries. He then thanked him very especially for the support he had always received from him throughout his career at the International Bureau.

*(Applause.)*

Approval of resolutions and decisions other than those amending the Acts (first list)

(Congress – Doc 85.1)

The CHAIRMAN presented Congress – Doc 85.1 for approval by Congress. This document contained the resolutions and decisions other than those amending the Acts, considered by Committee 10 (Drafting) up to 30 August 1994.

The representative of GERMANY, speaking as the Chairman of Committee 2 (Finance), pointed out that the resolution concerning application of the policy of zero growth in real terms of Union expenditure had not been included in the list of decisions before them.

The CHAIRMAN replied that all the resolutions in question would be included in the comprehensive document which would be available at the end of Congress.

Congress – Doc 85.1 was adopted.

Appeal

(Congress – Doc 96)

(Proposal 30. 25.8)

The CHAIRMAN explained that Congress – Doc 96 contained an appeal by Great Britain, Japan and Norway calling for reconsideration of proposal 30. 25.8 concerning the indemnities relating to postal parcels provided for in article 25, paragraph 2, of the Postal Parcels Agreement. The proposal, which sought to increase the indemnities to be paid by postal administrations for ordinary parcels that had been lost, rifled or damaged, had been rejected by Committee 7 at its third meeting.

The representative of NORWAY presented the appeal on behalf of the three previously mentioned administrations. When they had considered proposals 30. 25.7 and 30. 25.8, the Committee had decided to abolish the weight steps used until then for the payment of indemnities for postal parcels that had been lost, rifled or damaged. Their appeal was founded on the fact that discussion of that point in Committee 7 had been cut short. Neither the countries that had submitted the proposal nor those that had supported it had been able to present their arguments. When the important question relating to changing the scale of indemnities called for in the two proposals was considered, the other question concerning the percentage of increase in the amounts of the indemnity, which had been raised in proposal 30. 25.7, was not given sufficient time for discussion. They therefore asked Congress to consider their appeal with all requisite diligence.

The representative of JAPAN said that they were aware that before submitting an appeal, one had to think carefully. Nevertheless, a substantial increase in indemnities was absolutely necessary to satisfy their customers. Unfortunately, they had been unable to fully discuss that subject in Committee 7, and he hoped that Congress would approve their appeal, in the interests of the future of the postal parcels service.

The CHAIRMAN reminded the meeting that only those countries party to the Postal Parcels Agreement were authorized to vote.

Put to a vote, the appeal was rejected by 82 votes to 34, with 28 abstentions.

The meeting rose at 1.45 pm.

On behalf of Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Thirteenth meeting of Congress**

Friday, 9 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 3.45 pm.

Taking of oath by  
the Director-General  
and the Deputy  
Director-General of  
the International  
Bureau

The CHAIRMAN said that the speeches of the newly elected Director-General and Deputy Director-General had been heard at the last meeting. In keeping with tradition, the letters of appointment to those posts would be handed to the newly elected officials after they took the oath.

Mr Thomas E Leavey took the following oath:

"I solemnly swear to exercise in all loyalty, discretion and conscience the functions entrusted to me as Director-General of the International Bureau of the Universal Postal Union, to discharge these functions and to regulate my conduct with the interests of the Union only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other authority external to the Union."

*(Applause.)*

The signatures of Mr Thomas E Leavey and the Chairman were then appended below the oath. The Chairman handed Mr Leavey his letter of appointment to the post of Director-General of the International Bureau.

*(Applause.)*

Mr Moussibahou Mazou then took the following oath:

"I solemnly undertake to exercise in all loyalty, discretion and conscience the functions entrusted to me as Deputy Director-General of the International Bureau of the Universal Postal Union, to discharge these functions and to regulate my conduct with the interests of the Union only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other authority external to the Union."

*(Applause.)*

The signatures of Mr Mazou and the Chairman were also appended below the oath. The Chairman handed to Mr Mazou his letter of appointment to the post of Deputy Director-General of the International Bureau.

*(Applause.)*

The representative of CHINA (PEOPLE'S REP) said Congress had just made a crucially important choice: it had elected Mr Leavey to the post of Director-General and Mr Mazou to the post of Deputy Director-General of the International Bureau of the UPU. The Chinese postal delegation extended to them its most sincere congratulations. The choice had been a difficult one as all the candidates were eminently qualified for the respective posts sought. Consequently, it not only congratulated the new Director-General and Deputy Director-General on the occasion of their election, but also paid sincere tribute to the candidates who had not received the number of votes required. Everybody knew that the future activities sketched out by that Congress led to a herculean task, involving in particular the implementation of the Seoul Postal Strategy and the changes to the UPU. It was hoped that, with the new Director-General and new Deputy Director-General at the head of the International Bureau, the work of that organization would focus on the new ideas that had been approved, with the aim of modernizing the structures of the UPU. The postal administration of China (People's Rep) assured the International Bureau of its steadfast support and close cooperation in all circumstances.

Election of members of the CA

(Congress – Doc 41a and Adds 1 and 2)  
(Congress – Doc 42/Rev 1)  
(Congress – Doc 44)

The CHAIRMAN said that Congress now had to elect the members of the two bodies, in accordance with the new provisions that had just been adopted. Pursuant to article 102, paragraph 3, of the General Regulations, the members of the Council of Administration were elected by Congress on the basis of an equitable geographical distribution. Congress – Doc 41a and Adds 1 and 2 specified the classification of member countries in five geographical groups; Congress – Doc 42/Rev 1 described the election mechanism and Congress – Doc 44 listed the candidates for election to the Council of Administration. There were five seats provided for geographical group 2 (Eastern Europe and Northern Asia) and only five candidates. Consequently, and subject to the approval of Congress, the election of the countries of that group was no longer necessary.

As no delegation objected, the five member countries of geographical group 2 listed hereafter were tacitly elected: Bulgaria (Rep), Kazakhstan, Russian Federation, Slovakia and Ukraine.

The CHAIRMAN said that because the number of candidates for group 1 (Western Hemisphere), group 3 (Western Europe), group 4 (Southern Asia and Oceania) and group 5 (Africa) exceeded the number of corresponding seats, a secret ballot had to be held to choose the representatives of each of those groups. The votes would be counted by optical reader. Moreover, it was pointed out to Congress that Slovenia had decided to withdraw its candidacy at the preceding plenary meeting.

Brazil, Belgium and Cameroon were appointed tellers.

The CHAIRMAN OF COMMITTEE 1 said that he had just received the credentials of the delegation of Albania. The current situation was therefore the following: 159 countries had deposited their credentials in due and proper form, added to which were nine proxies. That made a total of 168 countries which had the right to speak and to vote directly or by proxy.

Congress proceeded to the election, by secret ballot and by roll-call, of the members of the CA for geographical groups 1, 3, 4 and 5.

Statements

The CHAIRMAN moved on to the other agenda items while the votes were being counted.

The representative of NIGER said that the Secretary of State for Communications of his country very much regretted being unable to make the trip to Seoul and had asked him to offer Congress his apologies and to read the following message:

"I would first like to congratulate the Chairman on your impressive election to the chairmanship of the 21st Congress of the Universal Postal Union and the skill with which you have conducted the proceedings since the beginning of Congress. I would also like to thank and congratulate Korea (Rep) for having hosted this forum, for its warm hospitality and the facilities enjoyed by the participants and for the excellent organization carried out.

"Although far away, I have followed your work with great interest and the conclusions to which it is coming confirm the hope I have always placed in the UPU. Our Union is indeed still very much aware of the Post's future and the concerns of its member countries.

"What can from now on be called the Seoul Postal Strategy should enable us to withstand attacks of all kinds. I can already state positively to you that my country is pleased to subscribe to it wholeheartedly, just as it has the Washington General Action Plan. In this regard, it should be recalled that the postal administration of Niger has prepared a postal development plan, which admittedly has been somewhat difficult to implement owing to our scarce resources. Our future direction will of course take account of what is possible for us, while we base much of our hope on technical cooperation in all its forms, as discussed during this Congress.

"Another reason for hope and satisfaction concerns the restructuring of the UPU, proof of its ability to avoid falling behind, to adapt and to keep abreast of the profound changes now affecting the world.

"Lastly, while paying tribute to the former heads of the Union's bodies, I extend to those newly elected my sincere congratulations and wish them every success in their new functions, reminding them that the Post's future is in their hands and that all eyes will be on them to bring the UPU ship safely to harbour.

"Long live the UPU,  
Long live international cooperation,  
Thank you."

The representative of KYRGYZSTAN said that his country was a new member of the Universal Postal Union and, on behalf of his delegation, he wished to thank the administrations of UPU member countries for the assistance it was given at the time of its accession. He congratulated Mr Leavey and Mr Mazou and hoped that the UPU's new senior management would continue to support his country. He also thanked Korea for having extended to him and his delegation such a warm welcome during Congress.

Election of members of the CA      The CHAIRMAN announced the results of the election of members of the CA.

**Group 1 – Western Hemisphere (8 seats)**

Ballot papers distributed	168
Ballot papers returned	168
Blank or null and void ballot papers	3
Valid ballot papers	165

*Elected members of the Council of Administration:*

United States of America	142 votes
Argentina	137 votes
Chile	126 votes
Mexico	126 votes
Cuba	113 votes
Venezuela	96 votes
Uruguay	91 votes
Barbados	83 votes

*Votes were also cast for:*

Peru	81 votes
Costa Rica	75 votes
Bolivia	58 votes
Honduras (Rep)	56 votes

**Group 2 – Eastern Europe and Northern Asia (5 seats)**

*Elected members of the Council of Administration (tacit election):*

Bulgaria (Rep)  
Kazakhstan  
Russian Federation  
Slovakia  
Ukraine

**Group 3 – Western Europe (6 seats)**

Ballot papers distributed	168
Ballot papers returned	168
Blank or null and void ballot papers	2
Valid ballot papers	166

*Elected members of the Council of Administration:*

France	153 votes
Germany	150 votes
Great Britain	141 votes
Italy	134 votes
Netherlands	129 votes
Finland	119 votes

*Votes were also cast for:*

Spain	104 votes
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**Group 4 – Southern Asia and Oceania (10 seats – not including the seat reserved for the host country of Congress)**

Ballot papers distributed	168
Ballot papers returned	168
Blank or null and void ballot papers	1
Valid ballot papers	167

*Elected members of the Council of Administration:*

China (People's Rep)	156 votes
India	150 votes
Jordan	148 votes
Thailand	146 votes
Indonesia	145 votes
Kuwait	121 votes
Bangladesh	117 votes
Saudi Arabia	114 votes
United Arab Emirates	113 votes
Iran (Islamic Rep)	96 votes

*Votes were also cast for:*

Syrian Arab Rep	88 votes
Tonga	64 votes
Fiji	63 votes

**Group 5 – Africa (11 seats)**

Ballot papers distributed	168
Ballot papers returned	168
Blank or null and void ballot papers	1
Valid ballot papers	167

*Elected members of the Council of Administration:*

South Africa	152 votes
Kenya	150 votes
Ghana	148 votes
Tanzania (United Rep)	148 votes
Congo (Rep)	137 votes
Côte d'Ivoire (Rep)	130 votes
Zimbabwe	125 votes
Egypt	122 votes
Tunisia	119 votes
Gabon	113 votes
Burkina Faso	112 votes

*Votes were also cast for:*

Uganda	111 votes
Morocco	110 votes

The CHAIRMAN congratulated the countries that had just been elected to the Council of Administration. He thanked the tellers and all the countries that had submitted applications for seats on that UPU body.

Election of members of the Postal Operations Council  
(Congress – Doc 41b)  
(Congress – Doc 43)  
(Congress – Doc 45)

The CHAIRMAN recalled the provisions of article 104, paragraphs 1 and 2, of the General Regulations and said that 61 countries had submitted their candidacies for election to the Postal Operations Council. Congress – Doc 41b contained the list of member countries indicating the geographical group to which they belonged and their status as a developed country (DDC) or a developing country (DGC). The election mechanism was specified in Congress – Doc 43.

The representatives of CHILE, BULGARIA (REP) and TANZANIA (UNITED REP) announced that they were withdrawing their candidacies for a seat on the Postal Operations Council following their election to the Council of Administration.

Bulgaria (Rep), Austria and Botswana were appointed tellers.

The voting procedure was opened.

The Chairman announced the results of the election of the members of the Postal Operations Council:

Ballot papers distributed	168
Ballot papers returned	168
Blank or null and void ballot papers	3
Valid ballot papers	165

*Elected members of the Postal Operations Council:*

	Number of votes	Geographical group	Status
Japan	153 votes	4	DDC
United States of America	150 votes	1	DDC
Korea (Rep)	150 votes	4	DGC
Brazil	149 votes	1	DGC
Switzerland	146 votes	3	DDC
Germany	141 votes	3	DDC
Russian Federation	139 votes	2	DGC
Canada	138 votes	1	DDC
France	134 votes	3	DDC
Australia	132 votes	4	DDC
China (People's Rep)	131 votes	4	DGC
Netherlands	131 votes	3	DDC
Belgium	129 votes	3	DDC
Italy	127 votes	3	DDC
Great Britain	126 votes	3	DDC
Spain	124 votes	3	DDC
India	124 votes	4	DGC
New Zealand	123 votes	4	DDC
Greece	121 votes	3	DDC
Portugal	117 votes	3	DDC
Egypt	116 votes	5	DGC
Norway	115 votes	3	DDC
Thailand	115 votes	4	DGC
Romania	114 votes	2	DGC
South Africa	112 votes	5	DGC
Indonesia	110 votes	4	DGC
Jordan	108 votes	4	DGC

	Number of votes	Geographical group	Status
Pakistan	105 votes	4	DGC
Argentina	103 votes	1	DGC
Mexico	102 votes	1	DGC
Kenya	100 votes	5	DGC
Morocco	98 votes	5	DGC
Singapore	95 votes	4	DGC
Sierra Leone	94 votes	5	DGC
Cameroon	92 votes	5	DGC
Hungary (Rep)	90 votes	2	DGC
Cuba	87 votes	1	DGC
Zambia	87 votes	5	DGC
Nigeria	85 votes	5	DGC
Ethiopia	84 votes	5	DGC

*Votes were also cast for:*

	Number of votes	Geographical group	Status
Poland	82 votes	2	DGC
Senegal	81 votes	5	DGC
Bangladesh	76 votes	4	DGC
Ukraine	70 votes	2	DGC
Lesotho	68 votes	5	DGC
Kuwait	67 votes	4	DGC
Iran (Islamic Rep)	62 votes	4	DGC
Saudi Arabia	60 votes	4	DGC
Peru	60 votes	1	DGC
Colombia	58 votes	1	DGC
Sudan	56 votes	5	DGC
Syrian Arab Rep	52 votes	4	DGC
Costa Rica	51 votes	1	DGC
Lebanon	47 votes	4	DGC
Bolivia	42 votes	1	DGC
Togo	42 votes	5	DGC
Benin	37 votes	5	DGC
Papua New Guinea	36 votes	4	DGC
Dominican Republic	13 votes	1	DGC

The Chairman congratulated the members that had just been elected to the Postal Operations Council and thanked all the candidate countries and the tellers.

Invitation for the  
22nd Universal  
Postal Congress

(Congress – Doc 80)

The CHAIRMAN said that Congress – Doc 80 was an invitation from the People's Republic of China for the 22nd UPU Congress.

The representative of CHINA (PEOPLE'S REP) thanked the Chairman for having given him the floor prior to discussion of Congress – Doc 80. As was said in that document, the Chinese Government would like very much, and would consider it a great honour, to host the 22nd UPU Congress in China in 1999.

By hosting the next UPU Congress, China would like to contribute its share to developing the international postal services, establishing closer ties between peoples and countries, and strengthening relations and cooperation between Chinese postal officials and their fellow colleagues throughout the world.

He then informed the assembly that, as a result of its policy of reform and openness implemented in the last 15 years, China had experienced profound social change and an economic boom. Over the last two years, its GNP had grown at an annual rate of more than 13 percent. During that time, similar progress had also been achieved in the postal sector. The annual rates of growth for certain new services, such as EMS, ranged from 60 to 80 percent. It was China's intention to select Beijing, its capital, as the location for the next Congress. Not only was Beijing a city rich in cultural heritage, one of the six capitals of ancient China, it had also become a great modern metropolis. Many important international events had taken place there over the last few years. It therefore met all the conditions for hosting a major international conference such as the UPU Congress. Once it was selected as the host country, China would fulfill all the obligations set down by the UPU for host countries. The Chinese were a hospitable people. The great Chinese ideologist and educator Confucius said more than 2000 years ago that "we (the Chinese) are beside ourselves with joy when friends come to us from distant lands". Backed by that tradition, the Chinese people would welcome, with sincerity, warmth and attentiveness, the delegates of all countries taking part in the Congress.

China was fully aware that hosting a UPU Congress represented both a tremendous honour and a heavy task, especially since the 22nd Congress in 1999, being the last one of the present century, would have a very special significance for the Union's development in the 21st century. China would therefore do all that it could, taking guidance from the experience gained during the organization of the present Congress and those of the past, and cooperating closely with the International Bureau so that the 22nd UPU Congress in China in 1999 would be a success and a memorable event.

The representative of CUBA thanked the People's Republic of China, which had made an important contribution to the development of postal and cultural activities, for its invitation for the Union's 22nd Congress.

The representative of the RUSSIAN FEDERATION said that he and his delegation had learned of the invitation from the People's Republic of China with great satisfaction. Aware of that country's material and human resources, they wished it every success.

The representative of JAPAN expressed his country's gratitude to the People's Republic of China for offering to host the next Congress.

The representative of KOREA (REP) said that it was both a happy and sad moment for him and his delegation since the Congress that was invited to China would soon be leaving Korea. He congratulated the People's Republic of China and assured that country of Korea's willingness to make available all the experience gained during preparation of the present Congress.

The representative of JORDAN said that the UPU, through its Council of Administration, would be led first by Korea and then by China, thus enjoying ten years of Asian sunshine. On behalf of the Arab Group, he paid tribute to China and assured that country of its complete support.

The representatives of KAZAKHSTAN, CONGO (REP) and MAURITANIA joined the other speakers in expressing their delight at China's invitation for the 22nd Congress.

The CHAIRMAN sincerely thanked the People's Republic of China for its undertaking, which would entail a considerable amount of work.

The representative of CHINA (PEOPLE'S REP) thanked all the delegations for their support of the organization of the 22nd UPU Congress.

Congress – Doc 80 was approved by acclamation. The 22nd Universal Postal Congress, scheduled for 1999, will be held in the People's Republic of China.

The meeting rose at 6.35 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Fourteenth meeting of Congress**

Tuesday, 13 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.40 am.

Statements

The CHAIRMAN said it was a pleasure for them to have Mr Pekka Tarjanne, Secretary-General of the International Telecommunication Union, a sister organization of the UPU, in their midst, and invited him to address Congress.

The SECRETARY-GENERAL OF THE INTERNATIONAL TELECOMMUNICATION UNION began by saying how pleased he was to have been given an opportunity to address the 21st Universal Postal Congress on behalf of the International Telecommunication Union.

Five years ago, when he had last spoken to them at the 20th Washington Congress, he had just been elected Secretary-General of the ITU by the Plenipotentiary Conference at Nice.

The present situation was slightly different. He was on his way to Kyoto where he hoped to be re-elected Secretary-General by the Plenipotentiary Conference, and he invited those present to go to Kyoto once Congress was over. Although unable to predict the outcome of the Plenipotentiary Conference, he did promise them a warm welcome by the members of the ITU and their Japanese hosts as well as interesting decisions on many aspects of telecommunications with a direct bearing on both their agencies.

The UPU and the ITU had always maintained very close relations. For many years, both agencies had had their headquarters in the same city, Berne, and with few exceptions, the representatives of the Member States were the same, namely the PTT administrations which at one time existed in most countries of the world. The situation, however, had changed considerably over the past ten years or so.

In some respects, the two agencies were no longer as close to one another. He thought that the divergence might have begun physically when the ITU had moved its headquarters to Geneva, but all that was ancient history. The real change had taken place only recently, when countries had started to separate their postal administration from the telecommunications administration, and in some cases had set one and sometimes both of these services on the road to liberalization, competition or even privatization. The make-up of the two organizations was now completely different and that difference would likely become sharper still.

Despite that change, the UPU and the ITU still had obvious and major points in common.

Both were intergovernmental organizations striving to reconcile their objectives of universal public service with the realities of a world market increasingly governed by the rules of competition. Both were staunch believers in the right to communicate, in universal access.

Both were gradually becoming aware of the subtle but fundamental change in the nature of their activities. Telecommunication and postal services would henceforth be part of a much broader sector, the notorious "information industry" that also encompassed computer science, publishing and leisure activities, and which now was considered to be in first place on the world scale of economic activities.

But while the two agencies differed in their make-up, the services offered by their members had been converging since the 1970s, following a trend that he himself thought was positive. Thus, whereas electronic mail between telefax units and computers was one of the most dynamic sectors in their field, in many countries, the network of post offices and the local mail delivery circuit offered an interesting possibility for making high-tech or hybrid telecommunication and information services available to the public; in fact, some consumers might have preferred to purchase their telecommunication equipment – telephones, personal computers, modems, telefax machines – from mail order organizations instead of from the telecommunications company. The new information society was teeming with such paradoxes.

Viewed in that perspective, the UPU and the ITU were – or should have been – the chief players in a profound and radical historical transformation. Both their institutions would have to face a number of threats: their traditional methods, perhaps their viability, could be called into question. Nevertheless, they would have excellent opportunities for responding to the needs of their members in a changing environment, if they had the imagination and the courage needed to take the necessary, radical initiatives. Such was the essence of the message he planned to deliver to the ITU Plenipotentiary Conference. Such also was the essence of the message he wanted to leave with them today.

As they all prepared for that exalting yet uncertain future, he expressed the wish that they continue to work together in the excellent spirit of cooperation that had always been the hallmark of relations between the UPU and the ITU.

In that regard, the Contact Committee responsible for relations between the Consultative Council for Postal Studies (CCPS) and the ITU's standardization sector was an effective bridgeway for the exchange of information and views on matters of interest to both organizations, whether electronic mail, express or bureaufax services, not to mention the traditional telegraph service.

He then went on to express profound gratitude to his friend, Adwaldo Cardoso Botto de Barros, whom he had known for a long time, for the unflagging cooperation that he personally, as Director-General of the UPU, had always given him in order to sustain and strengthen the bonds of cooperation between their two agencies. He also congratulated Mr Botto de Barros's successor, Mr Leavey, with whom he had maintained bonds of friendship for a long time as well. He hoped that he would enjoy the same excellent personal and professional relations with him as he had had with Mr Botto de Barros, but all that would, of course, depend on the outcome of Kyoto.

In conclusion, he once again invited all those not exhausted by their present activities to attend the ITU's Plenipotentiary Conference. He hoped to see them again in Kyoto where he could continue to reflect with them upon the means through which they could ensure that all inhabitants of the planet would be able to avail themselves of the fundamental human right of access to a worldwide information network.

The representative of the VATICAN wanted, before the close of that Congress and on behalf of his delegation, to congratulate Mr Thomas Leavey and Mr Mazou on their election to the posts of Director-General and Deputy Director-General of the International Bureau.

He also thanked those who had generously placed their professional ability and their experience at the disposal of the Union but who had not received the votes needed for election.

He also congratulated the Chairman on the skill with which he had conducted the business of Congress, as well as the Committee Chairmen and Vice-Chairmen, the Secretariat, the staff and the delegates, all of whom had contributed to the success of Congress.

He then sincerely thanked the postal administration of the Republic of Korea for its excellent organization and the Korean people for the warm hospitality extended to them.

He also wanted to express his very special thanks to the "silent" delegates who, for a variety of reasons, had not had many opportunities to take the floor. Indeed, he thought that if Congress was finishing on time and satisfactorily, it was partly due to the commendable attitude of those "silent" delegates, and he felt that they too deserved a special vote of thanks.

As they probably all knew, his delegation represented the smallest country in the world: the Vatican City State.

However, because the sovereign of that small State was the pope, who was also the spiritual leader of hundreds of millions of people all over the world, they would understand that his administration's work extended beyond the boundaries and the citizens of that State.

Although the present pope, John Paul II, enjoyed conveying his message of peace in person to the peoples of various countries, millions of people came to the Vatican each year.

This was why the Vatican attached considerable importance to all means of communication and to all the national and international agencies that supported communication.

The Vatican City State had been a member of the UPU since 1929 and intended to continue to support the activities of the UPU and to abide by all its rules and regulations. He firmly believed not only that the UPU made it possible for postal services to improve but also that it contributed to mutual understanding, cooperation and peace by facilitating the exchange of spiritual and cultural values between all countries of the world.

For this reason, while his delegation had followed with great interest the proceedings of Congress and had learned a great deal from them, it had been more particularly interested in the human and social impact of the problems discussed during that Congress.

This was also the reason why he wanted to place more stress on the general principle of solidarity than on the technical aspects of UPU regulations.

Now that the new Acts of the Universal Postal Union were about to be approved and then implemented by all members of the UPU, he thought it necessary that solidarity be viewed as the cornerstone of the loyal relations that should exist between member countries.

In drawing up the new Acts of the Union, they had carefully endeavoured to underscore the need for complete solidarity between developed and developing countries. Real solidarity, a solidarity that Pope John Paul II, in a document addressed in 1987 to all nations and to all men of good will, had defined not as a vague sentiment of understanding or of superficial compassion for all the misfortunes suffered by so many people whether near or far, but, on the contrary, as a firm and unfailing determination to work for the common good – in other words for the good of every human being, because in fact, they were all responsible for each other.

He expressed the hope and the prayer that in that changing world, that forceful moral concept of Pope John Paul II would also apply to the Universal Postal Union which, in a very special way, should be synonymous with interdependence and solidarity between peoples and nations.

The representative of POLAND (REP), speaking as Chairman of Committee 1 (Credentials), reported that since approval by Congress of the Committee's final report, the Republic of Angola had deposited credentials in due and proper form, bringing to 160 the number of countries with credentials; the number of proxies remained unchanged at nine, so that the delegations authorized to vote now numbered 169. He thanked Congress for having entrusted the chairmanship of the Credentials Committee to his country.

Approval of the agenda

The CHAIRMAN submitted the draft agenda given in Congress – Doc 6/Rev 1 to Congress for approval.

(Congress – Doc 6/Rev 1)

The representative of GERMANY suggested a change in the order of discussion of the items on the agenda, explaining that it would be preferable that, before considering item 4 concerning approval of the final report of Committee 2 (Finance), Congress should deal with the agenda items that had financial repercussions. These were item 6a about creation of a French Language Group and item 12 about approval of the UPU Strategic Plan for 1995–1999.

Mr GHARBI, ASSISTANT DIRECTOR-GENERAL AT THE INTERNATIONAL BUREAU, agreed with the proposal by the German delegation and suggested that item 12 be dealt with immediately after consideration of item 6a of the agenda.

Congress adopted the agenda with the amendments proposed.

Appeal

a Creation of a  
French Language  
Group

(Congress – Doc 97)

The CHAIRMAN stated that in accordance with article 24, paragraph 2, of the Rules of Procedure of Congresses, the delegations of Belgium, Bulgaria (Rep), Burkina Faso, Chad, Côte d'Ivoire (Rep), Czech Rep, France, Gabon, Hungary (Rep), Italy, Mali, Portugal, Romania, Senegal, Slovakia and Switzerland wanted consideration to be given in plenary meeting to proposal 15. 107.2/Rev 1 concerning article 107, paragraphs 1, 2, 3 and 6, of the General Regulations. The proposal had been adopted by Committee 3 by 85 votes to 34, with 25 abstentions. He called on one of the originators of the appeal to present it.

The representative of FRANCE said that their arguments against the creation of a French Language Group were well known. He had expounded them at length in Committee 3. He added that the delegates who had done them the honour of siding with them in the debate had brought interesting new light to the subject. He would simply briefly summarize the reasons why the French delegation wanted the appeal it had submitted with the support of a number of other countries to be approved by Congress. First of all, they considered the proposal adopted by Committee 3 neither logical nor fair. It would penalize the French-speaking countries, which would be compelled to cover the cost of translating into French, for the benefit of all Union member countries, every document written in another language. Oddly enough, the French-speaking countries would be penalized because they used the official language of the UPU and because all documents had to be translated into that language. Moreover, the Committee 3 decision seemed to them beyond the scope, within its strict meaning, of Congress which, in their view, could not on its own create a French Language Group and even less compel the French-speaking countries to become members of it. He pointed out that all other language groups had been established on a voluntary basis. That difference in the manner of treating the French-speaking countries and the other countries, particularly the English-speaking countries, was shocking and unacceptable to them. Finally, the conditions under which that decision had been approved on 7 September were, to say the least, dubious. The members of his delegation were not the only ones present to be aware that, on the day of the ballot, several delegates who had voted for the creation of a French Language Group were not authorized to vote. Admittedly, that situation was not contrary to the letter of the Rules of Procedure of Congresses, but it was none the less shocking. He reminded the meeting that the decision had been reached by a majority of one vote, and he thought that this was one more reason why the appeal should be accepted. If the appeal was accepted, France would not oppose having this problem, like the more general one of languages at the UPU, referred to the Council of Administration for study. His country was aware that reforms were needed in respect of the languages used by the Union, and was pleased that they had begun with the selection of English as a working language alongside French. His delegation, whose members wished to see Congress close in an atmosphere of harmony, urged the delegates to vote in favour of the appeal.

The CHAIRMAN recalled that this matter had been discussed at length in Committee 3 and he asked the speakers to confine themselves to bringing new elements to the discussion.

The representative of HUNGARY (REP) did not wish to repeat what had already been said by France -- which the Hungarian delegation fully supported -- but said that his statement would concern one of the many aspects of the very important issue of languages. At the Committee 3 meeting, one delegation had requested clarification of paragraph 2 of proposal 15. 107.2/Rev 1, but to their regret, no

answer had been given, and the reason was that there was no valid answer to the question that had been asked. After reading the proposal in question, he felt that there was a serious logical and legal contradiction between the two sentences of the proposal. The first sentence stated indirectly that the member countries of the Union using the official language did not constitute a language group, while the second sentence said the contrary, indicating that the countries in question nevertheless did constitute a language group. The reason why it had been impossible for that contradiction to be noticed earlier was that the proposal had been drafted hastily due to the limited time available for doing it. This was also the reason why the financial impact of the proposal had not been studied. For all those reasons, he felt that proposal 15. 107.2/Rev 1 should be rejected, and he further proposed that that question and all its repercussions be included in the comprehensive study on languages that the Council of Administration would be conducting after Congress.

The representative of SENEGAL said that in his view, the fundamental question of a French Language Group had been settled too quickly and in extremis in Committee, after the main part of the discussion had centred on the introduction of English as a working language at the UPU.

He thereby wanted to underscore that he would have wished any solution to a problem of such magnitude to leave no doubt as to its validity. They had found, however, that the decision they had made presented many grey areas.

First of all, as Hungary had pointed out, the distinction between official language and working language and the implications of that distinction had not been clarified, and no answer had so far been given to that question. There were surely advantages to both situations, otherwise they would not have been the subject of such interest and debate.

In any case, they had always considered the fact that there was no French Language Group as the concrete manifestation of the special place accorded to French by the Constitution of the Union. If that privilege were to disappear, what would be the purpose henceforth of having an official language? And why not have several official languages?

The Committee had quite properly approved the introduction of English as a working language. Yet, later on, it was realized that the effects this would have on the staff of the International Bureau had not been taken into consideration. The Finance Committee had had to make its calculations in great haste so that the results could be included in the budget ceilings. In other words, the problem of a French Language Group required more thorough study because it ran much deeper than had first appeared.

In fact, there was a question of interpretation of the text and the spirit of the Constitution of the Union. In the speaker's view, the provision of the General Regulations, article 107, paragraph 2, which created the language groups, was only a consequence, a logical follow-through to article 6 of the Constitution making French the only official language of the Union.

To alter that situation, he felt that the Constitution itself would have to be amended to remove any specific reference to French, after which, and only then, the consequences should be drawn in the General Regulations.

Following that same line of reasoning, it was inappropriate to state that French was also a working language. This was redundant. Indeed, how could one imagine an organization or even a country choosing an official language and not working in it? He thought it inconceivable. Finally, he wondered what the practical consequences would be of a French-speaking country deciding not to join a French Language Group if one was created.

Because of all those factors, his country thought that the matter of a French Language Group deserved more careful consideration and supported the idea of the issue being referred to the Council of Administration for study, so that all its aspects could be weighed appropriately.

The representative of SPAIN recalled that there had been a lengthy discussion of the matter of Union languages in Committee 3 where there had been a spirit of compromise. That spirit had made it possible for English to be accepted as a working language without, however, all aspects of the question being taken into consideration. They had also asked the next Council of Administration to study the Union's entire language system, and the appeal should be considered in that same spirit of compromise. They were not to assume that the Executive Council's proposal had not been approved by Committee simply because of the small majority with which it had been passed.

The representative of SWITZERLAND reminded the meeting that during the discussion on creating a French Language Group, many delegations, and not only the French-speaking ones, had spoken to propose that the matter be included in the planned global study on the languages of the Union. As the discussion progressed, there had even been one English-speaking delegation that had felt in all objectivity that only part of the costs should be borne by the French Language Group, should such a group be established. This was an obvious indication that all the data relating to the language issue had not yet been clearly and precisely analyzed and that it would be necessary to study the matter in greater depth. Switzerland supported the appeal under discussion but it would not speak about the equity of creating the group nor would it state its views about the legal principles clearly set out in Congress - Doc 97/Annex 1. Switzerland, given its position as headquarters country of the Union, had to speak with moderation, particularly on sensitive matters. When it took the floor, it was with a constant concern for objectivity so that the work of the bodies of the Union could progress in an atmosphere as constructive and mutually trusting as possible and so that the decisions reached would be in the interests of the Union as a whole and of the greatest number of member countries. Switzerland therefore invited Congress to adopt the appeal and to refer the matter to the Council of Administration for study.

The representative of the OVERSEAS TERRITORIES OF GREAT BRITAIN remarked that because the subject had been discussed at considerable length in Committee 3, the Chairman had asked the delegates to confine themselves to new arguments, but he thought this would be very difficult since there was nothing new in the appeal. Everything had already been said when the matter was discussed in Committee 3. Mention had been made of principles of equity, but the appeal had nothing to do with equity. It was rather a matter of maintaining privileges for the French language. Since French was the only working language of the International Bureau, all Union documents written in any other language had to be translated first into French and then into the other languages at the expense of the language groups concerned. The so-called "non-

affiliated" French Language Group was the only one with no translation costs to bear. Now that English was a working language, the English Language Group could ask for the same privileges, but it would not seek any privilege and would continue to pay its share of translation costs without protesting. The French-speaking members of the UPU were being asked to do the same. It was not right that poor non-French-speaking countries should have to subsidize the rich French-speaking countries. They should not agree to maintain the status quo.

The representative of NEW ZEALAND said that they could not allow individual interests to tarnish the success of that Congress. In Committee 3, it had been said that all the proposals prepared by the Executive Council, including that calling for creation of a French Language Group, would in no way alter the status of French as the official language of the Union and its language of reference. The members of the French Language Group would not have to pay for translation of documents of reference into French since those documents would have automatically been written in that language by the International Bureau. That situation had already been clarified in Committee 3 by Great Britain. The solidarity demonstrated by all member countries throughout the history of the Union was legendary and had built the UPU's reputation. That solidarity was based on equity and the present situation in which a group of countries was avoiding paying the cost of translating certain working documents was unfair. Those costs were to be borne by those who were responsible for them. Given the circumstances, he was against the appeal.

The representative of ZAIRE said that his delegation had arrived late but in view of what had just been said, he was somewhat uneasy at the thought that establishment of a French Language Group had been approved with such a narrow majority. Arguments setting out the financial and legal aspects had been presented, but there was one aspect that had not yet been mentioned and that would have to be taken into consideration: this concerned the frustration of the French-speaking countries. He had heard some speakers against the appeal referring to what they called the privileges of the French language. But were they really privileges? In his view, it was simply a language that had contributed a great deal to the historical evolution of the Universal Postal Union. He thought that the appeal should be considered in the light of that evolution. Moreover, when they said that small, poor countries that did not use French should not be made to pay the bill, they ought to bear in mind that there were also some small, poor countries that used French. Like Spain, he recommended that Congress adopt a spirit of compromise on that issue to avoid frustration among the French-speaking countries.

The representative of BARBADOS said his delegation did not support the appeal because, if the issue was considered in terms of equity and justice, French should not be given more privileges than any other language. The Committee 3 decision had been a rational, non-emotional one.

The representative of ZAMBIA observed that the appeal contained only two arguments that were new in relation to those put forth during discussion of the matter in Committee 3. The first contested the validity of the vote in Committee 3, which might have been flawed due to the fact that some delegations had voted whose credentials had not yet been validated. Secondly, according to the appeal, the result of the vote in Committee 3 had been influenced by its timing,

namely immediately after English had been adopted as a working language of the Union. He found the second argument unfounded and that the vote had been completely valid. In other words, he did not support the appeal.

The representative of PORTUGAL said that his delegation had already explained in Committee 3 why they were against the creation of a French Language Group. French being the official language of the Union, it could not, as a matter of principle and because of its special status, be the subject of a language group. The initiative to create a language group should come from the countries concerned and not be imposed by third parties. The problem was not simply a technical one or one relating to higher costs or more privileges, as some were alleging, but it was a matter of respect for the official language of the Union. Account also should be taken of the evolution of their ancient and venerable organization. It was a sensitive and delicate issue that would have to be discussed at length and after careful consideration within the Council of Administration.

The representative of LEBANON said he had paid close attention to the preceding statements. Speaking on behalf of the Arabic group and of Lebanon, he supported the appeal because French being the official language, it was neither logical nor reasonable to make a language group for it. He therefore asked that the issue be referred to the Council of Administration for more thorough consideration.

The representative of BULGARIA (REP) observed that all delegations were agreed that French was the official language of the UPU. That being the case, French should retain its special status.

The representative of BELGIUM thought that the number of arguments and statements was indicative of the importance of the issue. English had quite rightfully been admitted as a working language, but as they all knew, that was a first step. The Council of Administration was responsible for considering the entire question of the use of languages at the UPU and their financing. Moreover, the International Bureau could not provide replies in full to several technical questions without studying the matter thoroughly. Wisdom dictated that the problem of financing the use of languages, the maintenance or otherwise of language groups, the establishment of a French-language group, should be included in the comprehensive study on the use of languages at the UPU.

The representative of SLOVAKIA pointed out that the Seoul Congress was not the first one at which the question of the language system had been discussed. The language system had been altered at the Vienna, Lausanne, Rio de Janeiro and Hamburg Congresses, but always after careful study. Slovakia was a member of the English Language Group and had no intention of leaving it. Although members of the group, they had asked the International Bureau to send them two copies of documents in English and one copy in French, the official language of the UPU. According to article 107, paragraph 7, of the General Regulations, they contributed to the English Language Group for translation costs. If in future, they were to maintain the same system of document distribution, namely two copies in English and one copy in French, would they have to contribute to the translation costs of both language groups? He thought that for many postal administrations, it would be useful to receive

documents in the official language in order to ascertain the exact significance of certain specialized texts. At that very Congress, they had found linguistic differences in the translation of some proposals.

The CHAIRMAN OF COMMITTEE 3 said that the question of who would bear the costs of translation into French had been considered by Committee 3. Article 107, paragraph 6, of the General Regulations stipulated that the French Language Group would bear the costs of translation into the official language of documents and correspondence received in English, Arabic and Spanish. All other costs or charges relating to the provision of documents would be borne by the Union. Thus, costs relating to official documents, such as the Acts as well as Congress, CA and POC documents, and all documentation prepared in French by the International Bureau, would be paid by the Union. This was the conclusion to be drawn from the Executive Council study of that question.

The CHAIRMAN then said that, in accordance with article 24, paragraph 3, of the Rules of Procedure of Congresses, they would vote on the appeal set out in Congress – Doc 97 concerning reconsideration of proposal 15. 107.2/Rev 1 which dealt with article 107, paragraphs 1, 2, 3 and 6 of the General Regulations.

Congress rejected the appeal by Belgium, Bulgaria (Rep), Burkina Faso, Chad, Côte d'Ivoire (Rep), Czech Rep, France, Gabon, Hungary (Rep), Italy, Mali, Portugal, Romania, Senegal, Slovakia and Switzerland set out in Congress – Doc 97 and dealing with proposal 15. 107.2/Rev 1, by 81 votes to 51 with 21 abstentions.

Approval of the UPU  
Strategic Plan for  
1995–1999

(Congress – Docs 74  
and Corr 1 and  
Add 1)

The CHAIRMAN OF COMMITTEE 3 explained that his Committee had engaged in a lengthy discussion of the Strategic Plan submitted to them in Congress – Doc 74 and its Addendum 1. This was the first time that the Union was formulating such a plan, the result of intense consultation over the past three years between member countries. It would be the basis on which the bodies of the Union would be carrying out their tasks during the next five years. In the resolution accompanying the Strategic Plan, the Council of Administration and the Postal Operations Council were asked to implement that action plan. The CA and the International Bureau were also asked to review the financial results and to analyze the results, which for the time being could be no more than indicative. He reassured those concerned about the impact on the Union budget. The fact that some figures were higher than the budget ceiling did not mean that the budget would be exceeded. On the contrary, the Union would have to remain within the limits of the budgets approved. Supplementary activities would be financed through other means, including voluntary contributions. In conclusion, he expressed Committee 3's gratitude to the former Executive Council's Committee 3 Working Party 3/3 and to all those who had taken part in the work that had culminated in the document. He recommended that Congress approve the Strategic Plan as well as resolution C 76 given in Congress – Doc 85.3.

The representative of GREAT BRITAIN declared his delegation's unreserved support for the Strategic Plan, and expressed great satisfaction at this improvement in the Union's working methods. He was referring more specifically to the essential projects covered by the plan, such as the introduction of EDI. Committee 2 would recommend to the plenary meeting a budget ceiling of one million

Swiss francs a year for EDI. Unfortunately, that would not be enough for the plan to really take off. Japan had shown outstanding generosity by contributing more than 5 million Swiss francs for development of a tracking and tracing system in the Asia and Pacific region. Germany was to contribute one million Swiss francs for the Europe region. Australia had given 500 000 Australian dollars, and Great Britain had made a donation of 1.1 million Swiss francs during its five years as Chairman of the ETSG. Korea (Rep), the United States of America, Cyprus, Poland (Rep), Zimbabwe, Switzerland and other members of the ETSG had also shown great generosity over the past five years to enable the plan to move ahead. But this still would not be enough. The Strategic Plan called on them to consider in their administrations the matter of how they could establish bodies that would allow the introduction of the EDI plans and how they could each contribute to it. The POC would consider matters very closely but, in order to implement the plan, the most ambitious and the most important that the Union could introduce for the benefit of their customers, they would all have to be as generous as possible. Every one of them would have to try to make a financial commitment.

Congress adopted Congress – Docs 74 and Corr 1 and Add 1.

Approval of the minutes of the plenary meetings

The minutes of the fifth to the eleventh meetings (Congress – PVs 5 to 11) were approved, taking account of the corrigenda to the minutes of the sixth, seventh, eighth and ninth meetings.

Approval of the final report of Committee 2 (Finance)

The CHAIRMAN OF COMMITTEE 2 reported that the Finance Committee had held three meetings, on 1, 5 and 8 September 1994, chaired by Germany. Its proceedings were summarized in Congress – Doc 83. First of all, the Committee proposed that Congress:

(Congress – Doc 83)

- approve the Union accounts for 1989–1993 by adopting resolution C 37 given in Congress – Doc 85.2;
- express its gratitude to the Government of the Swiss Confederation for its generous assistance to the Union in the field of finance by adopting resolution C 38 given in Congress – Doc 85.2.

The recurrent expenditure ceiling proposed by the Committee for 1996 to 2000 was based on the Union's total net budgetary expenditure for 1995, approved by the Executive Council in February 1994, and took account of the financial implications of implementing new activities and stepping up special activities decided on by Congress. The Committee therefore proposed that the ceiling for recurrent Union expenditure for 1996 to 2000 be set as detailed in paragraph 15 of Congress – Doc 83. The limits of expenditure adopted would be inserted in article 124, paragraph 1, of the General Regulations.

The Committee also proposed to Congress that it authorize the Council of Administration to exceed the limits of annual recurrent expenditure of the Union set out in article 124, paragraph 1, of the General Regulations, to allow publication of a new edition of the International List of Post Offices. Congress was also asked, notwithstanding article 124, paragraph 1, of the General Regulations, to delegate to the Council of Administration the power to authorize the prescribed limits to be exceeded to meet the cost of major and unforeseen repairs to the International Bureau building, providing however that the amount

of the overrun did not exceed 125 000 Swiss francs per annum. Finally, the Committee proposed to Congress that it set the ceiling of expenditure for the next Congress at 3 599 300 Swiss francs (article 124, paragraph 2, of the General Regulations).

In respect of the financial management of the Union, Congress was invited to:

- adopt resolution C 91 "Financing of the Union's priority activities" given in Congress – Doc 85.3;
- express its agreement on the broad policy lines relating to financing of the Union's activities, indicated in part III of Congress – Doc 19, taking account of resolution C 88 given in Congress – Doc 85.3;
- instruct the Council of Administration, in cooperation with the Postal Operations Council and the International Bureau, to consider the proposals appearing in part III, paragraph 5, of Congress – Doc 19 (resolution C 89 given in Congress – Doc 85.3).

The representative of FRANCE confirmed that it maintained its reservations regarding the financial repercussions stemming from the creation of a French Language Group and that it would refuse to join that group, whose validity it questioned. France thus did not consider itself bound by the implications, including financial ones, of that decision.

The CHAIRMAN announced that the discussion about the draft resolution given in annex 3 to Congress – Doc 83 as well as approval of the final report of the Finance Committee were postponed to the next meeting, to allow all delegations to consider the texts in depth in their respective languages.

Approval of the final  
report of Committee 9 (Technical  
Cooperation)  
(Congress – Doc 84)

The CHAIRMAN OF COMMITTEE 9 said that in order to complete its work, his Committee had held five meetings, which had proven very productive.

The reports of the first three meetings had been approved by the Committee at its fourth meeting. The Committee had authorized him to approve the reports of the fourth and fifth meetings on its behalf, which he had done. He was now submitting the Committee's final report, marked Congress – Doc 84, to Congress.

He told the meeting that he would not discuss the document at any great length but he did want to give Congress some idea of the purport, of the essence, of their discussions, thereby situating the Committee's recommendations in their proper context.

He continued by saying how pleased he was that the developed countries had participated as actively in the discussions as the developing countries. In fact, the delegations of some industrialized countries had shown a thorough knowledge of the principal problems facing the postal administrations of the developing countries and had been of appreciable assistance in defining future technical assistance programmes. He saw this as a reassertion of the concept of the single postal territory so dear to their Union.

It was precisely with that in mind that the delegation of one industrialized country had announced that it would considerably increase its contribution to the UPU Special Fund. This was a fine example of solidarity, an illustration of the importance attached by all to postal development. He hoped that this example would be followed by many administrations.

Although in practice, the UPU presence in the field was far from completely effective, the idea of strengthening it had been approved unreservedly, witness the request for the creation of two additional Regional Advisers' posts, one for Central and Eastern Europe and the other for the Caribbean sub-region. The number of technical assistance projects satisfactorily completed by the Regional Advisers would no doubt constitute one of the most important factors of success. It should nevertheless be noted that consciousness-raising and advisory activities would play an equally important role. Decentralization, for its part, would require a sustained effort. The ITU, which had been in the field somewhat longer than the UPU and whose presence was unquestionably greater, had assigned 30 members of its staff to field activities but had not yet managed to solve all the problems relating to decentralization. This should be reassuring. Decentralization was a progressive and a very delicate exercise. All possible solutions would have to be considered with the utmost care before a decision could be reached.

The matter of mobilizing resources had been raised several times. It was frequently stressed that the Regional Advisers had a role to play in that regard. Moreover, it had been admitted that the activities of the Postal Development Action Group had allowed great advances to be made in the fields of awareness and financing, and relations with banking agencies, particularly the World Bank, could develop appreciably.

Some developing countries had stressed that while it was important to receive external aid, it was equally important for the postal administrations of the developing countries to do everything they could to make the best possible use of their national resources. Such statements had been extremely encouraging.

Although the aid provided by the UPU in the form of multi-year integrated projects (MIPs) had been given a favourable evaluation, it had been found in some cases that in itself, the volume of aid granted was not sufficient. It became clear that the beneficiary countries would have to contribute to those projects by showing motivation and participating in the reflection process.

The question of human resource development and training had been discussed at length. The UPU's modular training system had been approved. During the discussions, the question often arose of strengthening regional training centres and country schools. It had been decided that those institutions should serve to introduce the changes opted for by the postal community after the Washington Congress and which more than ever would have to be continued after that Congress.

As at previous Congresses, it was noted that technical cooperation among developing countries (TCDC) had not been used to its full potential. The proposals relating to special activities for the benefit of the least developed countries had been approved.

Since inflation had brought about a gradual erosion of purchasing power since 1989, it was proposed to introduce a correction coefficient in the allocation of the funds voted by Congress for the UPU's technical assistance programmes.

The basic contribution of 2 290 000 Swiss francs for 1996 would henceforth be adjusted each year based on the inflation rate. The Finance Committee had taken note of Committee 9's recommendations.

Funds from international donors were steadily decreasing, so that new means of increasing the effectiveness of technical assistance operations had to be found. More particularly with regard to consultants' missions, one or two delegations had mentioned that results could be better. In that connection, it was pointed out that the beneficiary countries should try to draw the greatest possible advantage from the consultants' services.

As regards bilateral assistance, it was proposed, with arguments in support, to encourage donors to offer assistance corresponding to needs through the UPU, so as to achieve better coordination. The UPU Special Fund could be used for that purpose. It was further stressed that in such a case, the International Bureau and the bilateral donors would have to engage in frequent exchanges of information to ensure that the scarce resources available would be used to the greatest possible advantage.

Their discussions had revealed that the developing and developed countries alike wanted more measures to be taken by the UPU with regard to technical assistance and wanted them to produce the results expected. As a number of administrations had observed, the UPU had no other choice since most of its 172 developing member countries required technical assistance. The Council of Administration and the Postal Operations Council would no doubt be taking note of that situation.

Technical assistance programming and implementation raised a number of delicate problems as regards responsibility for execution, viability, monitoring and evaluation; at that stage, the donor and the beneficiary organization were both responsible for the failure or success of the undertaking.

Committee 9 had recognized the need to redefine technical assistance operations on a regular basis if they were to have a long-term, lasting effect.

The representative of the ARAB PERMANENT POSTAL COMMISSION (APPC) stressed the need for international cooperation, a need that had been reasserted throughout Congress. He paid tribute to the UNDP, the International Bureau and to all other technical cooperation partners. As far as they were concerned, they relied heavily on technical cooperation and they stressed technical cooperation among developing countries. They supported the conclusions of the final report of Committee 9.

The representative of FINLAND remarked that according to the report, PDAG would have to be responsible for improving postal services in terms of both financial viability and quality of service. To ensure optimal coordination between postal development projects and strategic planning, they proposed that PDAG be attached to the POC and that it report to the latter body, more specifically to its Committee 9, which was responsible for postal development.

The representative of MAURITANIA thought it would be desirable to redefine the role of the UPU consultants in consideration of the fact that nowadays, countries benefiting from technical cooperation had competent managers on their staff. Those managers could be given additional training, under technical

cooperation, to replace the external consultants. They also believed that the question of extra-budgetary financing should be studied to ensure that more financial resources would be allocated to development cooperation.

Congress approved Congress – Doc 84.

Final Protocol to the  
Postal Parcels  
Agreement

(Congress –  
Doc 94/Rev 8)

The CHAIRMAN reminded the meeting that, according to article 26 of the Rules of Procedure of Congresses, reservations to the Acts had to be submitted in writing in French so that they could be considered by Congress before the signing of the Acts.

The representative of GREAT BRITAIN expressed considerable regret at the fact that some countries had asked for the inclusion in the Final Protocol of reservations concerning internal air conveyance dues for postal parcels.

When they had submitted the proposal for abolishing the separate internal air conveyance dues set out in the Postal Parcels Agreement, they did not mean that administrations could not approach the dispatching administrations to recover the costs of handling and delivering airmail parcels from abroad. Administrations were completely free to set an inward land rate that would allow those costs to be covered in their entirety. In that context, it was naturally important to take account of the competitive situation on the postal parcels market and of the need to control costs (hence land rates).

As they had indicated when the matter was considered by the Committee, they were each other's customers. National users had to pay a single charge for delivery of a parcel on their own territory; the same should apply to a partner administration. That solution, among other things, had the advantage of simplifying accounts between countries.

He understood that some countries could be concerned by the introduction of certain air conveyance cost factors in land rates for surface parcels. If that was the case, why could they not consider the solution already adopted by some countries, which consisted in setting different land rates for air parcels and surface parcels?

He hoped that the studies proposed for inward land rates would allow them to come up with new ideas for inter-administration payments and to improve the competitive position of their international postal parcel services.

Accordingly, he urged administrations wishing to make such reservations to reconsider their necessity and their field of application if they were to be accepted by the meeting, and they hoped that administrations would understand the reason why they had proposed abolishing separate internal air conveyance dues.

The representative of TANZANIA (UNITED REP) noted that the number of reservations was very high and that most of them dealt with the same subject. He therefore thought that it might be desirable to reconsider the decisions taken by Committee 7.

The representative of VIET NAM pointed out that they had made reservations before 12 September which were not mentioned in corrigendum 1 to the draft Acts of Congress. He asked the Secretariat to take note of that fact.

The representative of INDONESIA suggested that, in view of the high number of reservations, a compromise could be reached by amending proposal 30. 33.1 as follows: 2.85 SDR per parcel and 0.28 SDR per kilogramme of gross weight. There would also be air conveyance rates for administrations forwarding air parcels.

The representative of GREAT BRITAIN replied that Indonesia's proposal could have been dealt with by Committee 7. The proposed 2.85 and 0.28 SDR rates were for guidance only and had been set before the domestic rate had been abolished. Since the rates were indicative only, each country was free to amend them as provided for in article 33.

The representative of ARGENTINA said that not having a copy of Congress – Doc 94/Rev 8, he was unable to give an informed opinion. With reference to the reservation by Greece, however, he pointed out that his own country reserved the legitimate right to apply the same restrictions to postal administrations that had made reservations concerning lost or rifled items. He requested that his statement concerning application of the principle of reciprocity be included in the minutes.

As for reservation 33. 12.91 made by Sweden, his delegation felt that the latter country could conclude bilateral agreements designed to offer better conditions to customers, beyond what was provided for in the Postal Parcels Agreement. In that regard, the proposal was not a reservation and should therefore not appear in the Final Protocol. As for the declaration by the member countries of the European Community in Congress – Doc 101/Add 1, he wanted to know whether that declaration was not formally a reservation, and if it was, whether Congress could consider it as presented. In his administration's view, it could not, as that declaration was not accompanied by the text of the Treaty to which it referred and to which, according to what had been said, application of the Acts adopted by Congress would have to conform.

The LEGAL ADVISER replied that it had been physically impossible to study the legal aspects of all the proposals since most of them had been spontaneous. As for the declaration by the countries of the European Community, it would be necessary, for it to be considered a reservation, that it specify the article of the Acts that could not be applied, failing which it would have to be recorded only as a declaration.

The representative of ARGENTINA said his administration accepted the explanation given provided that the declaration did not affect the obligations laid down in the Acts.

Congress approved Congress – Doc 94/Rev 8.

The meeting rose at 12.40 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Fifteenth meeting of Congress**

Tuesday, 13 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 3.15 pm.

**Communications**

The DOYEN thanked the Minister of Equipment, Transport and Telecommunications of Côte d'Ivoire (Rep) for the reception on Friday evening and asked the Chairman of Congress to convey the participants' thanks to the management of Korea Telecom for the reception given by that enterprise the previous evening (12 September).

On behalf of all Congress participants, he also expressed his gratitude to the postal administration of the Republic of Korea for the extremely successful weekend excursion to Kyongju, a town with a long, rich cultural history dating back to the Shilla Kingdom, for its kind hospitality and the performances of Korean music and dance. The delegates had come back rested from that unforgettable stay in magnificent surroundings.

The CHAIRMAN OF COMMITTEE 1 said that since the last oral report of the Credentials Committee, additional credentials had been received, that morning, 13 September 1994, from the Republic of Guatemala which had deposited its credentials with its ambassador to Korea. Those credentials had been examined and found to be in order. Thus, there were now 161 valid credentials and 9 proxies, giving a total of 170 countries which were entitled to take part in the proceedings and to vote.

**Statements**

The representative of the SYRIAN ARAB REP thanked the Government and people of Korea for their warm welcome and for the painstaking organization of the work of Congress, which was being held at a time when competition from private couriers was steadily increasing in the postal sector. Some people might believe that the current spectacular developments in communications might relieve the Post of its role in the economic, social and cultural development of countries. However, no society seemed able to do without the Post, which provided important services that were capable of satisfying the public's needs and wishes with the least possible effort and expense. Still, the keen competition on today's market, from private companies or from the development of communication services, should not be ignored. Consequently, it was indispensable to focus efforts on the quality of services and on a time-certain, safe and competitively priced service. It was also necessary to create further new services.

The General Postal Corporation of the Syrian Arab Republic had tackled the modernization and development of its services in conformity with the WGAP. It had set up a postal marketing unit with all the necessary infrastructures, including competent staff with training in market research, a knowledge of customer needs and of how to satisfy those needs and wishes. A quality of service unit had also been created and had already produced results. Numerous new services which were likely to increase postal revenue had been introduced, showing that the Post played an important part in providing services such as payment of pensions at post offices, sale and encashment of lottery tickets, authentication of documents by official authorities, and sale of standard-sized cardboard boxes to parcel-post services at cost price. Moreover, the postal corporation intended to introduce new services such as giro accounts, the execution of payment orders for the public, postal mechanization and the computerization of postal, administrative and financial services. The speaker emphasized the importance of the assistance provided to his administration by the UPU International Bureau and the UNDP for modernizing and developing the postal service in the Syrian Arab Republic on schedule.

Syria had not only been one of the first countries to join the UPU – in 1876 – but it was also one of the founding States of the UN, of which it had been an active member since its creation in 1945. That was the outcome of its belief in a just, total peace that guaranteed the rights of each individual. It had never ceased declaring its unconditional respect for international law and for the international community's decisions. It would continue working towards implementing that peace in accordance with the principles of the Madrid Conference, held under the auspices of the United States of America, Russia and the international community with the aim of achieving a lasting peace that was likely to guarantee stability in the Middle East, a region which had been devastated by war and exhausted by conflicts. No agreement which failed to respect international law and the decisions of the international community, or to restore to its owners the land which had been usurped could achieve the just, total peace desired. President Hafez Al Assad had emphasized those truths during his meeting with the United States President, Mr Clinton, on 19 February 1994 in Geneva. That meeting had held the interest of the international community because it had established a clear principle on which the achievement of just and total peace in the region could be founded.

In conclusion, he thanked the Chairman and his staff for all their efforts and the former for his masterly direction of the work of Congress. He also thanked the Director-General of the International Bureau and his staff for their careful preparation of the documents, and wished everyone success.

Final report of  
Committee 2  
(Finance)

The CHAIRMAN invited Congress to resume consideration of the final report of Committee 2 (Finance).

(Congress – Doc 83)

The representative of GREAT BRITAIN congratulated the Chairman of Committee 2 on his efficient direction of the Committee's work, which had by no means been an easy task. Great Britain fully accepted the resolution in annex 3 to the final report of Committee 2 because it provided the necessary clarity, but his delegation had a comment to make. There could be no flexibility as regards the budget. It had limits and ceilings which were absolute and which had to be adhered to under all circumstances. If a certain flexibility was desired, other methods of financing would have to be found to get round that constraint. He

quoted the following from page 2 of the report on the third meeting of Committee 2: "Nevertheless, some flexibility (could be authorized) to deal with the need to undertake new activities ... within the Union." That flexibility would have to be interpreted as extra-budgetary flexibility. The budget itself had ceilings which had to be scrupulously adhered to and all other resources would have to be found elsewhere.

The representative of the NETHERLANDS fully supported Great Britain's view. Referring to the quote mentioned by the latter, the word "Nevertheless" should be deleted to avoid any misunderstanding. As the report of that meeting had just been received, it had been very difficult to make any remarks and comments that same day. He therefore asked for the Netherlands' comments to be included in the plenary minutes.

The CHAIRMAN OF COMMITTEE 2 reassured the delegations of the Netherlands and of Great Britain that their comments were the subject of a corrigendum which had just been published under the reference C 2 - Rep 3/Corr 1.

The representative of LEBANON asked the Chairman of Committee 2 for clarification about administrations' arrears. He inquired as to what had become of proposal 15. 124.1 which had already been approved by Congress. By virtue of that proposal, administrations were released from interest that had fallen due and that should therefore already be included in the budget. He asked whether that proposal had been taken into consideration for settling the accounts of administrations with arrears, as regards interest, and when that decision would come into force.

The CHAIRMAN OF COMMITTEE 2 said that the proposal mentioned by Lebanon came more within the purview of Committee 3 which had considered and approved it. Regarding the entry into force of that decision, it was up to the International Bureau to provide the necessary explanations.

The ASSISTANT SECRETARY-GENERAL explained that, when Committee 3 had studied that proposal, it had decided to transfer the necessary powers to the Council of Administration. Thus, the matter would be dealt with at the 1995 Council of Administration session.

The representative of GREAT BRITAIN, referring to the draft resolution in annex 3 to Congress - Doc 83, proposed that, in the operative paragraph beginning "Requests", the words "whenever possible" should be deleted to avoid any ambiguity.

The representative of TANZANIA (UNITED REP) said that if Great Britain's proposal were accepted, the resolution would lose its meaning. The aim of that operative paragraph, and more specifically of the words "whenever possible", was to give the Council of Administration some room for manoeuvre and flexibility, in relation to zero real growth.

The representative of the NETHERLANDS supported Great Britain's proposal aimed at giving the Council of Administration clear guidelines about zero growth.

The representative of MAURITANIA said that there had been a wide-ranging debate on the resolution in question in the Finance Committee and that the text given in annex 3 to the Committee 2 report had obtained the consensus of all its members.

The representative of GREAT BRITAIN said that the basic budget was fixed at zero real growth, so that limit had to be strictly adhered to. In contrast, the ceiling contained a certain margin of flexibility which would give access to additional funds, either under the head of voluntary funds or of revenue from the Union's various activities. The proposed deletion sought to highlight clearly that difference to ensure that the basic budget, which was subject to zero real growth, constituted an absolute limit, while the flexibility would come from the ceiling.

The ASSISTANT SECRETARY-GENERAL said that, at the last Committee 2 meeting, there had been a lengthy discussion about the resolution under consideration. The text submitted to Congress was a kind of compromise. It was true that there was no reference to zero real growth anywhere in the Acts. That was a practice used by the Executive Council in recent years and fully respected by the International Bureau when preparing and submitting draft budgets to the EC. However, in the face of certain unexpected situations with financial consequences, and in order to adhere to zero growth despite them, the Director-General of the International Bureau had needed a certain flexibility, as an exceptional measure, to be able to redeploy certain savings. Thus, considerations of a practical, and not of a legal, nature were behind the resolution at issue, and in particular behind the words "whenever possible", in order to enable the new International Bureau management to cope with similar urgent problems.

The CHAIRMAN OF COMMITTEE 2 said that the core of the discussion concerned the distribution of tasks among the various bodies of the Union. Each body had certain rights and certain obligations under the General Regulations. Congress had both the right and the obligation to fix ceilings. The Council of Administration had the right and the obligation to adopt the budgets. As those rights were laid down in the Acts, the Council of Administration had a certain sovereignty and it fell to Congress only to fix the ceilings. A record of the discussions should be sufficient to provide the Council of Administration with the necessary guidance. The text of the resolution should be kept as it was.

The representatives of TANZANIA (UNITED REP), ZIMBABWE and INDIA expressed their preference for the original text of the resolution.

The representative of AUSTRALIA said that his delegation had participated in the Working Party which had drafted the resolution. There were two main reasons underlying the text: first, it had been possible to maintain zero real growth within the framework of the EC's activities over the past five years, a fact which had been greatly appreciated. It had thus been possible for the UPU budget to

be very efficiently managed. On the other hand, it had been acknowledged that, in a fast-changing environment, it was necessary to undertake new activities which had not originally been provided for in the budget. The aim of the resolution was therefore to give the Council of Administration a signal to the effect that, while the principle of zero real growth was recognized for the regular budget, the Council of Administration and the Postal Operations Council should, at the same time, explore new sources of financing for Union activities.

His delegation tended to support the proposal of Great Britain and the Netherlands. However, to solve the problem, he suggested wording the "Requests" operative paragraph as follows: "Requests the Council of Administration to continue 'in principle to adhere to', and the remainder of the text would be unchanged.

The representative of GREAT BRITAIN accepted Australia's proposal.

The representative of BRAZIL did not think the adoption of the resolution was an absolute necessity, given that, over the past five years, the principle of zero growth had been adhered to without it having been necessary to have a resolution about it and since the new UPU management would undoubtedly continue to follow that felicitous practice.

The CHAIRMAN left it to the International Bureau to make the drafting adjustments necessary for the final version of the text.

The representative of the NETHERLANDS said that, while agreeing with Great Britain's point of view, his delegation accepted the compromise solution put forward by Australia.

The representative of JORDAN pointed out that the text asking the Council of Administration to "adhere to" and not "apply" the principle of zero growth in real terms was a very flexible one. Since the term "adhere to" was in itself flexible, the expression "whenever possible" could be deleted.

The representative of JAPAN emphasized that the matter at issue was not a question of drafting but a question of principle. Consequently, the phrase "whenever possible" should be retained. Could the plenary be asked whether it accepted the original text?

The representative of THAILAND said his delegation approved the amendment proposed by Australia. The Union should, whenever possible, continue to adhere to the zero real growth principle in the budget. The question was extremely sensitive and his delegation well understood that the developed countries had to negotiate with their Ministries of Finance to obtain the funds. That was also the general policy of the governments and international organizations in the United Nations system as a whole. At the same time, Committee 2 had discussed ceilings. Thus, a certain amount of flexibility had to be provided to be able to develop postal business in future. Thailand therefore agreed to the compromise solution and invited the plenary to adopt the text.

The CHAIRMAN noted that no consensus had been reached on the final wording of the last paragraph of the resolution in annex 3 to the Committee 2 report. He therefore put the original text of the resolution to the vote.

The resolution in annex 3 to Congress – Doc 83 was adopted by 87 votes to 26, with 23 abstentions.

The Committee 2 report (Congress – Doc 83) was approved.

Appeal in plenary

The CHAIRMAN opened the debate on the appeal concerning the mailing of letter-post items abroad (Congress – Doc 98).

Mailing letter-post  
items abroad

(Congress – Doc 98)

The representative of NEW ZEALAND made the following statement:

"Firstly, I would like to apologize to the assembly for the late advice delegations have received about this appeal in Congress – Doc 98. Some delegations would only have received this document in their boxes this morning. It was, however, handed in and passed to the Secretariat last Friday at midday, and while we appreciate the pressure the Secretariat is under, we do wonder why it took so long to be distributed. Nevertheless, hopefully all delegates have now had the opportunity to read and understand the document.

"Also, I must make reference to the distribution over the past few days of an anonymous document that has been given wide distribution to delegations and to delegation offices. A document which implies that the administrations associated with the appeal are engaged in remailing activities. This is certainly not the case and New Zealand, for one, takes strong exception to this inference.

"The arguments for the appeal are set out clearly in the paper before us, and I do not propose to go over these in detail.

"However, I would like to state the reasons why, in Committee, New Zealand proposed the reintroduction of the original proposal from the United States (20. 26.3) to align the provisions of article 26 with the terminal dues package to which the Committee had earlier agreed.

"In the first place, I want to be clear that this appeal is certainly not about promoting remailing activities. It is about giving proper recognition to legitimate business mail which is aggregated in, and distributed from, intermediate countries in order to take advantage of market efficiencies. New Zealand considers that, in principle, resources should be permitted to flow where they will be most efficiently utilized. Measures to restrict such legitimate business activity should be avoided. Not only would such measures be questionable in principle, but they might be inconsistent with requirements on many of the governments represented here under the GATT General Agreement on Trade in Services.

"What is this appeal about?

"Let us be very clear on the issue. I repeat, it is not about remail.

"It is about trying to re-establish the main objective and principle underlying the terminal dues package, namely providing operators with fair and reasonable compensation for work performed in delivering incoming international mail.

"In all of its work as Chairman of the Working Party on Terminal Dues over the last five years, New Zealand has always strongly advocated this principle as being fair to all, both developed and developing countries.

"In particular, the interests of developing countries are well served under the terminal dues package approved by the Executive Council and which was overwhelmingly endorsed in Committee.

"Despite the work New Zealand did as Chairman of the Terminal Dues Working Party over the past five years, New Zealand would not have supported and presented, on behalf of the Executive Council, the terminal dues package, including the bulk mail provisions, had it been known in advance that comparable provisions under article 26 would be inconsistent with this package.

"This is because New Zealand supported the bulk mail provisions strictly on the understanding that they provided adequate protection for *all* countries against remail.

"This was a compromise to which the United States and Japan were also closely associated as members of the working group especially set up to examine the link with domestic tariffs for bulk mail.

"New Zealand was therefore surprised that both the United States and Japan resiled from this compromise at the last moment.

"The reality is that there are very few countries, about three or four, that have a commercial incentive to see to it that the remail provisions under article 26 are set at a higher level than those set under the bulk mail provisions in the terminal dues package. The question must, therefore, be asked as to why should all postal administrations, including perhaps the least developed, be open to the payment of excessive charges for legitimate bulk mail that may be generated in their countries.

"Unless this appeal is successful, all the provisions we have spent so long in developing will result in unfair protection for those countries whose costs are well above the average.

"The challenge for these countries is not to seek excessive legislative protection against remail but rather to get their costs under control.

"The whole point about the terminal dues package that we have adopted is that it will give all countries the opportunity to combat remail from a commercial perspective.

"I commend delegations to support this appeal and I would request that this statement be incorporated in the minutes of this meeting."

The representative of ISRAEL said that his delegation could not accept the proposed appeal. The administrations lodging the appeal proposed treating items which were the object of ABC remailing in the same way as bulk items which had been sent legitimately. That appeal was based entirely on the hypothesis that it was merely a question of being remunerated for the work done. However, if that were the case, article 26 would not be necessary at all, since the majority of administrations present at Congress had considered the terminal dues system adopted by the Seoul Congress adequate for that purpose. A totally different situation was the subject of that article. In everybody's

opinion, ABC remailing was as harmful to the Post's future as ABA remailing. Thus, it would have been logical to treat those two forms of remailing in the same way, by allowing delivering administrations to apply the whole, and not just 80 percent, of the domestic rates. Article 26 as adopted by Committee 4 was therefore, in Israel's opinion, the minimum compromise protecting postal services against the arbitrary remailing practised by certain administrations, against all principles of solidarity. For the benefit of administrations which had stated that their domestic legislation did not allow them to accept that clause, Israel added that article 26 was optional and that no administration was compelled to apply it if its domestic legislation prohibited it from doing so.

That was why his delegation supported rejection of the appeal. In conclusion, he took the opportunity of returning to an additional amendment to article 26 which he had proposed during his remarks in Committee 4 but to which he had received no reply. He therefore repeated his proposal about the option of returning remailed items to the administration of posting, while being entitled to obtain reimbursement for return costs. The Acts did not specify how those costs, which were sometimes very high, were to be reimbursed. His delegation had therefore proposed adding the following paragraph to article 26: "An administration which returns items in accordance with paragraphs 3 and 4 of article 26 shall be authorized to deduct the cost of returning them from the payments owed to the administration of posting." He asked for the assembly's views on that matter, if possible.

The CHAIRMAN stated that if Israel's proposal had been submitted in accordance with the provisions of the General Regulations and the Rules of Procedure, it could have been discussed, but as Israel had said, it had not been included in the draft Acts. He therefore asked the Chairman of Committee 4 about what had become of that proposal.

The CHAIRMAN OF COMMITTEE 4 summed up for the plenary what had happened when that proposal had been discussed in Committee. There had been two texts: a proposed article 26 submitted by the EC, and an amendment to that proposal concerning the final paragraph of article 26 submitted by the United States of America and Japan. The EC proposal had been presented by Italy, which had confirmed that it could accept the principle of the amendment. The Committee had then considered the amendment by the United States of America and Japan, which had given rise to an oral amendment at the meeting by New Zealand in favour of returning to a remuneration calculated on the basis of the provisions of the Detailed Regulations of the Convention concerning bulk mail. In the Chairman's opinion, both texts had been dealt with in the same way and the countries which had spoken had dealt with the substance of the matter. Of the eighteen countries which had taken the floor, thirteen had supported the proposed text as amended by the United States of America and Japan and five had supported New Zealand's proposed amendment. Among the thirteen countries, Israel had indeed notified its proposal but the Chairman had found no support for it among the delegations present; that was why New Zealand's proposal, supported by five countries, had been discussed concurrently with that of the United States of America and Japan. The latter proposal had been put to the vote and adopted.

The representative of ISRAEL accepted the explanation given by the Chairman of Committee 4.

The representative of ITALY, the reporting country for the study on article 26, said that the two amendments, namely proposal 20. 26.3/Rev 1 submitted in writing by the United States of America and Japan and the other proposed orally by New Zealand, had been discussed at length in Committee 4. A discussion about questions of principle could not, in his delegation's opinion, be reopened in plenary. Moreover, the various positions were fairly clear, and a further debate would not produce any new elements other than those considered so far. The Italian delegation would prefer the appeal not to be accepted. However, since it had the floor, it took the opportunity to say that it recognized the need for an open, flexible and constructive attitude in order to achieve a solution acceptable to a large majority of member countries. That was to avoid a radical solution encouraging a number of member countries to submit reservations to the Acts of the Union, the credibility of which might well be compromised. It was for that very reason that, if the appeal were adopted, Italy would request reconsideration of the text of the EC proposal regarding the second sentence of paragraph 4, ie proposal 20. 26.2, instead of amendment 20. 26.3/Rev 1 regarding the same sentence. Italy's proposal concerned that sentence only, because it did not want to reopen the debate on the rest of the amendment at that time. What had, according to some delegations, initially seemed to be a weakness of the EC proposal could perhaps turn out to be an appropriate response to the problem raised in so far as the aim was to settle the question at the level of general principles only. And the general principle adopted by the EC was that of guaranteeing the countries of destination a remuneration which was closely linked to the costs incurred. That flexible solution would also enable member countries to evaluate in greater depth the consequences of the proposals adopted on terminal dues, the validity of which was in no way questioned by his delegation.

The representative of AUSTRALIA said his delegation firmly supported the appeal because Australian national policy, when it had accepted the liberalization of outward and inward international mail, was compatible with its position of competitive neutrality. That was why it did not agree with the amendment to article 26 by the United States of America and Japan. In Australia's view, it was not remailing in itself which was unacceptable, but remailing which tried to exploit little-used market niches. His delegation believed that if the countries of destination were to receive remuneration equivalent to that paid for international mail by the administration of posting, the effects would not be so negative. Terminal dues for remailing should not be higher than, but certainly not lower than, those payable for the prepayment of normal mail under the terms of the arrangements adopted by Congress for terminal dues between postal administrations. For that reason, his delegation firmly supported the appeal in Congress – Doc 98.

The representative of INDIA proposed that, since the question had already been studied by Committee 4, the appeal be put to the vote immediately.

The CHAIRMAN stated that this was a motion on a point of order. In accordance with article 17 of the Rules of Procedure of Congresses, he would give the floor to only two speakers against the motion, after which the motion would be put to the vote.

The representative of JAPAN said that so far, the assembly had only heard countries which supported the appeal. His delegation opposed the closure of the debate and wanted to explain its position.

The representative of GREAT BRITAIN supported the proposal against closure of the debate.

Put to the vote, India's proposal to close the debate was adopted by 61 votes to 48, with 7 abstentions.

The representatives of JAPAN and FRANCE proposed that, if the appeal were adopted, proposal 20. 26.2, which had been studied and then adopted by Committee 4, be rediscussed.

The CHAIRMAN invited Congress to vote on the appeal submitted by New Zealand (Congress – Doc 98).

Put to the vote, the appeal concerning the mailing of letter-post items abroad and relating to proposal 20. 26.3/Rev 1 was rejected by Congress by 60 votes to 58, with 15 abstentions. The rejection of that appeal, which concerned the fourth paragraph of article 26, gave rise to reservations by a number of countries and counter-reservations by others.

Appeal in plenary meeting

Conditions for approval of proposals submitted between Congresses

(Congress – Doc 99)

The CHAIRMAN introduced the appeal submitted by the United States of America and Germany relating to the conditions for approval of proposals submitted between Congresses concerning the Convention and its Detailed Regulations, the Postal Parcels Agreement and its Detailed Regulations, the Money Orders Agreement and its Detailed Regulations, the Giro Agreement and its Detailed Regulations, and the COD Agreement (Congress – Doc 99).

The representative of the UNITED STATES OF AMERICA said that during Committee 3's work, a series of proposals aimed at simplifying the procedures for approving amendments to the Convention and to the various Agreements between Congresses had been adopted by consensus. That was done by reducing the majorities required. Amendments dealing with the Convention's basic provisions had to be adopted unanimously, and those concerning other provisions required a two-thirds majority. The proposals submitted by the EC and adopted by Committee 3 had reduced those majorities respectively from unanimity to two thirds and from two thirds to a simple majority. After the adoption of those proposals, some countries had wanted to reopen the debate and had asked a number of questions; those questions were the subject of the present appeal.

There were two basic questions: first of all, article 57 of the Convention did not specify any minimum number of countries that had to take part in a consultation on a possible amendment between Congresses, whereas, when unanimity was required, it was not necessary to indicate the required number of participants. Included in the annex to the present appeal was paragraph 3.2bis, which sought to amend the relevant provision and made it possible to rectify the situation. It stipulated that at least one half of the Union member countries had to provide a response to the consultation.

The second question concerned the possibility of making a reservation to an amendment that would be adopted between Congresses. Committee 3 had adopted Japan's proposal 20. 57.4, which would make possible reservations made by means of a simple declaration. Again, the question was whether that type of reservation should be the subject of a consultation and therefore be approved one way or another. In the present appeal, it was proposed that a reservation to an amendment between Congresses be the subject of a consultation and that it be approved by a majority of votes cast in response to that consultation.

His delegation therefore proposed that the appeal be considered in two steps: the first step would involve the new paragraph 3.2bis, which could be adopted by consensus. The second step would deal with reservations to amendments adopted between two Congresses and would require further discussion, given that opinions were divided.

The representative of JAPAN said that the intention of the appeal was to add a second sentence under 3bis. The latter specified that a reservation could be made between Congresses provided it was approved by a majority of votes. Countries wishing to object to a reservation made by another country would vote, while the other countries would have no reason to vote. Thus, approval of a reservation by a majority of votes was a very difficult condition to satisfy. The problem involved the sovereignty of countries. That was why Japan strongly opposed the appeal.

The appeal posed another serious problem. Countries whose national legislation was as yet incompatible with amendments to provisions adopted during Congress had two solutions. One solution was to make a reservation. If the latter was not approved by Congress, the country that made it could choose a second solution, namely, not to sign the Acts.

On the other hand, amendments to provisions between Congresses were notified to each member country unilaterally. Thus, countries whose reservations were rejected by a majority of votes were obliged to leave the UPU. That was a serious problem since it was now necessary to preserve Union solidarity.

He reiterated that Japan strongly opposed the second part of the appeal, which introduced the condition of majority approval of a reservation.

