

UPU CONFERENCE ON **POSTAL REGULATION**

OPENING OF THE UPU TO THE WIDER POSTAL SECTOR

ENGAGEMENT
IN THE UPU
DECISION-MAKING

ACCESS TO UPU PRODUCTS AND SERVICES





UPU CONFERENCE ON **POSTAL REGULATION**

OPENING REMARKS

MR MASAHIKO METOKI, DIRECTOR GENERAL OF THE UPU







THEME 1: WPSP ENGAGEMENT IN DECISION-MAKING



SCENE-SETTING PRESENTATION BY CO-CHAIRS OF THE TASK FORCE (ALGERIA AND UNITED STATES OF AMERICA)



Context

Congress Resolutions

C 11/2021 and C 12/2021 instructed the Union's bodies

To develop proposals aimed at "further reform and opening of the Union to wider postal sector players"

Examine proposals at the 2023 Extraordinary Congress

CA

Set up a task force to deliver this mandate (Algeria and United States as Co-Chairs)

Resolutions converted into specific deliverables grouped into three workstreams

Workstream 1

Institutional Framework

Workstream 2

Products and Services

Workstream 3

Reform as a continuum



Workstream 1 (Institutional Framework)

Consists of

studying the different models of institutional governance

Acknowledging the baseline of information and positions articulated in previous years

With a view to progressively identify a set of options that members can review, discuss, and decide upon

To achieve

a consensus-driven governance model that can be taken to the EC for the full membership to approve



Theme One: WPSP engagement in decision-making

Discussion Focus:

The appropriate future institutional framework of the UPU for greater engagement of WPSPs

Status quo:

The **Consultative Committee** represents the interest of the WPSPs

Consisting of non-
governmental
organizations and
private companies

Examines documents and reports of the CA and the POC and provides inputs

Structured by six thematic chapters:

Policy and regulations	Freight and transport
Customs and product security	Addressing and direct marketing
E-commerce	Postal financial services





THEME 1: WPSP ENGAGEMENT IN DECISION-MAKING

MODERATED BY **CO-CHAIRS OF THE TASK FORCE**(**ALGERIA** AND **UNITED STATES OF AMERICA**)





Walter Trezek

Chair of the UPU Consultative Committee



Universal Postal Union

Presentation by CC Chair



Rationale for the CC transformation

- UPU is deeply impacted by the rapid and deep transformation of the postal sector resulting from the dynamics of e-commerce and digitalization. New sector-players are becoming increasingly active in postal markets, building partnerships and alliances with designated operators and other postal and last-mile delivery networks and solutions.
- Digitalisation is transforming the global postal environment for all the stakeholders, and making opportunities in terms of value and job creation, diversification and innovation increasingly apparent.
- The main purpose of the CC is to represent the interests and views of wider postal sector players who are interested in supporting the UPU's mission and objectives.
- To fully serve this purpose, the CC should increasingly be considered as a vehicle which benefits the UPU, creating a win-win relationship with member countries.



Opening up the UPU to wider postal stakeholders

- For most of its 148-year history, the UPU's focus has been on representing designated postal operators, ministries and regulators.
- At its last Congress in Abidjan, the UPU decided to open its Consultative Committee up for membership to wider sector postal stakeholders including companies other than designated operators from 1 July 2022.
- Since July 2022, the CC has gained 13 new members (as of 30 September), and more are joining...
- Analysis on opening up is to be conducted and presented by the CA at an Extraordinary Congress in 2023.



Governing bodies of the UPU



Congress

Consists of all 192 member countries
Supreme authority of the UPU, meeting every four years

International Bureau (IB)

- · HQ: Berne, Switzerland
- 250 staff members

Council of Administration (CA)

Consists of 41 member countries
Supervises UPU activities and studies
regulatory, administrative and legal issues
Meets twice a year (April and October)

Postal Operations Council (POC)

Consists of 48 member countries

Discusses technical and operational matters

Meets twice a year (April and October)

For example Committees 1 to 4

For example Committees 1 to 4

Reports

Consultative Committee (CC)

Represents the interests of the wider postal sector and provides a framework for effective dialogue.

The official opinion of the private sector will be reported through the CC to the CA and POC via "rapporteurs".

Reports



CC members – role and benefits

The CC...

- is the only place to incorporate technologies, ideas and knowledge from wider stakeholders into the UPU's policies and regulations
- is the best place to access all postal players (operators, ministries, regulators)... CC Gold membership provides access to face-to-face meetings
- facilitates access to UPU products and services (for supply chain service providers, service providers to the postal sector), participation in development and revision of specifications and regulations



Enhanced Consultative Committee

Decision-marking transformation:

Better integrating the CC into the main discussions and decision-making processes of the UPU through new institutional arrangements. UPU bodies should, within a fixed timeframe, receive the formal opinions of the CC before taking decisions, such that these opinions can be duly considered, with due respect to the authority and competencies of the various other bodies of the Union.

Membership Transformation

NSAs (non-state actors) should be understood as entities different and independent from UPU member countries, of a private nature and/or not exercising a mandate and/or function under a governmental authority.

Internal organisation

The guiding principle shall be the overall scope of the UPU as the facilitator of a single global postal territory.



