

The Universal Postal Union:

A Primer for Business on How it Works and Why it Matters

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Table of Contents

• Introduction	1
• What is the UPU and why is someone from a marketing association writing this article?	1
• What is the UPU?	2
• Mission and Legal Structure of the UPU	4
• Mission of the UPU	5
• Operational Structure of the UPU	6
➤ Congress	6
➤ Council of Administration	7
➤ Strategic Planning Group	7
➤ Postal Operations Council	8
• A Short Description of “How Things Get Done” at the UPU	11
• International Bureau	13
• Telematics Co-operative and the Postal Technology Center	15
• Consultative Committee	16
• Appendix A: U.S. State Department Report on POC meeting of January 2005	
• Appendix B: Council of Administration structure and committees	
• Appendix C: Postal Operations Council structure and committees	
• Appendix D: Programme and Budget of the UPU 2006-2008	
• Appendix E: Consultative Committee membership list	

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For business, an important opportunity began in Bern, Switzerland on January 1, 2005, when Edouard Dayan and Huang Guozhong officially assumed responsibility as Director General and Deputy Director General, respectively, of the Universal Postal Union (UPU). Previously, at the quadrennial Bucharest Congress in October 2004, the 190 member countries of the second oldest UN treaty organization elected them to office and made some momentous decisions. These decisions must now be acted upon by the constituent bodies of the UPU, the Postal Operations Council and the Council of Administration. The goals set forth at the Congress must be turned into reality.¹

The goals are clear, and so is the deadline. The deadline is the 2008 Congress in Nairobi. Some of the goals, and how they will be reached are set out below.

The most important goal set by the DMA and other business organizations some five years ago has been attained: to open the UPU to participation by the wider postal sector participants such as air express couriers, consolidators, user groups, equipment and envelope manufacturers, and unions. Representatives of these organizations (such as trade associations and professional societies) may now become members of the UPU's new "third circle", the Consultative Committee, of which the author is Chairman. We can now have our own voice undiluted by other considerations of our national Post or Ministry of Foreign Affairs. Now, as customers and vendors, we can directly impact the decisions affecting competition in the international postal market, as well as standards, costs, and quality of service.

This article has two goals: first, to introduce the reader to the UPU's purposes, structure, and work program, and, second, urge the reader to become involved in the important task of developing postal systems globally, and participate in formulating tomorrow's mission for the UPU. Come join our work at the Consultative Committee.

What is the UPU and why is someone from a marketing association writing this article?

Simply stated, I am writing this because I believe that an effective UPU is critical to the continued development of the international postal network, perhaps even its survival. I also strongly believe that this network's utility as a driver of economic development in the developing world is only beginning to be realized. And as it is

This paper has benefited from constructive comments by Ms. Lea Emerson, International Department, USPS, Mr. Richard Miller, Executive Director, International Mailers Action Group, and Ken McKeown, International Bureau of the UPU. Any errors and all opinions are the author's.

¹ And the fact that they were democratically elected (Mr. Huang running unopposed, in fact), and from very different countries, France and China, respectively, will tell you already something about the UPU.

realized, businesses will prosper and with them nations. That development is too important to be left to the Posts and regulators. The largest users of the Posts must take an active role.

We start with an introduction to this extraordinary institution, with two goals in mind. First, knowing what the UPU does, and does not do, will place it in a better context for business involvement. Second, knowing how the UPU is constructed, and how it works, will enable business to participate more effectively in the new Consultative Committee, the part of the UPU which represents the wider community of stakeholders in the postal world.

As I am a relative newcomer to the full scope of the UPU's activities, I make no claim to being comprehensive. I therefore also urge the reader to review the excellent US State Department report on the POC meetings in January 2005 which is attached as Appendix A.

The Consultative Committee (CC) was formed in recognition of the fact that "postal services" were no longer the exclusive province of government-owned agencies. Other important economic interests as diverse as the direct marketing industry and envelope manufacturers were dependent on healthy Posts for their livelihoods.

Vast portions of the industry, such as air express carriers, are in fact independent of government, but decisions made at the UPU have a competitive impact upon them. In addition, competition for the paper communication dollar had created a completely new business environment. This environment required that the "UPU players" be expanded beyond Posts and regulators.