The representative of GERMANY said that the question being discussed was not very important. As far as making reservations was concerned, any reservation had to be accepted. Moreover, Congress's decision should be compatible with what was provided for in the Convention.

His delegation agreed with the proposal by the United States of America regarding the need first to find a consensus on the first part of the appeal and then to try to reach a decision on the second part.

The representative of ARGENTINA said that each reservation should be treated as a proposal submitted to Congress. Thus, it needed to obtain the majority required. A procedure for approving reservations was therefore needed. A consultation on a country's reservation was a democratic process which could not have any negative impact on the solidarity of Union member countries.

The representative of GREAT BRITAIN told the assembly that his delegation had no problem with the proposal regarding paragraph 3.2bis. He drew attention to Japan's statement that an amendment unacceptable to a given country could be imposed on that country by a majority of the votes cast in response to a consultation. Consequently, the sovereign right of that country not to accept the amendment would be removed and that could create significant practical problems.

The CHAIRMAN said that, as had been proposed by the authors of the appeal, a two-part vote would be taken.

Congress adopted the first part of the appeal concerning the conditions for approval of proposals submitted between Congresses.

The CHAIRMAN asked the Congress Secretariat to give a legal opinion regarding the second part of the appeal.

The LEGAL ADVISER said that the question of a legal interpretation of the problem had already been addressed in Committee 3. Following the decision taken by that Committee, a relevant document had been prepared by the Congress Secretariat and distributed to all the participants (Congress – Doc 95).

There was, in fact, an oversight in the Acts of the Union. According to article 22, paragraph 6, of the Constitution, the Final Protocols of the relevant Acts contained the reservations to the Convention and its Detailed Regulations, as well as to the Agreements and their Detailed Regulations. In application of that provision, any country wishing to benefit from a reservation had to submit a proposal.

For the Detailed Regulations to which amendments were made between Congresses, a special reservation procedure had been provided for by the Washington Congress (article 13 of the Rules of Procedure of the EC), which was taken over into the Rules of Procedure of the POC.

In contrast, no provision regulated the procedure for submitting reservations in the event of amendments to the Convention and the Agreements between Congresses.

Committee 3 had adopted the declaration procedure submitted to Congress by Japan. The second solution involved reservations which, in accordance with the General Regulations, had to be the subject of consultations and therefore formal approval by the UPU member countries.

The representative of JAPAN said that Committee 3 had adopted proposal 20. 57.4 and, if the present appeal was rejected, the first half of paragraph 3bis would remain. The appeal itself seemed to suggest that if it was rejected, all of paragraph 3bis would be eliminated. That was an error or a misunderstanding and he emphasized that the first half of paragraph 3bis would remain as such, even if the appeal was rejected.

The CHAIRMAN observed that opinions appeared to be divided. In order to be completely certain about the fate of paragraph 3bis should the appeal be rejected, he asked the legal adviser for clarification.

The LEGAL ADVISER said that Japan had confirmed his view. Committee 3's decision was to adopt the first sentence of paragraph 3bis which read as follows: "Notwithstanding the provisions under 3.1, any member country whose national legislation is as yet incompatible with the proposed amendment may, within 90 days from the date of notification of the latter, make a written reservation to the Director-General of the International Bureau stating that it is unable to accept the amendment." That sentence had been adopted by the Committee and, even if the appeal was rejected, it would remain in the Acts. If the appeal was accepted, the second sentence mentioned in annex 1 would be added.

The CHAIRMAN put to a vote the appeal on the conditions for approval of proposals submitted between Congresses.

The second part of the appeal, concerning the possibility of making a reservation to an amendment adopted between Congresses, was rejected by 67 votes to 27, with 22 abstentions.

Approval of resolutions and decisions other than those amending the Acts

The CHAIRMAN moved on to consideration and approval of the resolutions and decisions other than those amending the Acts not yet considered by Congress in plenary session.

Congress – Docs 85.2 and 85.3 were adopted without comment.

(Congress – Docs 85.2 and 85.3)

Approval of the Seoul Postal Strategy

The CHAIRMAN asked Mr Mazou, Assistant Director-General at the International Bureau, who had coordinated the work on the General Debate, to present Congress – Doc 87, which contained a draft resolution and the Seoul Postal Strategy (SPS) itself.

(Congress – Doc 87)

Mr MAZOU, ASSISTANT DIRECTOR-GENERAL AT THE INTERNATIONAL BUREAU, said that the Seoul Postal Strategy had been prepared at the conclusion of the General Debate of 24 and 25 August 1994 on the theme "The UPU looks to the future: global strategic planning in a competitive environment".

Before dealing with the content of the strategy, he first wished to thank all the member countries and all the people who had participated in the preparatory work of the General Debate several months before the Congress. Particular thanks were due to the discussion leaders of the various subjects of the General Debate, who had spared no effort to ensure its success.

The Seoul Postal Strategy was the culmination of a long process and of team work: the work of a team headed by the Chairman of Congress himself, assisted now and then by some of his associates. Also involved in the preparatory work were the member countries themselves, which had been consulted on two occasions. The aim of the first consultation had been to make certain that the

themes chosen reflected their concerns. The second had solicited their comments and suggestions concerning the draft detailed outlines to ensure that the papers' content conformed to the expectations of administrations. The comments and suggestions of the postal administrations had been analyzed, and then taken into account by the discussion leaders when drafting the final texts of their papers. Following the General Debate, the draft Seoul Postal Strategy that had been prepared took into account, as far as possible, all the recommendations made by the discussion leaders, the views and suggestions expressed orally by the participants, and the written contributions provided by a number of countries. That draft had been the subject of a general consultation of all the delegations present at Congress. A number of delegations had made suggestions aimed at improving and, where appropriate, supplementing the draft. The present "Seoul Postal Strategy" document took into account, as far as possible and respecting the discussions that had taken place during the General Debate, the comments and suggestions made. One or two last-minute amendments not mentioned in the document distributed to participants had also been accepted. After his presentation, the Secretary of the General Debate would read them to the assembly. The final version of the Seoul Postal Strategy would incorporate the proposed amendments, subject, of course, to approval by Congress.

The Seoul Postal Strategy was based on the Washington General Action Plan (WGAP), which could be considered the Union's first strategic plan. It was therefore with good reason that the Seoul Postal Strategy built upon the strengths of the WGAP and emphasized the new strategies to be implemented in the light of the institutional, technological, commercial and other changes taking place in the environment.

The Seoul Postal Strategy was structured around four main areas:

- Customer needs and commercial strategies
- Quality of service and improvement of operations
- Management independence and postal development
- Human resources.

A. *Customer needs and commercial strategies*

As regards the four objectives and the actions identified in the above area, the fact was stressed that all the commercial strategies to be developed and implemented had to be firmly supported by a good knowledge of the market and suitable market segmentation. The attention of postal administrations was also drawn to the need to adopt responsive communication strategies aimed at projecting a positive image of the entire organization and of its products and services.

B. *Quality of service and improvement of operations*

Five main objectives were identified. Postal administrations were in particular asked to adopt a total quality of service policy that was monitored regularly and defined not unilaterally or arbitrarily, but on the basis of customer expectations and competitor performance.

*C. Management independence and postal development*

Here the situation was straightforward. There could be no lasting postal development as long as postal administrations lacked management independence, at least in the following areas: service structures and organization, pricing policy for competitive markets, financial management, human resource management and strategic choices.

*D. Human resources*

Three main objectives were identified. The benefits of a relevant human resource development policy were singled out. Postal administrations had to bear in mind that customer satisfaction, and hence their ability to sustain and improve their position in increasingly competitive markets, depended on the capability, professionalism and motivation of human resources. That was why emphasis had to be placed on training, financial and non-financial motivation, internal communication, etc.

He did not intend to go into the details of the Seoul Postal Strategy because the document distributed to participants was explicit. He did, however, want to stress that, although some proposals made by the various speakers during the discussions – regarding in particular Union activities for supporting implementation of the SPS – were not included in it, they would nevertheless be taken into account as part of the Union's Strategic Plan.

The complementary nature of the Seoul Postal Strategy and of the Strategic Plan was underscored in the document's introduction. The Strategic Plan contained programmes and actions that the Union's bodies had to undertake in order to help administrations and Restricted Unions implement the Seoul Postal Strategy.

On behalf of all the members of the General Debate Coordination Team, he thanked all the delegates present for their continual support in helping to prepare the Seoul Postal Strategy. Implementation of the Strategy required the unified commitment of all the postal partners during the 1994–1999 five-year period.

The International Bureau promised to do its best to make the Seoul Postal Strategy a means of helping to strengthen the commercial base of all postal administrations and to reduce the development disparity between administrations and thus hasten their development.

The representative of JORDAN said that the Union's Strategic Plan, submitted to delegates in Congress – Doc 74, had been adopted that morning. His delegation felt that the Seoul Postal Strategy should supplement the strategies defined by the countries and the Restricted Unions. Success was not possible, however, without the Seoul Postal Strategy, which was an essential component. That was why his delegation considered the Seoul Postal Strategy an excellent document; its objectives were perfectly clear and it took account of customer needs and commercial considerations. That Strategy, which they felt was an urgent response to the competition, should therefore be adopted. The draft plan addressed the concerns expressed during the General Debate at the very outset of Congress. He thanked the Chairman for the key role he had played during the

General Debate and for having enabled the plan to take shape. He and his delegation also expressed their gratitude to Mr Mazou and all those who had helped prepare such a fine document, and proposed that it be adopted.

The representative of SWEDEN made the following statement:

"On behalf of the Swedish Government, I would like to make a few comments on the draft Seoul Postal Strategy.

"Generally speaking, we appreciate the efforts put into developing this strategy paper on the basis of the main trends of the General Debate held at the beginning of this Congress. It will certainly have value as a check-list during the coming five years, in particular for developing countries. The section which has attracted our special attention is section C2 on privileges and obligations of public postal operators. The General Debate, in our opinion, left a clear impression that the traditional postal monopoly is under review in many countries. You might remember that the representative of the Swedish Government during the debate talked about the reasons why Sweden completely abolished its postal monopoly two years ago and stressed that Government view that customers get the best service by means of open and fair competition on the postal market. Such views do not seem to be reflected in the strategy paper. How a country chooses to provide its public postal service is in principle a matter for decision by its own government. This is also why the UPU Acts do not contain any regulations in this respect. Looked upon from this viewpoint, it might even be questioned whether action points C2.1 through C2.3 should be included in the paper at all.

"If, however, they are to be regarded as recommendations to governments, then they should be based on the principle of open competition and should aim at suggesting that countries should define the conditions under which the public operator is to function and, if required, fix the minimum reserved sector required for it to provide good universal service at reasonable prices. The scope of such a reserved sector should be reviewed frequently, normally with the aim of reducing it or abolishing it altogether.

"In conclusion, we are prepared to accept the draft strategy paper, but with the understanding that it just constitutes guidelines for countries which do not already apply modern management principles and methods. We also have reservations concerning certain action points which we cannot apply for fair trading reasons."

The representative of SIERRA LEONE congratulated Mr Mazou on his most impressive paper and felt that it was a document of immense scope which would serve as a working tool for all concerned in the area of strategic management.

His delegation also made a number of specific comments. In particular, it wanted the term "communications market", mentioned in section A of chapter III (Objectives and actions), to be expanded to read "communications and distribution markets", because it felt that the parcel and time-certain mail services belonged to the distribution market rather than the communications market.

The representative of FINLAND said that during the General Debate, Finland had indicated that the postal monopoly in that country had been abolished as long ago as 1991. That was why he supported what the Swedish delegation had just said. His own delegation, however, could subscribe to what was written in Congress – Doc 87 because it did not think that it undermined the sovereignty of the Finnish State. He added that the document was very well conceived, referring in particular to page 4: "Priority nature of the objectives and actions", which mentioned the most important factors: quality of service and responding to market requirements and customer needs. As for the complementarity between the Seoul Postal Strategy and the Strategic Plan, the Strategic Planning Working Party of the Council of Administration would certainly give that document the priority it required. He congratulated Mr Mazou, the Chairman and all those who had helped to formulate and draft it.

The representative of PAKISTAN said how much his delegation had appreciated Mr Mazou's presentation of that excellent document. He also recalled the latter's remarks to the effect that the Seoul Postal Strategy and the Strategic Plan had to complement one another. Efforts had to be made to ensure that the Strategic Planning Working Parties in the Council of Administration and Postal Operations Council took account of the objectives as stated in the Seoul Postal Strategy, and that those objectives were neither disregarded nor found to be redundant. His administration supported Congress – Doc 87.

The representative of NEW ZEALAND agreed with the statement by Sweden and hoped that it would be recorded in the minutes, provided Sweden had no objection.

Mr MAZOU, ASSISTANT DIRECTOR-GENERAL AT THE INTERNATIONAL BUREAU, said, in reply to Sweden, that its comments had been duly noted, but he felt it necessary to point out that the Seoul Postal Strategy was a document containing policy guidelines for countries that could implement them in accordance with their current situations and the current status of their legislation. The fact remained that the document represented an effort to find ways of unifying systems in the postal sector. As regards the comments by Sierra Leone, he pointed out that the document was meant to refer to internal communication and not communication in the sense of a means of communication. Be that as it may, consideration would be given to what extent Sierra Leone's comments could be taken into account in the Seoul Postal Strategy. He thanked all the speakers who had expressed their support for Congress – Doc 87.

The representative of MAURITANIA proposed that there be cross-references between the objectives provided for and the WGAP objectives so that a starting point could be defined and results could be evaluated in 1999. As regards human resources, the role played by the intercountry schools in staff training and refresher training should also be mentioned.

The representative of KOREA (REP) said his delegation was extremely proud to be able to participate in adopting the Seoul Postal Strategy at the present Congress. It was the culmination of a general debate that had focussed on objectives that would satisfy all countries. Whether or not satisfactory results would

be achieved depended on the willingness of the decision-makers. In any case, his delegation was extremely grateful to the delegates for their efforts to come up with the Seoul Postal Strategy.

The CHAIRMAN said he was grateful to those who had taken part in the General Debate, which he had had the honour to chair. He also expressed his gratitude to the International Bureau, and in particular those who had participated in the discussions of the coordination team headed by Mr Mazou with the assistance of Mr Harding. He wished to thank, in particular, the discussion leaders who had done such an excellent job.

Congress adopted the Seoul Postal Strategy (Congress - Doc 87) and the resolution accompanying it.

The meeting rose at 6.45 pm.

For Congress:

Young-Su Kwon  
Chairman

A C Botto De Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

**Closing meeting of Congress**

Wednesday, 14 September 1994

In the chair: Mr Young-su Kwon, Chairman

The meeting was opened at 9.30 am.

**Communication**

The DOYEN said that, thanks to Korean Airlines, they had enjoyed a magnificent evening the previous day, a culminating point of all the receptions staged during that Congress. On behalf of all participants, he thanked Korean Airlines most sincerely for having organized such a successful reception.

**Statements**

The representative of JAPAN thanked the host country most sincerely for the tremendous efforts it had made to ensure the success of the Congress. That Congress had been held under the sign of change and they had seen considerable progress. They had successfully dealt with important subjects, adopting the Seoul Postal Strategy, the reform of the UPU structures, introducing English as a working language at the International Bureau, revising terminal dues and recasting the UPU Acts. He was convinced that they had reached highly positive conclusions and that was very important in view of the commercial environment in which they were now operating. He was sure that the Seoul Congress would be seen as a great success and an historic date for the Union.

He said the Chairman had been a perfect Chairman and congratulated the Korean Secretariat which had prepared the whole Congress magnificently. On behalf of the Japanese delegation, he also thanked the International Bureau very sincerely for its great contribution to the smooth running of the Congress.

The CHAIRMAN said they had the previous day adopted the Seoul Postal Strategy and the resolution that went with it as mentioned on presentation of Congress – Doc 87, in the light of the written comments received from member countries over the last few days. The Secretariat had prepared several amendments to that text.

The SECRETARY OF THE GENERAL DEBATE announced the following amendments to be made to the text of the resolution in Congress – Doc 87:

- a pages 2 and 3, second operative paragraph ("Appeals urgently to the Governments", add in the first line of the second dash the words "and financial autonomy" after the words "sufficient management independence";

- b page 3, third set of operative paragraphs ("Instructs the permanent bodies of the Union"), in the third dash, after the words "the additional resources needed" add: "- within the framework of the financial limits decided on -";
- c page 7, action A4.2, delete, after the word "customers", "and personalize written communication with them";
- d page 11, action C1.1, add the words "and financial autonomy" after the words "management independence";
- e page 12, action C2.3, add, at the end of the sentence, "bearing in mind the need to ensure that competition is fair and in conformity with other obligations such as those that may stem from the GATS agreement".

Congress noted the amendments made to the resolution in Congress – Doc 87 and therefore adopted the final text of that resolution.

The SECRETARY-GENERAL announced that a request had been received the previous day for the inclusion in an official Congress document of a declaration by the Democratic People's Republic of Korea. For the moment, the text of that declaration was available in French only. The Republic of Korea could, of course, make use of the right to reply. The two declarations, one by the Democratic People's Republic of Korea and the other by the Republic of Korea, would therefore be published in a Congress – Doc, which would be translated into all the languages and sent to all member countries as soon as possible. Although they did not have the texts before them, he could assure the assembly that there were some very positive points in the declaration by the Democratic People's Republic of Korea and he was sure that the same would apply to the declaration by the Republic of Korea. They should therefore continue their work and efforts towards bringing to a successful conclusion the mission that the Seoul Congress had assigned to them concerning postal relations on the Korean peninsula.

The representative of GREAT BRITAIN noted that, at the previous Friday's plenary meeting, they had discussed a request by two countries to transfer from geographical group 2 to group 3. Great Britain was currently analyzing the possible consequences of such a transfer. He had no intention of re-opening discussion on that question that day but it emerged clearly from the discussions and, above all, from the opinion given by the Legal Adviser that there was no very clear rule about how to deal with requests for a transfer from one geographical group to another. His delegation considered that, in future, it was essential that clear rules should be drawn up. It was important that the Council of Administration should address the matter quickly because there was a real risk that such transfers could destabilize the geographical balance from the point of view of votes. Such requests would have to be submitted and dealt with in accordance with the relevant rules.

Oral addition to the final report of Committee 1 (Credentials)

The CHAIRMAN OF COMMITTEE 1 said Committee 1 had received a facsimile message giving Jordan the authority to sign the Acts of the Union on behalf of Iraq. Committee 1 had examined that proxy and considered it to be valid. The original proxy would be sent to the International Bureau in Berne in one week. He asked Congress to authorize Jordan to sign the Acts of the Union on behalf of Iraq, on the basis of the proxy received by facsimile.

The SECRETARY-GENERAL informed the assembly that credentials sent by facsimile were not receivable.

The LEGAL ADVISER explained that, according to the information given to him, the credentials enabling Jordan to sign the Acts of the Union on behalf of Iraq had been sent that morning, but it was obvious that they could not arrive in such a short time as the Post could not provide delivery within a few hours. That was why they had received a facsimile, which purported to be – to use legal phraseology – a photocopy of the official credentials. According to current practice, as followed by the Credentials Committee hitherto, such a facsimile was not regarded as sufficient. It was necessary to have the original. According to the Rules of Procedure of Congresses, article 3, paragraph 5, a telex message was admissible only if it provided additional information or a specification missing from the original credentials. But, in any event, an original of the credentials had been required hitherto. In the instant case, there were justified doubts about the validity of the facsimile as official credentials.

The representative of JORDAN expressed his regret that such a problem had cropped up right at the end of Congress. In fact, Iraq had already sent Jordan a proxy but it had not been signed by the Minister of Foreign Affairs. His administration had asked to be sent, in accordance with the Rules of Procedure, a document duly signed by the Minister of Foreign Affairs. A facsimile of that document had been, in fact, received that morning and he had sent it to the Chairman of the Credentials Committee. His delegation had no intention of violating the Rules of Procedure of Congresses and therefore proposed that the question be considered by Committee 1 in consultation with the Legal Adviser.

In view of the divided views on the validity of that proxy received by facsimile, Congress decided to refer that question, for more thorough study, to the Credentials Committee in consultation with the International Bureau.

Final Protocol to the  
Postal Parcels  
Agreement

(Congress –  
Doc 94/Rev 8)

The CHAIRMAN listed the reservations made by delegations, the texts of which were available but did not appear in the document. Congress was invited to approve the addition of these reservations to the document.

As no comment was made, Congress approved Congress – Doc 94/Rev 8 and the additional reservations.

Final Protocol  
to the Universal  
Postal Convention

(Congress –  
Doc 102/Rev 1)

The CHAIRMAN listed the reservations which Committee 4 had not been able to deal with, including ones withdrawn or submitted following the previous day's decision on the appeal concerning article 26. Congress was invited to approve the addition of these reservations to the document.

As no comment was made, Congress approved Congress – Doc 102/Rev 1 which contained all the reservations submitted before the signature of the Acts. The reservations concerning the Detailed Regulations of the Convention were referred to the Postal Operations Council.

Approval of the Acts of the 1994 Seoul Congress

The CHAIRMAN noted that only 119 countries were present which meant that they did not have a quorum. He said, however, that the delegations of several countries had already signed the Acts and had probably already left Seoul. Pending the exact list of these countries, he invited Congress to commence consideration of the Universal Postal Convention and its Final Protocol.

Universal Postal Convention and Final Protocol

The representative of BELGIUM said his administration chaired the Drafting Committee and, in that capacity, made the following two observations to Congress. First of all, approval of the Convention, article 52, paragraph 1, relating to the basic rates for calculating air conveyance dues, had led them to adopt the same wording for the Postal Parcels Agreement, article 37, paragraph 1. A corrigendum to article 37 had been published that very day under reference Corr 3. Secondly, the Drafting Committee had ended its work the previous afternoon and, bearing in mind the need to end the work of Congress that morning, Congress should assign to the International Bureau the task of finalizing the final decision of the Plenary Assembly. That proposal should not cause any difficulty for the International Bureau which had managed that type of situation at the end of each Congress.

The representative of the UNITED STATES OF AMERICA asked whether the vote they were about to take covered the Convention bearing in mind the decisions already taken by Congress as regards appeals.

The CHAIRMAN said the draft text had been published before the previous day's decision on the appeal. The Secretariat would make the necessary adjustments to reflect that decision. They could therefore take the vote because, after verification, 133 countries were present in the hall so that there was a quorum.

The Universal Postal Convention and its Final Protocol, revised in line with the decision taken on appeals, were adopted by 123 votes for and none against.

Fifth Additional Protocol to the UPU Constitution

The LEGAL ADVISER said, as the Chairman had announced, some delegations had already signed the Acts. After checking, he was able to inform the assembly that the following countries, which had not indicated their presence, had already signed both the Fifth Additional Protocol and the General Regulations: Bahrain, Cape Verde, Croatia, Djibouti, Ghana, Grenada, Guyana, Honduras (Rep) and Kuwait. The list, which was not complete because of lack of time, showed that the required majority of 128 votes had been attained.

The Fifth Additional Protocol to the Constitution of the Universal Postal Union was approved by 122 votes for and none against.

General Regulations including the Rules of Procedure of Congresses

The General Regulations of the Universal Postal Union were approved by 120 votes to 2 with 11 abstentions.

The Rules of Procedure of Congresses were approved by 122 votes.

Postal Parcels Agreement and Final Protocol

The CHAIRMAN recalled that only the 168 signatory countries of that Agreement could take part in the vote.

The representative of the CZECH REP said, by way of correction, his administration wished its country's name to be deleted from the Postal Parcels Agreement, Final Protocol, article XIIter, paragraph 1, and added to article XIIter, paragraph 2, of that Final Protocol.

The representative of AUSTRALIA said his country had informed the International Bureau that morning that it wished its name to be added to the list of countries in article IV, paragraph 1.

Mr RAMAN, ASSISTANT DIRECTOR-GENERAL AT THE INTERNATIONAL BUREAU, said the reservation submitted in writing by Australia had indeed been received that morning.

With regard to the statement by the Czech Republic, due note had been taken of it and the necessary would be done.

The representative of SLOVAKIA said his country supported the statement by the Czech Republic and asked for its name to be also added to the list concerned.

The Postal Parcels Agreement and its Final Protocol, as amended by the proposals by Australia, the Czech Rep and Slovakia, were approved by 108 votes.

Money Orders Agreement

The Money Orders Agreement was approved by 71 votes out of a total of 96 signatories.

Giro Agreement

The Giro Agreement was approved by 53 votes.

Cash-on-Delivery Agreement

The Cash-on-Delivery Agreement was approved by 45 votes.

The CHAIRMAN noted that Congress approved the agenda of the closing meeting (Congress – Doc 7).

Statement

The representative of CHINA (PEOPLE'S REP) said he was taking that last opportunity to speak, even though he should have spoken during discussion of the UPU Strategic Plan 1995–1999. That document mentioned, in objective 3, programme 3.6, the development of EDI activities. His administration stressed the importance of EDI activities, particularly in the competitive environment in which they were currently operating. On the other hand, the Congress had held lengthy discussions on the Union budget and the need to find additional funds to be able to implement all the activities advocated. In China, they said that

even the best cook could not make a meal without rice. Therefore, the People's Republic of China, which was a developing country, wished, like some other countries had done, to make a financial contribution of 10 000 US dollars towards EDI activities. It was obviously not a large sum, it was more like a bowl of rice. However, his delegation wanted to announce that happy news before the closing of the work of Congress.

The CHAIRMAN thanked China (People's Rep) for pledging that contribution and invited Mr Yoon Dong-yoon, Minister of Communications of the Republic of Korea and Honorary Chairman of Congress, to make the closing speech.

Closing speech

The HONORARY CHAIRMAN said:

"On August 22nd, President Kim Young-sam declared the 21st UPU Congress open. During the past 24 days, we have finished all the work that we set out to do and are now ready to bring down the curtain.

"For me, personally, I feel deeply honoured that such a grand international event has been held successfully during my term as Minister of Communications. It is the culmination of the 28 years that I have served in the postal sector.

"Through the Seoul Congress, I was once again able to reaffirm the traditional ties of friendship and solidarity that link the world postal administrators.

"It is with a sad heart that we have to say goodbye to all the friends that we have come to know, but we can console ourselves in the thought that we will be meeting soon in another place.

"It was thanks to the complete cooperation from the UPU International Bureau that the Ministry of Communications of Korea was able to host this Congress so successfully.

"I would like to take this opportunity to thank all those at the UPU International Bureau as well as the delegations for their complete support and cooperation during the Congress.

"In addition, I would like to praise Mr Young-su Kwon for the excellent job he did as Chairman of the Congress.

"As I watched Mr Young-su Kwon carry out his responsibilities during the Congress, I once again felt proud and thought how lucky we were to have him in the Ministry of Communications.

"I would also like to express my pride in the excellent job done by all those who work in the Ministry of Communications. Their work started from the moment the Washington Congress ended and they have spared no effort to ensure the success of this Congress.

"At this Congress, you considered the direction the UPU should take in the 21st century and charted a bold new course for the world Post. Towards this end, you adopted the Seoul Postal Strategy.

"During this process, you recognized the problems that today's Post is facing and examined possible solutions. Together you have worried and worked over this problem and have once again shown the unwritten solidarity of the UPU.

"As Honorary Chairman of this Congress, I would like to express my gratitude for the solid determination and united front that you have shown (for the world Post).

"In addition, the Korean people will remember for a long time that all the delegations present unanimously adopted the resolution that urges the exchange of post between the South and the North.

"This resolution, which is a reflection of the UPU generous spirit, has instilled new hope in the 10 million family members in the South and the North who have had to live for half a century without knowing whether or not their parents or brothers and sisters were alive or not. In addition, it was not only a moving message to all those who love peace but also another wonderful opportunity to proclaim the ideals and role of the UPU to the world.

"I have nothing but the highest praise for you who have accomplished so much for humanitarianism and the establishment of peace on the Korean peninsula.

"I also would like to congratulate Mr Thomas Leavey, a man of outstanding administrative skills and fine character, who has been elected as the next UPU Director-General. At the same time, I would like, on behalf of the world postal administrators, to express my deepest gratitude to Mr Botto de Barros who, during the past 10 years, has been an extremely efficient leader.

"I would also like to congratulate the postal administration of China for being selected the host of the next Congress and I hope that the Beijing Congress is a great success.

"I have no doubt in my mind that China, with its long history of culture and traditions, and numerous contributions to the development of the world Post, will be able to successfully host the Congress.

"The Seoul Congress was a wonderful learning experience for the employees of the Ministry of Communications of Korea. We hope that it will give momentum to further the development of the Korean Post.

"During the next five years, we will do our utmost to faithfully carry out our responsibilities as the chair of the Council of Administration. We will also do our best to contribute to the development of the world Post.

"As an expression of our willingness to contribute to the continued development of the UPU, we have chosen to raise the contribution class of the UPU for Korea. As a token of our gratitude for the cooperation that all the delegations gave during the Seoul Congress, we plan to create a voluntary fund for the development of the EDI project.

"So many new ideas and structures were adopted at the Seoul Congress that it will probably be remembered as the 'Congress of Change' or the 'Congress of Reforms'.

"However, for the Seoul Postal Strategy, which was adopted by the UPU and its member countries as the new policy guideline, to be successful, the newly-elected Secretary-General, the newly-established UPU Council of Administration and all 189 UPU member countries must become one and move with one mind.

"Ladies and gentlemen,

"Near the symbolic UPU sculpture in front of Seoul's central post office, there is another statue inscribed with the words:

'Come rain or snow'.

"Indeed.

"Through the Post, the hearts of people all over the world are linked together. Come rain or snow, the Post is a means of communication that overcomes the obstacles of language, religion, national boundaries and culture.

"The Seoul Congress was not only a milestone in the development of the UPU and the world Post, but by adopting the 'Resolution for the Exchange of Post in the Korean Peninsula', it will long be remembered as the Congress which reaffirmed the ideals of the UPU.

"Once again, I would like to thank all of you who have given us your full-fledged support during the 24 days of the Congress.

"I hope that you will have a safe trip back home and I hope to see you soon."

*(Applause.)*

The representative of ETHIOPIA (VICE-CHAIRMAN OF CONGRESS) said:

"On behalf of my Delegation, the African Group and on my own behalf, I would like to thank you most sincerely for giving me the opportunity to make this closing statement.

"We have come to the end of yet another Congress, an end characterized by harmony, solidarity and readiness to face the future with greater commitment and resolve. On the one hand, we are delighted that our mission is accomplished with great success with the green light signalled for the implementation of the Seoul Postal Strategy, the UPU Strategic Plan for 1995-1999 and of the various important Congress decisions. We are also pleased that we are going back to our respective countries and to our beloved ones. On the other hand, we are saddened by the fact that we will be soon parting from the big UPU family. However, we are at the same time strengthened by the challenges that lie ahead of us as we look forward to a better postal tomorrow.

"The success of the 21st Universal Postal Congress has been achieved through your wise leadership commitment and guidance for which we extend our warmest thanks and congratulations to you personally. Also our congratulations go to all Committee Chairmen for having completed their difficult tasks successfully and on schedule.

"Since this is the first time my delegation is taking the floor after the various elections, I wish to congratulate most warmly Mr Thomas Leavey and Mr Moussibahou Mazou for their brilliant election to the very high posts of Director-General and Deputy Director-General respectively and wish them all the best in their future endeavours.

"At this point, we would also like to pay our special tribute and extend our best wishes to the Director-General Mr Botto de Barros, and to the Deputy Director-General Mr Jaime Ascandoni, who will be retiring from their posts soon. By their very active service and dynamic leadership, they have to say the least, set our Union in the right direction by making it ready to face the challenges of the 21st century. We will always remember them for their exemplary hard work and wisdom and we wish them all the best during the forthcoming years.

"To our Doyen, Dr Fritz Koller, we would like to say congratulations and wish him all the best. Dr Koller has accomplished his duties with a connoisseur's heart and mind and we would like to say that no better choice could have been made for such an eminent post.

"We would also like to congratulate all those elected to the newly constituted Council of Administration and Postal Operations Council. Also our felicitations go to Mr Boris Boutenko of Russia and Mr Fisher of Great Britain for their respective elections as Chairman and Vice Chairman of POC and we wish them both a successful term of office.

"Last but not least, we would like to express our profound gratitude to the Korean Delegation as well as to the Secretariat and to the UPU staff who have done their best to facilitate our work and enjoy our stay in this beautiful city of Seoul without of course forgetting the interpreters who have helped us to understand each other and thus, come to a satisfactory end of our deliberations."

*(Applause.)*

The representative of ITALY (VICE-CHAIRMAN OF CONGRESS) said attending that Congress as a Vice-Chairman had been a great honour for him and an opportunity to get to know more thoroughly the problems facing the world Post.

Over the past three weeks, filled with work and occasionally heated debate, Congress, under the Chairman's enlightened and sure guidance, had taken decisions and adopted the basic Acts for the future of the Post. He mentioned, in particular, the provisions relating to the new terminal dues system and those concerning the reform of the Union as a result of the excellent work done by the Executive Council.

In particular, he wished to assure the assembly of Italy's support for the policies, directives and programmes contained in the Seoul Postal Strategy and in the Strategic Plan which showed them the priorities and objectives to be attained by the UPU and administrations over the next five years so as to develop and improve the postal services throughout the world and meet the growing needs of customers.

Italy would make every effort to make a concrete contribution to implementation of the Seoul Strategy within the framework of the Council of Administration and the Postal Operations Council to which it had had the honour of being elected.

He sincerely thanked the Government of the Republic of Korea which had enabled them to get to know that beautiful country better, as well as its thousand-year-old history and its people who had welcomed them with friendship and courtesy.

He expressed his admiration and thanks to the International Bureau and the Korean Secretariat for the perfect organization of the work of Congress and the various ancillary events.

His thanks also went to the interpreters who had contributed to the success of their work. He extended to the Chairman, the Secretary-General and the Director-General elect, as well as all the delegates, his warmest wishes for a prosperous and happy future.

Lastly, he wished to say something in Italian for once, which, even though it was not the official language, could be understood by everybody: "Arrivederci a Pechino".

*(Applause.)*

The representative of the RUSSIAN FEDERATION (VICE-CHAIRMAN OF CONGRESS) said the Seoul Congress, which had marked an historic stage in the life of their Union, was coming to a close. It had been an undeniable success. Throughout the Congress they had ardently discussed postal problems while endeavouring to avoid political discussions which were not typical of their Union.

That approach had enabled them to achieve excellent results. In the opinion of most administrations, the main result was the mutual understanding between the developed and the developing countries in most of the questions discussed.

Throughout the Congress period, the spirit of fraternal relations had reigned and not that of confrontation.

Admittedly, postal administrations, the Restricted Unions and the International Bureau had done tremendous work before Congress. But their Korean colleagues had played the main part in the Congress preparations. They had all felt that special attention not only from the Korean postal administration but also from the country as a whole, together with its President. They thanked their Korean friends warmly for everything that had been done for them.

His special thanks went to Mr Botto de Barros who, during his two terms of office, had not only directed the work of the Union with vigour but had also introduced innovations such as the study on questions concerning electronic mail.

In conclusion, he wished all the delegates at Congress great success in the reconstruction of their Union and happiness.

*(Applause.)*

The representative of VENEZUELA (VICE-CHAIRMAN OF CONGRESS) said his country had been honoured to be able to take part with all the other countries in the discussions of the 21st UPU Congress which had seen the launch of a process of transformation destined to restructure the Union. During that

Congress, they had also elected a new management which, they sincerely hoped, would be able to successfully preside over the destiny of the Union for the good of all member countries and their respective postal administrations.

Those who had presided over the fate of the UPU to date had obviously carried out their duty of consolidating the organization, otherwise delegates would not have met in Seoul. But times changed and, in view of current demands and challenges, the new authorities had the great responsibility of redirecting the UPU to enable it to dominate the market by recovering the shares it had lost.

The contents of the document on the Seoul Postal Strategy would certainly be a considerable help to postal administrations throughout the world in assuming their joint responsibility for achieving the objectives set out in that document. Everything would depend, to a large extent, on the means that each of them was prepared to use to achieve those objectives.

In Venezuela, his administration had already started out in that direction and the strategy laid down in the document concerned would be of inestimable help in preventing them from straying from the successful path that led to customer satisfaction.

He congratulated the people who had prepared a document of such importance.

He also congratulated the organizers of that Congress for the marvellous work they had done. Delegates had always felt welcome and had realized to what extent their hosts wanted their stay among the friendly citizens of that beautiful city to make them wish to remain there. Congress had been conducted very efficiently and for that he congratulated Mr Kwon, its Chairman.

His delegation was returning home satisfied with the work that had been done and happy to have been able to get to know that beautiful country and a few of its wonders.

He conveyed to all Congress participants the sincere greetings of the Venezuelan Post and assured them of its determination to continue to tighten the bonds that linked them and to find ways of guaranteeing their future.

Once again, he thanked the assembly for placing its confidence in them by electing Venezuela to the Council of Administration and hoped they would not be disappointed.

In conclusion, he congratulated the new management and wished it every success.

*(Applause.)*

The DOYEN said:

"The Universal Postal Congress of Seoul, the 21st Congress since the founding of the UPU in 1874, is nearing its end. With 24 Congress days, it has been the shortest so far, and with 189 members of the Universal Postal Union, participation has been the strongest and its work the most comprehensive as compared with all previous Congresses.

"The successful close of this Congress fills us with pleasure, pride and gratitude. But at the same time, we deeply regret that the moment has come to say farewell to Korea and its people.

"In view of the short time available, we cannot make a detailed assessment of the work done by this Congress. But the result of our stay in Korea is clear: it has surpassed all our expectations.

"We have got to know a country which has fascinated us from the start not only by its beauty, its thousand-year-old but still living culture and its traditions, but also by the verve and energy it has proved in setting out on a new course into the modern age.

"We have got to know the six-hundred-year-old metropolis of Seoul as an economic, political and cultural centre, as a city full of dynamism in which 11 million people live close together, but in which the quiet and inconspicuous culture of this country also lives on and traditions and new developments coexist in perfect harmony.

"But above all, we have got to know people who, from the first day of our stay, have treated everyone of us with open-mindedness and frankness and surrounded us with an atmosphere of friendliness and even friendship. All these people have been excellent representatives of their country.

"When we return to our countries, we will take home with us memories of this positive and cordial atmosphere as well as a host of lasting new impressions.

"With the Congress of Seoul, the Universal Postal Union and postal administrations have ventured to embark on a new course. With its trend-setting decisions, particularly as regards entrepreneurial action and customer-focussed behaviour, this Congress has ensured that postal organizations will also continue to play their role as a mediator between peoples and individuals on the verge of the next century.

"Everyone has contributed to this success: the plenary meeting and the Committees, the international and the national secretariat, the Chairmen as well as the delegates, observers and guests, the interpreters and translators, the Bureau and postal offices and virtually everyone who has been connected with this Congress in some way or other. All of them have excelled themselves and deserve our special thanks for their outstanding commitment.

"Our particular thanks go to Minister Yoon Dong-yoon, the Honorary Chairman of Congress, for his advice and support and not least for his receptiveness to our wishes and that of his administration.

"Our deepest gratitude also goes to your closest collaborators, Vice-Minister Dr Kyong Sang-hyon, and Director-General of Posts, Mr Lee In-hak.

"May we ask you, Mr Minister, to convey our sincerest thanks to His Excellency the President of the Republic of Korea, who has done us the great honour to open this Congress personally. Would you please also convey our thanks to the offices in your country which have contributed to the successful course of this Congress and the successful organization of the accompanying programme.

"The Chairman of Congress, our friend Mr Young-su Kwon himself, has a special part in the success of this Congress. The experience and circumspection he has shown in leading the negotiations, his patience and tolerance as well as his

ability to reconcile different views, even if extremely difficult matters were concerned, have made it possible at all times to steer the right course. On account of his exemplary unbiasedness, he has become the paragon of a good Chairman. Mr Kwon, by discharging the duties of Chairman as you did, you have done great service to both your country, which designated you for this high office, and the Universal Postal Union. This gives us reason to hope for the best in the next five years when you will be controlling the fortunes of the Universal Postal Union in the capacity as Chairman of the Council of Administration.

"In thanking you, Mr Chairman, we also want to thank your charming wife, Mrs Kwon, who has supported you quietly and discreetly in the exercise of your difficult office.

"We owe particular thanks to the Secretary-General of Congress, Mr Adwaldo Cardoso Botto de Barros. He has not only accompanied the deliberations and decisions of Congress with his well-founded comments and suggestions, remarks and considerations, but he has also influenced its results positively. Decisive in this connection were also his purposeful activities between the Congresses of Washington and Seoul, when the International Bureau of the Universal Postal Union in Berne under his leadership prepared the restructuring of the Universal Postal Union in such an exemplary way as to permit its adoption by Congress without delay. In spite of all the difficulties resulting from changes in the environment of the Universal Postal Union, in spite of the tremendous increase in membership and the resulting growth of requirements to be met by the International Bureau, and in spite of all the other problems the Universal Postal Union has been facing since the introduction of competition in the postal field, the International Bureau has – once again – brilliantly stood the test of another Universal Postal Congress.

"We express our special thanks to you, Mr Secretary-General and dear friend, for this remarkable achievement. We also extend our thanks to the Assistant Secretary-General, Mr Jaime Ascandoni, who has assisted you throughout the exercise of your functions in a most loyal and altruistic way, and to all the other officials and staff of the International Bureau. They can all be proud of their work for the Universal Postal Union.

"Mr Secretary-General, at the end of this year you will have completed your second term of office as Director-General of the International Bureau and go into retirement. This is not the place to pay tribute to the great service you have done to the Universal Postal Union and international postal services generally. This will be done separately on the occasion of a special farewell celebration. However, at least allow me to say here, on behalf of all those present, how highly we think of your work at the head of the International Bureau, which deserves our gratitude and appreciation. On account of your achievements as Chairman of the Universal Postal Congress of Rio de Janeiro in 1979, as Chairman of the Executive Council from 1979 to 1984 and as Director-General of the International Bureau from 1985 until this day, you have become part of the history of the Universal Postal Union, to which you have rendered distinguished services.

"I address my most sincere congratulations and my best wishes to Mr Thomas Leavey and to Mr Moussibahou Mazou on their election to the high positions of Director-General and Deputy Director-General of the International Bureau. The tasks which await them are sizeable and are definitely the most difficult in the recent history of the Universal Postal Union. May you, Mr Leavey, who in future will be carrying overall responsibility for the International Bureau, approach the

great task of reforming the Union in the spirit and with the firm beliefs of your forefathers and accomplish it with the practical understanding and optimism of your people.

"We also greatly admire the work done by the Korean Congress Secretariat under its head Mr Kyo-Yong Lee. To prepare and organize the plenary meeting of an organization as large as the Universal Postal Union in our time, is a difficult and responsible undertaking. A high measure of technical and organizational skills is required for the work to be done before and during the Congress.

"The members of the Korean national secretariat and all the other Korean staff members have mastered these tasks with competence and organizational talent. And what is more, they have done this in a charming and obliging manner which can hardly be surpassed. This has also contributed to making the Congress of Seoul a success and the participants' stay a special event.

"We should like to thank the city of Seoul for all their help and support in the organization of this Congress, which from now on will bear the name of the city of Seoul. We also express our thanks to the city of Kyongju for the unforgettable excursion and to all those who have stood by our side on the occasion of visits, functions and other manifestations.

"Last but not least, allow me to thank the Korean administration for the ladies' programme. This programme has made it possible for the participants to visit famous places of interest, museums, cultural institutions and events which helped to deepen their knowledge of this country and its people. All the participants will take home lasting and valuable memories.

"To conclude with, Ladies and Gentlemen, dear colleagues and friends, allow me to say once again how much my country and I have been honoured by my designation as Doyen of this Congress through the Republic of Korea. After more than 30 years on the most different posts in the international postal service, I thus had the privilege to experience another highlight, the crowning event of my service career.

"I should like to thank the Korean administration and my Korean friends, also on behalf of my wife, for all the tokens of care and consideration and in particular for the overwhelming experience of being introduced to the unique culture of your country.

"I wish all of you every success in the implementation of the Congress results in your daily work. I wish you and your families good luck and all the best for the future. Long live the postal service, long live the large family of the Universal Postal Union."

*(Applause.)*

The SECRETARY-GENERAL said the Seoul Congress was coming to a close. Some four weeks before, they had met there in that hall for the first time, full of hope and with the firm determination to find the best possible solutions to the problems of the Post.

They had been encouraged in their work by the presence, at the inaugural meeting, of His Excellency Kim Young-sam, President of the Republic of Korea. They had been touched and affected by that gesture and by his words, conveying the commitment of the host country to the development of international postal

cooperation, the sole means of bringing people throughout the world closer together. He once again reiterated his thanks to His Excellency for having honoured them with his presence; they would not forget it.

The dynamic city of Seoul and the beautiful country of Korea, a blend of the modern world and ancient traditions, were certainly the appropriate setting for Congress. Their work, admittedly, had not always been easy. They had had to work hard, but he was sure that the results lived up to the expectations of international postal service customers.

The outcome of the Congress was therefore positive, thanks to delegates' efforts, professional ability and the open-mindedness with which they were imbued. The adoption of the Seoul Postal Strategy, of the new terminal dues system, the strategic planning and programme-budget system, the continuation of the EDI programme and several measures to restructure the Union were a few examples of that.

Congress, aware of the need to re-establish postal communications on the Korean peninsula, had therefore passed a resolution instructing the Director-General of the International Bureau to take appropriate measures to establish postal exchanges between the Democratic People's Republic of Korea and the Republic of Korea. That was an important and sensitive task, to which they could be sure he would devote all his efforts. However, to do it, it would be very important for him to be able to count on their support.

The Seoul Congress was coming to an end but the work would go on as they now had to apply the decisions that they had taken. The principles adopted in Seoul were to inspire their work at all levels so that the postal services and the Union could continue to develop for the benefit of the customers.

The success of the Seoul Congress was not due to chance. It was the fruit of intensive preparatory work done by the former Executive Council and the Consultative Council for Postal Studies as well as the International Bureau. He moreover expressed his best wishes for the future of the new Council of Administration and Postal Operations Council. He took the opportunity to congratulate Mr Young-su Kwon on his appointment as Chairman of the Council of Administration and Messrs Boris Boutenko and Keith Fisher on their election as Chairman and Vice-Chairman of the POC. He was sure that, under their leadership, the new bodies would bring all their work to a successful conclusion.

The closing of the Seoul Congress held a special meaning for him as it was there he had to take his leave of them and it was not easy to express the emotion he felt. He therefore preferred to speak of his confidence in the future of the Post and of the Universal Postal Union, of his hope of seeing cooperation among administrations expand even more, and of the joy of seeing them all ready to continue to bear ever higher the flame of postal solidarity.

The next UPU Congress would be held in the People's Republic of China. He would not be there but he was pleased to see another developing country as the host of the supreme assembly. The open-door policy of the Asia and Pacific region could only be beneficial to it, because it was through those doors that progress and economic growth came in. He saw in that a further sign of the dynamism of that region which was already among the economic powers of the world. Indeed, the Asian model of economic development proved that a country did not have to have enormous natural riches to get ahead. To develop, a

country had, above all, to count on its human resources, on the discipline and ability of its people and on the firm determination to overcome all obstacles. By its very nature, the postal service had to be an integral part of this development.

It had been a great pleasure for him to work with them and he thanked them for the confidence they had always shown in him by choosing him twice to fill the post of Director-General. He also thanked his colleagues in the management, who had worked with him for ten years, advising him and forming a solid bloc for taking decisions. He also thanked all the officials of the International Bureau who had always worked with dedication, sometimes even in difficult conditions, to accomplish their tasks.

He wished Mr Leavey, who was to succeed him, every happiness and success. He knew that, with Mr Leavey, the International Bureau would be in good hands and that, with his abilities and the seriousness of his work, Mr Leavey, would continue to build on that structure commenced by their predecessors, Montgomery Blair, Rowland Hill and Baron Heinrich von Stephan, the founders of the Union.

He would be helped in carrying out his duties by Mr Mazou, to whom the Secretary-General expressed his admiration. By force of will and character, through his honest and conscientious work, he had climbed all the rungs of the ladder and overcome all obstacles, thereby gaining the respect of the postal world.

He could not end without saying that, if the Seoul Congress had been able to hold its discussions in an extremely propitious climate, this had also been due to the efforts of the Korean and UPU Secretariats and of the interpreters.

In his capacity as Director-General of the International Bureau, he wished to thank His Excellency, Mr Yoon Dong-yoon, Minister of Communications and Honorary Chairman of Congress, who, despite his many engagements, had always found time to closely follow their discussions. His Excellency had played a crucial part in the organization of the Seoul Congress.

He also thanked the Korean postal administration for its perfect organization of that event. The Korean people worked hard, not only because they took their country's development to heart but also because they wanted to take part in the economic and social progress in their region. In actual fact, what they had seen in the Republic of Korea confirmed the old adage: "Where there's a will, there's a way".

Participants had been delighted at the warm welcome, kindness and dynamism of the Korean people. They would all long remember that beautiful country and its friendly and hard-working people. He thanked them all for making that meeting possible and pleasant.

As an expression of gratitude, he wished to present to the personalities who had particularly marked that Congress with a bronze model, which was a faithful replica of the UPU monument in the heart of Berne, the capital of Switzerland and the seat of the Union.

One of the models went to the Chairman, Mr Young-su Kwon, whose qualities and abilities had been fully confirmed in Seoul. He had conducted the proceedings admirably, always with efficiency, tact and courtesy. His wisdom, allied with his great kindness, had put its stamp on their meetings and made him the

corner-stone of the Congress. In fact, it was thanks to him that they had reached their destination and, under his guidance, the future work of the Council of Administration was bound to be crowned with success.

The second model was intended for Dr Fritz Koller, the Doyen, who had so well carried out his functions as representative and spokesman of all Congress delegates. They had also been able to benefit from his wide experience in international affairs, his constant availability and his inestimable help in seeking solutions to a number of important issues for Congress.

Lastly, it was his pleasure to offer the last model to Mr Jaime Ascandoni, Deputy Director-General of the International Bureau, who would be leaving them at the end of the year, as a sign of gratitude and for his dedication to the cause of the Union. Throughout his long career, devoted to the development of the postal service, Mr Ascandoni had set an example through his human and professional qualities, the seriousness of his work and his integrity.

He asked them all to accept the models as a sign of their friendship, as a sign of gratitude and as a symbol of the spirit that ought to reign among the postal services of the whole world: unity, solidarity and universality.

Before presenting the models, he wished them all a safe return home and expressed his best wishes for their personal and professional future.

He then asked Messrs Young-su Kwon, Koller and Ascandoni to step up and receive their models.

(Presentation of the three models.)

*(Applause.)*

The representative of JORDAN said he was speaking on behalf of the Arab Permanent Postal Commission and admitted that he was not really entitled to do so. The Syrian Minister of Posts should have spoken in his stead after speaking the previous day about the expectations of the Arab countries and their hopes for peace. He greeted the Honorary Chairman of Congress, the Chairman of Congress, the Doyen, the Director-General, Mr Botto de Barros, the Deputy Director-General, Mr Ascandoni, the new Director-General, Mr Leavey, and the new Deputy Director-General, Mr Mazou. He wished them all every success.

He expressed his deepest feelings for Korea, which was such an extraordinary country, a country that was scaling the heights of glory in the South East Asia region. They had come to Seoul to meet a people they had heard much about. From the instant they had set foot on Korean soil, they had started to understand that all the hearsay was only a small part of the truth.

In conclusion, he wished the Union, under the guidance of the Chairman, of Mr Leavey and of Mr Boutenko, progress and expansion. As they left Korea that day for their own countries, he asked permission to take with them vases filled with water from that country to remind them of Korea and its wonderful people.

*(Applause.)*

The representative of BRAZIL said that, as the Head of the Brazilian delegation, he wished to associate himself, at that closing meeting of the 21st Universal Postal Congress, with those who had expressed their gratitude to the Korean administration and people for the warm welcome they had given all delegates. He also expressed his gratitude to Mr Adwaldo Cardoso Botto de Barros, who had directed the International Bureau of the Universal Postal Union for the past ten years.

In carrying out that difficult task, Mr Botto de Barros had shown great talent as a negotiator and mediator in an organization in which dozens of languages were spoken, which had over 180 member countries and showed a great diversity of interests and needs at different levels of development.

Brazil felt proud and honoured to have had Mr Botto de Barros at the head of the UPU and thanked that illustrious Brazilian for his remarkable work at the helm of such a body of such importance for all Nations.

Nor should they forget to stress also the important work done by Mr Jaime Ascandoni, Deputy Director-General, who had always been especially dedicated to the cause of the UPU.

Further he wished to stress his administration's gratitude to and encouragement for all the officials and other staff of the International Bureau who were doing their best to promote the upswing of the Union.

Lastly, he took the opportunity to congratulate Messrs Thomas Leavey and Moussibahou Mazou on their election as Director-General and Deputy Director-General respectively of the International Bureau, and to reiterate to the new heads of the Union Brazil's intention of continuing to give its unreserved support to activities towards the expansion of postal communications throughout the world and the consolidation of the UPU as a flexible and efficient organization enabling member countries to develop the communications sector which would serve as the framework of a new revolution for mankind: THE INFORMATION REVOLUTION.

*(Applause.)*

The observer for the PAPU said:

"I thank you for giving me the floor in my capacity as an observer, it is recognized by all of us that the Republic of Korea has been playing a very important role in the UPU.

"Following the decision adopted by the Washington Congress, Seoul has now become the capital city of the world Post. Consequently, the capital city of Korea will forever be remembered in the history of our postal family as having hosted the 21st Congress and also as the venue where UPU has undergone a far-reaching restructuring. There is no doubt that the results achieved at this world meeting will be commensurate with the sacrifices your country has made.

"Allow me, Mr Chairman, to seize this opportunity to express my profound gratitude to the Ministry of Communication and to your government, for the substantial assistance granted to our Union.

"As it has already been confirmed to your administration, the assistance we received helped us to make remarkable progress in developing the postal services on our continent in general and more especially, to introduce and improve the EMS service.

"On behalf of the member countries of the Pan African Postal Union and on my own behalf, I would also like to take this opportunity to congratulate most sincerely Messrs Thomas E Leavey and Mazou on their brilliant elections to the posts of Director-General and Deputy Director-General respectively of the International Bureau and would also like to congratulate Messrs Botto de Barros and Jaime Ascandoni for their good work done and wish them both a happy and prosperous future.

"As in the past, I would like to assure the International Bureau that the Pan African Postal Union will continue its cooperation in order to achieve the goals which have been set at this 21st Congress in the interest of the Post worldwide.

"Finally, Mr Chairman, I would like to reiterate my profound gratitude to the Ministry of Communication of your country and congratulate you for the able manner in which you have conducted the deliberations of this Congress."

*(Applause.)*

The CHAIRMAN OF THE POC thanked the assembly, on behalf of his administration and himself, for the great honour they had done him by electing him Chairman of the Postal Operations Council.

Following the discussions at that perfectly organized Congress, they had jointly decided on a basic restructuring of the Union with a view to adapting it to the new situation so as to become a reliable competitor of the private operators.

The POC would play an extremely important part in the new structure of the Union. Many speakers had mentioned this at length during the discussions.

He was fully aware of that and planned to chair the Council, benefiting from the experience of all postal administrations and promoting free exchanges of views. At the same time, the POC would unflinchingly follow Congress directives on the need to reach decisions quickly.

Their basic task was to modernize the postal system, to study marketing questions in depth, the settlement of inter-administration accounts and postal security, to mention only a few. However, in his opinion, it was vital to take due account in their work of two factors:

First, it was essential for most countries in the world to improve the quality of traditional postal services. Ideally, the quality of the international postal service should be the same in every country, because customers were not interested in knowing in which country the delays in forwarding mail or lost items occurred. If quality was not ensured, they would use the services of the competition.

The second factor was that, in their work, they had to bear in mind the urgent need to maintain a balance between the interests of the developed and of the developing countries.

As they faced the future, their optimism stemmed from the fact that they based themselves on the experience accumulated by their predecessors throughout the long history of the Union, the oldest of the international institutions, and on the tremendous friendship that bound them together.

During the Congress, the constituent meeting of the POC had been held in two parts, at which the Chairman and Vice-Chairman of the Council, the Chairmen and Vice-Chairmen of the Committees and the Chairman of the Strategic Planning Working Party were elected.

He proceeded to mention them:

Great Britain had been elected Vice-Chairman.

Committee 1 "Letter Post"

Chairman: France

Vice-Chairman: Portugal

Committee 2 "Parcel Post"

Chairman: Indonesia

Vice-Chairman: Spain

Committee 3 "Postal Financial Services"

Chairman: Egypt

Vice-Chairman: Hungary (Rep)

Committee 4 "Development of Rapid/Time-Certain Services"

Chairman: Japan

Vice-Chairman: Belgium

Committee 5 "Quality of Service"

Chairman: Brazil

Vice-Chairman: Netherlands

Committee 6 "Marketing"

Chairman: Switzerland

Vice-Chairman: South Africa

Committee 7 "Telematics Development"

Chairman: Germany

Vice-Chairman: Australia

Committee 8 "Modernization"

Chairman: Canada

Vice-Chairman: Singapore

Committee 9 "Postal Development and Seoul Postal Strategy"

Chairman: Zambia

Vice-Chairman: Mexico.

Pakistan was elected Chairman of the POC Strategic Planning Working Party. The following countries were elected members of that WP: Portugal, Spain, Egypt, Japan, Argentina, South Africa, Australia, Italy, Ethiopia and Nigeria.

In conclusion, he said how proud he was of the confidence they had shown in his country, the postal administration of Russia, and himself and he promised to place all his professional and human knowledge at the service of their common cause.

*(Applause.)*

The representative of LEBANON said he wished to take the floor before leaving his sixth Universal Postal Union Congress.

First of all, he thanked the Chairman for that great success and for the immense efforts made by him and his staff for the success of that unforgettable Congress as shown by the Seoul Postal Strategy.

As destiny would have it, he had been born on World Post Day and belonged to the universal Post, of which he had climbed all the rungs to reach the top of the ladder in his administration. And that day he was there among them to make his farewells as he was retiring on 1 July 1995 after 44 years of service. That great Congress held in Seoul, the capital of prestigious Korea, would therefore be the last time he attended a meeting of a Universal Postal Union body.

If he was still in the world of the living in 1999, he would receive a message from the 22nd UPU Congress bearing the feelings of esteem that he bore to it and his feeling of belonging to that illustrious assembly. He hoped to be able to reply to it with a sacred cedar so that the eternal cedar on the hills of Lebanon could embrace the famous Wall of China and its fragrance could perfume those vast spaces on the eve of the new century as a pledge of love and peace.

During the years of suffering endured by Lebanon, the UPU, with the Secretary-General at its head and all his staff and with the support of the Executive Council, had adopted a memorable and responsible position which the postal administration of Lebanon would never forget, because that stance had enabled it to continue the noble postal services so as to bind up all that had been destroyed and establish contact among all the Lebanese scattered throughout the world.

Nor would his administration forget the member administrations which had answered the Secretary-General's appeal by giving it the necessary support, aid and waivers, as they had realized the difficulties Lebanon had to face. He thanked them all for their generosity.

Lebanon had not been fortunate enough to obtain a seat on the Postal Operations Council but it was proud of occupying a special position in the two Councils and in the minds of their members. He took that opportunity to congratulate them on their election to the two Councils. The break that had thus been given his administration would enable it to reorganize in the light of the current disruption affecting the world postal market. The Lebanese postal administration was gradually recovering its health and getting its activities and accounts in order. For instance, it had paid all its contributions to the Union and settled accumulated debts with a view to meeting previous commitments. He hoped and was convinced that the Union and its bodies would continue, as usual, to pay special attention to the administration of Lebanon so that it could redress the situation and take its place again in the international postal network now that peace had returned to Lebanon. He left it in their hands as it was an integral part of them all.

Lastly, he wished everybody much happiness and a safe return to their families. He wished their administrations success, development and progress in the postal world.

He also extended his best wishes to the Chairman, for his wise and rational chairmanship of the Council of Administration, and to Mr Boutenko for the Postal Operations Council. They had long valued in them their know-how and ability to act.

He also wished Mr Leavey, the new Director-General, and Mr Mazou, the new Deputy Director-General, every success in their new missions. Nor could he forget to extend his warmest wishes to the Swiss who had provided him with the experience in 1956 and who had teachers of whom one could be proud. He wished Messrs Botto de Barros and Ascandoni a happy life in their native lands with their families. His best wishes also went to all the employees of the International Bureau who had made his work so much easier.

He would never forget the translators who had made contact easier, nor the employees of the Korean administration and of the Korean secretariat, nor the Korean people. He left their great country with the best memories.

*(Applause.)*

The representative of GERMANY said it was a great honour for him to thank Korea for the success of that Congress. First of all, he thanked the Korean people for their extraordinary kindness, with the stress on the "extraordinary". They could all testify to that kindness, which was not something that was met with everywhere and was not a matter of course.

As the representative of the Federal Republic of Germany, he could tell them what it was like to be a country split into two. That is why, his administration hoped, for the people and Government of Korea, that there would be an improvement of relations with the other part of the Korean peninsula. His administration hoped that they too would have the good fortune, like Germans had had, of seeing reunification, as Germany had obtained in 1990, with the aid of many friendly countries.

*(Applause.)*

The ASSISTANT SECRETARY-GENERAL said, as they could well imagine, his speech would go well beyond a simple polite thank-you for that pretty model of the UPU monument that he had just received. That would always remind him of the years he had spent in the international postal service. But, for him, it was a very emotional moment as he bade them farewell at that symbolic moment when his long postal career – the last twenty-seven years on the international scene – was coming to an end.

He could assure them that it had been a stage of his life which had enabled him to work with great delight in the service of all the bodies of the Union. He had always been convinced that any work, great or small, could only be done with enthusiasm. The UPU had given him great satisfaction both from a professional and a personal point of view and he was deeply grateful to it.

Professionally, it had enabled him to crown his career by his work at the International Bureau where he had been able to contribute to finding solutions to the problems facing the postal community every day and feel the solidarity that it endeavoured to maintain. On the personal level, he had been honoured by the sincere friendship of a great many colleagues from all the countries of the Union, which was the best reward that one could receive during an international career.

He could not go without mentioning the last ten years spent at the International Bureau. It had been very gratifying for him to be able to work in direct contact with colleagues of different nationalities and he took that opportunity to thank them all for the unfailing cooperation.

In particular, he wished to address the Director-General, Mr Botto de Barros, to express to him publicly his admiration for the rectitude and honesty with which he had led the International Bureau. Nobody knew better than himself with what dedication, interest and enthusiasm Mr Botto de Barros had worked unstintingly in the service of the Union to consolidate the UPU. Although there had been difficult moments, snags and unpleasant situations during his term of office, his irreproachable work had made it possible to put into concrete form the transformation of the UPU and to introduce the EDI system in the Union. "Mission accomplished", he might well say to himself now.

By the very nature of things, the International Bureau would continue to play an important part in the new structure of the Universal Postal Union. That was why he wished the recently elected Director-General, Mr Leavey, and the Deputy Director-General, Mr Mazou, every success in the exercise of their functions and, at the same time, congratulate them once again on their brilliant election.

He associated himself most sincerely with those who had congratulated the Chairman of Congress, Mr Kwon, for the masterly way he had conducted the discussions. Their Korean colleagues could be satisfied with the impeccable physical organization of that 21st Universal Postal Congress. He was sure that the next Congress in Beijing, the site of which he had had the honour of seeing, would also be a success. He congratulated the delegation of China in anticipation.

It was also his great pleasure to congratulate the Doyen, his friend Fritz Koller, who had been selected for that position because of his experience and his other personal qualities. His work had been faultless.

In a few moments, that Congress would come to an end and they would all start packing their bags for the journey home, with a fond backward glance to the happy times spent in Korea. He himself would be returning, in a few months, to Spain, his country of origin where he would set up house and where all his friends knew that they could always count on him.

He concluded by wishing them all, delegates, observers, interpreters and members of the Secretariat, every success in their professional activities and thanking them once again for the respect they had always shown him.

*(Applause.)*

The representative of IRAN (ISLAMIC REP) said, at that important moment, he was speaking on behalf of Mr Kalampour, President of the Postal Corporation of the Islamic Republic of Iran. He simply wanted to thank the people and Gov-

ernment of Korea for their very warm welcome and hospitality. He took that opportunity to thank all the participants who had enabled the Islamic Republic of Iran to be elected to the Council of Administration. Lastly, he wished to stress that his administration had considerably improved its postal services and was closely interested in modern technologies. He would not tire them, however, by listing his administration's achievements, but would conclude by thanking the Chairman for having managed the proceedings of Congress so well and wishing him good health and courage to remain in the service of the world Post.

*(Applause.)*

The observer for the PUASP noted that each UPU Congress marked a further stage in the history of the development of the universal postal system.

One chapter was closed and another opened.

It was an endless story in which things ended and others began.

He was convinced that the Seoul Congress had adopted very important measures which prepared them for a future that looked like being turbulent.

The Seoul Congress itself had proceeded in the calm and serenity peculiar to the mind and personality of its Chairman. But they would be making a grave mistake if they thought that that calm and serenity were due to the mild and harmless nature of the measures adopted. The Seoul Congress marked the beginning of an extremely important stage which it would not be easy to complete without running risks. The Post that was so dear to them now more than ever needed their wisdom, serenity and impartiality. It was vital that they give it their support in a spirit of self-sacrifice and generosity.

On behalf of the PUASP member countries, he thanked the Chairman, the Chairman's Government and all his staff for the magnificent organization of that Congress and for the warm welcome given to the universal postal family by their Korean colleagues. They bade farewell to Mr Botto de Barros and Mr Ascandoni, expressing their best wishes to those persons whom they would never forget.

They warmly welcomed their friends Thomas Leavey and Moussibahou Mazou, assuring them that PUASP was fully prepared to work at their side to overcome the difficult problems facing them. They would now return to their home countries and their families, saying goodbye to Mr Kwon and their dear friends in Korea and thanking them and hoping to see them soon again.

*(Applause.)*

The representative of EGYPT expressed the sincere thanks of the Egyptian delegation to all those who had actively participated in the work of that Congress. They thanked in particular Messrs Botto de Barros and Ascandoni as well as Mr Kwon, the Chairman of Congress. They expressed their thanks to the Korean Secretariat, the International Bureau Secretariat, the interpreters and the technicians. They congratulated all the countries elected to the Council of Administration and the Postal Operations Council. Their special congratulations went to Messrs Leavey and Mazou as well as to Messrs Kwon and Boutenko; he wished them every success in the exercise of their functions. Lastly, their sincere thanks went to the Government of Korea and to the Korean people, a people who

had achieved outstanding results in such a short time and who had made extraordinary achievements like all the great peoples of the world. His delegation wished all delegates a safe return home.

*(Applause.)*

The representative of CHINA (PEOPLE'S REP) said:

"Our Congress is going to be closed today. The Chinese delegation would like to express our heartfelt congratulations to the complete success of this Congress.

"We consider the success of this Congress is above all the fruit of the joint efforts made by all the delegates and the host country. The staff of the Korean Secretariat have been working diligently in close cooperation with the International Bureau to provide considerate services and good organizational work for this Congress. Here, please allow me to extend our sincere thanks to the Korean postal administration as well as the International Bureau of the UPU. We would also like to thank the interpreters for their hard work.

"There is an old saying in China: 'Seeing is believing.' We have not only seen the beautiful landscape and the vigorously developed economic situation in Korea with our own eyes, but also experienced the warmth and hospitality of the Korean people. We highly respect the good virtue of the Korean people and thank them as well as the Korean Government for what they have done for all of us during our stay here.

"Thanks to the trust and support of all the delegates from various countries, China is chosen as the host country for the 22nd UPU Congress. We thank you once again for your trust and support. We are confident that with all the care and support we can get from the UPU family, the Chinese postal administration will do our utmost to make the next Congress a successful one. While attending this Congress, the Chinese delegation has started such preparation work for the next Congress as to invite the relevant people from the Korean Secretariat to introduce to us the experience and practice of the preparation and organization work for the present Congress.

"Before we all leave for our own countries, the Chinese delegation wishes all the delegates good health and a pleasant journey home. We wish all postal administrations success in the implementation of the Seoul Postal Strategy. We look forward to seeing you all again in Beijing in 1999."

*(Applause.)*

The representative of INDIA said the delegation and postal administration of India joined the other delegations in officially expressing their congratulations and profound gratitude to the Korean Government and people, to the Ministry of Communications, to the Korean Secretariat and to the International Bureau Secretariat for the truly remarkable management of that Congress. The warmth and grace of the Korean people left them with extremely pleasant memories. The Seoul Congress had been a success in every sense of the word. It had opened up new horizons to them, brought new expectations and given new directions to postal development. His administration was convinced that the UPU would go from success to success in the years to come. They wished every success to the dynamic administration of the People's Republic of China which would host the next Congress. They wanted to say officially how much they had appreciated

the contributions made by Mr Botto de Barros, Director-General, and Mr Ascandoni, Deputy Director-General, and wished them good health and prosperity in the future. The Indian delegation congratulated Mr Leavey, Director-General elect, and Mr Mazou, Deputy Director-General elect, who would be responsible for guiding the destiny of the Union and of the International Bureau in the coming period. In conclusion, he wished to quote a proverb that said that the whole world gathered in one single family is the very example of international brotherhood. The UPU was the symbol of that brotherhood.

*(Applause.)*

The representative of THAILAND said the Thai delegation joined those who had gone before in expressing its gratitude to the Government of the Republic of Korea for hosting the 21st UPU Congress in the beautiful city of Seoul. They also thanked all the parties that had made that Congress possible. His delegation's special thanks went to the Chairman for having conducted the proceedings of Congress with such competence and for bringing it to a successful conclusion. He took the opportunity to congratulate Mr Leavey and Mr Mazou on their election to the posts of Director-General and Deputy Director-General of the UPU International Bureau. For its part, Thailand would continue to take an active part in UPU activities and would do its best to give it constant support.

*(Applause.)*

Mr LEAVEY, DIRECTOR-GENERAL ELECT, expressed his gratitude to Mr Botto de Barros for the important part he had played as well as to Mr Jaime Ascandoni. He also thanked the International Bureau for all it had done for the organization of that Congress and for all it had succeeded in doing over the past years. He pledged to continue along that path. He knew that the job he was taking on was not an easy one but an excellent example had been given him which he could follow. He was sure that the UPU would remain strong. He would undertake to continue that work by strengthening the Union.

*(Applause.)*

The CHAIRMAN said:

"Through your active participation and earnest cooperation, we have produced many fruitful results at this Congress. Despite a drastically reduced schedule of 18 working days, we have embraced unprecedented, far-reaching changes to the structure of our Union. But just as no construction can last long without repair, we have also decided to alter this structure in the years ahead as our needs compel us to do so.

"During Congress, I've listened to the voices of nearly each and every one of you. You've spoken in different languages, with different words – but you've all expressed the same basic idea.

"What I've heard you say is that we acknowledge, for once and for all, we are men and women of business, and that our first job is to provide products of quality to our customers. At this Congress, we have made a giant step from the arena of politics to the world of business.

"This is a remarkable achievement.

"On our agenda, we faced quite a few controversial issues, including terminal dues, air conveyance rates, equitable geographical distribution of seats on the Postal Operations Council, the UPU's language system, just to name a few.

"But a spirit of understanding, compromise, and cooperation dominated our discussions. To me, this spirit of cooperation was the dynamic source of power that enabled us to start anew. In this context of solidarity, I would appeal to you to intensify our Union's technical cooperation activities, because it is only through technical cooperation that developing countries can rapidly acquire qualified manpower. I can testify to this by my own career, because in my early thirties I availed myself of technical assistance programmes and participated in several overseas training courses. These courses paid their way, so to speak, and helped make me what I am today.

"Until recently we often looked back to achievements of our Union of earlier decades, or of an earlier century. It's now time to face forward. The Seoul Postal Strategy, which will guide us through the years ahead, insists that we look ahead to the future.

"And what lies ahead? We must roll up our sleeves and get to work, many urgent projects require our priority attention, we must implement our decisions governing terminal dues, we must expand our EDI network, we must obtain further funding from international financial organizations for postal development projects, we must improve and expand the marketing of our products and services, and we must make greater efforts to improve the quality of our postal services.

"We have tools to do the job. We have a streamlined Council of Administration, a vigorous Postal Operations Council, and a highly capable and motivated management team in Mr Leavey and Mr Mazou. I wish them success as they prepare to take on their new assignments.

"On behalf of all of you, I would also wish to express sincere gratitude to Director-General A C Botto de Barros and Deputy Director-General Jaime Ascandoni, each of whom devoted ten years of service managing the activities of the International Bureau.

"Before closing, I would like to thank all those who contributed to the success of this Congress. I am indebted first of all to Dr Koller, the Doyen of Congress; to the ten Committee Chairmen, who performed so well under considerable pressure; to the four Vice-Chairmen of Congress; to the staff of the International Bureau; and to our interpreters.

"And we all owe our thanks to the members of the Korea Secretariat for their tireless work over the past three and a half weeks.

"Finally, I would like to express my appreciation to you, the delegates to this Congress, for all your support. Without your understanding and cooperation, I could not have succeeded as Chairman of Congress. I will be forever grateful to all of you.

"And now, I wish you a safe and pleasant journey back home to your families.

"Thank you and goodbye."

*(Applause.)*

The CHAIRMAN added that he would approve the minutes of the 12th to 16th plenary meetings on behalf of Congress.

The meeting closed at 2.05 pm.

For Congress:

Young-su Kwon  
Chairman

A C Botto de Barros  
Secretary-General

L L Fernandes Pinheiro  
Secretary

## Reports of Committee 1

### First and second (last) meetings

Thursday, 25 and Wednesday, 31 August 1994

In the chair: Mr B BORKOWSKI, Chairman

1 The Credentials Committee met on 25 and 31 August 1994 under the chairmanship of Mr B BORKOWSKI (Rep of Poland).

For the first meeting, all the members of the Committee were present, viz: Poland (Rep) (Chairman), Ecuador (Vice-Chairman), Spain (Vice-Chairman), Tunisia (Vice-Chairman), Chile, Equatorial Guinea, Ethiopia, Ireland, Singapore, Slovakia and United Arab Emirates.

For the second meeting, all the Committee members were likewise present.

The Secretariat was provided by Mr C Langheld, Senior Counsellor, Mr A Mathur, Assistant Counsellor, and Mrs O Tomic and Mr Y Karikomi, First Secretaries, all at the International Bureau.

2 The Chairman recalled that the Committee's task was to examine the credentials of the member countries in accordance with the provisions of article 3 of the Rules of Procedure of Congresses. The task would consist, firstly, in examining whether the credentials were in due and proper form, and secondly, in evaluating their scope.

3 During the first meeting, the Chairman informed the Committee that as of forty-five minutes before the start of the meeting, 127 credentials and five proxies had been deposited. Of the 127 credentials deposited, 119 conferred the right to speak, to vote and to sign the Acts, while eight did not confer the last of these rights. He also informed the Committee that it had not had any major problems with the credentials deposited, and that it had taken the necessary steps to contact those delegations whose credentials did raise problems.

4 During the second and last meeting, the Chairman informed the Committee that as of one hour before the start of the meeting, 145 credentials and six proxies had been deposited. Of the 145 credentials deposited, 138 conferred the right to speak, to vote and to sign the Acts, while seven did not confer the last of these rights, which was intentional in several cases.

5 It could be considered that a total of 151 credentials were in due and proper form (including the six proxies) and that only seven credentials did not confer authority to sign the Acts.

6 It should be reported that immediately after the last meeting of Committee 1, five countries deposited their credentials:

- Republic of Afghanistan
- Belgium

- Kingdom of Cambodia
- Democratic Republic of Madagascar
- Republic of the Philippines

bringing up to 156 the number of member countries with credentials in due and proper form and to eight the number of credentials which do not confer authority to sign the Acts.

7 Of the remaining 33 countries:

a The following 26 countries are not currently participating in the work of Congress:

- Republic of Albania
- Antigua and Barbuda
- Azerbaijani Republic
- Republic of Bosnia and Herzegovina
- Islamic Federal Republic of the Comoros
- Republic of Guinea-Bissau
- Republic of Haiti
- Republic of Iraq
- Jamaica
- Republic of Kiribati
- Kyrgyz Republic
- Lao People's Democratic Republic
- Republic of Moldova
- Republic of Nicaragua
- Federal Republic of Nigeria
- Democratic People's Republic of Korea
- Rwandese Republic
- Saint Vincent and the Grenadines
- Somali Democratic Republic
- Republic of Tajikistan
- Republic of Trinidad and Tobago
- Turkmenistan
- Tuvalu
- Republic of Uzbekistan
- Federal Republic of Yugoslavia
- Republic of Zaire

b The following seven countries are participating in the work of Congress, but the Secretariat has not received any credentials from the appropriate authorities:

- People's Republic of Angola
- Republic of Colombia
- Dominican Republic

- Republic of Guatemala
- Socialist People's Libyan Arab Jamahiriya
- Democratic Republic of Sao Tome and Principe
- Republic of Vanuatu

In accordance with article 3, paragraph 3, of the Rules of Procedure of Congresses, the latter countries will no longer be authorized to vote from the time Congress approves this report and until such time as their position is regularized.

8 Congress is requested to authorize the Chairman of Committee 1 to recognize any credentials that may be deposited later and to inform Congress thereof in due course.

9 A list of the credentials examined by Committee 1 is given in annex 1 to this report. The five countries mentioned in paragraph 6 are the subject of annex 2. A list of the proxies deposited is given in annex 3.