Thematic chapters complementing the new structure of the CC

1 Policy and regulations

Liaison with: CA C 2; POC C 1 Standards Board

2 Freight and transport

Liaison with: POC C 1 Transport Group (and subgroups for different transport modes)

3 Customs and postal security

Liaison with: POC C 1 Customs Group; POC C 1 Postal Security Group

4 Addressing and direct marketing

Liaison with: POC C 1 Addressing Group; POC C 3 Direct Marketing Advisory Board

5 E-commerce

Liaison with: CA C 3; POC C 2; POC C 3

6 Postal financial services

Liaison with: POC C 4



CC reporting structure and input

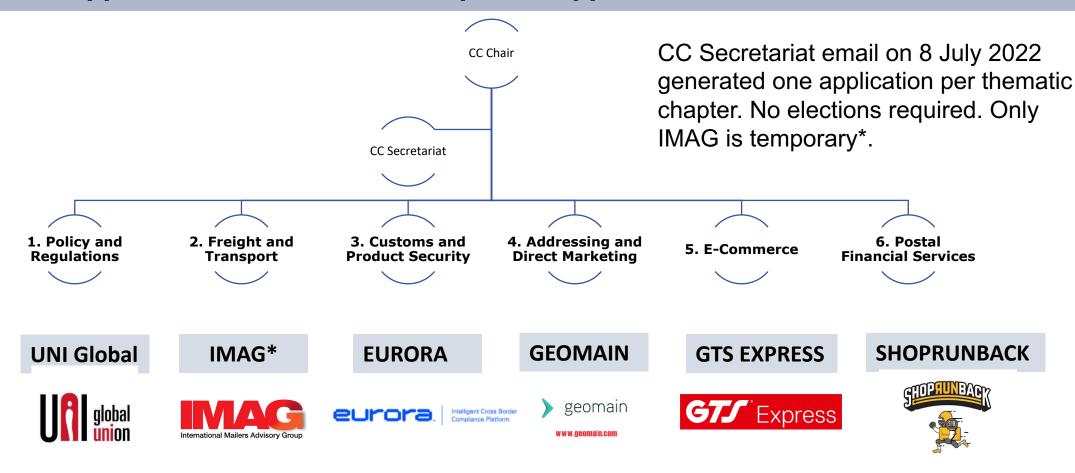
- ✓ The thematic chapters reflect the membership structure of the CC. Each thematic chapter will be represented by a rapporteur.
- ✓ The rapporteur shall be elected and appointed by the CC, and shall:
 - represent the thematic chapter;
 - present any opinion developed by the CC and input to the relevant committees and working groups of the CA and POC;
 - report to the CC and its members and propose appropriate responses to and positions on work proposals and working drafts.





Election of CC rapporteurs for the thematic chapters

Call for applications of Thematic Chapters Rapporteurs of the new structure of the CC





CC membership structure and annual fee for individual companies

Membership status and rights	Bronze 10,000 CHF	Silver 15,000 CHF	Gold 20,000 CHF	Comments
Attend CC GA meetings	\checkmark	\checkmark	\checkmark	Access to UPU events platform
Attend CA/POC plenary meetings (observer)	\checkmark	\checkmark	lacksquare	Validation by CC Chair mandatory
Access UPU docs, publications and databases (to be defined by the CA and POC)			lacksquare	Access with private code
Eligible for CC sub-rapporteur/sub-theme			lacksquare	CC nomination/CC election
Eligible for CC chapter rapporteur	\checkmark	\checkmark	lacksquare	CC nomination/CC election
Eligible to sponsor coffee breaks (UPU meetings)				Visibility opportunity with a stand
Eligible to sponsor POC/CA lunch receptions		\checkmark		Visibility opportunity with a stand
Eligible to sponsor POC/CA evening receptions				Visibility opportunity with a stand Standard price package per person
Eligible to sponsor Congress events and receptions				Visibility opportunity with a stand Standard price package per person
Eligible to sponsor external UPU events and receptions				Visibility opportunity with a stand e.g. Parcel+Post Expo, CEO forums or restricted union meetings



Thank you!

CC website

www.upu.int/en/Universal-Postal-Union/About-UPU/Bodies/Consultative-Committee

Follow the UPU on **Twitter Instagram LinkedIn Facebook**

E-mail: CC@upu.int



Jean-Paul Forceville

Chair of the UPU Postal Operations Council



Guzmán Acosta y Lara

Director Nacional de Telecomunicaciones y Servicios de Comunicación Audiovisual,

Ministerio de Industria, Energía y Minería, Uruguay



Mohamed Zaidi Abdul Karim

Head, Postal, Courier and E-Commerce Services Division, Malaysian Communications and Multimedia Commission



Questions and Answers





THEME 2: ACCESS TO UPU PRODUCTS AND SERVICES



SCENE-SETTING PRESENTATION BY CO-CHAIRS OF CA COMMITTEE 2

(CANADA AND EGYPT)



Workstream 2 (Products and Services)

Revolves around

reviewing the list of products and services of the UPU

And examining the terms under which WPSPs might access those UPU products and services targeted for opening up

Such access would be granted on the basis of demonstrated needs and consideration of relevant impact assessments

In a manner consistent with the general access policy and principles set out in Congress resolutions C 10/2016 and C 11/2021

To achieve

a balanced, forward-looking outcome with options for opening up certain UPU products and services to WPSPs for submission to the 2023 EC.