Next, competition from alternate media, especially the internet and e-mail, is creating a new communications environment, calling for those in the paper-moving business to rethink their products and services. The Posts face declining first class mail volumes and are turning increasingly to business and direct mail programs for growth.

Finally, the world's populations are widely dispersed by immigration patterns that are of a new type. Because international travel is relatively inexpensive, people go abroad to work, but their families largely remain behind, connected by communications webs, including the Posts. We all have a stake in a healthy international postal network.

What is the UPU?

The UPU, founded in 1874, is the second oldest UN agency, after the International Telecommunications Union. It has 190 member countries and serves as the primary multilateral forum for cooperation among postal services. It is the main international negotiating location for assuring that postal systems co-ordinate and co-operate in maintaining continuous and secure international mail and parcel deliveries. It is where the rules for international mail exchanges are formulated and agreed. It assures

the continuation of the universal network, and develops products and services, described later, for that network.

The UPU also fulfills advisory and mediating functions, offers technical assistance, and serves as a development agency. Recently, it has developed programs to foster growth in mail volumes, improve the quality of service to customers, and help the Posts develop and deploy electronic products and services using Internet/EDI-related technologies. It is currently embarked on a program to attempt to bring a higher degree of standardization into the bewildering variety of postal address formats, which would enable posts to provide services such as an international change of address system in real-time, and which would certainly save international mailers substantial amounts of money in undeliverable mail expenses.

The UPU is primarily the forum where the nations of the world set the terms on which letters and parcels pass across borders. Here negotiators decide how countries pay each other for delivering those items in their territories, and a thousand things that need to be made uniform, or standard, or at least interoperable, for the postal systems of 190 countries to be able to exchange mail and parcels, millions of them every day, in an efficient way.² It also assures the mail will get through when diplomatic relations break down or a state of war exists. It assures there is a web for the mail to travel on, and has done this for over 100 years before the World Wide Web was invented.

It is a development aid institution, assisting Posts in improving and expanding services. It has six “Regional Advisors”, postal experts stationed in six different regions of the world to work on development projects with the Posts in those regions.

It has also become the source of enormous change in the developing world and increasingly a forum for debate on issues surrounding “postal reform”, policy-speak code for ending the postal monopoly or government control on delivery of letters and parcels, an idea fully adopted in Europe, but not accepted in the United States and many other countries.

Finally, and again on the mundane level of mail and money, recall that your national postal service does not deliver your letter to your business partner in Germany or China, or your Christmas present to your aunt in Norway. Those are delivered by the Post in that country, and your postal service pays that Post to take over the delivery obligation at their border. That payment amount is called “terminal dues”, and the amounts of

² The details are endless. For example, mail travels in mail bags. They each have an origin. Who pays to get them back home when the mail flows between, say, the US and South Africa are unequal? The UPU rules settle that, as well as what mail bags can be made of, and how much a full mail bag may weigh. Great Britain recently moved to limit the weight to 20 kilos because they discovered this would reduce workers’ compensation claims from mail handlers dramatically. In short, this domestic employee-protection scheme required agreement on the international level for Royal Mail to fully realize its potential.

terminal dues countries pay each other per letter are set by a complex multilateral negotiation.³

This negotiation culminates periodically in a “policy” decision at the quadrennial Congress. I say “policy” decision because the negotiation never really stops. The Congress sets goals and parameters, while other institutions within the UPU resolve the operational details and set the bright-line boundaries.⁴

For example, at the 2004 Congress in Bucharest, members committed to introducing a system of country-specific terminal dues based on the actual costs of a receiving Post in making final delivery. This is to be accomplished by January 1, 2013. Currently, countries pay each a fixed amount per item and per kilo, with or without an additional “quality of service” amount, depending on the development status of the sending and receiving countries. The basic amount has itself been set by negotiation. For some countries, primarily developing countries, it is a highly profitable amount, while for others, mainly developed countries, it is not, and in some cases is alleged to be below cost.⁵

Transition to a cost-based system should be good, or at least neutral, for mailers, and it seems a long way off, but in the international postal world it is not. It is currently difficult to identify more than a handful of Posts that could be said to have a cost accounting system that can withstand scrutiny, and all of those are in the developed world. More on this below.

In a nutshell, if the UPU did not exist, we would have to create it.

