



FREQUENTLY ASKED QUESTIONS:

THIRD EXTRAORDINARY CONGRESS

WHAT IS AN EXTRAORDINARY CONGRESS?

The UPU may convene an Extraordinary Congress between regular quadrennial Congresses with the support of at least two-thirds of member countries. Member countries convened the first-ever Extraordinary Congress in 1900 to celebrate the 25th anniversary of the UPU in Berne, Switzerland. The second was convened in 2018, gathering member countries in Addis Ababa, Ethiopia, to discuss pressing topics related to the sustainability of the UPU and the postal sector.

WHY IS UPU HOLDING AN EXTRAORDINARY CONGRESS IN 2019?

The methodology for calculating remuneration rates for the delivery of inbound international letters and small packages is typically reviewed and improved during each quadrennial Congress. The next Congress is scheduled for August 2020 and the remuneration system decided there would come into effect in January 2022. Bearing in mind cost-coverage and market distortion concerns raised by several countries

during its October 2018 session – including the United States, which cited the remuneration of small packets as a driving factor in its intent to withdraw from the UPU treaties in October 2019 – the UPU Council of Administration decided to fast-track potential changes to the remuneration system. Member countries decided to hold an Extraordinary Congress in order to review and decide on proposed changes.

HOW DOES THE REMUNERATION SYSTEM WORK?

The UPU remuneration system for letters and small packets – also known as the “terminal dues” system – ensures that Posts are compensated for the cost of handling, transporting and delivering items across borders. This multilateral agreement facilitates the movement of postal items across borders, ensuring that anyone, anywhere within the UPU’s 192 countries can send and receive international post.

The current system was decided by the 2016 Congress and entered into force in January 2018. It places countries into tiered groups applying different rates based on postal development indexes, with the goal of moving all countries into a single rate system as the quality of postal networks improve. It also applies rates based on item format, setting a different rate structure for small and large letters versus bulky letters containing documents and small packets containing goods. This helps account for different operational requirements to process each type of item.



WHAT WILL THE EXTRAORDINARY CONGRESS DECIDE?

Member countries attending the Extraordinary Congress will decide between three proposals submitted by the UPU Council of Administration:

Option A

Continuation of the rate structure decided at the 2016 Congress, but bringing scheduled rate increases for bulky letters and small packets forward from 2021 to 2020 and moving all countries into a single rate system by 2020.

Option B

Introduce optional self-declared rates for bulky letters and small packets from 2020. The UPU would apply country-specific ceilings based on domestic tariffs to prevent excessively high rates.

Option C

Bring forward scheduled rate increases, at higher levels, and move all countries into a single rate system by 2020. This option proposes phasing in optional self-declared rates between 2021 and 2025 with country-specific ceilings based on domestic tariffs to prevent excessively high rates.

The Extraordinary Congress may also examine amendments to these proposals submitted by member countries.

HOW DOES THE DECISION-MAKING PROCESS WORK?

Half of member countries represented at Congress having the right to vote would need to be present and a simple majority of those (**50% + 1**) would need to vote in favour of a proposal to pass it.

EVENTS LEADING UP TO THE EXTRAORDINARY CONGRESS

September

Member countries attending the second UPU Extraordinary Congress adopt a plan for developing an Integrated Remuneration System to modernize and rationalize the UPU remuneration systems, which will be decided by the 2020 Congress

October

The UPU Council of Administration notes cost-coverage concerns related to the remuneration system raised by several member countries, including the United States, which cites remuneration rates for small packets as the main concern driving its intent to withdraw from the UPU effective October 2019.

The Council decides on a work plan to fast-track discussions on the UPU's remuneration system and agrees to submit proposals on amendments to the system to the April 2019 Council of Administration session.

2018

January & February

Expert teams composed of member country representatives collect inputs and narrow in on two potential options for adjustments to the system (Option A and Option B) and establish a group to work toward a third convergence proposal (Option C) ahead of the April 2019 Council of Administration.

April

The Council of Administration agrees to put forward all three proposals for a decision and instructs member countries to choose, by postal ballot, whether they will decide on the proposals by postal ballot or at an Extraordinary Congress.

2019

June

The UPU receives the required number of valid postal ballots to announce member countries' decision to hold a Third Extraordinary Congress.

September

Member countries gather for the Third Extraordinary Congress Geneva from 24 to 26 September.



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