Theme Two: Access to UPU products and services

The focus of the discussions:

The market, regulatory and operational perspectives on access to UPU products and services

Opportunities and challenges

of granting access to WPSPs to UPU products and services

Impacts

on the postal sector including but not limited to universal service provision, interoperability, interconnection, pricing and service features of postal products

The demand

from WPSPs for access to UPU products and services

The modalities

of access such as possible models of access, terms and conditions of access





THEME 2: ACCESS TO UPU PRODUCTS AND SERVICES

MODERATED BY **CO-CHAIRS OF CA COMMITTEE 2**(**CANADA** AND **EGYPT**)





William Lee

A/g Director, Postal Policy, Post, International Telecommunications and ACMA Branch,

Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Australian Government

Opening Up of the UPU – A Government Perspective

UPU's Mission: Effective Technical Cooperation (and assistance)

- Form (citizen access v operational support. documents v goods)
- Scale (affordability, non-economic costs, payers)

Sovereignty and

Treaty

Interactions

Recipients (Member Country, Operators, Citizens?)

- UPU as a pre-eminent standards body
- Costs to designated operators, wider sector

UPU's Mission: Adoption of fair common standards

and the use of technology

Default – closed v open?

UPU Products and Services (and Standards) Member Country Obligations

Postal Social

Development

UPU's Mission: Countries shall form a single postal territory for the reciprocal exchange of postal items

- Universal Service Obligation (USO)
- Basic and supplementary services
- Equality of access
- Market access and transit rights

UPU's Mission: Cooperation and interaction among stakeholders

- Efficiency and financial sustainability
- Shared contributions
- Sovereignty over decisions
- UN best practice

OPENING UP OF THE UPU

Institutional Governance

Supply Chain Integration and the Citizen Experience Sustainable Development Goals (SDGs)

UPU's Mission: A single territory of interconnected networks.

- Member sovereignty
- Trade obligations GATS, FTAs, others
- ICAO, WCO, IMO treaty interactions
- Market distortions a two-tier marketplace

UPU's Mission: Satisfaction of customers changing needs

- Supply chain resilience, security and flexibility (VISC)
- Two Networks Problem UPU & Commercial
- Freedom of choice
- Citizen needs 1874 compared to tomorrow





Vincenzo Aurelio

Head of Relations with International Authorities and Organizations, Poste Italiane, S.p.A.

Conference on Postal Regulation

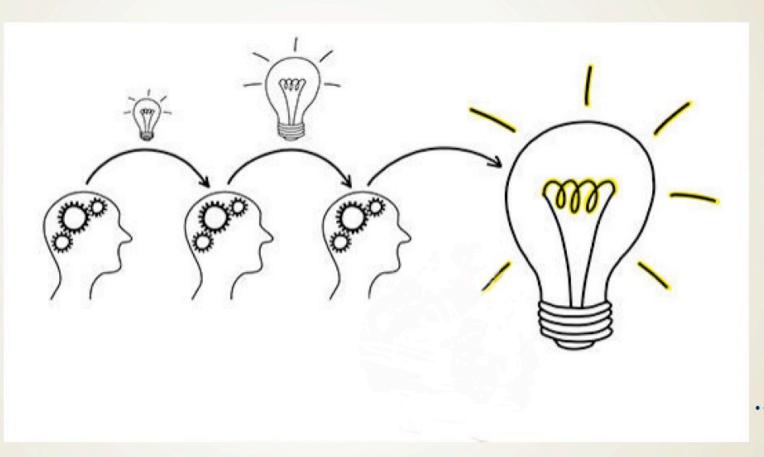
Opening of the UPU to the Wider Postal Sector: access to products and services

Vincenzo Aurelio – Chair of the POC task force contributing to the work of the CA
on opening up the UPU to wider postal sector players