Mission and Legal Structure of the UPU

As an international and multilateral organization, the UPU’s authority and responsibility derive from a negotiated treaty, which has the force of international law. In fact, under the US Constitution, a treaty becomes the supreme law of the land.

³ I am over-simplifying. Some nations with significant bilateral volumes, eg, the US and Canada, have bilateral agreements on the payment issue. Some groups of countries have a multilateral agreement, eg, the REIMS agreement in Europe. However, these countries remain within the UPU system for traffic with all other countries outside their negotiated arrangements.

⁴ Terminal dues world-wide amount to billions of dollars a year. The US is the largest terminal dues paying country in the world, amounting to some \$150 million per year, net, given that the US exports more mail than it imports. No wonder the USPS and the State Department both send expert negotiators to the UPU when these issues are discussed.

⁵ A developing country such as Mexico pays the US less per unit of mail than the US pays Mexico. The difference in these amounts is not paid to Mexico but is put into a trust fund called the Quality of Service Fund, which Mexico can draw on for projects that will improve international mail delivery service in its country. Payments into this fund are scheduled to be phased out in 2009. For more on the Quality of Service Fund, see the section on the Postal Operations Council.

The constituent governing documents of the UPU are the known as the Acts. And the (separate) Acts of the UPU, are:

- Constitution (binding on all member countries)
- General Regulations (binding on all....)
- Convention (binding on all...)
- Postal Payment Services Agreement (binding only on countries that are parties to the Agreement).

There are also Regulations to the Convention and the Postal Payment Services Agreement. These are not Acts. The Regulations are changed by the Postal Operations Council or the Council of Administration when they are authorized by Congress to do so.⁶

Mission of the UPU

Any institution is defined by its mission and assigned responsibilities. The UPU's mission statement, negotiated over a four-year period and approved by 190 countries, is referred to as the Bucharest World Postal Strategy. It is a lengthy collection of the many hopes and needs of 190 countries. It reflects their collected visions of where they wish the international postal system to be in four years. But it is not quite a "collective vision". It can, usefully, be condensed into five main objectives:

1. **Universal Postal Service.** Ensure the provision of a good quality, affordable universal postal service, allowing effective communication between people around the world.
2. **Quality of service and efficiency of the postal service.** Improve quality and raise the level of efficiency of the international postal network so as to provide customers with a reliable, affordable and secure service.
3. **Markets and Responding to Customer Needs.** Satisfy customer needs and requirements by broadening knowledge of markets and facilitating their development.
4. **Postal Reform and Sustainable Development.** Undertake reform of the postal sector to ensure sustainable development of postal services and anticipate technological, socio-economic, ecological and regulatory changes.
5. **Co-operation and Interaction among Stakeholders.** Strengthen and broaden cooperation and interaction among the stakeholders of the postal sector.⁷

⁶ All these documents are available for download or purchase in hard copy form from www.upu.int. Please see the section in this paper titled "A Short Description How Things Get done" at the UPU for an explanation of the UPU document numbering system and for advice on obtaining documents referred from the UPU.

⁷ Congress Doc.46, Bucharest World Postal Strategy. Available at www.upu.int. or from the author.

While this does not seem overly lengthy, the Congress resolution embodying it extends to 28 pages. It outlines in some detail the exact programs to be carried out by the UPU in support of each objective, and strategies to be employed in meeting these objectives by various participants in the UPU work: postal operators, government, Restricted Unions⁸ and the UPU bodies themselves.

Operational Structure of the UPU

The UPU is made up of five bodies. Over-arching all in importance, the body that truly sets the agenda and then departs for four years, is Congress. Let us call this “the philosophical part of the UPU”. Second in line (and I do not say “next in importance”, because I do not know what is more or less important in this structure) in setting policy is the Council of Administration (CA). Third, really sitting beside the CA, which we might call “the strategic part of the UPU” is the Postal Operations Council, the “tactical part of the UPU”. This is where the real questions of “who spends money and who makes money” are decided. Fourth, is my Committee, the Consultative Committee, whose remit is to advise and counsel on the views of the “third sector” of businesses and organizations with interests in international mail service. In all candor, we are still maneuvering to define our role in this universe. Fifth, there is the International Bureau, which is another name for the permanent staff of the UPU.