Seoul, 2 September 1994

For the Committee:

B Borkowski  
Chairman

C Langheld  
Secretary

A Mathur  
Assistant Secretary

O Tomić  
Assistant

Y Karikomi  
Assistant

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Afghanistan		
Republic of South Africa	MM. JORDAN Z. P. VAN ZYL A. VAN LOGGERENBERG J. H. MASSON D. JOUBERT W. M. VAN EEDEN G. J. C. MACKAY P. R. HUDDLESTONE P. F. GOBIND R. Mme ZAMA L.	
Republic of Albania		
People's Democratic Republic of Algeria		MM. ALLAN A. GHAWALMI M. YOUNSIOUI A. NADRI O.
Federal Republic of Germany	MM. BÖTSCH W. PFEFFERMANN G. O. MOHR U. ENGELKE H. GREINER D.	MM. ZUMWINKEL K. WOHLFART R. ERNST E. DÖRKEN U. R. SCHNEIDER G. NITSCH H. SCHEURLE K.-D. REICHLE G. SCHAUER U. VON BORZESTOWSKI A. LEINUNG H.-F. WOLFFGRAMM G. VOGEL-CLAUSSEN W. GÄRTNER H.-U. GOMPF G.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Federal Republic of Germany (cont)		STEGMÜLLER G. HABERL J. WINTER K. Mme PLEYER K.
United States of America	MM. RUNYON M. LEAVEY T. COUGHLIN M. HENDERSON W. LANEY J. T. KARTMAN C. CARAVEO J. HUNTER K. PORRAS R. Mme REGAN D. M. REGAN M. Mme MULLIN K. MM. IANNI J. MCFADDEN K. TAYMAN W. HANNEY J. ADAMS J. HENGST R. ALVIS W. GRANDJEAN W. HILL D. Mme GRINA T. M. DELEHANTY D. Mmes EMERSON L. WITTMAN E. MM. ZORN R. MAHER J. RIPLEY J. JAFFER A. MCAFEE P. Mme GILROY C. M. JOHN Y.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
People's Republic of Angola		
Antigua and Barbuda		
Kingdom of Saudi Arabia	MM. KAYAL A. D. BANAJAH S. H. SAMOUN A. M. SHANKITY M. A. AL-OTAIBI K. M. MUAMENAH A. R. A. AL-FAISAL F. F. ZAMZAMI N. A. H.	
Argentine Republic	MM. GRISANTI H. H. LAPSENSON J. T.	MM. CASTANON A. J. CAPDEVILA J. G. REY ORDONEZ J. E. EGUREN A. C.
Republic of Armenia	MM. TCHITETCHIAN V. POGPATIAN G.	
Australia	M. HUTCHINSON M. J. Mme STEPHENSON E. M.-A. M. WILLIAMS M. G. D.	MM. JOHN G. T. GROSSER C. J. MCKEOWN K. J. S. FRANK P. A. SMART P. J. MCSWEENEY B. G.
Republic of Austria	MM. LAZNOVSKY E. KRATZER H. Mme BURIANEK P. M. ROSSI W.	M. KROTTENMÜLLER G. Mme WEINBERGER M. C.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Azerbaijani Republic		
Commonwealth of the Bahamas	M. SAUNDERS J. V.	
State of Bahrain	M. MATTAR A. E.	M. AL-DALLAL F. A.
Bangladesh	MM. ISLAM T. CHOWDHURY A. M. RAHMAN A. K. M. F. AHMED S. BHATTACHARYYA S. K. AKHTARUZZAMAN A.	
Barbados	MM. GREAVES P. M. NILES H.	Mme LEACOCK F.
Republic of Belarus	M. VALASHCHUK V.	
Belgium		
Belize	MM. GREAVES P. M. NILES H.	Mme LEACOCK F.
Republic of Benin	MM. AGNAN B. SALIOU L. GOUHIZOUN B. AGASSOUNON C. C.	
Kingdom of Bhutan	MM. DORJI L. LHENDUP G.	MM. TSHERING G. BISWA B. M.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Bolivia	MM. GUMUCIO SUAREZ W. VELASQUEZ LIZARAZU J.	
Republic of Bosnia and Herzegovina		
Republic of Botswana	MM. MOATSHE M. J. M. GABARAANE D. R. JAYAWARDENA B. H. S. MOLALAPATA L. M. S. MOLEMA I. O.	
Federative Republic of Brazil	MM. DE ALMEIDA A. C. GUERREIRO R. N.	M. SALMERON R. G. Mme DA SILVEIRA V. A. MM. CHIODELLI M. O. NEVES L. S. LEQUES R. B. G. SALMORIA D.
Brunei Darussalam		MM. SULAIMAN D. H. Z. B. H. RAHIM D. P. H. I. B. H. A. BULAT B. B. H. LAKIM M. M. B. H. TAMAM T. B. H. BAKAR H. M. B. H.
Republic of Bulgaria	MM. MARKOV V. IOSSIFOV L.	Mmes HRISTOVA S. STOYANOVA L. MM. RADENKOV I. DOTCHEV B.
Burkina Faso	MM. SOMDA N. C. BONCOUNGOU R. L. TOURE Y. BAMOUNI O.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Burundi	Mme KAYIBIGI A.	
Kingdom of Cambodia		
Republic of Cameroon	MM. MEDJO M. NDONGO P. MBALA E. E. YOUNOUSS D.	
Canada	MM. DINGWALL D. C. MCINENLY P. T. HALPIN G.	MM. FALLU A. RAYNAUD P.
Republic of Cape Verde	M. MARCIANO ALMEIDA H.	
Central African Republic	MM. SALAMATE J. NDOMONDJI A.	
Chile	MM. UGARTE JORDANA J. I. FELMER KLENNER M. HERRERA CARRENO O. E. MANRIQUEZ PEARSON C. R.	
People's Republic of China	MM. LIU P. ZHANG G. LIU H.	MM. YU P. WU Y. CONG Y. QU D. FENG Y. SU B. ZHANG G. Mmes CUI G. ZHENG L.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Cyprus	M. ANTONIOU M. N.	
Republic of Colombia		
Islamic Federal Republic of the Comoros		
Republic of Congo	Mme LIPOU-MASSALA A. M. OBINDZA J. Mme MBOBI J. MM. BISSILA M. AWAMOUE AMIOTH P. MABILA-DAMBA Mme MABIALA L.	
Republic of Korea	MM. YOON D. Y. KYONG S. H. HAM M. C. LEE I. H. KWON Y. S. RHEE B. K. PARK Y. I. LEE J. S. JUNG H. S. KIM D. S. LEE K. Y. KIM S. Y. PARK H. N. JOO E. B. KANG D. Y. JUN C. O. SUH K. E. HAHN C. K. PARK C. H. YU J. H. LEEM J. T.	MM. RHO W. J. LEE D. G. KIM Y. P. HAM C. Y. KOH D. H. KIM Y. D. RAH B. W. Mlle KIM J. M. M. KIM H. K.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Korea (cont)	CHOI Y. H. SUH J. I. CHOI J. Y. YOO K. Y. PARK N. I. CHEONG J. S. KIM J. M. NOH Y. K. CHAE S. R. LEE C. H. KIM I. H. Mlle LEE W. J. MM. YOO C. K. CHUNG J. C. JANG M. S. AHN E. S.	
Republic of Costa Rica	Mme MADRIGAL ARGUEDAS M.	M. ALVARADO QUESADA M. V.
Republic of Côte d'Ivoire	MM. AKELE E. LOGBO A. AKA B. L. B. YOFFO A.	
Republic of Croatia	MM. FILIPOVIC D. PERAK M. SEVER B.	
Republic of Cuba	MM. ALFONSO PEREZ O. D. J. PEREZ ORDAZ D. S.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Kingdom of Denmark	MM. ISRAELSEN H. NIELSEN A. KNUDSEN E. PEDERSEN K. B. THOMSEN T. YDE-ANDERSEN F. HANSEN H. A. MADSEN T. W. HANSEN M. T. THAARUP-HANSEN C.	
Republic of Djibouti	MM. WAISS E. O. ISMAEL A. M.	
Dominican Republic		
Commonwealth of Dominica		MM. SIBBICK D. D. COTTON-BETTERIDGE J. FISHER K. T. Mme SANTRY E. J. MM. FERGUSSON G. LLOYD A. Mlle GIVANS P. MM. COCKBURN B. ROSE C. N. ROBERTS D. KING P. K. GOSS M. Mme HOLMES J. M. M. BOULTON P. Mme LEWIS S. A. MM. MORSE M. E. N. DOYLE A. KALLA-BISHOP C. Mme PARROTT K.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Arab Republic of Egypt	MM. AMER METWALI O. KHELOSSI HASSAN R. Mme MOHAMMED KHALIL S.	
Republic of El Salvador		Mmes RENDEROS DE HERNANDEZ L. E. PENA B. R. I.
United Arab Emirates	MM. BOU HASSAN A. S. AL SHARHAN M. S. AL-GHARBI K. O. BAL HAJ Y. M. AL MULA GHAETH F. M.	
Republic of Ecuador	M. PAZMINO VALENCIA C.	
Eritrea	M. WOLDEMIKAEL T.	
Spain	Mme SALGADO MENDEZ E. M. EGUSQUIZA MACHADO L. Mme PETREMET RODRIGUEZ M. J. MM. SANCHEZ VALLE J. MORRO VILLACIAN J. I. ROBLEDO BLANCO M. Mme CIFUENTES CIFUENTES R. MM. GONZALEZ SAN AGUSTIN F. DE FRUTOS GIL J. COLLADA ZABALA J. L. ARGENTE HERNANDEZ A.	
Republic of Estonia	MM. NAESTEMA T. TOELEID T.-J.	M. BLOMQWIST C.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Ethiopia	Mme RETA L. M. DERESSA K.	
Fiji	MM. BOMANI E. TIKOIMALEYA F. PRASAD S. S. S.	
Republic of Finland	M. PALONEN V. Mme ERO L. MM. VENNAMO P. SAVIAHO A. KARHULAHTI J. ALLARDT J. Mme KALTER A.-M. MM. TRÄSKMAN C.-G. BLOMQVIST C. Mmes VUORINEN A. MAANAVILJA P.	
French Republic	MM. BRESSOT J. LASSERE B. DARRIGRAND A. LEJEUNE M. LUCIANI J. Mme BATIFOL M. MM. BODET J.-P. BOURMAUD C. DAYAN E. ELLEC J.-P. Mme FILIPPINI M.-J. M. FORCEVILLE J.-P. Mme GERARD V. MM. LABORDE F. LEVREY Y. LIMAT R. LOPINOT D. MASSON P.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
French Republic (cont)	Mme MASSONNET E. MM. MEYNIE G. PAPPALARDO J. Mme SANTONI M. -T.	
Gabonese Republic	MM. MIHINDOU MI NGUIMBI J. NGUEMA-ALLOGO A. IKAMBOUAYAT-NDEKA R. POATY-DITENGOU B.	
Gambia		MM. TAMBEDOU M. CEESAY M. JOHN C.
Republic of Georgia		MM. BOULGAK V. B. BOUTENKO B. P.
Republic of Ghana	MM. SALIA E. K. KWAKYE E. A. ADU-BOAHEN I. DERRY N. N. Y.	
United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man	MM. SIBBICK D. D. COTTON-BETTERIDGE J. FISHER K. T. Mme SANTRY E. J. MM. FERGUSSON G. LLOYD A.	Mlle GIVANS P. MM. COCKBURN B. ROSE C. N. ROBERTS D. KING P. K. GOSS M. Mme HOLMES J. M. M. BOULTON P. Mme LEWIS S. A. MM. MORSE M. E. N. DOYLE A. KALLA-BISHOP C. Mme PARROTT K.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Overseas Territories for whose international relations the Government of the United Kingdom of Great Britain and Northern Ireland is responsible	Mme SANTRY E. J MM. FERGUSSON G. LLOYD A.	
Greece	MM. IOANNIDIS P. GOUMAS G. Mme PROTOPSALTI Z.	M. MANTAS A. M. XENELLIS E. Mme PARCHA A. MM. ADAMOPOULOS G. PAPADIMITRIOU D. DIAMANTIS C.
Grenada	M. ROBERTS L.	
Republic of Guatemala		
Republic of Guinea	MM. DIALLO A. I. ZOUMANIGUI N. CAMARA M. L.	
Republic of Guinea-Bissau		
Republic of Equatorial Guinea	MM. ONDO MITOGO P. OBAMA MIBUY A.	
Guyana	MM. NOBLE E. HAMLET C.	
Republic of Haiti		

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Honduras	MM. BOQUIN V. G. OMAR CUEVA H. SOLANO DAVILA N.	
Republic of Hungary	M. BÖLCSKEI I. Mme TATH J.	MM. DOROS B. OLAH L. CSERNAK E. MOLNAR C. Mme GYARMATI I.
India	MM. OJHA S. P. RAO M. N. S.	MM. RAM S. BHUPATRAY OZA B. MAHALIK S. C. RAJAMANI G. S. RAY D. SINGH A.P.
Republic of Indonesia	MM. PURAWIDJAJA D. HUTAGAOL S. M.	MM. MARSOEDI HADIPRANOWO S. RUSTAM S. SIRAT D. WIDODO M. AL RASYID H. SOENANDA M. A. YUSUP E. BAHARUDDIN Y. A. KAIZIR Z. SUSILO J. B. SAKSONO CHOLID M. WARDOYO N. S. SOFYAN A.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Islamic Republic of Iran	MM. GHARAZI S. M. MALEKI-TABAR M. NASER-SARRAF M. K. NOFARASTI Z. KARAM-POUR M.	MM. NEJAD M. B. M. DEHKORDI S. S. ALIZADEH G. H. K. NAIMI R. MANSOUR D. A. SHAHROKH M. DJAVADI A.-A. HASSAN-ZADEH M. DEGHANI Y. SEPAHI E. HAJI-TEHRANI M. SHAFIEE B.
Republic of Iraq		
Ireland	MM. LUMSDEN J. RYAN P.	MM. SHERIDAN M. CULLEN A. SAMMON G. FARRELLY C. SMYTH P. E.
Republic of Iceland	MM. TOMASSON O. KRISTJANSSON H. S. BJORNSSON G. JULIUSSON R. GUNNARSSON G. H. S.	
Israel	M. LEVIN R. Mme EDERY F.	MM. NAIM A. HABIB H. MANSURY A. KRITH-MAN Y. BAR-MAG H. GONEN I. Mmes HARARI M. SERFATY R.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Italy	MM. MARTINI G. LEGGIO A. Mme DAMIA G. M. GAMBACCIANI F.	MM. GASPERI A. AMARI A. Mmes CORATELLA F. RESTANO E. MICELI A. M.
Socialist People's Libyan Arab Jamahiriya		
Jamaica		
Japan	M. YAMASHITA S.	MM. OIDE S. SHIGETA H. KATO T. KUSUDA S. OIDA K. UTSUMI Y. YASUOKA H. KAWAMURA Y. OKAYAMA H. TAKAHASHI M. WATANABE K. INOUE K. BANDO M. NAKAMURA K. TANIKAWA J. OTSUKA S. UCHIDA H. FUJIOKA T. KATO T. DENISHI S. TOKUSHIGE M. TSUCHIYA M. MIYAJI A. TANAKA Y. KOBAYASHI Y. HIRAMOTO M.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
--	---	--

1

2

3

Japan  
(cont)

HAYASHI T.  
MATSUO T.  
SASAKI H.  
TAKESHITA T.  
KONDO M.  
UTSUMI F.  
OKADA N.  
OMORI S.  
TAKAKI T.  
KOYANAGI M.  
TABATA H.  
TAKASU H.  
Mlle OGINO M.

Hashemite Kingdom of Jordan

MM. AL QUDAH H.  
ABU SHAMA F.  
KAHWAJI M. Z.

Republic of Kazakhstan

M. BAZYLOV K.

MM. JAZYKBAEV A.  
TAJIEV A.  
BEKJANOV O. B.

Republic of Kenya

M. MOROGO W. C.

MM. CHEMAI S. K  
KITHINJI G.  
ROTICH J. T.  
MADZAYO S. M.  
Mme MALUKI S. K.  
MM. HUSSEIN B. A.  
KAVINGUAH F.  
Mmes MASAVIRU R. A.  
AMIR N. A.

Kyrgyz Republic

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Kiribati		
Kuwait	MM. AL-HAQQAN S. A. AL ASOUSI S. A. AL WESAIS A. K. MOHAMMAD F. A. AL SAQER S. A.	
Lao People's Democratic Republic		
Kingdom of Lesotho	M. MOREMOHOLO T. K. Mme RAMAEMA M. M. KHOMONNGOE P. R. N. Mmes HADEBE H. M. MOTHIBELI G. M. M. MAKARA M. N. Mlle MOKHETHI A. K.	
Republic of Latvia	M. DROISKIS A.	
the former Yugoslav Republic of Macedonia	MM. SUNDOVSKI J. CAMUROVSKI D. GINOVSKI I. BOSKOVSKI Z.	MM. SETLOV N. KAPUSEVSKI R. Mlle POPANTOSKA T.
Lebanese Republic	M. TABBARAH O.	M. ABI SEMAAN P. F.
Republic of Liberia	MM. DOBOYOU J. K. WLEH K. G.	
Principality of Liechtenstein	MM. REY J.-N. WACKER W.	MM. CORDEY M. RÖTHLISBERGER F.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Principality of Liechtenstein (cont)		BERSSET J.-M. BARBEY C. RENGGLI J. MÜLLHAUPT R.
Republic of Lithuania		M. DROISKIS A.
Luxembourg	MM. SCHUH P. TOUSSING E. KIHN P. Mlle KELLEN S.	
Democratic Republic of Madagascar		
Malaysia	M. VELLU D. S. S. Mlle SABIRIN N. M. AHMAD I.	Mme BASRI F. N. H. MM. BAN C. T. ZAINOL MAHMOOD T. S. D. KRISHNAN C. KUAN P. L. S. SHAZILI A. M. A. ALAWDIN S. M. H. BAKAR M.
Malawi	MM. CHIZUMILA C. C. MIJIGA S. J. F. S. KULUWANI M. C. NAMADINGO A. W. LUNDU W. M. CHIUSIWA J. M.	
Republic of Maldives	M. SOLIH M.	M. ZAHIR A. Mmes ABUBAKURU Z. WAHEEDA F.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Mali	M. TOGOLA L.	
Malta	MM. FRENDO M. SAMMUT A. ENGERER R. HABER F. Z.	
Kingdom of Morocco	M. AKALAY M.M.	MM. AOUJIL M. OUGMENSOR O. AIT HSIKO A. OUHADDOU A. Mme EL HASSANI F. M. ABOUHANIFA M. ISMAILI R.
Mauritius	M. DYALL M.	
Islamic Republic of Mauritania	MM. BOUCEIF M. O. ABDI J. O. DIOMBAR D. BRAHIM M. M. O. AHMED S. A. O.	
United Mexican States	MM. URIBE CASTANEDA M. ALDANA MARGAIN J. MILLAN GONZALEZ R.	
Republic of Moldova		
Principality of Monaco		Mme CASTELLINI R.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Mongolia	MM. SANDALKHAN R. URJINLKHUNDEV P. Mme PUREVSUREN B.	MM. TOUGSOU D. RADNAABAZAR G.
People's Republic of Mozambique	MM. GUEBUZA A. E. LOUSA R. MURIMA P. FOQUIÇO S. SUMINE M.	
Union of Myanmar	MM. TIN WIN HLA ZIN Mme MRA HNINZI	
Republic of Namibia		M. ERASMUS G. P.
Republic of Nauru	MM. DETENAMO V. HARRIS R.	
Nepal	MM. GACHCHADAR B. K. UPADHYAY R. C.	
Republic of Nicaragua		
Republic of Niger	M. LABO A.	MM. NAMEOUA D. MATO A. DJIBRILLA A.
Federal Republic of Nigeria		

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Norway	MM. SANDERUD P. SEEBERG B.	MM. THORSTENSEN E. PETTERSEN B. F. RENOLEN A. HURLEN J. AARAK T. Mme TVIBERG B. M. THORMODSRUD T.
New Zealand	MM. PERKINS R. EVANS B. TOIME E. MOWBRAY C. BENNETT J. CURRAN M. WATERS G.	
Sultanate of Oman	M. AL-BALUSHI A. B. S. B. A.	MM. AL-ZARAFI Q. B. Y. B. AL-QUBTAN T. B. A. B. AL-BALUSHI S. B. M. B. A.
Republic of Uganda	MM. NASASIRA J. M. MUNYARUGERERO A. M. KAFEERO J. T.	
Republic of Uzbekistan		
Islamic Republic of Pakistan	MM. KHAN A. N. ASGHAR M. KHAN N.	
Republic of Panama	Mme JAEN DE LA ROSA E.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Papua New Guinea	Mme BOGARI L. MM. WAGAMBIE J. P. TAUREKA I. TULIN T. NAKMAI C. S. LAUA J.	
Republic of Paraguay	MM. PICCININI SOERENSEN H. RAMIREZ MENDEZ E. CABALLERO J. S.	
Netherlands	MM. DRIEDONKS A. G. M. AERTS G.	M. SCHEEPBOUWER A. J. Mme BOS C. S. MM. BRONKHORST W. L. EMBRECHTS A. J. A. Mme BOUMA-SCHNEIJDER J. J. MM. DE JONG W. JONGSMA T. DE LEEUW P. A. H. ODINOT P. VAN DE WEERT L. VERSPRILLE J. F. W.
Netherlands Antilles and Aruba	MM. PETERSON G. M. GALMEIJER R. H. Mme GITTENS D. G. M. SCHOOP O. L.	
Republic of Peru	MM. ACUNA DEL SOLAR V. PEDRAZA SIERRA W. MORILLO Z.	
Republic of the Philippines		

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Poland	MM. POPIOLEK S. SZERMANOWICZ G. KIEWICZ T.	M. CZAPLEWSKI R. Mme DUNASZEWSKA M. MM. OSINSKI J. BORKOWSKI B. SLOMSKI R. Mmes ALAMA M. ADAMSKA A.
Portugal	MM. DE ALMEIDA LEITE M. G. M. MENDES F. DE ALMEIDA R. TRONI J. A. DE ALMEIDA J. I. S. Mme JACINTO D. M. J. M. DE ANDRADE S. Mme TAVARES I. MM. PEREIRA L. G. CARETO J. F. Mmes FONSECA A. ESTEVES T. S. MM. MARTINS C. LOPES C. R. Mmes ALMEIDA M. D. L. NIM CHI R. C. MAN K. U. MM. MUFTAH A. J. AL MURAIKHI S. K. AL-MOHANNADI A. A.	
State of Qatar		
Democratic People's Republic of Korea		

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Romania	MM. TURICU A. URIAN I.	MM. IONESCU C. MAZGAREANU N. Mmes D.MANEA C. GARBA D. PETCULESCU E. SITARU M. TANASESCU M. SPITA L. M. BORDEA M. Mme APOSTOL H.
Russian Federation	M. BOULGAK V. B.	M. BOUTENKO B. P.
Rwandese Republic		
Saint Christopher and Nevis		Mlle CHARLEMAGNE L. I.
Saint Lucia		Mlle CHARLEMAGNE L. I.
Republic of San Marino	MM. CASALI A. GIACOMINI P. CAPICCHIONI L. ZAFFERANI S. CARATTONI C. FAETANINI S.	
Saint Vincent and the Grenadines		
Solomon Islands	MM. SIVE S. DONI B.	
Western Samoa	MM. PETAIA S. R. RIVERS I. I.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Democratic Republic of Sao Tome and Principe		
Republic of Senegal	MM. KANE A. E. THIAM A. A. Mme DIA BEYE C. MM. SARR I. NGOM S.	
Republic of Seychelles	M. MORIN. J. F.	
Republic of Sierra Leone	M. BISHOP-GOODING A. Mme NELSON-HARDING Y. MM. DARAMY K. K. S. KANNEH M. I.	
Republic of Singapore	Mme QUAH S. K. MM. LEE S. K. HUSSAIN M. Z.	
Slovak Republic	M. MARTINKO R. Mme KADUCOVA M.	MM. MORAVEK S. STOLAR V. PODMANICKY S. Mme DOBRONOVA J. M. PAZITNAJ P.
Republic of Slovenia	MM. PERPAR S. PODGORELEC A. CADEZ M. POTOČNIK I.	
Somali Democratic Republic		

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Sudan	MM. BAKRI AL SHEIKH A. K. AL ALEM A. A. T. M.	
Democratic Socialist Republic of Sri Lanka	MM. PEDRIS D. L. F. DISSANAYAKE D. JAYASEKARA A. H. N. HANDAPPANGODA S.	
Sweden	Mme VAN DER CAPELLEN C. MM. NILSSON P. SELANDER S. DAHLSTEN U. Mme TIVEUS M. MM. ZILLEN T. JONSSON K. LEISTEDT J.-E. JANSSON E. LINDBERG H.	
Swiss Confederation	MM. REY J.-N. WACKER W.	MM. CORDEY M. RÖTHLISBERGER F. BERSET J.-M. BARBEY C. RENGGLI J. MÜLLHAUPT R.
Republic of Suriname	M. POWER J. L. Mme ELTENBERG M.	
Kingdom of Swaziland	MM. DLAMINI D. RICHARDS S. H. B. DLAMINI B. S.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Syrian Arab Republic	MM. MARTINI M. R. EL JALAD B. KIKI K. EL SHAMY M.	
Republic of Tajikistan		
United Republic of Tanzania	MM. MAOKOLA-MAJOGO E. MSOFE S. M. MWASONGWE A. OLE KAMBAINEI E. N. CHENGULA F. M. Mme MAKUBURI R.	
Republic of Chad	MM. PAYANG PABAM P. SOUROUMBAYE D. HOURTA YAINA Y.	
Czech Republic	MM. KUPKA V.	MM. PRANDSTETTER E. KROUZECKY V. BERANEK M. REHOLA J. Mme VESELA V.
Thailand	MM. UTHAISANG S. YUPHO K. SAOVAROS A.	MM. CUSRIPITUCK S. THONGMA C. SUDDHINOND D. REOPANICHKUL S. Mlle CHITRASWANG C. M. RATTAKUL S. Mmes PAVARAJARN S. KOTCHARAT P.

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Togolese Republic	MM. AYIKOE K. P. BADABO M. P. Mme DOSSOU A. M. GBEMOU A. M.	
Kingdom of Tonga	MM. COCKER J. C. MAI'LEI S.	
Republic of Trinidad and Tobago		
Republic of Tunisia	MM. MAJED A. AL-JHINAOUI K.	
Turkmenistan		
Republic of Turkey	MM. BETTEMIR V. BALCI H. ERCAN B.	
Tuvalu		
Ukraine	MM. PROGIVALSKI O. KLIKITCH A. VINOKOUROV A.	MM. STARODOUB M. KARKANITSA V. KHOUDOLI D. Mme ZEMLIAK N.
Eastern Republic of Uruguay	M. GANDINI J. Mme BASSINI S.	
Republic of Vanuatu		

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Vatican City State	MM. ANDREANI P. PIOPPPO P.	MM. CHOI IK-CHEOL B. BERTOLAMI S.
Republic of Venezuela	M. LOPEZ ORTEGA E.	MM. MANTILLA A. DUGARTE C. GUEDEZ E. J.
Socialist Republic of Viet Nam	M. DO TRUNG TA	
Republic of Yemen	MM. AL-ANASSI A. M. QAID A. H. AL-HAWTARI A. M.	
Federal Republic of Yugoslavia		
Republic of Zaire		
Republic of Zambia	MM. NGALANDE M. MPISHI S. KASAMA J. C. KALIWILE K. KABALA J. MUKONKA C. M.	
Republic of Zimbabwe	MM. CHIMUTENGWENDE C. C. MUTAMBIRWA R. MAKINA J. MOYO K. MWALE A. MAKIWA A. T.	

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Afghanistan		M. NEZAM K. M.
Belgium	MM. VERMEULEN J. DUTORDOIT J.-L.	MM. DEFRANCE E. BECCO J. JOB F. VAN KERCKHOVE W. PIRSON G. DEMARET H.
Kingdom of Cambodia	M. PHAN PHIN	
Democratic Republic of Madagascar	M. ANDRIAMANJATO N. H.	M. BOTO F.
Republic of the Philippines	MM. PILAPIL E. P. INTIA I. V. MAXINO W. A.	Mme HEIDEMANN J. L.

**Proxies deposited****Principals**

(proxy given by)

- 1 Belize
- 2 Republic of Georgia
- 3 Republic of Lithuania
- 4 Principality of Liechtenstein
- 5 Saint Christopher and Nevis
- 6 Commonwealth of Dominica

**Proxies**

(in favour of)

- Barbados  
Russian Federation  
Republic of Latvia  
Swiss Confederation  
Saint Lucia  
United Kingdom of Great Britain and Northern  
Ireland, Channel Islands and Isle of Man

**Final report of Committee 1**

1 During the plenary meeting of 6 September 1994, in approving the report of Committee 1, Congress had authorized the Chairman of this Committee to recognize any credentials which might arrive afterwards, and subsequently to inform Congress.

2 On the basis of the above, annex 1 shows the delegations whose credentials have been found to be in due and proper form subsequent to the issue of Congress/C 1 – Rep 1.

3 A list of countries without credentials is shown in annex 2. In accordance with the Rules of Procedure of Congresses, article 3, paragraph 3, such countries shall cease to be empowered to vote from the time Congress approves this report and until such time as the position is regularized.

4 Countries without the right to sign, or not present at Congress, are shown in annex 2.

Seoul, 8 September 1994

B Borkowski

Chairman of Committee 1

Member countries whose delegates' credentials have been recognized as being in due and proper form	Names of plenipotentiaries authorized to sign	Names of delegates authorized to speak and vote only
1	2	3
Republic of Colombia	M. DURAN ORDONEZ M.	
Jamaica		MM. NOBLE E. HAMLET C.
Principality of Monaco	M. FRANZI E.	Mme CASTELLINI R.
Federal Republic of Nigeria	MM. BAMIGBELE J. O. OKPALA J. C. E.	MM. AJAYI M. B. AKINTOLA R. O. IPINNISHO L.
Saint Lucia	Mlle CHARLEMAGNE L. I.	
Saint Vincent and the Grenadines	M. SCOTT J.	
Turkmenistan	MM. PROGIVALSKI O. KLIKITCH A. VINOKOUROV A.	MM. STARODOUB M. KARKANITSA V. KHOUDOLI D. Mme ZEMLIAK N.
Republic of Vanuatu	M. NAVITI A.	

1 The following seven countries take part in the work of Congress, but the Secretariat has not received any credentials from the competent authorities. These countries can therefore neither vote nor sign the Acts until such time as their situation is regularized.

- People's Republic of Angola
- Dominican Republic
- Republic of Guatemala
- Kyrgyz Republic
- Socialist People's Libyan Arab Jamahiriya
- Democratic Republic of Sao Tome and Principe
- Republic of Zaire

2 The credentials of the following six countries do not include the right to sign the Acts:

- Republic of Afghanistan
- People's Democratic Republic of Algeria
- Brunei Darussalam
- Republic of El Salvador
- Gambia
- Republic of Namibia

3 The following 20 countries are not taking part in the work of Congress:

- Republic of Albania
- Antigua and Barbuda
- Azerbaijani Republic
- Republic of Bosnia and Herzegovina
- Islamic Federal Republic of the Comoros
- Democratic People's Republic of Korea
- Republic of Guinea-Bissau
- Republic of Haiti
- Republic of Iraq
- Republic of Kiribati
- Lao People's Democratic Republic
- Republic of Moldova
- Republic of Nicaragua
- Rwandese Republic
- Somali Democratic Republic
- Republic of Tajikistan
- Republic of Trinidad and Tobago
- Tuvalu
- Republic of Uzbekistan
- Federal Republic of Yugoslavia

## Reports of Committee 2

### First meeting

Thursday, 1 September 1994, 3 pm

In the chair: Mr H Engelke, Chairman

#### Opening of the proceedings

Opening the first meeting, the Chairman welcomed all the Committee members and expressed deep gratitude to the assembly for the honour bestowed on Germany and himself in his having been elected to conduct the debates of such an important Committee, which dealt not only with figures but also with the management of the International Bureau and of the Union as a whole. He congratulated Kuwait, Mongolia and Senegal on their appointment as Vice-Chairmen to support him in his task. He then paid special tribute to the Secretary-General, Mr A C Botto de Barros, and to the Assistant Secretary-General, Mr J Ascandoni, for their excellent overall management of the Union's finances.

The Secretary-General, after congratulating Germany, the Committee Chairman, Mr Engelke, and the three Vice-Chairmen on their appointment to conduct the difficult discussions of that Committee, stressed that from 1989 to 1993, member countries' indebtedness to the Union had risen in round figures from 8 million to 11 million Swiss francs, despite the efforts of the International Bureau. For that reason, he once again urgently called on all debtor member countries to contact the International Bureau after Congress with a view to finding a solution to their problem.

He then thanked the Government of the Swiss Confederation for having waived the balance of the advances owed to it under the former financing system, which had made it possible for the Voluntary Fund to become operational as early as 1991. He also thanked all the member countries that had helped maintain the Fund, in particular, Japan, Australia, Brazil, Germany, Korea (Rep), the United States of America for having generously contributed to implementation of the Union's EDI activities.

He then mentioned that the financing of the Union's activities over the next five-year period was a matter of capital importance. For the past few years, the Union had operated under a restrictive financial policy, one of zero-growth in real terms, while the volume of its priority activities had constantly increased as a result of the changing international postal environment. Such a financial policy could have negative consequences during the next five-year period. Because of the modest size of the Union, Congress should consider the possibility of a budget allowing positive growth in real terms, compatible with its priorities.

He also dwelt on the importance of developing an efficient extra-budgetary mechanism aimed at providing the Union with the additional financial resources needed to carry out its priority and urgent activities.

Finally, he mentioned that the new programme-budgeting system would begin to function in 1996, allowing the Union to allocate its resources more effectively. Although the Union budget was worked out at the lowest possible level, strictly in keeping with its needs, the programme-budgeting system would afford more transparency.

Secretariat

Mr H-L Gentizon, Assistant Counsellor, was appointed Secretary and Messrs P Suprpto Martosuhardjo, First Secretary, and T Mizutani, First Secretary, were appointed Assistant Secretaries to the Committee.

Record of the proceedings

The proceedings of the Committee would be the subject of a report for each meeting, summarizing the views expressed. Moreover, a general report would be prepared at the end of the work (Congress – Doc 83), in line with the practice followed at previous Congresses.

Proxies

Belize, Dominica, Georgia, Latvia, Liechtenstein, Malta and Saint Christopher and Nevis were to be represented at all the meetings by Barbados, Great Britain, the Russian Federation, Finland, Switzerland, Ireland and Saint Lucia respectively.

Quorum

A check of attendance revealed that 84 countries were represented in the hall. As the quorum had been set at 82, the Committee could proceed to business.

Approval of the agenda

The agenda (Congress – Doc 8) was adopted unchanged.

Approval of the Union's accounts for 1989–1993

The Committee began consideration of the first part of the Director-General's report on the finances of the Union.

Congress – Doc 19 (part I)

Several member countries wanted to be informed of the auditor's reports for the five-year period concerned by means of the Director-General's report on the finances of the Union, and asked for the originals of those reports to be made available for consultation in the Committee secretariat's offices.

Two member countries expressed the wish that the statement of arrears owed at the end of the 1994–1998 five-year period be included in the above-mentioned report.

In reply to a member country's question, the Assistant Secretary-General explained that at present, the provisions of article 124, paragraph 8, of the General Regulations did not allow regulation interest to be waived. Nevertheless,

Committee 3 was to consider a proposal aimed at relieving a member country of all or part of the interest owed providing its arrears were paid up in full. He took the opportunity to draw the Committee's attention to the possibility provided for debtor member countries to conclude an agreement with the International Bureau for the payment of arrears thereby avoiding interest accumulating.

At the end of its consideration, the Committee expressed its satisfaction at the very moderate growth of expenditure over the past five years and adopted unanimously two draft resolutions recommending that Congress:

- i approve the Union's accounts for 1989 to 1994 (Congress – Doc 19/Annex 4);
- ii express its gratitude to the Government of the Swiss Confederation for the generous aid it had provided in connection with the Union's finances (Congress – Doc 19/Annex 5).

Fixing the expenditure ceilings for the next financial period (1996–2000)

Congress –  
Doc 19 (part II)

The Committee considered the method proposed for fixing ceilings of normal and recurrent expenditure for 1996 to 2000, ie on the basis of the latest full budget, namely that for 1995, as set at 32 165 500 Swiss francs by the Executive Council at its February 1994 session (Congress – Doc 19/Annex 10/Rev 1). To that basic amount should be added the normal factors needed to deal with current tasks, on the one hand, and the financial repercussions of new activities and of the decisions that would be made by the Seoul Congress, on the other.

France and Burkina Faso noted that the presentation of the ceiling of expenditure – table in Congress – Doc 19, page 26 of the English version – took the establishment of a French Language Group for granted; they lodged a reservation in that matter.

One member country expressed satisfaction at the introduction of the programme-budgeting system, which would be clearer and more transparent for all member countries. It also observed that the draft relating to fixing the ceilings of the Union's recurrent expenditure for the next five-year period, as set out in annex 10/Rev 1, was reasonable.

The United States of America proposed that article 124, paragraph 3, of the General Regulations be amended by adding the regulation step increases in the same grade, so that that element could be included in the basis for fixing the ceilings of recurrent Union expenditure. The Chairman and Assistant Secretary-General, however, observed that under the terms of article 119, paragraph 2, of the General Regulations, that proposal was irreceivable because the required time limit had not been respected. The United States of America then stated that it would present the proposal in due course.

The meeting rose at 5.55 pm.

For the Committee:

H Engelke  
Chairman

H-L Gentizon  
Secretary

P Suprapto  
T Mizutani

Assistant Secretaries

## Second meeting

Monday, 5 September 1994, 3 pm

In the chair: Mr H Engelke, Chairman

### Proxies

Belize, Dominica, Georgia, Jamaica, Latvia, Liechtenstein, Malta, Monaco, Saint Christopher and Nevis and Turkmenistan were represented at all the meetings by Barbados, Great Britain, the Russian Federation, Guyana, Finland, Switzerland, Ireland, France, Saint Lucia and Ukraine respectively.

### Quorum

A check on the attendance showed that 88 countries were represented in the hall. As the quorum had been set at 84, the Committee could proceed to business.

### Fixing the expenditure ceilings for the next financial period (1996 to 2000)

The Committee continued its examination of the Director-General's report on the finances of the Union, first tackling the factors for fixing the ceilings of the Union's recurrent expenditure for 1996–2000 (Congress – Doc 19/Annex 10/Rev 2). The Chairman announced that the ceilings for that five-year period totalled 175 064 400 Swiss francs, fixed on the basis of an annual sum of 32 165 500 Swiss francs, giving an average annual ceiling level of 35 012 880 Swiss francs and a nominal increase of 8.85 percent.

### Congress – Doc 19 part II (cont)

The representative of Japan asked whether Committee 2 (Finance) was in a position to consider the share of the financial implications of EDI activities amounting to one million Swiss francs a year which would be financed out of the ordinary budget (Congress – Doc 75b). The Chairman replied that the said amount was contained in the basis for fixing the ceilings and that, consequently, the Committee saw no reason to consider it.

The representative of France expressed the wish that the expenditure relating to the two existing French translators' posts should not be deducted from the basis until Congress had given a ruling on the setting up of a French Translation Service.

One delegation inquired whether the savings made by abolishing a P 3 post in Division III of the International Bureau from 1996 would be enough to finance a P 5 Regional Adviser's post for the Caribbean. The Chairman specified that, following analysis by the International Bureau, credits were available to deal with that requirement.

The Committee examined the question of whether the gross expenditure of the 1995 budget was more appropriate as the basis for fixing the ceilings of the

Union's recurrent expenditure. As opinions were divided, the Committee put the matter to the vote, coming out in favour of the net expenditure of the 1995 budget as its initial basis.

One delegation suggested that the estimates for covering the costs of regulation step increases in the same grade of staff from 1996 to 2000 be adjusted, bearing in mind the savings which would be made by the retirement of certain International Bureau officials. The International Bureau replied that it was preferable to retain the present calculation system for the following reasons:

- the calculation was made by computer on the basis of the staff posts contained in the 1995 budget;
- the savings thus made would be used to finance the moving costs and installation grants of new officials;
- standard costs were taken into consideration for budgeting vacant posts.

That delegation accepted the International Bureau's explanations.

The Committee went on to deal with B, 3 of Congress – Doc 19/Annex 10/Rev 2 "Remuneration of additional staff to cope with expansion of Union work".

One delegation commented that the estimates for two G posts for philately had been counted twice, because they had already been included in the initial basis. The Assistant Secretary-General reminded the Committee that those posts had been re-established at 1 January 1994 at the Executive Council's request (decision CE 28/1993) and that they were being financed by the overall savings which would be made on the Union budgets for 1994 and 1995. Moreover, he stressed the need to regularize the situation by adding the specific credits for those two posts to the initial basis. Following a wide-ranging discussion, the Committee approved increasing the basis by the amount of the budgetary forecasts for those two posts.

Several delegations suggested that the creation of the accountant's post be studied by the Council of Administration in 1997 or 1998, given the development of information technology on the one hand and the taking up of the internal auditor's post in 1995. The Assistant Secretary-General referred to the External Auditor's recommendation in favour of creating such a post because the International Bureau Finance Section had never had a chartered accountant. The majority ruled in favour of creating that post from 1996 because of the increased volume of work of the International Bureau Finance Section and of the complexity of the Union's accounting system.

One delegation opposed the creation of the new French translator's post even if Congress did not approve the setting up of a French Language Group. However, the majority of Committee members came out in favour of creating that post.

The meeting rose at 6.30 pm.

For the Committee:

H Engelke  
Chairman

H-L Gentizon  
Secretary

P Suprpto  
T Mizutani

Assistant Secretaries

### **Third meeting**

Thursday, 8 September 1994, 3 pm

In the chair: Mr H Engelke, Chairman

- Proxies                   Belize, Dominica, Georgia, Jamaica, Latvia, Liechtenstein, Malta, Saint Christopher and Nevis, Tajikistan and Turkmenistan were represented at all the meetings by Barbados, Great Britain, the Russian Federation, Guyana, Finland, Switzerland, Ireland, Saint Lucia, Uzbekistan and Ukraine respectively.
- Quorum                   A check of attendance revealed that 92 countries were represented in the hall. As the quorum had been set at 86, the Committee was able to proceed to business.
- Approval of report       The report of the first meeting (Congress/C 2 – Rep 1) was approved.
- Setting the expenditure ceiling for the next financial period (1996 to 2000)       The Chairman recalled that the Geneva Group was responsible for ensuring that the Union budget maintained zero growth in real terms. Taking due account of that policy, the Executive Council had approved the Union budget on the basis of gross recurrent expenditure. The Chairman explained that the method used for setting the ceilings was to add the new items to (or remove them from) the set expenditure of the 1995 budget.
- Congress – Doc 19 part II (cont and conclusion)       Great Britain said that it stood by the principle that annual budgets would have to be maintained at the level of zero growth in real terms. It was concerned because by adopting ceilings considerably higher than such growth, it would be difficult to maintain financial control of the Union. Nevertheless, it admitted that some flexibility had to be allowed when setting the ceilings, it being understood that only a very small percentage above zero growth in real terms should be allowed.
- Following Australia's initiative, the delegations of Canada, France, Italy, the Netherlands, Thailand and the United States of America stated that the principle of maintaining zero growth in real terms when preparing the Union budget would have to be strictly applied at Council of Administration level. Nevertheless, the flexibility required in order to deal with the need to undertake new activities for postal development within the Union could be financed by means of extra-budgetary funds.

The Chairman pointed out that Congress should not impinge on the freedom of the Council of Administration and that it could only urge that Council to respect zero growth.

Zimbabwe, Japan and the Central African Rep stressed that they were not in favour of strict observance of zero growth in real terms in connection with the ceilings for the next five-year period because:

- the Union had already observed zero growth in real terms throughout the 1991–1995 financial period;
- it had shown great effectiveness in its financial management;
- Congress was anticipating an important change in respect to the future management of the Union;
- if Congress approved the ceilings representing zero growth in real terms, the Union would be tying its hands with regard to the changes required for the future.

Great Britain said that member countries wanted the Union to be competitive in the execution of its programmes requiring substantial financial resources, although zero growth in real terms was an important principle. Supporting Great Britain's statement, the Assistant Secretary-General informed the Committee that the Union had never exceeded zero growth in real terms throughout the 1991 to 1995 financial period.

Japan suggested that the ceilings should allow some flexibility not exceeding a small percentage of real growth, and that the Council of Administration should correct that growth rate downward when preparing the budget.

Following Australia's initiative, the Chairman proposed that a restricted working party made up of Australia, Canada, France, Japan, Thailand and the International Bureau be set up to draft a joint statement about the application of the policy of zero growth in real terms to the financial management of the Union. That statement should in principle be submitted to a plenary meeting.

Regarding compensation for inflation recorded since the 1989 Washington Congress as shown in B, item 4, of annex 10 to Congress – Doc 19, one delegation wondered whether the rate of inflation would really amount to 26 percent. The International Bureau explained that the Union applied the inflation rates laid down by the United Nations and not those used in Switzerland.

Switzerland, supported by four delegations, recalled that the amounts adopted as compensation for inflation since the 1989 Washington Congress should be maintained, since the expenditure for the Regional Advisers was incurred outside Switzerland.

Since no delegation contested the view expressed by Switzerland, the Committee approved the amounts shown under B, item 4, of annex 10 to Congress – Doc 19.

Since no comment was made under C "Other operating costs of the International Bureau" and D "Implementation of new activities and stepping up of special activities", the Committee approved all of C, items 5 to 7, and all of D, items 8 to 10.

No comment was made about the financial repercussions of activities relating to postal security (Congress – Doc 23/Add 1), or about those for travel by representatives of the Joint Strategic Planning Group member countries and of additional Council of Administration and Postal Operations Council member countries. Moreover, following a statement by the Chairman of the International Bureau Staff Association, the sum of 476 000 Swiss francs was allocated for English-language training for the staff of the International Bureau from 1996 to 1998.

Following the statement by Committee 6 concerning environmental protection studies (Congress – Doc 78) and the costs of consultants for POC studies (Congress – Doc 68), the Committee agreed to include the sum of 149 000 Swiss francs for each of the years 1996 to 2000.

The Committee approved all of E, items 11 to 14, which took account of the above-mentioned financial implications.

In accordance with a Committee 3 decision of 7 September 1994 to establish a French language group, the Committee decided to deduct the costs of the two existing translators from the initial basis. France made a reservation about deduction of that amount, since the establishment of the French language group would only be discussed in plenary meeting. Nevertheless, the Chairman pointed out that the ceilings had to be set provisionally by the Committee on the basis of the data currently available.

The Committee decided on the following amounts of recurrent expenditure ceilings, which it proposes to Congress for insertion in article 124, paragraph 1, of the General Regulations:

35 278 600 Swiss francs for 1996  
35 126 900 Swiss francs for 1997  
35 242 900 Swiss francs for 1998  
35 451 300 Swiss francs for 1999  
35 640 700 Swiss francs for 2000.

The United States of America said that it dissociated itself from the ceilings that the Committee had just approved, as it preferred ceilings of a lower level.

In reply to a question raised by a delegation, the International Bureau said that the average annual rate of growth of gross recurrent expenditure represented by the Union expenditure ceilings was 3.90 percent in real terms. At the same time, it should be noted that the budget forecasts for EDI activities and retention of the post of Programme-Budget Coordinator were included in the basis for setting the ceilings of recurrent expenditure for 1996 to 2000.

Fixing the expenditure ceiling for the new edition of the International List of Post Offices

(Congress – Doc 19, part II)

The Committee approved publication of the new edition of the International List of Post Offices and proposed to Congress that it authorize the Council of Administration to exceed the limits of annual recurrent expenditure of the Union set in article 124, paragraph 1, of the General Regulations. The total amount of the overrun authorized for that purpose must not exceed 900 000 Swiss francs. Consequently, article 124 of the General Regulations was amended to take account of that decision.

Major and unforeseen repairs to the International Bureau building

(Congress – Doc 19, part II)

The Committee decided that notwithstanding article 124, paragraph 1, of the General Regulations, Congress should delegate to the Council of Administration, or in case of extreme urgency, to the Director-General, the power to authorize the prescribed limits to be exceeded to meet the cost of major and unforeseen repairs to the International Bureau building, provided however that the amount of the overrun does not exceed 125 000 Swiss francs per annum. Article 124, paragraph 5, was amended accordingly.

Question of the billing date for contributions

(Congress – Doc 19, part II)

The Committee decided that Congress should authorize the International Bureau to bill, in June of each year, the contribution based on the budget of the preceding financial year taking into account the inflation rate set by the Consultative Committee on Administrative Questions of the United Nations common system, it being understood that the bill could be adjusted at the conclusion of the autumn Council of Administration.

Work of the Executive Council Working Party for the financing of the Union's activities

(Congress – Doc 19, part III)

The Committee considered part III of the document and decided without discussion that Congress should:

- approve the draft resolution "Financing of the Union's priority activities";
- express its agreement on the broad policy lines relating to financing of the Union's activities, indicated in part III of Congress – Doc 19, taking into account proposal 048 as amended by Committee 3;
- instruct the Council of Administration, in cooperation with the Postal Operations Council and the International Bureau, to consider the International Bureau proposals appearing in part III, chapter 5, of Congress – Doc 19.

Ceiling of expenditure for the 22nd Congress

(Congress – Doc 19, part II, and Congress – Doc 19/Add 1)

The International Bureau had worked out the approximate costs of the 22nd Congress on the basis of the information given in Congress – Doc 80. The Committee proposed to Congress that it set the ceiling of expenditure for the next Congress at 3 599 300 Swiss francs according to the details given at annex 2. For that estimate, the length of the next Congress was kept at four weeks.

Final report of  
Committee 2  
(Finance)

The Secretariat was instructed to prepare a final report to Congress (Congress – Doc 83) reflecting all the decisions reached by the Committee. The Chairman was authorized to sign the report on behalf of the Committee.

Conclusion of the  
proceedings

After thanking the Chairman, the Russian delegation reminded the meeting that its reception had already begun.

The meeting rose at 7.15 pm.

For the Committee:

H Engelke  
Chairman

H-L Gentizon  
Secretary

P Suprpto  
T Mizutani  
Assistant Secretaries

## Reports of Committee 3

### First meeting

Friday, 26 August 1994, 3.05 pm

In the chair: Mr K J S McKeown, Chairman

#### Opening of proceedings

Opening the first meeting of Committee 3, the Chairman cordially welcomed all the members, delegates and observers, the Vice-Chairmen of the Committee as well as the Doyen of Congress, the Secretary-General, the Assistant Secretary-General and Assistant Director-General I. He recalled the importance of the work awaiting the Committee and said he was convinced that, with the cooperation and support of each and everyone, the Committee would produce constructive results which were acceptable to all Union member countries. The bulk of the Committee's work was the result of intensive work by the Executive Council, its Committee 3 and the WP 3/3 Working Party. Valuable assistance had also been given during the study by the CCPS and the International Bureau.

In his opening address, the Secretary-General expressed his warm greetings to the Committee whose work was of particular importance. The decisions the Committee was called upon to make were in many cases the result of intensive preparatory work done by the Executive Council and the various bodies it had set up for that purpose. They would mainly cover the reform of the Union and the introduction of a strategic planning and programme-budget system. The UPU had to adapt its structures and its method of operation to face better the changes taking place in the postal world. Committee 3's work would make it possible to take a decisive step towards improving management of the Union. But the important thing was for all bodies to take an active part in that reform and it would be up to the future Council of Administration to continue down the path marked out by the 21st Congress if the UPU was to adapt to new market demands. The reform must not remain a dead letter; it had to be consolidated by acts and the UPU needed a budget to enable it to follow the path marked out.

#### Secretariat

Mr L P Ducommun, Senior Counsellor, was appointed Secretary of the Committee, Messrs H R Ranaivoson, Assistant Counsellor, and C Finkpon, First Secretary, as Assistant Secretaries and Messrs T Beaucent, Assistant Counsellor, and T Mizutani, First Secretary, as Aides.

#### Quorum

A check revealed that the quorum of 78 had been attained.

Approval of the agenda

Congress –  
Doc 9/ Rev 1

The agenda was approved.

Under this item, the Committee examined the conditions of participation by the International Chamber of Commerce in its work. In plenary, Congress had approved such participation in principle and had left it to the Committees concerned to determine the sittings and agenda items which might be involved.

During the discussion, several delegations opposed the presence of the International Chamber of Commerce in the proceedings of Committee 3 which dealt with fundamental issues that did not come within the purview of a Chamber of Commerce and might have political repercussions.

Other delegations, however, stressed that the Committees had to respect the Congress plenary decision. Congress was made up of plenipotentiaries representing their Governments. It was not a business cartel. The Chamber of Commerce grouped together both clients and rival businesses towards which the UPU should prove it was opening up.

The Committee approved by 60 votes to 46, with 21 abstentions, its Chairman's proposal to admit the International Chamber of Commerce as an observer during the discussion of agenda item 3.

The Chairman would contact the International Chamber of Commerce delegation when it was presented to Congress.

Restructuring of the Union

Congress –  
Doc 70/Rev 1

The representative of the United States of America, which had chaired the Executive Council Working Party responsible for studying the management of the Union's work, presented Congress – Doc 70/Rev 1. He emphasized in particular the various stages of the work on implementing Washington Congress resolution C 8/1989. It was essential for the Union to adapt to its members' structural changes and to devote even more energy to its customers' requirements. The proposed reform tried to meet this need by advocating better organization of the Union's work, on the one hand, and the introduction of a strategic planning and programme-budget system on the other.

The Chairman of the EC Working Party expressed his gratification with member countries' active participation in the preparatory work, specifically by answering the questionnaires and helping at workshops or at the meeting of expanded EC Committee 3. He thanked the Chairmen of the EC and the CCPS, the International Bureau, the EC Working Party members and the Project Management Team, concluding with the remark that the proposals submitted to Congress were merely one stage on the way to improving the management of the Union's work and that this task would have to be continued after Congress, in order to take account, among other things, of the changing environment.

During the discussions, two speakers expressed their satisfaction with the excellent work done. Most of them also came out in favour of continuing the reforms after Congress to ensure optimum adaptation of the Union to the international postal environment. Some delegations highlighted the need to obtain a structure which took better account of the separation of regulator/operator functions in order to eliminate any obstacles to fair competition on the postal market and to more clearly define the concepts of member country and postal administration.

The hierarchy between the Council of Administration and the Postal Operations Council could also be specified, along with the representation of members in the various bodies.

The Committee considered the Executive Council report as a whole and noted the relevant proposals that were to be the subject of later discussions.

Name of the two Councils

Congress –  
Doc 70/Rev 1,  
paragraph 17

*Proposal 10. 13.1/Rev 1 and consequential proposals*

At the end of its study on the management of the Union's work, the Executive Council considered that the new Councils should be given names which corresponded better to the changed nature of their activities. The Executive Council would thus be replaced by the Council of Administration (CA) and the Consultative Council for Postal Studies by the Postal Operations Council (POC).

Put to the vote, after the quorum was checked, proposals 10. 13.1/Rev 1, 10. 8.1, 10. 17.1, 10. 20.1, 10. 22.1 and 10.25.1 were approved by 129 votes to 1 with 0 abstentions subject to substantive amendments which would be made later to some provisions.

Other consequential proposals were also adopted, namely 15. 101.1, 15. 102.3, 15. 103.1, 15. 104.1, 15. 105.1, 15. 108.1, 15. 109.1, 15. 113.1, 15. 116.1, 15. 118.1, 15. 120.1, 15. 121.1, 15. 122.1, 15. 124.3, 15. 125.1, 19. 4.1, 19. 6.1, 19. 7.1, 19. 15.1, 19. 21.1, 19. 23.1, 19. 25.1, 20. 10.1, 20. 24.1, 20. 57.1, 25. RE 4128.2, 25. RE 5801.1, 30. 41.1, 35. RE 4201.1, 40. 13.1, 45. RE 1303.1, 50. 17.1, 55. RE 1702.1, 60. 9.1 and 65. RE 903.1.

Transfer to the POC of responsibility for drawing up Detailed Regulations

Congress –  
Doc 70/Rev 1,  
paragraph 18

*Proposal 10. 22.2 and consequential proposals*

The 1989 Washington Congress had taken the first step by transferring to the Executive Council responsibility for drawing up Detailed Regulations. The Executive Council proposed going further, giving this responsibility to the new Postal Operations Council. Detailed Regulations were, in fact, more the business of the public operators than of the regulators. That proposal was in conformity with the broad lines marking out the respective responsibilities of the two new bodies. The Council of Administration would deal with questions of government policy and would lay down the principles that it considered appropriate while the Postal Operations Council would be responsible for operational, commercial, technical and economic questions affecting the postal service.

Some delegations raised the question of the responsibility for drawing up Detailed Regulations as these contained certain provisions with financial aspects that had political repercussions. As was rightly pointed out in Congress – Doc 70/Rev 1, paragraph 18, the Operational Council would remain subject to the Council of Administration's directives on matters of fundamental public policy and principle.

Bearing in mind the fact that the Postal Operations Council could also amend the Detailed Regulations between Congresses in urgent cases, the Committee finally adopted the idea of supplementing article 104, paragraph 9.1bis, of the General Regulations along those lines. The matter would be reconsidered when studying proposal 15. 104.5.

Put to the vote after verification of the quorum, proposals 10. 22.2 and 10. 25.2 were unanimously adopted by the 128 member countries present.

The other consequential proposals were also adopted, namely 15. 102.4, 15. 109.2, 15. 120.2, 15. 121.2, 15. 122.2, 19. 15. 2, 20. 24.2, 20. 57.2, 25. RE 5801.2, 30. 41.2, 35. RE 4201.2, 40. 13.2, 45. RE 1303.2, 50. 17.2, 55. RE 1702.2, 60. 9.2 and 65. RE 903.2.

Proposal 15. 104.2 was adopted provisionally, subject to a foreshadowed addition regarding competencies of the two Councils.

The meeting rose at 6.15 pm.

For the Committee:

K J S McKeown  
Chairman

L-PH Ducommun  
Secretary

H R Ranaivoson  
C Finkpon  
Assistant Secretaries

**Second meeting**

Monday, 29 August 1994, 3.10 pm

In the chair: Mr K J S McKeown, Chairman

**Quorum**

A check of attendance revealed that the quorum of 80 had been attained by a wide margin.

**Organic structure  
Congress –  
Doc 70/Rev 1,  
paragraph 19**

The Committee successively considered the five series of proposals relating to the organic structure and concerning:

- a the composition and functioning of the Council of Administration;
- b the functions of the Council of Administration;
- c the composition and functioning of the Postal Operations Council;
- d the functions of the Postal Operations Council;
- e the majorities needed to amend the Convention or the Agreements between Congresses.

**a Composition,  
functioning  
and meetings  
of the Council  
of Administra-  
tion**

Proposal 15. 102.5/Rev 1 introduced the following major changes to the composition and functioning of the Council of Administration in relation to the former Executive Council:

- The number of seats would be increased to 41 so as to allocate an additional one to geographical group 2, a group whose number of countries had recently increased.
- Limiting the number of consecutive terms to two and the obligation to renew at least half of the seats at each Congress would be abolished.
- Each member would designate its representative who would no longer necessarily be a representative of the postal administration but would have to be competent in postal matters.
- The Management Committee would be institutionalized in the Acts.
- All Union member countries would be able to contribute to the studies and could be invited to chair Working Parties, providing, however, that their participation entailed no additional expense to the Union.

**Proposals  
15. 102.5/  
Rev 1, 015 and  
05/Rev 1**

The purpose of proposal 015 was to waive the provisions of article 102, paragraph 3, of the General Regulations which concerned the mandatory rotation of the members of the Executive Council, it being understood that the Council of

Administration established by the Seoul Congress was a new body whose powers would have a new focus. Limiting consecutive terms to two and the obligation to renew at least half the seats would not apply to the elections during the present Congress. If both requirements were removed from article 102, paragraph 3, of the General Regulations, proposal 015 would lapse.

Proposal 05/Rev 1 sought to alter the distribution of geographical groups used as the basis for electing the members of the Council of Administration, as a result of the socio-political changes that had occurred in Eastern Europe and the resulting increase in the number of Union member countries. The number of geographical groups would be reduced from five to four.

The Committee began by considering the matter of the number of geographical groups.

Delegations supporting the idea of reducing the number of geographical groups to four mentioned a better breakdown by geographic affinity, a better balance between the various groups, and a simplified, logical and rational election procedure.

Opponents pointed to the important and delicate political consequences of the proposal, which would extend beyond the postal field, and felt that a thorough study of the entire problem by the next Council of Administration would be needed before a decision could be made. This was a complex, multi-faceted issue, one that could not be resolved by simple arithmetic. The study should also look into the practice followed by other international organizations of the United Nations system, the ITU in particular.

Put to a vote, proposal 05/Rev 1 was rejected by 85 votes to 24 with 21 abstentions. It was referred to the Council of Administration for study.

Paragraph 3 of proposal 15. 102.5/Rev 1 and proposal 015, concerning mandatory rotation of the members of the Council of Administration, generated a wide-ranging discussion during which three main lines of thought came to light.

According to the delegations supporting abolition of mandatory rotation, the rotation system prevented some dynamic and efficient countries from seeking a third consecutive term. It was detrimental to the efficiency of the Union and a practice contrary to that of the other specialized agencies of the United Nations. Eliminating it would be the logical corollary of the radical change in the organization of the Union and would correspond to the procedure followed hitherto by the CCPS, a procedure that had not given rise to any problems. It was all the more justified in that some of the powers of the former Executive Council were being transferred to the Postal Operations Council.

Those supporting the status quo felt that the mandatory rotation system, which had proved its worth, had incentive value and was more in keeping with the universality of the Union. It gave every member country an opportunity to contribute to the Council's work and to participate in the making of decisions. At the same time, it avoided the presence of permanent members. They had to be able to count on contributions from all member countries.

A third group of speakers was generally in favour of the principle of mandatory rotation, but felt that the major changes made by the present Congress to the functioning and duties of the new bodies justified an exception to application of the principle, without, however, abandoning it in the future.

Following a first vote and after verifying the quorum, the second part of paragraph 3 of proposal 15. 102.5/Rev 1 was rejected by 108 votes to 18, with 6 abstentions.

In reply to a question by a delegation concerning the consequences of adopting proposal 015, the International Bureau said that it would mean doing away with the past and starting again from the beginning with the creation of the new Council of Administration. All member countries could thus stand for election in 1994 and 1999, but there would then be the question of renewing at least half the members of the Council in 1999.

Some delegations took issue with that interpretation, feeling that the solution to the problem should not be deferred five or ten years.

In the view of the United States of America, which had chaired the Executive Council Working Party, in five years no country would have served two terms, but at least half of the outgoing members would have to withdraw. Regardless of the fact that certain countries would not run for re-election or would not necessarily be re-elected, several solutions were possible, for example, eliminating re-elected members that received the least number of votes. It would nevertheless be premature to take an immediate decision.

Put to a vote, proposal 015 was rejected by 74 votes to 43, with 17 abstentions.

Subject to the second part of paragraph 3, proposal 15. 102.5/Rev 1 was adopted in its entirety by consensus.

The additional seat on the Council of Administration was allocated to geographical group 2 (Eastern Europe and Northern Asia) and resolution C 11/Lausanne 1974 was amended accordingly.

b Functions of the Council of Administration

Proposals  
15. 102.6,  
10. 17.2,  
15. 102.8/  
Rev 1 and  
15. 102.11

By its proposal 15. 102.6, the Executive Council suggested that the Council of Administration be responsible for supervising between Congresses, general principles and broad policies, primarily as regards mandatory services. Its roles and responsibilities would be the following in particular:

- supervision of all activities between Congresses;
- overseeing development and implementation of general principles and broad policies for mandatory services;
- approval of updates to strategic plan between Congresses;
- intergovernmental aspects of technical cooperation;
- overseeing quality of service (policy and principles);
- agreement of international technical standards impacting delivery services industry as a whole;
- approval of the budget;
- overseeing approval of proposals to change provisions in the Convention and Agreements between Congresses;
- providing control over the activities of the International Bureau;
- taking decisions regarding contacts with international agencies and outside bodies.

Proposals 10. 17.2 and 15. 102.8/Rev 1 had the same purpose: to entrench in the Constitution and the General Regulations strategic planning and budgetary control, two important functions of the Council of Administration. The latter's role could not be confined to approving the draft prepared by the Postal Operations Council and the responsibilities of each Council had to be clearly defined.

In the view of the spokesman for the Executive Council, such mention in the Acts would limit the independence and essential role that proposal 15. 104.5, paragraph 9.9, sought to give the Postal Operations Council as regards preparation of the Strategic Plan with the support of the International Bureau and in consultation with the Council of Administration. Moreover, the decision-making primacy of the Council of Administration was already affirmed in paragraph 6.28bis of proposal 15. 102.6 and, as regards budgetary and financial aspects, in article 102, paragraph 6.5, of the General Regulations, as well as, in a general way, in paragraph 6.1 of the same article.

Put to a vote after verification of the quorum, proposal 10. 7.2 was rejected by 61 votes in favour and 58 against, with 14 abstentions.

Paragraph 6.1 of proposal 15. 102.6 was adopted by 124 votes to 2, with 8 abstentions.

As a result, proposal 15. 102.8/Rev 1 was rejected.

The meeting rose at 6.05 pm.

For the Committee:

K J S McKeown  
Chairman

L-Ph Ducommun  
Secretary

H R Ranaivoson  
C Finkpon

Assistant Secretaries

**Third meeting**

Tuesday, 30 August 1994, 3.05 pm

In the chair: Mr K J S McKeown, Chairman

**Quorum** A check of attendance showed that the quorum of 80 was attained by a wide margin.

**Observer** The representative of the International Chamber of Commerce, Mr G Jiménez, was attending the proceedings relating to agenda item 3 as an observer, in accordance with the decision made by the Committee at its first meeting.

*Organic structure*

**b Functions of the Council of Administration** The Committee continued its consideration of proposal 15. 102.6. Proposal 15. 102.6 was adopted by consensus, subject to:

- Proposals  
15. 102.6,  
10. 17.2,  
15. 102.8/  
Rev 1 and  
15. 102.11  
(cont)
- = replacing in paragraphs 6.17, 6.26 and 6.27 the words "in consultation with" by "after consulting";
  - = amending paragraph 6.17 as follows: "after consulting the Postal Operations Council, to decide on the contacts to be established (remainder unchanged);".

The aim of proposal 15. 102.11 was to include the Council of Administration's power to lay down the rules governing the Special Fund and those governing the Voluntary Fund among the functions listed in article 102 of the General Regulations.

Proposal 15. 102.11 was adopted by consensus.

- c Composition, functioning and meetings of the Postal Operations Council
- Proposals  
15. 104.3,  
15. 104.4 and  
016

Proposal 15. 104.3, paragraph 3 of which would be considered under item 3.5 on the Committee's agenda, contained the amendments suggested by the Executive Council in regard to the composition and functioning of the new Postal Operations Council. According to paragraph 1, the number of members would be increased to 40 to take account of its new functions and of the increase in the membership of the Union. Paragraph 2 was a compromise in that the system of qualified geographical distribution of seats it proposed was halfway between the two systems that formerly applied to the Executive Council and the Consultative Council for Postal Studies. That compromise was detailed in proposal 016. The amendments to the other paragraphs were equivalent to those made to the corresponding provisions concerning the Council of Administration.

The purpose of proposal 15. 104.4 was to introduce, for the election of members of the Postal Operations Council, the principle of equitable geographical distribution and limitation of countries' terms, as for the Council of Administration. In support of its proposal, the originator pointed out that it was unfair to divide the seats on the Postal Operations Council equally between the developed and the developing countries and to allow certain countries to keep their Council seats for too long.

After agreeing to increase the number of Postal Operations Council seats to 40, the Committee considered in conjunction with one another paragraph 2 of proposal 15. 104.3 and proposals 15. 104.4 and 016 which dealt with the method of election of the members of that Council.

The speakers in favour of the Executive Council proposal pointed to the need, for the survival of the postal services and the smooth functioning of the Union in the present competitive environment, to preserve the financial and technological input of the developed countries and hence their participation in the work of the Postal Operations Council. Such participation was in the interests of the developing countries themselves. One delegation, however, expressed the wish that a country should not be able to be a member of both Councils at the same time.

In the view of other delegations, the system of equitable geographical distribution was justified by the fact that the new Council was endowed with much more extensive functions and wide powers of decision, in particular as regards drawing up the Detailed Regulations. That system guaranteed the universality of the Union.

Views were also divided on the possible introduction of the system of mandatory rotation of Council members, as this question was not necessarily linked to that of the geographical distribution of seats.

The United States of America, spokesman of the Executive Council, pointed out that introduction of the system of equitable geographical distribution would cause problems within the Postal Operations Council because, after 10 years, only European developed countries would still be able to be re-elected. That Council was responsible for operational and commercial questions and should not be subject to political constraints. The Union had need of additional contributions from the developed countries.

On the Secretary-General's proposal, a working party was set up consisting of Argentina, Belgium, Costa Rica, France, Iran (Islamic Rep), Pakistan, Tanzania (United Rep), the United States of America and the International Bureau with instructions to seek a compromise between the various currents of opinion expressed. The working party would submit its conclusions to the Committee's next meeting.

Subject to paragraphs 2 and 3, proposal 15. 104.3 was adopted by consensus.

- d Functions of the Postal Operations Council
- Proposals
10. 18.1,  
15. 104.5,  
15. 104.2,  
15. 104.7,  
20. 10.2 and  
19. 25.2

In view of the important place that would be occupied by commercial and operational questions among the functions of the Postal Operations Council, the Executive Council had seen fit to supplement article 18 of the Constitution. That was the subject of proposal 10. 18.1, which defined the Postal Operations Council's purview.

Several trends of opinion came to light during the discussion.

Many delegations supported the Executive Council proposal. One thought, however, that the adjective "technological", which implied postal research, would be more suitable than "technical". Others referred to the concepts of neutrality and competitiveness which had been mentioned during the General Debate and opined that this should be associated with the idea of commerce.

Spain, supported by other delegations, found the term "commercial" to be inappropriate, especially in the Constitution. It also considered the listing of the Postal Operations Council's functions as proposed in article 18 superfluous since it was already detailed in proposal 15. 104.5. It therefore submitted the following amendment: "The Postal Operations Council shall be entrusted with operational questions concerning the postal service."

The United States of America, spokesman of the Executive Council, reminded the meeting that the text proposed by the Executive Council was the product of intensive discussion held at the February 1994 session. The terms employed reflected the objectives of the Washington General Action Plan (resolution C 91/1989) concerned in particular with meeting the demands of postal customers.

Put to a vote after the quorum had been checked, Spain's amendment was rejected by 108 votes to 15, with 22 abstentions.

Proposal 10. 18.1 was adopted by 129 votes to 1, with 13 abstentions.

Proposal 15. 104.5 defined the new functions of the Postal Operations Council. Several of them had been performed by the former Executive Council and were related to the new functions of the Council of Administration as defined in article 102 of the General Regulations and on which the Committee had already ruled.

Proposal 15. 104.5 was adopted by consensus in its entirety, subject to two amendments submitted by Brazil, which would form the subject of a written proposal.

The meeting rose at 6.05 pm.

For the Committee:

K J S McKeown  
Chairman

L-Ph Ducommun  
Secretary

H R Ranaivoson  
C Finkpon  
Assistant Secretaries

**Fourth meeting**

Wednesday, 31 August 1994, 3.05 pm

In the chair: Mr K J S McKeown, Chairman

**Quorum**

A check on the attendance showed that the quorum of 81 was clearly attained.

**Organic structure**

c Composition,  
functioning  
and meetings  
of the Postal  
Operations  
Council

Proposals  
15. 104.3,  
15. 104.4,  
15. 104.8 and  
016  
(cont)

The representative of the United States of America presented the conclusions of the Working Party responsible for finding a compromise solution for the distribution of seats and mandatory rotation of Postal Operations Council members. The new text proposed by the Working Party for article 104, paragraph 2, of the General Regulations was the subject of proposal 15. 104.8 which contained the three components adopted, namely qualified geographical distribution, the allocation of 24 seats to the developing countries and 16 to the developed countries, as well as the renewal of at least half the seats at each Congress. The question of the renewal modus would be studied later by the Postal Operations Council and a decision taken by the next Congress. Several mechanisms were possible.

Proposal 016 supplemented proposal 15. 104.3 by clarifying the qualified geographical distribution of Postal Operations Council seats. Twenty-five seats were allocated according to geographical distribution, on the basis of 60 percent of the number of seats by geographical group in the Council of Administration. In practical terms, the procedure would be as follows:

Candidates would be ranked in decreasing order of the number of votes obtained. The countries elected would be determined successively as follows:

- i the first 5 countries of group 1;
- ii the first 3 countries of group 2;
- iii the first 4 countries of group 3;
- iv the first 6 countries of group 4;
- v the first 7 countries of group 5;
- vi the number of developing countries not yet elected needed to make up the 24 developing countries elected;
- vii the number of developed countries not yet elected needed to make up the 16 developed countries elected.

Put to the vote after checking the quorum, proposal 15. 104.8 was adopted by 126 votes to 9, with 4 abstentions.

Paragraph 2 of proposal 15. 104.3 as well as proposal 15. 104.4 lapsed.

Proposal 016 was approved unopposed, subject to the deletion of the footnote.

After the meeting, Gabon deposited the following statement:

"The delegation of Gabon, without wishing to call into question the proposals adopted in respect of the election of the members of the Postal Operations Council, particularly proposals 15. 104.3 and 15. 104.8 to amend article 104 of the General Regulations, wishes to express its concern about the impending introduction into the Acts of the Union of the distinction 'developed countries' and 'developing countries'.

"The Gabonese delegation believes that, although this distinction was used as a criterion in the proposal to amend article 104 of the Regulations, it cannot be enshrined in the Acts without significantly undermining the principle of universality defined in article 1, paragraph 1, of the Constitution of the Universal Postal Union.

"It believes that reference to the concepts of 'developed countries' and 'developing countries' could be made in the annotations by the International Bureau, the table resulting from adoption of proposal 016 in itself serving to explain the amendments made and as a basis for election of the members of the Postal Operations Council during the present Congress.

"In any case, the Gabonese delegation wishes that the study on designating the members of the POC be continued by the next Council of Administration."

d Functions of the Postal Operations Council

At its third meeting, the Committee had adopted proposal 15. 104.5 subject to two amendments submitted orally by Brazil. Those amendments were now the subject of proposal 15. 104.9.

Proposals

10. 18.1,  
15. 104.5,  
15. 104.2,  
15. 104.7,  
15. 104.9,  
20. 10.2 and  
19. 25.2

Some delegations did not think it expedient to add paragraph 9.0bis, since supervision of the activities of the Union was primarily the responsibility of the Council of Administration. Consequently, the originator waived that part of his amendment.

Paragraph 9.9bis of proposal 15. 104.9 was adopted by consensus and proposal 15. 104.5 thus supplemented was definitively adopted.

At its first meeting, Committee 3 had provisionally adopted proposal 15. 104.2, subject to the addition which had yet to be made about the respective powers of the two Councils in respect of Detailed Regulations. That addition was the subject of amendment 15. 104.7 which specified that the Postal Operations Council took account of Council of Administration guidance on matters of fundamental policy and principle when revising the Detailed Regulations.

Several delegations supported the amendment while others insisted on the balance sought by the Executive Council between the attributions of the new Councils, expressing concern that the proposed amendment might destroy that balance.

Put to the vote after checking the quorum, proposal 15. 104.7 was adopted by 98 votes to 30, with 14 abstentions. Proposal 15. 104.2, thus amended, was definitively adopted.

Proposal 20. 10.2 concerning article 10 of the Convention, was a consequence of the amendment to article 104, paragraph 9.4, of the General Regulations. The authority to revise and amend postage charges for letter-post items between two Congresses was transferred to the Postal Operations Council, necessitating the amendment of article 10 of the Convention which made revision and amendment also subject to Council of Administration approval.

The new description of the attributions of the two Councils made the assignment of tasks, as described in article 25 of the Rules of Procedure of Congresses, superfluous. Proposal 19. 25.2 made the necessary amendments to that article.

Proposals 20. 10.2 and 19. 25.2 were adopted by consensus.

e Conditions for approval of proposals concerning the Convention and the Agreements

As part of its study on the management of the Union's work, the Executive Council had also been instructed to revise the procedure for amending the Acts between Congresses with a view to making it more flexible. To do so, it proposed replacing unanimity by two thirds of the votes and two thirds by a majority of votes in all cases.

The representative of Spain requested that, in proposal 20. 57.3, paragraphs 3.2 and 3.3 be merged since both provided for the same majority.

Proposals  
20. 57.3,  
30. 41.3,  
40. 13.3,  
50. 17.3 and  
60. 9.3

The representative of Japan proposed adding in each case a new provision enabling member countries whose domestic legislation was not compatible with the amendment introduced to send the International Bureau Director-General a written reservation declaring their inability to accept that amendment.

Several delegations raised the question of the right to make reservations and conditions to their acceptance. The Secretary said that a procedure was provided for reservations to the Detailed Regulations and wondered whether a reservation to an amendment to the Convention or an Agreement should be made by a postal vote or should take the form of a unilateral declaration. One delegation suggested that a unilateral declaration should be allowed, subject to ratification by the next Congress.

To provide further information on the subject, the Committee instructed the Secretariat to prepare and distribute a document on the basis of the proposal by Japan.

Committee structure of the Councils

In its study for the Executive Council the external consultant Ernst & Young had prepared a provisional Committee structure for each of the Councils. The Executive Council considered that this work should not be wasted and that the Councils should be invited to draw on it when settling the composition and functions of their Committees and Working Parties. Committee 3 was not therefore required to take a decision on the number and functions of the Committees as that lay within the respective Council's purview.

Congress –  
Doc 70/Rev 1,  
paragraph 20

Proposal 017

Proposal 017 was adopted unopposed.

Representation and participation

Proposal 15. 104.3, paragraph 3, in combination with proposal 018, was designed to meet the needs of countries which had separated government functions from those of postal administrations. It confirmed the competence of each member country to designate the entity or entities responsible for fulfilling obligations arising from adherence to the Convention and the Agreements.

Congress –  
Doc 70/Rev 1,  
paragraphs 21 to  
30

Proposals  
15, 104.3 (para-  
graph 3), 018,  
040, 044,  
15. 112.1,  
10. 20.3 and  
consequential  
proposals and  
19. 5.1

Proposal 018 was a compromise reached in the Executive Council. The UPU Acts did not always differentiate clearly between "member country", "country" and "postal administration". The study which would be conducted after the Seoul Congress should permit the introduction of more consistent terminology taking better account of the tendency to separate the governmental and operator functions. Proposal 018 attempted to make certain corrections to the present situation, at least provisionally. It went further than proposal 15.104.3, especially in subparagraph iv of the official declaration.

Amendment 040 aimed at simplifying the official declaration by limiting it to stating that each member country should define and designate its postal administration.

Amendment 044 specified that the UPU Acts entailed rights as well as obligations.

Proposal 15. 112.1 would enshrine in the Acts certain ideas contained in Executive Council proposal 018. In addition, article 112 of the General Regulations had a more general scope than article 104 which was limited to the Postal Operations Council.

The series of proposals by France aimed at replacing the term "postal administration" by "member country" in several provisions of the Acts wherever the provision did not relate specifically to the public operator. Those proposals lapsed if proposal 018 was adopted by Congress. Indeed, that proposal resolved provisionally the issue of using the terms "member country" and "postal administration" in the Acts and a study would be carried out on the subject in the future activities linked to the management of the Union's work.

Proposal 19. 5.1 relating to the Rules of Procedure of Congresses had already been approved by Congress at its plenary meeting on 23 August 1994. Committee 3 no longer needed to consider it.

Some delegations noted that there were several drawbacks to the Executive Council proposal. It provided, for example, for one or more entities while the Acts mentioned only the postal administration and one representative per member country. It envisaged the participation of independent entities, sometimes even private corporations, whereas the UPU was an intergovernmental organization. It did not preserve the national sovereignty of countries in designating the entity responsible for applying the Convention and Agreements.

Other delegations spoke in favour of proposal 018 and took the opposing view that it did not encroach on member countries' sovereignty. It also avoided the danger of private competitors participating in UPU bodies.

Brazil, originator of proposal 040, pointed out that the term "postal administration" was defined in the "official declaration" set out in the last part of resolution 018, and that this could interfere with the internal legislation of each country. It therefore suggested that, in proposal 040, the paragraph "Declares officially" be amended so as to let each member country be responsible for defining the term "postal administration", thus avoiding any interference by the UPU in the internal affairs of member countries.

The representative of New Zealand, referring to Congress – Doc 70/Rev 1, paragraph 28, covering the case of a member country designating one entity to be responsible for some of its obligations and another for the rest of them, asked whether resolution 018 encompassed also the case where a member country wished to designate more than one public or private entity to fulfil all its UPU obligations. It was conceivable that a member country contemplating complete deregulation of its postal sector might wish to ensure that one or more competing postal operators had the ability to exchange international mail with other countries in compliance with the UPU Acts. In that scenario, the operators could be empowered to issue their own postage stamps, rather than a single postal administration having that privilege. It would then be necessary to make arrangements at national level so that several entities in a country could provide the same services under the UPU Acts. Nothing in the Acts was opposed to a country designating more than one entity for the exchange of mail with other countries, in accordance with UPU regulations, but New Zealand wanted confirmation of that opinion. No disagreement was expressed by the Committee.

The representative of the United States of America, the Executive Council spokesman, explained that the purpose of proposal 018 was to allow each member country to choose the entity or entities responsible for fulfilling its obligations under the Acts. Each postal administration thus dealt practically with a single body in another country which had to ensure compliance with the Acts by the various entities.