Bern, 27 October 2022

Story line and achievments

Bejin 1999



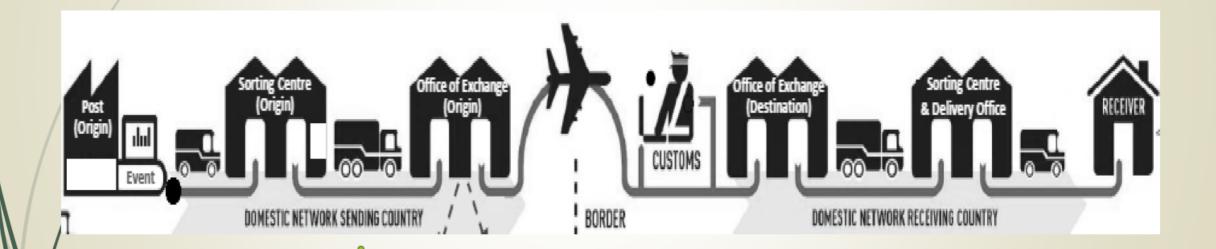
... 2023

UPU products and services



The international network

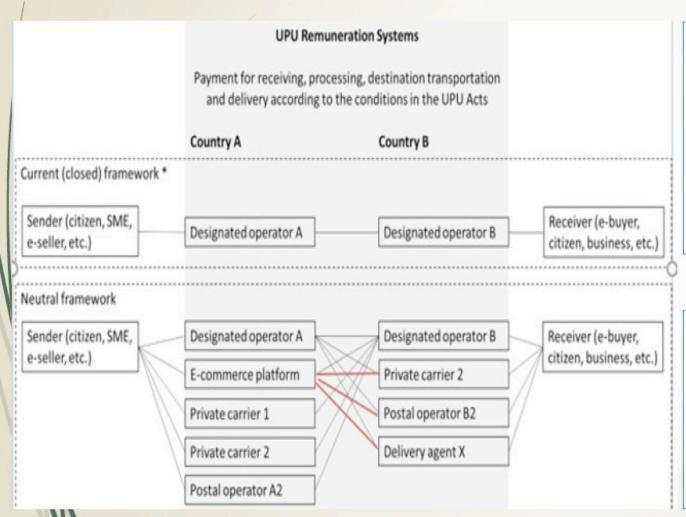






UPU Constitution - Art.1bis1.3: "Single postal territory (one and the same postal territory): the obligation upon the contracting parties to the UPU Acts to provide for the reciprocal exchange of postal items, including freedom of transit, and to treat postal items in transit from other countries like their own postal items, without discrimination, subject to the 34 conditions specified in the Acts of the Union".

The Remuneration system vs Competition in delivery area



- Urban Area
- High intensity
- Low distance cost



- Rural Area
- Low density
- High distance cost
- USO



Looking for win win

DOs

Social Role PROXIMITY

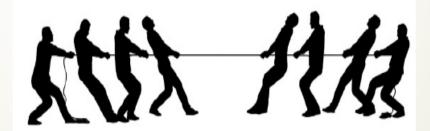
Last mileKnowledge and capacity

USO - Net cost

New **Regulations**Challenges

192 Countries

Customer inclusion /
Commercial approach



Collaborative network /
Commercial Competitive
network

WPSPs

Better Quality

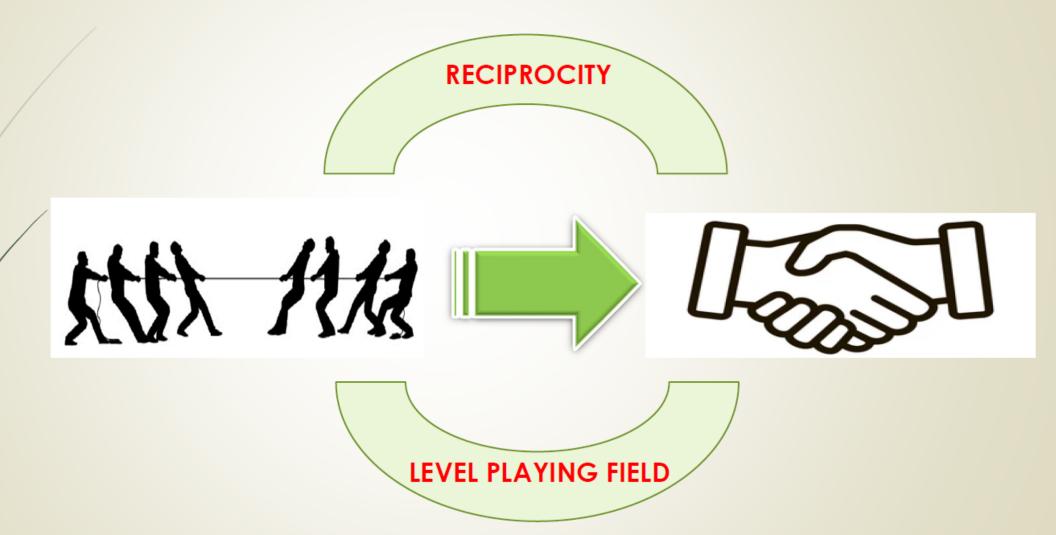
New **platformoriented** business model

More **agile**

Cost and Size

Rural Area challenges

Common denominators





Katherine Muth

Executive Director, International Mailers' Advisory Group (IMAG)

IMAG Members



- Amazon
- APC Postal Logistics
- APG eCommerce Solutions
- APG International
- Asendia USA
- Assurety Consulting & Solutions
- Auctane (Stamps.com)
- BoxC Logistics
- CEP Group
- DHL eCommerce
- Direct Link
- EasyPost
- Easyship
- eBay
- ePost Global

- Engineering Innovation Inc.
- Eurora
- FedEx Cross Border
- Flexible International Mail Systems
- GlobalPost
- Hearst Corp./HSCodes.io
- International Bridge, Inc.
- International Bonded Couriers
- International Delivery Solutions
- Lane Press
- MailAmericas
- The Mail Group (IMEX)
- One World Express
- OnTrac International
- Passport Global Inc.

- Pirate Ship
- Pitney Bowes
- Point2Point Global
- Post+ Plus
- Quadient
- SEKO Logistics
- Sendle
- Shippo
- Shopify
- SkyPostal
- UPS Mail Innovations
- U.S. Postal Service (Global Business)
- Vogel Logistics
- WBR Solutions
- Zonos

The International Mailers Advisory Group is a 501 (c) 6 trade association representing international mailers and shippers. Our mission is to address the barriers to the efficient movement of information and goods across borders.



Keith Kellison

Senior Vice President, Corporate Public Affairs, United Parcel Service (UPS)

UPS SurePost® label (USPS® deliveries)





Questions and Answers



Lunch Break

13:15 - 14:30





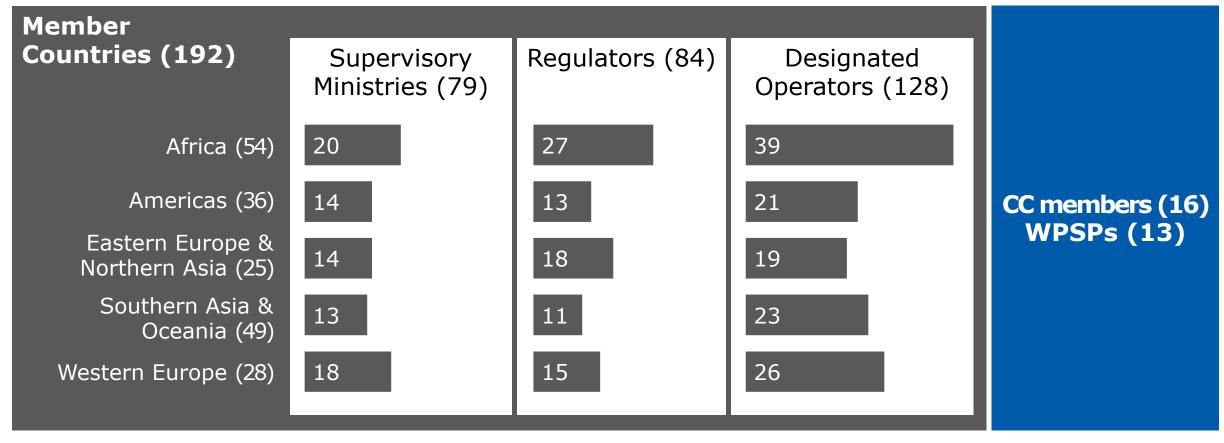
OPEN DISCUSSION ON THEME 1



AN UPDATE ON THE WORK TO DATE BY CO-CHAIRS OF THE TASK FORCE (ALGERIA AND UNITED STATES OF AMERICA)



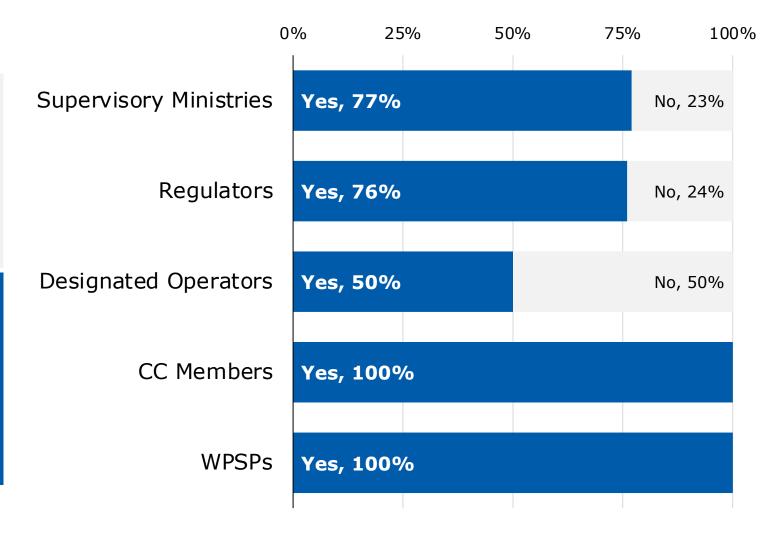
Stakeholder Consultation on opening up the UPU to wider postal sector players





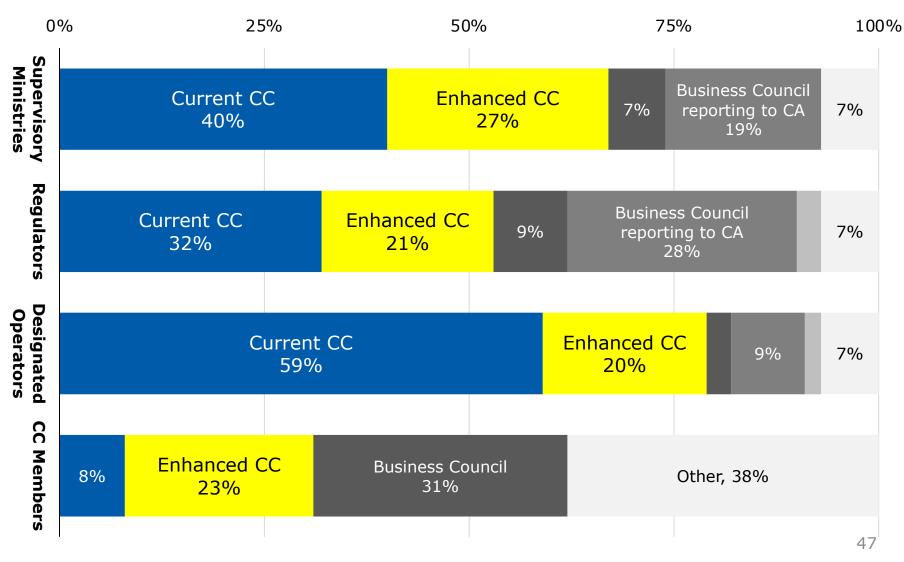
Should WPSPs have a role in the decision-making process at the UPU?

Most stakeholder groups think that they should.





Which of these governance structures do you regard as the best way to integrate WPSPs into the UPU?





What do CC members want & bring?

What benefits do you expect from the UPU?