Proposal 040 was adopted by 61 votes to 49 with 26 abstentions.

Proposal 018 lapsed.

The other proposals would be considered at a subsequent meeting.

Declaration

The observer for the International Chamber of Commerce thanked the UPU for the understanding it had shown in allowing it to attend certain Congress meetings. With its 70 000 member firms from some hundred countries, the International Chamber of Commerce was conscious of postal administrations' concerns and considered itself a large postal customer since 70 percent of postal mail consisted of business items. The observer assured the UPU of his organization's cooperation, especially in encouraging a constructive customer dialogue.

The meeting rose at 6.20 pm.

For the Committee:

K J S McKeown  
Chairman

L-Ph Ducommun,  
Secretary

H R Ranaivoson  
C Finkpon  
Assistant Secretaries

**Fifth meeting**

Friday, 2 September 1994, 5.15 pm

In the chair: Mr K J S McKeown, Chairman

**Quorum**

A check of attendance showed that the quorum of 82 was attained by a wide margin.

**Representation and participation**

*Proposals 15. 104.3 (paragraph 3), 018, 040, 044, 15. 112.1 and 19. 5.1*

Congress –  
Doc 70/Rev 1,  
paragraphs 21  
to 30

At its fourth meeting, the Committee had approved proposal 040; proposal 018 had therefore lapsed.

As a result of that decision, proposal 044 had also lapsed.

Paragraph 3 of proposal 15. 104.3 was linked to proposal 018 which had not been approved. Some speakers, however, saw no contradiction between the addition proposed in that paragraph and proposal 040, in that it allowed creation of the necessary legal basis without impinging on the national sovereignty of member countries. It spelled out what was meant by the term "postal administration" whereas proposal 040 left it up to member countries to designate the entity or entities that would act as the postal administration.

Many delegations held the opposite view, ie that the proposed paragraph 3 was incompatible with adoption of proposal 040 or that at the very least it was superfluous.

Put to a vote after verification of the quorum, paragraph 3 of proposal 15. 104.3 was rejected by 74 votes to 28, with 31 abstentions.

In the view of its originator, proposal 15. 112.1 was a logical complement of proposal 040.

Other delegations thought, on the contrary, that it was not necessary since the idea it was meant to introduce was already contained in proposal 040. Moreover, the obligation to notify the International Bureau could not be imposed on all member countries, but only on those in which the regulator and operator functions were separate.

In view of this opposition, the originator withdrew proposal 15. 112.1.

Strategic planning

*Proposal 020*

Congress –  
Doc 70/Rev 1,  
paragraphs 31  
to 33

Proposal 020 invited the Committee to state its views on the conduct of strategic planning and programme budgeting operations by the permanent bodies of the Union.

Great Britain, a member of the Executive Council Working Party WP 3/3 Project Management Team, said the Union had to have a procedure for the best possible allocation of the resources available among its activities. The strategic planning process worked out by the Executive Council with the assistance of the external consultant provided a framework that was well structured and coordinated without being rigid. It set out the broad lines to be followed by the permanent bodies of the Union.

Proposal 020 was adopted without opposition.

Flexible financing

*Congress – Doc 70/Rev 1, paragraphs 34 to 37, and Congress – Doc 19, part III*

Throughout the financial period, strict observance of the principle of zero growth in real terms during preparation of the budget had helped the Union to maintain strong budgetary discipline and limited the financial burden on members. On the other hand, that principle entailed constraints that limited the capacity of the Union to undertake new developmental activities. Although the strategic planning and programme-budgeting process would allow member countries a measure of flexibility with regard to choosing the programmes to be financed through the regular budget, it would be up to the new Councils together with the International Bureau to study various possibilities of extra-budgetary financing.

Part III of Congress – Doc 19 was the result of the work of a restricted Working Party made up of Canada, Italy, Japan and the International Bureau, established to find solutions for financing Union activities. In its presentation, the International Bureau pointed out that the recommendations made in that part of the document were in line with the conclusions of the Financial Plan (Congress – Doc 74/Annex 2 and Congress – Doc 74/Add 1), particularly the one calling for the creation of a Working Party to make an in-depth study of extra-budgetary financing for reinforcement activities on the basis of the broad lines sketched out. The Working Party should consult the member countries to find out what their priorities were and whether they would be able to finance them through extra-budgetary resources. Such a consultation could be carried out only on the basis of detailed operational and financial plans, giving a clear indication of essential factors such as length and content of activities, as well as resources required and the results expected, so that member countries would be able to analyze the costs and benefits of each activity.

The Committee took note of the work done so far. Congress – Doc 19 would be considered in its entirety by the Finance Committee.

International  
Bureau

*Proposals 10. 20.2, 15. 103.2, 15. 105.2, 15. 107.1, 15. 109.3, 15. 109.4, 15. 109.5, 15. 109.6 and 024*

Congress –  
Doc 70/Rev 1,  
paragraph 38

The study on management of the Union's work had resulted in a substantial expansion of the International Bureau's tasks and work methods. Under proposal 10. 20.2, the International Bureau would be required to carry out not only all the tasks entrusted to it but the necessary support activities as well.

Put to a vote after verification of the quorum, proposal 10. 20.2 was adopted by 134 votes to none, with three abstentions.

Proposals 15. 103.2 and 15. 105.2 sought two goals:

- a to reduce the cost, in terms of human, financial and material resources, of producing and distributing EC documents. Distribution of documents to postal administrations and the Restricted Unions should be limited to those that were essential, ie the summary record and decisions made;
- b to adapt to the rationalization of the Union's work methods, currently under study, the International Bureau's system of providing information to the postal administrations and the Restricted Unions.

Under article 107, paragraph 4, of the General Regulations, documentation published directly by the International Bureau was as a rule to be distributed simultaneously in the different languages requested. Replacing the words "as a rule" by "as far as possible", which was the purport of proposal 15. 107.1, would allow the different language versions to be sent out as they became ready, thus avoiding storage problems at the International Bureau.

Proposals 15. 103.2, 15. 105.2 and 15. 107.1 were adopted by consensus.

The first part of proposal 15. 109.3 related only to the French text. It was adopted by consensus.

The second part sought to do away with the obligation for candidates to be nationals of the country recommending them. Views were divided. Some delegations felt that the rights of member countries in respect of their nationals should not be ignored and supported maintaining the provisions in force. Great Britain, speaking for the Executive Council, pointed out that the aim of the proposal was to allow the Union to recruit highly qualified persons working in a country other than that of which they were citizens, adding that it would in no way affect the sovereignty of member countries and that in any case, professional qualifications would remain the decisive factor.

Brazil proposed that the words "or in which they exercise their professional activities" be inserted after "of which the candidates are nationals".

Put to a vote after verification of the quorum, the second part of proposal 15. 109.3 was rejected by 75 votes in favour, 50 against and eight abstentions.

Brazil's amendment was adopted by 116 votes to 1, with 16 abstentions.

The meeting rose at 6.20 pm.

For the Committee:

K J S McKeown  
Chairman

L-P Ducommun  
Secretary

H R Ranaivoson  
C Finkpon

Assistant Secretaries

### **Sixth meeting**

Tuesday, 6 September 1994, 3.40 pm

In the chair: Mr K J S McKeown, Chairman

#### *Representations*

Gambia was represented by the United States of America.

#### *Quorum*

A check of attendance revealed that the quorum of 84 had been achieved by a wide margin.

#### *Approval of reports*

The reports of the first, second and third meetings were approved without comment.

#### *3.8 International Bureau*

*Congress – Doc 70/Rev 1, paragraph 38*

*Proposals 10. 20.2, 15. 103.2, 15. 105.2, 15. 107.1, 15. 109.3, 15. 109.4, 15. 109.5, 15. 109.6 and 024 (cont)*

The Committee continued its consideration of this item. As regards calls for applications for specialists' posts, the International Bureau had already in some cases (information technology, EDI, strategic planning and programme budgeting) published notices of vacancies in newspapers, simultaneously with their distribution to postal administrations and circulation within the International Bureau. Proposal 15. 109.4 sought to expand that possibility, but not systematically, since P and Senior Category officials also had to have extensive postal experience.

One delegation felt that postal administrations should continue to be given preference.

Brazil proposed limiting the length of the engagement of future candidates, particularly for specialists, to two years, subject to extension of the contract after consultation of the Councils. In the Secretary-General's view, such a limitation would impose overly restrictive conditions on the new Director-General of the International Bureau as regards recruitment of staff and would prolong the recruitment process.

In view of those explanations, proposal 15. 109.4 was adopted by consensus.

Proposal 15. 109.5 concerned the principle of geographical distribution of senior International Bureau staff members. It specified that that principle would not apply to promotions of International Bureau officials and also set down the order of priority of the requirements to be taken into consideration.

In its paragraphs 2.3, 2.3bis, 2.3ter, 2.3quater and 2.3sexies, proposal 15. 109.6 sought primarily to confirm or to expand functions already carried out in practice by the Director-General. In paragraphs 2.3quinquies and 2.4, it listed new duties for the Director-General stemming from the restructuring: these concerned preparation of the draft strategic plan and the function of intermediary in relations between the UPU and international organizations, associations or enterprises.

In connection with increasing the productivity of the International Bureau and its officials, the Executive Council proposed to Congress, in proposal 024, that it recommend four measures to member countries relating to one of the International Bureau's main activities, namely the organization of UPU conferences and meetings. These were:

- i limiting the number of meetings;
- ii organizing restricted meetings of specialists for technical matters;
- iii holding meetings in principle at Union headquarters;
- iv the need to avoid altering the timetables of meetings shortly before the meetings were to take place.

Proposals 15. 109.5, 15. 109.6 and 024 were adopted by consensus.

### 3.9 Future activities

*Congress – Doc 70/Rev 1, paragraphs 41 to 43*

*Proposals 022 and 043/Rev 1*

The results obtained to date could be considered an important step towards improving management of the Union's work. But, even with Congress approval of the substance of the proposed reforms, it seemed necessary to establish an additional work programme for the next five-year cycle. The additional work programme was submitted to Congress in proposal 022, and dealt essentially with the following aspects:

- reviewing the mission of the UPU;
- further recasting of the Acts;
- review of the financing system;
- review of the organic structure of the International Bureau;
- continuation of the organization of the strategic planning and programme-budgeting systems;
- review of the Councils;
- monitoring the status of Union members.

The purport of amendment 043/Rev 1 was to attach more importance, in the study to be conducted, to the definition of the mission of the UPU, the status of its members, participation of other parties, and financing of services.

Great Britain, a member of the WP 3/3 Project Management Team and speaking for the Executive Council, commented on proposal 022 and recalled the main objectives of the proposed study:

- to maintain a zero real growth budget but without hampering the work of the Union or jeopardizing its budgetary stability;
- to adapt Union activities to a competitive environment;
- not to finance commercial sector activities from the Union budget.

Portugal introduced amendment 043/Rev 1, which essentially sought to grant more importance and priority to certain components of the study with a view to achieving a broader opening of the Union and more flexible financing of its activities.

Speakers were unanimous in recognizing the need to continue the study on management of the Union's work but views were divided as to the wording to adopt. While amendment 043/Rev 1 had the advantage of being more precise and of setting some priorities, it also had the drawback, in the views of some speakers, of allowing competitors into the UPU and of attaching too much importance to achieving a flexible financing system that could run counter to the interests of the Union.

Japan recalled the difficulties encountered by many countries in obtaining ratification of the Acts signed at each Congress. Because the Rules of Procedure of Congresses were attached to the General Regulations, they had to be included in the ratification procedure. The study on recasting the Acts would also have to take account of the possibility of separating the Rules of Procedure of Congresses from the General Regulations so as to facilitate and expedite the ratification procedure.

In reply to a question by a delegation, the United States of America, speaking on behalf of the Executive Council, pointed out that the text of the resolution did not exclude the possibility of calling, if necessary, on postal or outside experts, although that possibility was not expressly mentioned.

Put to a vote, amendment 043/Rev 1 was adopted by 80 votes to 23, with 51 abstentions. Proposal 022 thus lapsed.

#### 4 Languages

*Congress – Doc 70/Add 1 and Corr 1*

*Proposals 15. 106.91/Rev 1, 15. 106.94, 15. 106.95, 15. 107.2/Rev 1 and 021/Rev 1*

In view of the large number of its members and the big financial contribution of the English Language Group, it seemed logical and equitable to improve the status of that group within the Union. This would also be in keeping with the increasingly pronounced trend towards adopting English in the world of international commerce and trade. Enhancing the status of English could be done by creating a new General Regulations article 106bis, calling for two working languages at the International Bureau, one of which would be the official language, French, and the other would be English, as set out in proposal 15. 106.91/Rev 1, which Zambia introduced on behalf of the Executive Council.

Amendment 15. 106.94, introduced by Spain, sought to add Arabic and Spanish to the proposed working languages of the International Bureau. Both those languages and English were equivalent and were widely admitted in other international organizations of the United Nations system. A linguistic balance would have to be maintained, working languages not being the same as official languages. The Executive Council's proposal would be only a partial and incomplete solution to the problem.

Portugal introduced amendment 15. 106.95 which sought to include Portuguese as a working language, along with Arabic and Spanish, since it was one of the most widely spoken languages in the world and was used on all continents.

In the view of many delegations from English-speaking countries and those of a few countries where English was not an official language, the introduction of English as a UPU working language was necessary, not on political or even on purely linguistic grounds, but from a commercial point of view, it being the language most widely used in the business world. Since UPU activities were increasingly focussing on the operational sector, the use of English would enhance the image of the Union in the eyes of customers. It would be the logical and necessary follow-up to the restructuring being undertaken by the Union, and it would help to make the International Bureau more efficient by expanding the range of highly qualified candidates to be recruited. Moreover, and in practice, many technical documents were published only in English and the majority of Union member countries used that language.

Several speakers even felt that English deserved to be an official language of the UPU.

The spokesman for the Arab countries recalled that English, Arabic and Spanish had had the same status since the 1974 Lausanne Congress. All three languages were official UN languages. The UPU should adapt; the quality of the work and solidarity between member countries took precedence over the financial aspect.

While supporting the Executive Council's proposal, some delegations thought that it would not be reasonable to adopt the other amendments straightaway without a comprehensive preliminary study. Too many working languages would be detrimental to the quality and the efficiency of the International Bureau's work and would entail unnecessary expenditure.

Other delegations, French-speaking, although not wishing to cast any doubt on the importance of English, felt that not all the consequences of the proposed change had been sufficiently weighed, such as the definition of the concepts of official language and working language, relations with the language groups and the financial repercussions. Accordingly, they felt that it would be preferable, before reaching a decision, to ask the Council of Administration to make a comprehensive study of the language question in order to find an overall solution acceptable to all and also consistent with the systems used in the other international organizations. This was more specifically the view defended by France which, if a vote were to be called and in a spirit of conciliation, would not oppose the introduction of English as a working language of the International Bureau, though it tended to support the introduction of several other languages.

One delegation recalled that recognition of French as the official language was a fundamental principle of the UPU. The creation of a French language group would not be compatible with that principle.

Since several speakers were still to be heard, the discussion would be resumed at the next meeting of the Committee.

The meeting rose at 6.10 pm.

For the Committee:

K J S McKeown  
Chairman

L-Ph Ducommun  
Secretary

H R Ranaivoson  
C Finkpon  
Assistant Secretaries

**Seventh meeting**

Wednesday, 7 September 1994, 3.10 pm

In the chair: Mr K J S McKeown, Chairman

**Representations** Malta and Saint Vincent and the Grenadines were represented by Ireland and the Bahamas respectively.

**Quorum** A check of attendance showed that the quorum of 84 was attained by a wide margin.

**Languages** *Proposals 15. 106.91/Rev 1, 15. 106.94, 15. 106.95, 15. 107.2/Rev 1 and 021/Rev 1 (cont)*

**Congress – Docs 70/Add 1 and Corr 1** The Committee continued the general discussion on the subject of languages and its consideration of proposals 15. 106.91/Rev 1, 15. 106.94 and 15. 106.95.

Taking account of the views that had been expressed at the preceding meeting, the Secretary-General suggested a compromise solution, which he had discussed the previous day with the head of the French delegation, comprising the following four points:

- i retaining French as the official language and the language of reference;
- ii admitting French and English as secretariat languages;
- iii admitting French, English, Arabic, Spanish and Portuguese as documentation languages;
- iv establishing a French language group.

While accepting the first three points of that solution, France said that under no circumstances would it be able to agree to the establishment of a French language group.

Several delegations supported the Secretary-General's suggestion. Some thought it desirable, however, to reflect on its financial impact or expressed doubts as to the definition of an International Bureau working language.

The representative of the International Bureau Staff Association expressed the wish that the Association be involved in future work stemming from Congress decisions about restructuring the International Bureau, particularly the

possibility of creating a French language group or of adopting working languages other than French. Decisions of that kind would have a bearing on the staff of all existing language groups. He also hoped that the conditions of employment of the present incumbents of the French translation service would not be affected by a transfer to the French language group if one was created. Moreover, under article 1 of the Regulations of the Social Fund for the staff of the International Bureau of the UPU, no provision was made for the resources of that Fund to be used for language training for officials in service; such training, like all vocational training, would have to be financed by the Union. Reorganization of the UPU was of the greatest interest to the staff of the International Bureau which was aware of the need to give a new thrust to the Union. However, reorganizing the International Bureau should not have a negative impact on the status and working conditions of its staff. The Staff Association therefore wished to be consulted on all proposals having a bearing on the staff members and it hoped that any views it expressed would be brought to the attention of the bodies of the UPU responsible for making decisions on the subject. The primary concern of the Association was that the reorganization of the UPU should succeed, and it expressed the wish that consideration be given to the human factor throughout the process. As in the past, the UPU could count unreservedly on the staff members of the International Bureau.

The sponsors of proposals 15. 106.94 and 15. 106.95 offered to have their proposals referred to the CA as the basis for further study of the language situation in the International Bureau.

A majority of speakers were in favour of English being used as a working language at the International Bureau and of a comprehensive study being made of the language system in order to reach an overall solution applicable to all languages, that would take account of the interests of all language groups and of the financial repercussions. The study should also look into the practices followed by the other agencies of the United Nations system.

Concluding the discussion, the Committee noted that the status of French and English as working languages at the International Bureau had not met with opposition. It decided to instruct the Council of Administration to make a comprehensive study of the language system with a view to broadening the language base and consequently to refer proposals 15. 106.94 and 15. 106.95 to the Council of Administration. The text of the decision is given in annex 1 to this report.

Proposal 15. 106.91/Rev 1 was adopted by consensus.

According to proposal 15. 107.2/Rev 1, creation of a French language group was proposed with a view to achieving a fairer and more equitable system of sharing translation costs. Such a group would operate in a manner similar to that used by the other language groups. Such a decision would place all countries on an equal footing as regards translation services. The cost of translation into French from Arabic, English and Spanish would thus be removed from the Union budget and billed to the French language group, with all other costs involved in the supply of documents being borne by the Union.

France reaffirmed its opposition to the creation of a French language group, which was contrary to the notion of official language and to article 107 of the General Regulations. Translation of documents from other languages into the official language was an obligation for the Union and not a privilege granted to the French-speaking countries. To have those countries bear the costs involved

in establishing a French language group would be an injustice, particularly to those countries already experiencing serious economic problems. If Congress imposed the creation of a French language group, France would not join it.

Other delegations shared France's view and felt that establishing a French language group would be incompatible with the notion of official language.

Several speakers referred to the decision to instruct the Council of Administration to make a comprehensive study of the UPU's language system and proposed that the creation or otherwise of a French language group be included in that study. Some thought it fair that the cost of translating documents from the official language into other languages and vice-versa should be borne by all the member countries.

One member country pointed out that many countries belonging to the existing language groups also experienced serious economic problems, yet under current arrangements these countries were effectively subsidizing developed countries receiving Union documentation in French.

Put to a vote after checking of the quorum, proposal 15. 107.2/Rev 1 was adopted by 85 votes to 34, with 25 abstentions.

The Executive Council had realized the importance of having UPU documents produced in several languages. In its proposal 021/Rev 1, it suggested to Congress that it instruct the Council of Administration to make a separate study of the general cost-effectiveness of the translation procedures used by both the International Bureau and the language groups. That study should, among other things, make it possible to determine how that issue affected the overall cost-effectiveness of the Union's work and to make improvements.

The observer for the Postal Union of the Americas, Spain and Portugal suggested that the proposed study also cover the volume and quantity of the documentation of the bodies of the Union. He regretted that documents were distributed late, a situation that precluded proper study and use of the documents. He suggested that documentation be distributed via the POST\*Net network, which would have to be developed accordingly.

The Assistant Secretary-General pointed out that delays in the distribution of documents were largely the fault of member countries that did not always observe the deadlines for replies or that failed to take account of the time needed for translation, printing and distribution of documentation. This created extremely difficult working conditions for the International Bureau staff, particularly for the translation services, which in turn led to the possibility of mistakes being made that could have a bearing on the effectiveness and the quality of the work. As regards the volume and quantity of documents, efforts to streamline the work methods of the Union bodies, begun before the Washington Congress and stepped up since then, were producing noticeable improvements. It would be desirable for the proposed study to take that aspect into consideration also.

Proposal 021/Rev 1 was adopted without opposition, subject to adding that the study should also deal with the preparation and distribution of documents, and including in the study the costs of translating documents into the official language.

- Organic structure *Proposals 20. 57.3, 20. 57.4, 30. 41.3, 30. 41.4, 40. 13.3, 40. 13.4, 50. 17.3, 50. 17.4 and 60. 9.3 (cont)*
- e Conditions for approval of proposals concerning the Convention and the Agreements
- Congress – Doc 95
- At the Committee's fourth meeting, Japan had proposed that all proposals for altering the conditions for amending the Convention and the Agreements between Congresses should be supplemented by a new provision enabling member countries whose domestic legislation was not compatible with the amendment introduced to send a written reservation to the Director-General of the International Bureau declaring their inability to accept that amendment. Japan's amendments are given in proposals 20. 57.4, 30. 41.4, 40. 13.4 and 50. 17.4.
- The Secretariat-General had prepared Congress – Doc 95 containing the International Bureau's comments. The declaration in which a member country stated it was unable to accept amendments introduced between Congresses would be valid until the Acts of the following Congress came into force.
- The Committee reviewed the various proposals and adopted them without opposition.
- At the request of several delegations which had not had the time to study all the texts, further consideration of that agenda item, in particular the possible amendment to the proposal concerning the Cash-on-Delivery Agreement, was postponed until the next meeting.
- Reimbursement of travel expenses for meetings of EC bodies
- Proposals 15. 102.2, 15. 102.9 and 15. 102.10*
- Those three proposals concerned article 102, paragraph 10, of the General Regulations relating to the cost of participation by members in meetings of the Council of Administration and its bodies outside Congress.
- 1 Executive Council proposal 15. 102.2
- That proposal merely sought to confirm the existing practice of also being able to reimburse travel expenses for isolated meetings of the bodies, namely of Working Parties.
- 2 Proposal 15. 102.9 by the Netherlands
- That proposal aimed, in the interests of economy, at bringing the system applicable to the Council of Administration into line with the Postal Operations Council system, in article 104, paragraph 4, of the General Regulations. Thus, reimbursement of travel expenses would be confined to the representatives of countries defined as disadvantaged by the UN.
- 3 Proposal 15. 102.10 by the Arab countries
- That proposal aimed at making mandatory the reimbursement of travel expenses to each member of the Committees, Working Parties and other bodies of the Council of Administration meeting outside Congress and the sessions of the Council.

One delegation opposed limiting reimbursement of travel expenses to countries considered as disadvantaged by the United Nations, and the Executive Council spokesman drew attention to the fact that most of the other international organizations reimbursed travel expenses, as well as paying a daily allowance. The financial implications were nil, provided the assembly confined itself to making official the practice followed in the past. One speaker also mentioned the fact that the developing countries were farthest away from Berne.

The Assistant Secretary-General recalled article 17 of the Constitution, according to which the members of the Council of Administration exercised their functions on behalf of and in the interests of the Union, thus justifying the reimbursement of travel expenses. Moreover, the list of countries regarded as disadvantaged comprised less than half the developing countries.

After a check on the quorum, proposal 15. 102.9 was rejected by 69 votes to 39, with 22 abstentions.

Proposals 15. 102.2 and amendment 15. 102.10 were adopted by consensus.

The meeting rose at 6.20 pm.

For the Committee:

K J S McKeown  
Chairman

L-P Ducommun  
Secretary

H R Ranavoson  
C Finkpon  
Assistant Secretaries

**Decision**

**Study on the language system of the Union**

Congress,

Noting

that French is the official language of the Union and that French and English are to become the working languages of the International Bureau,

*Instructs*

the Council of Administration:

- i to conduct a comprehensive study of the language system of the Union and of the systems used in other United Nations specialized agencies in order to seek a global solution, with special reference to proposals 15. 106.94 and 15. 106.95, as well as other languages, in particular Chinese, German and Russian;
- ii to likewise analyze the definition of the concepts of official language and working language and the connections between these two concepts;
- iii to study all the consequences, in particular the financial ones, of the possible introduction of other working languages;
- iv to submit the relevant proposals to the next Congress.

### **Eighth meeting**

Thursday 8 September 1994, 8.45 am

In the chair: Mr K J S McKeown, Chairman

#### **Quorum**

A check revealed that the quorum of 84 had been attained.

#### **Approval of reports**

The reports of the fourth and fifth meetings were approved, taking account of the amendments announced to the report of the fourth meeting. The Chairman was authorized by the Committee to give final approval to the reports of the Committee's last meetings, taking account of any comments submitted within the regulation period of twenty-four hours provided for in article 23, paragraph 4, of the Rules of Procedure of Congresses.

#### **Organic structure**

*Proposals 20. 57.3, 20. 57.4, 30. 41.3, 30. 41.4, 40. 13.3, 40. 13.4, 50. 17.3, 50. 17.4 and 60. 9.3 (cont)*

#### **e) Conditions for approval of proposals concerning the Convention and the Agreements**

The Committee did not reconsider the adoption of the proposals to amend the majorities required for amending the Convention and the Agreements between Congresses, or the amendments proposed by Japan.

#### **Congress – Doc 95**

One delegation was concerned that a small minority might be able in some cases to impose its point of view on all member countries. It would be desirable to require, for example, that at least two thirds of the member countries should reply to the consultation.

Another delegation thought that the declaration procedure proposed by Japan was in fact tantamount to a reservation not submitted for approval, which was not possible.

In reply to a question from one speaker, the Secretary felt that the majority introduced in article 57 of the Convention, for example, did not take account of abstentions or of countries which did not take part in the consultation.

On the Chairman's proposal, the delegations concerned would consult one another on the expediency of making an appeal in plenary meeting and, if need be, submitting a joint solution.

In view of the divergent opinions expressed, the Committee decided not to also amend the proposal by the Executive Council relating to article 9 of the Cash-on-Delivery Agreement.

Liquidation and clearing up of accounts in arrears

*Proposals 15. 124.1, 15. 124.4 and 15. 124.2*

Proposal 15. 124.1 created the legal basis for, in exceptional circumstances, waiving the interest owed when a country in arrears had paid the full capital amount. This option would cover the case of Lebanon, for example, which had been laid before the Executive Council.

Proposal 15. 124.4, which was an amendment to the above proposal, suggested more precise conditions for reimbursement, limiting this possibility to one single time and the period of repayment to five years.

Proposal 15. 124.2 consisted of releasing, from all or part of the interest accumulated or to accrue, a member country having paid back its arrears within the framework of an amortization schedule approved by the Executive Council. This idea had already been contained in 1989 Washington resolution C 61 and, during the current financial period, six agreements had been concluded between the member countries concerned and the International Bureau and approved by the Executive Council so that amortization schedules could be drawn up.

The EC spokesman thought that the limitation to once only was not realistic.

The Secretary General took this opportunity to thank all the countries that had concluded amortization schedules. He said that he was in favour of introducing a time limit of five years, as some countries had proposed amortization schedules over much longer periods.

On a proposal by the Assistant Secretary-General and with the agreement of the Netherlands, the five-year time limit was added to article 8ter and not to article 8bis.

Proposal 15. 124.1 was adopted by consensus.

Proposal 15. 124.2 was adopted by consensus, subject to adding the words "within an agreed period of five years at the most" being added to the text.

Proposal 15. 124.4 lapsed.

Creation or abolition of International Bureau posts

*Proposals 15. 102.1 and 15. 102.12*

In accordance with article 21, 1, a, of the Constitution, Congress fixed the maximum amount which the expenditure of the Union could reach. Specifically, Congress laid down in article 124, paragraph 1, of the General Regulations, the amounts that the annual expenditure relating to the activities of the bodies of the Union may not exceed. This meant that Congress did not set the maximum number of posts but merely decided on the figure that it would agree to take into consideration in setting the expenditure ceiling. On the other hand, it was for the Council of Administration alone to authorize the creation of new posts. In the interests of the greatest possible clarity in the Acts, the Executive Council suggested, by proposal 15. 102.1, that article 102, paragraph 6, of the General Regulations, which set out the functions of the Council of Administration, be supplemented.

In their amendment 15. 102.12, the Netherlands suggested that it should be explicitly stated that the Council of Administration must take into account the restrictions linked to the expenditure ceiling.

Proposals 15. 102.1 and 15. 102.12 were adopted by consensus.

Immediate application of the provisions adopted by Congress concerning the Council of Administration and the Postal Operations Council

*Proposal 023*

In order to meet the need to apply the new rules relating to the two Councils immediately, without waiting for the entry into force of the Acts, the Executive Council proposed that the provisions concerning the Council of Administration and the Postal Operations Council be implemented with immediate effect. This proposal had already been adopted by the plenary assembly on 2 September 1994 and Committee 3 no longer had to consider it.

Committee to coordinate the work of the Union's permanent bodies

*Proposals 08 and 041/Rev 2*

Proposal 08 sought to specify the legal status, functions and work method of the Committee to coordinate the work of the Union's permanent bodies. The Committee was not authorized to make decisions, its functions being confined to coordinating the work and the views of the permanent bodies and to making suggestions. The decision-making power belonged to both Councils.

The purpose of amendment 041/Rev 2 was to make additional mention of the important role of the strategic planning process, which had been designed precisely to address the issue of improving coordination. Once this process had proved its effectiveness, it would be useful to review the roles and functions of the Coordination Committee.

Proposal 08, as amended by proposal 041/Rev 2, was adopted by consensus.

Institutionalization of a high-level meeting between Congresses

*Proposals 06 and 042*

Proposal 06 sought to institutionalize a high-level meeting which would be held in the third year following each Congress.

By its amendment 042, Great Britain wished not to limit the flexibility of the permanent bodies and to leave the decision on the benefits, timing and nature of such a meeting to the Council of Administration, after consultation with the Postal Operations Council and the International Bureau.

One delegation suggested that this meeting should be confined to Ministers, another that it should be preceded by a preparatory technicians' meeting. Some delegations felt that it was for the member countries to decide on their representation. As the possibility of holding an extraordinary meeting was already specified in the Acts, one country suggested the words "in principle" should be added to the operative paragraph; the Chairman proposed that the word "postal" be deleted.

Proposal 06, as amended by proposal 042, was adopted unopposed, subject to the second part of the operative paragraph being worded as follows: "... holding a high-level meeting in principle in the third year following the Congress, attended by high-level officials".

Overlapping in the work of the International Bureau and the CCPS

*Proposal 15. 113.3*

Article 113, paragraph 4, of the General Regulations stipulated that the International Bureau should bring to the notice of the Chairman of the Postal Operations Council, for any necessary action, questions which were within the competence of that body. Considering this superfluous in view of the International Bureau's role as Council Secretariat, China (People's Rep), in proposal 15. 113.3, suggested that the paragraph 4 in question be deleted, especially as the functions of each body had been redefined and clarified.

Proposal 15. 113.3 was adopted by consensus.

Forms supplied by the International Bureau

*Proposal 15. 115.1*

Committee 4 (Convention) had decided to abolish postal identity cards and the related form. Consequently, reference to the postal identity cards also had to be deleted from article 115 of the General Regulations.

Proposal 15. 115.1 was adopted by consensus.

Information management as a UPU strategic activity

*Congress – Doc 71*

The document provided a first overview of what had been done and what remained to be done in terms of information management within the UPU and at the International Bureau. Work should continue along the lines followed by the CCPS with publication of operational binders and, in addition, a document management system, open to postal administrations, should be established. Information included in UPU publications such as the List of Prohibited Articles, the various Compendia of Information and the List of Airmail Distances could be entered on the data base.

The data base, creation of which had been called for by the Washington Congress, had already been brought into service at the International Bureau. For the present, it contained the results of quality of service tests, the "Liste des adresses" (List of Addresses) and Postal Statistics. It was planned to open the data base to postal administrations shortly. It was also planned to create a group of interested users to test the new functions and to decide the order of priority for entering data into the base to ensure that the contents corresponded to the wishes of administrations.

The Committee decided:

- = to recognize information management, and more specifically computerized information management, as a strategic activity of the UPU;
- = to take note of the progress made in establishing the data base for the benefit of postal administrations and of the International Bureau.

UPU Strategic  
Plan for 1995–  
1999

*Congress – Docs 74 and Corr 1 and Add 1 and proposals 019 and 048*

Mr Gharbi, Assistant Director-General of the International Bureau, presented the UPU Strategic Plan for 1995–1999, making extensive use of charts and graphics. He described in succession:

- the origin, purpose and operation of the strategic planning process as adopted by the Union;
- the content of the Strategic Plan, comprising 6 objectives and 53 programmes, submitted to Congress;
- lastly, the mechanisms and procedures for updating the Strategic Plan for which the Union's new bodies would be responsible.

Annexes 1 and 2 to addendum 1 contained the list of objectives and programmes identified in the Strategic Plan with suggestions as to which permanent body of the Union might be responsible for implementation, along with the approximate costs of each programme, broken down by activity type.

The International Bureau introduced the draft Financial Plan (Congress – Doc 74, annex 2) whose chief aim, in compliance with the Executive Council's decision (decision CE 6/1994), was to allow Congress to see clearly whether and to what extent the Financial Plan might exceed the expenditure ceilings. The draft Financial Plan showed the financial resources required for implementing the Strategic Plan and a classification of the activities contained in the draft Strategic Plan. However, contributions in kind from member countries were neither taken into consideration nor quantified. The International Bureau stressed that the Financial Plan would have to be refined on the basis of the strategic and operational plans which would show clearly the essential planning elements such as duration, content of activities and expected results so that member countries could analyze the cost and benefits of each activity since the information given was at the moment an initial financial estimate for the programmes in Congress – Doc 74. After Congress, the Financial Plan would have to be translated by the Councils into a programme budget, including allotment of the resources necessary.

Furthermore, the International Bureau noted that extrabudgetary resources would undoubtedly be indispensable to supplement the regular budget for implementing the Strategic Plan. For that purpose, consultations should be held with member countries which could indicate their priorities and ways and means of extrabudgetary financing.

Japan suggested adding to the end of subparagraph d in the second operative paragraph of proposal 019 the following wording: "in accordance with their respective competences". In addition, France proposed amending the end of the same subparagraph to read as follows: "... and the Postal Operations Council in regard to the amount and allocation of expenditure and to sources of financing."

Proposal 019, as amended by proposal 048, was adopted without dissent, subject to amendment of the second operative paragraph, subparagraph d, as follows: "... and the Postal Operations Council with regard to the amount and allocation of expenditure and to sources of financing in accordance with their respective competences".

Any other business

Canada, speaking on behalf of all members of the Committee, expressed its sincere thanks to the Chairman and congratulated him on the excellent way he had conducted discussions.

Closure

Committee 3 having concluded its work, the Chairman noted the importance of the texts adopted by the Committee in accordance with the terms of reference given to the EC by the Washington Congress and after many meetings and workshops organized by the PMT. Finally, he thanked all members of the Committee, the Vice-Chairmen, the observers, the EC and CCPS Chairmen, the International Bureau senior management, the PMT, the Committee Secretary and his two assistants, his Australian colleagues, his assistant, and the interpreters and technicians for their support and invaluable help.

The meeting rose at 12.30 pm.

For the Committee:

K J S McKeown  
Chairman

L-Ph Ducommun  
Secretary

H R Ranaivoson  
C Finkpon  
Assistant Secretaries

T Beaucent  
T Mizutani  
Assistants

**Resolution**

**Information management as a UPU strategic activity**

Congress,

Having taken note  
of the Secretary-General's report on information management as a UPU strategic activity (Congress –  
Doc 71),

*Decides*

- to recognize information management, and more specifically computerized information management, as a strategic activity of the UPU;
- to take note of the progress made in establishing the data base for the benefit of postal administrations and of the International Bureau.

## Reports of Committee 4

### First meeting

Friday, 26 August 1994, 9.30 am

In the chair: Mr H El Qudah, Deputy Minister and Secretary-General of Posts and Telecommunications, Jordan

#### Opening

Opening this first meeting, the Chairman cordially welcomed all the members of Committee 4 and expressed gratitude for the honour that had been done to his country, Jordan, and to himself, by calling on it to chair the Committee. He then greeted the Vice-Chairmen of Committee 4, Mr Aivars Droiskis, Latvia, Mr Victor Acuña del Solar, Peru, and Mr Luciano Capicchioni, San Marino.

He then warmly thanked Germany for the dinner it had hosted the previous evening in a magnificent setting and during which the music and specialties had brought back memories of the Hamburg Congress and its excursion to Bavaria.

#### Secretariat

Mr Raman, Assistant Director-General at the International Bureau, assumed the function of coordinator and Messrs C Gheorghiev, Senior Counsellor, G Goudet, Assistant Counsellor, and V Barbosa, First Secretary, all at the International Bureau, were respectively appointed Secretary, Assistant Secretary and Aide in the Committee's Secretariat.

#### Proxies

Belize, Georgia, Liechtenstein and Saint Christopher and Nevis were represented by Barbados, the Russian Federation, Switzerland and Saint Lucia respectively.

#### Quorum

A check revealed that 129 member countries were represented in the hall. The quorum having been set at 78, the Committee was able to proceed to business.

#### Statement

The Assistant Secretary-General, after excusing the Secretary who was detained elsewhere, shared some personal thoughts with the Committee on the work to be done. He began by pointing out that the decisions it would make were of primary importance to the future of postal services and that it was important for

the speakers to adopt a constructive attitude during their discussions. He then expressed the wish that all the Committee's decisions be marked by a spirit of solidarity, an increasingly necessary attribute in relations between member countries, so as to ensure that the Post would truly remain universal.

Approval of the agenda

The agenda (Congress – Doc 10) was adopted without change.

Participation of observers

This document concerned a request by the International Chamber of Commerce (ICC) to attend meetings of certain Congress Committees, including Committee 4, as an observer. This request was to be dealt with by each Committee, according to article 5, paragraph 2, of the Rules of Procedure of Congresses, the provisions of which stipulated that observers could be admitted only to meetings at which questions of interest to them were to be discussed. The Chairman pointed out that the ICC was interested in matters relating to terminal dues and postal rates, and in trade-distorting measures, adding that the latter point was rather nebulous.

Congress – Doc 91

Consequently, the Committee authorized the Chairman to determine more precisely with the observer for the ICC the specific times at which he would be present at meetings of Committee 4.

Proposals referred to other Committees

In the view of the International Bureau, only two proposals could be considered as being of a drafting nature. These were proposals 20. 41.1/Rev 1 and 20. 41.2. Both concerned amending paragraph 1 of article 41 of the Convention.

They were referred to Committee 10.

Transit charges

This agenda item comprised three sub-items as indicated in Congress – Doc 10.

*a Revision of transit charge scales and continuation of the study*

Congress – Doc 57 and proposals 20. 46.1 and 25. RE 02.

After the International Bureau had introduced Congress – Doc 57, discussion began on EC proposal 20. 46.1 which set out the transit charge scales.

Most of the speakers pointed out that adopting these scales would lead to an increase in postal rates, which would be harmful to them on the market. Some even cast doubt on the representativeness of the data. In this regard, the International Bureau, which had been responsible for the calculations, pointed out that the increase noted was genuine and that it stemmed from the replies received, but that those replies concerned only 54 percent of transit countries. Scales calculated on the basis of data from all countries conducting transit operations would naturally be quite different.

In the course of the discussion, it was found that some speakers wanted a reasonable adaptation of the Washington scales, while others preferred that the existing scales be maintained by the present Congress but that they be updated

as soon as possible by the POC. The latter idea, put forth by a member of the Committee, was elaborated by the Secretariat and met with considerable success. It was also pointed out that:

- the EC was empowered to revise and to amend basic charges (article 10 of the Convention);
- the POC, assuming the related proposals were approved by the present Congress, could amend terminal dues and the basic air conveyance rate between Congresses.

In this context, the POC could also be empowered to amend the transit charge scales and to decide the date on which the scales would come into effect. That would allow data to be collected from transit countries if possible, so as to ensure the desired representativeness of the scales through the use of an improved methodology. Meanwhile, the scales set at Washington would be retained.

In consideration of the discussion, a revised proposal 20. 46.1, taking account of the views of the Committee, would be considered at a later meeting. Proposal 25. RE 02 thus lapsed.

*b Transit charges*

Proposal 20. 45.1

This proposal sought to ensure coverage for the administration of transit of the costs of handling and reforwarding surface mail in transit à découvert, when the transit administration received mail of this type from the administration of origin exceeding the weight limit of 3 kg.

A suggestion by one country for allowing a margin of error above the 3 kg limit was rejected.

Proposal 20. 45.1 was adopted without objection.

*c Handling charges for airmail items in transit*

Proposal 20. 46.91

The originator stated that administrations responsible for the transit of closed airmails were not remunerated for their work although the cost of onward conveyance was covered. The burden of such work could be considerable for an administration such as Great Britain which, because of the presence of one of the world's busiest airports, was necessarily a major transit point. The proposed charge would cover the cost of redocumenting and rescheduling items in transit as well as the accounting work for billing the administration of origin.

The charge had been calculated using the following data:

- staff hours required to handle mailbags sent as postal transfers;
- cost of photocopies of AV 7s to accompany postal transfers on their onward dispatch;
- accounting and administrative costs of invoicing administrations of origin.

Almost all the speakers, while approving the principle of the remuneration, found the latter either too high or not sufficiently representative of the real costs borne or difficult to apply in cases where a scheduled transshipment did not take place.

The Committee, while approving the proposed principle, decided to refer this matter for study to the future POC, which would have to determine an adequate rate and the methods of application to be inserted in the Detailed Regulations.

The meeting rose at 12.30 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

**Second meeting**

Monday, 29 August 1994, 9.30 am

In the chair: Mr H El Qudah, Chairman

- Opening** The Chairman thanked Japan for the dinner organized on Friday evening and Korea (Rep) for the scenic excursions organized on Saturday.
- Proxies** Belize, Dominica, Georgia, Lithuania, Liechtenstein and Saint Christopher and Nevis were represented by Barbados, Great Britain, Russian Federation, Latvia, Switzerland and Saint Lucia respectively.
- Quorum** A check revealed that 124 member countries were represented in the hall. The quorum having been set at 78, the Committee was able to proceed to business.

**Forms** *Congress – Doc 59*

*Proposals 20. 0.1, 20. 0.13, 25. RE 601.2, 25. RE 1403.1, 25. RE 2102.1, 25. RE 2303.1, 25. RE 3001.2, 25. RE 3101.8, 25. RE 3102.2, 25. RE 3601.2, 25. RE 3802.2, 25. RE 4106.2, 25. RE 4107.1, 25. RE 4109.2, 25. RE 4111.1, 25. RE 4117.3, 25. RE 4119.3, 25. RE 4121.1, 25. RE 4127.5, 25. RE 4405.3, 25. RE 4602.1, 25. RE 4701.1, 25. RE 5001.2, 25. RE 5002.1, 25. RE 5003.1, 25. RE 5006.2, 25. RE 5008.1, 25. RE 5202.1, 25. RE 5204.2, 25. RE 5205.2, 25. RE 5206.2, 25. RE 5301.2, 25. RE 5406.1, 25. RE 5407.1, 25. RE 5408.1, 29. 0.1, 29. 3.1, 29. 7.1, 29. 9.1, 29. 14.1, 29. 18.1, 29. 18.2, 29. 18.3, 29. 18.4, and 29. 18.91.*

The Chairman said that the work carried out in this area was a result of resolutions C 83 and C 84 of the Washington Congress. The EC had carried out a detailed study of UPU forms, which had been entrusted to Working Party 4/1, of which Sweden was the reporting country. Following the presentation of Congress – Doc 59 and proposals 20. 0.12 and 20. 0.13, the Chairman proposed to refer to the Postal Operations Council the proposals concerning the Detailed Regulations listed under this agenda item.

The Committee noted Congress – Doc 59 and decided to refer to the POC all the proposals relating to forms and concerning the Detailed Regulations, ie: 25. RE 601.2, 25. RE 1403.1, 25. RE 2102.1, 25. RE 2303.1, 25. RE 3001.2, 25. RE 3101.8, 25. RE 3102.2, 25. RE 3601.2, 25. RE 3802.2, 25. RE 4106.2,

25. RE 4107.1, 25. RE 4109.2, 25. RE 4111.1, 25. RE 4117.3, 25. RE 4119.3, 25. RE 4121.1, 25. RE 4127.5, 25. RE 4405.3, 25. RE 4602.1, 25. RE 4701.1, 25. RE 5001.2, 25. RE 5002.1, 25. RE 5003.1, 25. RE 5006.2, 25. RE 5008.1, 25. RE 5202.1, 25. RE 5204.2, 25. RE 5205.2, 25. RE 5206.2, 25. RE 5301.2, 25. RE 5406.1, 25. RE 5407.1, 25. RE 5408.1, 29. 0.1, 29. 3.1, 29. 7.1, 29. 9.1, 29. 14.1, 29. 18.1, 29. 18.2, 29. 18.3, 29. 18.4, and 29. 18.91.

Proposal 20. 0.12 aimed at entrusting Sweden, assisted by the International Bureau, with continuing the work on the rationalization of forms on the basis of decisions to be made by Congress. This would allow the Postal Operations Council to decide on draft forms which took account of all Congress work. One speaker stressed that Working Party 4/1 had not been able to cover all matters related to forms and that it would be a pity to stop before the work was completed.

The Committee approved proposal 20. 0.12 with the proposed amendment to recommend to the POC that work on the rationalization of forms should continue until the next Congress, in particular work on the use of dynamic bar codes.

Proposal 20. 0.13 aimed at instructing the Postal Operations Council, which was responsible for approving the Detailed Regulations of the Union's Acts, to apply the new principle for numbering UPU forms. The International Bureau was therefore instructed to adapt the texts of the Acts and to carry out the definitive renumbering of the forms.

Proposal 20. 0.13 was approved without objection.

Postal identity cards and undertakings regarding penal measures

*Proposals 20. 6.1, 20. 6.2, 20. 56.1, 25. RE 601.1 and 25. RE 601.2*

These proposals aimed at abolishing the postal identity card service. In fact, consultations within the framework of Working Party 4/1 work on the rationalization of UPU forms had shown that 80 percent of member countries favoured their abolition.

The Committee approved proposals 20. 6.1 and 20. 6.2 and the related proposals 20. 56.1 and 25. RE 601.1 and 25. RE 601.2.

Freedom of transit

*Proposals 20. 1.2 and 25. RE 101.1*

The aim of proposal 20. 1.2 was to transfer to article 1 of the Convention the provisions which, since the recasting of the Acts, had appeared in article 101, paragraphs 1 and 3, of the Detailed Regulations.

The Committee approved proposal 20. 1.2 subject to the relevant amendments to be made to the text of the Detailed Regulations.

On the Chairman's proposal, the Committee decided to refer proposal 25. RE 101.1 to the Postal Operations Council.

## Customs issues

*Proposal 20. 0.17*

A number of speakers, including the observer for the CCC, stressed that collaboration between postal and customs administrations was very important and productive. At international level it was exercised through the Contact Committee formed by the Union and the Customs Co-operation Council (CCC). One of the direct results of the work of the CCC-UPU Contact Committee was the memorandum of understanding between the two organizations, aimed at combating illicit traffic in narcotics, as well as the guidelines concerning the customs clearance of express consignments.

The Committee approved proposal 20. 0.17 for the reconstitution of the CCC-UPU Contact Committee and assigned this responsibility to the Postal Operations Council.

*Proposal 20. 0.10*

Proposal 20. 0.10 relating to the List of Prohibited Articles aimed at giving extra time for the finalization of the list, which required cooperation between postal and customs administrations, and at computerizing it, which would make it easier to use and enable account to be taken of the problems met with so far in preparing it.

The Committee approved proposal 20. 0.10.

*Proposal 20. 33.1*

Proposal 20. 33.1 aimed at restricting the collection of the presentation-to-Customs charge to those items which had actually attracted customs charges.

Several speakers supported the proposal, drawing attention to its eminently commercial nature in line with customers' interests. They pointed out that a similar proposal had already been approved by Committee 7 and that it would be wise to adopt, for letter-post items, the same policy as had been decided for postal parcels. Others objected to the proposal on the grounds that the rendering of the service by the Posts and the related costs were the same, whether the item attracted customs charges or not. Some comments were made regarding the meaning of the term "customs charges" which did not appear to include the value-added tax (VAT) normally collected in several countries. In addition, it did not seem possible to do away with the existing paragraph 1 completely as it specified the limits of the charge to be collected from the customer. The originator of the proposal having accepted these last two comments, the amended proposal was put to a vote and obtained the following results:

In favour:	94
Against:	27
Abstentions:	11

Proposal 20. 33.1 as amended was adopted by the Committee, finalization of its wording being entrusted to Committee 10.

Letter-post items

In accordance with article 15, paragraph 4, of the Rules of Procedure of Congresses, the Chairman proposed the following order of discussion: 20. 9.5, 20. 9.1, 20.9.2/Rev 1 and 20. 9.3.

The Committee adopted that order of proceedings.

*Proposal 20. 9.5*

This proposal aimed at highlighting the classification of items according to the speed of treatment while retaining the traditional classification according to the contents. The originators emphasized that the proposal went towards taking greater account of quality of service.

Most of the speakers expressed support for the principle of the proposal. A few remarks were made about certain discrepancies between various provisions of the recast article. The originators of the proposal accepted the following amendments:

- in paragraphs 2 and 3, the words "They shall ..." were replaced by "The latter shall ...";
- in paragraph 3, the phrase ", to be applied by administrations that are unable to use the first system," was deleted;
- paragraph 4 became the penultimate paragraph of article 9.

The Committee approved the proposal thus amended.

*Proposal 20. 9.1*

This proposal involved the abolition of small packets and raised the weight limit for printed papers to 5 kg. However, the originator said that there had been an error in formulating the proposal and that he had not intended to propose the abolition of small packets, which would be retained with the weight limit of 2 kg.

The Committee considered that proposal 20. 9.1 was of a drafting nature and sent it to Committee 10.

*Proposal 20. 9.2/Rev 1*

This proposal aimed at applying to all printed papers the weight limit of 5 kg which had hitherto been applied only to books. The originator, supported by various speakers, said that the postal service had left the market for printed papers between 2 and 5 kg to the competitors and that it would be a good thing to win it back in order to increase administrations' receipts. Other delegations took the floor to state their preference regarding the provisions of proposal 20. 9.5 which the Committee had just approved.

Put to a vote, the proposal obtained the following results:

In favour:	75
Against:	49
Abstentions:	14

Proposal 20. 9.2/Rev 1 was approved.

The meeting rose at 12.45 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

**Third meeting**

Tuesday, 30 August 1994, 9.30 am

In the chair: Mr H El Qudah, Chairman

- Opening                    The Chairman warmly thanked France for its reception in honour of the Seoul Congress. The guests had been delighted by its Parisian atmosphere, good taste and authenticity, and by the generosity of the French people.
- Proxies                    Belize, Dominica, Georgia, Lithuania, Liechtenstein and Saint Christopher and Nevis were represented by Barbados, Great Britain, the Russian Federation, Latvia, Switzerland and Saint Lucia respectively.
- Quorum                    A check of attendance revealed that 129 countries were represented in the hall. The quorum having been set at 80, the Committee was able to proceed to business.
- Approval of report        The report of the first meeting was adopted.
- Transit charges  
(cont)                    *Proposal 20. 46.1/Rev 1*  
  
The Secretariat had prepared this proposal in response to the wishes expressed by the Committee at its first meeting.  
  
Proposal 20. 46.1/Rev 1 was approved without objection.
- Letter-post items  
(cont)                    *Proposal 20. 9.3*  
  
The originator of this proposal explained that its purpose had been to solve the problem faced by operational services in connection with low-weight M bags. Finding that an EC proposal on the same subject within the framework of the terminal dues proposals would undoubtedly have the same result, he withdrew his proposal.  
  
Proposal 20. 9.3 was withdrawn.

*Proposals 25. RE 901.1, 25. RE 902.1, 25. RE 904.2 and 25. RE 905.1*

These four proposals relating to the Detailed Regulations were the consequence of proposal 20. 9.5 approved at the second meeting. The Committee decided that they should be referred to the POC without prior consideration.

Proposals 25. RE 901.1, 25. RE 902.1, 25. RE 904.2 and 25. RE 905.1 were referred to the POC.

*Congress – Doc 88*

Congress – Doc 88 "Regulations for printed papers" was introduced by Belgium.

Since it was in the interests of the Post to be aware of its customers' needs and to satisfy them, the Committee felt that the dialogue with the publishers should be continued, and consequently that it was necessary to retain the Publishers-UPU Contact Committee. One speaker observed that relations between the Union and the publishers should be given a more commercial focus. Moreover, since all the delegations that spoke to the issue supported continuation of the study by the publishers, the Chairman proposed that the Secretariat be instructed to prepare a draft Congress decision along those lines.

The Committee approved the reconstitution of the Publishers-UPU Contact Committee and instructed the Secretariat to prepare a draft resolution instructing the POC to study the matters mentioned in Congress – Doc 88, taking account of the comments made at the meeting.

Air conveyance  
dues

a Basic rate and  
calculation of  
air conveyance  
dues

*Congress – Docs 76 and Add 1*

To deal with the issue of the basic rate and calculation of air conveyance dues, the observers for IATA and ICAO had been invited by the Committee to attend the introduction of Congress – Doc 76 and its addendum 1.

Congress – Doc 76 covering the activities of the IATA-UPU Contact Committee was introduced by Great Britain, which reported on the points on which agreement had been reached. It was for the Committee to decide whether the rate should not be changed more than 5 percent, upward or downward, thereby helping to avoid overly sharp variations prejudicial to both parties.

The observer for IATA explained the views of his organization (Congress – Doc 76/Add 1) and confirmed that the annual revision would occur only from a threshold of 3 percent variation from the rate calculated.

Many questions about the various elements of the formula for calculating the rate and about the reliability of the figures used were addressed to the reporting country, IATA and ICAO, which was responsible for providing the statistics. Once the questions relating to the IATA presentation had been dealt with, the Chairman asked the observers for that organization to leave the hall.

*Proposal 20. 52.1*

The proposal established the principle of calculation of the basic rate by the International Bureau and its approval by the POC on the basis of the "Montreal" formula specified in the Detailed Regulations of the Convention.

Two delegations felt that, since market rates had been falling steadily over the last few years, there was a serious risk in calculating the airmail rate on the basis of a formula laid down in the Detailed Regulations and whose parameters were too rigidly linked to world economic variations. On the other hand, acceptance of the rate given as an example and revisable in 1995 by means of an appropriate method seemed preferable to them.

The reporting country for the study pointed out that a fixed rate over a long period of time was not acceptable to IATA. A long-term agreement should be established. The POC should, among other things, take into account the  $\pm 5$  percent limitation on the variation of the rate.

The Chairman then put to a vote proposal 20. 52.1, which was farther from the basic text than the proposal presented orally.

A quorum having been reached with 133 present, proposal 20. 52.1 was put to a vote and obtained the following results:

In favour:	125
Against:	4
Abstentions:	4

Proposal 20. 52.1 was adopted, with the POC to replace the EC in the final version of the article.

b General principles

*Proposals 25. RE 5201.1/Rev 1, 25. RE 5201.2, 25. RE 5201.3 and 25. RE 5201.4*

The Committee agreed to consider proposals 25. RE 5201.1/Rev 1 ("Montreal" formula) and 25. RE 5201.2 with an amendment by Indonesia (25. RE 5201.4).

They were consequential proposals of proposal 20. 52.1, which had just been adopted.

Indonesia presented the features of the formula contained in proposal 25. RE 5201.4 and emphasized that a compromise had been sketched out with the IATA partners based on the Montreal formula and the 1992 data appearing in Congress – Doc 76/Annex 3. The compromise envisaged, which involved lowering the profit percentage from 10 to 8 percent while keeping the Montreal formula only, had fallen through, however. As the ICAO representative had very recently supplied revised data for 1992, which lowered the guide figure provided from 0.555 to 0.535 SDR, it appeared that the latter figure represented, in relation to the basic rate given in the Convention (0.568 thousandth of an SDR), a significant decrease and a threshold that the airlines could not go beyond.

During the presentation by IATA, the airlines undertook, under certain conditions, to maintain the priority given to mail over freight and to guarantee the return of empty bags depending on the space available on board the aircraft.

Another delegation fully agreed with the remarks made above and also supported proposal 25 RE 5201.1/Rev 1, stressing the importance of paying close attention in future to changes in the profit margin given in the formula.

As no other statements were made, proposal 25 RE 5201.1/Rev 1 was adopted, while proposals 25. RE 5201.2 and 25. RE 5201.4 lapsed.

The representatives of IATA were then called back into the hall. The Chairman informed them of the results of the discussions. They thanked the Committee for concluding in such a constructive manner the lengthy work undertaken since the 1989 Washington Congress. They asserted that such a decision would benefit both parties and that, after Seoul, cooperation would be pursued in the same spirit.

The meeting rose at 12.30 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

### **Fourth meeting**

Wednesday, 31 August 1994, 9.30 am

In the chair: Mr H El Qudah, Chairman

- Opening** The Chairman warmly thanked the Mayor of the historic and hospitable city of Seoul for the lunch offered to the delegates and China (People's Rep) for the evening reception which augured well for the next Congress.
- Proxies** Belize, Dominica, Georgia, Lithuania, Liechtenstein and Saint Christopher and Nevis were represented by Barbados, Great Britain, the Russian Federation, Latvia, Switzerland and Saint Lucia respectively.
- Quorum** A check revealed that 132 member countries were represented in the hall. The quorum having been set at 81, the Commission was able to proceed to business.
- Terminal dues** *Congress – Doc 61 and Adds 1 and 2, Congress – Doc 90*
- a Presentation of the proposed system** The representative of New Zealand, Chairman of the Terminal Dues Working Party, presented Congress – Doc 61 with a slide show, the text of which had been issued to the delegations. The purpose of that general presentation of the system proposed by the EC was to facilitate the detailed study of the proposals concerning the Convention and certain provisions of the Detailed Regulations about important aspects of terminal dues remuneration.
- The Chairman thanked the speaker for his instructive presentation and, on behalf of Committee 4, expressed his appreciation of the work done by Working Party 5/1 under New Zealand's chairmanship.
- The Chairman threw open the debate about the principles underpinning the system which were set out in Congress – Doc 61, paragraph 11. He requested that, at the discussion stage, speakers should not yet go into specific aspects of the proposals as those would be examined later. As time was very short, he asked speakers to be brief.
- By the end of the meeting, thirty-six member countries had spoken, with some of the delegates registered with the Chairman to speak having to take the floor at the next meeting.

The system proposed by the EC was not rejected by any of the speakers. Twenty-three member countries gave it their unreserved support while a small number of others expressed considerable reserves about the bulk mail option. The remaining speakers expressed doubts about the soundness of immediately creating such a mail category with the characteristics as defined.

As keeping the threshold for application of the correction mechanism at 150 tonnes was not questioned by any speaker, the main comments made before the Committee about the system proposed by the EC could be summarized as follows:

- the single rate corresponded to the principle of simplicity;
- the correction mechanism made it possible to bring terminal dues remuneration into line with the observed composition of inward mail;
- application of the bulk mail option based on domestic rates might increase the price of international mail, putting the Post at a disadvantage in respect of its competitors;
- the operational, statistical and accounting procedures relating to bulk mail might prove too cumbersome for the developing countries and might well generate costs out of all proportion to the expected revenue;
- to combat remailing, the legal framework of article 26 of the Convention should be reinforced rather than resorting to application of a new remuneration system;
- as the definition of bulk mail was not solely applicable to remailed mail, that option would be prejudicial to business mail;
- some thought the bulk mail option had been submitted too late and it had not been possible to evaluate the financial implications of bulk mail for the administrations of origin with sufficient accuracy. It also seemed desirable for the POC to be responsible for studying it by the next Congress;
- the bulk mail option could be supported only if the threshold values envisaged were revised upwards: speakers suggested limits of 1500 items per mail or per day and of 5000 items over a two-week period;
- the developing countries would be financially affected by application of the bulk mail option; it was also pointed out that since the developing countries received more bulk mail than they sent, the remuneration for that new mail category would in fact be to their advantage;
- the system proposed by the EC was a considerable improvement over the one in force since the interests of all members of the postal community had been taken into account;
- it did not seem fair to apply payment based on domestic-rate letter post to bulk mail consisting of printed matter;
- the new system took into account the needs of the developing countries. Solidarity with them was expressed in non-application of the downward correction mechanism. It also recognized the need for industrialized countries where delivery costs were high to receive fair payment for their work;
- the new system was flexible as rates could be amended between Congresses;
- the bulk mail option had been under study since 1992 and it had been possible to finalize proposals concerning it for the 1994 EC;
- the new system had a sound economic basis;

- article 26 of the Convention did not protect administrations from remailing as its provisions were no longer applied in an increasing number of countries. The new system partly remedied that, though it could be further improved by the POC;
- no major changes could be made to the new system without prejudicing its credibility and efficiency;
- the bulk mail option would encourage inefficient administrations to increase their domestic rates in order to maximize their receipts from terminal dues;
- payment for bulk mail linked to domestic rates should be based on the economy letter rate or printed matter rate rather than on the charge for a 20 g letter;
- competition was very keen so a system more in keeping with market realities must be adopted without delay;
- the parameters of the new system were on the verge of acceptability for some countries which would not hesitate to oppose it firmly if it were changed too much;
- with the new system, the industrialized countries would be able to protect their national mail;
- it would be possible through bilateral agreements and on certain conditions to admit bulk mail benefiting from a payment rate aligned on the printed-paper rate of the country of destination;
- the definition of bulk mail did not take into account countries having several offices of exchange;
- bulk mail was against the principle of a universal rate;
- some amendments should be made to the proposals relating to article 26 to harmonize them with the provisions on bulk mail;
- for the bulk mail option, a distinction should be made between commercial mail and remailed mail and regular mailers should not be confused with occasional ones;
- the UNDP net contributor countries and territories listed in Congress – Doc 90 should not be considered as developing countries.

The meeting rose at 12.30 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

**Fifth meeting**

Thursday 1 September 1994, 9.30 am

In the chair: Mr H El Qudah, Chairman

**Opening of meeting**

On behalf of the Doyen, Mr Koller, and of the delegations, the Chairman cordially thanked the administration of Korea (Rep) for the invitation to the extraordinary spectacle given in their honour at the Korean Music Centre. All those present keenly felt that the ethereal charm of the dancers, the melodic voices and the rapid rhythms of the percussion had provided a glimpse of what seemed to be the very essence of the Korean civilization.

**Proxies**

Belize, Dominica, Georgia, Lithuania, Liechtenstein and Saint Christopher and Nevis were represented by Barbados, Great Britain, the Russian Federation, Latvia, Switzerland and Saint Lucia respectively.

**Quorum**

A check revealed that 120 member countries were represented in the hall and, as the quorum was 81, the Committee could proceed to business.

**Participation of the International Chamber of Commerce (ICC)**

On behalf of the Committee, the Chairman welcomed this observer, who would continue to attend that part of the Committee's discussions devoted to terminal dues.

**Terminal dues (cont)**

The Chairman opened the discussion on the principles forming the basis of the new system, which were set out in paragraph 11 of Congress – Doc 61. He gave the floor to the speakers who had been down to speak the previous day but who had not been able to do so. As the time available to the Committee for its remaining work was getting shorter and shorter, he urged every speaker to be brief or not to ask for the floor if merely reiterating comments made the previous day.

Thirteen member countries spoke.

The system proposed by the EC was not rejected by any speaker. Some speakers supported it without reservation while, as on the previous day, other speakers expressed strong reservations about the bulk mail (BM) option.

On this occasion also, neither the maintenance of the threshold for application of the correction mechanism at 150 tonnes, nor the correction mechanism itself were questioned, the principal comments to the Committee being along the same lines as those the previous day on the number of items needed to trigger the BM option.

After replying to a number of questions raised, the Chairman of WP 5/1 openly acknowledged the criticisms levelled at the standards for triggering the BM option. However, he also emphasized that no one was questioning the principles of the system described in proposal 20. 47.2.

*Proposal 20. 47.2*

Proposal 20. 47.2 was put to the vote, as being further from the present text than proposal 20. 47.5. The results of the vote were as follows:

For:	135
Against:	0
Abstentions:	7

Proposal 20. 47.2 was approved and proposal 20. 47.5 therefore lapsed.

*Proposal 20. 47.3*

The purpose of this proposal by the EC was, for terminal dues payment purposes, to bill M bags weighing less than 5 kg as weighing 5 kg to avoid proliferation of this type of item.

Proposal 20. 47.3 was approved unanimously.

*Proposal 20. 47.1*

Sweden withdrew its proposal 20. 47.1.

*Proposal 20. 47.4*

This proposal by Canada, supported by 14 member countries, sought to introduce an additional payment for registered mail based on the charge applied by the receiving administration to outbound registered items. Payment rates were included in the proposal.

To most speakers, those rates did not seem to correspond to any acceptable reality, no study having been conducted by the Union on this subject. On the other hand, no delegation was opposed to the principle of the request made.

At the Chairman's suggestion, Canada agreed to the problems being submitted to the POC for study.

The Secretariat was instructed to incorporate into the EC resolution in proposal 039 a text meeting the desire expressed by Canada and mentioning the importance of a study which could be extended to include all the special services.

*Proposals 25. RE 4401.2, 25. RE 4701.2, 25. RE 4702.1, 25. RE 4703.1, 25. RE 4704.1, 25. RE 4705.1, 25. RE 4706.1, 25. RE 4707.1, 25. RE 4708.1/Rev 1, 25. RE 4708.91, 25. RE 4708.92*

The Chairman, noting that consideration of the proposals concerning article 47 of the Convention was concluded, suggested that the 11 consequent proposals relating to the Detailed Regulations and included under this item (not including those coming under other agenda items, such as item 38: Accounting) should be transferred to the POC.

The Committee decided to refer to the POC the following proposals affecting the DR and relating to terminal dues: 25. RE 4401.2, 25. RE 4701.2, 25. RE 4702.1, 25. RE 4703.1, 25. RE 4704.1, 25. RE 4705.1, 25. RE 4706.1, 25. RE 4707.1, 25. RE 4708.1/Rev 1, 25. RE 4708.91, 25. RE 4708.92.

b) Letter-post items

*Proposals 20. 9.6, 25. RE 904.4, 25. RE 904.7, 25. RE 904.8*

Proposal 20.9.6, submitted by the EC, sought to establish, in article 9 of the Convention, a general definition of bulk mail, which would be clarified in the Detailed Regulations.

Proposal 20. 9.6 was approved unopposed.

The Chairman proposed the following order of discussion, taking account of the changes they proposed: 25. RE 904.8, 25 RE 904.7, 25 RE 904.4.

On behalf of the co-authors of amendment 25. RE 904.8, South Africa proposed its withdrawal in favour of proposal 25. RE 904.7.

Proposal 25. RE 904.8 was withdrawn by its authors.

Proposal 25. RE 904.7, an amendment to proposal 25. RE 904.4, sought to redefine the numbers of items necessary for triggering the BM option.

The Chairman put this proposal to the vote.

As the quorum (144 countries) had been attained, there was the following valid vote on the proposal:

For:	115
Against:	10
Abstentions:	19

Proposal 25. RE 904.7 was approved and proposal 25. RE 904.4 therefore lapsed.

c) Terminal dues for priority items, non-priority items and mixed items

*Proposals 20. 48.1 and 20. 48.2*

The Chairman suggested that the proposal furthest from the present text should be dealt with first, namely, EC proposal 20. 48.2.

That proposal proposed the deletion of article 48. In fact, the establishment of a single rate for terminal dues, independently of the category of items, rendered article 48 redundant.

Proposal 20. 48.2 was approved unopposed and proposal 20. 48.1 therefore lapsed.

d) Proposal of a general nature

*Proposal 039*

This was a draft resolution, approved by the 1994 EC, which laid down guidelines for the continuation of the permanent study on terminal dues.

The Chairman of WP 5/1 presented the draft resolution.

The Chairman said that this proposal should be amended to take account of the decision taken by the Committee when considering proposal 20. 47.4.

The Committee adopted proposal 039 as amended.

Motion on a point of order

New Zealand submitted a motion on a point of order asking the Committee to consider proposal 25. RE 4708.91 on the Detailed Regulations.

The Chairman noted this and said that that question would be dealt with at the next meeting.

The meeting rose at 12.30 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

**Sixth meeting**

Thursday, 1 September 1994, 7.05 pm

In the chair: Mr H Qudah, Chairman

- Opening** The Chairman welcomed the Secretary-General who was participating in that extra meeting.
- Proxies** Belize, Dominica, Georgia, Lithuania, Liechtenstein and Saint Christopher and Nevis were represented by Barbados, Great Britain, the Russian Federation, Latvia, Switzerland and Saint Lucia respectively.
- Quorum** A check of attendance revealed that 99 member countries were represented in the hall. The quorum having been set at 81, the Committee could proceed to business.
- The Chairman opened the meeting by calling for discussion of the motion on a point of order that had been submitted at the end of the previous meeting.
- Terminal dues (cont)** *Proposal 25. RE 4708.91*
- The aim of this proposal was to link remuneration for bulk mail to domestic rates.
- The Chairman said that it supplemented the system that had already been voted on, and he thought that the charges given in it were of a reasonable level.
- One speaker noted that in the article under consideration, reference was made to a rate representing 60 percent of the charge for a 20 g letter in the domestic service. In cases where domestic mail was made up of priority and non-priority items, which rate should be used?
- The Chairman of WP 5/1 replied that the article in question was part of the basic package defining the new terminal dues system. It was only a first stage, the ultimate aim of which would be to secure equality of access for all mail flows to countries with very high delivery costs. In that context, the comment that had been made was relevant. For those administrations that in all likelihood would become parties to a multilateral system founded on domestic rates, the domestic charge to be used would be that of a priority or first-class item. The article in question specified the limits and set the values to be applied for 1996. Future values would be the responsibility of the POC, which would have to ensure that there was equality of access and that preparatory work gave entitlement to the reduced charges applied on the domestic market. All of this would have to be

borne in mind by administrations wishing to increase either their domestic rates or the UPU ceiling rate. In any case, only seven Union member countries currently had domestic rates higher than the UPU rate.

Proposal 25. RE 4708.91 was approved.

Air conveyance  
dues (cont)

*Proposal 20. 52.2*

a Basic rate and  
calculation of  
air conveyance  
dues (cont)

This proposal was linked to proposal 20. 9.5 already approved. It was aimed at incorporating the concept of priority and non-priority items into the article.

Proposal 20. 52.2 was approved without comment.

b General  
principles  
(cont)

Proposal 25. RE 5201.3

The Chairman suggested that this proposal be referred to the POC.

The Committee decided to refer proposal 25. RE 5201.3 to the POC.

*Proposal 20. 51.3*

The Chairman observed that this proposal was a consequence of proposal 20. 9.5. It sought to have the concepts of priority items and airmail items and priority dispatches and airmail dispatches included in the article.

Proposal 20. 51.3 was approved without comment, subject to any amendments stemming from approval of any other proposals under this agenda item.

*Proposal 20. 51.2*

Proposal submitted by Italy and supported by 22 countries.

Its purpose was to delete paragraph 3 of the article, which was in contradiction with the principle of negotiation of the rates applied by the airlines.

Unless this paragraph was deleted, administrations' access to the most favourable rates could be hampered.

Two speakers were against that deletion because not all administrations were in a position to negotiate rates, and it could lead to complicated accounting procedures. The Chairman submitted the proposal to a vote.

The quorum having been reached with 122 countries voting, the results obtained were as follows:

For:	79
Against:	33
Abstentions:	10

Proposal 20. 51.2 was approved without change.

*Proposal 20. 51.1*

This was a proposal by Greece calling for deletion of paragraph 4 of article 51, and consequently for the abolition of reimbursement of air conveyance dues for international mail within the country of destination. The Chairman recalled that the 1989 Washington Congress had limited such reimbursement to countries with a weighted average distance of more than 300 km. The instant proposal sought to abolish that reimbursement altogether.

With the exception of the originator, all the speakers who took the floor spoke against the proposal.

The Chairman put the proposal to a vote. The quorum having been reached with 125 countries represented, the following results were obtained:

For:	56
Against:	59
Abstentions:	10

Proposal 20. 51.1 was rejected.

*Proposal 20. 51.4*

This proposal submitted by Great Britain and supported by 13 member countries sought exemption from payment of air conveyance dues within the country of destination for mail for which terminal dues were remunerated according to a system based on the domestic costs or rates of the administration of destination. It would save countries directly concerned having to pay twice for air conveyance.

Some speakers supported the proposal, since countries dispatching mail subject to terminal dues based on domestic rates would thus be treated like users of the domestic service who were not subject to such payments. Others rejected it as unfounded, since the terminal dues system in question adopted by Committee 4 did not take account of the air conveyance cost element within the country of destination. The countries of destination concerned would therefore receive no payment for air conveyance carried out on behalf of countries in respect of which they applied cost-based terminal dues. Further, there were no results from any detailed study of the matter.

The Chairman called for a vote on the proposal. The quorum having been reached with 125 countries represented, the following results were obtained:

For:	77
Against:	34
Abstentions:	14

Proposal 20. 51.4 was adopted.

Liability and  
inquiries

*Proposal of a general nature 20. 0.3*

This proposal submitted by Sweden was supported by 22 countries. It sought to improve the handling of inquiries.

Several flaws in its form were mentioned by various speakers.

The proposal was approved subject to the secretariat preparing a text that would take account of the comments made and to the POC being shown as the body responsible for dealing with the practical details.

a Inquiries

*Proposals 20. 31.1, 20. 31.2, 20. 31.3, 20. 31.4, 20. 31.5, 20. 31.6 and 25. RE 3101.2*

The Chairman suggested that they consider the proposals under item 10, a, relating to article 31 (Inquiries) in the following order: 20. 31.1, 20. 31.5, 20. 31.2, 20. 31.4 and its amendment 20. 31.6, and 20. 31.3.

*Proposal 20. 31.1*

Submitted by Oman, this proposal sought to reduce the length of the period during which inquiries would be entertained from one year after posting of the item to six months.

The three speakers who took the floor were against the proposal.

The quorum having been reached with 123 countries represented, the proposal was submitted to a vote and the following were the results obtained:

For: 8  
Against: 105  
Abstentions: 10

Proposal 20. 31.1 was rejected.

The meeting rose at 9 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

**Seventh meeting**

Monday, 5 September 1994, 8.45 am

In the chair: Mr H El Qudah, Chairman

**Opening**

The Chairman warmly thanked the Foundation of Che Seong Hoi, the Postal Finance Promotion Corporation, and the Korea Radio Station Management Agency for the superb dinner given on Friday evening in honour of Congress, at which they had once again been able to experience the great generosity of the Korean people. The next day, Saturday, 3 September, the new excursion organized by Korea (Rep) had been as remarkable as the previous one. On behalf of the Doyen and of the Committee, he sincerely thanked the two hosts.

**Proxies**

Belize, Dominica, Georgia, Lithuania, Liechtenstein and Saint Christopher and Nevis were represented by Barbados, Great Britain, the Russian Federation, Latvia, Switzerland and Saint Lucia respectively.

**Quorum**

A check of attendance revealed that 90 member countries were represented in the hall. The quorum having been set at 82, the Committee could proceed to business.

**Inquiries  
(cont)***Proposal 20. 31.5*

This proposal had been submitted by Great Britain with the support of nine member countries; its purpose was to add a new paragraph with a view to preventing premature inquiries in cases of loss.

Proposal 20. 31.5 was adopted without comment.

*Proposal 20. 31.2*

This proposal, submitted by Indonesia, sought to eliminate inquiries concerning ordinary items.

Five speakers opposed the proposal, saying that the post should care for its customers, even for problems with ordinary items that were difficult to trace. Moreover, customers' complaints were a source of information about the weak points of the organization. No one spoke in favour.

The proposal was put to a vote with the following results:

For: 0  
Against: 75  
Abstentions: 16

Proposal 20. 31.2 was rejected.

*Proposals 20.31.4 and 20. 31.6*

Proposal 20. 31.4 had been submitted by Great Britain with the support of 10 member countries. It called for inquiries to be free of charge to the customer. Proposal 20. 31.6 was an amendment by Argentina to proposal 20. 31.4, seeking to make an exception to the provision about handling inquiries free of charge. The charge would be applied only if the inquiry was not justified.

Great Britain did not accept Argentina's amendment. A greater number of speakers favoured Great Britain's proposal. Countries that had introduced that kind of system in their domestic service mentioned its advantages to the customers and pointed to the good results obtained by the postal service and the improved image of the Post. One speaker observed that a similar text concerning postal parcels had been adopted by Committee 7. Only one speaker supported Argentina's amendment, mentioning the possibility that in the developing countries, the inquiry could be used as an indirect way of obtaining proof of delivery instead of asking for an advice of delivery.

The proposal was submitted to a vote, with the following results:

For: 62  
Against: 27  
Abstentions: 25

Proposal 20. 31.4 was approved and proposals 20. 31.3 and 20. 31.6 lapsed.

*Proposal 25. RE 3101.2*

The Committee referred proposal 25. RE 3101.2 about time limits for return of C 8 or C 9 forms to the POC.

Liability of postal  
administrations.  
Indemnities

*Proposals 20. 35.1, 20. 35.2, 20. 35.3, 20. 35.4, 20. 35.5*

The Committee agreed with the Chairman's suggestion that it consider the proposals under this sub-item in the following order: 20. 35.5, 20. 35.2, 20. 35.1, 20. 35.4 and 20. 35.3. Proposal 20. 35.1 would be considered before proposal 20. 35.4, since it departed the most from the basic text (article 15, paragraph 4, of the Rules of Procedure of Congresses).

*Proposal 20. 35.5*

This proposal was the consequence of proposal 20. 9.5 which had been accepted.

Proposal 20. 35.5 was approved without comment.

*Proposal 20. 35.2*

Submitted by Brazil, this proposal sought to ensure that the amounts of the indemnities set in 35. 2.1.1 and 35. 2.1.2 would cover the amount of the charges paid when the items were posted.

Three of five speakers supported the proposal, as it would foster good relations with customers. One speaker nevertheless observed that the existing text was more favourable to the customer, since nothing prevented an administration from adding the amount of the charges paid at the time of posting to the amount stipulated.

The proposal was submitted to a vote, with the following results:

For:	56
Against:	54
Abstentions:	24

Proposal 20. 35.2 was approved.

*Proposal 20. 35.1*

The purpose of this proposal, submitted by Japan, was to establish new amounts for the indemnities, namely 40.43 SDR for registered items and 202.15 SDR for registered M bags. Japan said that the current amount was too low and resulted only in dissatisfied customers. A normal amount would be higher still than that shown in the proposal.

Six of seven speakers approved the idea of updating the amount but thought the proposed increase was too high. Only one speaker observed that although the increase was sharp, it still fell short of the practices of the competition.

The proposal was submitted to a vote, with the following results:

For:	9
Against:	126
Abstentions:	3

Proposal 20. 35.1 was rejected.