Improved interconnectivity with UPU platforms

Seamless and improved experience for customers

Access to knowledge and experience

Ability to shape the global postal policy agenda

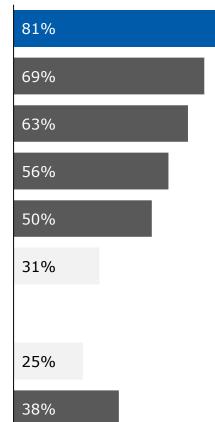
Increased postal volumes

Access to technical assistance

Ability to shape regulatory/policy decisions

Other

None, I see no benefits



What value will you provide/bring to the UPU if you are able to have increased engagement with the organization?

Provide access to new technologies, knowledge, expertise

Offer new postal services to citizens

Reciprocal interconnectivity in respect of electronic platforms

Reciprocal interconnectivity in respect of physical delivery networks

Pay for existing UPU produts and services

Fund the development of new UPU products and services

Contribute to the UPU's extrabudgetary financing of its projects



56%

44%

25%

25%

13%

6%

Other 31%



What do WPSPs want & bring?

What benefits do you expect from the UPU?

100%

100%

83%

75%

75%

75%

67%

Improved interconnectivity with UPU platforms

Access to knowledge and experience

Access to technical assistance

Increased postal volumes

Ability to shape the global postal policy agenda

Ability to shape regulatory/policy decisions

Seamless and improved experience for customers

Other

None, I see no benefits



Provide access to new technologies, knowledge, expertise

Reciprocal interconnectivity in respect of electronic platforms

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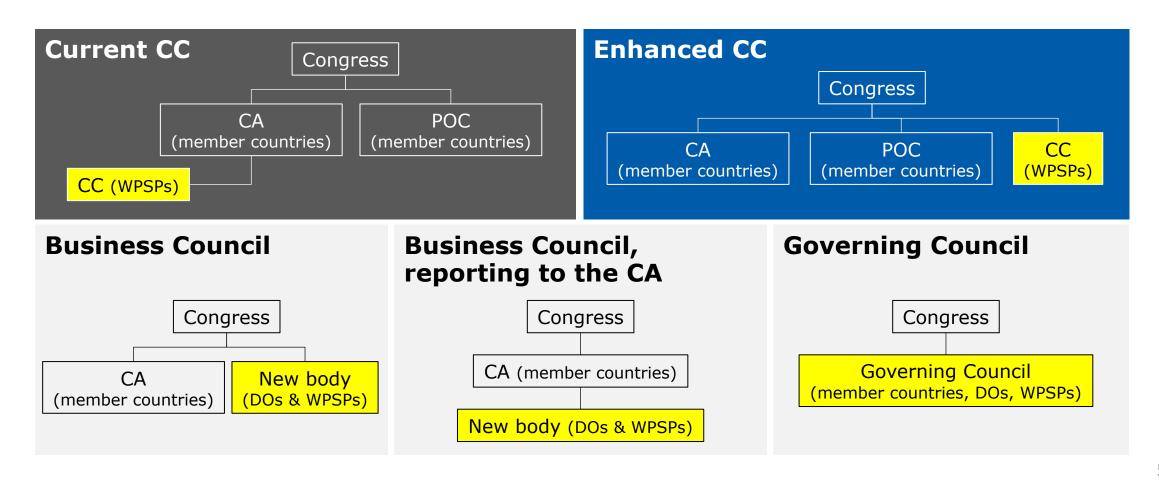


Other 17%

49



Open discussion to focus on what an **Enhanced CC** could look like.





Proposals in the Istanbul cycle

Institutional position of the CC in the UPU structure

Status quo

Has no decisionmaking role

The CC shall have no decision-making role vis-á-vis the UPU policy and regulatory frameworks.

Some enhanced role accepted

Has enhanced roles

The CC shall
exercise an
advisory,
influencing and
consultative role.

Not Accepted

Directly reports to the Congress

The CC shall become UPU "Consultative" body.



Proposals in the Istanbul cycle

Engagement of an enhanced CC in decision-making process

Status quo

Participation limited in exceptional cases

duly approved by the Chairs of CA/POC after consultation with the Secretary General

Not accepted

Through a Consultative Opinion

CA/POC bodies
"shall consider"
the CC opinion
before making
any decisions
on related
questions

Not accepted

Designated liaison

CA/POC designates one of its members to serve as "liaison" of the new CC

Not accepted

Extended participation

To all CA/POC standing groups and task forces

Not accepted

Direct proposals to the Congress





OPEN DISCUSSION ON THEME 1

MODERATED BY **CO-CHAIRS OF THE TASK FORCE**(**ALGERIA** AND **UNITED STATES OF AMERICA**)







WPSP engagement in the UPU decision-making:

Enhanced CC

Who

should the enhanced CC be reporting to?

How

should the enhanced CC engage in the decision-making process?

What

is the appropriate financing model for an enhanced CC?



Who

Engagement in UPU decision-making

Who should the enhanced CC report to?

Enhanced CC reporting lines

Congress

Should the enhanced CC report directly to Congress?

CA

Should it report to the CA? (status quo)

POC

Should it report to the POC?



How

Engagement in UPU decision-making

How should the enhanced CC engage in the decision-making process?





Observe meetings

of UPU bodies

- No limitations in principle?
- When should limits apply?
- How should limits apply?





Make written submissions

to decision-making bodies

- No subject matter or procedural limitations in principle?
- Consultative opinions <u>must</u> be considered?
- Proposals directly to Congress?





Make oral interventions

at proceedings of UPU bodies

- No subject matter or procedural limitations in principle?
- When should limits apply?
- How should limits apply?





Vote on

matters placed to governing bodies

 Respecting the intergovernmental nature of the UPU.



What

Engagement in UPU decision-making

What is the appropriate financing model for an enhanced CC?

Current membership scheme **Major benefits** Categories and fees Attend CA/POC plenary **Bronze** Silver Gold meetings 10,000 CHF 15,000 CHF 20,000 CHF Eligible to sponsor CA/POC lunch/evening receptions Access to UPU docs, publications and databases Eligible to sponsor Congress and external events and receptions



What

Engagement in UPU decision-making

What is the appropriate financing model for an enhanced CC?



Should there be a fixed annual fee? (status quo)



Should there be charges to access some/all products and services?



How do we recover investments made so far in developing products and services?



Consolidation of the outcomes and QnA





OPEN DISCUSSION ON THEME 2



AN UPDATE ON THE WORK TO DATE BY **CO-CHAIRS OF THE EXPERT TEAM**(**AUSTRIA** AND **URUGUAY**)



Update on the work to date: Workstream 2 (Products and Services)

Technical review

By the CA C 2
Expert Team of
the list of UPU
products and
services
approved by the
CA S 1

Basket 1

Accessible existing UPU products and services approved in the Istanbul Cycle

Focusing on

Identifying and addressing bottlenecks and challenges

Reviewing current implementation timelines with a view to accelerating them

Basket 2

Access to secretariat support and Union solutions related to focused analysis, research and insights on market trends

Basket 3

Access to UPU solutions for improvement of interoperability and interconnection of infrastructure

Focusing on

Reviewing each product/service on the list from various aspects: operational, fees, demonstrated needs, etc.

Identifying new products/services currently under development that could potentially be opened up

Developing access conditions

Devising potential implementation timeline options



Update on the work to date: Workstream 2 (Products and Services)

ET has noted:

Input and voice from the WPSPs are valued throughout the technical review process

The importance

of ensuring that the input provided by ET members goes beyond general comments/ questions

A holistic approach

by focussing on interlinkages between and combinations of UPU products and services that would best promote interoperability and interconnection between DOs and WPSPs is necessary

Market and impact assessments

Are needed both at a systemic level and at national levels when options on models of access to UPU services and products are developed for examination and discussion





OPEN DISCUSSION ON THEME 2

MODERATED BY **CO-CHAIRS OF CA COMMITTEE 2**(**CANADA** AND **EGYPT**)





Approved list of products and services for technical review

	Basket 1 Accessible existing UPU products and services approved in the Istanbul Cycle	.POST solutions			UPU postal supply chain management		POST*NET Finance postal payment		Global Monitoring System (GMS)		
		Trainpost	OSC	ΔR	solutions		solutions		UPU*Clearing		
	Basket 2 Access to IB (secretariat) support and access to Union solutions related to focused analysis, research and insights on market trends	Legal advisory services			Access to Union documents and publications maintained by the IB		Provision of UPU research and analytical services to WPSPs		Provision of consultancy services on UPU solutions		
		Access to address and contact lists									
	Basket 3 Access to UPU solutions for improvement of interoperability and interconnection of infrastructure	Supply chair supporting t		Mobilo posta paym		PosTransfe solutions payment	(instant	GMS solutions of the GMS Edge Enter	e; GMS	Postal security: S58/S59 certification	
		Mobile apps for		(cústo	omers and I users)	customer	•	and GMS			
		end-to-end global track and trace	and	•	codes	Exception-handling solutions		Remunera solutions		Addressing solutions	



Access to UPU products and services

Demand

Which products and services do WPSPs wish to access?

Should products and services be packaged in accordance with demand and expected benefits?

Terms and Conditions

On what terms and conditions could UPU products and services be made accessible to WPSPs?

What types of access models should the UPU consider?

Balance

How to strike the right balance between...?

USO

Level playing field principle

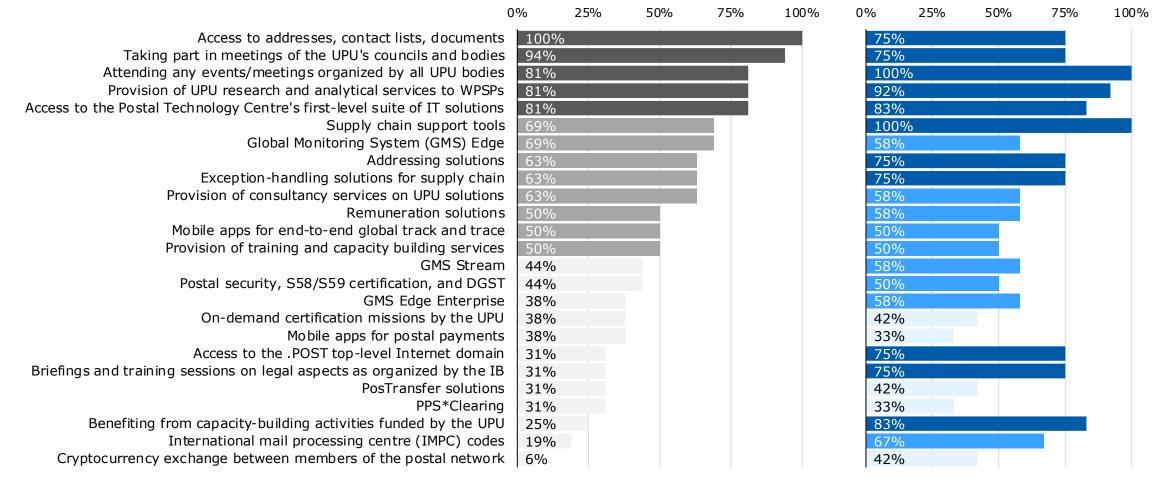
Interconnection reciprocity between stakeholder networks



Demand

Access to UPU products and services

WPSPs want access to more products and services. Which ones do they wish to access?