*Proposal 20. 35.4*

The purpose of this proposal, submitted by Korea (Rep), was to establish new amounts for indemnities: 30 SDR for registered items and 150 SDR for registered M bags.

Four speakers supported that 25 percent increase.

Proposal 20. 35.4 was adopted without amendment.

*Proposal 20. 35.3*

This proposal by Brazil sought to set a fixed amount for the indemnity for M bags, on the lines of the indemnity for registered items.

Proposal 20. 35.3 was adopted without amendment.

Non-liability of  
postal adminis-  
trations

*Proposals 20. 36.1, 20. 36.2, 25. RE 3601.1*

The Committee approved the Chairman's suggestion that it begin by considering proposal 20. 36.2.

*Proposal 20. 36.2*

This was a consequence of proposal 20. 9.5 which had been approved.

Proposal 20. 36.2 was approved.

*Proposal 20. 36.1*

The purpose of this proposal by Hungary (Rep), supported by 10 member countries, was to extend the liability of administrations, national regulations permitting, to cases of delivery of a registered item to a mail-box.

Most of the delegations that took the floor supported the proposal, except one which was told in reply that its concern was already covered in the proposed text.

The proposal was submitted to a vote with the following results:

For:	65
Against:	29
Abstentions:	40

Proposal 20. 36.1 was approved.

The Chairman proposed that proposal 25. RE 3601.1 (a consequence of proposal 20. 9.5) be referred to the POC.

Proposal 25. RE 3601.1 was referred to the POC.

Payment of  
indemnity

*Proposals 20. 38.1, 20. 38.2/Rev 1, 20. 38.3, 25. RE 3801.1, 25 RE 3801.4*

The Committee accepted the Chairman's suggestion that the proposals included under this sub-item of the agenda should be considered in the following order: 20. 38.2/Rev 1, and then proposals 20. 38.1 and 20. 38.3.

*Proposal 20. 38.2/Rev 1*

This proposal by Hungary (Rep) was supported by 14 member countries. It sought to establish an extension of the time-limit of four months for indemnifying the rightful claimant laid down in RE 3801.1 when form C 9 was incomplete.

Hungary (Rep) said that the text should be revised by the Drafting Committee to bring it into line with the text relating to postal parcels. Two of the three speakers who supported the text approved this suggestion.

Proposal 20. 38.2/Rev 1 was adopted and sent to Committee 10 for finalization.

*Proposals 20. 38.1 and 20. 38.3*

Proposals 20. 38.1, submitted by Israel, and 20. 38.3 submitted by Norway and supported by two member countries, were identical.

The Committee accepted the Chairman's suggestion to consider these proposals together.

The proposals aimed to reduce from three to two months the time after which an administration was authorized to indemnify the rightful claimant on behalf of the other administration, when the latter had not finally settled the inquiry.

The Committee noted that an identical provision had been adopted by Committee 7.

Proposals 20. 38.1 and 20. 38.3 were adopted unchanged.

*Proposals 25. RE 3801.1 and 25. RE 3801.4*

The Chairman proposed that the consequent proposals 25. RE 3801.1 and 25. RE 3801.4 be referred to the POC.

Proposals 25. RE 3801.1 and 25. RE 3801.4 were referred to the POC.

Possible recovery  
of the indemnity  
from the sender  
or the addressee

*Proposal 20. 39.1*

This proposal was a consequence of proposal 20. 9.5, which had been approved.

Proposal 20. 39.1 was approved.

Determination of liability between postal administrations

*Proposals 20. 44.1, 20. 44.2, 25. RE 4401.1, 25. RE 4403.1*

*Proposal 20. 44.1*

This proposal was a consequence of proposal 20. 9.5, which had been approved.

Proposal 20. 44.1 was approved.

*Proposal 20. 44.2*

This proposal from Pakistan was supported by two member countries. It sought to make clear that the provisions of article 44, paragraph 6, applied in the event of total theft or total damage.

Three countries took the floor to oppose this proposal, whose consequences were likely to be costly.

The proposal was put to the vote with the following results:

For: 10

Against: 108

Abstentions: 19

Proposal 20. 44.2 was rejected.

*Proposals 25. RE 4401.1 and 25. RE 4403.1*

The Chairman proposed that the consequent proposals 25. RE 4401.1 and 25. RE 4403.1 be referred to the POC.

The Committee referred proposals 25. RE 4401.1 and 25. RE 4403.1 to the POC.

Charges

*Proposals 20. 7.1, 20. 7.2/Rev 1, 20. 7.3*

The Committee accepted the Chairman's suggestion that the proposals listed under this sub-item of the agenda should be considered in the following order: 20. 7.2/Rev 1, 20. 7.3 and 20. 7.1.

*Proposal 20. 7.2/Rev 1*

This proposal by Sweden was supported by 13 member countries. It sought to make it clear, in paragraph 1, that the charges were merely for guidance. Paragraph 2 had been amended so as to allow the guideline charges to be exceeded only if higher charges were applied in the internal service. However, the charges must not be lower than those collected in the internal service on items with the same characteristics. Also, paragraph 3 was deleted.

Most speakers suggested changes in paragraphs 1 and 2. Sweden agreed to delete "for guideline purposes" in the first paragraph, and wanted a fairly flexible text which avoided giving reasons justifying the increase or decrease. That was

why it had used the words "for a reasonable reason". Sweden therefore suggested that the Drafting Committee might perform this task, as well as amending the second sentence of paragraph 2.

The proposal was put to the vote with the following results:

For: 57

Against: 51

Abstentions: 34

Proposal 20. 7.2/Rev 1 was approved and sent to Committee 10 for finalization.

#### *Proposal 20. 7.3*

This proposal by Germany sought to add a sentence to paragraph 1 of article 7 in order to establish the principle of fixing the guideline charges in relation to the costs of the services.

Only one administration opposed this proposal, considering the present text to be inadequate, since the meaning of the word "cost" in the proposed wording was not precise enough.

The proposal was put to the vote with the following results:

For: 90

Against: 27

Abstentions: 23

Proposal 20. 7.3 was approved.

#### *Proposal 20. 7.1*

This proposal by Sweden, which was supported by 13 member countries, sought to make it clear that the provisions of article 7, paragraph 4, referred only to relations between the Post and its customers.

Two countries supported and one opposed it, the latter on the basis that, in the international service, it was for each country to fix the relationship between the Post and its customers.

The proposal was put to the vote with the following results:

For: 115

Against: 9

Abstentions: 19

Proposal 20. 7.1 was approved.

Preferential rates

*Proposal 20. 12.1*

This proposal was a consequence of proposal 20. 7.2/Rev 1, which had been approved.

Proposal 20. 12.1 was adopted without comment.

Exemption from transit charges and terminal dues

*Proposal 20. 49.1*

This proposal by Japan sought to exempt from transit charges and terminal dues items returned to origin in closed dispatches because they had not been delivered to the addressee due to a request for withdrawal from the post or to a temporary suspension of services.

Japan withdrew its proposal for the exemption of items returned to origin as a result of a request for withdrawal from the post, because such relatively rare items were included among items returned to origin in closed dispatches. The retention of the proposal, in the event of a temporary suspension of service, provoked a discussion. Most speakers said the present text of article 49 was adequate.

The proposal was put to the vote with the following results:

For: 38

Against: 66

Abstentions: 33

Proposal 20. 49.1 was rejected.

The meeting rose at 12. 37 pm.

On behalf of the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

**Eighth meeting**

Monday 5 September 1994, 3 pm

In the chair: Mr H. El Qudah, Chairman

- Proxies Belize, Dominica, Georgia, Jamaica, Lithuania, Liechtenstein, Saint Christopher and Nevis and Turkmenistan were represented by Barbados, Great Britain, the Russian Federation, Guyana, Latvia, Switzerland, Saint Lucia and Ukraine respectively.
- Quorum A check on attendance showed that 107 member countries were represented in the hall. As the quorum had been set at 84, the Committee could proceed to business.
- Approval of reports The report of the second, fourth and fifth meetings were adopted without comment. The report of the third meeting was adopted with the corrections given in Congress/C 4 – Rep 3/Corr 1.
- Accounting for transit charges and terminal dues  
*Proposal 20. 50.1*  
This proposal by the EC was a consequence of proposals 20. 47.2 and 20. 47.3 on terminal dues, already approved by the Committee. New Zealand presented it and replied to the question why the annual frequency of payments had been retained.  
One administration suggested that, at the third dash of 2.2, the words "weighing less than 5 kg" should be replaced by "weighing up to 5 kg". New Zealand saw no objection to this.  
Proposal 20. 50.1 was adopted and transmitted to Committee 10 for finalization of the suggested amendment.
- Postage charges *Proposals 20. 10.3, 20. 10.4*  
The Committee accepted the Chairman's suggestion that proposal 20. 10.4, which was furthest from the basic text, should be considered first.

*Proposal 20. 10.4*

This proposal was a consequence of proposal 20. 9.5, which had already been approved by the Committee.

Proposal 20. 10.4 was adopted without amendment.

*Proposal 20. 10.3*

This proposal from Sweden was supported by 13 member countries and sought to clarify, in article 10, paragraph 3, that the guideline charges could be revised at any time by the POC.

Sweden recalled the work done during the preceding five-year period and said that, by means of its text, it wished to provide greater flexibility by leaving the POC to choose the time and number of revisions.

A number of opponents of the proposal were concerned at the consequences which might result from too frequent changes in rates.

One administration even suggested that new basic charges should only be applicable with the CA's approval, but this suggestion received no support, as the POC had been recognized as the only competent body in this area.

The proposal was put to a vote with the following results:

For: 82

Against: 26

Abstentions: 28

Proposal 20. 10.3 was approved.

Rate fixing based  
on method of  
conveyance or  
speed

*Proposal 20. 11.1*

This proposal was the consequence of proposal 20. 9.5, which had been approved by the Committee.

Proposal 20. 11.1 was adopted unchanged.

Special charges

*Proposal 20. 13.1*

This proposal by Great Britain was supported by 19 member countries and sought to replace the present paragraph 1 of article 13 by new provisions which permitted a charge for delivery to the addressee to be collected only in respect of small packets weighing less than 500 g when this charge existed for domestic items.

Proposal 20. 13.1 was approved without comment.

## Prepayment

*Proposals 25. RE 1401.1, 25. RE 1405.2*

These were two consequential proposals; the former of proposal 20. 5.1 and the latter of proposal 20. 9.5.

The Chairman proposed that they be referred to the POC.

Proposals 25. RE 1401.1 and 25. RE 1405.2 were referred to the POC.

International  
reply coupons

*Proposals 20. 0.5, 20. 16.1*

The Committee agreed to the Chairman's proposal to consider first the resolution in proposal 20. 0.5 submitted by Brazil under which the POC was instructed, first, to study the possibility of abolishing reply coupons or restricting their use to those countries which wished to retain the service and, second, to present appropriate proposals to the next Congress.

Brazil introduced the proposal, stressing that international reply coupons (IRC) were used less and less, resulting in the service running at a loss since the costs of control, security and accounting could not be reduced.

Some speakers said that the number of coupons exchanged in their administrations was increasing. Furthermore, it was noted that the twice-yearly general liquidation account for reply coupons showed a relative increase in the number of reply coupons exchanged by postal administrations as a whole. A study by the POC was therefore essential before any hasty measures were taken as this postal product could be improved and given new life.

The Committee agreed to this procedure.

Proposal 20. 0.5 was adopted and transmitted to Committee 10 for finalization of the text in conjunction with Brazil and the secretariat.

*Proposal 20. 16.1/Rev 1*

This proposal by Germany made an amendment to the text that was virtually a drafting change in that it specified that the reply coupon was exchangeable for postage stamps representing the minimum postage prepayable on an unregistered airmail letter or an unregistered priority item sent abroad.

Proposal 20. 16.1/Rev 1 was adopted without comment.

## Registered items

*Proposal 20. 17.1*

This was the consequence of proposal 20. 9.5 which had already been approved by the Committee.

Proposal 20. 17.1 was adopted without amendment.

Recorded delivery  
service

*Proposals 20. 0.4 and 20. 18.1*

The Committee agreed with the Chairman's suggestion to consider first the resolution in proposal 20. 0.4 submitted by the United States of America.

*Proposal 20. 0.4*

This proposal by the United States of America was designed to strengthen the recorded delivery service by urging all administrations to adopt such a service and by a recommendation to the POC to study ways of extending the service to more administrations.

Two administrations found the text too complex. A third deemed the word "failure" too negative and wanted it deleted. There was consensus on the POC's conducting a study.

The Committee adopted proposal 20. 0.4 and instructed the secretariat, in liaison with the United States of America, to review the text in the light of the comments made.

*Proposal 20. 18.1*

This proposal was the consequence of proposal 20. 9.5 which had been adopted by the Committee.

Proposal 20. 18.1 was adopted without amendment.

Insured letters

*Proposals 20. 19.1, 20. 19.2 and 20. 19.3*

The Committee accepted the Chairman's suggestion to consider the proposals in the following order: 20. 19.3, 20. 19.2 and 20. 19.1.

*Proposal 20. 19.3*

Although it concerned one paragraph only, the proposal introduced a substantial amendment which was furthest away from the present text of the Convention. It was submitted by Great Britain and supported by 17 member countries. Its intent was to make the hitherto optional insured letters service compulsory.

One speaker suggested that after "securities" in the first paragraph, the words "bank transfers, cheques" should be added.

The majority of administrations which spoke were against amending article 19 to make the service compulsory as that would compete with similar products developed by them. Reservations to the Final Protocol were even envisaged.

Great Britain finally accepted the proposed amendment "bank transfers, cheques" and the proposal was submitted to the vote with that wording. The results were as follows:

For:	54
Against:	64
Abstentions:	20

Proposal 20. 19.3 was rejected.

*Proposal 20. 19.2*

This proposal was the consequence of proposal 20. 9.5 which had already been approved by the Committee.

Proposal 20. 19.2 was adopted without amendment.

*Proposal 20. 19.1*

That proposal by Korea (Rep) aimed at raising the amount of the insured value for insured letters from 3266.91 SDR to 4000 SDR.

Proposal 20. 19.1 was adopted without amendment.

*Proposals 25. RE 1901.3, 25. RE 1902.2 and 25. RE 1903.1*

The Chairman proposed referring consequential proposals 25. RE 1901.3, 25. RE 1902.2 and 25. RE 1903.1 to the POC.

The Committee referred proposals 25. RE 1901.3, 25. RE 1902.2 and 25. RE 1903.1 to the POC.

Express items

*Proposals 20. 20.1, 25. RE 0.3 and 25 RE 2002.1*

The Committee accepted the Chairman's suggestion to consider first the recommendation contained in proposal 25. RE 0.3 submitted by Peru and supported by eight member countries.

*Proposal 25. RE 0.3*

It sought to recommend that administrations should bundle express items and insert them in special plasticized envelopes when sending them to the corresponding administration.

Four speakers supported that text, which would make forwarding easier, but one of them suggested indicating "special envelope, preferably plasticized". The words "preferably plasticized" gave more flexibility to administrations that might have difficulty procuring that type of envelope.

Peru accepted the proposed amendment.

Proposal 25. RE 0.3 was adopted with the additional expression "preferably plasticized".

*Proposal 20. 20.1*

That proposal was a consequence of proposal 20. 9.5.

Spain, the originator, in response to an administration's comment, acknowledged that the form could be improved and agreed that Committee 10 would be responsible for it.

Proposal 20. 20.1 was adopted and referred to Committee 10 for finalizing.

*Proposal 25. RE 2002.1*

The Chairman proposed referring proposal 25. RE 2002.1 to the POC.

The Committee referred proposal 25. RE 2002.1 to the POC.

Advice of delivery

*Proposal 20. 21.1*

Proposal 20. 21.1 was the consequence of proposal 20. 9.5, which had been approved by the Committee.

Proposal 20. 21.1 was adopted without amendment.

Delivery to the addressee in person

*Proposal 20. 22.1*

Proposal 20. 22.1 was the consequence of proposal 20. 9.5, which had been approved by the Committee.

Proposal 20. 22.1 was adopted without amendment.

Items for delivery free of charges and fees

*Proposal 20. 23.1*

Proposal 20. 23.1 was the consequence of proposal 20. 9.5, approved by the Committee.

Proposal 20. 23.1 was adopted without amendment.

International  
business reply  
service

*Proposals 20. 0.11, 20. 24.3 and 20. 24.4*

The Committee agreed to consider first the resolution that was contained in proposal 20. 0.11 by the Executive Council.

*Proposal 20. 0.11*

Great Britain presented that proposal and expressed the wish that more administrations should participate in the service.

Proposal 20. 0.11 was adopted without amendment.

*Proposal 20. 24.3*

That proposal by the EC aimed at incorporating the provisions relating to the operation of the international business reply service (IBRS) into the Detailed Regulations. Hitherto, they appeared in a Washington Congress decision.

The Chairman informed the Committee that proposals 20. 24.1 and 20. 24.2 concerning the same provisions had been adopted by Committee 3. Consequently, if proposal 20. 24.3 was approved, its text would be adopted in final form.

A speaker voiced concern as he was not certain of being able to operate the service in accordance with rigid, predetermined rules, which would oblige him to make a reservation in the Final Protocol.

Great Britain recalled that that was always the case with new services. Nevertheless, it was necessary to set standards and comply with them. On the other hand, the optional nature of the IBRS, as specified in article 24.1, should be kept in mind.

Proposal 20. 24.3 was adopted without amendment.

*Proposal 20. 24.4*

This proposal by Italy was supported by five member countries. It was aimed at allowing administrations to establish a compensation system that took account of the costs borne by the administration of destination.

Proposal 20. 24.4 was adopted without comment.

Perishable  
biological  
substances.  
Radioactive  
materials.

*Proposal 20. 25.1*

Proposal 20. 25.1 was the consequence of proposal 20. 9.5, which was adopted by the Committee.

Proposal 20. 25.1 was adopted without amendment.

Items not admitted. Prohibitions

*Proposal 20. 27.1*

Proposal 20. 27.1 was the consequence of proposal 20. 9.5, which was adopted by the Committee.

Proposal 20. 27.1 was adopted without amendment.

Redirection

*Proposal 20. 0.19*

This proposal by the United States of America was supported by eight member countries. It was a draft resolution inviting administrations to introduce or improve the redirection and address correction service and instructing the appropriate body of the UPU to study the different aspects of the service.

The United States of America, presenting the proposal, indicated the difficulties and costs involved in these practices. The originator wanted a study to be carried out on this matter so that appropriate recommendations could be made.

One participant commented that this service had a healthy future and good commercial prospects. As a result, he fully supported the proposal.

Proposal 20. 0.19 was adopted subject to the replacement of "the appropriate body of the UPU" by "the Postal Operations Council".

Quality of service targets

*Proposals 20. 40.1 and 25. RE 4001.1*

*Proposal 20. 40.1*

This was the consequence of proposal 20. 9.5, which had already been approved by the Committee.

Proposal 20. 40.1 was adopted without amendment.

*Proposal 25. RE 4001.1*

The Chairman proposed referring consequential proposal 25 RE 4001.1 to the POC.

The Committee referred proposal 25. RE 4001.1 to the POC.

The meeting rose at 6 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

**Ninth meeting**

Wednesday, 7 September 1994, 9.40 pm

In the chair: Mr H El Qudah, Chairman

- Opening** The Chairman, speaking on behalf of the Doyen and the Committee, thanked the Spanish delegation for Tuesday evening's reception which had transported the delegates to the enchanting cities of Sevilla and Granada for a few enjoyable hours.
- Proxies** Belize, Dominica, Estonia, Georgia, Jamaica, Lithuania, Liechtenstein, Saint Christopher and Nevis and Turkmenistan were represented by Barbados, Great Britain, Finland, the Russian Federation, Guyana, Latvia, Switzerland, Saint Lucia and Ukraine respectively.
- Quorum** A check on the attendance showed that 118 countries were represented in the hall. As the quorum had been set at 84, the Committee was able to proceed to business.
- Communication** The Chairman notified the amendments to be made to the agenda of Congress – Doc 10/Rev 3, in particular the fact that proposal 25. RE 0.1 had not been dealt with by Committee 6 and that it was up to Committee 4 to consider it.
- Posting abroad of letter-post items** *Proposals 20. 26.1, 20. 26.2, 20. 26.3/Rev 1, 20. 26.4*
- Congress – Doc 58** The Chairman said that only three proposals were to be considered under that important agenda item, as proposal 20. 26.4 had been withdrawn. Moreover, proposal 20. 26.3/Rev 1 was an amendment to proposal 20. 26.2.
- The Committee agreed to the Chairman's suggestion that proposal 20. 26.2, which departed more from the basic text than proposal 20. 26.1, be dealt with first, along with its amendment 20. 26.3/Rev 1 which had just been distributed.

Italy presented Congress – Doc 58 and the most important changes suggested to article 26 in EC proposal 20. 26.2. The reporting country for the study stated its conviction that the amendment was consistent with the fundamental principles of the EC proposal. It accepted the amendment in proposal 20. 26.3/Rev 1, while expressing reservations about its wording.

The Chairman threw open the discussion on proposal 20. 26.2 as amended by proposal 20. 26.3/Rev 1, first giving the floor to the two originators of the amendment who commented that the text submitted was the product of a compromise that took account of the new provisions of the terminal dues system approved by the Committee. The economic measure of indicating the possible maximum value of the payment for delivery of items posted abroad seemed to be the only way of curbing such practices.

During the discussions, 18 speakers took the floor. Thirteen unreservedly supported the amendment to the EC proposal, while five supported only the first three paragraphs thereof. Those speakers questioned the wording adopted to indicate the payment for delivery of items posted abroad. In the 4th paragraph, they wanted to replace the definition of the payment by a reference only to the limits authorized in the Convention or the Detailed Regulations applying to the remuneration of terminal dues for bulk mail (BM).

In addition to the statement by New Zealand given in annex 1 to this report, the main arguments put forward for supporting or not supporting the proposals examined were as follows:

- article 26 should be flexible, as in the EC proposal, to allow administrations to deal with the as yet unforeseeable consequences of implementing the new system of terminal dues;
- the proposed amendment was precise, logical and in line with the provisions of the new system of terminal dues;
- the proposed amendment gave additional, and therefore better, protection to administrations against the abuses which were always possible;
- article 26 must or should ensure the economic viability of the international Post, but its use should remain exceptional;
- one speaker wondered about the legality of the provisions in paragraph 4 vis-à-vis European Community and GATT legislation. As three European countries present did not support that viewpoint, the originator of the amendment thought that the fears expressed were groundless;
- the article could be improperly applied to mail posted by multinationals or publishers;
- the delegation of the Netherlands expressed its opposition to the amendment (see statement in annex 2), in the absence of a definition of remailing. That remark was immediately supported by two administrations;
- one speaker expressed surprise at the concerns expressed, because the regulations envisaged would be applied only in the event of abuse;
- the application of the domestic rates did not represent a real solution to the problem of remailing because that activity was encouraged by the overly high rates of some countries;
- one speaker proposed adding a 5th paragraph specifying that, in the event of mail being returned to the administration of posting, the administration of delivery shall be authorized to deduct the relevant costs from the amounts owed to the other administration;

- the provisions of the terminal dues system for bulk mail were not sufficient to protect dispatching administrations. Article 26 should therefore be amended on the lines of amendment 20. 26.3/Rev 1;
- one speaker proposed approving the original EC proposal with the amendment to paragraphs 3 and 4 giving the administrations of delivery the option of handling the items in accordance with their internal legislation in the event of non-payment of the requested remuneration;
- the proposed amendment was accused of introducing, with immediate effect and in a roundabout way, the terminal dues remuneration for bulk mail which should not come into effect until the year 2000 at the earliest. The delegation of Great Britain wanted its opposition to the proposed amendment to be recorded in the report.

The Committee decided to consider the amendments in proposal 20. 26.3/Rev 1 and the amendment submitted by New Zealand which consisted in replacing, in the 4th paragraph, the definition of the payment by the following phrase: "within the limits authorized in the Convention and Detailed Regulations for bulk mail".

In application of article 15, paragraph 4, of the Rules of Procedure of Congresses, proposal 20. 26.3/Rev 1 was put to the vote first and obtained the following results:

In favour:	64
Against:	57
Abstentions:	22

Proposal 20. 26.3/Rev 1 was adopted. The amendment by New Zealand and proposals 20. 26.2 and 20. 26.1 lapsed.

Undeliverable  
items

*Proposals 20. 29.1, 20. 29.2, 20. 29.3, 20. 29.4, 25. RE 2902.1, 25. RE 2902.2, 25. RE 2903.1/Rev 1, 25. RE 3101.4/Rev 1*

The Committee agreed to the following order of discussion: 20. 29.4, 20. 29.1, 20. 29.3 and 20. 29.2

*Proposal 20. 29.4*

This proposal by the United States of America was supported by four member countries. It aimed at giving administrations the option of collecting from the sender up to 1 SDR per weight step and per item returned to them and which had been posted in bulk in another administration.

All the speakers wondered about the practical application of the measure advocated. Some of them would prefer that the question first be studied in depth by the POC.

The Chairman proposed voting on that question. If the proposal was rejected, it would be referred to the POC for study, as two delegations had suggested.

Proposal 20. 29.4 was put to the vote and obtained the following results:

In favour:	30
Against:	67
Abstentions:	44

Proposal 20. 29.4 was rejected. The Committee considered that the matter should be referred to the POC for study.

*Proposal 20. 29.1*

This proposal by Indonesia sought to indicate that the return to origin of undeliverable items was not mandatory in the case of items which had been remailed and wrongly admitted within the meaning of article 26.

Two speakers emphasized that the aim of the proposal had already been attained by the new provisions of article 26 which the Committee had just approved.

Proposal 20. 29.1 was put to the vote and obtained the following results:

In favour:	5
Against:	83
Abstentions:	44

Proposal 20. 29.1 was rejected.

The meeting rose at 12.37 pm.

For the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
V Barbosa

Assistant Secretaries

**Statement by New Zealand about article 26 of the Convention**

Thank you Mr Chairman.

The proposals under article 26 are closely linked with this Committee's decisions on terminal dues. In principle New Zealand takes the view that it is inappropriate in an increasingly competitive postal market to retain legislative protection against remail. The appropriate course of action is to seek an economic response, by aligning terminal dues as closely as possible to costs. The new terminal dues system we have adopted, sought to dispense with the need to provide additional special protection for remail.

However, New Zealand agrees that we could retain article 26 at least until we are certain that the revised terminal dues system is operating effectively. We agree with the comment made by Italy last week that article 26 should be seen as a fallback position for the time being.

If we agree with retaining article 26 there still remains the question of the degree of protection to be provided.

The terminal dues package that was approved last week provides financial protection for the developing countries. It also provides additional financial protection for some of the relatively high cost countries – through the bulk mail tariff link.

But there is a limit as to how far the UPU should go in providing protection. The package agreed last week does not protect relatively low-cost countries against "direct-insert" – the practice where mail is freighted into a country and posted locally to take advantage of low domestic postage rates.

In a competitive environment there is a limit as to how far the UPU should go in insulating a country's own cost structure.

Nor should we be seeking to lock-in the postage rates of the very high cost countries. Some of them should look first at how their levels of efficiency affect their costs, before they seek legislative protection. The bulk mail rates agreed in the terminal dues package provide competitive rates of cost recovery for all but a handful of very high cost countries.

Turning now to the new proposal from the United States of America and Japan comes closest to reflecting the spirit of the discussions behind the terminal dues package. I can't say that we are completely happy with the proposal since it enables full domestic rates to be charged for ABA mail. However for ABC mail, which may simply be the result of a business seeking to use the best printer or most efficient mailing house, it links the payment to the higher of 80 percent of domestic postage or 0.14 SDR per item + 1 SDR per kg.

New Zealand takes the view that the rates of protection for developed countries are excessive under the USA–Japan revised proposal. In some cases it could simply serve to protect inefficiency. We also don't believe specific rates such as these proposed should be exposed in the Convention because it could preempt the decision of the POC on the bulk mail domestic tariff link. Therefore we wish to move an amendment to the USA–Japan proposal and to reinstate the link with the bulk mail rate for ABC remail.

We propose that the words in paragraph 4 of proposal 20. 26.3/Rev 1 "and which may not exceed the higher of the following two amounts: either 80 percent of the domestic tariff for equivalent items, or 0.14 SDR per item plus one SDR per kg" should be replaced by the words "within the limits authorized in the Convention and Detailed Regulations for bulk mail."

This will provide a degree of economic protection for our customers and for developing countries since they cannot be asked to pay more than the bulk mail rate for mail deemed to be ABC remail.

Mr Chairman we would also ask the Congress to agree that the POC be asked to address the need for article 26 to be retained in the future, once the impasse of the revised TDS proposal becomes known.

Mr Chairman, I ask that this statement be written into the minutes. In conclusion we support the USA-Japan amendment subject to the further amendments we have proposed.

Thank you.

**Statement by the Netherlands about article 26 of the Convention**

Thank you Mr Chairman,

The Netherlands would like to express its opinion on this important issue. We have considered the EC proposal. It was already noted in the EC meeting in February 1994 that this EC proposal did not yet take proper account of the fact that a completely new element would be added to the TD system. That was not yet possible at that time because the proposed TD system was brand new. Therefore the EC concluded that there was room for amendment of the EC proposal to take proper account of this new TD system. Now we have this new system accepted with an overwhelming majority which is a great achievement of Congress. We think that USA did a great job in formulating an amendment on the EC proposal which takes account of the results of the EC meeting in February 1994 and decisions of Committee 4 on the new TD system. The original USA amendment before revision was in our opinion a balanced approach on which broad consultation has taken place. This would have been acceptable to us. We regret that it is no longer on the table.

Then we come to the table right now! ie EC proposal (20. 26.2) and Japanese-USA proposal (20. 26.3/Rev 1).

What is the view of the Netherlands on the different aspects?

First of all there should be proper protection against abusive ABA remail. This point is dealt with in both proposals in the first three paragraphs. It is acceptable for Netherlands that proper protection against abusive remail is given. We still have problems with a proper definition of what is abusive ABA remail. However we will not elaborate further on this issue here.

Second point concerns paragraph 4 of the proposals. This deals with so-called ABC remail. We think it not acceptable to introduce in this paragraph new specific remuneration schemes that are different from the terminal dues system as in the US-Japan proposal. We had the new TD system agreed with an overwhelming majority. We do see big problems in introducing new, higher, remuneration elements specifically for ABC mail. The problem then again is the definition of ABC remail and ABC mail. In both proposals this judgement is left to the country of destination. The remuneration is not defined in the EC proposal and in the USA proposal is defined at either 80 percent of domestic tariffs or the UPU bulk mail rate whichever is the higher. This is much higher than the recently agreed bulk rate. This will, at the discretion of the country of destination, lead to much higher costs for a very large number of developing countries, and above all for customers. So it is certainly not in the interest of the customers.

Then I come to a more general point Mr Chairman. We are of the opinion that article 26 should give Member States the possibility to ensure the economic viability of the universal postal service (service public). We therefore think that it should only be applied in cases where this economic viability of universal service is endangered. This would mean a restrictive application. This article is certainly not intended to be used on a discretionary basis against all kinds of small commercial activities. The economic viability of universal service obligation would be at stake when applying this article (not against small numbers of letter items!).

We have strong doubts Mr Chairman if any of the two proposals is legal according to national legislation and international legislation. I specifically refer to the Treaty of the European Community and to the results of GATT negotiation.

We have to examine this in depth Mr Chairman. Therefore Mr Chairman we have to consider to make a reservation from the side of Netherlands on both proposals.

In summary Mr Chairman:

- big problems with both proposals;
- examine in depth whether in accordance with national and international legislation to which we are bound;
- we have to consider to reserve our position on this article.

We would like to have our intervention recorded in the minutes.

**Tenth meeting**

Thursday, 8 September 1994, 3.10 pm

In the chair: Mr H El Qudah, Chairman

- Proxies Belize, Dominica, Georgia, Jamaica, Lithuania, Liechtenstein, Saint Christopher and Nevis and Turkmenistan were represented by Barbados, Great Britain, Russian Federation, Guyana, Latvia, Switzerland, Saint Lucia and Ukraine respectively.
- Quorum A check revealed that 94 member countries were represented in the hall. The quorum having been set at 86, the Committee could proceed to business.
- Approval of the report Within the twenty-four hours following its publication, the Secretariat had received a notification of correction to report 6, which would appear in Congress/C 4 – Rep 6/Corr 1.
- Report 6 of Committee 4 was approved subject to the correction in Congress/C 4 – Rep 6/Corr 1. The Committee authorized the Chairman to approve in its name the last four reports which would be published after the Committee had ceased meeting.
- Undeliverable items (cont) *Proposal 20. 29.3*
- This proposal by Italy was supported by nine member countries. It aimed to establish a distinction between items which had not been delivered because they had been refused by the addressee and those which were undeliverable for other reasons.
- Italy presented its proposal and indicated that China (People's Rep) would withdraw its proposal 20. 29.2 if the phrase "Except those cases mentioned in the RE" were added to paragraph 4. Italy was not opposed to that amendment.
- Several speakers supported the principle of the proposal and presented other amendments in order to specify cases of immediate return.
- The Secretariat recalled the principle of the recasting of the Acts, according to which the Convention must be limited to fundamental principles, with particular cases being included in the Regulations.

Other speakers indicated that the current text was sufficient to take account of the situations mentioned.

The Chairman suggested that Italy and the Secretariat prepare a text taking into account the suggestions from Italy and China (People's Rep) and the comments made by the Assistant Director-General.

Proposal 20. 29.3 was adopted subject to the drawing up by Italy of a text in conformity with the wishes of the Committee, finalization of which was left to the Drafting Committee.

*Proposal 20. 29.2*

As proposal 20. 29.3 had been adopted with an amendment by China (People's Rep) included in it, the latter withdrew its proposal.

Proposal 20. 29.2 was withdrawn.

*Proposals 25. RE 2902.1, 25. RE 2903.1/Rev 1 and 25. RE 3101.4/Rev 1.*

The Committee approved the Chairman's suggestion that the consequential proposals under this agenda item be referred to the POC.

The Committee decided to refer to the POC the following RE proposals: 25. RE 2902.1, 25. RE 2903.1/Rev 1 and 25. RE 3101.4/Rev 1.

Exchange of items

*Proposals 20. 41.3, 25. RE 4101.1, 25. RE 4102.3, 25. RE 4104.2, 25. RE 4106.1, 25. RE 4106.3, 25. RE 4109.1, 25. RE 4111.2, 25. RE 4112.91, 25. RE 4113.2, 25. RE 4118.3, 25. RE 4121.2, 25. RE 4602.2.*

*Proposal 20. 41.3*

This proposal by Sweden was supported by nineteen member countries. It aimed to abolish the obligation to obtain authorization from the postal administration of the transit country if transit did not involve the participation of that administration. If the proposal was adopted, it would be enough to inform the transit country in advance of the conveyance of mail in transit.

One delegation commented that this was not attaching great importance to the sovereignty of nations. Another delegation, which supported the proposal, replied that the constraints which followed from this principle did not in any way hinder private carriers and that introducing a bit of modernity into the regulations could only make the postal services more competitive.

Proposal 20. 41.3 was adopted without further comment.

*Proposals 25. RE 4101.1, 25. RE 4102.3, 25. RE 4104.2, 25. RE 4106.1, 25. RE 4106.3, 25. RE 4109.1, 25. RE 4111.2, 25. RE 4112.91, 25. RE 4113.2, 25. RE 4118.3, 25. RE 4121.2, 25. RE 4602.2*

The Committee approved the Chairman's suggestion that the consequential proposals under the present agenda item be transferred to the POC.

The Committee decided to refer the following RE proposals to the POC: 25. RE 4101.1, 25. RE 4102.3, 25. RE 4104.2, 25. RE 4106.1, 25. RE 4106.3, 25. RE 4109.1, 25. RE 4111.2, 25. RE 4112.91, 25. RE 4113.2, 25. RE 4118.3, 25. RE 4121.2, 25. RE 4602.2.

Accounting

*Proposals 20. 0.8/Rev 1, 20. 0.9/Rev 1, 20. 0.18, 25. RE 0.4, 25. RE 5003.91, 25. RE 5006.1, 25. RE 5006.3, 25. RE 5007.1, 25. RE 5008.2, 25. RE 5009.2, 25. RE 5202.2, 25. RE 5204.3, 25. RE 5301.3, 25. RE 5303.1, 29. 12.1*

Congress –  
Docs 62 and  
Corr 1

*Congress – Docs 62 and Corr 1*

Congress – Doc 86

The Committee agreed to first consider Congress – Docs 62 and Corr 1, the Executive Council's report on new principles for airmail and parcel-post accounting.

The Netherlands introduced the document and, specifically, the chief new elements of the proposals of a general nature.

The Chairman said that Congress – Doc 62 requested the Committee to approve the proposals listed in paragraph 37 stemming from the studies on accounting. These proposals were not, however, the consequence of amendments to the Convention and were therefore referred directly to the EC (POC). Other proposals stemming from this study and to be considered by the Committee were, however, listed in paragraph 40 of the document. They were proposals of a general nature.

*Proposal 20. 0.8/Rev 1*

This resolution aimed to instruct the POC to monitor and assess the new direct billing system within three years of the entry into force of the Seoul Acts. Before considering the proposal, the Chairman informed the Committee that Committee 7, which had considered the same document, had approved direct billing for postal parcels.

The Committee approved proposal 20. 0.8/Rev 1 without discussion.

*Proposal 20. 0.9/Rev 1*

This resolution aimed to instruct the International Bureau to make known the advantages of the general liquidation account and to encourage administrations to make use of it.

The Committee approved proposal 20. 0.9/Rev 1 without discussion.

*Proposal 20. 0.18*

This was a recommendation to administrations urging them to use typewriters or computer printers to fill in accounting documents.

The Committee approved proposal 20. 0.18 without discussion.

*Proposal 25. RE 0.4*

This decision instructed the International Bureau to examine the wording of the articles dealing with accounting contained in the Detailed Regulations of the Convention and of the Postal Parcels Agreement with the aim of making them easier to understand and to submit relevant proposals to the competent body by 1997. The International Bureau was also instructed to prepare an operational compendium on accounting.

The Netherlands thought that the study should be carried out as soon as possible.

The Committee approved proposal 25. RE 0.4 without discussion.

*Congress – Doc 86*

The document, which reflected the wish to expand the International Bureau's clearing system, was introduced by the Secretariat.

The system could be expanded without amending the Acts and it was suggested in conclusion that the POC be given the task of simplifying accounting procedures. Proposal 25. RE 0.4, with the consequential amendment, was referred to the POC.

One Restricted Union wanted computerized links for this purpose to be established between the International Bureau and administrations. Failing that, the Union requested that the International Bureau distribute accounting software before the Acts came into force in 1996.

The Secretariat indicated that studies would have to be conducted for that purpose and financial resources obtained. The subject could also be covered in the study on accounting which it was already planned to ask the POC to carry out.

The Committee took note of Congress – Doc 86 and requested the POC to study:

- = the simplification of letter-post and parcel-post accounting procedures;
- = the possibility of using appropriate informatics and telematics methods. Proposal 25. RE 0.4 would therefore be amended accordingly by the Secretariat and the Drafting Committee.

*Proposals 25. RE. 0.4, 25. RE 5003.91, 25. RE 5006.1, 25. RE 5006.3, 25. RE 5007.1, 25. RE 5008.2, 25. RE 5009.2, 25. RE 5202.2, 25. RE 5204.3, 25. RE 5301.3, 29. 12.1.*

The Chairman gave the floor to New Zealand for all the proposals on terminal dues accounting having a bearing on the Detailed Regulations.

The Committee agreed without discussion to refer proposals 25. RE 5003.91, 25. RE 5006.1, 25. RE 5006.3, 25. RE 5007.1, 25. RE 5008.2, 25. RE 5009.2, 25. RE 5202.2, 25. RE 5204.3, 25. RE 5301.3, 25. RE 5303.1 and 29. 12.1 to the POC.

Postage stamps

*Proposal 20. 5.2*

Proposal 20. 5.2 was withdrawn.

*Proposal 20. 5.1/Rev 1*

This proposal concerns article 7 and confirms the responsibility of postal administrations, which alone are authorized to issue postage stamps for denoting payment of postage according to the Acts of the Union.

Sweden, the co-originator of the proposal, presented it for both its substance and its form.

Proposal 20. 5.1/Rev 1 was accepted without discussion.

Proposals considered by other Committees and referred to Committee 4

*Proposal 25. RE 0.1*

The Chairman said that proposal 25. RE 0.1 had been allocated to Committee 6 (Quality of Service), but that the latter Committee had not given a ruling. Committee 4 would therefore have to consider it.

This was a recommendation concerning items in transit à découvert, urging administrations always to apply the provisions of article RE 4103 when transmitting such items and recommending that the provisions relating to those items be included in bilateral agreements on quality of service targets.

Proposal 25. RE 0.1 was approved without comment.

Proposals to be referred to the POC (article 15, paragraph 3, of the Rules of Procedure of Congresses)

*Congress – Doc 10/Annex 1*

These proposals were listed at annex 1 to the agenda. No request for consideration was made by the Committee.

The Committee agreed that, in accordance with article 15, paragraph 3, of the Rules of Procedure of Congresses, proposals for amending the Detailed Regulations that were not the consequence of proposals for amending the Convention should be referred to the Postal Operations Council.

The Secretariat was instructed to prepare the part of the Congress resolution listing the proposals referred.

Resolution (article 15, paragraph 10, of the Rules of Procedure of Congresses)

*Proposals relating to the Detailed Regulations:*

- *referred to the POC for consideration;*
- *referred to the POC for consideration together with guidelines from Congress.*

The Chairman said that, in accordance with article 15, paragraph 10, of the Rules of Procedure of Congresses, at the end of their work, the Committees were to prepare, in respect of proposals for amending the Detailed Regulations, a two-part resolution consisting of:

- the numbers of the proposals referred to the Postal Operations Council for consideration;
- the numbers of the proposals referred to the Postal Operations Council for consideration together with guidelines from Congress.

The Secretariat had just been instructed to draw up that resolution in respect of proposals that were not the consequence of amendments to the Convention.

Proposals that were the consequence of amendments to the Convention were shown in the third column of the agenda. Their referral to the POC without guidelines had been the subject of specific decisions by the Committee under the various items of the agenda. Those decisions were set out in the Committee's reports.

The Committee agreed that the Secretariat should be instructed to include those proposals in the Congress resolution mentioned under the preceding point. The Committee noted that:

- = the proposals which had been approved (proposals 25. RE. 601.1, 25. RE 601.2, 25. RE 904.7, 25. RE 4708.91 and 25. RE 5201.1/Rev 1) would be listed in a Congress resolution prepared by the Drafting Committee;
- = proposals 25. RE 904.4, 25. RE 904.8, 25. RE 5201.2 and 25. RE 5201.4 had been withdrawn or had lapsed;
- = the Committee had not referred any proposals to the POC together with guidelines.

Final Protocol to  
the Convention  
and to its  
Detailed Regula-  
tions

*Congress – Doc 65/Rev 1*

The Chairman explained that the document in question listed the amendments made in the Final Protocol of the Convention and its Detailed Regulations, either because of new accessions to the Union, or as the result of the withdrawal of certain reservations.

a Updating

The Chairman added that Rev 2 of this document was being prepared. It would include all the requests for the withdrawal of reservations submitted to the Secretariat by the previous day.

He invited delegations to note this document, which would continue to be updated by the Secretariat as and when any new requests for the withdrawal of reservations were submitted.

The Committee took note of Congress – Doc 65/Rev 1.

b Reservations

*Proposals 23. 5.1, 23. 8.1, 23. 8.2, 23. 8.3, 23. 9.1, 23. 9.2, 23. 9.3, 23. 11.1, 23. 19.1, 23. 19.2, 23. 19.3, 23. 19.4*

The Chairman said that the Secretariat would include the proposals in the Final Protocol and went on to consider the provisions relating to the reservations submitted to the Secretariat distributed by Wednesday, 6 September. The two proposals, 23. 8.1 and 23. 8.2, had been withdrawn by their respective authors.

Proposals 23. 5.1, 23. 8.3, 23. 9.1, 23. 9.2, 23. 9.3, 23. 11.1, 23. 19.1, 23. 19.2, 23. 19.3 and 23. 19.4 were approved without comment.

Any other  
business

Sweden took the floor on behalf of the Committee to say how much all the participants had appreciated the Chairman's good humour, which had made it possible to work on difficult topics in a relaxed atmosphere. The complex agenda had been well prepared, which had made it possible to find generally acceptable solutions to the problems dealt with. For himself and on behalf of the Committee members, he extended his sincere thanks to the Chairman.

The Chairman said that the comments he had just heard filled him with pride and were the best possible reward in his eyes. Above all, he wished to share the flattering remarks just heard with the Secretariat of this Committee which, well before Congress, had already given him its support.

The Chairman then referred to the letter, so often charged with emotion, and to his family, but also to his second family, the great family of the Post, so different from the families formed by the other international organizations. This family, united by a single territory, the Union's, was a source of peace.

Allowing himself to dream for a moment, he evoked a world in which politicians would allow postal officials to deal with international affairs. If that dream came true, peace would reign among all peoples.

The Chairman then expressed his joy and sorrow, his joy at soon being reunited with his family and his wife, his sadness at leaving the postal family in Seoul.

But one of his consolations would be to have tried to direct the debates on the model of the great Arab tradition, combining flexibility and firmness. The kind remarks by the representative of Sweden led him to think that this had pleased all the Committee.

Barely able to contain his emotion, on behalf of Jordan, the Chairman symbolically embraced all postal officials present, including the ladies, whose beauty caused the brightest Korean chandeliers to pale in comparison.

The Chairman concluded his address with the traditional blessing "May God be with you".

The meeting rose at 6 pm.

On behalf of the Committee:

H El Qudah  
Chairman

C Gheorghiev  
Secretary

G Goudet  
Assistant Secretary

V Barbosa  
Assistant

## Reports of Committee 5

### First meeting

Thursday, 1 September 1994, 3 pm

In the chair: Mr Rogério Barrionuevo Gonçalves Leques, Chairman

- Opening                    Opening the meeting, the Chairman warmly welcomed all the Committee 5 members and expressed his gratitude at the honour conferred on his country and himself by calling on it to chair the Committee. He greeted the Vice-Chairmen of the Committee, Mrs M Madrigal Arguedas of Costa Rica, Mr Lee Shin Koi of Singapore and Mr M Starodub of Ukraine, saying he was happy to be able to count on their help and cooperation.
- Secretariat                Mr M S Raman, Assistant Director-General at the International Bureau, acted as coordinator, while Messrs M N Harding, Senior Counsellor, and A Johnsen, Assistant Counsellor, at the International Bureau were appointed Secretary and Assistant Secretary respectively of the Committee.
- Proxies                    Belize, Estonia, Georgia, Liechtenstein, Lithuania, Saint Christopher and Nevis and Dominica were represented by Barbados, Finland, Russian Federation, Switzerland, Latvia, Saint Lucia and Great Britain respectively.
- Quorum                    A check revealed that 117 countries were represented in the hall. The quorum having been set at 82, the Committee was able to proceed to business.
- Statement                Mr M S Raman, Assistant Director-General at the International Bureau, conveyed the Secretary-General's best wishes for the success of the Committee's work. He also shared with the Committee some personal thoughts of the Secretary-General's on the development of mail traffic volumes. The present position of the letter-post services was not bad but they were threatened by technological development, particularly by end-to-end electronic transmission and multimedia services. The letter-post services therefore had to be adapted. The electronic mail services would be important in this respect. Almost half of the member countries had introduced bureaufax-type services while a few had set up electronic message-handling services. With regard to the conveyance of

goods, he noted that postal parcels had dropped from an estimated 66 million in 1982 to under 55 million in 1992. Although the drop was partly due to the transfer of traffic to letter post (small packets) and EMS, the position of postal parcels was very disturbing. Lastly, he noted the positive development of the EMS service which had handled 24.8 million items in 1993, an increase of 12.2 percent over 1992. Traffic was likely to reach 28 million items in 1994 and the EMS network, currently serving 156 postal administrations, was still expanding.

Approval of the agenda

The agenda (Congress – Doc 11) was adopted without amendment.

Participation of observers

Referring to Congress decision C 8, the Chairman suggested admitting the International Chamber of Commerce as an observer during discussion of items 5, 6 and 7 on the Committee's agenda, bearing in mind that that organization seemed to be interested in those items. However, seeing no need to restrict the presence of that organization during its discussions, the Committee admitted the International Chamber of Commerce as an observer at all its meetings.

Proposals referred to other Committees

No proposal was referred to Committee 10.

Consideration of Congress – Docs and proposals

Five-yearly report on the development of the postal services

The International Bureau introduced Congress – Doc 20, which the Committee noted. The Secretariat noted that the name of Tonga had been misspelt in annex 2 of the English version of the report.

Some delegates regretted the lack of data concerning several administrations in the UPU statistics. Those administrations did not want to divulge their data for commercial reasons. Two participants therefore recommended that the POC should consider how many data should be collected for the postal statistics and how those data should be collected and published.

Several countries expressed their disquiet about the development of the volume of postal parcel traffic and suggested that the POC address that problem, including the difficulties of the developing countries, in order to reverse that trend.

Status of EMS Congress – Doc 20/Add 1

The International Bureau presented Congress – Doc 20/Add 1, which the Committee noted. Several delegations gave the Committee the benefit of their thoughts on the development of the volume of EMS traffic. In most countries, the growth of this service was good. However, in Africa, traffic had dropped. This was, however, mainly due to a 70 percent fall in the traffic of the administration with the biggest volume of EMS traffic in the continent.

Resolution on  
EMS

*Proposals 20. 0.2, 20. 0.23, 20. 0.24, 20. 0.6 and 20. 0.7*

New Zealand introduced proposal 20. 0.2 which was designed to ratify the existing framework agreement and recommendations on EMS and to instruct the POC to prepare new recommendations, to monitor the quality of EMS and to organize the annual EMS symposium.

The Chairman divided the discussion into two parts – first of all on the text of the resolution and secondly on the annexes thereto.

The text of the resolution in proposal 20. 0.2, as amended by proposal 20. 0.23, was adopted by consensus. However, the Drafting Committee was asked to pay particular attention to the second dash of the first operative paragraph in order to find, if possible, wording that stressed the distinction between the system of monitoring EMS items and that of ordinary mail.

As regards the annexes, proposal 20. 0.24 was adopted by consensus. The amounts of the liability limits was to be inserted into the proposal by Committee 10 on the basis of the amounts adopted by Committees 4 and 7 for registered items and postal parcels.

Proposals 20. 0.6 and 20. 0.7 were also discussed. The Committee shared the concern behind those proposals. Traffic volumes had developed fastest in the Asia/Pacific region where compensation rates had been kept at a moderate level. The Restricted Union of that region had, in fact, adopted a recommendation on that rate. Some delegates, however, expressed doubts about the need for these proposals as it was merely a matter of a model for bilateral agreements between administrations. It was also suggested that the expression "to withstand the competition" was inappropriate and should be replaced by "to ensure the competitiveness of the service".

In addition, the 1993 CCPS had instructed the International Bureau, in conjunction with the reporting countries for study 721, to study the question of the rate of compensation for imbalances. During discussions in Committee 5, several factors likely to add substance to that study had been brought out. Amongst other things, it was suggested to ban changes from any other date than 1 January and then only on condition that it was possible to notify the other administrations of the new rate through the International Bureau far enough in advance. The representative of one developing country also noted that it was difficult to judge whether compensation rates were cost-based as they often seemed to be arbitrary. In his opinion, it would be useful for administrations which did not have costing systems to have a guide showing how they could set their rates.

The meeting rose at 6 pm.

For the Committee:	Rogério Barrionuevo Gonçalves Leques	M N Harding
	Chairman	Secretary
		A Johnsen
		Assistant Secretary

**Second meeting**

Monday, 5 September 1994, 9.30 am

In the chair: Mr Rogério Barrionuevo Gonçalves Leques, Chairman

- Opening                    The Chairman thanked the Korean companies that had held a reception for all Congress participants on Friday evening and the postal administration of Korea (Rep) which had arranged highly successful excursions on Saturday.
- Proxies                    Belize, Estonia, Georgia, Liechtenstein, Lithuania, Monaco, Saint Christopher and Nevis and Dominica were represented by Barbados, Finland, Russian Federation, Switzerland, Latvia, France, Saint Lucia and Great Britain respectively.
- Quorum                    A check revealed that 86 countries were represented in the hall. The quorum having been set at 82, the Committee was able to proceed to business.
- Consideration of  
Congress – Docs  
and proposals
- EMS                        *Proposals 20. 0.2, 20. 0.6 and 20. 0.7*
- Resolution on  
EMS                        The discussion on proposals 20. 0.6 and 20. 0.7 started at the Committee's first meeting continued. One country asked for an amendment, accepted by the originator postal administrations, pointing out that the expression "which enable it to withstand the competition" was inappropriate and should be replaced by "which enable it to ensure the competitiveness of the service". Three delegations stressed that the EMS service needed to be flexible for commercial reasons. Those delegations were therefore not in favour of the two proposals. Another speaker, however, considered that such aspects should be included in the framework agreement. Put to a vote, the proposals obtained the following results:
- |              |    |
|--------------|----|
| For:         | 23 |
| Against:     | 41 |
| Abstentions: | 28 |

Proposals 20. 0.6 and 20. 0.7 were therefore rejected. Proposal 20. 0.2, as amended by proposals 20. 0.23 and 20. 0.24 already adopted at the Committee's first meeting, was then adopted by consensus.

## Article 55

*Proposal 20. 55.1*

This proposal was aimed at:

- a limiting the EMS imbalance charge in the agreements to 5 SDR at most (paragraph 3bis);
- b setting an annual threshold of 300 items above which the rate would be applied (3ter);
- c specifying that no imbalance charge was paid on lost EMS items. On the contrary, the administration of destination had to pay the administration of origin double the imbalance rate to indemnify the sender (3quater).

Some speakers were unable to support this proposal as it restricted the necessary flexibility of EMS. However, some delegations supported the proposal in part while rejecting one or two paragraphs. One delegation, other than the originator, supported the proposal as a whole. One delegation suggested referring the proposal to the POC for inclusion in its study on EMS. However, the originator of proposal 20. 55.1 wanted a vote to be taken on it, saying it should be referred to the POC only if it was rejected.

Put to a vote, the proposal obtained the following results:

Paragraph 3bis		Paragraph 3ter		Paragraph 3quater	
For	15	For	8	For	19
Against	60	Against	64	Against	51
Abstentions	23	Abstentions	26	Abstentions	28

Proposal 20. 55.1 was therefore rejected in its entirety.

*Proposal 20. 55.3*

Like the previous proposal, this proposal aimed at making the administration of destination liable for damage caused by it.

However, due to a lack of support in the Committee, proposal 20. 55.3 was rejected.

*Proposal 20. 55.2*

The aim of this proposal was to show that freedom of transit for EMS bags and EMS items in transit à découvert was guaranteed throughout the territory of the Union. The originator accepted an amendment restricting the proposal to covering EMS bags and not à découvert items.

The concept of the proposal was accepted in general but several speakers mentioned that freedom of transit was applicable to EMS mails even without this proposal, which they regarded as unnecessary. One administration, which no longer belonged to the EMS network, considered that the proposal was acceptable if EMS mails in transit could be treated as letter-post mail and not as EMS.

The originator replied that the priority for these mails should, however, be guaranteed. One delegation considered that such a provision should be placed in article 1 of the Convention instead of in article 55.

Put to a vote, the proposal obtained the following result:

For:	29
Against:	43
Abstentions:	33

Proposal 20. 55.2 was therefore rejected.

*Proposal 20. 55.4*

This proposal, which aimed at specifying that aspects of the EMS service that are not expressly governed by bilateral agreements are subject to the appropriate provisions of the Acts, caused only one intervention. That delegation considered that the proposal was unnecessary as the last article of the framework agreement contained a similar provision.

Put to a vote, the proposal obtained the following result:

For:	31
Against:	30
Abstentions:	39

Proposal 20. 55.4 was therefore adopted.

Electronic mail  
service

The International Bureau introduced Congress – Doc 20/Annex 3, which the Committee took cognizance of.

*Proposals 20. 0.1 and 20. 39.91*

Germany, the reporting country for CCPS study 722.1, introduced proposal 20. 39.91, which was aimed at incorporating the electronic mail services into the Convention, and proposal 20. 0.1, which was aimed at instructing the POC to prepare framework agreements and recommendations to facilitate the operation of the services. The amendment in proposal 20. 0.25 took account of the restructuring of the UPU.

On proposal 20. 39.91, one delegation proposed specifying in paragraph 2, of article 39bis that electronic mail was a postal service and deleting the words "from person to person" in article 39ter. These amendments were acceptable to the reporting country for the study. However, some delegations expressed doubts about whether the UPU should specify that electronic mail was a postal service without first consulting the ITU. Other speakers stressed that telecommunications were involved only as a means of transport.

The amendments were, however, accepted by 93 votes to 14 (with no abstentions). The amended proposal was then put to a vote. Ninety-six delegations voted for the proposal and 11 against (no abstentions). Proposal 20. 0.25 was also put to a vote, and obtained the following result:

For:	99
Against:	0
Abstentions:	8

Proposals 20. 0.25 and 20. 39.91 were therefore adopted. As a result of the adoption of proposal 20. 0.25, proposal 20. 0.1 lapsed.

#### Statement

The observer for the International Chamber of Commerce noted with satisfaction the spirit of greater opening in the UPU and the stress placed by the organization on customers' needs. He was in favour of more competition in the international Post as competition should encourage the Post to improve its quality of service, which was in the interests of customers. The conditions of competition should be the same for everybody. In his view, the Post should not use the revenue from the reserved services to subsidize new services.

The meeting rose at 12.30 pm.

For the Committee:	Rogério Barrionuevo Gonçalves Leques Chairman	M N Harding Secretary
		A Johnsen Assistant Secretary

**Third meeting**

Monday, 5 September 1994, 3.25 pm

In the chair: Mr Rogério Barrionuevo Gonçalves Leques, Chairman

Proxies                      Apart from the eight proxies which were valid for all the meetings of Congress, Estonia and Monaco were represented by Finland and France respectively.

Quorum                      The quorum of 86 was achieved at the opening of proceedings.

Approval of report        The report of the first meeting was adopted.

Consideration of  
Congress – Docs  
and proposals              *Proposal 20. 0.20*  
Proposal 20. 0.20, aimed at assigning to the Postal Operations Council a study on the advisability of introducing an optional international business reply service for goods, was adopted by consensus.

New Services

*Proposal 20. 0.22*  
  
This proposal was aimed at assigning to the Postal Operations Council a study on the advisability of introducing an optional "International Admail" service which is an international business reply service allowing a reply to be sent to an address in the country of destination of the advertising item.  
  
Proposal 20. 0.22 was adopted by consensus.

*Proposal 20. 0.21*  
  
Proposal 20. 0.21, aimed at assigning to the Postal Operations Council a study on the advisability of introducing an international household delivery service for unaddressed items, was adopted by consensus.

*Proposal 30. 13.91/Rev 2*

This proposal was designed to incorporate into the Postal Parcels Agreement the "Consignment" service already provided between ten postal administrations.

Several speakers stressed the importance of introducing this service into the Acts of the Union. They considered it advisable to leave it to the Postal Operations Council to prepare the detailed provisions of the service in order to retain the flexibility required in the early stages of a service. Some delegations expressed the wish that the POC should also study the question of expanding the service to the conveyance of letter-post items also. Nobody opposed such a study.

One delegation considered it was premature to introduce the service into the Postal Parcels Agreement before details of the service had been laid down. The Nordic countries, which had been providing the service for some ten years, promised to provide the speaker with the necessary information.

The wording of the article was then amended by a small working party to show that the details of the service would be fixed bilaterally between the administration of origin and the administration of destination on the basis of provisions defined by the Postal Operations Council. On the proposal of a French-speaking administration, which was already taking part in the service under the name of "Consignment", this name was also kept in the French version for the sake of uniformity.

The speaker who had considered introduction of the service premature was unable to accept the amended text because it still contained the logo.

Eighty-seven of the 90 delegations present in the hall represented member countries that had signed the Postal Parcels Agreement and were therefore able to take part in a vote in which proposal 30. 13.91/Rev 2, as amended, obtained the following results:

For	77
Against	1
Abstentions	9

Proposal 30. 13.91/Rev 2 as shown in annex 1 hereto was therefore adopted. A resolution prepared on the basis of the discussions instructing the POC to carry out a study is given in annex 2.

Reconstitution of  
the Private  
Operators-UPU  
Contact  
Committee

*Proposal 011*

The EC Chairman presented that proposal aimed at authorizing the EC to reconstitute the Private Operators-UPU Contact Committee. Bearing in mind that certain subjects dealt with in the Committee had led the private operators to raise questions that were internal to the UPU, for example terminal dues and the restructuring of the UPU, he recommended prudence in contacts with the private operators. However, because the discussions dealing with operational questions such as security, customs treatment and EDI were useful to both parties, he recommended reconstitution of the Committee.

Several speakers supported the proposal. One felt that the Postal Operations Council should represent the UPU on the Committee because the cooperation concerned technical aspects. However, three delegations felt that the Council of Administration was the more appropriate body since political questions could be discussed. The three speakers wished to delete the words "if appropriate" in the operative paragraph of the resolution. The EC Chairman, who was also Chairman of the Contact Committee, felt that the Council of Administration should participate on the UPU side with the assistance of the Postal Operations Council. He was not opposed to deleting the words "if appropriate".

Proposal 011 was adopted with the following operative paragraph:

Authorizes

the Council of Administration to reconstitute the Private Operators–UPU Contact Committee with a view to continuing the study of common technical, commercial and operational problems.

Draft 1995–1999  
study programme

*Congress – Doc 68 and proposals 03 and 04*

The part of the draft study programme that concerned the market as well as EMS and electronic mail services was considered.

Most of the administrations favoured the studies in annex 1/attachments 1 to 5 to the document. One delegation stressed the importance of studying electronic message-handling services as part of the electronic mail study. Another proposed including the new "Eurogiro" product in the programme. Two speakers felt the programme should be considered with the UPU Strategic Plan, which as a general rule had already been done.

The Committee supplemented the programme with proposal 03, which was adopted without opposition after the last part of paragraph ii ("subject to ...") had been deleted.

Proposal 04 was also adopted without objection after the words "to leave it to that Council" appearing in the operative paragraph had been supplemented with ". within the framework of the Strategic Plan,".

Proposals to be  
referred to the  
POC

Proposals 25. RE 5501.1, 25. RE 5501.2 and 25. RE 5501.3 were referred to the POC without discussion.

Approval of the reports

In accordance with article 23, paragraph 5, of the Rules of Procedure of Congresses, the reports of the second and third meetings would be approved by the Chairman on behalf of the Committee.

The meeting rose at 5.30 pm.

For the Committee:	Rogério Barrionuevo Gonçalves Leques Chairman	M N Harding Secretary
		A Johnsen Assistant Secretary

**Revised wording of proposal 30. 13.91/Rev 2 as submitted in the meeting**

Article 13bis

"Consignment"

1 Administrations may agree among themselves to take part in an optional service called "Consignment", which is the term used for collective items sent abroad.

2 Wherever possible, this service shall be identified by a logo consisting of the following components:

- the word CONSIGNMENT in blue;
- three horizontal bands (one red, one blue and one green).



3 The details of this service shall be laid down bilaterally between the administration of origin and the administration of destination on the basis of provisions defined by the Postal Operations Council.

**Resolution**

**Consignment**

Congress,

Having introduced into the Postal Parcels Agreement the basic provisions concerning the Consignment service,

Aware that administrations wishing to perform this service need more detailed provisions,

Considering that this service could later be offered for the conveyance of letter-post items,

*Instructs*

the Postal Operations Council:

- i to prepare the provisions that postal administrations need to perform the Consignment service;
- ii to study the question of extending this service to the conveyance of letter-post items and, if applicable, to submit appropriate proposals to the next Congress.



## Reports of Committee 6

### First meeting

Monday, 29 August 1994, 3 pm

In the chair: Mr K Fisher, Chairman

#### Opening of proceedings

Opening the first meeting, the Chairman cordially welcomed all the members of Committee 6 and expressed his gratitude at the honour conferred on his country, Great Britain, and himself by making him Chairman. He welcomed the three Vice-Chairmen of the Committee, namely, Malaysia, Slovenia and Zimbabwe, as well as the Secretary-General and the observer for IATA.

#### Secretariat

Mr M Mazou, Assistant Director-General at the International Bureau, acted as coordinator and Mr M Fohouo, Counsellor, and Messrs F Ghanbari, J Gunderson and J Svenka, First Secretaries at the International Bureau, were appointed Secretary and Assistant Secretaries respectively.

#### Proxies

Belize, Georgia, Liechtenstein, Saint Christopher and Nevis, Dominica, Malta and Monaco were represented by Barbados, the Russian Federation, Switzerland, Saint Lucia, Great Britain, Ireland and France respectively. Estonia and Lithuania were represented by Finland.

#### Quorum

A check revealed that 79 countries were represented in the hall and as the quorum was 77, the Committee was able to proceed to business.

#### Agenda

*Congress – Docs 12/Rev 1 and Add 1*

The Chairman's proposal that agenda item 10 be discussed at the first meeting of the Committee was adopted.

The agenda (Congress – Doc 12/Rev 1) was approved together with its addendum (Congress – Doc 12/Add 1), with the above amendment.

Statements

The Secretary-General recalled the excellent work done by the Committee Chairman, the former Chairman of the Electronic Transmission Standards Group (ETSG), on behalf of the World Post and shared some thoughts with the Committee. He first of all drew up a brief balance sheet of the work conducted as part of implementation of the Permanent Project to safeguard and enhance the quality of the international postal service, noting that quality remained one of postal administrations' priorities. The other fields that the Committee had to consider (such as security and the environment) also formed a substantial part of Union activities. Work on telematics was a new activity that was developing fast. Telematics and EDI technologies were of prime importance for the development and modernization of postal services. The UPU had to ensure that there was no let up in efforts and investments in those fields.

Evaluation of the activities carried out in connection with resolution C 22

*Congress – Doc 22*

Congress – Doc 22 on the evaluation of the activities carried out in connection with Washington Congress resolution C 22 (Permanent project to safeguard and enhance the quality of and to modernize the international postal service) was introduced by Mr M Mazou, Assistant Director-General at the International Bureau.

During the discussion, all delegations stressed the importance of the work done by the Union in the field of quality of service. Most countries especially appreciated the work of the consultants in the field. Two types of problem were noted – the inadequacy of funds and infrastructures in the developing countries and of cooperation with the Customs and airport authorities.

The Committee noted the report.

Universal Postal Union strategies to safeguard and enhance the quality of the international postal service

*Congress – Doc 64*

Great Britain introduced the document as well as the related proposal 037, stressing that they had been prepared by the Permanent Project Management Team in close cooperation with the International Bureau and that they had then been studied by the Executive Council in 1994. After the introduction, the debate was opened.

Speakers expressed appreciation of the form and content of the "Quality of Service" programme and of its importance for the future of the Post in a competitive environment. They fully supported the document and some delegations gave concrete examples of their efforts in monitoring and improving quality.

The Chairman of Committee 2 referred to the complex issue of financing Union activities and underlined the need to seek co-funding for some Union activities out of voluntary contributions. He said that Committee 2 would study that question in due course. It was up to Committee 6 to set priorities in its discussions. The Chairman suggested that all proposals with financial repercussions should be reviewed at the last Committee 6 meeting.

Congress – Doc 64 was approved.

*Proposal 037*

Proposal 037 was adopted and the Committee asked the Drafting Committee to redraft the first sentence to make it clearer.

New edition of the  
International List  
of Post Offices

*Congress – Doc 79*

Following the 1994 Executive Council decision to produce a new edition of the International List of Post Offices on paper and on CD-Rom, it was proposed that Congress should endorse that decision and make provision for the necessary credits within the framework of the five-year budget ceiling for 1996–1997.

Germany, which had presented the document to the Committee, indicated that Deutsche PostConsult GmbH was prepared to contribute to the new edition of the List in the form of sponsorship by companies under certain conditions (cf annex 1 hereto). One delegation confirmed the commercial value of the publication.

The Committee approved the document together with the conclusions.

The meeting rose at 6.05 pm.

For the Committee:

K Fisher  
Chairman

M Fohouo  
Secretary

F Ghanbari  
J Gunderson  
J Svenka

Assistant Secretaries

Deutsche PostConsult GmbH

Günter Böhm, Dipl Ing  
Managing Director  
Technical Affairs

Memorandum

to the German Delegation at the 21st Universal Postal Congress, Seoul

**International List of Post Offices (ILPO) of the Universal Postal Union: New edition**

1 Deutsche PostConsult GmbH, Bonn, was set up by Deutsche Bundespost POSTDIENST (Postal Service of the German Federal Postal Administration) for the purpose of making the Postal Service's experience and know-how accessible to and usable by other organizations.

2 Deutsche PostConsult GmbH is prepared to support the publication of a new edition of the International List of Post Offices.

3 Deutsche PostConsult GmbH has approached prominent German industrial firms that do business with Deutsche Bundespost POSTDIENST, drawing their attention to the usefulness of the ILPO for their own activities. Their reaction to a request for support has been positive. Both sponsoring (provided the firms' names are given) and advertising are considered to be realistic. The firms are now awaiting notification of actual sponsorship amounts and advertising costs.

4 Deutsche PostConsult GmbH considers the plan to finance the new edition of the UPU International List of Post Offices, at least to a substantial extent, by means of German sponsorship or advertising revenue to be practicable.

Deutsche PostConsult GmbH declares its willingness to coordinate the promotion campaign.

5 Deutsche PostConsult GmbH recommends that this memorandum be referred to the appropriate Committee.

Günter Böhm

## **Second meeting**

Wednesday, 31 August 1994, 9.30 am

In the chair: Mr K Fisher, Chairman

### **Quorum**

A check on the number of members in attendance showed that 88 countries were present in the hall. As the prescribed quorum was 81 members, the Committee could proceed to business.

### **Agenda**

*Congress – Doc 12/Rev 2*

The agenda (Congress – Doc 12/Rev 2) was approved.

### **Proposals concerning the quality of the international postal service**

*Proposal 20. 0.16*

Proposal 20. 0.16 sought to instruct the Postal Operations Council to conduct a study on the viability of conveying mail now sent by sea exclusively by air (S.A.L.).

While supporting the principle set out in this proposal, the Committee expressed reservations about the need for a formal study on this topic. Certain administrations proposed that bilateral discussions should be initiated with the author of the proposal.

Consequently, proposal 20. 0.16 was rejected.

*Proposals 20. 20.2 and 20. 20.3*

These proposals, which aimed at improving the quality of the service provided for express items, were adopted.

*Proposal 20. 40.2*

This proposal concerned the amendment of article 40 on quality of service targets and its main thrust was the publication of service targets, the need to conduct quality of service tests and the need to provide operational data, such as latest acceptance times.

In the discussion following the paper by Great Britain, a number of administrations stressed the need for a more precise definition of the terms used, such as "latest acceptance times". The Committee decided to submit this question to the Postal Operations Council. The question of including in article 40 a date from which administrations would have to comply with service standards was also left for the POC to decide. The speakers supported the proposal, but an amendment concerning the recommendation also to conduct external quality tests was proposed.

Proposal 20. 40.2 was adopted and transmitted to Committee 10 for drafting of the final text.

*Proposal 30. 30.1*

Proposal 30. 30.1 relating to quality of service targets was adopted without discussion.

Comprehensive  
report on the  
work of the  
Electronic  
Transmission  
Standards Group  
(ETSG)

*Congress – Doc 75a*

Great Britain, Chairman of the Electronic Transmission Standards Group (ETSG), presented Congress – Doc 75a, which summarized the work accomplished by the ETSG since the 1989 Washington Congress. Having as its primary objective the use of new technologies for improving quality of service worldwide, the ETSG had concentrated its efforts on standardization and management matters concerning the introduction of EDI in the postal community.

Work on EDI messages, codes and bar codes had resulted in the definition of standardized messages and bar codes. Basic documents, such as the Statement of User Requirements and the Message Development Guide had been prepared, permitting the exchange of EDI messages, in actual working conditions, between a number of UPU administrations generating 50 percent of international mail. As regards management of UPU EDI activities, an EDI strategy had been laid down and had led to the creation, in the International Bureau, of a specialized unit responsible for promoting the development of EDI for the benefit of all members of the UPU.

Thanks to the work of the ETSG and the International Bureau, the technological infrastructure had now been set up and would enable postal administrations to improve the quality of the service provided for their customers.

The Committee took note of Congress – Doc 75a.

*Proposal 20. 52.91*

Proposal 20. 52.91, aimed at introducing into the Convention the general rules that administrations had to observe when establishing telematic links, was adopted without discussion.

UPU activities in  
the field of EDI  
1995–1999

*Congress – Docs 75b and Add 1*

The International Bureau presented Congress – Docs 75b and Add 1 concerning UPU activities in the field of EDI for the period 1995 to 1999. Those documents summarized the International Bureau's achievements through the EDI Development Unit and comprised in particular the introduction of:

- postal applications facilitating the dispatch and receipt of mail as well as the tracking and tracing of items;
- the UPU global postal telecommunications network (POST\*Net);
- value-added services (POST\*Mail, POST\*Star, POST\*Info).

The 1995–1999 EDI Business Plan was also presented. It comprised the following aspects:

- improving existing telematic products and services;
- an appropriate, effective structure within the UPU;
- staff requirements for ensuring the development and monitoring of activities;
- financial requirements.

All the speakers fully supported Congress – Docs 75a and 75b, congratulating the ETSG and the International Bureau on the substantial progress made in postal EDI and thanking the many countries which had generously contributed to EDI development in the UPU. In that connection, Korea (Rep) pledged 50 000 CHF for 1994 and the same sum for 1995 to the UPU Voluntary Fund to promote EDI expansion. Lastly, the speakers congratulated the UPU Secretary-General for his vision of the UPU's future which had enabled member countries to take difficult but necessary decisions in order to make postal EDI a reality.

On their return from Congress, administrations were invited to take the necessary action to tackle preparations for introducing EDI in their administrations.

Congress – Doc 75b and its conclusions were approved by the Committee.

*Resolution 010*

Resolution 010 concerning UPU activities in the field of EDI 1995–1999 was approved without discussion.

Comprehensive  
report on the  
work of the UPU  
Postal Security  
Action Group  
(PSAG)  
Congress – Doc 23

*Congress – Doc 23*

The Chairman of the UPU Postal Security Action Group (PSAG) presented Congress – Docs 23 and Add 1. The text of his address is annexed hereto.

Because of the new proposal 046 submitted to the Committee for consideration, Ireland announced the withdrawal of its proposal 20. 0.15.

Three speakers expressed their whole-hearted support for the conclusions of Congress – Docs 23 and Add 1. Continuation of the discussion was postponed until the next meeting.

The meeting rose at 12.40 pm.

For the Committee:

K Fisher  
Chairman

M Fohouo  
Secretary

F Ghanbari  
J Gunderson  
J Svenka

Assistant Secretaries

**Presentation of Document 23 – Comprehensive report on the work of the UPU Postal Security Action Group (PSAG) – Outline of a general future UPU policy on postal security and resolution 027 as amended by resolution 046 – Postal security policy and strategy**

Thank you Mr Chairman:

As the recent Chairman of the Postal Security Action Group, or "PSAG", as it is commonly known, I have the pleasure of introducing Documents 23 and 23/Add 1, which report on PSAG activities, and amended Congress Resolution 027, now numbered 046, which sets out a postal security policy and strategy for the next five years.

Document 23 provides an excellent summary of the progress in the area of postal security made in the UPU over the past five years. In its introduction it briefly covers the origin of PSAG, following the adoption of resolution C 12 by the Washington Congress. It is extremely important for us to keep in mind the conditions which existed in 1989 which led the Congress to take the action it did with regard to postal security.

In 1989 – and, as is the case today – perhaps even more so – the postal services of the world were under attack by an ever increasing and ever more sophisticated, criminal element. Then, as now, criminals didn't simply steal mail and revenue, they also damage our business reputation and drive our customers to our competitors.

Theft of Express Mail is a major problem in several regions of the world today. Also, several countries have recently discovered major revenue losses counterfeit postage and altered franking machines.

Today we face an ever growing list of problems that make a coordinated security effort within the postal establishment, necessary. Continuing growth of international mail, crumbling of trade barriers, the reduction of customs inspections, all coupled with the world wide growth of crime – which is of course, not unique to the postal services, challenge our business.

Since the creation of the Postal Security Action Group in 1990, the UPU has made dramatic progress in creating an awareness, within many postal administrations, of the negative business consequences of inadequate security, especially the loss of revenue that results when our customers abandon the Posts due to poor security. I would now like to show you a short video which emphasizes the need for effective postal security.

May we now see the video?

If you have not already done so I would urge each of you to stop by the Postal Security exhibit, just outside the entrance to the halls, and review the materials available – many of which were mentioned in the video. Extensive security documentation, developed by PSAG, is available in all official UPU languages. I would also like to express our appreciation to Great Britain for all of the effort and expense in making this video.

As was covered in the video, PSAG was created by the EC and the CCPS, to address the many postal-related security issues. From its creation in 1990, to the conclusion of the last Executive Council, PSAG met eight times – and grew in membership from an initial group of 10 countries to a total of 19. Many of our meetings had as many as 26 additional countries as observers. Of course this progress was only

made possible as a result of the strong support of Mr Boris Boutenko, Chairman of the CCPS and Mr Thomas Leavey, Chairman of the EC. Their leadership, along with support from the International Bureau, enabled PSAG to make excellent progress in several extremely critical postal security areas, as described in Document 23.

I also must note the work of the Security Specialist–Consultant, Mr Peter Alleman, who, for the past three years, has made tremendous progress in spreading the security message to postal administrations throughout the world. He established that the presence of a security expert at the International Bureau is indispensable. I am extremely pleased to report that the administration of Japan has, through an extraordinarily generous contribution to the Voluntary Fund, designated specifically for security work, ensured the continuing ability of the UPU to provide for a Security Expert at the International Bureau through 1995.

To this point, we have been discussing the past, now it is time to look to the future. For in spite of the impressive progress we have made in postal security over the past several years, mail is still being stolen and mail containing hazardous materials is still being carried.

Document 23 lays out the future security plans for the UPU for the next five years, and those of us who have been active in PSAG over the past several years, now believe that the best way to carry on this vital work, will be with the reconstitution of the Postal Security Action Group, by Congress.

As many of you know, PSAG has, until very recently, endorsed the creation of a Security Committee, within the new Postal Operations Council. Working Party 3/3 has included a Security Committee in its draft structure for the POC. But recent developments, including the very thoughtful Resolution submitted by our Irish colleagues, prompted a very close analysis of how we could best approach security, in the UPU, during the next five-year period.

Perhaps the greatest strength of PSAG has been its authority to report directly to both the EC and the CCPS in plenary. This procedure has enabled PSAG to meet twice each year, compared to once for Committees. PSAG's dynamic progress, in introducing security to the Posts, has been due, in large measure, to its ability to meet more frequently and present its progress directly to the approving bodies. Much of this advantage would be lost if security matters were to be dealt with separately by either the CA or the POC.

PSAG has also enjoyed unprecedented access to the various governmental, regulatory and international groups with which the UPU deals. Security experts in PSAG has been authorized direct contact with ICAO, IATA, UNDCP, CCC and others. Any limitations on this kind of direct access would seriously hamper PSAG's ability to provide advice on security matters to both Councils.

Based on the conviction that the continued existence of PSAG would be in the best interest of the UPU, we are today submitting an amended resolution 027, which is now numbered 046, and which has been endorsed by 21 countries. By adoption of this resolution, Congress will ensure continued progress in the area of security, through the reconstitution of the Postal Security Action Group. The sponsors of this measure believe that it is important to ensure PSAG exists in both of the newly constituted Councils and that it be left to each Council as to how they wish to use the services of the Postal Security Action Group within their frame of reference.