Demand

Access to UPU products and services

Which products and services do WPSPs wish to access?

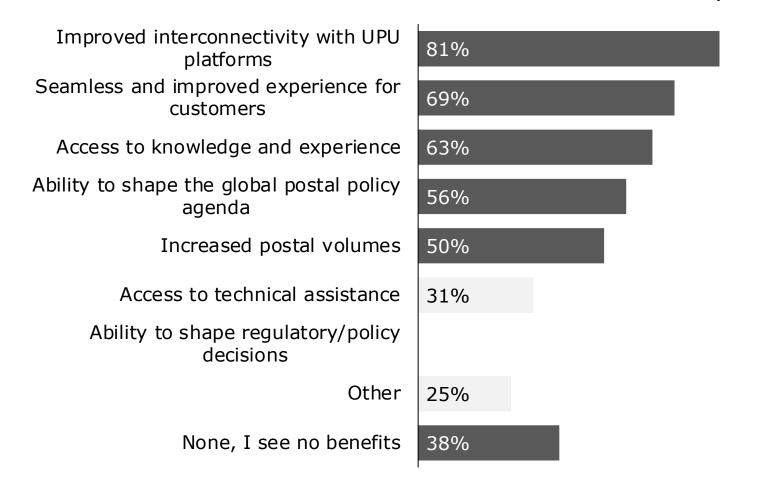
Willer products and services do Wi Srs Wish to decess:										
With high demand More than 3/4th of CC members or WPSPs		Briefings and training sessions on legal aspects	rese ana	ovision of UPU search and nalytical services WPSPs		Benefiting from capacity-building activities funded by the UPU		ng ev ed or	Attending any events/meetings organized by all UPU bodies	
want to have access to	Exception-handling solutions	Access to addresses,	Access to the .POST top-level Internet domain		the	,	Access to the		Taking part in meetings of the UPU's councils and bodies	
	Supply chain supporting tools	contact lists, documents				PTC's first-leve suite of IT solutions		UP		
With medium demand	Global Monitoring System (GMS) Edge	Provision of consult services on UPU so		•		acity building		Postal security: S58/S59 certification and DGST		
More than half of CC members or WPSPs want to have access to	Mobile apps for end-to-end global track and trace	Remuneration solutions		GMS stream			GMS Edge Enterprise		IMPC code	es
With low demand Less than half of CC members or WPSPs want to have access to	On-demand certification missions by the UPU	Mobile apps for postal payments	3	PosTransfer solutions UPU*Clearing			betwee	Cryptocurrency exchange between members of the postal network		
										67

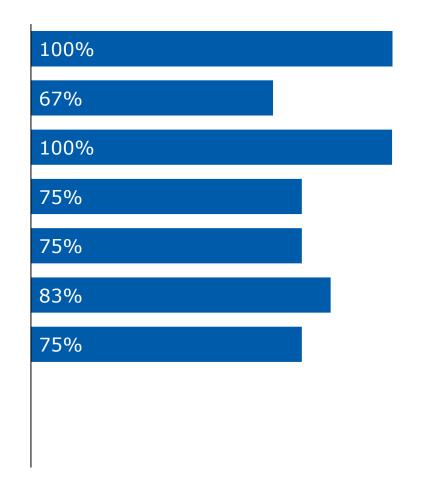


Demand

Access to UPU products and services

What benefits do members of the CC and WPSPs expect from the UPU?







Demand

Access to UPU products and services

Should products and services be **packaged** in accordance with **demand** and **expected benefits**?

What **combination** of products and services can better promote/achieve the **interconnection and interoperability** between DOs and WPSPs?



Terms and conditions

Access to UPU products and services

Under which **terms and conditions** UPU products and
services could be made accessible
to WPSPs?

What types of access models should the UPU consider?



Balance

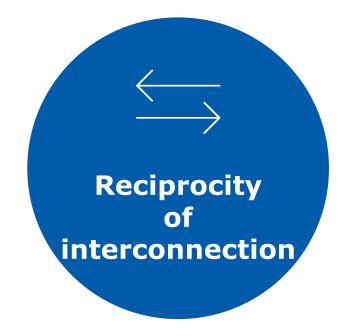
Access to UPU products and services

What are "win-win" outcomes?

How do we find the **balance** between **USO**, **level playing field principle and reciprocity of interconnection** between stakeholder networks?









Consolidation of the outcomes and QnA





MAIN CONCLUSIONS AND TAKEAWAYS







UPU CONFERENCE ON **POSTAL REGULATION**

CLOSING REMARKS

MR MARJAN OSVALD, DEPUTY DIRECTOR GENERAL OF THE UPU





Join the UPU Consultative Committee reception and meet our newest members!

Where? **BEAT FISCHER**

When? Thursday, 27 October 2022, from 19:00

SPONSORS OF THE RECEPTION