I would also call your attention to Document 23/Add 1, which lays out a modest budget for the future development of security-related activities over the next five years. There will be substantial competition for the limited resources available within the UPU, but in view of the importance ascribed to postal security by member countries, as reported in Congress – Doc 74, security should be well positioned to receive a fair share of financial resources. As Doc 74 reports, in a recent survey, with 117 countries responding, security was ranked as the fourth highest priority programme in the Strategic Plan for 1995–1999.

If we are to maintain our competitiveness within the world postal markets, we have no alternative but to expend funds for security, especially in the areas of training and the preparation of materials, which countries can use to help themselves most effectively.

As I said a moment ago, our work in the area of postal security has only begun. Document 23 and amended Resolution 046 are the guidebook for the next five years for security work in the Union. I submit them to you now and I urge their adoption.

I thank you for your attention this morning and in closing, ask that my remarks be included in full in the minutes of this meeting.

**Third meeting**

Thursday, 1 September 1994, 9.30 am

In the chair: Mr K Fisher, Chairman

Opening of  
proceedings

Opening the meeting, the Chairman cordially welcomed the delegates and the Secretary-General and Assistant Director-General who were attending that last meeting of Committee 6.

Quorum

A check revealed that 87 member countries were represented in the hall. As the prescribed quorum was 82, the Committee was able to proceed to business.

Comprehensive  
report on the  
work of the UPU  
Postal Security  
Action Group  
(PSAG)

*Congress – Docs 23 and Add 1*

Discussion continued on Congress – Docs 23 and Add 1. All the speakers congratulated the UPU Postal Security Action Group (PSAG) for its important achievements since its establishment in 1990. They also thanked Japan for its 110 000 CHF 1995 contribution to the UPU Voluntary Fund to cover the cost of postal security consultants. The Committee noted the suggestion on compiling a list of all cases of irregularities worldwide and taking urgent steps to correct them.

With regard to the budgetary aspects, the Chairman of Committee 2 (Finance) drew attention to the financial consequences of the actions planned in Congress – Doc 23/Add 1/Annex 2. The Secretary-General underlined the importance for the Union of the work on postal security and declared that a price could not be put on postal security.

The Committee noted Congress – Docs 23 and Add 1.

*Proposal 046*

The United States of America, Chairman of PSAG, introduced proposal 046 amending proposal 027 and covering the reconstitution of PSAG for the next five-year period, during which it would report direct to the two UPU bodies. Following discussions on this point, a consensus emerged in favour of proposal 046. However, some speakers stressed the need to clearly define the terms of reference of the new PSAG, bearing in mind the duties and responsibilities of each of the new bodies.

Accordingly, the Committee adopted proposal 046, adding ", etc" after "pornography" in the third dash of the second preambular paragraph. Proposal 027 lapsed.

#### *Resolution 028*

The Chairman of PSAG introduced resolution 028 on the exclusion of prohibited and dangerous goods from the postal service, stressing the need to strengthen existing cooperation in this field with IATA, the CCC and other interested international organizations. The IATA representative said his organization would continue to cooperate closely with the UPU.

Resolution 028 was adopted.

#### *Proposal 20. 1.1/Rev 1*

Proposal 20. 1.1/Rev 1 on adding security aspects to article 1 of the Convention was adopted.

Study programme  
for 1995–1999

#### *Congress – Doc 68*

The Russian Federation, the outgoing CCPS Chairman, introduced the draft study programme for 1995–1999. The Chairman recalled that that programme merely indicated the priority fields of action which were foreseeable at the time it was drafted. It was the responsibility of the POC to adapt it to the needs of administrations and of the environment.

The Committee noted Congress – Doc 68.

#### *Resolution 09*

Speakers stressed that studies on improving postal services in rural areas had already been done by the UPU and that it would be preferable to provide for studies at regional level.

After discussion, resolution 09 on introducing a new study into the study programme was adopted subject to the POC's taking into account studies already done in the field of postal services in rural areas.

#### *Resolution 04*

One speaker pointed out that resolution 03 concerning a study on delivery of EMS items by private enterprises was submitted to Committee 5 and, if adopted, would have to be included in the study programme.

Resolution 04 on the study programme for 1995–1999 was adopted, bearing in mind the decisions on resolutions 03 and 09.

The Post and the environment

*Congress – Doc 78*

On the proposal of the Chairman of the Executive Council, the CCPS had approved in 1992 the launching of an urgent study on the Post and the environment. The United States of America, the reporting country for that study, introduced Congress – Doc 78 which summarized UPU action already taken in that area as well as future prospects, including in particular the recommendation on forming a group of environmental experts. Speakers congratulated the CCPS and the International Bureau on the action taken in the field of environmental protection and stressed the need to continue that important work.

The Committee noted Congress – Doc 78.

*Resolution 07*

Resolution 07 on UPU environmental protection policy was adopted with the following amendment:

*Strongly recommends*

member countries:

- a (no change);
- b (no change);
- c to maintain regular contact with the International Bureau, **as well as with the national authorities responsible for environmental protection**, on steps taken and assistance needed or available;

Introduction of an international postal code system

*Congress – Docs 81 and Add 1 and proposal 20. 0.14*

Japan, the reporting country for sub-study 741.1, introduced Congress – Docs 81 and Add 1. After broad discussion, the Committee, bearing in mind the views expressed, decided that the introduction of an international code was premature and that such a question should be the subject of an in-depth POC study.

While admitting the validity of proposal 20. 0.14, the Committee rejected it. However, the Committee decided to continue the study which should take account of the reservations and recommendations made.

Proposals to be referred to the CA or POC

*Proposals 25. RE 01, 25. RE 4128.1, 25. RE 5401.1 and 25. RE 5210.91*

The Committee decided to refer these proposals to the POC.

## Other business

The observer for the International Chamber of Commerce (ICC) gave the Committee a general survey of his organization, which represented around 7000 businesses in 130 countries. He stressed that 90 percent of postal items came from or were sent to businesses. Accordingly, quality of service, mail security and the cost of services were of prime importance to ICC members. He congratulated the UPU on the work it had done in the fields of quality of service, EDI and postal security and stated that the ICC would be prepared to cooperate with the UPU, particularly with regard to fraud in the transport sector, through its Commercial Crime Bureau.

The Secretary-General congratulated the Chairman and the Committee members on the work accomplished in an excellent spirit of cooperation and recalled the importance to the Union of the decisions reached.

The Chairman recalled the Committee's decision to give priority to activities on quality of service, EDI and postal security. He thanked the Secretary-General, all the participants, the members of the Committee secretariat and the interpreters.

The meeting rose at 12.40 pm.

For the Committee:

K Fisher  
Chairman

M Fohouo  
Secretary

F Ghanbari  
J Gunderson  
J Svenka  
Assistant Secretaries



## Reports of Committee 7

### First meeting

Friday, 26 August 1994, 3.20 pm

In the chair: Mr Y Cong, Chairman

#### Opening of meeting

The Chairman opened the first meeting by cordially welcoming all the members of Committee 7. He expressed his gratitude for the honour conferred on his country and himself in asking him to chair Committee 7. He was pleased to be able to count on the great experience of the three Vice-Chairmen of the Committee, Mrs L E Renderos de Hernandez, Deputy-Director of the Administration (El Salvador), Mrs K S Maluki, General Manager, Postal Services (Kenya) and Mr Hurlen, International Post (Norway), as well as on the cooperation of the delegates of the participating administrations. He hoped that the Committee's work would be carried out in an atmosphere of cordiality and mutual understanding and that it would be completed quickly though without undue haste.

#### Statement by the Deputy Director-General

Welcoming the Chairman and heads of delegation on behalf of the Director-General, Mr Ascandoni, Deputy Director-General of the International Bureau, congratulated the Chairman on his appointment to that post, through which, with the assistance of the three Vice-Chairmen, he would ensure the smooth running of the Committee's work. The Committee had before it a number of important issues, such as the adoption of the universal rate for land and sea rates, which would make it possible to calculate more realistic costs, thereby contributing to the development of the parcel-post service; the proposed modifications regarding express and insured items; and, in particular, acceptance of the principle of direct billing on the basis of the CP 16 forms.

#### Appointment of Secretariat

After welcoming Mr M S Raman, Assistant Director-General at the International Bureau, coordinator of the work of the Technical Committees, the Chairman presented Messrs Peng Mingdao, Senior Counsellor at the International Bureau, and Mr A C Brix, First Secretary, appointed Secretary and Deputy Secretary of the Committee, respectively.

Summary of discussions	The Chairman informed the Committee that, in decision CE 18/1994, the EC had decided that the Committee's discussions would form the subject of a report for each of the meetings. The arrangements relating to the reports were set out in Congress – Doc 35.
Proxies	Malta was represented by Ireland and Monaco by France.
Quorum	The Chairman noted that the quorum (75 countries) had been attained and that the Committee could therefore proceed to business.
Approval of agenda	<p><i>Congress – Docs 13/Rev 1, Add 1/Rev 1 and Add 2</i></p> <p>The agenda (Congress – Doc 13/Rev 1 and its annex 1) together with the order of discussion (Congress – Doc 13/Add 1/Rev 1) were approved.</p> <p>Proposal 33. 4.1 had been withdrawn by its author, and proposals 30. 0.2, 30. 0.4/Rev 1, and 30. 0.5 had been renumbered (Congress – Doc 13/Add 2).</p>
Participation of observers	In the light of the decision by Congress to admit the International Chamber of Commerce as an observer, the Committee, in accordance with article 5, paragraph 2, of the Rules of Procedure of Congresses, decided to admit that organization to its first and third meetings.
List of member countries of Committee 7 and updating of the Final Protocol to the Postal Parcels Agreement	<u>Congress – Doc 27/Rev 1 and Congress – Doc 66/Rev 3 were approved without comment.</u>
Consideration of proposals	
Agreement	
Introduction and extension of the postal parcels service	<p><i>Proposal 30. 0.1/Rev 1</i></p> <p>Proposal 30. 0.1/Rev 1 sought to instruct the International Bureau to continue the activities undertaken pursuant to 1989 Washington Congress resolution C 16, in particular to encourage member countries who were not yet parties to the Postal Parcels Agreement to accede to it.</p>

It was to be noted that, in the wording of the proposal, the accession to the Union of a new member country, which was not yet able to accede to the Postal Parcels Agreement, had to be taken into account.

Proposal 30. 0.1/Rev 1 was adopted subject to the amendment, in the second preambular paragraph, of the number of countries not parties to the Agreement and the total number of Union member countries, namely, 22 and 189 respectively (annex 1).

Customs clearance of postal parcels containing gifts or souvenirs

*Proposal 30. 0.6*

This aim of the proposed recommendation was to encourage administrations to approach their customs authority with a view to extending to postal parcels containing gifts or souvenirs the more favourable customs clearance procedures often applied to travellers' baggage.

During discussion of this proposal, it was pointed out that the planned measure should have a positive impact on postal parcel traffic. However, it was noted that, according to a recommendation arising from the work of the CCC-UPU Contact Committee, administrations were recommended to make the necessary contacts with their national customs authority so as to improve customs clearance conditions for postal parcels. Accordingly, it was decided to amend the proposed recommendation by adding the following phrase: "providing these procedures are more liberal than the rules applying to postal parcels."

Thus amended, proposal 30. 0.6 was adopted (annex 2).

Principles  
Article 3.1

*Proposals 30. 3.2 and 30. 3.1*

Aimed at promoting the development of international exchanges, the purpose of proposal 30. 3.2 was to raise to 31.5 kg the maximum weight limit for parcels exchanged without having to conclude a bilateral agreement. The originator of the proposal stated during the discussion that the new maximum weight, which was equivalent to the 70-pound limit applied by a major competitor, had been adopted by the CCPS at the end of its study 714 "Introduction of a range of parcel-post products/services" and featured in the resultant framework agreement ratified by the 1993 EC. As it therefore reflected the limit currently practised in the market, it was not desirable to round it off at 30 kg, as a number of delegations had wished. Moreover, the proposal had specified that the handling of parcels exceeding 10 kg was still optional.

Put to the vote, proposal 30. 3.2 was adopted by 64 votes to 22, with 13 abstentions.

The purpose of proposal 30. 3.1, which was a drafting amendment, was to clarify the wording of article 3.1.

The Committee decided to apply the proposed amendment to the wording of proposal 30. 3.2 which it had just adopted, with the result that article 3.1 reads as follows: Parcels may be exchanged either direct or via one or more countries. The exchange of parcels whose individual weight exceeds 10 kg shall be optional, with a maximum individual weight of 31.5 kg.

*Proposal 35. RE 301.1*

As a consequence of proposal 30. 3.2, proposal 35. RE 301.1 was adopted without discussion.

*Proposal 35. RE 3103.1*

Since the new ceiling of 31.5 kg exceeded the maximum weight provided for bags and other receptacles, proposal 35. RE 3103.1 aimed at adjusting the weight limit for bags to 32 kg.

Proposal 35. RE 3103.1 was adopted without discussion.

Special charges  
Article 7

*Proposal 30. 7.1*

This proposal, based on the idea that the sender expected an end-to-end service at an all-in price, aimed at abolishing the following special charges: a delivery charge levied by the administration of destination on the addressees, except for cases where, in response to an advice of arrival, delivery was offered as an option; b advice of arrival and c repacking charge.

Proposal 30. 7.1 was adopted without discussion.

Express parcels  
Article 10.2

*Proposal 30. 10.1*

Aimed at remunerating the country of destination for the costs generated by handling express parcels, the purpose of this proposal was to authorize the administration of destination to collect from the addressee the supplementary charge currently paid by the sender.

Bearing in mind the principle of gearing policy to customer interests which underlay the adoption of proposal 30. 7.1, it was not desirable to impose a supplementary charge on the addressee and thus to weaken the Post's position in respect of its competitors.

Put to the vote, proposal 30. 10.1 was rejected by 72 votes to 10, with 19 abstentions.

Insured parcels  
Article 11.2

*Proposal 30. 11.1*

The aim of this proposal was to raise from 3266.91 SDR to 4000 SDR the lower limit of insured value which administrations could apply.

Proposal 30. 11.1 was adopted without discussion.

Advice of delivery  
Article 14.1

*Proposal 30. 14.1*

This proposal aimed at giving administrations a wider choice of parcel categories for which to provide an advice of delivery.

Since the purpose of the proposal was not clearly expressed, it was rejected without discussion.

Parcels for  
delivery free of  
charges and fees  
Article 15.1

*Proposal 30.15.1*

Since the possibility to request parcels to be delivered free of charges and fees after posting is a very costly service and is scarcely used, proposal 30. 15.1 proposed its abolition.

Proposal 30.15.1 was adopted without discussion.

Presentation-to-  
Customs charge  
Article 23.2

*Proposal 30. 23.1*

The purpose of the proposal is to restrict collection of a presentation-to-Customs charge to cases where customs charges are levied on a parcel. Several delegations indicated the need for remuneration of the work entailed in customs clearance procedures. It was, however, noted that customs clearance was often carried out on the basis of accompanying documents. Other delegations drew attention to the need to comply with customers' interests and considered collecting this charge to be non-commercial.

Put to the vote, proposal 30.23.1 was adopted by 68 votes to 13, with 13 abstentions.

Special remuner-  
ation for repairing  
damaged parcels  
Article 29bis

*Proposal 30. 29.91/Rev 1*

Proposal 30. 29.91/Rev 1 was submitted because of the very high number of damaged parcels received by one administration and is designed to allow an administration which has received a large number of damaged parcels to recover the costs incurred in repairing the parcels by charging an amount not exceeding 5 SDR per parcel.

The proposal was admitted as being well founded but inapplicable due to certain ambiguities. The problem was an ordinary one, best resolved directly between the administrations concerned.

Put to the vote, proposal 30. 29.91/Rev 1 was rejected by 69 votes to 12, with 14 abstentions.

The meeting rose at 6.40 pm.

For the Committee:

Y Cong  
Chairman

M Peng  
Secretary

A C Brix  
Assistant Secretary

## **Resolution**

### **Introduction and extension of the postal parcels service**

Congress,

Noting  
the results of the study conducted by the Executive Council in execution of 1989 Washington Congress resolution C 16,

Noting  
that, according to the results of this study, 22 of the 189 Union member countries have not acceded to the Postal Parcels Agreement,

Convinced  
of the need to create a universal postal parcels service in order to serve postal customers better and to combat competition,

Having  
adopted proposal 30. 0.1/Rev 1 concerning the postal parcels service,

*Renews*

its invitation to the administrations of member countries which have not yet acceded to the Agreement to introduce this service in their international postal exchanges,

*Instructs*

the International Bureau to continue the activities undertaken pursuant to 1989 Washington Congress resolution C 16 by encouraging member countries which are not party to the Postal Parcels Agreement to accede to it.

(Proposal 30. 0.1/Rev 1, Committee 7, first meeting)

## **Recommendation**

### **Customs clearance of postal parcels containing gifts or souvenirs**

Congress,

Aware of the possible advantages of applying to postal parcels the customs clearance procedures applied to travellers' baggage,

#### *Recommends*

all administrations of member countries to approach their national customs authority with a view to extending to postal parcels containing gifts or souvenirs the customs clearance procedures applied to travellers' baggage.

**Reasons.** – This recommendation is intended to facilitate implementation of the objectives of the Washington General Action Plan so that customers will be provided with better service as a result of faster customs clearance of postal items.

(Proposal 30. 0.6, Committee 7, first meeting)

**Second meeting**

Tuesday, 30 August 1994, 3.10 pm

In the chair: Mr Y Cong, Chairman

**Proxies** Malta was represented by Ireland, Estonia and Lithuania by Denmark and Monaco by France.

**Quorum** The Chairman noted that the quorum (75 countries) had been attained and that the Committee could proceed to business.

**Outward and inward land rates** *Proposals 30. 33.1, 30. 33.2, 30. 33.3, 30. 33.4, 33. 8.2 and 35. RE 3801.1*

**Article 33** At the Chairman's invitation, the reporting country (Morocco) for the Executive Council study on the possibility of introducing a "universal rate" (combination of a rate per parcel and a rate per kilogramme) and the revision of land and sea rates briefly summarized Congress – Doc 77, emphasizing the operational and accounting simplifications which the universal rate would bring for a service which was sometimes too expensive and too complex, as well as lacking in competitiveness.

Proposal 30. 33.1 aimed in particular at replacing the traditional rate per weight step by a universal rate comprising a rate per parcel, to take account of fixed costs, and a rate per kilogramme of gross weight of the mail, to take account of variable costs. The rates proposed represented an increase of 8.25 percent (rate of growth of the inward land rates found for the period 1988–1993) compared with the present ones, taking into account the breakdown of inward traffic by weight steps. The proposal also aimed at abolishing the option whereby administrations of origin and of destination could agree to credit each other with amounts per parcel or per kilogramme of gross weight of the mail, given that the possibility of remuneration on a bilateral basis was provided for in the Framework Agreement on a new range of parcel-post products and services that had been endorsed by the 1993 Executive Council.

Proposal 30. 33.1 was adopted by 78 votes to 6, with 17 abstentions.

Proposal 30. 33.3 sought to abolish the outward land rate. Among other things, it provided a basis which the inward land rate could exceed by 30 percent at most. The originator of the proposal was of the opinion that the outward land rate was misunderstood and had become ineffective as a means of controlling inward land rates.

Proposal 30. 33.3 was adopted by 71 votes to 8, with 23 abstentions. Its consequential proposals 33. 8.2 and 35. RE 3801.1 were adopted without discussion.

During the discussion of proposal 30. 33.3, one delegation recalled that parcel-post service prices were often too high compared with those of competitors and pointed out that the amendment under discussion would result in the abolition of the above-mentioned control ratio provided for in article 33.3 and aimed at discouraging the adoption of excessive inward land rates. The Committee decided, in the form of a resolution, to instruct the Postal Operations Council to conduct a study on that problem (annex 1).

As a result of the adoption of proposal 30. 33.1, proposals 30. 33.2 and 30. 33.4 lapsed.

Transit land rate  
Article 34

*Proposals 30. 34.1 and 30. 34.3*

The purpose of proposal 30. 34.1 was to replace the transit land rates presented according to weight steps by a "universal rate" comprising a rate per parcel and a rate per kilogramme of gross weight of the mail. The amounts making up the universal rate were based on the revised letter-post transit charges (see Congress – Doc 57). In conformity with Washington Congress resolution C 18, they had been calculated according to the "letter-post/parcel-post comparative method". Moreover, the proposal aimed at abolishing the option whereby administrations of origin and of destination could agree to credit each other with amounts per parcel or per kilogramme of gross weight of the mail.

The proposed amendment 30. 34.3, on the other hand, was based on the transit charges adopted at the 1989 Washington Congress and was being submitted pursuant to the decision of Congress Committee 4 to retain the present transit charges when the Seoul Acts came into force.

During the discussion of those two proposals, the need was emphasized to avoid excessive increases at all costs, bearing in mind the keen competition on the parcel-post market and the effect of transit-related costs on the postal service.

Put to the vote, proposal 30. 34.1, amended by proposal 30. 34.3, was adopted by 79 votes to 9, with 17 abstentions.

*Proposals 30. 34.2 and 35. RE 3401.2*

Proposals 30. 34.2 and 35. RE 3401.2 sought to introduce a single rate per parcel of 0.40 SDR as remuneration for the extra work generated for the intermediate administration by parcels sent à découvert. As necessary, that rate would be added to the transit land rate.

Proposal 30. 34.2 was unanimously adopted. Proposal 35. RE 3401.2 was adopted unopposed, subject to the insertion, in paragraph 2, of the word "postal" in front of "services".

*Proposal 30. 34.4*

The aim of this proposal was to give the Postal Operations Council the power to revise and amend the rates given in article 34 between Congresses.

Proposal 30. 34.4 was adopted without comment.

*Proposal 35. RE 3401.1*

Proposal 35. RE 3401.1 sought to abolish the concept of the weighted average distance, making it possible to calculate more realistic remuneration for the land conveyance of parcels.

Proposal 35. RE 3401.1 was adopted without objection.

Sea rate  
Article 35

*Proposals 30. 35.1 and 30. 35.2*

Proposal 30. 35.1 aimed at replacing the sea rates presented according to weight steps by a "universal rate" comprising a rate per parcel and a rate per kilogramme of gross weight of the mail. The amounts making up the universal rate were based on the revised letter-post transit charges (see Congress – Doc 57). In conformity with Washington Congress resolution C 18, they had been calculated according to the "letter-post/parcel-post comparative method". Moreover, the proposal aimed at abolishing the option whereby administrations of origin and of destination could agree to credit each other with amounts per parcel or per kilogramme of gross weight of the mail.

The proposed amendment 30. 35.2, on the other hand, was based on the transit charges adopted at the 1989 Washington Congress and was being submitted pursuant to the decision of Congress Committee 4 to retain the present transit charges when the Seoul Acts came into force.

Proposal 30. 35.1, amended by proposal 30. 35.2, was adopted without discussion.

*Proposal 30. 35.3*

This proposal aimed at giving the Postal Operations Council the power to revise and amend the rates given in article 35 between Congresses.

Proposal 30. 35.3 was adopted without discussion.

Weight steps

*Proposals 30. 4.1 and 35. RE 401.1*

Article 4

Proposal 30. 4.1, which sought the abolition of the weight steps provided for in article 4 of the Agreement, was a consequence of the adoption of the principle of the universal rate. However, it retained the kilogramme as the unit of weight to be used in parcel-post exchanges. The aim of proposal 35. RE 401.1 was to uphold the entitlement of administrations which were unable to adopt the metric weight system to apply equivalents in pounds avoirdupois in their services.

Proposals 30. 4.1 and 35. RE 401.1 were adopted without discussion.

Allocation of rates

*Proposals 30. 36.2, 35. RE 3601.1 and 35. RE 3603.1*

Article 36

The aim of proposal 30. 36.2 was to abolish the provisions concerning the allocation of rates in bulk for each weight step, on the one hand, and the calculation of rates per parcel and per kilogramme of gross weight of the mail on the other. Proposals 35. RE 3601.1 and 35. RE 3603.1, consequences of proposal 30. 36.2, sought to delete the references to the rates either per parcel or per kilogramme.

Proposals 30. 36.2, 35. RE 3601.1 and 35. RE 3603.1 were adopted without comment.

Resolution on the revision of land rates and sea rates

*Proposal 30. 0.3*

Proposal 30. 0.3 sought to instruct the Postal Operations Council to carry out a fresh study on the amounts of the guideline rates applicable to inward land rates and to adjust the transit land rates and sea rates in the event of a revision of letter-post transit charges.

Proposal 30. 0.3 was adopted, subject to amendment of its wording in line with the changes adopted for articles 33, 34 and 35, in the form of a resolution (annex 2).

The Committee also instructed the Postal Operations Council to consider the possibility of introducing a per kilogramme rate for the land and sea transit of parcels in closed bags which would take account of the number and volume of bags (annex 3).

Final Protocol to the Agreement

*Proposal 33. 2.1*

Prohibitions  
Article II.2bis

This proposal aimed at authorizing Brazil not to accept insured parcels containing coins and currency notes in circulation, as well as any securities payable to bearer, since that was contrary to its regulations.

The proposal was adopted without comment.

Compensation Article IV.2	<p><i>Proposal 33. 4.1</i></p> <p><u>This proposal was withdrawn by its originator.</u></p>
Exceptional inward land rates Article VIII	<p><i>Proposals 33. 8.1, 33. 8.3 and 33. 8.4</i></p> <p>These proposals aimed at authorizing Tunisia, Chad and Mongolia respectively to set their inward land rates at a level over 30 percent higher than their outward rates.</p> <p><u>Following adoption of proposal 33. 8.2, proposals 33. 8.1, 33. 8.3 and 33. 8.4 lapsed.</u></p>
Exceptional tran- sit land rates	<p><i>Proposals 33. 0.1/Rev 1 and 33. 0.2</i></p> <p>Proposal 33. 0.1/Rev 1 sought to request administrations which had made a reservation in article IX of the Final Protocol to the Agreement with regard to exceptional transit land rates to withdraw those reservations since their wording had become inappropriate following adoption of the universal rate principle.</p> <p>Similarly, proposal 33. 0.2 sought to abolish those reservations and those contained in article XI, paragraph 2, which were set out according to weight steps.</p> <p><u>Proposal 33. 0.2 was adopted without discussion. Proposal 33. 0.1/Rev 1 thus lapsed.</u></p>
Supplementary rates Article XI	<p><i>Proposals 33. 11.2 and 33. 11.3</i></p> <p>Proposal 33. 11.2 aimed at authorizing Egypt and Sudan to increase to 1 SDR the supplementary rate that could be collected over and above the transit land rates for parcels in transit via Lake Nasser between El Shallal (Egypt) and Wadi Halfa (Sudan).</p> <p>Proposal 33. 11.3 sought to extend to the route between Denmark and Greenland collection of the supplementary rates given in article XI, paragraph 4, of the Final Protocol to the Agreement.</p> <p><u>In view of the adoption of proposal 33. 0.2, these proposals lapsed.</u></p>

Operation of the  
service by trans-  
port companies

*Proposal 30. 2.1*

Proposal 30. 2.1 sought to emphasize that it was always the responsibility of the postal administration to implement the Agreement when it had the parcel-post service operated by a transport company. The purpose of proposal 35. RE 201.1 was to amend article RE 201 of the Detailed Regulations on the same lines.

Article 2

Put to a vote, proposal 30. 2.1 was adopted by 50 votes to 14, with 38 abstentions, subject to amendment in the light of the decision to be taken by Committee 3 on proposals 018 and 040. The same applied to proposal 35. RE 201.1.

The meeting rose at 6.15 pm.

For the Committee:

Y CONG

M PENG

Chairman

Secretary

A C BRIX

Assistant Secretary

**Resolution**

**Controlling inward land rates**

Congress,

Having abolished  
the control ratio between outward and inward land rates,

Aware  
of the competitive situation on the parcels market and of the vital need to avoid excessive prices,

*Instructs*

the Postal Operations Council:

- to consider ways of discouraging any possible excess in regard to inward land rates;
- to submit any proposals resulting from this study to the next Congress.

(Proposal 30. 33.3, Committee 7, 2nd meeting)

## **Resolution**

### **Revision of land rates and sea rates**

Congress,

Having adopted  
the new land rates and sea rates proposed by the Executive Council in conclusion of the studies pursuant to 1989 Washington Congress resolutions C 17 and C 18,

Given

- that the system of land rates and sea rates set according to rates per parcel and per kg of gross weight of the mail allows the real cost to be better reflected, as well as simplifying calculation of those rates;
- that the guideline rates applicable to outward and inward land rates were established in such a way that the rates enable administrations to cover the cost of handling inward parcels while ensuring that the parcel-post service remains competitive;
- that the transit land rates and sea rates were set by reference to the letter-post transit charges in accordance with the "comparative parcel-post/letter-post" method described in 1969 Tokyo Congress – Doc 13 (1969 Tokyo Documents, volume II, pages 483 to 486),

*Instructs*

the Postal Operations Council:

- i to carry out a fresh study on the amounts of the guideline rates applicable to outward and inward land rates laid down in article 33 of the Postal Parcels Agreement (Seoul 1994), and to submit any proposals resulting from this study to the next Congress;
- ii to adjust, in accordance with articles 34.4bis and 35.4bis of the Agreement, the transit land rates and sea rates laid down in articles 34 and 35 of that Agreement in the event of a revision of the letter-post transit charges.

(Proposal 30. 0.3, Committee 7, 2nd meeting)

## **Resolution**

### **Land and sea transit of parcels in closed bags**

Congress,

Bearing in mind  
the consequences that the number and volume of bags have for the costs of land and sea transit of parcels in closed bags,

Aware  
of the possible simplification of accounting procedures that would result from the adoption of a rate per kg for this traffic,

*Instructs*

the Postal Operations Council:

- to carry out a study on the possibility of introducing a rate per kilogramme for the land and sea transit of parcels in closed bags which would take account of the number of bags and their volume;
- to submit any proposals resulting from this study to the next Congress.

(Proposal 30. 0.3, Committee 7, 2nd meeting)

### **Third meeting**

Wednesday, 31 August 1994, 3.10 pm

In the chair: Mr Y Cong, Chairman

Proxies Malta was represented by Ireland, Estonia and Lithuania by Denmark and Monaco by France.

Quorum The Chairman noted that the prescribed quorum (76 countries) had been attained and that the Committee could proceed to business.

Approval of the Committee's report The report of the first meeting of the Committee (Congress/C 7 – Rep 1) was approved.

Air conveyance dues *Proposals 30. 37.2 and 35. RE 3701.1*

Article 37.2 Proposal 30. 37.2 was aimed at abolishing the payment of air conveyance dues on postal parcels within the destination country.

Twelve delegations – in particular, countries covering large areas – opposed this proposal. They regarded this form of payment as legitimate in view of the long transit routes over their territory which, in order to ensure quality of service, required air conveyance, the high costs of which could not be regarded as equivalent to inward land rates. On the other hand, 22 delegations supported the proposal because of the administrative simplifications that could be made by regarding these costs as equivalent to inward land rates.

Proposal 30. 37.2 was adopted by 52 votes to 37 with 16 abstentions.

Proposal 35. RE 3701.1, which is a consequence thereof, was adopted without discussion.

*Proposal 30. 37.1*

The aim of this proposal was to transfer to article 34, paragraph 4, which stipulates that no transit land rate shall be payable for the transfer of airmails between two airports serving the same town or for the transport of such mails between an airport and a warehouse nearby.

Proposal 30. 37.1 was adopted without comment.

## Inquiries

*Proposals 30. 21.2 and 30. 21.4*

## Article 21

Proposal 30. 21.2 aimed at making inquiries free of charge in the interests of a customer-focussed service. The proposed amendment in 30. 21.4 sought to authorize collection of a special charge of 0.65 SDR at most for unjustified inquiries.

The originator of proposal 30. 21.2 could not accept that amendment considering that the handling of inquiries was a service that had to be provided free so as to keep the Post's good reputation. Some delegations, however, felt that the amendment would provide them with an effective procedure against unjustified inquiries which might arise if treatment of inquiries was made free of charge.

In a vote, proposal 30. 21.2 was adopted by 53 to 35 with 17 abstentions. Proposal 30. 21.4 was rejected.

*Proposal 30. 21.3*

To avoid premature inquiries, this proposal was aimed at introducing into the text of article 21 the obligation to inform the sender of the transmission time of this item if he makes his inquiry before that time limit has expired.

Proposal 30.21.3 was adopted without discussion.

*Proposal 30.21.1*

This proposal was aimed at reducing to six months the period for entertaining inquiries. A number of delegations opposed this because of processing times which could be as long as six months.

As there was no support for it, proposal 30. 21.2 was rejected.

## Liability of postal administrations

*Proposals 30. 25.1, 30. 25.2, 30. 25.3, 30. 25.4, 30.25.5, 30. 25.6, 30. 25.7 and 30. 25.8*

## Article 25

Because of the adoption of the universal rate (proposal 30. 33.1), proposal 30. 25.7 aimed at adopting a presentation more in line with this new rate for the indemnities provided for lost, rifled or damaged unregistered parcels. The rates of 40 SDR per parcel and 4.50 SDR per kilogramme produce indemnities at least equal to if not higher than the existing indemnities, so as not to reduce the maximum indemnity offered to customers. The indemnity per parcel, provided for at paragraph 4 of the article, was in line with the new amount provided in paragraph 3 for parcels weighing 20 kg.

Proposal 30. 25.8, which aimed at amending that proposal, introduced indemnities 50 percent higher than existing indemnities. Its originator accepted an amendment changing the lump-sum indemnity per parcel to 160 SDR, an amount corresponding to that for parcels weighing 20 kg.

Some delegations felt that the amounts given in proposal 30. 25.8 had not been sufficiently taken into account and expressed their intention of making an appeal in plenary meeting.

As one delegation could not accept the amendment in proposal 30. 25.8, the two proposals were put to a vote.

Proposal 30. 25.8 was rejected by 50 votes to 35 with 17 abstentions.

Proposal 30. 25.7 was adopted by 83 votes to 5 with 14 abstentions.

Because of the adoption of proposal 30. 25.7, proposals 30. 25.1, 30. 25.2, 30.25.3, 30. 25.4, 30. 25.5 and 30. 25.6 lapsed.

Payment of  
indemnity

*Proposal 30. 28.4*

Article 28

This proposal aimed at introducing a time limit of thirty days at the end of which an administration would be authorized to indemnify the rightful claimant, if the incident was reported by telecommunications between the administrations concerned.

A number of delegations opposed this proposal partly because of the ambiguity that would be caused by the introduction of a second time limit concerning the indemnity paid to the rightful claimant and partly because of the difficulty often experienced in distinguishing between a document sent by facsimile and one sent by post.

Proposal 30. 28.4 was rejected by 65 votes to 16 with 18 abstentions.

*Proposals 30. 28.1 and 30. 28.3*

These proposals with identical wording aimed at reducing from three to two months the time limit at the end of which an administration was authorized to indemnify the rightful claimant on behalf of the administration which, having been duly informed, has still not provided information about the inquiry.

Proposals 30. 28.1 and 30. 28.3 were adopted by 51 votes to 37 with 9 abstentions.

*As the agenda had not been completed by 6.15 pm, the Committee would continue the meeting on the next day (1 September 1994, at 8.30 am)*

Thursday, 1 September 1994, 8.30 am

*Proposal 30. 28.2/Rev 2*

The aim of this proposal was to specify an additional instance where an administration would be entitled to indemnify the rightful claimant on behalf of the administrations which had been informed of the matter: the return by the latter of an insufficiently completed C 9 inquiry form which led to exceeding the four-month time limit specified in article RE 2801.1 of the Detailed Regulations for indemnifying the rightful claimant.

Proposal 30. 28.2/Rev 2 was adopted and referred to the Drafting Committee for finalization.

Determination of liability between postal administrations

Article 32

*Proposal 30. 32.2*

Proposal 30. 32.2 provided for an amendment of article 32.2 made necessary by the adoption, in article 25.3.2, of a "universal rate" type indemnity (proposal 30. 25.7). As the aim was to set a limit below which the amount of the indemnity is shared equally by the administrations of origin and destination only and which would not differ greatly from the existing limit of 44.10 SDR, it was proposed to adopt the indemnity for a parcel weighing 1 kilogramme. Some delegations expressed the wish to keep the indemnity concerning parcels weighing 5 kilogrammes provided for in the existing provision.

Proposal 30. 32.2 was adopted by 63 votes to 5 with 11 abstentions.

*Proposal 30. 32.1*

This proposal was designed to relieve the office of destination of all liability in respect of damaged or rifled surface parcels when, after noting the damage on receipt and opening of the bags, although the receptacles and the fastenings appeared intact, it had issued in time a CP 13 verification note and informed the offices concerned of the situation.

A number of delegations expressed their disquiet about the effects of this proposal on the quality of service.

Proposal 30. 32.1 was rejected for lack of support.

New principles for airmail and parcel-post accounting

Congress – Docs 62 and 86

The Chairman invited the Netherlands, the reporting country for CCPS study 751 "International accounting – Modernization of billing systems and settlement of accounts", to summarize the results of the consultation it had conducted with EC and CCPS members in respect of airmail and parcel-post accounting, which had then been extended to all Union administrations. In brief, the proposals stemming from this study aimed at:

- a introducing, within the framework of airmail and parcel-post accounting, a system of direct billing between administrations on the basis of the AV 5 and CP16 accounts;
- b publicizing the advantages of the possibility of multilateral offsetting through the International Bureau General Liquidation Account and encouraging administrations to make use of it in order to reap all the benefits of the proposed direct billing, namely by reducing transfers. However, the possibility of bilateral offsetting was not excluded;
- c reducing the time limits for accepting and settling amounts due in the above fields for administrations which did not adopt the direct billing system.

The Committee noted Congress – Doc 62 and Congress – Doc 86 which showed, in particular, the sharp reduction in the number of accounting operations offered by free multilateral offsetting through the International Bureau General Liquidation Account, and the flexibility with regard to accounting periods.

*Proposals of a general nature 20. 0.8/Rev 1, 20. 0.9/Rev 1, 20. 0.18 and 25. RE 0.4*

*Proposal 20. 0.8/Rev 1*

This proposal made provision for monitoring the new system of direct billing with AV 5 and CP 16 accounts for three years after the entry into force of the Seoul Acts and for proposing to the next Congress the action necessary for the ongoing adjustment of the accounting systems concerned.

*Proposal 20. 0.9/Rev 1*

This proposal aimed at instructing the International Bureau to carry out a campaign to persuade administrations of the advantages of the General Liquidation Account and encourage them to make use of it.

*Proposal 20. 0.18*

This proposal aimed at recommending administrations to avoid as far as possible filling out by hand accounting documents which had to be sent to other administrations and, to that end, to use mechanical or electronic means so as to ensure the legibility of such documents.

*Proposal 25. RE 0.4*

With a view to improving the wording of the articles dealing with accounting in the Convention and the Postal Parcels Agreement, this proposal aimed at instructing the International Bureau, on the one hand, to examine the texts involved and to submit relevant proposals to the next Congress and, on the other, to prepare an Operational Compendium which would take over part of the Operational Guide on Terminal Dues and Transit Charges.

The Committee noted proposals 20. 0.8/Rev 1, 20. 0.9/Rev 1, 20. 0.18 and 25. RE 0.4.

Rationalizing UPU forms

The reporting country for Executive Council study "Rationalizing UPU forms" summarized Congress – Doc 59 and informed the Committee that the Postal Operations Council had been made responsible for resuming the work on forms in order to incorporate all the relevant amendments stemming from Seoul Congress decisions. He thanked all the postal administrations that had taken part in his Working Party's work.

Insured parcels. Reservation in the Final Protocol to the Agreement

*Proposal 33. 12.91*

This proposal authorized Sweden to provide the insured parcels service in accordance with specifications different from the ones defined at article 11 of the Agreement and in the relevant articles of the Detailed Regulations.

Proposal 33. 12.91 was adopted without comment.

Article 15, paragraph 3, of the Rules of Procedure of Congresses

The Chairman drew the Committee's attention to Congress – Doc 13/Rev 2/Annex 1 which contained all the proposals concerning the Detailed Regulations of the Agreement which, under article 15, paragraph 3, of the Rules of Procedure of Congresses were not the consequence of proposals for amending the Agreement and could therefore be referred to the Postal Operations Council.

The Committee approved the referral to the Postal Operations Council of the relevant proposals and instructed the Secretariat to prepare the appropriate resolution (annex 1).

Speech by the Committee Chairman

As the agenda had now been completed, the Chairman noted that the work of the Committee had produced important results thanks to the cooperation and skill of its members in all the areas touched on.

He expressed his thanks to the Committee members for their invaluable understanding and cooperation, as well as to the International Bureau Secretariat, the Korean Secretariat and the interpreters for their dedication and competence.

Speech by the Secretary-General

The Secretary-General congratulated the Committee on the results achieved and the open spirit it had shown in carrying out its work, the results of which would give postal administrations the means to open up new markets.

He thanked the Chairman for the task he had just accomplished which had resulted in measures which would bring major benefits to the Union.

Approval of the report

In accordance with article 23, paragraph 5, of the Rules of Procedure of Congresses, the reports of the 2nd and 3rd meetings would be approved by the Chairman on behalf of the Committee.

The meeting rose at 9.30 am.

For the Committee:

Y Cong

M Peng

Chairman

Secretary

A C Brix

Assistant Secretary

**Resolution C .../1994**

**Proposals relating to the Detailed Regulations of the Postal Parcels Agreement referred to the EC (POC) for consideration**

Congress,

In virtue of article 15, paragraphs 2, 3 and 10, of the Rules of Procedure of Congresses,

*Instructs*

the Postal Operations Council to consider the following proposals relating to the Detailed Regulations of the Postal Parcels Agreement:

35. RE 1503.1/Rev 2, 35. RE 3604.1/Rev 2, 35. RE 3605.1/Rev 2, 35. RE 306.3, 35. RE 306.1, 35. RE 306.2, 35. RE 306.4, 35. RE 307.1, 35. RE 307.6, 35. RE 307.3, 35. RE 307.4, 35. RE 307.2, 35. RE 307.5, 35. RE 1102.1, 35. RE 1503.2, 35. RE 1601.1, 35. RE 1902.2, 35. RE 1902.1, 35. RE 1903.1, 35. RE 1904.5, 35. RE 1904.3, 35. RE 1904.4, 35. RE 1904.1, 35. RE 2101.1, 35. RE 2601.1, 35. RE 2602.1, 35. RE 2801.4, 35. RE 2801.2, 35. RE 2801.1, 35. RE 2801.3, 35. RE 2801.5, 35. RE 2802.1, 35. RE 3106.1, 35. RE 3107.1, 35. RE 3110.1, 35. RE 3111.1, 35. RE 3112.2, 35. RE 3112.1, 35. RE 3114.1, 35. RE 3115.1, 35. RE 3116.1, 35. RE 3117.1/Rev 1, 35. RE 3118.1, 35. RE 3118.2, 35. RE 3203.1, 35. RE 3205.1, 35. RE 3604.3, 35. RE 3604.2, 35. RE 3605.2, 35. RE 3803.1, 39. 2.1, 39. 20.1, 39. 0.1, 39. 0.2.

(Committee 7, 3rd meeting)

## Reports of Committee 8

### First meeting

Monday, 2 September 1994, 3.10 pm

In the chair: Mr M Akalay, Chairman

Opening of proceedings

Opening this first meeting, the Chairman cordially welcomed the members and all participants in the Committee. He expressed his gratitude at the honour conferred on his country and on himself and at the confidence shown by appointing him Chairman. He also expressed his hope that the work of the Committee would be carried out in a spirit of mutual understanding. He congratulated the Vice-Chairmen of the Committee, Qatar, Sweden and Uruguay on their appointment and said that he was pleased to be able to count on their active participation in the accomplishment of the important work assigned to the Committee. He then reviewed the subjects of importance in the development of postal financial services and the difficulties sometimes encountered in their development and underlined certain questions concerning their future.

Speech by the Secretary-General

In his speech, Mr M S Raman, Assistant Director-General at the International Bureau, greeted the Committee Chairman and three Vice-Chairmen and all the participants, on behalf of the Secretary-General, and, drawing attention to the salient points of the documents that would be discussed in the Committee, wished that Committee every success in its work.

Appointment of Secretariat

Mr M S Raman, Assistant Director-General at the International Bureau, assumed the functions of coordinator and Messrs K K Samawi, Senior Counselor and A Soudakov, First Secretary at the International Bureau, acted as Secretary and Assistant Secretary of the Committee respectively.

Proxies and quorum

The Chairman informed the Committee that Monaco, Liechtenstein and Saint Christopher and Nevis were represented by the delegations of France, Switzerland and Saint Lucia respectively, and then stated that a check had revealed that 57 member countries of Committee 8 were represented in the hall and that, the quorum having been set at 45, the Committee was able to proceed to business. Also present at the meeting as observers were a number of Union member countries that were not signatories of the Postal Financial Services Agreements, and the CAPTAC representative.

Approval of the agenda	The agenda (Congress – Doc 14/Rev 1) was adopted without amendment. Having been informed of the submission of annex 1 to the agenda, which listed the proposals concerning the Detailed Regulations which were to be dealt with in accordance with article 15, paragraph 3 of the Rules of Procedure of Congresses, the Committee accepted the principle of referring the proposals in this annex to the POC together with other proposals which would affect the Detailed Regulations.
List of member countries of the Committee	The Committee noted the List of member countries of Committee 8 (Congress – Doc 28).
Updating of the Final Protocol	The Committee, noting that no amendments had been made to the Final Protocol to the Postal Financial Services Agreements, took note of Congress – Doc 67.
Expanded debate on the theme "Future of the postal financial services", introduced by a presentation of the EUROGIRO system	<p>Noting the EC proposal to organize an expanded debate at the Seoul Congress on the theme "Future of the postal financial services", the Committee held this debate, which was chaired by the Chairman of Committee 8, assisted by Mr Berset, Head of the Postal Financial Services Section, Swiss PTT Headquarters, who acted as discussion leader.</p> <p>The principles and aims of the debate were defined as follows:</p> <ol style="list-style-type: none"><li>i It was recognized that the principle of the expanded debate was likely to encourage Union member countries to reaffirm their willingness to do everything possible in order to meet the challenges of developing their postal financial services and adapting them to the changing environment and new market demands.</li><li>ii The debate was to be the main source for the collection of ideas and conclusions which could be retained during the discussions and then included in the future Action Plan (PFSAP). It would also serve to refine the elements of the basic document Congress –Doc 63 and the resolution "Action plan to energize the postal financial services" (proposal 40. 0.1), which, once updated, could be submitted to Congress for approval.</li></ol>
Congress – Docs 63 and Add 1	<p>Two documents on this important subject (Congress – Doc 63 and its Addendum 1) submitted to the Committee were the main basis for the opening of the expanded debate.</p> <p>In accordance with the discussion plan adopted by the Committee, the expanded debate was held as follows:</p> <ul style="list-style-type: none"><li>– introduction by the Chairman of Committee 8 (Congress – Doc 63/Add 1);</li><li>– presentation of the EUROGIRO system;</li><li>– introductory statement by the discussion leader on the main theme "Future of the postal financial services" (Congress – Doc 63);</li><li>– papers by countries on the sub-themes proposed in accordance with the previously indicated participation (the detailed outlines are the subject of Congress – Doc 63/Add 1/Annex 3 and Congress – Doc 63/Add 1/Annex 3/Attachment 2/Add 1);</li></ul>

- contributions by delegations of postal administrations taking part in the debate;
- general summary by the discussion leader;
- conclusions by the Chairman of Committee 8.

After the introduction of the procedural questions of the debate in correlation with Congress – Doc 63/Add 1 and an urgent appeal to all participants of Committee 8 by the Chairman, asking them to play an active role in discussing the theme "Future of the postal financial services", the expanded debate opened with the presentation of the EUROGIRO system.

The detailed paper by Mr M T Hansen, Director of GiroBank Denmark, on the presentation of the EUROGIRO system stated the aims of the creation of the EUROGIRO network, its current structure, its operation and future development plans. It also listed the services which the EUROGIRO network could offer its members or users, the conditions for becoming a EUROGIRO member/user, the installation and operation costs, technical data and the advantages of the system.

This presentation showed that, in establishing the EUROGIRO network on the postal financial payments market, EUROGIRO had provided all administrations with a highly effective tool for exchanging messages relating to payments and for making electronic transfers of funds in the postal financial services. Owing to its simplicity, security and flexibility, the network was likely to experience considerable growth in future, in terms of volume and size.

The discussion leader, Switzerland, then took the floor to deliver the paper on the principal theme "Future of the postal financial services". This paper, presented by Mr J-M Berset, summarized the results of the joint thinking by Switzerland and the International Bureau on the crucial problem of the development and adaptation of the postal financial services to the changes in their environment.

The analysis of the current situation contained in the presentation resulted in one major conclusion: even with simplified operating conditions, the current postal financial services were no longer geared to developments in market and customer requirements, examples being:

- a in the economic sphere: tying up capital; failure to adapt to the financial market, approximate exchange rates; ignoring interest; obsolete methods of settling accounts;
- b in the technical sphere (means of transmission): almost exclusively paper-based, conventional postal means of access to excessively slow services and conveyance, absence of an efficient electronic transmission and delivery network.

On the basis of this analysis, it seemed imperative to make changes to the present system of postal financial services by ascertaining the genuine mutual needs of partners, by fixing specific objectives warranting the development of new regulations and also the continuation of activities within the UPU.

In this paper, the following were among the essential future policy lines to be pursued:

*a Money orders and postal transfers*

- developing new forms for the services in order to make them competitive with the use of means of conveyance duly adapted to accelerate the transmission of the instruments;
- enabling the network to be significantly expanded, while allowing almost total freedom as regards the forms of the order issued and the payment to enable the money orders service to handle a large number of domestic transactions between individuals and commercial partners;
- developing the use of electronic methods for the transmission of instruments in order to dispense with paper; routing them via the postal network;
- developing transfers by establishing, in as many countries as possible, an account management structure (postal or savings accounts) in order to create a network that was competitive with that of the banks.

*b Means of transmission*

- promoting the development and expansion of the new EUROGIRO system (network) for the transmission of funds with a view to the creation, in future, of a basis for providing the customer with quick and secure transfers of funds on financial conditions affordable by all.

*c New services (products)*

- developing the postcheque and POSTNET products while adhering to the existing networks (cash withdrawal and payment cards, automatic teller machines, etc).

Appealing to the determination of the Committee members to implement the principles suggested, Switzerland proposed, as a first step, that the Acts of the postal financial services should be recast, stressing how vital it was for all delegations to participate in this debate, which would have major influence on the spirit in which all future work was conducted and on the philosophy and content of activities in the postal financial services sphere.

The contributions already announced at the preparatory stage of the debate were presented by the delegations of Korea (Rep), France, Indonesia, Japan and the Czech Republic, in the framework of the scheduled sub-themes.

More specifically, in their papers the speakers highlighted the functioning of the services, describing the characteristics of the environment, the problems sometimes encountered and the steps taken or contemplated for developing this postal sector.

From the concerns voiced by the speakers, four main policy lines for the future of the postal financial services emerged:

- a increasing the number of countries participating in the postal financial services;
- b continuing and developing partnership in the conventional services on the basis of the Postal Financial Services Agreements (or the new Acts);
- c raising the awareness of the postal financial services to the development of electronic transfers of funds;
- d encouraging membership of the EUROGIRO system as partner/user.

Several objectives and actions mentioned in the papers were acknowledged as likely to enhance and supplement the Action Plan to energizing the postal financial services and would ultimately be included in the summary by the discussion leader (Switzerland) at the close of the debate.

In accordance with the debate plan, the Chairman gave the floor to participants wishing to speak on matters and aspects referred to in papers previously submitted by certain delegations. Statements under this agenda item were made by CAPTAC, Italy, Congo (Rep) and Togo.

The representative of CAPTAC outlined the current situation of the postal financial services in the developing countries. He made proposals of an institutional and operational nature in the context of a series of actions aimed at modernizing operational systems and their management, while according the postal financial services of these countries their rightful place in this postal sector.

Italy reported on the current innovations in that country which were based on the need for adaptation of the postal financial services to the contemporary environment, for development, for a good quality of service focussing on efficient transmission methods, the integration of financial and banking services, and for a new approach to commercial strategy in this field.

Congo (Rep) wanted the developed countries to give urgent assistance to the developing countries as regards introducing and improving postal financial services. The postal administrations in the developing countries, for their part, must take advantage of the current restructuring aimed at separating Post and telecommunications in the interests of improving the postal financial services.

Welcoming the EUROGIRO system, which largely represented a positive response in combating the decline of the postal financial services, Togo wanted to see a preliminary study conducted by the UPU in order to avoid the marginalization of certain developing countries.

The general summary of the debate was presented by the discussion leader (Mr J-M Berset of Switzerland). He grouped and summarized the ideas, conclusions and wishes expressed by the delegates during the discussions, as well as the essential points that emerged from the debate, as follows:

- i overall, the debate could be regarded as positive, encouraging each postal administration to develop and modernize the postal financial services currently offered, and to implement fund transfer services that were worthy of the service providers;
- ii general interest was expressed in pursuing activity within the framework of the Universal Postal Union;
- iii activities should be redefined and largely centred initially on postal transfers of funds;
- iv for electronic transfers, the EUROGIRO system was the basis on which such exchanges could be developed or introduced;
- v effective cooperation between the postal financial institutions and EUROGIRO should be discussed immediately and defined at the UPU level and at the level of each country;

- vi for traditional paper transfers, the International Bureau should act as coordinator, provider of information and, if need be, adviser;
- vii these tasks must of necessity be preceded by a recasting of the Postal Financial Services Acts.

Among the main points of the papers and statements presented, the discussion leader pointed out the following:

- i Korea (Rep) presented its long-term development strategy aimed at providing a one-stop service where all payment transactions could be instantly processed at post office counters. It also envisaged joining EUROGIRO and saw an expanded role for the UPU, particularly in promotion and in cooperation aimed at creating a worldwide payment network.
- ii France proposed the development of transfers through the widespread application of EUROGIRO, similar development of the money order service, improvement of security and introduction of the role of "intermediary" for countries unable to join EUROGIRO. It also wished to see the development of payment cards through membership of the existing large networks, and the expansion of cash machines in post offices. It also wondered about the UPU's role with regard to the development of the financial services and also the savings services.
- iii Indonesia objectively analyzed Congress – Doc 63 and suggested that the UPU act as coordinator for implementation of the strategic development programme. It talked about solidarity, cooperation, advice and competition, and noted that the EDI/Post\*Net could provide an effective means of developing the financial services as well.
- iv As it had recently joined EUROGIRO, Japan was already well integrated into computerized and transmission systems at both the domestic and international levels. The picture it presented of its current and future situation spoke for itself, and there was no doubt that exchanges with that country would show exemplary development. It proposed that the action plan envisaged be implemented as soon as possible.
- v The administration of the Czech Republic gave a overview of the difficulties it faced in setting up a postal banking service, but proposed to cooperate actively with all interested partners. However, it already offered all forms of services for domestic payments and was prepared to do the same at international level.
- vi CAPTAC talked about the strategy it had defined at a symposium and suggested, among other things:
  - a merger of giro and savings bank services;
  - setting profitability and quality of service objectives;
  - negotiating cooperation agreements between postal and/or banking partners;
  - introducing computerized services;
  - offering special training to managers responsible for setting up financial services;

CAPTAC also proposed that the resolution (proposal 40. 0.1) mention aspects regarding "revenue" and "customer loyalty".

At the close of the debate, the Chairman thanked all the delegates who had spoken and said that keen interest had been shown in the themes dealing with development of the postal financial services sector. He summarized as follows the purpose and broad lines of the future policy expressed during the debate: our objective was to do everything in our power to energize the postal financial services and adapt them to the changing environment, to offer an effective response to the challenges presented by the competition in the international payments market and to create a worldwide network of postal financial services that was computerized, competitive and functional, serving the entire community on the eve of the 21st century.

Resolution, proposal 40. 0.1

The resolution (proposal 40. 0.1) prepared with a view to the debate and adopted by the 1994 EC, aimed to identify the future activities to be pursued in the area of postal financial services.

Congress – Doc 63/Add 2

In the light of the results and conclusions of the expanded debate as summarized by the discussion leader and considering that the debate had made it possible to devise the Action Plan's entire framework and to define its components, the Chairman proposed bringing the text of the resolution into line with those conclusions and preparing the draft Action Plan that would be added to it. The resolution, which could be adapted accordingly, should make it possible to determine the framework for adopting the Action Plan to energize the postal financial services (PFSAP) and to provide the legal force needed to implement it.

After stating that an initial text of the Plan, originally based on the EC's draft resolution (proposal 40. 0.1) and administrations' contributions received in anticipation of the debate, had been prepared by the International Bureau and was the subject of Congress – Doc 63/Add 2, the Chairman proposed using it as a basis for outlining the Plan's entire framework and making it easier to adapt it to the practical results of the expanded debate.

The Chairman also proposed assigning the Committee Secretariat, with the assistance of the discussion leader, the task of adapting resolution 40. 0.1 and preparing the draft PFSAP and submitting them to the Committee for approval, annexed to the report of its second meeting.

It was also indicated that the financial impact of implementing the Action Plan to energize the postal financial services had been estimated at 97 000 CHF per annum from 1996, as shown in Congress – Doc 19/Annex 10, item 8. On the basis of that finding and bearing in mind that Committee 2 (Finance), at its meeting scheduled for Monday, 5 September 1994, had to consider the financial implications of the decisions and resolutions taken by other Committees, the Chairman proposed authorizing the Committee 8 Secretariat to inform Committee 2 of that amount, which should be approved as the strict minimum for implementing the Action Plan.

The Committee approved the estimates of the resources needed (97 000 CHF per annum for 1996-2000) to carry out the priority activities aimed at developing postal financial exchanges, as indicated in Congress – Doc 19/Annex 10, item 8. It instructed the Committee 8 Secretariat to inform Committee 2 of that amount, which should be approved as the strict minimum for implementing the Action Plan to energize the postal financial services.

The Committee decided to assign to the Committee Secretariat, with the assistance of the discussion leader (Switzerland), the task of adapting the text of the resolution (40. 0.1) containing the draft PFSAP which would be submitted to the Committee for approval at its second meeting, on 6 September 1994 (Congress/ C 8 – Rep 1/Annex 1).

The meeting rose at 5.50 pm.

For the Committee:

M Akalay  
Chairman

K K Samawi  
Secretary

A Soudakov  
Assistant Secretary

**Text replacing that of proposal 40. 0.1, prepared by the Committee 8 Secretariat**

**Resolution**

**Action plan to energize the postal financial services**

Congress,

In view of  
the Seoul expanded debate held by Congress Committee 8 on 2 September 1994 on the subject "Future of the postal financial services",

Considering

- the overriding importance of extending the postal financial services so as to achieve better coverage and universality of the world network of international postal payments systems;
- the need to safeguard and improve the quality of the postal financial services;
- the development of telematic applications for transferring postal financial services funds and the use of computerized systems as an essential condition for operationally effective services;
- the magnitude of the revenue expected from postal financial exchanges and the need to develop customer loyalty at both the national and the international level;
- that, if they are to remain competitive, the services must quickly adapt to the changing environment and more particularly to developments on the international financial payments market,

Noting

the absence of international postal financial services in many UPU member countries,

Deeming

this situation unsatisfactory for the pursuit of efficient financial exchanges between partners on the different continents,

Deeming

on the one hand that existing regulations are ill-suited to the economic rules in force and, on the other, that they do not allow the flexibility required in the field of production,

Aware

of the fact that by itself, a development policy is not sufficient to ensure the establishment of reliable, modern and economically viable financial services,

Taking account

of the value of a common commitment founded on recognized principles of action,

*Approves*

the attached Action Plan to energize the postal financial services (PFSAP),

*Urges*

postal administrations to develop their postal financial exchanges by drawing on the objectives of the PFSAP, particularly with a view to the worldwide extension of the postal financial services,

*Invites*

the Restricted Unions to take extensive account of the PFSAP in their regional programmes and to define priorities at their level,

*Instructs*

the Postal Operations Council:

- i to take measures to:
  - urge the member countries of the Union to create services that, in the first instance, will permit the transfer of funds;
  - facilitate the modernization of such transfers;
  - promote flexibility in exchanges;
  - simplify reciprocal payment methods;
  - foster technical exchanges in the area of postal financial services;
  - ensure appropriate promotion of the services;
- ii to adapt existing regulations to those measures;
- iii to ensure that application of the PFSAP is monitored;
- iv to report to the next Congress on the execution of the PFSAP,

*Instructs*

the International Bureau to monitor these activities and, where appropriate, to propose adjustments to this Action Plan to the Postal Operations Council.

**Action Plan to energize the postal financial services (PFSAP)**

Objectives	Projects/Actions/Activities	Responsibility <sup>1</sup>
<b>Strategy</b>	<b>A.</b> Develop postal financial exchanges by establishing a universal, progressive and operational network of postal financial payments systems (services) at international level	
<b>A 1</b> Extension worldwide of the postal financial services; universality of postal financial payments systems	<p><b>A 1.1</b> <i>Increase the number of countries actively participating in the postal financial services in order to expand the coverage of services worldwide</i></p> <p><b>A 1.1.1</b> Urge the Union member countries and States, as appropriate, to establish postal financial services primarily for the transfer of funds in the international service.</p> <p><b>A 1.1.2</b> Give priority to the establishment of postal financial services within those administrations that do not at present offer services in this area.</p> <p><b>A 1.2</b> <i>Simplify the current regulations and the conditions governing execution of the services to encourage many administrations to participate in and to join international postal financial payment systems</i></p> <p><b>A 1.2.1</b> Recast the Postal Financial Services Acts with a view to simplifying the conditions governing execution of the postal financial services and making them more flexible.</p> <p><b>A 1.3</b> <i>Support accession to the postal financial services on the basis of the UPU Agreements in force</i></p> <p><b>A 1.3.1</b> Consider measures for encouraging those administrations that provide services on the basis of bilateral agreements to subscribe to the UPU Agreements in force.</p> <p><b>A 1.3.2</b> Identify the reasons preventing administrations from subscribing to the UPU's universal Postal Financial Services Agreements and taking measures to adapt to the conditions of universal service on the basis of those UPU Agreements.</p>	<p>POC, RU</p> <p>Adm, RU</p> <p>POC, RU</p> <p>POC, RU</p> <p>Adm, POC, RU</p>
<b>A 2</b> Develop and improve traditional and computerized postal financial services	<p><b>A 2.1</b> <i>Develop and optimize the internal organization of postal financial institutions so as to achieve an even more effective postal financial services network for long-distance and direct-contact payments</i></p> <p><b>A 2.1.1</b> Increase the number of post offices providing postal financial services in all rural regions and zones, taking the cost/benefit ratio into account.</p> <p><b>A 2.1.2</b> Computerize post offices and procedures for internal processing of instruments at the counters, using the most efficient exchange methods and procedures</p>	<p>Adm</p> <p>Adm, POC</p>

<sup>1</sup> This column indicates the entities responsible for the actions. The following abbreviations have been used:

Adm = Administrations  
 IB = International Bureau  
 POC = Postal Operations Council  
 RU = Restricted Unions

Objectives	Projects/Actions/Activities	Responsibility
	<p><i>A 2.2 Improve the money orders service</i></p> <p>A 2.2.1 Improve money order transmission times.</p> <p>A 2.2.2 Improve the security of the service and reduce inquiry response time.</p> <p>A 2.2.3 Urge countries with no inward money order service to serve as intermediaries by issuing cheques payable to the beneficiaries.</p> <p>A 2.2.4 Assign a group of experts to study measures for improving the international money orders service.</p>	<p>Adm, POC</p> <p>Adm, POC</p> <p>Adm, POC</p> <p>POC</p>
	<p><i>A 2.3 Improve the giro service</i></p> <p>A 2.3.1 Expand the issue of withdrawal cards and equip post offices with terminals and cash dispensers</p> <p>A 2.3.2 Increase the number of countries agreeing to pay postcheques in post offices.</p> <p>A 2.3.3 Assign a group of experts to study measures for improving the giro service.</p> <p><i>A 2.4 Simplify the methods of exchanging money orders and giro cheques as well as cashing and payment procedures</i></p> <p>A 2.4.1 Conduct a study aimed at simplifying operating methods, cashing and payment procedures and methods for exchanging international money orders and giro cheques.</p> <p><i>A 2.5 Simplify reciprocal methods of account billing and settlement</i></p> <p>A 2.5.1 Promote the use of the liaison giro account.</p> <p>A 2.5.2 Introduce the use of computers for issuing and verifying account statements, establishing and electronically transmitting monthly accounts and summary lists for money orders.</p>	<p>Adm, POC</p> <p>Adm, POC</p> <p>POC</p> <p>POC</p> <p>Adm, POC</p> <p>Adm, POC</p>
<p><b>A 3</b> Establish the future configuration of the universal computerized network for electronic transmission of funds by the postal financial services</p>	<p><i>A 3.1 Develop telematic applications for the transfer of postal financial services funds</i></p> <p>A 3.1.1 Promote the introduction, expansion and development of the electronic transfer system for postal financial funds worldwide in order to create a computerized international payments network with EUROGIRO as its linchpin.</p> <p>A 3.1.2 Evaluate the criteria for participation of postal financial institutions in the EUROGIRO system as well as costs and installation and participation charges and fees in relation to benefits.</p> <p>A 3.1.3 Encourage postal financial services capable of offering a transfer service to join the EUROGIRO system as users.</p> <p>A 3.1.4 Promote cashing of money orders and international exchange of money orders through the EUROGIRO network.</p> <p>A 3.1.5 Promote the implementation of a new concept of computerized payment network that would provide an inexpensive electronic system for transfer of instruments to postal financial institutions with a low volume of transactions and/or that do not have a data processing system.</p>	<p>Adm, POC</p> <p>Adm, POC</p> <p>POC</p> <p>Adm</p> <p>Adm, POC</p>
<p><b>A 4</b> Implement programmes for quality control of the postal financial services</p>	<p><i>A 4.1 Provide computerized control of the quality of transactions</i></p> <p>A 4.1.1 Support the introduction of the means of ensuring computerized control of on-line postal financial operations from the post offices and make advantageous use of the EUROGIRO system.</p> <p>A 4.1.2 Consider measures for establishing permanent quality control of postal financial services operations and in due course conduct studies for improving it.</p>	<p>Adm, POC</p> <p>Adm, POC</p>

Objectives	Projects/Actions/Activities	Responsibility
<b>A 5</b> Intensify co-ordination, cooperation and collaboration between UPU member countries, postal financial institutions	<p><i>A 5.1 Continue the partnership in respect of conventional services on the basis of bilateral and multilateral agreements relating to postal financial services</i></p> <p>A 5.1.1 Develop the exchange of information with administrations that provide these services on a bilateral (multilateral) basis only.</p>	POC
	<p><i>A 5.2 Support contacts and cooperation between countries wishing to develop new postal financial services systems</i></p> <p>A 5.2.1 Encourage technical exchanges in the postal financial services field.</p> <p>A 5.2.2 Establish permanent technical assistance cooperation programmes focussing on the establishment of postal financial services centres and the introduction of the money orders and giro services.</p>	Adm, POC, RU POC, RU
<b>Strategy</b> <b>B.</b> Adapt the postal financial services to market developments, customer needs, technological developments and means of communication in order to make them more profitable and competitive at international level		
<b>B 1</b> Work out a better definition of the postal financial services market	<p><i>B 1.1 Achieve a better knowledge of the postal financial services market</i></p> <p>B 1.1.1 Conduct studies to define:</p> <ul style="list-style-type: none"> <li>– market structures and products to be developed;</li> <li>– customer groups, user requirements and degree of satisfaction;</li> <li>– competition: methods and market shares;</li> <li>– service trends and development potential.</li> </ul> <p>B 1.1.2 Introduce customer relations programmes.</p>	Adm, RU, POC  Adm
<b>B 2</b> Adapt the postal financial services to changing customer needs	<p><i>B 2.1 Expand and standardize the range of postal financial services/products at national and international level</i></p> <p>B 2.1.1 Take measures to ensure that the range of postal financial services/products is expanded in all countries to allow long-distance and direct-contact payments and to encourage the introduction of basic services to enhance the universal nature of the services available to customers.</p> <p>B 2.1.2 Develop postal financial services in response to specific customer needs, such as deposit of salaries, automatic debit transfers, automatic transactions by means of withdrawal cards at cash dispensers, savings bank book, automatic deposit of dividends, indemnities, etc.</p> <p>B 2.1.3 Ensure adequate promotion of traditional services and new postal financial payment products by implementing commercial marketing policies and using new technologies and procedures.</p> <p>B 2.1.4 Urge administrations to take all necessary measures to adapt the postal financial services to commercial and technical developments.</p> <p><i>B 2.2 Facilitate inter-administration relations by adopting more flexible conditions for executing the services</i></p> <p>B 2.2.1 Amend the provisions in effect within the framework of the study on recasting the Postal Financial Services Acts</p> <p>B 2.2.2 Adopt practical measures at bilateral level.</p> <p><i>B 2.3 Apply provisions between administrations calling for equitable, cost-related remuneration/compensation</i></p>	Adm, RU, POC  Adm, POC  Adm, RU, POC POC  POC  Adm Adm, POC

Objectives	Projects/Actions/Activities	Responsibility
<b>B 3</b> Ensure adequate management independence for postal financial services (postal financial institutions)	<i>B 3.1 Ensure that long-term corporate plans and policies have been worked out in respect of the development of the postal financial services</i> B 3.1.1 Prepare and implement plans setting out clearly-defined actions, complete with objectives, costs and quantified time frames to allow investments to be sought.	Adm
<b>B 4</b> Increase the role of the UPU in adapting the postal financial services to a new world	<i>B 4.1 Ensure implementation of the PFSAP in consideration of the authority granted and the means available</i> B 4.1.1 Allocate responsibilities and PFSAP operational and monitoring procedures between the permanent bodies of the UPU B 4.1.2 Define practical measures and studies relating to implementation of the PFSAP B 4.1.3 Consult administrations about monitoring the execution of the PFSAP B 4.1.4 Manage the financial resources allocated to PFSAP implementing and monitoring activities	POC, IB POC, IB POC

**Second meeting**

Tuesday, 6 September 1994, 3 pm

In the chair: Mr M Akalay, Chairman

**Proxies** Monaco, Liechtenstein and Saint Christopher and Nevis were represented by France, Switzerland and Saint Lucia respectively.

**Quorum** The Chairman said that the quorum (46 countries) had been attained and the Committee could proceed to business.

**Approval of a report** The draft report of Committee 8's first meeting (Congress/C 8 – Rep 1) and its annex containing the draft resolution entitled "Action plan to energize the postal financial services" and the Draft Action Plan (proposal 40. 0.1 as amended) were adopted. At the Chairman's suggestion, the Committee instructed the Secretariat to add to the report a paragraph on the Secretary-General's address, delivered at the meeting by Mr M S Raman, Assistant Director-General.

**Communication** In connection with the adoption of the Action Plan, Sweden, Vice-Chairman of the Committee, gave further information on a special group's ongoing work in the framework of the EUROGIRO system called the money order project. This group's task was to develop a modern concept for the money order services. This consisted of replacing the existing paper-based product with electronic exchanges through the EUROGIRO network. He proposed that the group should be contacted as soon as work began on carrying out the action plan to energize the postal financial services.

**Recasting the Postal Financial Services Acts**

*Resolution. Proposal 40. 0.2*

Introducing this topic, the Chairman, followed by Switzerland, noted that proposal 40. 0.2 had emerged from the study initially conducted by the 1993 Executive Council which had resulted in the adoption at the 1994 EC of the recasting principles and the draft structure of the new Postal Financial Services Acts. The proposal was aimed essentially at the following activities:

- initiating recasting of the Postal Financial Services Acts and, specifically, merging the Money Orders Agreement and the Giro Agreement as a single uniform agreement;

- continuing in the Postal Operations Council, jointly with the International Bureau, the study on the subject initially undertaken by the EC;
- submitting to the next Congress the necessary draft amendments to the Acts.

Proposal 40. 0.2 was adopted without discussion.

Use of a liaison giro account for billing and settlement of money orders

*Proposals 40. 11.1, 40. 12.1, 45. RE 1105.91, 45. RE 1202.91, 45. RE 1202.92 and 45. RE 1202.93*

These proposals are the consequence of the EC study on the modernization of systems for billing and settlement of postal financial services which resulted in the acceptance of operational procedures for use in the money orders service with a view to settling money orders through a liaison giro account. The EC consequently adopted the proposals concerning amendment of the relevant articles of the Money Orders Agreement.

Proposal 40. 11.1 aims at incorporating in article 11 of the Money Orders Agreement provisions allowing administrations to settle accounts by means of a liaison giro account. The purpose of 40. 12.1 is to amend article 12 of the Agreement by introducing procedures for opening the liaison giro account. The procedures proposed are similar to those which have been long used for transfers and have already been tested by a number of European administrations. Some delegations expressed their concern at the difficulties which could arise in maintaining such an account, given the convertibility of currency in various countries and the need to have authorization for these transfers. The reply given was that opening a liaison giro account was not an obligation but a supplementary possibility for settlement of money orders which could be agreed bilaterally between partners.

Proposals 40. 11.1 and 40. 12.1 were adopted without amendment.

The Chairman noted that proposals 45. RE 1105.91, 45. RE 1202.91, 45. RE 1202.92 and 45. RE 1202.93 concerning the Detailed Regulations of the Money Orders Agreement were the consequence of basic proposals 40. 11.1 and 40. 12.1, already adopted, and suggested they be referred to the POC under the terms of article 15, paragraph 2, of the Rules of Procedure of Congresses.

The Committee therefore decided to refer proposals 45. RE 1105.91, 45. RE 1202.91, 45. RE 1202.92 and 45. RE 1202.93 to the POC.

Proposals by postal administrations

The Committee discussed the various proposals on amending the provisions of the Money Orders Agreement submitted by postal administrations, namely, 40. 4.1, 40. 5.1, 40. 6.1, 40. 9.1, 40. 10.1, 40. 10.2.

*Article 4 – Proposal 40. 4.1*

This proposal by France aims at replacing the maximum values of the additional charge levied by the intermediary administration by a procedure allowing that administration to set charges freely on the basis of the costs generated by the operations it carries out.

Two opposing trends emerged in the discussion. Some administrations opposed the proposal, saying that increasing the additional charge on the order in transit could penalize the sender more and also reduce the volume of orders in transit.

Other delegations supported France's proposal, saying that if countries were not paid for the real cost of intermediary transmission, they would no longer be willing to offer such services to other countries.

Proposal 40. 4.1 was put to the vote and adopted by 28 to 19 with 13 abstentions.

*Article 5 – Proposal 40. 5.1*

Proposal 40. 5.1 aimed at giving the sender himself the possibility of sending the order direct to the payee subject to reciprocal acceptance by administrations of this procedure. This mode of transmission provides for placing the order in an envelope in which other material such as a message or a letter can be enclosed.

Proposal 40. 5.1 received no support and was rejected.

*Article 6 – Proposal 40. 6.1*

This proposal submitted by Indonesia aims at extending the period of validity where list money orders are used until expiry of the fifth month following that of issue.

The Chairman drew the Committee's attention to the fact that since the concept of distant countries had been abolished, the exceptional validity period for orders applicable in those countries had also been abolished. As the orders (cards or lists) would be transmitted by the most rapid means (air or surface), he thought that the three-month validity period was sufficient for all countries.

Noting that delegations expressed diverging opinions on the possibility of accepting the proposal, he put it to a vote.

Proposal 40. 6.1 was rejected by 27 votes to 27 with 7 abstentions.

*Article 9 – Proposal 40. 9.1*

This proposal by France seeks to standardize the present provisions of the Money Orders Agreement by laying down time limits for indemnifying the claimant identical to those in the similar provisions of articles 38, RE 3801 and RE 3802 of the Convention and of its Detailed Regulations.

One delegation said it was against the proposal and referred to the operational difficulties, mentioning the sometimes lengthy procedures for determining liability between administrations.

Pointing out that the Seoul Congress had already amended similar Convention proposals relating to the time limits for indemnifying a claimant, France suggested amending the text of this proposal in the same way. It proposed reducing

the time limit of four months, as provided for in paragraph 5.1 of proposal 40. 9.1, to three months and the time limit of three months, as indicated in paragraph 5.3 of the same proposal, to two months.

Put to the vote, proposal 40. 9.1, including the amendments suggested by France, was adopted by 36 votes to 5, with 20 abstentions.

*Article 10 – Proposals 40. 10.1 and 40. 10.2*

Proposals 40. 10.1 and 40. 10.2 aimed at increasing the remuneration rates of the paying administration.

Proposal 40. 10.1 by Turkey aimed at increasing the remuneration rates of the paying administration for each step of the average amount of the money orders and to introduce new rates for the two top steps proposed: between 326.69 SDR and 392.02 SDR and over 392.02 SDR.

Put to the vote, proposal 40. 10.1 was adopted by 26 votes to 17, with 17 abstentions.

In view of the adoption of proposal 40. 10.1 by the Committee, proposal 40. 10.2 lapsed.

Final provisions.  
Proposals resulting from the EC study on the management of the Union

*Proposals 40. 13.1, 40. 13.2, 40. 13.3, 40. 13.4, 50. 17.1, 50. 17.2, 50. 17.3, 50. 17.4, 60. 9.1, 60. 9.2, 60. 9.3, 45. RE 1303.1, 45. RE 1303.2, 55. RE 1702.1, 55. RE 1702.2, 65. RE 903.1, 65. RE 903.2*

These proposals are the result of the EC general study on the management of the Union (Congress – Doc 70, proposals 10. 13.1 and 10. 22.2) dealt with by Committee 3. Committee 8 was therefore called on to note the decisions made about these proposals.

Having been informed by the Chairman of the decisions taken by Committee 3 regarding the above-mentioned proposals, Committee 8 noted the approval of proposals 40. 13.2, 45. RE 1303.2, 50. 17.2, 55. RE 1702.2, 60. 9.2, 65. RE 903.2, the fact that proposals 40. 13.1, 45. RE 1303.1, 50. 17.1, 55. RE 1702.1, 60. 9.1, 65. RE 903.1 had lapsed and the fact that Committee 3 was to deal with proposals 40. 13.3, 40. 13.4, 50. 17.3, 50. 17.4, 60. 9.3 within the framework of a future meeting.

Proposals relating to the Giro Agreement

*Proposals 50. 2.1, 50. 15.91, 55. RE 201.1, 55. RE 1304.91, 55. RE 1304.92, 55. RE 1304.93*

Creation of the POSTNET network

Proposals 50. 2.1 and 50. 15.91 by France aimed at introducing into the Agreement provisions on the regulations for the POSTNET network (network of cash dispensers), in particular concerning the provision of this service by the giro service and the conditions of accession of postal institutions to the POSTNET network.

Proposals 50. 2.1 and 50. 15.91 were adopted without amendment.

Having indicated that proposals 55. RE 201.1, 55. RE 1304.91, 55. RE 1304.92 and 55. RE 1304.93, which concerned the provisions of the Detailed Regulations of the Giro Agreement, were the result of the basic proposals 50. 2.1 and 50. 15.91, previously adopted by the Committee, the Chairman proposed referring them to the POC in accordance with article 15, paragraph 2, of the Rules of Procedure of Congresses.

The Committee decided to refer proposals 55. RE 201.1, 55. RE 1304.91, 55. RE 1304.92 and 55. RE 1304.93 to the POC.

Proposals to be referred to the POC (article 15, paragraph 3 of the Rules of Procedure of Congresses)

*Congress – Doc 14/Rev 2/Annex 1*

*Proposals 45. RE 605.1, 45. RE 801.1, 45. RE 1101.1, 55. RE 317.1, 55. RE 1302.1*

As these proposals were not the result of proposals to amend the Postal Financial Services Agreements but were aimed at amending the proposals of the Detailed Regulations of those Agreements in accordance with article 15, paragraph 3 of the Rules of Procedure of Congresses, the Chairman proposed that they be referred to the POC.

The Committee approved the proposal to refer to the POC proposals 45. RE 605.1, 45. RE 801.1, 45. RE 1101.1, 55. RE 317.1 and 55. RE 1302.1, which were the subject of Congress – Doc 14/Rev 2/Annex 1.

Resolution (article 15, paragraph 10 of the Rules of Procedure of Congresses).  
Proposals relating to the Detailed Regulations

The Committee was called on to draw up a resolution in accordance with article 15, paragraph 10 of the Rules of Procedure of Congresses, which stipulated that Committees should draw up a two-part resolution on the Detailed Regulations which concerned them, to include:

- i the numbers of the proposals referred to the Postal Operations Council for consideration;
- ii the proposals referred to the Postal Operations Council for consideration together with guidelines from Congress.

Presenting the principle of this resolution and on the basis of the decisions taken during the work of Committee 8, the Chairman gave the numbers of the proposals to be referred to the POC for consideration. He suggested entrusting the task of drawing up the final version of the resolution to the Committee 8 Secretariat, for submission to the Drafting Committee.

The Committee accepted the resolution in principle and entrusted the Committee 8 Secretariat with drawing up the final text of the resolution, taking into account the decisions taken by the Committee regarding the referral of certain proposals to the POC. The text of the resolution is reproduced in the report of the second meeting of the Committee (Congress/C 8 – Rep 2/Annex 1) and is also submitted to the Drafting Committee.

Approval of the report

The Chairman indicated that as this was the last meeting, he would approve, on behalf of Committee 8, the report of the second meeting, as authorized by article 23, paragraph 5 of the Rules of Procedure of Congresses.

Address by the Committee Chairman

As the agenda had been completed, the Chairman stated that the work of Committee 8 had been carried out in a very constructive way, which had allowed it to accomplish its task in full and produce very efficient results.

Noting that 100 countries were currently signatories to the Postal Financial Services Agreements and aware of the fact that the improved provision of these services on a global level was currently a major concern, the Chairman appealed to other countries to take part in these services. He expressed his hope and desire that certain countries, which currently provide these services on a bilateral level, could sign the Acts concerning the Postal Financial Services at the end of this Congress.

The Chairman thanked all the members of the Committee, the three Vice-Chairmen, the Secretariat of the Republic of Korea, the Secretariat of the International Bureau, the interpreters who had worked tirelessly, the hostesses and all those who had taken part in the work for their unfailing assistance during the two meetings. He expressed his sincere gratitude for the efforts to ensure that the work of Committee 8 was carried out in a spirit of mutual understanding and could be completed within the deadlines.

He thanked all the participants for the friendly atmosphere during the work of the Committee and closed the second and last meeting of Committee 8 at the 21st Universal Postal Union Congress in Seoul.

The meeting rose at 5.15 pm

For the Committee:

M Akalay  
Chairman

K K Samawi  
Secretary

A Soudakov  
Assistant Secretary

**Resolution**

**Proposals relating to the Detailed Regulations of the postal financial services Agreements and referred to the POC**

Congress,

In accordance  
with article 15, paragraphs 2, 3 and 10 of the Rules of Procedure of Congresses,

*Instructs*

the Postal Operations Council to consider the following proposals relating to the Detailed Regulations of the postal financial services Agreements:

45. RE 605.1	55. RE 201.1
45. RE 801.1	55. RE 317.1
45. RE 1101.1	55. RE 1302.1
45. RE 1105.91	55. RE 1304.91
45. RE 1202.91	55. RE 1304.92
45. RE 1202.92	55. RE 1304. 93
45. RE 1202.93	

(Committee 8, 2nd meeting)



## Reports of Committee 9

### First meeting

Friday, 26 August 1994, 9.30 am

In the chair: Mr J C Kasama, Chairman

#### Proxies

Monaco will be represented by France.

#### Opening of the proceedings

Committee 9 (Technical Cooperation) held its first meeting under the chairmanship of Mr J C Kasama. The functions of Vice-Chairmen were assigned to Messrs Omar Tabbarah, Director-General of Posts, Lebanon, and Petros Ioannidis, Director, Communications Development Directorate, Ministry of Transport and Communications, Greece. The third Vice-Chairman, Georgia, was absent.

In his opening address (see annex 1), the Chairman expressed his gratitude for the confidence shown in his country and himself and thanked the postal administration of Korea (Rep) for the excellent working conditions provided for the Committee. He then reviewed the current unfavourable world economic situation and future prospects. Making a general survey of the situation in the various parts of the world, he noted that persistent political instability in certain regions and the major upheavals of the present time had contributed to the economic slow-down. While those unfortunate trends affected postal activity, the progress made since the Washington Congress gave some hope for the future.

The Secretary-General of Congress, in his address (see annex 2), drew delegates' attention to the salient points of the documents which would be discussed in the Committee. He also noted that, in view of the development of international cooperation in the United Nations system and particularly of UNDP policy, the Universal Postal Union had tried to overcome the shortage of funds by implementing the new concept of technical assistance out of its own resources. At the same time, he stressed the key role of the Regional Advisers who had made a major contribution to the analysis of the operation of postal services in the countries visited and to the development of projects initiated under the UNDP or the UPU's own resources. He emphasized that political stability and peace were the sine qua non for world economic and social development.

- Appointment of Secretariat Mr M Mazou, Assistant Director-General, acted as coordinator and Mr Haider, Counsellor, Miss Chandrasiri, Assistant Counsellor, and Messrs Cuadra and Pettersson, First Secretaries, were appointed Committee Secretary, Assistant Secretary and Aides respectively.
- Quorum After noting that there was a quorum (78 countries represented), the Chairman said that the Committee could proceed to business.
- Approval of the agenda The agenda (Congress – Doc 15/Rev 2) was adopted without amendment.
- Memorandum on technical cooperation documents to be considered by Congress  
Congress – Doc 48  
The Committee took note of Congress – Doc 48, an introductory memorandum giving a complete overview of all the documents (Congress – Docs 49 to 56 and Add 1) and proposals 029, 030, 031, 032, 033, 034, 035 and 036 submitted for consideration by Congress in Committee 9.
- Technical assistance in the UPU  
Congress – Doc 49  
At the Chairman's request, Mr Mazou, Assistant Director-General in charge of development cooperation, presented the document. Its first part described international cooperation policies, giving the main principles of United Nations world development strategy, including the priority sectors adopted by UNDP for its fifth programming cycle (1992–1996), along with the fundamental central role which governments must play in determining national development objectives.
- UNDP's financial situation had fluctuated during the period 1989–1993 and its Governing Council had decided to reduce by 25 percent the resources allocated to countries under the fifth programming cycle; the postal sector had suffered from that decision.
- UPU policy on technical cooperation during the past five-year period had been based on UNDP guidelines and the Washington General Action Plan (WGAP). The new concept of postal development aid under multi-year integrated projects (MIPs) had been implemented, essentially through increased UPU presence in the field provided by the Regional Advisers.
- In regard to the Union's own resources, it was noted that funds for technical cooperation had remained unchanged when monetary erosion due to inflation was taken into account.
- The development cooperation sector had received an exceptional one-off gift to the Special Fund from the Swiss Government, making it possible to launch a number of multi-year integrated projects under the Fund. Other tied contributions from Germany, Belgium and China (People's Rep) had also assisted in the implementation of projects of this type.

The second part of the document gave the results and evaluation of activities for the five-year period 1989–1993. Although there had been a slight drop, in real terms, the UNDP contribution was still the UPU's main source of funding.

With regard to evaluation, it was noted that since the introduction of the UPU increased presence in the field, systematic use had been made of the monitoring technique rather than evaluation of projects on completion. The use of external consultants to evaluate multi-year integrated projects was restricted to projects of a certain minimum budget.

The purpose of annex 2 to Congress – Doc 49 "UPU technical assistance machinery" was to provide information on the various phases of technical assistance and the different sources of finance.

Views and comments on Congress – Doc 49 can be summarized as follows:

- Several delegations expressed satisfaction at the efforts made by the UPU in technical cooperation activities.
- One delegation suggested that more assistance should be devoted to world postal network integration and technology transfer to the developing countries.
- Several delegations expressed their satisfaction with multi-year integrated projects (MIPs) as a means of assistance. The contribution made by the Regional Advisers in implementing MIPs was appreciated.
- One delegation suggested, however, that the multi-year integrated project system should be reviewed to improve its effectiveness.
- The need to conduct MIP evaluation was stressed by another delegation.
- The observer from a Restricted Union, while noting the success of the new assistance concept, emphasized the importance of South–South cooperation. Another delegation also supported the promotion of TCDC and suggested holding interregional activities, such as seminars and other training activities.
- The importance of training was reaffirmed by some delegations. In view of decreased UNDP funds, it seemed necessary to step up training activities in the regions by making use of structures existing in several country and intercountry schools. This comment applied particularly to the schools in Kenya and Malawi, both established with international community help and with an intercountry function.
- A number of speakers thanked the industrialized countries for the help they gave to the developing countries and appealed to the better-off countries to continue their efforts.
- One country from Central Europe suggested that the UPU should take exceptional measures to help the new member countries from the region to integrate easily into the world postal community. It particularly stressed the importance of vocational training.
- One delegation welcomed the progress made, especially in postal security.

- The delegation from a beneficiary country of a UNDP project and another supplementary restructuring programme under World Bank auspices recounted its experience, stressing the fundamental and crucial role of senior postal managers in mobilizing international resources for postal sector development. In this context, it recommended that countries use the "Procedural Model" drawn up by the Postal Development Action Group (PDAG).
- Two delegations held that, in view of the drop in financial contributions from UNDP and other international aid agencies, bilateral aid should be promoted.
- The high percentage (56 percent) of resources devoted to recruitment of experts and consultants gave rise to questions about the effectiveness of operational missions.
- The need for thorough reflection on the technical cooperation system was raised. A study which would allow the UPU to take guidance from the system used in that context by a Restricted Union was recommended.
- In reply to delegations which had shown interest in establishing an EDI system, the Secretary-General said that the UPU EDI system was available to all countries provided they had the technical level to receive the service. He took the opportunity to thank the industrialized countries which had contributed to setting up the project.

The Committee took note of Congress – Doc 49.

The meeting rose at 12.30 pm.

For the Committee:

J C Kasama  
Chairman

I Haider  
Secretary

V Chandrasiri  
Assistant Secretary

R Cuadra  
P Pettersson  
Assistants

**Address by Mr J C Kasama, Chairman of Committee 9, to the 21st Universal Postal Congress, Seoul (26 August 1994)**

Heads of Delegations,  
Secretary-General,  
Honourable Delegates,  
Ladies and Gentlemen,

On the occasion of the opening of the first meeting of Committee 9, I would like first of all to recall that at its first plenary meeting, the 21st Congress elected three Vice-Chairmen for that Committee. It is therefore my great pleasure to introduce Messrs Omar Tabbarah, Director General of Posts of Lebanon, and Petros Ioannidis, Director of Communications Development at the Ministry of Transport and Communications, Greece. Georgia, the third Vice-Chairman, is absent.

I would ask them to take their places on the rostrum.

Gentlemen, I want to congratulate you most sincerely on your election. I know that I shall be able to count on your active support in the performance of the task assigned to me.

Ladies and Gentlemen,

It is a very great honour and privilege for Zambia to have been elected by the 21st Universal Postal Congress to chair the Technical Cooperation Committee. On behalf of the Government and postal administration of my country, I would like to express to Congress our sincere gratitude and our thanks for the confidence bestowed upon us.

The delegation of Zambia and I are aware of the heavy responsibility that falls on us. Nevertheless, I am convinced that, with the active and constructive participation of all member countries represented in this hall, we shall be able to satisfactorily fulfil the mandate entrusted to us by Congress.

Allow me to take this opportunity, on behalf of the members of the Committee, to thank the postal administration of the Republic of Korea which has provided excellent working conditions for the delegations here in Seoul, and which has surrounded us with generous hospitality and great solicitude.

I also want to express my sentiments of great respect to the heads of delegation present at our meeting today, to the observers from the Restricted Postal Unions and all the other organizations taking part in our proceedings. Their presence is an indication of their organizations' keen interest in international cooperation and postal development.

I also note with very special pleasure the presence among us of Mr Adwaldo Cardoso Botto de Barros, Secretary-General of Congress.

I must stress, in the presence of this eminent assembly, how very much we appreciate the efforts made by the International Bureau and the quality of its services to Congress and to our Committee.

I should like more particularly to thank the Development Cooperation Division team, ably led by our brother and friend, Mr Moussibahou Mazou. Judging from the highly positive results of that Division's activities during the five-year period just over and the quality of the documents submitted to Committee 9, the work done by that Division can be described as first-class.

It is my pleasure to introduce:

- Mr Ijaz Haider, Counsellor,
- Miss Vanida Chandrasiri, Assistant Counsellor,
- Mr Rudy Cuadra, First Secretary, and
- Mr Per Pettersson, First Secretary.

These International Bureau officials will serve respectively as Secretary, Assistant Secretary and Assistants, as indicated in Congress – Doc 36.

We shall be calling on their services whenever our Committee needs technical advice, and I thank them in advance for their support.

Honourable delegates,  
Ladies and Gentlemen,

In order to better understand the challenges currently facing development cooperation, we should take a look at the present world situation and try to consider what the future holds.

Generally speaking, the world economy has been in recession since 1990, although in some regions, particularly in Asia, there are happy exceptions.

Per capita production worldwide has declined over the past few years, after a period of virtual stagnation early in the decade. Political instability, persistent in a good many countries and sporadic in others, seems to have played an important part in that situation. The economies of the African countries on the whole have barely been able to keep up with demographic growth, so that African social indicators are still not very encouraging. The countries of Central and Eastern Europe are currently going through a series of major upheavals that have disrupted the pace of their economic growth. The countries of Latin America seem to have come alive again after ten years of stagnation; as for the Arab countries, they are just now recovering following the 1991 crisis.

In fact, economic slowdown and political instability are two factors responsible for the decline in living conditions, unemployment, internal strife, and uncontrollable migrations in several regions of the world.

The consequences of this situation weigh heavily on the developing countries in general and on the LDCs in particular. The 47 LDCs with a population of more than 500 million are experiencing economic structural adjustment problems of a nature and gravity that have no equivalent.

Ladies and Gentlemen,

The question that arises is this: How is the Post positioned in the environment I have just described?

Poor economic growth unavoidably affects postal traffic and postal administrations' revenue. Financial difficulties place the administrations concerned in difficult situations in relation to their customers and their supervisory agencies. To offset budget deficits, they must cut back their services, reduce their staff, seek State subsidies, or increase their rates, all of which runs counter to public opinion. One consequence of such a situation is a lack of internal resources with which to develop the postal sector. As for resources from international development institutions, they are becoming increasingly scarce as a result of the world economic situation and the pressures exerted on them by competing needs worldwide.

Ladies and Gentlemen,

I must stress, however, that we should not allow this situation, although not a very cheerful one, to discourage us. Adversity should make us think. We will have to show ingenuity and skill to cope with the constraints.

Economic forecasts for 1995 are already encouraging. With the intensive activity of the International Bureau and the postal administrations themselves within the framework of the WGAP, political will is slowly but surely shifting in favour of postal development. In many countries, sectoral restructuring is already under way and it will have to be continued. The marketing culture is taking hold in administrations which, up till now, had viewed the social calling of the Post, if not as its only reason for existence, at least as one of the main ones. The customer is increasingly taking the centre stage of our attention. Clearly, the winds of change are blowing.

Ladies and Gentlemen,

Our Committee is challenged by all these developments. It is also interested in the various restructuring and development measures proposed for the Universal Postal Union, particularly the introduction of the strategic planning and programme-budgeting systems, and of course the Seoul Postal Strategy that will be derived from the General Debate.

In the course of our proceedings, we will be called upon to address a number of vital issues, namely:

- strengthening of the system for an increased presence in the field;
- human resource development;
- UPU technical assistance priorities and action principles;
- implementation of the Postal Development Action Group policy and programme for the next five-year period.

Our greatest challenge at this time is to make government authorities more aware of the role of the Post in the economic life of a country and to mobilize the internal and external resources that will ensure the development of the sector.

Our Committee's agenda thus includes important questions of current and future interest.

I am sure that we shall all strive to engage in open and constructive discussion, equal to the ambitions that all of us, developed and developing countries alike, cherish for the future of the universal Post.

Thank you.

**Address by Mr A C Botto de Barros, Secretary-General of Congress, to the opening meeting of Committee 9 (Seoul, 26 August 1994)**

Mr Chairman,  
Heads of Delegations,  
Honourable Delegates,  
Ladies and Gentlemen,

It is a pleasure for me to take part in your Committee's opening meeting. To begin with, allow me, Mr Kasama, to convey to you my sincere congratulations on the choice made by Congress in nominating your country and, even more so, on choosing you as Chairman of the Technical Cooperation Committee. I also congratulate you on the excellent analysis you have just made of the world economic situation, which will enable us to undertake an in-depth analysis of all aspects of technical cooperation and to find solutions to the major problems facing the Post.

I also welcome the Vice-Chairmen appointed by Congress.

At this meeting, I should like to share with you some observations on the questions you will be discussing at the meetings of this Committee.

To begin with, I am pleased to inform you that, despite certain difficulties, the major guidelines laid down by the Washington Universal Postal Congress, particularly regarding the priorities, the principles of action and the increased presence of the UPU in the field as regards technical assistance, have been translated into satisfactorily implemented activities.

Among the problems encountered, it should be pointed out that the evolution of the international cooperation policy of the United Nations system, and particularly that of the UNDP, has had negative repercussions on the postal sector. Indeed, in the face of the scale and urgency of the needs in vital sectors such as humanitarian aid, it has proved even harder to convince the government planning and programming authorities to devote some of the resources provided by the international community to the development of the Post. Moreover, the UPU is seldom involved in the development of the framework programmes drawn up by national governments on the basis of the new concept of the programme approach.

Also, the very significant fall in UNDP resources has had a negative impact on the results of the negotiations of the postal projects submitted to this institution for funding.

Twice each year I attend the meetings of the Administrative Committee on Coordination (ACC) chaired by the United Nations Secretary-General and attended by the Directors-General of the bodies in the United Nations system.

The funding of the postal sector from UNDP resources has always been problematical and now, with the refugee problem, the UNDP also has to help the countries concerned. Although it is necessary to help the countries with this problem, it is even more important that the hostilities should cease. The resources remain the same, but the needs have increased. We must work together to put an end to the war, to improve living standards and develop our activities.

Thanks to the combined efforts of the beneficiary countries, the UPU and certain donor countries, the International Bureau has managed to offset the shortages of resources from the UNDP by implementing the new concept of technical assistance funded out of the UPU's own resources.

In fact, the administrations of the developing countries, and particularly those of the priority countries as defined by Washington Congress resolution C 6, are the recipients of multi-year integrated projects (MIP), which are a kind of development contract in the various priority areas. Hence, apart from the regional projects essentially devoted to grouped training activities, over 90 national multi-year integrated projects have been implemented or are being negotiated or implemented.

The efforts made by the Regional Advisers who, since embarking on their duties in 1991, have made a significant contribution to the task of analyzing the operation of the postal services in the countries visited and of designing all the projects initiated under the UNDP or funded out of the UPU's resources should also be noted.

I take this opportunity to thank all the countries contributing to the UPU's programme of technical assistance activities. My thanks also go to those who have served as experts or consultants, as well as to the host countries of group training activities or individual courses organized by the Union over the past five years.

I would also like to pay tribute to the host countries for the significant support given to the Regional Advisers in the performance of their duties. A happy consequence of the financial efforts made by the six host countries has been a considerable reduction in the Union's costs resulting from the UPU's increased presence in the field.

I think a word should be said about the professional standard of the Regional Advisers. They have visited almost all the countries in their regions, undertaken an in-depth analysis of the postal services and gathered some very important data, thanks to which we are now in a position to take important decisions.

I must also tell you that, owing to financial constraints, I decided against the Regional Advisers attending Congress. I am sure we all feel this decision keenly, but it was one that absolutely had to be taken.

You will have to discuss a number of very important matters and decide on the UPU's policies and action programme in the technical assistance field for the next five years.

Congress is invited, among other things, to consider the EC report on the five-year action programme 1996–2000, which will be based on the objectives and recommendations of the Seoul Postal Strategy, and also on the future Strategic Plan.

Where the beneficiary countries are concerned, the UPU will need to be selective, while maintaining the universal character of its action, to ensure that the aid granted really has an impact on the operation of the postal services of the recipient countries.

As regards the priority development objectives, the global objectives set out in the WGAP largely remain valid, subject, however, to these objectives becoming more focussed at the level of the programmes, projects and activities as determined by the overriding choices and new policies.

The principles of action laid down by the Washington Congress should continue to be applied, subject to certain adjustments. I believe I should point out that these basic principles include the enhancement and improvement of the system of increased UPU presence in the field through the Regional Advisers, in order to heighten the impact of the technical cooperation activities for the Union member countries.

I should also like to stress the need to strengthen the system of multi-year integrated projects instituted as a result of the guidelines laid down by the Washington Congress. Over and above the effectiveness of the aid delivered, this system aims to give beneficiary countries greater responsibility in accordance with the relevant United Nations system policy.

Among the other questions requiring particular attention from your Committee, I should like to mention three. The first concerns human resources and training, which constitute one of the indispensable factors for the development of the Post. The relevant policy should be geared to take account of the environment in which the postal administrations operate.

With respect to training, I should like to emphasize that I have never seen a single postal administration, a single organization in the world, which has been able to advance without developing training. Although the other decisions to be taken by Congress are very important, I must tell you that human resources are essential tools for every organization. For this reason, I would ask you to open the door to training and can assure you that all problems are capable of solution.

The second question concerns the Postal Development Action Group (PDAG), whose essential role is to seek additional funding for the development of the postal sector, particularly from the banking institutions.

It is ten years since we embarked upon this and the results have been substantial.

On the occasion of my first visit to the World Bank, it showed no interest in working with the Post and everything was subordinated to drawing up projects with the telecommunications sector. But now things have changed and the World Bank is already working with the UPU to develop specific viable projects.

The third question concerns the funding of the UPU's technical assistance activities. In order to promote the integration of the developing countries into an efficient universal postal network, the international community and the beneficiary countries themselves must make greater and greater financial efforts.

In fact, bearing in mind, among other things, the UNDP's dwindling financial capacity and the growing needs of the developing countries, adequate UPU funds should be released to aid the disadvantaged countries, supplementing their own efforts, to attain the objectives and implement the programmes and projects identified as having priority. The substantial contributions of the donor countries are more vital than ever.

But over and above the traditional system of assistance, it will be a question of introducing a true partnership involving two or more beneficiary countries and the backers, together, if necessary, with a contribution from the UPU as promoter.

I am convinced that, thanks to the goodwill and solidarity which have always characterized relations among the member countries of our Union, the decisions taken by our Committee will produce fruitful results in the interests of all.

Apart from our own determination, there must also be the political will of the government. In my view, technical cooperation must be the driving force of our institutions. The decisions taken in this Committee must point us in the right direction.

I wish you every success in your work and thank you for your attention.

**Second meeting**

Monday, 29 August 1994, 9.35 am

In the chair: Mr J C Kasama, Chairman

- Statement** The Chairman thanked Korea (Rep) for the excursions organized on Saturday, 27 August 1994.
- Quorum** The Chairman, after noting that the quorum (79 countries) had been attained, said that the Committee could proceed to business.
- Proxies** Latvia was represented by Finland.
- Technical assistance in the UPU** The Assistant Director-General responsible for development cooperation provided the following information in reply to the last speakers in the first meeting of the Committee on Congress – Doc 49 "Technical assistance in the UPU".
- Congress – Doc 49** The rise in expenditure on experts and consultants during the past five-year period was due to missions requested by the beneficiary countries themselves. Where UNDP-funded national projects were concerned, the beneficiary country was solely responsible for deciding on the project components and forms of aid. UPU-funded multi-year integrated projects (MIP) were also the subject of consultation at programming level and full account was taken of the needs and wishes of the countries concerned. Experts' and consultants' missions were therefore not imposed on countries.
- With respect to the usefulness of experts' and consultants' missions, the final outcome depended on several factors, such as:
- how precise the terms of reference were;
  - the preparatory work carried out by the beneficiary country before the start of the mission;
  - the professional standard of the consultant or expert;
  - the degree of commitment of the counterpart staff;
  - the machinery set up and the motivation for implementing other recommendations made by the international consultant.

On the occasion of experts' and consultants' missions, the beneficiary countries were supposed to second one or more officials full-time as counterparts in order to enhance national capabilities and to ensure follow-up of the work undertaken.

As regards the suggestion relating to refocussing UPU technical assistance arrangements and the proposal to use those of the PUASP as a model with a view to adapting aid activities better to the needs of the beneficiary countries, it could be noted that the UPU's new technical assistance concept, which included provision of aid in the form of multi-year integrated projects, largely corresponded to the PUASP system. In fact, the new concept provided for an analysis of the whole postal services situation of the beneficiary countries and of the MIP reviews, which took the new needs into account, in principle, within the limits of the resources allocated to the countries concerned.

Policy guidelines  
and action plan  
for 1996–2000

Congress –  
Doc 51/Rev 1

Proposal 029

Introducing Congress – Doc 51/Rev 1 on technical assistance policy guidelines and action plan and the necessary funds, the Assistant Director-General responsible for development cooperation said that the document concerned the prospects and action plans for 1996–2000, which were determined by an economic climate likely to be problematic and the erosion of the UNDP's financial capacity. Also, UNDP priority development objectives did not coincide with the major concerns of the postal sector.

As regards the definition of the priority countries, it was proposed to keep the criteria adopted by the Washington Congress. Hence, the least developed countries (LDCs) had first priority and the other low-income and medium-income countries (lower group) according to the World Bank's classification, had second priority.

As regards the priority development objectives, the global objectives fixed by the WGAP largely remained valid. Four priority development objectives were adopted, in line with those of the UPU's Strategic Plan, namely:

- Modernization of international accounts  
(Objective 2 of the Strategic Plan)
- Improvement of operations and quality of service  
(Objective C of the WGAP and 3 of the Strategic Plan)
- Identification of markets and customer needs  
(Objectives A and B of the WGAP and 3 of the Strategic Plan)
- Enhancement and modernization of postal structures and operating methods  
(Objective D of the WGAP and 5 of the Strategic Plan).

At regional level, development objectives took into account the real situation of each region and the findings which had emerged from high-level meetings in all regions.

The action principles laid down in resolution C 6/1989 would continue to be applied, subject to certain adjustments. The essential action principles which should be applied, based on Programme 6.10 of the Strategic Plan, were:

- integration of postal development plans into national plans;
- adoption of a policy of further decentralization, particularly through increased presence in the field;

- improvement of the multi-year integrated projects (MIP) system, which aimed essentially at giving nationals greater responsibility for programming and implementation;
- increasing of coordination with the countries which afforded bilateral technical assistance and adoption of new approaches to secure resources;
- strengthening of relations with the Restricted Unions, Economic Commissions and other bodies concerned.

It was hoped that, despite present difficulties, the UNDP would continue to be the main funding source for national and regional postal projects.

The beneficiary countries themselves had to make an extra effort by bearing part of the cost of assistance through MIPs. This contribution could amount to between 25 and 50 percent, depending on beneficiary administrations' capacities.

The document also referred to the Build – Lease – Transfer concept to facilitate North-South transfer of technology.

Furthermore, the search for new funding sources, such as banking institutions, should be intensified. Contacts with the various financial backers should be pursued by the UPU and its Regional Advisers, by the Restricted Unions, by the PDAG and by the beneficiary countries themselves.

The human resources devoted to operational activities consisted of experts and consultants under UNDP auspices, IB officials, Regional Advisers and consultants recruited for specific missions, mainly within the MIP framework.

Hungary (Rep), as requested by the Executive Council, introduced the draft resolution (proposal 029) and highlighted the main points.

Speakers' comments on Congress – Doc 51/Rev 1 and proposal 029 may be summarized as follows:

A number of delegations expressed their satisfaction at the quality of the document giving information on activities to be carried out in the forthcoming five years.

One delegation suggested that the UPU should review technical assistance methods and model them on the method used by PUASP. The PUASP representative explained that PUASP technical cooperation was provided through a system of distributing resources to all countries; countries which did not use the resources they were entitled to made them available to other countries. Another delegation asked that PUASP prepare an information document for all Congress members describing the method it used.

Several delegations said that it was essential for the developing countries to make their own efforts to mobilize financial resources. One delegation emphasized that national authorities must give their total commitment to technical assistance projects; countries must be aware of the budgetary constraints of technical cooperation. In the long term, they must become self-sufficient or be less dependent on donors than at present.

It was also noted that:

- experts and consultants must play a more active role in preparing counter-parts to take over on completion of international staff missions;
- development in philatelic activities would provide an appreciable source of income which could help in postal services development;
- the UPU must strive to help administrations to access international funding sources by distributing widely the Procedural Model designed as part of Postal Development Action Group (PDAG) activities;
- for their part, administrations must adopt commercial-style management structures and systems in order to convince donors of their credibility;
- human resources and training must remain a priority UPU activity;
- administrations should earmark part of their budget for staff training;
- the UPU should devote more resources to training fellowships and rather less to consultants' missions;
- rather than sending trainees abroad, countries should be helped to set up more schools and to recruit experts or consultants to provide teaching there; trainees trained abroad were not always able to impart their knowledge to other officials;
- the UPU should establish its own criteria for classifying "postal LDCs", basing itself on development indicators other than those adopted by the United Nations;
- Regional Advisers' remuneration should not be charged to the technical assistance budget;
- it was important for terminal dues revenue to be used for developing the Post. To that end, the Post should be encouraged to obtain a status which gave it access to such revenue;
- evaluation activities should be expanded to enable international aid agencies (like the UNDP) to assess the usefulness of the work done and how project resources had been deployed;
- TCDC should be practised more systematically, especially in relations between countries belonging to the same region;
- the importance of the Restricted Unions in technical cooperation activities called for terms of reference laying down the procedures for collaboration between the UPU and the Restricted Unions;
- PUASP expressed satisfaction at the fact that the Restricted Unions were to play a more important role and suggested that implementation of certain activities identified in the UPU Strategic Plan should be entrusted to the Restricted Unions. It had been suggested that the UPU sign contracts with the Restricted Unions for specific projects on a case-by-case basis and that the Regional Advisers should act as a kind of "auditors" for the implementation of those projects. That would also improve the image of increased UPU presence in the field;
- to obtain additional resources, the UPU would have to cooperate more systematically with the Restricted Unions and Regional Economic Commissions. Moreover, the setting up of a partnership system between developed and developing countries should make it possible to expand the possibilities for financing postal projects;

- MIPs should be exclusively reserved for fellowships and purchasing equipment; the cost of consultants' missions should be met from other resources (other postal administrations or partners).

The representative of Great Britain orally presented a proposed amendment to the draft resolution (proposal 029), namely the addition of a new dash in the "Instructs" operative paragraph with the following text: "keep postal administrations informed of sources of funds for technical assistance in addition to UPU or UNDP and of the procedures for obtaining these funds".

The Assistant Director-General responsible for development cooperation thanked all the delegations for their contributions to the discussions and replied as follows to the comments made and questions raised:

- the UPU was aware of the fact that philately could constitute an important source of revenue for postal administrations and organized regular symposia on philately to encourage that activity. Training in that field was given within the framework of multi-year integrated projects;
- there were plans for EDI action in each region as part of the contribution to implementing the Strategic Plan submitted to Congress;
- in the past, the UPU had had a country classification system which took account of the countries which were least developed in postal terms. However, since that classification was not the same as the UN's and since it introduced certain distortions, the UPU had dropped its "postal LDC" classification system;
- the choice of whether to use terminal dues revenue to improve the postal services within the framework of technical assistance should be left to the countries which retained sovereign power in that matter;
- the "Procedural Model" drawn up by the PDAG helped administrations to be better informed about how to approach banks and other fund donors;
- technical assistance project evaluation activities were fundamental to improving technical assistance results. There were plans to recruit external consultants to conduct the evaluation work so as to guarantee total transparency;
- the International Bureau realized the importance of training and human resources, fields which were stressed by several delegations. That question would be examined in greater detail during consideration of Congress – Doc 53 and proposal 032;
- Technical Cooperation among Developing Countries (TCDC) was an essential aspect of technical assistance which was why it was the subject of a separate document which the Committee would study shortly under the head of Congress – Doc 52b and proposal 031;
- cooperation agreements existed between the UPU and the Restricted Unions; practical activities were being conducted jointly by the UPU and the Restricted Unions; moreover, the Regional Advisers worked hand-in-glove with the Restricted Unions;
- in 1992, the International Bureau had informed the postal administrations of the countries of Africa, the Caribbean and the Pacific of the possibility of obtaining financial aid under the head of cooperation between the countries of the European Community and the above-mentioned countries (Lomé Agreement IV); very few replies from postal administrations had

reached the International Bureau to date; the Regional Advisers were still monitoring that file to help member countries lodge the necessary requests with sundry appropriate bodies.

The Committee noted Congress – Doc 51/Rev 1.

Referring to the proposal by certain delegations and by one Restricted Union (PUASP) that UPU technical assistance procedures be realigned on the basis of the method used in the PUASP, the Committee recommended that Congress instruct the future Council of Administration to conduct a study on the question of a possible reorientation of technical assistance procedures on the lines suggested by the PUASP.

The Chairman suggested that the Committee consider the draft resolution which was the subject of proposal 029.

The Committee adopted proposal 029 with the following amendment:

- in the operative part, under "Instructs", iii, add a dash in accordance with Great Britain's proposal, namely:
- = keep postal administrations informed about the sources of funding for technical assistance, other than those of the UPU and the UNDP, as well as about the procedures for obtaining funds from those sources.

The meeting rose at 12.55 pm.

For the Committee:

J C Kasama  
Chairman

I Haider  
Secretary

V Chandrasiri  
Assistant Secretary

R Cuadra  
P Pettersson  
Assistants

**Third meeting**

Tuesday, 30 August 1994, 9.30 am

In the chair: Mr J C Kasama, Chairman

**Proxies**

Monaco was represented by France and Latvia by Finland.

**Quorum**

After noting that the required quorum (80 countries) had been reached, the Chairman announced that the Committee could proceed to business.

**Increased UPU  
presence in the  
field with regard  
to technical  
assistance**

**Congress – Doc 54  
Proposal 034**

Introducing Congress – Doc 54, the Assistant Director-General responsible for development cooperation said that the aim of the document was to report to Committee 9 and to Congress on the results of that initial experience of implementing increased UPU presence in the field. He added that the Regional Advisers' work programmes had been arranged so as to give priority to the various activities relating to programming, analyzing postal service operations, preparing UNDP projects, mobilizing resources, and representing the UPU at certain regional technical meetings.

Since work under the 5th UNDP programming cycle (1992–1996) had already begun in 1991, the Regional Advisers' work programmes had been aimed primarily at analyzing the operation of the services and negotiating technical assistance projects identified on the basis of that analysis.

He explained that, in accordance with Washington Congress resolution C 21, an evaluation report based on some 60 replies from participating countries had been submitted to last year's EC. Congress – Doc 54 was based on an analysis of replies from 89 of the 105 countries visited by the Regional Advisers. From both the quantity and quality viewpoints, the results of the evaluation were deemed positive.

The areas in which the Regional Advisers' activities were considered most productive by the countries were:

- programming and preparation of projects                      79 percent;
- promotion and consciousness-raising                              60 percent.

Among areas in which the most significant results had been achieved, the countries mentioned heightening the awareness of national authorities about the needs of the Post, planning services and helping to obtain financing for postal projects. Preparation of multi-year integrated projects (MIPs) was frequently mentioned as a major contribution by the Regional Advisers.

As regards the general assessment, 89 percent of the countries indicated that the presence of a Regional Adviser had given them an opportunity to discuss their problems with a sufficiently competent, easily accessible partner; 88 percent considered that a continued increased UPU presence in the field through the Regional Advisers was important for their services.

As for measures that could be taken to improve the system, a large number of countries thought that the results obtained to date could be improved by taking the measures mentioned in annex 4 to document 54. These more specifically included increased cooperation between the Regional Adviser and the postal administration visited, availability of reliable statistics, more careful preparation of missions and more extensive follow-up by the beneficiary administrations.

Several countries supported the idea of the Regional Advisers assisting postal administrations in certain operational areas such as mail circulation, on-the-job training and preparation of the development plan.

Regarding future prospects, the Regional Advisers would have to play an active role in applying UPU policy in the field, heightening awareness and modernizing the postal sector.

To enable the Regional Advisers to meet the expectations of the Union, it seemed necessary for the present system to be suitably strengthened. To that end, several measures were proposed in Section B, part VI, of document 54, such as the assignment of associate experts or volunteers and collaboration between the Regional Advisers and task forces.

As a result of the changes that had occurred in the countries of Central and Eastern Europe, the region now included some 30 developing countries instead of the nine it had in 1991. It was therefore proposed to establish a new Regional Adviser's post for that region.

The contributions of the six countries – Benin, Zimbabwe, Egypt, Costa Rica, Thailand and Indonesia – that had agreed to accommodate the Regional Advisers' offices were highly appreciated.

Japan submitted proposal 034 to the Committee, underscoring the importance of the system in terms of development of the postal services as well as the positive effects of that experiment.

A summary of the Committee members' observations and comments on Congress – Doc 54 and proposal 034 is as follows:

- Several delegations expressed their satisfaction with the positive results from the first experience of implementing increased UPU presence in the field, pointing out the importance of the Regional Advisers' role in analyzing the operation of the postal services and in preparing technical assistance projects.
- There was strong support for the various measures proposed in Congress – Doc 54 dealing with strengthening the Regional Advisers' offices, and particularly the one regarding the creation of task forces and the deployment of associate experts and volunteers.
- Several speakers supported the initiative to create a Regional Adviser post for Central and Eastern Europe in view of the political changes that had taken place in that region over the last several years.

- The Regional Advisers should be fully associated with implementation of the Seoul Postal Strategy.
- The Regional Advisers could contribute significantly to the postal planning and operations fields. That category of staff should have the required professional qualifications.
- The system of increased UPU presence in the field should be evaluated on a permanent basis with a view to increasing its effectiveness.
- Although Suriname was a member of PUASP, it wished to be counted among the Caribbean countries as regards the activities of the Regional Advisers.
- In view of the system's significant financial impact and the resulting reduction of funds allocated to purely operational technical cooperation activities, the entire system of increased UPU presence in the field should be reconsidered and new resources aimed at financing it released.
- Each Regional Adviser should be given specific objectives in terms of projects to be prepared and implemented. For example, a Regional Adviser could be required to prepare at least six development projects a year, three of which would require financing to be found.
- As the Latin America and the Caribbean region comprised 41 developing countries and territories, the Regional Adviser responsible for that region had a very heavy workload. The creation of a Regional Adviser post exclusively for the Caribbean countries was necessary and urgent. An amendment to proposal 034, aimed at creating a Regional Adviser post for the countries of the Caribbean sub-region, had been considered by the Committee and had received the support of many delegations representing the Caribbean and other regions.
- To resolve the problem of financing resulting from the creation of a Regional Adviser post for the Caribbean sub-region, the Secretary-General proposed that the Committee create the post by transforming a P 3 post in the Development Cooperation Division at the International Bureau into a Regional Adviser post.

The Committee approved Congress – Doc 54 and proposal 034 with the amendment regarding the creation of a Regional Adviser post for the Caribbean sub-region.

Financing of  
technical  
assistance

Congress – Doc 55

Proposal 035

Following the Chairman's introductory remarks, the Assistant Director-General responsible for development cooperation presented Congress – Doc 55, which was intended to provide Congress with the necessary information about the resources for financing the Strategic Plan and the technical cooperation regional programmes appearing in Congress – Doc 51/Rev 1.

It was pointed out that the resources needed to help the countries carry out the priority objectives, regional objectives and Regional Adviser activities for 1996–2000 amounted to 64.3 million Swiss francs, and that the main problem was finding the means for financing such a large-scale programme since the UPU's traditional technical assistance resources were inadequate.

It was also indicated that the financing of projects by the UNDP depended a great deal on the efforts of postal administrations to have the national programming and development authorities recognize the importance of the postal sector.

As regards the Union budget, it was proposed to adjust the amount approved at Washington (1 817 200 CHF per annum) to the cost-of-living increase recorded since 1989. The estimate of the amount adjusted to 2 290 000 CHF was indicated for 1996 in proposal 035. The Assistant Director-General also pointed out that, contrary to the practice followed till now whereby the amount approved by Congress remained unchanged during the entire five-year period, the Executive Council proposed an annual cost-of-living adjustment based on the rate set by the United Nations for adjusting the budgets of agencies of the United Nations system.

As regards the UPU Special Fund, a reminder was again distributed in order that new contributions from countries could be counted on, in view of the fact that the Fund would no longer benefit from the substantial injection of funds it had received from the Government of the Swiss Confederation in the previous five-year period.

In order to carry out the projects identified in support of the Strategic Plan, it would be necessary to count on the participation of the beneficiary countries themselves in the costs of these projects.

#### *Proposal 035*

The delegation of Tanzania (United Rep) presented to the Committee proposal 035 on the financing of UPU technical assistance activities, stressing the absolute necessity of having the sources needed to implement the essential technical assistance activities envisaged in the UPU Strategic Plan and the regional programmes.

The delegations' remarks can be summarized as follows:

- Because the Regional Advisers were responsible for general activities in addition to those relating just to technical assistance, it appeared necessary to charge a portion of the relevant expenditure to the Union's overall budget.
- In view of the current economic environment, the policy of promoting the implementation of projects based on the principle of co-financing and cost-sharing deserved to be supported and applied.
- Because increased presence in the field absorbed a substantial percentage of funds earmarked for technical cooperation, Regional Advisers should be able to assist developing countries in various fields, particularly in formulating the terms of reference of missions, in overseeing the implementation of programmes and in evaluation.
- A postal development investment fund could perhaps be set up to resolve the problem of technical assistance financing.
- The concept of the Build–Lease–Transfer (BLT) system should be clarified.
- The recruitment of Regional Advisers locally would allow savings to be made as regards increased presence in the field.

In response to questions asked by certain delegations, the Assistant Director-General in charge of development cooperation gave the following replies:

- The possibility of creating a postal development fund had been studied on several occasions in the past and even quite recently on the initiative of one of the PDAG member countries, but the suggestion had not been adopted for various reasons.
- The Build-Lease-Transfer (BLT) system was a mechanism for facilitating the transfer of technology. It was a system by which a developing country could negotiate a contract with an industrialized, technology-providing partner country for the setting up, implementation and final transfer of a technology, and also for the ways and means of payment.
- In accordance with the provisions of the international civil service, it was not possible to recruit a Regional Adviser in his country of origin. Furthermore, in order to benefit from new experience, the team of Regional Advisers could in principle be replaced.
- As regards the cost of the Regional Advisers, the assignment of volunteers and associate experts was aimed at improving the efficiency of the system without increasing the costs.
- The expected contribution from countries receiving aid was between 25 and 50 percent and would be fixed by negotiation and in terms of their resources. The contribution of the LDCs to the implementation of projects involving them could in principle be set at 25 percent.
- The need to give preference to the development of human resources had been taken into account in the technical assistance programmes for the period 1996–2000.
- The strengthening of relationships between the UPU and the Restricted Unions was an important part of UPU policy. From the time he took up his duties in 1985, the Director-General of the UPU had concluded agreements with all the Restricted Unions, thanks to which joint operational activities were being planned and implemented in almost every region.
- The 26 percent increase indicated in paragraph 36 of Congress – Doc 55 had been calculated by applying the inflation rates used for the budgets of the United Nations agencies in Geneva and not on the basis of the real inflation rate in Switzerland. The International Bureau had retroactively applied the method of adjusting the budget in order to maintain the "zero growth" which the Executive Council would like to see applied in future to the amount allocated for technical assistance.

The Committee took note of Congress – Doc 55 and approved proposal 035.

The meeting rose at 12.45 pm.

For the Committee:

J C Kasama

Chairman

I Haider

Secretary

V Chandrasiri

Assistant-Secretary

R Cuadra

P Pettersson

Assistants

### **Fourth meeting**

Wednesday, 7 September 1994, 9.35 am

In the chair: Mr J C Kasama, Chairman

- Communication      The Chairman thanked Spain, on behalf of all the participants, for the magnificent reception on 6 September 1994.
- Quorum              Following a second appeal, the Chairman noted that the required quorum (85 countries) was attained and declared that the Committee could proceed to business.
- Approval of the reports of the first, second and third meetings      The reports which were the subject of Congress/C 9 – Rep 1, Rep 2 and Rep 3 were approved without change.
- Proxy                Monaco was represented by France.
- Analysis of the operation of the postal services in the developing countries      Introducing Congress – Docs 50 (and Corr 1), the Assistant Director-General responsible for development cooperation stated that the document consisted of a series of six reports prepared by the Regional Advisers and dealt with the operation of the postal services in the countries coming under their jurisdiction.
- Congress – Docs 50 and 50/Corr 1      The six reports dealt with the socio-economic context in which the postal services were operating, its impact on public services in general, including the Post, the profile and characteristics of postal services in the regions, implementation of the WGAP, progress on human resources and the future prospects for the regions concerned.
- The analysis showed that:
- in general, the standard of operation and the quality of services were linked to the country's socio-economic context. Unfortunately, most of the regions were in difficult economic situations;
  - developments in restructuring the postal services were satisfactory. The policy of gradual deregulation conducted by governments and the WGAP promotion campaigns conducted through the Regional Advisers were two major catalyst factors in that field;

- a number of developing countries did not yet have a development plan proper. Where a development plan did exist, it was often a list of desired activities, devoid of specific programmes and timetables and the necessary financial inputs. In that sector, the Regional Advisers would have to play a more systematic role;
- the countries which could claim to have a general human resources policy were still few in number. The analysis showed that training policy must be geared to greater strengthening of national training infrastructures to give the countries a certain self-sufficiency in training;
- postal administrations had become increasingly scrupulous about applying quality standards, even if the tools used were sometimes rudimentary. It was found that the LDCs ran into substantial physical and financial difficulties in providing an adequate transport system.

Most of the delegations that took the floor on the subject of Congress – Docs 50 (and Corr 1) expressed their satisfaction with its content. Their remarks can be summarized as follows:

- the need to know what progress had been made on changing postal administrations with a view to their acquiring the status of a business enterprise was emphasized. The Regional Advisers' assistance had been requested to help postal administrations with that change. It was also said that, in one country's experience, the Post had to be well prepared for autonomy before Posts and Telecommunications were separated;
- it was important that the recommendations made in the document should translate into concrete activities;
- mention was made of the difficulty of obtaining UNDP funding for postal projects prepared by the Regional Advisers in conjunction with the postal administrations. It was vital for the Regional Advisers to help postal administrations to find other financing sources. Several speakers also emphasized the advantage for the countries themselves of providing the maximum resources available locally in order to implement postal development projects for their benefit;
- the Regional Advisers should spend enough time in the countries of mission to help the latter to implement the recommendations and projects;
- the Regional Advisers should have specific terms of reference and targets. In particular, a target should be set for each Regional Adviser regarding the number of projects to be negotiated and completed per year;
- the Regional Advisers should satisfy the required professional qualifications in order to exercise their functions with drive and efficiency;
- the UPU was sometimes rather inflexible when it came to project planning and execution.

The Assistant Director-General responsible for development cooperation thanked all the delegations for their contributions to the discussion. In reply to the comments made, he gave the following explanations:

- the document under consideration provided current information about the operation of the postal services of the developing countries; it should help the UPU to programme activities better; naturally, the Regional Advisers also submitted individual reports for each of the countries visited;

- the role of the Regional Advisers in PDAG activities, in particular in efforts to mobilize resources, was clearly defined (see Congress – Docs 54 and 56); however, it was important for the countries themselves to go out and find new sources of funding;
- the execution of UPU activities was checked by the external auditors who expected the International Bureau to strictly apply the provisions in force for executing projects. That did not enable the International Bureau to apply the flexibility called for by the delegation of New Zealand; nevertheless, initiatives to obtain some flexibility could be taken – within the limits provided for in the Financial Regulations – as a result of the decentralization of activities to the Regional Advisers;
- needless to say, the Regional Advisers had been given terms of reference for their work; when they had taken up their duties in 1991, the most urgent activity had been to tackle work relating to the 5th UNDP programming cycle. The main reason why that programming work had not produced the expected results was the 25 percent drop in the UNDP's financial capability.

The Committee took note of Congress – Docs 50 and 50/Corr 1.

UPU action for  
the least devel-  
oped countries  
(LDCs)

The Assistant Director-General responsible for development cooperation presented Congress – Doc 52a regarding UPU action for the least developed countries (LDCs). There were currently 47 countries classified in that category.

Congress –  
Doc 52a

The document was a report on the action undertaken by the UPU for the LDCs during the period 1991–1993 and on the initiatives planned for 1996–2000. It also took stock of the socio-economic situation and of the operation of the postal services in the LDCs during the 1980s and recent developments in the early 1990s.

Proposal 030

The UPU paid particular attention to the LDCs because of their socio-economic situation. Assistance to the LDCs under UPU resources had risen from 27 percent in 1980 to 39.7 percent in 1987 and 55 percent in 1993 as a proportion of total assistance given to the developing countries.

During the period 1991–1993, the LDCs had been the first to benefit from programming missions by UPU Regional Advisers. Of the 71 multi-year integrated projects (MIPs) being implemented at 31 December 1993, 31 concerned LDCs. Furthermore, the ceiling for an MIP in an LDC amounted to 72 500 Swiss francs, as against 48 000 Swiss francs for MIPs for second-priority developing countries. In regard to areas of activity under MIPs, several projects aimed at helping countries to prepare their development plans and to improve their service quality and statistical systems as well as their international accounting.

On the basis of the particular needs of each region or country, the priority areas in which assistance could be provided for the LDCs for the period 1996–2000 were as follows:

- setting up a mail delivery quality control system (essentially by training of specialists);
- development and establishment of a track and trace system (supplying of equipment);

- improvement of management (in particular, development plan and establishment of a planning unit);
- modernization of accounting methods: training of specialists and supplying of data-processing equipment.

As was indicated in Congress – Doc 51/Rev 1, the LDCs also had to contribute financially to the implementation of the projects put into effect for them (up to some 25 percent). Consequently, the LDCs were invited to marshal all the human, financial and material resources available within the country.

Benin, instructed in that regard by the Executive Council, presented the draft resolution (proposal 030), emphasizing the main points.

The delegations that took the floor expressed their satisfaction with the content of Congress – Doc 52a and supported proposal 030. Sierra Leone suggested adding to the proposal that the LDCs had to identify and reinforce the areas likely to increase their sources of revenues, such as philately and international accounting, and prepare new commercial strategies. The UPU had to assist them in those activities.

Congo (Rep) proposed a drafting amendment to proposal 030, which was approved.

In addition, some delegations informed the Committee about the seminars that the postal administration of their country had organized for the LDCs on the activities planned.

The Committee took note of Congress – Doc 52a and adopted proposal 030 with the amendments proposed.

Technical cooperation among developing countries (TCDC)

Congress – Doc 52b

Proposal 031

The Assistant Director-General in charge of development cooperation commented on Congress – Doc 52b relating to technical cooperation among developing countries (TCDC). According to the recent redefinition provided by the High-level Committee, the concept of TCDC consisted in the implementation of programmes designed, financed and executed by developing countries themselves within a framework of government-to-government or institution-to-institution cooperation. The aim was to share experience and know-how.

In view of the financial difficulties faced by international aid agencies and the need to promote and accelerate for developing countries access to collective self-sufficiency, it was essential to increase South-South cooperation systematically as a complement to traditional North-South technical cooperation.

The UPU Strategic Plan provided for the promotion of that type of cooperation, particularly through consciousness-raising activities and the presence of Regional Advisers in the field.

China (People's Rep), charged to that effect by the Executive Council, presented the draft resolution (proposal 031), emphasizing the main points.

All the delegations that spoke expressed their satisfaction with the content of Congress – Doc 52b and gave their support to proposal 031. Some delegations informed the Committee about the TCDC activities undertaken by their postal administration or in their region and about the actions planned.

It was also indicated that:

- TCDC could play an important role in the activities aimed at restructuring postal administrations;
- it would be desirable to add "marketing" to the consciousness-raising activities planned within the framework of TCDC;
- the Regional Advisers should assist in the implementation of TCDC activities, particularly by informing the countries in their region about the expertise and technologies available in the region.

The Committee took note of Congress – Doc 52b and adopted proposal 031.

At the close of the meeting, the delegation of Sierra Leone made an oral suggestion regarding the strengthening of the Development Cooperation Division. However, because the Committee did not have a precise text on that subject, it was proposed that a draft be prepared and submitted to the Committee at its fifth and final meeting. That suggestion was accepted.

The meeting rose at 12.45 pm.

For the Committee:

J C Kasama  
Chairman

I Haider  
Secretary

V Chandrasiri  
Assistant Secretary

R Cuadra  
P Pettersson  
Assistants

**Fifth meeting**

Thursday, 8 September 1994, 9.50 am

In the chair: Mr J C Kasama, Chairman

**Proxies**

Monaco was represented by France.

**Quorum**

The Chairman, after noting that the quorum (85 countries) had been attained, said that the Committee could proceed to business.

**Human resources  
and training****Congress – Doc 53****Proposals 032  
and 033**

Introducing Congress – Doc 53 on human resources and training, the Assistant Director-General responsible for development cooperation explained that its purpose was to inform the Committee and Congress about the basic principles upon which UPU policy in that area had been conceived and applied. He added that the document set out the results of the work done in that area since the Washington Congress.

After analyzing the training system situation and the policies governing human resource management, the document proposed complementary activities to the programmes initiated since the Washington Congress.

The proposed human resource technical assistance programme was essentially founded on the development of modular training in postal schools and the development of modern human resource management based on the techniques of planning, computerized management, staff motivation and the focussing of management on the new functions of the Post as a commercial enterprise.

Modular training was based on the principle of human resource management technology transfer, and provided administrations with human resource managers and course designers capable of analyzing work posts and of devising suitable training systems, as well as specialists trained in instructional techniques.

Modular training systems had proved their effectiveness since several United Nations organizations had adopted that technique.

UPU action in this area should focus primarily on training middle-grade managers and specialists for the new branches of the Post.

*Proposal 032*

Costa Rica introduced resolution 032 and stressed the importance of human resource development to postal administrations and the need to implement the modular training system, since it would allow the developing countries to enhance their local capabilities while reducing training costs.

Committee members' views and comments on Congress – Doc 53 and proposal 032 can be summarized as follows:

- Congress – Doc 53 was supported by all speakers, who stressed the key role of human resources and training in the development of the postal services.
- Several delegations recounted their experiences in the fields in question. This concerned the application of new strategies for upgrading human resources pursuant to restructuring measures. According to those experiences, no effort to modernize and commercialize the Post could achieve the desired results without a complete revision of the human resource and staff training strategy.
- Development of courses in management, data processing and marketing was recommended.
- In view of the fast-changing postal market, it was considered necessary for course programmes to be constantly updated.
- France, which had made a statement about the need to continue efforts in the field of training, informed the Committee that its financial contribution to the UPU Special Fund would be raised from 35 000 CHF to 125 000 CHF.
- The Secretary-General of Congress thanked France for that gesture and invited the developed countries to increase their efforts in support of the new UPU training and human resource strategies.
- The idea of introducing the modular training system in the UPU received unanimous support.
- One delegation (Brazil), supported by several others, suggested that proposal 032 be amended so as to urge postal administrations to set aside an adequate amount for training, representing a certain percentage of their total wage bill or of their revenue. One delegation (Nigeria), supported by another (Ghana), suggested that the amount be equivalent to 5 to 20 per cent of administrations' revenue.
- Put to a vote, Nigeria's amendment was rejected by 69 votes to 2, with 22 abstentions.

The Committee approved Congress – Doc 53 and proposal 032 with the amendment concerning the recommendation that a percentage of the revenue or of the wage bill be earmarked for training.

*Proposals 033 and 045*

Proposal 033 calling for establishment of an institute of higher postal studies under UPU auspices was introduced by its originator, Korea (Rep). It sought to instruct the Postal Operations Council, in conjunction with the International Bureau, to study the possibility of establishing such an institute. Korea (Rep) said that it agreed with the amendment proposed by Great Britain

(proposal 045), the purpose of which was to instruct the Postal Operations Council to study that matter while taking into account the facilities and potential of existing postal management schools and of management schools generally throughout the world, as well as the detailed financial consequences of the proposal.

Recalling that a study on organization of correspondence courses worldwide had already been rejected by the UPU because of the problems relating to the architecture of the programmes and to costs, one delegation asked that the study about creation of the institute called for in proposal 033 take account of the research that had been done on that occasion as well.

During consideration of proposal 045, one delegation (the Netherlands) suggested that it be amended so that the study in question took account of the experience acquired by other international organizations.

Proposal 045 was adopted by the Committee with the amendment proposed by the Netherlands delegation.

Postal Development Action Group (PDAG)

The Chairman of the Postal Development Action Group (PDAG) presented Congress – Doc 56, a joint report by the Executive Council and the Consultative Council for Postal Studies which dealt with the work of the PDAG since its creation in 1991.

Congress – Doc 56

Proposal 036

To implement the objectives of the Washington General Action Plan (WGAP), it had been necessary to make important changes at management level in postal administrations. It had also become clear that traditional technical cooperation resources were no longer adequate for tackling the activities needed to convert postal administrations into business enterprises.

Follow-up of implementation of the Action Plan adopted on conclusion of the Postal Development Symposium

In April 1991, a Postal Development Symposium had been held in Berne to discuss those questions. At the end of that symposium, the Executive Council had adopted an Action Plan. The same resolution had also created the Postal Development Action Group (PDAG), consisting of developed and developing countries.

Congress – Doc 56/Add 1

As a complement to the WGAP, the Action Plan sought to help postal administrations rehabilitate their services. The main Action Plan objectives were as follows:

- strengthening of the world network;
- preparation and execution of postal development plans;
- marshalling human resources in the service of development;
- seeking financial balance and increasing internal resources.

The PDAG had been instructed to execute the Action Plan and also to define a methodology for approaching international fund lenders, such as the World Bank, and promoting those sources of funding among postal administrations.

The "Procedural Model" was designed with that in mind and with the aim of helping postal administrations that so wished to analyze the state of their operations, identify the changes necessary to convert the administration into a business undertaking and determine the investments needed for such conversion.

Other activities tackled under the PDAG included the following:

- raising the awareness of financial institutions to get them to take an interest in the development of the postal sector;
- holding a postal development seminar in the Czech Rep;
- defining the terms of reference for PDAG consultants' missions;
- drawing up ways and means of selecting countries to receive PDAG consultants' missions;
- compilation of a directory of consultants for PDAG missions;
- obtaining UNDP financial assistance for more than 15 consultants' missions in favour of the developing countries.

Furthermore, the Chairman of the PDAG stated that it had been decided to implement a joint World Bank/UPU project entitled "Postal Sector Reform Study". In a first phase, the World Bank had reviewed the data available in the UPU annual postal statistics. The second phase, which was currently being executed, was a description of the major economic and structural issues confronting postal administrations and the identification of some of the strategies used by various administrations for the successful conversion of the postal administration into a business. For that second phase, six countries had been chosen as countries of mission. In the final phase of the study, the individual studies would be synthesized into a series of successful postal development models and reform strategies based on the World Bank's development guidelines.

The representative of Finland, the lead country/coordinator of the PDAG, presented proposal 036 concerning the PDAG work programme for 1995–1999. The following five projects were proposed:

- 1 Involve governments in postal development
- 2 Familiarize multilateral investors with postal services
- 3 Utilize postal development to modernize postal services
- 4 Research further availability of outside resources for postal development
- 5 Assist postal administrations in preparing a development or restructuring plan.

The Assistant Director-General responsible for development cooperation presented Congress – Doc 56/Add 1, the Secretary-General's report on the follow-up of implementation of the Action Plan adopted by resolution CE 34/1991 on conclusion of the Postal Development Symposium held at Berne in April 1991.

The four Action Plan objectives referred to above should be implemented as quickly as possible by the postal administrations.

The analysis of replies to a questionnaire about the implementation of those objectives showed that more than 60 percent of postal administrations responding to the questionnaire had taken appropriate action to attain two of the objectives, namely:

- strengthening of the world network (63 percent);
- preparation and implementation of postal development plans (68 percent).

For the other two objectives, the implementation rates were between 43 and 49 percent.

That analysis also showed that several administrations wished to receive technical assistance in executing the Action Plan. The International Bureau would take account of the needs expressed within the framework of its technical assistance programme.

The delegations which took the floor following the presentations of Congress – Docs 56 and 56/Add 1 and proposal 036 expressed their full support for PDAG activities. It was also recalled that, in order to receive a loan from international fund lenders, it was imperative to have a development plan and the capability of reimbursing the amount borrowed.

The Committee noted Congress – Docs 56 and 56/Add 1 and adopted proposal 036, adding to the "Having considered" clause the fact that Congress – Doc 56 was a joint Executive Council **and Consultative Council for Postal Studies** report.

#### Other business

The draft resolution (proposal 047) presented orally by Sierra Leone at the end of the fourth meeting (see Congress/C 9 – Rep 4) was discussed under this agenda item. However, due to lack of time, the Committee was unable to study it in depth or to take a decision on it.

The Chairman said that, since the present meeting was their last, he would approve the reports of the fourth and fifth meetings on the Committee's behalf, under the authority given to him in article 23, paragraph 5, of the Rules of Procedure of Congresses. Moreover, he would submit a final report of the Committee to Congress.

The Chairman brought the proceedings of Committee 9 to a close by delivering the address attached to this report (annex 1).

The meeting rose at 1.10 pm.

For the Committee:

J C Kasama

I Haider

Chairman

Secretary

V Chandrasiri

Assistant Secretary

R Cuadra

P Pettersson

Assistants

**Address by the Chairman of Committee 9 at the closing session**

Mr Secretary-General,  
Honourable delegates,  
Ladies and Gentlemen,

The work of our Committee has just concluded. I am sure all of us can look back at our work with a sense of satisfaction.

During its five sessions, the Committee has examined complex and sometimes thorny issues regarding the UPU's policies, programmes and procedures in the field of technical assistance.

The discussions were invariably full of interest and the inputs made by the Committee members were undoubtedly of the highest quality.

I wish to thank you all warmly, not only for your contributions to the debates, but also for helping me guide these debates effectively, within the allotted time.

Some important points have emerged from our meetings. First of all, they have helped us to take stock of the status of postal services in the different regions of the world. We have exchanged notes on our worries, hopes and aspirations. It is realized that efforts in the field of quality of service and marketing of postal products must continue at an accelerated pace. The interest in postal restructuring with a view to attaining greater management autonomy is fortunately growing among postal administrations. This trend must be sustained. The growing interest in EDI and unification of the world postal network through technology also gives us much hope for the future.

Secondly, the new concept regarding UPU's technical cooperation instituted following the Washington Congress has received unequivocal support. Based essentially on the in-depth analysis of postal services and multi-year integrated projects, this form of aid has, to my mind, come to stay for the present. Needless for me to add, that the procedures of this concept must be continuously improved. The responsibility for it devolves collectively on the International Bureau, the Regional Advisers, the Restricted Unions and the beneficiary countries themselves.

The system of the UPU's increased presence in the field also has received approval after its trial period of about three and a half years. The Committee, while recognizing the tremendous potential of the system, has felt that it must be made increasingly effective and should soon become worth its value for money.

Increased decentralization of work to the field, rationalization of the list of duties of Regional Advisers and the high professional qualities that these functionaries must possess, are some of the views expressed in the Committee.

Generally speaking, the Committee members desired to see the UPU's technical assistance operations achieve greater effectiveness. One of the suggestions made in this connection was to study the system practised by PUASP and borrow from it where possible. This study will be undertaken by the Council of Administration.

Taking into account the specific requirements of two sub-regions, namely Central and Eastern Europe and the Caribbean, the Committee decided to create two new posts of Regional Advisers.

The Committee also took note of the special needs of the least developed countries who must continue to receive priority attention to narrow the gap existing between them and other developing countries. However, it was also felt that not all LDCs may be backward from a postal point of view.

The Committee noted that the TCDC holds the key to self-reliance. Its virtues and benefits are too numerous to be recapitulated here. Suffice it to say that it should be the concern of all – the International Bureau, the Regional Advisers, the Restricted Unions and the countries themselves – to promote the practice of TCDC.

As regards financing of technical assistance, the Committee has agreed to apply an inflation adjustment mechanism to the annual budgetary allocations made for technical assistance; the baseline contribution of 2 290 000 CHF for 1996 will be annually adjusted in the succeeding years to reflect the rate of inflation. In the present system, the annual allocations remained constant, notwithstanding the inflation factor.

Before I end, I would like to reiterate what I said at the opening session: I feel much honoured by the confidence shown by the Congress in my country and in myself by assigning us the chairmanship of this important Committee.

My sincere gratitude goes to the Government of the Republic of Korea and the Korean Secretariat for the excellent facilities they have provided us for our meetings. They have left nothing more to be desired. We are indebted to them for their admirable support.

I thank Mr Mazou and his team for their assistance in the discharge of my arduous functions as Chairman.

My thanks also go to Mr Ionidis and Mr Tabarah, representatives of Greece and Lebanon, who have ably assisted me as Vice-Chairmen.

I thank also the interpreters, translators and secretaries for their understanding and for their high-quality work.

Last but not least, I would like to put on record my most sincere appreciation for the Secretary-General, Mr Botto de Barros, who made it convenient to take part in our meetings and from whose wisdom and experience we drew much guidance and inspiration.

I thank you all once again for your cooperation.



## Reports of Committee 10

### First meeting

Friday, 26 August 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

#### Opening

The Chairman welcomed the representatives of the member countries of the Committee, Assistant Director-General, Mr Gharbi, and the members of the Secretariat.

Noting that, with the exception of Algeria and Tunisia, all the member countries of the Committee were represented, the Chairman declared that there was more than an adequate quorum and that the Committee could proceed to business.

The Chairman and the Secretary reviewed the Committee's working method, stressing the importance of coordination with the Committees and plenaries concerning the decisions taken. In this connection, the presence of the Secretary or Assistant Secretary of the Committees or plenaries was considered essential at meetings of the Drafting Committee. The working method given in annex 1 was adopted.

#### Composition of the Committee

The Chairman read out the composition of the Committee with the following member countries and their representatives:

<i>Administration</i>	<i>Representative</i>
Algeria	Mr Ouramdane Nadri/ Mr Ali Younsioui
Belgium (Chairman)	Mr Henri Demaret
Benin	Mr Bruno Gouhizoun
Central African Rep (Vice-Chairman)	Mr Justin Salamate
France	Mrs Marie-José Filippini
Great Britain	Mr Peter King
Italy	Mrs Giovanna Damia/ Mrs Anna Maria Miceli
Romania (Vice-Chairman)	Mrs Daniela-Maria Tanasescu
Switzerland	Mr Jean-Marie Berset/ Mr Charles Barbey
Thailand (Vice-Chairman)	Mr Chao Thongma
Togo	Mr Atsutse Gbemou
Tunisia	Mr Bechir Langar

The Secretary also introduced the members of the Committee Secretariat, whose names and functions are as follows:

<i>Official</i>	<i>Function</i>
Mr Renatus Tallon	Secretary
Mr Arne Johnsen	Assistant Secretary
Mrs Maria Libera	Aide
Mr Lahcène Chouiter	Aide
Mr Jean Miserez	Assistant
Mr Thierry Grossenbacher	Assistant

Consideration of proposals

Proposals adopted without amendment      01, 012, 013, 014, 025/Rev 2, 026, 19. 5.1, 19. 10.1, 19. 24.1

Congress decisions adopted without amendment

**"Decision**

**"Study on the possibility of creating a 'Customers' Interests Committee' at the next Universal Postal Congress**

"Congress

*"Instructed*

"the Council of Administration to undertake a study on the possibility of creating a 'Customers' Interests Committee' at the next Universal Postal Congress.

(Proposal 038, 2nd plenary meeting)"

**"Decision**

**"Attendance of certain Congress Committees by the International Chamber of Commerce, as an observer**

"Congress

*"Decided*

"i to admit the International Chamber of Commerce, as an observer without the right to vote, to sittings of the following Congress Committees, if the Committee concerned agreed to this:

- Committee 3 (General Matters and Structure of the Union);
- Committee 4 (Convention);
- Committee 5 (New Services and Markets);
- Committee 6 (Quality of Service);
- Committee 7 (Parcel Post);

"ii to instruct the Committees concerned to lay down the conditions for such attendance, namely the dates of the sittings and the agenda items for which the International Chamber of Commerce was admitted.

(Congress – Doc 91, 3rd plenary meeting)"

The meeting rose at 9 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

Mrs M Libera  
Assistant

### **Working method of the Committee**

Under article 15, paragraph 9, of the Rules of Procedure of Congresses, the "*Chairman of Congress and the Chairmen of Committees shall arrange for the text of the proposals, amendments or decisions adopted to be passed to the Drafting Committee, in writing, after each meeting.*"

Instructions have been given to the Secretariats of Congress and of the Committees to respect this rule strictly so that the Drafting Committee receives the result of the work at the latest the day after each meeting.

On the basis of the information it receives from the Committees, the Drafting Committee Secretariat prepares "Papers" which serve as the basis for discussions in Committee 10 and which are distributed to Committee 10 members only.

Each member of the Committee has a special binder in the conference room (room 056) for filing the above-mentioned "Papers" which are accompanied by all the documents (proposals, resolutions, etc) described in the Papers that they require to do their work. At the end of each meeting this special binder must remain in the conference room at the place occupied by each delegate so that the Secretariat can prepare the following meetings. Hence, Committee members do not have to bring their personal proposal files to Committee meetings.

The "Papers" will, in principle, be considered in numerical order. Since the basic texts are not given in the proposals vis-à-vis the amended article, Committee members should use volumes 1 to 4 of the Annotated Acts as well as Congress – Doc 60/Add 1 to 4, which will be made available to them in the Committee conference room.

At least one member of each Committee Secretariat will attend Drafting Committee meetings dealing with matters relating to the Committee concerned.

The reports of the Drafting Committee will appear under the reference "Congress/C 10 – Rep ...". They will contain in a succinct form the decisions reached by the Committee.

Seoul, 26 August 1994

**Second meeting**

Monday, 29 August 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present except for the delegate of Tunisia.

Approval of the report of the previous meeting

The report of the first meeting was approved.

Consideration of proposals

Proposals adopted without amendment

Names of the bodies of the Union

*10. 13.1/Rev 1, 10. 8.1, 10. 17.1, 10. 20.1, 15. 101.1, 15. 103.1, 15. 104.1, 15. 105.1, 15. 108.1, 15. 113.1, 15. 116.1, 15. 118.1, 15. 124.3, 15. 125.1, 19. 4.1, 19. 6.1, 19. 7.1, 19. 21.1, 19. 23.1*

The Secretariat will ensure that the new names of the relevant bodies are used throughout the Seoul Acts.

Changes in the responsibilities of Union bodies

*10. 22.2, 10. 25.2, 15. 102.4, 15. 109.2, 15. 120.2, 15. 121.2, 15. 122.2, 19. 15.2, 20. 24.2, 20. 57.2, 30. 41.2, 40. 13.2, 50. 17.2, 60. 9.2*

Other

*20. 45.1*

Proposals adopted with amendments

*15. 102.3:* paragraph 6.2 was deleted because of the approval of proposal 15. 102.4.

*15. 109.1:* the amendment of paragraph 2.2 lapsed because of the approval of proposal 15. 109.2.

Proposals adopted for inclusion in the resolution in accordance with article 15, paragraph 10, of the Rules of Procedure 25. RE 4128.2, 25. RE 5801.2, 35. RE 4201.2, 45. RE 1303.2, 55. RE 1702.2, 65. RE 903.2

Proposals consideration of which was deferred 19. 25.1, 20. 10.1

Proposals consideration of which was referred to the POC 20. 46.91: see decision below.

Decision adopted without amendment **"Decision**  
**"Charges for handling air transit mails**  
"Congress,  
"Having accepted the principle of paying the transit administration enough to cover the cost of handling airmails in transit through it,  
"Instructed  
"the Postal Operations Council:  
– to set an appropriate rate after study;  
– to prepare the methods of application to be inserted in the Detailed Regulations.  
(Proposal 20. 46.91, Committee 4, 1st meeting)"

Proposals transferred to Committee 10

- a adopted 20. 41.2
- b rejected 20. 41.1/Rev 1: the Committee preferred the version in proposal 20. 41.2.

Proposals rejected  
by the  
Committees  
concerned

10. 22.1, 10. 25.1, 15. 120.1, 15. 121.1, 15. 122.1, 19. 15.1, 20. 24.1, 20. 57.1,  
25. RE 5801.1, 30. 41.1, 35. RE 4201.1, 40. 13.1, 45. RE 1303.1, 50. 17.1,  
55. RE 1702.1, 60. 9.1, 65. RE 903.1

The meeting rose at 8.45 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

L Chouiter  
Assistant

### **Third meeting**

Tuesday, 30 August 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present with the exception of the representative of Tunisia.

Approval of the report of the previous meeting

The report of the second meeting was approved.

Consideration of proposals

Proposals adopted without amendment

20. 1.2, 20. 6.1, 20. 6.2, 20. 56.1, 30. 11.1, 30. 15.1

Proposals adopted with amendments

20. 0.10: replace, in the last operative paragraph, "the new UPU body" by "**the Postal Operations Council**".

20. 0.12: the last operative paragraph was amended as follows:

*"Recommends*

- that the work on rationalizing UPU forms should be continued after Congress up to the first session of **the Postal Operations Council**, with the aim of adapting UPU forms in line with Congress decisions;
- that this work should be assigned to the reporting country of the study previously carried out by the EC, assisted by the International Bureau;
- **that rationalizing forms should continue to be studied by the Postal Operations Council, particularly in respect of the use of dynamic bar codes.**"

20. 0.13: the last two operative paragraphs were amended as follows:

*"Instructs*

"the **Postal Operations Council** to apply the new principle for numbering UPU forms, which consists in:

- i **rearranging** the existing series "C", "AV" and "VD" series of forms in the Convention **as** a single series running from "CN 1 to CN XX", without the **addition** of "bis", "ter" and "S", in which the "XX" numbers correspond to a specific serial number indicating the order in which the forms will appear in the future Acts of the Union;
- ii introducing some flexibility in the new numbering of the forms; two free numbers in each group of ten are set aside; **they could be used later** if new forms are introduced, without having to change the numbering of existing forms;
- iii keeping the old number in small characters between brackets below the new number for all forms for a transitional period up to the year 2001,

*"Instructs*

"the International Bureau accordingly:

- to adapt the texts of the recast Acts following application of the new principle for renumbering forms;
- to renumber the forms in the final stage of the project when the new text of the recast Acts has been adopted by Congress."

(ETS note: drafting amendment to last operative paragraph in French does not affect the English.)

20. 0.17: in the third preambular paragraph, "continued" was replaced by "**developed**"; in the last operative paragraph, Executive Council was replaced by "**Postal Operations Council**".

30. 0.1/Rev 1: in the second operative paragraph, "21 of the 188" was replaced by "**22 of the 189**".

30. 0.6: the operative paragraph was supplemented with the following text: "**providing these procedures are more liberal than the rules applying to postal parcels**".

Proposals 30. 3.1 and 30. 3.2 were merged and article 3 of the Postal Parcels Agreement now reads: "**Parcels may be exchanged either direct or via one or more countries. The exchange of parcels whose individual weight exceeds 10 kilogrammes shall be optional, with a maximum individual weight of 31.5 kilogrammes.**"

029: the following subparagraph was added at the end of the second operative paragraph: "**- keep postal administrations informed about the sources of funding for technical assistance, other than those of the UPU and the UNDP, as well as about the procedures for obtaining funds from those sources**".

30. 23.1: to bring this proposal into line with 20. 33.1, the following wording was adopted: "**This charge shall only be collected for the submission to Customs and customs clearance of items which have attracted customs charges or any other similar charge.**"

Proposals put into final form by Committee 10

20. 33.1: retain the first two sentences of the text of the existing article and replace the last sentence by "**This charge shall only be collected for the submission to Customs and customs clearance of items which have attracted customs charges or any other similar charge.**"

20. 9.2/Rev 1 was merged with 20. 9.5 (see annex).

Proposals adopted for inclusion in the resolution in accordance with article 15, paragraph 10, of the Rules of Procedure

25. RE 601.1, 25. RE 601.2, 35. RE 301.1, 35. RE 3103.1

Deferred proposal

30. 7.1: amendments made to article 1bis:

- first line: "Where a parcel is" replaced by "**When** a parcel is";
- second line: "Where delivery" replaced by "**When** delivery";
- fourth line: French change does not affect English.

Proposals rejected by Committee 10

20. 9.1: As proposal 20. 9.2/Rev 1 went further, it was adopted by Committee 4. Proposal 20. 9.1 also contained certain components which could be proposed for inclusion in the Detailed Regulations.

Proposals rejected by the Committees concerned

30. 10.1, 30. 14.1, 30. 29.91/Rev 1.

The meeting rose at 10.15 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

Mrs M Libera  
Assistant

## CONVENTION

### Article 9

#### Letter-post items

Amended text based on proposals 20.9.2/Rev 1 and 20.9.5 adopted by Committee 4. The changes in relation to proposal 20.9.5 are shown in bold type.

- 1 Letter-post items shall be classified according to one of the following two systems. Every postal administration shall be free to choose the system that it applies to its outward traffic.
- 2 The first system shall be based on the speed of treatment of the items. **The latter** shall therefore be divided into:
  - 2.1 priority items, ie items conveyed by the quickest route (air or surface) with priority; weight limits: 2 kg in general, 5 kg for items containing books and pamphlets (optional service), 7 kg for literature for the blind;
  - 2.2 non-priority items, ie items for which the sender has chosen a lower rate, implying a longer delivery time; weight limits: **same as those in 2.1.**
- 3 The second system /.../ shall be based on the contents of the items. **The latter** shall therefore be divided into:
  - 3.1 letters and postcards, together called "LC"; weight limit: 2 kg;
  - 3.2 printed papers, literature for the blind and small packets together called "AO"; weight limits: 2 kg for /.../ small packets, 5 kg for **printed papers**, 7 kg for literature for the blind.
- 4 In the classification system based on contents:
  - 4.1 letter-post items conveyed by air with priority shall be called "airmail items";
  - 4.2 surface items conveyed by air with reduced priority shall be called "S.A.L. items".
- 5 Every administration may admit priority items and airmail letters consisting of a sheet of paper suitably folded and gummed on all sides. Such items shall be called "aerogrammes".
- 6 Special bags containing newspapers, periodicals, books and other printed papers for the same addressee at the same address shall, in both systems, be called "M bags"; weight limit: 30 kg.
- 7 The limits of size and the conditions of admission, as well as particulars regarding the limits of weight, are laid down in the Detailed Regulations.

### **Fourth meeting**

Wednesday, 31 August 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 7.45 am.

All the members of the Committee were present with the exception of the delegate of Tunisia.

Approval of the report of the previous meeting

The report of the third meeting was approved with some slight amendments. In addition, the text of article 9 of the Convention adopted by the Committee was submitted to the Committee 4 Chairman for his views.

Consideration of proposals

Proposals adopted without amendment 035

Proposals adopted with amendments

15. 102.5/Rev 1: paragraph 3 was amended as follows:

"3 The forty other members of the Council of Administration shall be elected by Congress on the basis of an equitable geographical distribution. **At least a half of the membership shall be renewed at each Congress; no member may be chosen by three successive Congresses.**"

20. 46.1/Rev 1: (drafting amendment does not affect English).

037: the first preambular paragraph was amended as follows:

"that improving quality by reducing transmission times **in international** mail exchanges and **by** enhancing the security of the world postal network and of postal items constitute an objective of primary importance for safeguarding the image of the Post in the eyes of the public,".

20. 52.1: "the Executive Council" was replaced by "the **Postal Operations Council**".

Proposals consideration of which was deferred

034: Consideration of this proposal was deferred due to the lack of motivation as regards the creation of the Regional Adviser's post for the Caribbean subregion. The Committee 9 Secretariat will submit a duly revised text to Committee 10 at its next meeting.

Proposals referred to the CA

05/Rev 1: see decision below.

Committee 3 decision and resolution adopted without amendment

**"Decision**

**"Number of geographical groups for the distribution of Council of Administration seats**

"Congress

*"Decides*

to refer to the Council of Administration for study proposal 05/Rev 1 concerning the number of geographical groups for the distribution of Council of Administration seats."

(Proposal 05/Rev 1, Committee 3, 2nd meeting)

**"Resolution**

**"Distribution of Council of Administrations seats**

"Congress,

"Having approved article 102 of the General Regulations, which lays down the composition of the Council of Administration,

*"Decides*

i to distribute the seats of that Council among the various geographical groups in the following manner:

Western hemisphere	8 seats
Eastern Europe and Northern Asia	5 seats
Western Europe	6 seats
Asia and Oceania	10 seats
Africa	11 seats

plus one seat for the chairmanship of the host country of Congress. If that country waives that right, the geographical group to which it belongs shall have an additional seat, in accordance with article 102, paragraph 2, of the General Regulations;

ii to abrogate resolution C 11/Lausanne 1974."

(Proposal 05/Rev 1, Committee 3, 2nd meeting)

Committee 4 resolution adopted without amendment

**"Resolution**

**"Reconstitution of the Publishers-UPU Contact Committee**

"Congress,

"Having noted the results of the Publishers-UPU Contact Committee,

"Considering that the efforts aimed at modernizing and simplifying the regulations for printed papers should be continued,

"Taking account of questions whose study should be developed,

"Considering that the cooperation initiated between the UPU and the Publishers is in the interest of both organizations,

"Considering that relations between the two organizations should adopt a more commercial approach,

*"Authorizes*

the Postal Operations Council to reconstitute the Publishers-UPU Contact Committee in order to continue the study of common problems."

(Committee 4, 3rd meeting)

Proposal adopted for inclusion in the resolution in accordance with article 15, paragraph 10, of the Rules of Procedure

25. RE 5201.1/Rev 1

Proposals not approved by the Committees concerned

*015, 10. 17.2, 15. 102.8/Rev 1, 20. 9.3, 25. RE 02, 25. RE 5201.2, 25. RE 5201.4*

The meeting rose at 9.15 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

L Chouiter  
Assistant

### **Fifth meeting**

Thursday, 1 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present.

The report of the fourth meeting was approved.

Approval of the report of the previous meeting

Consideration of proposals

Proposals adopted without amendment

010, 10. 18.1, 30. 2.1, 30. 4.1, 30. 30.1, 30. 34.2, 30. 34.3, 30. 34.4, 30. 35.2, 30. 35.3, 30. 36.2, 33. 0.2, 33. 2.1, 33. 8.2

Proposals adopted with amendments

15.102.11: the text of 6.9ter becomes 6.8bis

15. 102.6: the following amendments were adopted:

- the following wording for subparagraph 6.17: /.../ **after consulting the Postal Operations Council, to decide** on the contacts to be established (remainder unchanged);
- in subparagraph 6.17bis, third line: in the French text "taxes de base" was replaced by "**taux de base**" (This change does not affect the English);
- in subparagraphs 6.26 and 6.27: "in consultation with the Consultative Council for Postal Studies" was replaced by "**after consulting the Postal Operations Council**".

20. 20.2 and 20. 20.3 were merged: article 1bis of 20. 20.2 became article 1bis of 20. 20. 3 and article 1bis of 20. 20.3 became article 1ter.

30. 0.3: adopted with the following amendments:

- in the second preambular paragraph "Given" was replaced by "**Considering**";
- after the second dash in the second preambular paragraph "**outward and**" were deleted;
- the last operative paragraph was worded as follows:

*"Instructs*

**the Postal Operations Council**

- i to carry out a fresh study on the amounts of the guideline rates applicable to /.../ inward land rates laid down in article 33 of the Postal Parcels Agreement (Seoul 1994), **and to submit to the next Congress any proposals resulting from this study;**
- ii **in accordance with articles 34.4bis and 35.4bis of the Agreement**, to adjust the transit land rates and sea rates laid down in articles 34 and 35 of that Agreement in the event of a revision of the letter-post transit charges."
- iii **subparagraph iii was deleted.**

35. RE 3401.2: in the first line of paragraph 2 "**postal**" was inserted in front of "services" (remainder unchanged).

30. 33.1 and 30. 33.3 were merged. The words "**outward and**" were deleted in 30. 33.1.

35. RE 201.1: (French amendment does not affect English).

Proposals referred to Committee 10 for finalization

20. 40.2: the following article 2ter was added: "**It is also desirable that postal administrations should verify periodically that the established times are achieved, using other quality control systems, in particular, external quality control.**" Article 2ter of the present proposal becomes 2quater, etc.

Decisions adopted by the Committees concerned

**"Resolution**

**Land and sea transit of parcels in closed bags**

Congress,

In view of the effect that the number and volume of bags have on the cost of land and sea transit of parcels in closed bags,

Aware of the possible simplification of accounting procedures that would ensue from adoption of a rate per kilogramme for such traffic,

*Instructs*

the Postal Operations Council:

- to conduct a study on the possibility of introducing a rate per kilogramme for the land and sea transit of parcels in closed bags, such a rate to take into account the number and volume of the bags;
- to submit to the next Congress any proposals resulting from this study.

(Proposal 30. 0.3, Committee 7, 2nd meeting)"

**"Resolution**

**Controlling inward land rates**

Congress,

Having abolished  
the control link between outward and inward land rates,

Aware  
of the competitive position in the parcels market and the prime need to set rates  
that are not excessive,

*Instructs*

the Postal Operations Council:

- to consider ways of discouraging any setting of excessive inward land rates;
- to submit to the next Congress any proposals resulting from this study.

(Proposal 30. 33.1, Committee 7, 2nd meeting)

Proposal  
consideration of  
which had been  
deferred

034: the following amendments were made:

"Congress,

In view of  
(no change),

Noting  
(no change),

Considering  
(no change),

Aware

- a first dash was added to the existing text, remainder unchanged;

- **and also of the special needs of the Sub-region of the Caribbean and of the burden that responsibility for all the countries of Latin America and the Caribbean places on the Regional Adviser,**

Convinced  
(no change),

*Instructs*

the Director-General of the International Bureau:

- to bring up to **eight** the number of Regional Adviser posts by creating one for the countries of Central and Eastern Europe **and one for the Sub-region of the Caribbean, in the latter case, by converting a P 3 post in the International Bureau Development Cooperation Division into a Regional Adviser's post;**
- (no change),

*Also instructs*

the **Council of Administration** (remainder unchanged)."

Proposals adopted for inclusion in the resolution in accordance with article 15, paragraph 10, of the Rules of Procedure

35. RE 201.1, 35. RE 401.1, 35. RE 3401.1, 35. RE 3401.2, 35. RE 3601.1, 35. RE 3603.1, 35. RE 3801.1

Deferred proposal

20. 52.91 (pending Committee 3 consideration of the proposals under item 3.5 on its agenda concerning the definition of the term "postal administration").

Proposals not approved by the Committees concerned

20. 0.15, 20. 0.16, 30. 33.2, 30. 33.4, 33. 0.1/Rev 1, 33. 8.1, 33. 8.3, 33. 8.4, 33. 8.5, 33. 11.2, 33. 11.3

The meeting rose at 9.25 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

M Libera  
Assistant

**Sixth meeting**

Friday, 2 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present.

Approval of the  
report of the  
previous meeting

The report of the fifth meeting was approved.

Consideration of  
proposals

Proposals adopted  
without  
amendment

19. 25.1, 19. 25.2, 20. 1.1/Rev 1, 20. 9.6, 20. 10.1, 20. 10.2, 20. 47.3, 20. 48.2,  
30. 25.7, 30. 28.1, 30. 28.3, 30. 32.2, 30. 37.1, 30. 37.2, 33. 12.91

Proposals adopted  
with amendments

017: adopted with the following changes:

- first preambular paragraph, read "the reform of the management of the work of the Union and the restructuring **of its bodies** /.../";
- at the beginning of the second preambular paragraph, read "of the creation of **the** two new bodies, **the** Council of Administration and **the** Postal Operations Council, and (remainder unchanged)".

016: delete the footnote.\*

040: (amendment to French version that does not affect English).

039: after the first dash insert:

- "– **to consider the possibility of establishing remuneration based on the costs specific to items which have been the subject of a special service, with priority being given to a study on registered items;**"

In the French version, remove the preposition between "parer" and "l'exploitation" in the second sentence of the fourth dash.

20.47.2: replace "Executive Council" by "**Postal Operations Council**", except in the last sentence of article 47.4ter where the term "**the latter**" is used.

07: adopted with the following changes (amendment to French version of part b of the first operative paragraph does not apply to English):

- in part c of the second operative paragraph, read "to maintain regular contact with the International Bureau on steps taken and assistance needed or available **as well as with the national authorities responsible for environmental protection;**"

09: drafting amendment to French version does not affect English.

046: amended as shown in annex 1.

30. 21.2, 30. 21.3: merged as follows: insert paragraph 1bis of proposal 30. 21.3 after the first sentence of paragraph 1 of proposal 30. 21.2. The amendments to paragraph 1 of proposal 30. 21.2 become paragraph 1bis (remainder unchanged).

Proposals adopted for inclusion in the resolution in accordance with article 15, paragraph 10, of the Rules of Procedure

25. RE 904.7, 35 RE 3701.1

Deferred proposals

04

30. 28.2/Rev 2 (so that it can be considered together with proposal 20. 38.2/Rev 1).

15. 104.2, 15. 104.5, 15. 104.7, 15. 104.8, 15. 104.9: in order to facilitate consideration of proposals adopted on article 104 of the General Regulations, the Committee 10 Secretariat will present a global text taking into account all the amendments accepted as soon as all the relevant proposals have been considered by Committee 3.

Resolution  
adopted without  
amendment

**"Resolution**

**"Proposals relating to the Detailed Regulations of the Postal Parcels Agreement referred to the POC**

"Congress,

"By virtue of article 15, paragraphs 2, 3 and 10, of the Rules of Procedure of Congresses,

"*Instructs*

"the Postal Operations Council to consider the following proposals relating to the Detailed Regulations of the Postal Parcels Agreement:

35. RE 306.1, 35. RE 306.2, 35. RE 306.3, 35. RE 306.4, 35. RE 307.1, 35. RE 307.2, 35. RE 307.3, 35. RE 307.4, 35. RE 307.5, 35. RE 307.6, 35. RE 1102.1, 35. RE 1503.1/Rev 2, 35. RE 1503.2, 35. RE 1601.1, 35. RE 1902.1, 35. RE 1902.2, 35. RE 1903.1, 35. RE 1904.1, 35. RE 1904.3, 35. RE 1904.4, 35. RE 1904.5, 35. RE 2101.1, 35. RE 2601.1, 35. RE 2602.1, 35. RE 2801.1, 35. RE 2801.2, 35. RE 2801.3, 35. RE 2801.4, 35. RE 2801.5, 35. RE 2802.1, 35. RE 3106.1, 35. RE 3107.1, 35. RE 3110.1, 35. RE 3111.1, 35. RE 3112.1, 35. RE 3112.2, 35. RE 3114.1, 35. RE 3115.1, 35. RE 3116.1, 35. RE 3117.1/Rev 1, 35. RE 3118.1, 35. RE 3118.2, 35. RE 3203.1, 35. RE 3205.1, 35. RE 3604.1/Rev 2, 35. RE 3604.2, 35. RE 3604.3, 35. RE 3605.1/Rev 2, 35. RE 3605.2, 35. RE 3803.1, 39.0.1, 39.0.2, 39.2.1, 39.20.1

(Committee 7, 3rd meeting)"

Proposals not  
approved by the  
Committees  
concerned

018, 15. 104.4, 20. 0.14, 20. 47.1, 20. 47.4, 20. 47.5, 20. 48.1. 25. RE 904.4, 25. RE 904.8, 30. 21.1, 30. 21.4, 30. 25.1, 30. 25.2, 30. 25.3, 30. 25.4, 30. 25.5, 30. 25.6, 30. 25.8, 30. 28.4, 30. 32.1

The meeting rose at 9.45 am.

For the Committee:

H Demaret

R Tallon

Chairman

Secretary

A Johnsen

Assistant Secretary

L Chouiter

Assistant

Proposal of a general nature

**COLOMBIA, COSTA RICA, ETHIOPIA, FINLAND,  
GREAT BRITAIN, GUYANA, IRELAND, KENYA,  
LESOTHO, MEXICO, NETHERLANDS, NEW ZEALAND,  
PERU, SAINT CHRISTOPHER AND NEVIS,  
SAINT LUCIA, TANZANIA (UNITED REP),  
UNITED STATES OF AMERICA, URUGUAY,  
ZAMBIA, ZIMBABWE**

**046**

**Amendment to draft resolution 027**

## **Resolution**

### **Postal security policy and strategy**

Congress,

Recalling

Washington Congress resolution C 12/1989 calling **on administrations to take** action to enhance the security and integrity of international mails,

Considering

- the need to safeguard the quality of the postal services;
- that, to remain competitive in world postal markets, the Posts must include a guarantee of security in /.../ their postal activities;
- the vulnerability of the international postal system to criminal acts committed **in the postal services** or against **them** (theft, fraud, traffic in drugs, pornography, **etc**);
- the specialized knowledge and skill required to counter criminal activity directed against the Post and the limited resources available to counter this activity,

Aware

- of the social and business importance of maintaining public confidence in the security of postal items;
- **of the fact** that the problems of postal security are so significant and complex that at both the management policy and operational levels, the need exists for security to be a distinct focus of activity;
- of the urgency with which postal security actions must be undertaken,

**Taking account of**

- the results of the two postal security symposia conducted in April 1990 and May 1991 and the creation of the UPU Postal Security Action Group (PSAG);
- the successes achieved through the numerous security-related decisions and recommendations taken by the EC and CCPS as a result of PSAG's work as detailed in Congress – Doc 23, in the following areas:
  - quality of service;
  - setting of security standards and policies;
  - establishment of postal security networks;
  - improvements in aviation security measures;
  - arranging and promoting training and technical assistance activities;
  - increased revenue protection and generation;
  - improved contacts with Restricted Unions, international organizations and other organizations concerned with security;
- the fact that postal security issues /.../ cover both the regulatory and operational aspects of the postal business and that their development and follow-up would need attention by both the Council of Administration and the Postal Operations Council, each within its own area of responsibility,

**Noting**

- that the Executive Council has endorsed the study on restructuring the Union, one of whose recommendations calls for the establishment of a Committee to deal with security matters;
- that security activities have been incorporated into the UPU's strategic planning process for the future;
- that security has been included in the future UPU study programme;
- the considerable progress already made by the UPU Postal Security Action Group as regards **raising awareness of the** importance of security within the Union,

**Urges**

postal administrations:

- to adopt a security strategy at all levels of postal operations in order to maintain and increase their competitive edge in the market and enhance their public image;
- to develop regional security training courses and networks to further spread the security message;
- to use the available tools prepared by the International Bureau of the UPU (Manuals, implementation guides, directories, binders and Operational Binders, etc) to improve security of the Post,

**Decides**

to **reconstitute** the UPU Postal Security Action Group which would report directly to the plenary meetings of the Council of Administration and the Postal Operations Council,

**Instructs**

the Council of Administration, the Postal Operations Council and the International Bureau, each within its own area of responsibility, to ensure that appropriate measures are taken in the field of postal security by providing adequate human and financial resources to implement security-related activities.

Seoul,

Chairman of Congress

**Reasons.** – See Congress – Doc 23.

Takes account of draft resolution 20. 0.15.

**Seventh meeting**

Monday, 5 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present except the representative of the Central African Republic, who, as Vice-Chairman, was attending a meeting of the Bureau of Congress.

Approval of the report of the previous meeting

The report of the sixth meeting was approved.

Consideration of proposals

Proposals adopted without amendment

*020, 10. 20.2, 15. 107.1, 20. 51.2, 20. 51.3, 20. 52.2*

*Congress – Doc 19/Annex 4, Congress – Doc 19/Annex 5.*

Proposals adopted with amendments

*023: the amendment of the French title does not affect the English.*

- in the fourth preambular paragraph, replace "Bearing in mind the fact that a new composition and new powers are adopted by Congress", by "**Bearing in mind the composition and powers adopted by Congress**".

*028: adopted with the following amendments:*

- in the first line of the second preambular paragraph and in the second line of the third preambular paragraph, replace "PSAG-IATA" by "**IATA-UPU/PSAG**";
- in the fourth line of the third preambular paragraph, replace "users" by "**customers**";
- in the second line of the fifth preambular paragraph, the amendment to the French does not affect the English.
- amend the last operative paragraph as follows:

*"Urges*

postal administrations, with the assistance of the UPU International Bureau, **to:**

- /.../ strengthen measures aimed at preventing and detecting the insertion of prohibited and dangerous articles in postal items;
- /.../ develop to this end educational measures suited to the local situation, for the benefit of postal **customers** and staff;
- /.../ ensure wide dissemination of these measures and appropriate training for the staff, using the most effective modern technical methods."

15. 103.2: adopted with the following changes:

- in the title and in paragraph 1, replace "Executive Council" by "**Council of Administration**";
- in the third line of paragraph 1, replace "the resolutions" by "**its resolutions**".

15. 104.1, 15. 104.2, 15. 104.3, 15. 104.5, 15. 104.7, 15. 104.8 and 15. 104.9: merged into the text given in annex 1.

15. 105.2: adopted with the following changes:

- in the title and in paragraph 1, replace "Consultative Council for Postal Studies" by "**Postal Operations Council**";
- in the third line of paragraph 1, replace "the resolutions" by "**its resolutions**".

15. 109.3: in the third line of paragraph 1, replace the deletion /.../ by "**of which the candidates are nationals or in which they exercise their professional activities**" (remainder unchanged).

20. 51.4: amended punctuation in French version does not affect English.

20. 52.91: in paragraph 1, replace "with other postal administrations and with external partners" by "**amongst themselves and with other partners**".

20. 0.3: adopted with the following amendments:

**"Resolution**

**Liability**

Congress,

Referring

to the provisions of articles 35 to 39 and 44 of the Convention **as well as to articles 25 to 29 and 32 of the Postal Parcels Agreement** covering different kinds of liability matters,

Aware of the fact  
that postal operators **must provide high quality services to customers /... /**,

Considering  
that postal liability regulations ought to be adapted to **the demands** of the  
delivery market in general,

Recognizing  
that all postal procedures for establishing liability should be / ... / simplified to  
reduce administrative work and the cost of such work,

*Urges*

postal operators to respond to legitimate customer expectations and to speed up  
the **treatment of customers' claims as well as of the resultant settlement**,

*Instructs*

**the Postal Operations Council** to study and to present **to the competent  
body, for approval, proposals** concerning all aspects of postal operators'  
accepting liability for **postal** items.

(Committee 4, proposal 20. 0.3, 6th meeting)"

25. *RE 4708.91*: in paragraph 1.1.2, replace "Executive Council" by "**Postal  
Operations Council**".

Decisions adopted  
by Committees  
and Plenaries

**"Decision**

**"Defining a standard for the introduction of an international postal code  
system**

"Congress,

*"Instructs*

the Postal Operations Council to continue the study on defining a standard for  
the introduction of an international postal code system, bearing in mind, on the  
one hand, the results of CCPS sub-study 741.1, and, on the other, the  
reservations and recommendations made in this respect at Congress.

(Proposal 20. 0.14, Committee 6, 3rd meeting)"

**"Decision**

**"Approval of the Comprehensive report on the work of the Executive Council 1989–1994**

"Congress

*"Decides*

to approve the Comprehensive report on the work of the Executive Council 1989–1994.

(Congress – Doc 16, 8th plenary meeting)"

**"Decision**

**"Approval of the Comprehensive report on the work of the Consultative Council for Postal Studies 1989–1994**

"Congress

*"Decides*

to approve the Comprehensive report on the work of the Consultative Council for Postal Studies 1989–1994.

(Congress – Doc 17, 8th plenary meeting)"

**"Decision**

**"Approval of the International Bureau Director-General's report 1989–1994**

"Congress

*"Decides*

to approve the International Bureau Director-General's report 1989–1994.

(Congress – Doc 18, 8th plenary meeting)"

**"Decision**

**"Mandatory rotation of members of the Council of Administration**

"Congress

*"Decides*

to reject the appeal by Japan asking for proposal 015 concerning the temporary non-application of the mandatory rotation of members of the Council of Administration to be considered in plenary meeting.

(Congress – Doc 92, proposal 015, 9th plenary meeting)"

Proposals adopted for inclusion in the resolution in accordance with article 15, paragraph 10, of the Rules of Procedure	<i>25. RE 4708.91</i>	
Deferred proposals	<i>20. 0.23</i> (pending proposal <i>20. 0.2</i> ).	
	<i>20. 0.24</i> (on the basis of the amounts of compensation set for registered items and postal parcels).	
Proposals not approved by the Committees concerned	<i>044, 15. 112.1, 20. 31.1, 20. 51.1</i>	
Correction	<i>30. 34.4</i> : a mistake was found in this proposal. In the second line of paragraph 4bis, read, " <b>1 and 2</b> " instead of "2 and 3".	
	The meeting rose at 10 am.	
For the Committee:	H Demaret Chairman	R Tallon Secretary
		A Johnsen Assistant Secretary
		M Libera Assistant

Article 104

Composition, functioning and meetings of the Postal Operations Council

1 The Postal Operations Council shall consist of forty members who shall exercise their functions during the period between successive Congresses.

2 The members of the Postal Operations Council shall be elected by Congress /.../ on the basis of qualified geographical distribution. Twenty-four seats shall be reserved for developing countries and sixteen seats for developed countries. At least half of the members shall be renewed at each Congress.

3 The representative of each of the members of the Postal Operations Council shall be appointed by the postal administration of his country. This representative shall be a qualified official of the postal administration.

4 The operational expenses of the Postal Operations Council shall be borne by the Union. Its members shall not receive any payment. Travelling and living expenses incurred by representatives of administrations participating in the Postal Operations Council shall be borne by those administrations. However, the representative of each of the countries considered to be disadvantaged according to the lists established by the United Nations shall, except for meetings which take place during Congress, be entitled to reimbursement of the price of an economy class return air ticket or first class return rail ticket, or expenses incurred for travel by any other means, subject to the condition that the amount does not exceed the price of the economy class return air ticket.

5 At its first meeting, which shall be convened and opened by the Chairman of Congress, the Postal Operations Council shall choose from among its members a Chairman, a Vice-Chairman, the Committee Chairmen and the Chairman of the Strategic Planning Group.

6 The Postal Operations Council shall draw up its Rules of Procedure.

7 In principle, the Postal Operations Council shall meet every year at Union headquarters. The date and place of the meeting shall be fixed by its Chairman in agreement with the Chairman of the /.../ Council of Administration and the Director-General of the International Bureau.

8 The Chairman, the Vice-Chairman and the Committee Chairmen and the Chairman of the Strategic Planning Group of the Postal Operations Council shall form the Management Committee. This Committee shall prepare and direct the work of each meeting of the Postal Operations Council and take on all the tasks which the latter decides to assign to it or the need for which arises in the course of the strategic planning process.

9 The functions of the Postal Operations Council shall be the following:

9.1 to conduct the study of the most important operational, commercial, technical, economic and technical cooperation problems which are of interest to postal administrations of all member countries, including questions with major financial repercussions (charges, terminal dues, transit charges, airmail conveyance rates, parcel-post rates, and the posting abroad of letter-post items), and to prepare information, /.../ opinions and recommendations for action on them;

9.1bis to revise the Detailed Regulations of the Union within six months following the end of the Congress unless the latter decides otherwise. In case of urgent necessity, the Postal Operations Council may also amend the said Regulations at other sessions. In both cases, the Operations Council shall be subject to Council of Administration guidance on matters of fundamental policy and principle;

9.2 to coordinate practical measures for the development and improvement of international postal services;

- 9.3 to take, subject to Council of Administration approval within the framework of the latter's competence, any action considered necessary to safeguard and enhance the quality of and to modernize the international postal service;
- 9.4 to revise and amend, between two Congresses, in accordance with the procedure laid down in the Universal Postal Convention, and subject to Council of Administration approval, the postage charges for letter-post items;
- 9.5 to formulate proposals which shall be submitted for the approval either of Congress or of postal administrations in accordance with article 121; the approval of the Council of Administration is required when these proposals concern questions within the latter's competence;
- 9.6 to examine, at the request of the postal administration of a member country, any proposal which that administration forwards to the International Bureau under article 120, to prepare observations on it and to instruct the International Bureau to annex these observations to the proposal before submitting it for approval to the postal administrations of member countries;
- 9.7 to recommend, if necessary, and where appropriate after approval by the Council of Administration and consultation of all the postal administrations, the adoption of regulations or of a new procedure until such time as Congress takes a decision in the matter;
- 9.8 to prepare and issue, in the form of recommendations to postal administrations, standards for technological, operational and other processes within its competence where uniformity of practice is essential. It shall similarly issue, as required, amendments to standards it has already set;
- 9.9 to develop, with the support of the International Bureau and in consultation with and with the approval of the Council of Administration, the draft Strategic Plan for consideration by Congress, and to revise the Plan approved by Congress on an annual basis, also with the support of the International Bureau and the approval of the Council of Administration;
- 9.9bis to approve those parts of the annual report on the work of the Union prepared by the International Bureau which concern the responsibilities and functions of the Postal Operations Council;
- 9.10 to decide on the contacts to be established with postal administrations in order to carry out its functions;
- 9.11 to study teaching and vocational training problems of interest to the new and developing countries;
- 9.12 to take the necessary steps to study and publicize the experiments and progress made by certain countries in the technical, operational, economic and vocational training fields of interest to the postal services;
- 9.13 to study the present position and needs of the postal services in the new and developing countries and to prepare appropriate recommendations on ways and means of improving the postal services in those countries;
- 9.14 to take, in consultation with the /.../ Council of Administration, appropriate steps in the sphere of technical cooperation with all member countries of the Union and in particular with the new and developing countries;
- 9.15 to examine any other questions submitted to it by a member of the Postal Operations Council, by the /.../ Council of Administration or by any administration of a member country.
- 10 The members of the Postal Operations Council shall take an active part in its work. The postal administrations of member countries not belonging to the Postal Operations Council may, at their request, cooperate in the studies undertaken, subject to such conditions as the Council may establish to ensure the efficiency and effectiveness of its work. Such postal administrations may also be requested to chair Working Parties where their expertise or experience justify it.

11 (Deleted.)

12 The Postal Operations Council shall, at its last session before Congress, prepare for submission to Congress the draft basic work programme of the next Council, taking into account the draft Strategic Plan as well as the requests of member countries of the Union and of the /.../ Council of Administration and the International Bureau. This basic programme, which shall include a limited number of studies on topical subjects of common interest, shall be subject to review annually in the light of new realities and priorities.

13 In order to ensure effective liaison between the work of the two bodies, the /.../ Council of Administration may designate representatives to attend Postal Operations Council meetings as observers.

14 The Postal Operations Council may invite the following to take part in its meetings without the right to vote:

14.1 any international body or any qualified person whom it wishes to associate with its work;

14.2 postal administrations of member countries not belonging to the Postal Operations Council;

14.3 any association or enterprise that it wishes to consult with respect to its work.

**Eighth meeting**

Tuesday, 6 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present except the representative of Italy.

Approval of the report of the previous meeting

The report of the seventh meeting was approved.

Consideration of proposals

Proposals adopted without amendment

20. 7.1, 20. 7.3, 20. 12.1, 20. 35.2, 20. 35.3, 20. 35.4, 20. 35.5, 20. 36.2, 20. 38.1, 20. 38.3, 20. 39.1, 20. 44.1, 20. 55.4

Proposals adopted with amendments

20. 0.2: adopted with the following changes:

- after the first dash in the second preambular paragraph, replace the word "therefore" in front of "in the accessibility" by "**consequently**";
- French change to second operative paragraph does not affect English;
- in the third operative paragraph, replace "the CCPS (or the Postal Operations Council)" by "**the Postal Operations Council**";
- after the third dash replace "EMS administrations" by "**administrations providing the EMS service**";
- in the last operative paragraph, replace the word "issuing" by "**distributing**".

20. 0.23: replace "and for which" by "**activities for which**".

20. 0.24: the amounts of **30** and **130** SDR were inserted in subparagraph ii on the basis of Committees 4 and 7 decisions on liability for registered items and postal parcels respectively.

20. 0.25: amend the operative paragraph as follows:

- "– the Postal Operations Council **to prepare, distribute and update:**
- i one or more model (remainder unchanged);
  - ii recommendations (remainder unchanged).

To bring article 31 of the Convention into line with article 21 of the Postal Parcels Agreement (see 30. 21.2 and 30. 21.3), the following amendments were made to proposals 20. 31.4 and 20. 31.5:

20. 31.4: insert "**However**" at the beginning of the second sentence (first line) of paragraph 3.

20. 31.5: Amendment to French version of paragraph 1bis does not affect the English.

20. 36.1: Amendment to French version of paragraph 1.2bis does not affect the English.

30. 28.2/Rev 2, 20. 38.2/Rev 1: the adopted text is given in annex 1; the originator of these two proposals will be consulted about the amendments made.

Deferred proposals

20. 39.91, 20. 7.2/Rev 1

Proposals not approved by the Committees concerned

20. 0.1, 20. 0.6, 20. 0.7, 20. 31.2, 20. 31.3, 20. 31.6, 20. 35.1, 20. 44.2, 20. 49.1, 20. 55.1, 20. 55.2, 20. 55.3.

The meeting rose at 9.30 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

L Chouiter  
Assistant

Article 38 of the Convention and article 28 of the Postal Parcels Agreement

Payment of the indemnity

**20. 38.2/Rev 1  
and 30. 28.2/Rev 2**

Texts of paragraphs 3 and 3bis:

3 The administration of origin or destination, as the case may be, shall be authorized to indemnify the rightful claimant on behalf of the administration which, having participated in the conveyance and having been duly informed, has allowed **two** months to pass without finally settling the matter /.../ or without having reported:

- 3.1 that the damage appeared to be due to a case of force majeure;
- 3.2 that the item had been detained, confiscated or destroyed by the competent authority because of its contents or seized under the legislation of the country of destination.

**3bis The administration of origin or destination, as the case may be, shall be authorized to indemnify the rightful claimant in cases where the C 9 form is not properly completed and has to be returned for additional information, thereby causing the time limit set in paragraph 3 to be exceeded.**

**Ninth meeting**

Wednesday, 7 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present.

Approval of the  
report of the  
previous meeting

The report of the eighth meeting was approved.

Proposals adopted  
without  
amendment

02, 024, 15. 109.4, 20. 16.1/Rev 1, 20. 19.1, 20. 19.2, 20. 21.1, 20. 22.1,  
20. 23.1, 20. 24.4, 20. 25.1, 20. 40.1

Proposals adopted  
with amendments

*Congress – Doc 93*: adopted subject to replacing in the third line of the second preambular paragraph "and" by "**and according to which**".

*043/Rev 1*: adopted subject to the following changes:

- change in French version of fifth preambular paragraph does not affect the English;
- in the last operative paragraph, "**to**" was added at the end of the second line and deleted from the beginning of subparagraphs i to iv;
- in the first line of subparagraph ii, d, the amendment to the French does not affect the English;
- in the second line of subparagraph iii, the amendment to the French does not affect the English.

15. 109.5: the French amendment does not affect the English.

15. 109.6: adopted with the following amendments:

- in the second line of paragraph 2.2, replace "Executive Council" by "**Postal Operations Council**";
- in 2.3, replace "Executive Council" by "**Council of Administration**";
- in the first line of paragraph 2.3quater, replace "to the Executive Council or to the Consultative Council for Postal Studies" by "**to the Council of Administration** or to the **Postal Operations Council**";
- in the first line of paragraph 2.3quinquies: "for the Consultative Council for Postal Studies" was replaced by "for the **Postal Operations Council**".

20. 0.4: adopted with the following amendments:

- in the second preambular paragraph, read "the majority of administrations have not adopted this optional service and that this /.../ makes it difficult for those administrations offering the service to provide it";
- delete the text of the first operative paragraph;
- replace the last operative paragraph by:

**"Instructs**

the Postal Operations Council **to:**

- **make an in-depth study of this recorded delivery service;**
- **submit appropriate proposals to the next Congress."**

20. 0.5: adopted with the following amendments:

- add to the first preambular paragraph: "**less in some countries, although the total number of coupons exchanged worldwide is increasing,**";
- in the third line of the second preambular paragraph, the change to the French does not affect the English;
- read the operative paragraph as follows:

*"Instructs*

**the Postal Operations Council:**

- **to make an in-depth study of reply coupons so as to analyze all aspects of this service, including its accounting;**
- to present **appropriate** proposals /.../ to the next Congress."

20. 0.11: adopted with the following amendments:

- in the second preambular paragraph, insert "**Washington**" in front of "Congress";
- at the end of the first dash of the first operative paragraph, delete "**over its rivals**";
- at the beginning of the last operative paragraph: "the Council of Administration and" was deleted.

20. 0.19: adopted with the following amendments:

- the change to the French in the second line of the fourth preambular paragraph does not affect the English;
- in the last operative paragraph, replace "the appropriate body of the UPU" by "**Postal Operations Council**";
- add "**for**" at the end of the third line of the last operative paragraph and delete "for" from the beginning of the next two dashes; delete "and for" after the last dash.

20. 10.3: in the second line of paragraph 3, delete "**at any time**".

20. 10.4: amendment to French does not affect English.

20. 11.1: adopted with the following changes:

- in the first line of paragraph 2.3, replace "S.A.L. mails" by "S.A.L. **items**";
- in the first line of paragraph 3, replace "10.4.1 and 2 and 10.5" by "10.4.1, **4.2** and 10.5".

20. 13.1: French amendment does not affect English.

20. 17.1: French amendment does not affect English.

20. 18.1: French amendment does not affect English.

20. 20.1: French amendment does not affect English.

20. 24.3: in paragraph 2, read: "Administrations which operate **this** service shall comply with the provisions laid down in the Detailed Regulations."

20. 27.1: in the fourth line of paragraph 2, replace "sent in registered items in a closed envelope" by "sent /.../ in a closed envelope **as registered items**."

20. 50.1: adopted with the following changes:

- after the third dash of paragraph 2.2, replace "weighing less than 5 kg" by "**up to 5 kilogrammes**";
- the French change in the second line of paragraph 2.3bis does not affect the English.

25. *RE 0.3*: adopted with the following changes:

- the French change in the first line of the preambular paragraph does not affect the English;
- in the second line of the first operative paragraph, "special plasticized envelope" was replaced by "special /.../ envelope, **preferably** plasticized".

Decisions adopted  
by Committees  
and Plenaries

**"Decision**

**"Relations with the United Nations and other international organizations**

"Congress

*Notes*

the Director-General's report on relations with the United Nations and other international organizations,

*Invites*

the Director-General of the International Bureau to:

- maintain and intensify relations with the United Nations and other international organizations;
- continue to follow the development of the questions outlined in his report;
- take whatever action he deems necessary in the interests of the Union and its members, subject to any instructions from the Council of Administration;
- to report to the Council of Administration every year to an appropriate extent.

(Congress – Doc 24, 10th plenary meeting)"

**"Decision**

**"Implementation by the specialized agencies of the Declaration on the Granting of Independence to Colonial Countries and Peoples**

"Congress

*Notes*

- the Director-General's report on implementation by the specialized agencies of the Declaration on the Granting of Independence to Colonial Countries and Peoples;
- the efforts made by the UPU to aid refugees and non-self-governing territories as well as the newly independent countries and the least developed countries (LDCs);

*Decides*

to step up efforts to the extent of its possibilities and available resources to increase assistance to these countries, adapting its activities to changes in the situation in the regions concerned and as part of a coordinated action plan.

(Congress – Doc 25, 10th plenary meeting)"

Proposals  
which had been  
deferred

20. 39.91: the amended text is given in annex 1. The Secretariat was instructed to obtain the views of Germany which had brought the study on electronic mail to a successful conclusion.

Comments by  
Committee 10

- 1 Amendments to the previous Acts are normally underlined and deletions are shown by the sign /.../. This time, this procedure will be used for the General Regulations, the Rules of Procedure of Congresses and for the Financial Services Agreements. However, on the basis of a recommendation by the International Bureau's Legal Counsellor, the amendments to the Convention and the Postal Parcels Agreement will not be indicated in this way because the changes have been made on the basis of Congress – Doc 60/Add 1 and 3, which are of an intermediate nature. Nevertheless, for practical reasons, the articles and paragraphs will be renumbered and the references changed by the International Bureau after Congress, as usual.
- 2 In reading through the Postal Parcels Agreement, the Secretariat noticed some mistakes in articles 34 and 35. These mistakes were brought to the attention of the Committee Secretariat which will publish a corrigendum to the report of its second meeting. The correct wording of these articles is given in annex 2 hereto.

Proposals not  
approved by the  
Committees  
concerned

022, 20. 19.3

The meeting rose at 10.40 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

M Libera  
Assistant

Convention – Proposal

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Part II

Provisions concerning the letter post: Provision of services

**CONSULTATIVE COUNCIL FOR POSTAL STUDIES**

**20. 39.91**

Create the following new chapter 6:

Chapter 6

Electronic mail

Article 39bis

General

- 1 Administrations may agree with each other to participate in electronic mail services.
- 2 Electronic mail is a postal service which uses telecommunications for transmitting within seconds messages true to the original posted by the sender in either a physical or an electronic form for delivery to the addressee in a physical or an electronic form. In the case of physical delivery, the information is generally transmitted by electronic means for the longest possible part of the way and reproduced in physical form as near as possible to the addressee. Physical messages are delivered in an envelope to the addressee as a letter-post item.
- 3 The tariffs applicable to electronic mail are fixed by administrations, taking costs and market requirements into account.

Article 39ter

Facsimile-based service

The bureaufax range of services permits the transmission of texts and illustrations true to the original by facsimile /.../.

Article 39quater

Text-based service

The range of text-based services permits the transmission of texts and illustrations produced by means of data-processing equipment (PC, mainframe computer).

**Reasons.** – With a view to expanding their range of letter-post services, a number of postal administrations have introduced "electronic mail" as a means of transmitting correspondence.

There are two technical possibilities for posting, transmitting and reproducing messages by electronic mail: facsimile-based coding (dot imaging) and text-based coding (alphanumeric).

The first is offered in facsimile services by about 70 postal administrations and about the same number of telecommunications administrations. Additional postal administrations are expected to introduce this service in the near future. At this time, the features and handling of the facsimile service are governed between individual administrations by bilateral agreements – usually on the basis of ITU Telecommunication Standardization Sector (ITU-T) bureaufax recommendations F.160, F.170 and F.190. Because this service is becoming more widespread and in view of the further development of the above-mentioned ITU-T recommendations, it seems urgent that these detailed regulations concerning facsimile service be made available to postal administrations.

Some postal administrations now offer hybrid electronic text-based services for individual and/or mass communication. In this field as well, ITU-T recommendations have been prepared jointly with telecommunications organizations, and these should be brought to the attention of postal administrations, even though they are not yet as stable as the facsimile regulations, to assist interested postal administrations with planning and introduction of the service.

## Article 34

## Transit land rate

1 Parcels exchanged between two administrations or between two offices of the same country by means of the land services of one or more other administrations shall be subject to the transit land rates, payable to the countries whose services take part in the routing on land, calculated by combining the rate per parcel and the rate per kilogramme below, according to the distance step applicable:

Distance steps 1	Rate per parcel 2	Rate per kg of gross weight of the mail 3
	SDR	SDR
Up to 600 km	0.77	0.10
Above 600 up to 1000 km	0.77	0.19
Above 1000 up to 2000 km	0.77	0.29
Above 2000 km	0.77	0.29 + 0.08 for each additional 1000 km

2 (Deleted.)

3 For parcels in transit à découvert, intermediate administrations shall be authorized to claim a single rate of 0.40 SDR per item.

4 The rates mentioned in 1 and 3 shall be payable by the administration of the country of origin unless this Agreement provides for exceptions to this principle.

4bis The Postal Operations Council shall be authorized to revise and amend the table mentioned under 1 between Congresses. Any revision made, in accordance with a methodology that ensures equitable remuneration for administrations which conduct transit operations, must be based on reliable and representative economic and financial data. Any change decided upon shall enter into force at a date set by the Postal Operations Council.

4ter No transit land rate shall be payable for:

4.1 the transfer of airmails between two airports serving the same town;

4.2 the transport of such mails between an airport serving a town and a warehouse situated in the same town and the return of the same mails for reforwarding.

## Article 35

## Sea rate

1 Each of the countries whose services participate in the sea conveyance of parcels shall be authorized to claim the sea rates mentioned in 2. These rates shall be payable by the administration of the country of origin, unless this Agreement provides for exceptions to this principle.

2 For each sea conveyance used, the sea rate shall be calculated by combining the rate per parcel and the rate per kilogramme below, according to the distance step applicable:

## Distance steps

a expressed in nautical miles	b expressed in km after conversion on the basis of 1 n.m. = 1.852 km	Rate per parcel	Rate per kg of gross weight of the mail
		SDR	SDR
Up to 500 n.m.	Up to 926 km	0.58	0.06
Above 500 up to 1000	Above 926 up to 1852	0.58	0.09
Above 1000 up to 2000	Above 1852 up to 3704	0.58	0.12
Above 2000 up to 3000	Above 3704 up to 5556	0.58	0.14
Above 3000 up to 4000	Above 5556 up to 7408	0.58	0.16
Above 4000 up to 5000	Above 7408 up to 9260	0.58	0.17
Above 5000 up to 6000	Above 9260 up to 11 112	0.58	0.19
Above 6000 up to 7000	Above 11 112 up to 12 964	0.58	0.20
Above 7000 up to 8000	Above 12 964 up to 14 816	0.58	0.21
Above 8000	Above 14 816	0.58	0.21 + 0.01 per additional 1000 nautical miles (1852 km)

3 (Deleted.)

4 Administrations may increase by 50 percent at most the sea rate calculated in accordance with 2. On the other hand, they may reduce it as they wish.

4bis The Postal Operations Council shall be authorized to revise and amend the tables mentioned under 2 between Congresses. Any revision made, in accordance with a methodology that ensures equitable remuneration for administrations which conduct transit operations, must be based on reliable and representative economic and financial data. Any change decided upon shall enter into force at a date set by the Postal Operations Council.

## Article 36

## Allocation of rates

1 Allocation of rates to the administrations concerned shall be made, in principle, in respect of each parcel.

2 (Deleted.)

3 (Deleted.)

4 Rates shall not be allocated for service parcels and for prisoner-of-war and civilian internee parcels, apart from their conveyance dues applicable to air parcels.

**Tenth meeting**

Thursday, 8 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 8 am.

All the members of the Committee were present.

Approval of the  
report of the  
previous meeting

The report of the ninth meeting was approved with some slight amendments.

Consideration of  
proposals

Proposals adopted  
without  
amendment

40. 4.1, 40. 10.1, 40. 11.1, 40. 12.1, 50. 2.1

Proposals  
adopted with  
amendments

20. 7.2/Rev 1: adopted as shown in annex 1, subject to the agreement of the Chairman of Committee 4.

20. 26.3/Rev 1: the penultimate word in paragraphs 3 and 4 "internal" was replaced by "**own**".

030: The amended text is given in annex 2 hereto.

031: in the second preambular paragraph, replace the word "noting" by "**referring to**" and, in the sixth preambular paragraph, add the word "**also**" after "noting".

40. 0.1: delete the word "Draft" from the title of the table in Congress/C 8 – Rep 1/Annex 1 (see annex 3).

40. 0.2: French change to first preambular paragraph does not affect English.

40. 9.1: in paragraph 5.1, replace "four" months by "**three**" months; in paragraph 5.3, replace "three" months by "**two**" months.

50. 15.91: French change does not affect English.

Deferred proposal 30. 13.91

Proposals referred to the POC for consideration 20. 29.4: see decision below.

Decisions and resolutions adopted without amendment

**"Decision**

**"Undeliverable items**

"Congress,

"Having examined the question of the collection of a charge in respect of undelivered bulk items which are returned to the sender in a country other than the one in which they were posted,

"Considering that no charge should be set until after a study covering the new provisions of the terminal dues system, with special reference to bulk mail,

*"Instructs*

the Postal Operations Council:

- to study the possibility of setting a charge to be collected from the sender of such items;
- to prepare, as required, appropriate proposals for the relevant bodies.

(Proposal 20. 29.4, Committee 4, 9th meeting)."

Committee 8 resolution adopted without amendment

**"Resolution**

**"Proposals relating to the Detailed Regulations of the Postal Financial Services Agreements referred to the POC**

"Congress,

"In accordance with article 15, paragraphs 2, 3 and 10 of the Rules of Procedure of Congresses,

*"Instructs*

the Postal Operations Council to consider the following proposals relating to the Detailed Regulations of the Postal Financial Services Agreements:

45. RE 605.1, 45. RE 801.1, 45. RE 1101.1, 45. RE 1105.91, 45. RE 1202.91, 45. RE 1202.92, 45. RE 1202.93, 55. RE 201.1, 55. RE 317.1, 55. RE 1302.1, 55. RE 1304.91, 55. RE 1304.92, 55. RE 1304.93.

(Committee 8, 2nd meeting)."

Proposals not approved by the Committees concerned

20. 26.1, 20. 26.2, 20. 29.1, 40. 5.1, 40. 6.1, 40. 10.2

The meeting rose at 10 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

L Chouiter  
Assistant

Article 7

Charges

Amendment of paragraphs 2 and 3:

**2 The charges collected, including those laid down for guideline purposes in the Acts, shall be at least equal to those collected on international service items presenting the same characteristics (category, quantity, handling time, etc).**

**3 Postal administrations shall be authorized to exceed any charges appearing in the Convention and the Agreements, including those laid down for guideline purposes:**

- 3.1 if the charges they collect for the same services in their internal service are higher than the ones laid down;**
- 3.2 if this is necessary to cover the costs of operating their services or on any other reasonable grounds.**

**Resolution**

**UPU action for the least developed countries (LDCs)**

Congress,

In view of  
(no change)

Considering  
(no change)

Recalling  
(no change)

Recognizing  
(no change)

Bearing in mind  
(no change)

*Invites*

**the least developed countries to:**

- /.../ marshal all the human, financial and material resources available on the spot and obtain the greatest possible benefit from the assistance provided to them in the postal sector;
- **identify and reinforce activities calculated to increase their sources of revenue, such as philately and international accounting and develop new commercial strategies,**

**Also invites**

the Restricted Unions to increase assistance provided to LDCs,

*Instructs*

**the bodies of the Union:**

- to take the **necessary** measures ... (remainder unchanged);
- (no change);
- (no change);
- **to help the LDCs to increase their ability to obtain additional revenue from activities such as philately, international accounting and the new services,**

***Also instructs***

the Director-General of the International Bureau:

- (no change);
- to propose to the **bodies of the UPU** a programme of activities based on the priority sectors and specific needs of the countries concerned, **in particular in the areas in which growth of sources of revenue is possible.**

## **Resolution**

### **Action plan to energize the postal financial services**

Congress,

In view of  
the Seoul expanded debate held by Congress Committee 8 on 2 September 1994 on the subject "Future of the postal financial services",

Considering

- the overriding importance of extending the postal financial services so as to achieve better coverage and universality of the world network of international postal payments systems;
- the need to safeguard and improve the quality of the postal financial services;
- the development of telematic applications for transferring postal financial services funds and the use of computerized systems as an essential condition for operationally effective services;
- the magnitude of the revenue expected from postal financial exchanges and the need to develop customer loyalty at both the national and the international level;
- that, if they are to remain competitive, the services must quickly adapt to the changing environment and more particularly to developments on the international financial payments market,

Noting

the absence of international postal financial services in many UPU member countries,

Deeming

this situation unsatisfactory for the pursuit of efficient financial exchanges between partners on the different continents,

Deeming

on the one hand that existing regulations are ill-suited to the economic rules in force and, on the other, that they do not allow the flexibility required in the field of production,

Aware

of the fact that by itself, a development policy is not sufficient to ensure the establishment of reliable, modern and economically viable financial services,

Taking account

of the value of a common commitment founded on recognized principles of action,

*Approves*

the attached Action Plan to energize the postal financial services (PFSAP),

*Urges*

postal administrations to develop their postal financial exchanges by drawing on the objectives of the PFSAP, particularly with a view to the worldwide extension of the postal financial services,

*Invites*

the Restricted Unions to take extensive account of the PFSAP in their regional programmes and to define priorities at their level,

*Instructs*

the Postal Operations Council:

i to take measures to:

- urge the member countries of the Union to create services that, in the first instance, will permit the transfer of funds;
- facilitate the modernization of such transfers;
- promote flexibility in exchanges;
- simplify reciprocal payment methods;
- foster technical exchanges in the area of postal financial services;
- ensure appropriate promotion of the services;

ii to adapt existing regulations to those measures;

iii to ensure that application of the PFSAP is monitored;

iv to report to the next Congress on the execution of the PFSAP,

*Instructs*

the International Bureau to monitor these activities and, where appropriate, to propose adjustments to this Action Plan to the Postal Operations Council.

## /.../ Action Plan to energize the postal financial services (PFSAP)

Objectives	Projects/Actions/Activities	Responsibility <sup>1</sup>
<b>Strategy</b>	<b>A.</b> Develop postal financial exchanges by establishing a universal, progressive and operational network of postal financial payments systems (services) at international level	
<b>A 1</b> Extension worldwide of the postal financial services; universality of postal financial payments systems	<p><b>A 1.1</b> <i>Increase the number of countries actively participating in the postal financial services in order to expand the coverage of services worldwide</i></p> <p><b>A 1.1.1</b> Urge the Union member countries and States, as appropriate, to establish postal financial services primarily for the transfer of funds in the international service.</p> <p><b>A 1.1.2</b> Give priority to the establishment of postal financial services within those administrations that do not at present offer services in this area.</p> <p><b>A 1.2</b> <i>Simplify the current regulations and the conditions governing execution of the services to encourage many administrations to participate in and to join international postal financial payment systems</i></p> <p><b>A 1.2.1</b> Recast the Postal Financial Services Acts with a view to simplifying the conditions governing execution of the postal financial services and making them more flexible.</p> <p><b>A 1.3</b> <i>Support accession to the postal financial services on the basis of the UPU Agreements in force</i></p> <p><b>A 1.3.1</b> Consider measures for encouraging those administrations that provide services on the basis of bilateral agreements to subscribe to the UPU Agreements in force.</p> <p><b>A 1.3.2</b> Identify the reasons preventing administrations from subscribing to the UPU's universal Postal Financial Services Agreements and taking measures to adapt to the conditions of universal service on the basis of those UPU Agreements.</p>	<p>POC, RU</p> <p>Adm, RU</p> <p>POC, RU</p> <p>POC, RU</p> <p>Adm, POC, RU</p>
<b>A 2</b> Develop and improve traditional and computerized postal financial services	<p><b>A 2.1</b> <i>Develop and optimize the internal organization of postal financial institutions so as to achieve an even more effective postal financial services network for long-distance and direct-contact payments</i></p> <p><b>A 2.1.1</b> Increase the number of post offices providing postal financial services in all rural regions and zones, taking the cost/benefit ratio into account.</p> <p><b>A 2.1.2</b> Computerize post offices and procedures for internal processing of instruments at the counters, using the most efficient exchange methods and procedures</p>	<p>Adm</p> <p>Adm, POC</p>

<sup>1</sup> This column indicates the entities responsible for the actions. The following abbreviations have been used:

Adm = Administrations  
 IB = International Bureau  
 POC = Postal Operations Council  
 RU = Restricted Unions

Objectives	Projects/Actions/Activities	Responsibility
	<p><i>A 2.2 Improve the money orders service</i></p> <p>A 2.2.1 Improve money order transmission times.</p> <p>A 2.2.2 Improve the security of the service and reduce inquiry response time.</p> <p>A 2.2.3 Urge countries with no inward money order service to serve as intermediaries by issuing cheques payable to the beneficiaries.</p> <p>A 2.2.4 Assign a group of experts to study measures for improving the international money orders service.</p>	<p>Adm, POC</p> <p>Adm, POC</p> <p>Adm, POC</p> <p>POC</p> <p>POC</p>
	<p><i>A 2.3 Improve the giro service</i></p> <p>A 2.3.1 Expand the issue of withdrawal cards and equip post offices with terminals and cash dispensers</p> <p>A 2.3.2 Increase the number of countries agreeing to pay postcheques in post offices.</p> <p>A 2.3.3 Assign a group of experts to study measures for improving the giro service.</p> <p><i>A 2.4 Simplify the methods of exchanging money orders and giro cheques as well as cashing and payment procedures</i></p> <p>A 2.4.1 Conduct a study aimed at simplifying operating methods, cashing and payment procedures and methods for exchanging international money orders and giro cheques.</p> <p><i>A 2.5 Simplify reciprocal methods of account billing and settlement</i></p> <p>A 2.5.1 Promote the use of the liaison giro account.</p> <p>A 2.5.2 Introduce the use of computers for issuing and verifying account statements, establishing and electronically transmitting monthly accounts and summary lists for money orders.</p>	<p>Adm, POC</p> <p>Adm, POC</p> <p>POC</p> <p>POC</p> <p>Adm, POC</p> <p>Adm, POC</p>
<p><b>A 3</b> Establish the future configuration of the universal computerized network for electronic transmission of funds by the postal financial services</p>	<p><i>A 3.1 Develop telematic applications for the transfer of postal financial services funds</i></p> <p>A 3.1.1 Promote the introduction, expansion and development of the electronic transfer system for postal financial funds worldwide in order to create a computerized international payments network with EUROGIRO as its linchpin.</p> <p>A 3.1.2 Evaluate the criteria for participation of postal financial institutions in the EUROGIRO system as well as costs and installation and participation charges and fees in relation to benefits.</p> <p>A 3.1.3 Encourage postal financial services capable of offering a transfer service to join the EUROGIRO system as users.</p> <p>A 3.1.4 Promote cashing of money orders and international exchange of money orders through the EUROGIRO network.</p> <p>A 3.1.5 Promote the implementation of a new concept of computerized payment network that would provide an inexpensive electronic system for transfer of instruments to postal financial institutions with a low volume of transactions and/or that do not have a data processing system.</p>	<p>Adm, POC</p> <p>Adm, POC</p> <p>POC</p> <p>Adm</p> <p>Adm, POC</p>
<p><b>A 4</b> Implement programmes for quality control of the postal financial services</p>	<p><i>A 4.1 Provide computerized control of the quality of transactions</i></p> <p>A 4.1.1 Support the introduction of the means of ensuring computerized control of on-line postal financial operations from the post offices and make advantageous use of the EUROGIRO system.</p> <p>A 4.1.2 Consider measures for establishing permanent quality control of postal financial services operations and in due course conduct studies for improving it.</p>	<p>Adm, POC</p> <p>Adm, POC</p>

Objectives	Projects/Actions/Activities	Responsibility
<b>A 5</b> Intensify co-ordination, cooperation and collaboration between UPU member countries, postal financial institutions	<p>A 5.1 <i>Continue the partnership in respect of conventional services on the basis of bilateral and multilateral agreements relating to postal financial services</i></p> <p>A 5.1.1 Develop the exchange of information with administrations that provide these services on a bilateral (multilateral) basis only.</p>	POC
	<p>A 5.2 <i>Support contacts and cooperation between countries wishing to develop new postal financial services systems</i></p> <p>A 5.2.1 Encourage technical exchanges in the postal financial services field.</p> <p>A 5.2.2 Establish permanent technical assistance cooperation programmes focussing on the establishment of postal financial services centres and the introduction of the money orders and giro services.</p>	Adm, POC, RU POC, RU
<b>Strategy</b> <b>B.</b> Adapt the postal financial services to market developments, customer needs, technological developments and means of communication in order to make them more profitable and competitive at international level		
<b>B 1</b> Work out a better definition of the postal financial services market	<p>B 1.1 <i>Achieve a better knowledge of the postal financial services market</i></p> <p>B 1.1.1 Conduct studies to define:</p> <ul style="list-style-type: none"> <li>– market structures and products to be developed;</li> <li>– customer groups, user requirements and degree of satisfaction;</li> <li>– competition: methods and market shares;</li> <li>– service trends and development potential.</li> </ul> <p>B 1.1.2 Introduce customer relations programmes.</p>	Adm, RU, POC  Adm
<b>B 2</b> Adapt the postal financial services to changing customer needs	<p>B 2.1 <i>Expand and standardize the range of postal financial services/products at national and international level</i></p> <p>B 2.1.1 Take measures to ensure that the range of postal financial services/products is expanded in all countries to allow long-distance and direct-contact payments and to encourage the introduction of basic services to enhance the universal nature of the services available to customers.</p> <p>B 2.1.2 Develop postal financial services in response to specific customer needs, such as deposit of salaries, automatic debit transfers, automatic transactions by means of withdrawal cards at cash dispensers, savings bank book, automatic deposit of dividends, indemnities, etc.</p> <p>B 2.1.3 Ensure adequate promotion of traditional services and new postal financial payment products by implementing commercial marketing policies and using new technologies and procedures.</p> <p>B 2.1.4 Urge administrations to take all necessary measures to adapt the postal financial services to commercial and technical developments.</p> <p>B 2.2 <i>Facilitate inter-administration relations by adopting more flexible conditions for executing the services</i></p> <p>B 2.2.1 Amend the provisions in effect within the framework of the study on recasting the Postal Financial Services Acts</p> <p>B 2.2.2 Adopt practical measures at bilateral level.</p> <p>B 2.3 <i>Apply provisions between administrations calling for equitable, cost-related remuneration/compensation</i></p>	Adm, RU, POC  Adm, POC  Adm, RU, POC POC  POC  Adm Adm, POC

Objectives	Projects/Actions/Activities	Responsibility
<b>B 3</b> Ensure adequate management independence for postal financial services (postal financial institutions)	<i>B 3.1 Ensure that long-term corporate plans and policies have been worked out in respect of the development of the postal financial services</i> B 3.1.1 Prepare and implement plans setting out clearly-defined actions, complete with objectives, costs and quantified time frames to allow investments to be sought.	Adm
<b>B 4</b> Increase the role of the UPU in adapting the postal financial services to a new world	<i>B 4.1 Ensure implementation of the PFSAP in consideration of the authority granted and the means available</i> B 4.1.1 Allocate responsibilities and PFSAP operational and monitoring procedures between the permanent bodies of the UPU B 4.1.2 Define practical measures and studies relating to implementation of the PFSAP B 4.1.3 Consult administrations about monitoring the execution of the PFSAP B 4.1.4 Manage the financial resources allocated to PFSAP implementing and monitoring activities	POC, IB POC, IB POC

**Eleventh meeting**

Friday, 9 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 7.30 am.

All the members of the Committee were present.

Approval of the  
report of the  
previous meeting

The report of the tenth meeting was approved.

Proposals adopted  
without  
amendment

15. 102.1 (as amended by proposal 15. 102.12), 15. 106.91/Rev 1, 15. 107.2/Rev 1, 15. 113.3, 15. 115.1, 20. 0.21, 20. 0.22, 20. 57.4, 30. 41.4, 40. 13.4, 50. 17.4, 60. 9.3

Proposals adopted  
with amendments

03: adopted with the following changes:

**"Congress**

**"Instructs**

**the Postal Operations Council to** include in the 1995–1999 study programme a sub-study entitled 'Delivery of EMS items by private enterprises' with a view to:

- i preparing a draft framework agreement between postal administrations and private companies providing delivery of EMS items;
- ii developing an operational guide to delivery of EMS items by private enterprises /.../."

04: adopted with the following changes:

- in the first preambular paragraph, replace "Consultative Council for Postal Studies" by "**Postal Operations Council**";

- in the second preambular paragraph, replace "In view of" by "**Also in view of**";
- in the second line of the fourth preambular paragraph: (the French amendment does not affect the English);
- the first line of the last operative paragraph, supplemented as follows: "to leave it to that Council, **within the framework of the Strategic Plan**, to:

011: in the last operative paragraph, replace "the Executive Council" by "**the Council of Administration**" and delete "**if appropriate**".

021/Rev 1: amend the operative paragraph as follows:

*"Instructs*

the Council of Administration, in collaboration with the International Bureau:

- to undertake a study on the translation and typing services' working methods and procedures used both within the International Bureau and by the language groups, **as well as on the preparation and distribution of documents**, with a view to determining the effect these procedures have on the efficiency of the management of the Union's work, and to make recommendations for **appropriate** improvements, to be implemented as quickly as possible;
- **to include in its study the costs of translating documents into the official language.**"

032: insert the following operative paragraph after the last preambular paragraph:

*"Urges*

**postal authorities to reserve a percentage of their wage bill or operational revenue for training,**".

036: adopted with the following changes:

- amend the second preambular paragraph as follows:

"Having considered the **joint** Executive Council and **Consultative Council for Postal Studies** report on the activities of the Postal Development Action Group (PDAG) (Congress – Doc 56),"

- amend the last operative paragraph as follows:

*"Decides*

to adopt the Postal Development Action Group work plan for 1995–1999 **annexed hereto.**"

041/Rev 2: adopted with the following changes:

- the third preambular paragraph as follows:

"Recognizing

- a that the Committee is a coordination **body** within the Union, made up of the Chairman of the **Council of Administration**, the Chairman of the **Postal Operations Council** and the **Director-General of the International Bureau**;
  - b that the Committee is convened by the Chairman of the **Council of Administration** and (remainder unchanged)";
- in the third line of subparagraph ii of the last operative paragraph, delete "(proposal 022)".

042: amend the operative paragraph as follows:

"Invites

the Council of Administration, in consultation with the Postal Operations Council and the International Bureau, to consider the usefulness of holding a high-level meeting, **in principle** in the third year following the Congress, attended by high-level /.../ officials."

045: supplement the end of the operative paragraph with "of any proposal, **as well as an analysis of the experiences of other international organizations with similar initiatives**".

048: adopted with the following changes:

- in the second line of subparagraph a of the second operative paragraph: (the French amendment does not affect the English);
- in the first line of subparagraph d of the second operative paragraph, replace "figures" by "**results**";
- at the end of the fourth line of subparagraph d of the second operative paragraph, replace "to reallocate funds and resources where necessary" by "**with regard to the amount and allocation of expenditure and to sources of financing within the framework of their respective powers**";

15. 102.2: as amended by proposal 15. 102.10: replace "Executive Council" by "**Council of Administration**" in the first sentence of paragraph 10.

15. 124.1: in the first line of paragraph 8bis, replace "Executive Council" by "**Council of Administration**";

15. 124.2: in the second line of paragraph 8ter, replace "Executive Council" by "**Council of Administration**" and add at the end of paragraph 8ter "**within an agreed period of five years at most**".

20. 0.20: in the third line of the second preambular paragraph: (the French amendment does not affect the English).

Resolutions and  
decisions adopted  
by Committees

**"Resolution**

**Consignment service**

Congress,

Having  
introduced into the Postal Parcels Agreement the basic provisions concerning  
the Consignment service,

Aware  
that administrations wishing to perform this service need more detailed provi-  
sions,

Considering  
that this service could later be offered for the conveyance of letter-post items,

*Instructs*

the Postal Operations Council:

- i to prepare the provisions that postal administrations need to perform the  
Consignment service;
- ii to study the question of extending this service to the conveyance of letter-  
post items and, if applicable, to submit appropriate proposals to the next  
Congress.

(Proposal 30. 13.91/Rev 2, Committee 5, 3rd meeting)"

Comments of  
Committee 10

The Committee was called on to collect the views of the Secretaries of Commit-  
tees 3 and 5 about the best French translation of the new term "Consignment"  
in the pertinent resolution adopted by Committee 5. The provisions of propo-  
sal 30. 13.91/Rev 2, which had been deferred, also had to be brought into line  
with the content of the resolution. The revised text of proposal 30. 13.91/Rev 2  
is given in annex 1.

Resolutions and  
decisions adopted  
by the  
Committees  
(cont)

**"Decision**

**Study on the language system of the Union**

Congress

*Instructs*

the Council of Administration:

- i to conduct a comprehensive study of the language system of the Union to  
seek a global solution acceptable to everybody, with special reference to

- proposals 15. 106.94 and 15. 106.95 as well as other languages, in particular German, Chinese and Russian, basing itself on the systems used in other United Nations specialized agencies;
- ii to likewise analyze the definition of the concepts of official language and working language and the connections between these two concepts;
  - iii to study all the consequences, in particular the financial ones, of the possible introduction of other working languages;
  - iv to submit the relevant proposals to the next Congress.

(Proposals 15. 106.94 and 15. 106.95, Committee 3, 7th meeting)"

### **"Resolution**

#### **Information management as a UPU strategic activity**

Congress,

Having taken note of the Secretary-General's report on information management as a UPU strategic activity (Congress – Doc 71),

#### *Decides*

- to recognize information management, and more specifically computerized information management, as a strategic activity of the UPU;
- to take note of the progress made in establishing the data base for the benefit of postal administrations and of the International Bureau.

(Committee 3, 8th meeting)"

Proposals not approved by the Committees concerned

06, 08, 019, 033, 047, 15. 102.9, 15. 124.4, 20. 57.3, 30. 41.3, 40. 13.3, 50. 17.3

The meeting rose at 9.50 am.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

M Libera  
Assistant

Article 13bis

"Consignment" service

Revised wording of article 13bis:

1 Administrations may agree among themselves to take part in an optional "Consignment" service for collective items from one consignor sent abroad.

2 Wherever possible, this service shall be identified by a logo consisting of the following components:

- = the word CONSIGNMENT in blue;
- = three horizontal bands (one red, one blue and one green).



3 The details of this service shall be laid down bilaterally between the administration of origin and the administration of destination on the basis of provisions defined by the Postal Operations Council.

**Twelfth meeting**

Friday, 9 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 5 pm.

Nine members of the Committee were present.

Approval of the  
report of the pre-  
vious meeting

The report of the eleventh meeting was approved.

Consideration of  
proposals

Proposals adopted  
without  
amendment

20. 0.18

Proposals adopted  
with amendments

20. 0.9/Rev 1: in the first line of the operative paragraph, replace "and" after the word "account" by a "comma" and, in the second line, delete the comma after "it".

20. 5.1/Rev 1: at the end of paragraph 1, delete "of the Convention".

20. 0.8/Rev 1: in the first line of the operative paragraph, replace "the competent body of the UPU" by "**the Postal Operations Council**".

20. 29.3: delete from the title "Return to country of origin or to sender". Replace paragraphs 2 and 3 by the following new paragraph 2: "**The return of undeliverable items as well as their period of retention are governed by the Detailed Regulations.**"

20. 41.3: amendment to French version cannot be made to the English version without ambiguity.

25. RE 0.1: delete the word "sent" in the second preambular paragraph.

25. RE 0.4: adopted with the following changes:

- insert the following first operative paragraph:

**"Instructs**

**the Postal Operations Council:**

- **to conduct a study to further simplify letter-post and parcel-post accounting procedures;**
- **to consider the possibility of facilitating international settlements by using the most efficient means at the International Bureau and in all the postal administrations concerned,";**
- the second preambular paragraph begins "**Also** instructs";
- after the first dash, replace "the competent body" by "**the Postal Operations Council**";
- the change to the second dash in the French version does not affect the English.

Congress – Doc 19/Annex 12: (annex 1), replacing "Executive Council" by "**Council of Administration**" in paragraphs 2bis and 5.

Resolutions and  
decisions adopted

**"Resolution**

**"Proposals relating to the Detailed Regulations of the Convention referred to the POC for consideration**

"Congress,

"By virtue of  
article 15, paragraphs 2, 3 and 10, of the Rules of Procedure of Congresses,

*"Instructs*

"the Postal Operations Council to consider the following proposals concerning the Detailed Regulations of the Convention (see annex 2 hereto).

"(Committee 4, 10th meeting; Committee 5, 3rd meeting; Committee 6, 3rd meeting)"

**"Decision**

**"Financing Union activities**

"Congress

*"Expresses*

"its agreement with the broad policy lines on financing of Union activities, indicated in part III of Congress – Doc 19, bearing in mind proposal 022.

"(Congress – Doc 19, Committee 2, 3rd meeting)"

**"Decision**

**"Proposals referred to the CA and the POC**

"Congress

*"Instructs*

"the Council of Administration, in conjunction with the Postal Operations Council and the International Bureau, to consider the following proposals:

- establish a Working Party made up of a number of member countries and the International Bureau to make an in-depth study of extra-budgetary financing of Union activities;
- consult all member countries about extra-budgetary financing of the Union's reinforcement activities so that their views can be taken into account in a study conducted by the above-mentioned Working Party;
- base the study on the principles contained in Congress – Doc 19 and also consider the possibility of defining new means of extra-budgetary financing;
- consider and take account of the practices of the other specialized agencies in the United Nations common system for dealing with financial constraints,

*"Also instructs*

"the Council of Administration and the Postal Operations Council to study the possibility of extra-budgetary financing of Union activities, case by case, on the basis of the Union's current practice and the results of the above-mentioned study by the Working Party.

"(Congress – Doc 19, Committee 2, 3rd meeting)"

**"Decision**

**"Billing date for contributions**

"Congress

*"Authorizes*

"the International Bureau to submit, in June of each year, the bill for the contribution based on the budget of the preceding financial year taking into account the inflation rate set by the Consultative Committee on Administrative Questions of the United Nations common system, it being understood that the bill could be adjusted at the conclusion of the autumn Council of Administration.

"(Congress – Doc 19, Committee 2, 3rd meeting)"

**"Resolution**

**"Financing of the priority activities of the Union**

"Congress,

"Concerned  
at the level of the Union's Voluntary Fund for the 1996–2000 financial period,

"Considering it necessary  
to urgently reinforce the sources of funding for priority Union activities,

"Considering  
the urgent appeals made by the Executive Council and the International Bureau to all Union member countries during the period from 1992 to 1994, asking them to make a voluntary contribution in addition to their contribution to the regular budget of the Union,

"Taking due account  
of a decision by the Executive Council (CE 7/1994) instructing the International Bureau to prepare a draft Congress resolution along these lines,

*"Invites*

"all Union member countries to make extra-budgetary contributions for financing the priority activities of the Union,

*"Instructs*

"the Council of Administration, the Postal Operations Council and the International Bureau to take appropriate measures, each within its own sphere of responsibility, for the maintenance of an extra-budgetary fund.

"(Congress – Doc 19, Committee 2, 3rd meeting)"

**"Decision**

**"Election of the Director-General and Deputy Director-General of the International Bureau of the Universal Postal Union**

"Congress,

"In view of  
article 108, paragraph 1, of the General Regulations,

*"Elects*

- to the post of Director-General of the International Bureau Mr Thomas E Leavey (United States of America), Senior Director of International Postal Affairs of the United States Postal Service (USPS);

- to the post of Deputy Director-General of the International Bureau Mr Moussibahou Mazou (Congo (Rep)), Assistant Director-General at the International Bureau.

"This decision takes effect on 1 January 1995.

"(Congress – Doc 40, 12th plenary meeting)"

Proposal not  
approved by the  
Committee  
concerned

20. 29.2

The meeting rose at 6.30 pm.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

L Chouiter  
Assistant

**Amendments to General Regulations, article 124, paragraphs 1, 2, 2bis and 5**

General Regulations

Article 124

Fixing and regulation of the expenditure of the Union

1 Subject to the provisions of paragraphs 2 to 6, the annual expenditure relating to the activities of bodies of the Union may not exceed the following sums for 1996 and subsequent years:

35 278 600 Swiss francs for 1996;

35 126 900 Swiss francs for 1997;

35 242 900 Swiss francs for 1998;

35 451 300 Swiss francs for 1999;

35 640 700 Swiss francs for 2000.

The basic limit for 2000 shall also apply to the following years in case the Congress scheduled for 1999 is postponed.

2 The expenditure relating to the convening of the next Congress (travelling expenses of the secretariat, transport charges, cost of installing simultaneous interpretation equipment, cost of producing documents during the Congress, etc) shall not exceed the limit of 3 599 300 Swiss francs.

2bis The **Council of Administration** shall be authorized to exceed the limits laid down in paragraph 1 to take account of the new edition of the International List of Post Offices. The total amount of the overstepping authorized for this purpose shall not exceed 900 000 Swiss francs.

5 Notwithstanding paragraph 1, the **Council of Administration**, or in case of extreme urgency the Director-General, may authorize the prescribed limits to be exceeded to meet the cost of major and unforeseen repairs to the International Bureau building, provided however that the amount of the increase does not exceed 125 000 Swiss francs per annum.

The other paragraphs of article 124 of the General Regulations remain unchanged.

**Reasons.** – The amounts of annual Union expenditure decided on by the Seoul Congress for the next financial period (1996–2000) will have to be inserted.

Regarding the International List of Post Offices, the Lausanne Congress in 1974 had inserted a similar text in article 122, paragraph 4, of the General Regulations of that Congress. Also, insertion of such a paragraph is in keeping with the conclusion of Seoul Congress – Doc 79.

Concerning paragraph 5, due to the fact that the International Bureau building is getting older, the sum of 65 000 Sfr fixed by the Lausanne Congress in 1974 should be adjusted in line with the increase in the cost of living in Switzerland since that year.

**Proposals on the Detailed Regulations of the Convention referred to the POC for consideration**

25. RE 101.1	25. RE 3101.9	25. RE 4118.3	25. RE 5003.91
25. RE 901.1	25. RE 3101.10	25. RE 4119.1	25. RE 5006.1
25. RE 902.1	25. RE 3101.11	25. RE 4119.2	25. RE 5006.2
25. RE 903.1	25. RE 3102.1	25. RE 4119.3	25. RE 5006.3
25. RE 903.2/Rev 1	25. RE 3102.2	25. RE 4119.4	25. RE 5007.1
25. RE 903.3	25. RE 3201.1	25. RE 4120.1	25. RE 5008.1
25. RE 903.4	25. RE 3601.1	25. RE 4121.1	25. RE 5008.2
25. RE 904.1	25. RE 3601.2	25. RE 4121.2	25. RE 5009.1
25. RE 904.2	25. RE 3801.1	25. RE 4122.1	25. RE 5009.2
25. RE 904.3	25. RE 3801.4	25. RE 4122.2	25. RE 5201.3
25. RE 904.5	25. RE 3801.5	25. RE 4122.3	25. RE 5202.1
25. RE 904.6	25. RE 3802.1	25. RE 4124.1	25. RE 5202.2
25. RE 905.1	25. RE 3802.2	25. RE 4126.1	25. RE 5204.1
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(Committee 4, 10th meeting; Committee 5, 3rd meeting; Committee 6, 3rd meeting)

**Thirteenth meeting**

Tuesday, 13 September 1994

In the chair: Mr H Demaret, Chairman

The meeting was opened at 5 pm.

All the members of the Committee were present except the delegates of Benin, Central African Rep and Togo.

Approval of the report of the previous meeting

The report of the twelfth meeting was approved.

Decisions of plenary meetings adopted without amendment

**"Decision**

**"Venue of the 22nd Universal Postal Congress**

"Congress

*"Decides*

"to accept the invitation from the Government of the People's Republic of China to hold the 22nd Congress in that country in 1999.

"(Congress – Doc 80, 13th plenary meeting)"

**"Decision**

**"Principle of zero real growth in budget matters"**

(See annex 1.)

Resolution finalization of which was left to the International Bureau

Congress – Doc 87 (Seoul Postal Strategy): owing to lack of time, any finalizing of the resolution on the Seoul Postal Strategy was left to the International Bureau.

Proposals concerning the Detailed Regulations considered by Congress

Draft resolution C 94 (see annex 2) contains all the proposals on the Detailed Regulations dealt with by Committee 10 during its previous meetings to be sent to the POC for inclusion in the Detailed Regulations concerned, in accordance with the Rules of Procedure of Congresses, article 15.

Other business

For the sake of harmonizing the wording of the French version, proposal 20. 35.2 was revised and in line 2 of paragraphs 2.1.1 and 2.1.2, the term "de l'objet" was replaced by "de l'**envoi**".

The Chairman thanked all the Committee members and the Secretariat for all their efforts in bringing the work assigned to Committee 10 to a successful conclusion.

Approval of the report

The report on the thirteenth meeting was approved during the meeting.

The meeting rose at 5.30 pm.

For the Committee:

H Demaret  
Chairman

R Tallon  
Secretary

A Johnsen  
Assistant Secretary

M Libera  
Assistant

## **Resolution**

### **Principle of "zero real growth" in budget matters**

Congress,

Noting  
that adherence to the principle of "zero real growth" in the Union's budget has helped maintain strong budgetary discipline and has limited the financial burden on member countries of financing the budget through their unit contribution,

Aware  
that there is now a desire among member countries to undertake new postal development activities within the UPU,

*Accepts*

a degree of flexibility in the establishment of the ceilings which have been approved by Congress,

*Requests*

the Council of Administration to continue the existing practice of adhering to zero real growth principles in the budget whenever possible,

*Urges*

the Council of Administration and the Postal Operations Council to explore new avenues for financing the diversification and development of the Union's activities.

(Congress – Doc 83/Annex 3, 15th plenary meeting)

## **Resolution C 94**

### **Referral to the POC of proposals concerning the Detailed Regulations considered by Congress**

Congress,

By virtue of  
article 15, paragraph 10, of the Rules of Procedure of Congresses,

#### *Instructs*

the Postal Operations Council to incorporate in the appropriate Detailed Regulations the proposals considered by Congress, the approved texts of which are as follows:

#### *Detailed Regulations of the Convention*

25. RE 601.1, 25. RE 601.2, 25. RE 904.7, 25. RE 4128.2: adopted without amendment.

25. RE 4708.91: in paragraph 1.1.2, "Executive Council" is replaced by "**Postal Operations Council**".

25. RE 5201.1/Rev 1, 25. RE 5801.2: adopted without amendment.

#### *Detailed Regulations of the Postal Parcels Agreement*

35. RE 201.1: paragraph 1, line 3 (amendment applicable to the French version only).

35. RE 301.1, 35. RE 401.1, 35. RE 3103.1, 35. RE 3401.1: adopted without amendment.

35. RE 3401.2: paragraph 2, line 1, read "by the **postal** services".

35. RE 3601.1, 35. RE 3603.1, 35. RE 3701.1, 35. RE 3801.1, 35. RE 4201.2: adopted without amendment.

#### *Detailed Regulations of the Money Orders Agreement*

45. RE 1303.2: adopted without amendment.

#### *Detailed Regulations of the Giro Agreement*

55. RE 1702.2: adopted without amendment.

#### *Detailed Regulations of the Cash-on-Delivery Agreement*

65. RE 903.2: adopted without amendment.

(Committee 10, 13th meeting)



## Alphabetical index

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## Alphabetical index

- Note.** – i In the following entries a dash replaces part of the common title, thus avoiding repetition thereof.  
 ii As this index is broken down by Act or category of Acts, the desired reference should be looked up under the provision of the Acts that gave rise to it. All references to the organization and functioning of the Union as well as questions of a general nature will be found in part I.

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