Congress

As noted, the Congress is the supreme governing body of the UPU. It sets long-range goals, mission, strategy, and budget parameters. It amends the Constitution and General Regulations, and approves the strategy of the institution to be turned into action by the other institutions of the UPU. Congress also elects the Director General and the Deputy Director General, as well as the members of the Council of Administration and of the Postal Operations Council.

Until 2000, the Congress was held every 5 years. In that year in Beijing, under pressure from several countries to have the Congress or an “interim Congress” every two years a compromise was reached to reduce the interval to 4 years. The 2004 Congress was scheduled for Abidjian, Ivory Coast, but because of the security situation in that country, the Congress was moved on short notice to Bucharest, Romania.⁹

⁸ Restricted Unions are voluntary groupings of postal operators, generally in one geographic region, which often have significant percentages of mail traffic among themselves. There are 15 Restricted Unions ranging from just a few member countries (South and West Asia Postal Union, 3) to very substantial numbers (Pan-African Postal Union, 43). They carry out important activities in assuring efficient traffic among themselves, postal development, mutual support, and policy study. They have Observer status at the UPU and many are extremely active in UPU activities and deliberations. A Restricted Union position may in fact represent an important bloc of voices, and votes. They are ignored at one’s peril.

⁹ On very short notice Romania achieved the remarkable feat of successfully hosting a very complex event embodying numerous logistical challenges with a grace, style and hospitality which will be long remembered by those who were privileged to attend.

The event lasts over a three-week period and involves thousands of diplomats, postal officials, business executives, and government officials from the 190 member countries, observer countries and organizations, Restricted Unions, and business and international organizations as diverse as the European Commission and the World Blind Union. The Congress is then known by the name of the host city and the host country appoints the Chairman of the Council of Administration until the next Congress.

Council of Administration

Administratively, the UPU's operations are overseen by the Council of Administration (CA). The CA consists of 40 postal systems elected at Congress. Its Chair is from the country that last hosted the Congress, and thus is now from Romania, Mr. Gabriel Mateescu. It ensures the continuity of the UPU's work between Congresses, supervises its activities and studies regulatory, administrative, legislative and legal issues.

To ensure that the UPU is able to react quickly when necessary, the CA has been given the power to approve proposals by the Postal Operations Council for the adoption of regulations or new procedures until the next Congress. The CA can also take measures that it considers necessary to resolve urgent issues. The CA approves the biennial budget and the accounts of the Union, as well as yearly updates of the UPU's Programme and Budget. It is also responsible for promoting and coordinating all aspects of technical assistance among member countries. It meets normally for two weeks in October of each year. In 2005 it will meet from October 10 to 21.

Within the CA and reporting to its plenary meeting are several Groups and committees. A diagram of the structure of CA is attached as Appendix B.¹⁰ Also listed in this Appendix are the committees and their Chairs and Vice-Chairs. One of the most notable of the Groups is the Strategic Planning Group, which is so important I devote the next section to it.

Strategic Planning Group

Although listed on both the POC and CA charts, the SPG is more properly represented as part of the CA, and in any event it is so important that it deserves its own heading, even though it is not a Council or Committee. The SPG sets the budget and program of the UPU and monitors the progress of the committees of the CA and POC in reaching the goals set by the Bucharest World Postal Strategy. It will plan and organize a UPU Strategy Conference in 2006, which could be a seminal point in the organization's future. The previous Strategic Conference was generally regarded as disappointing: thin on substance, thick on giving the podium to anyone who wanted it, whether they had thoughts on the issues or not. Most did not. A substantial amount of time will be spent by participants in the postal industry in driving for a meatier conference in 2006, and several CC member organizations are deeply involved in the work of this important Group.

¹⁰ CA CG 2005.1-Doc. 3, available at www.upu.int or from the author.

Finally, the Strategic Planning Group is charged with developing the next strategic plan for the UPU. It is considering what the UPU's role or roles should be: regulator, arbitrator, clearing house, standards body, research institution? Any or all or none of these? In short, will the international postal system need a central institution and if so, why? These are fundamental policy decisions of extraordinary complexity, and our experience is that intelligent input by the private sector is very welcome. This is where the action is for those who love policy development.

Postal Operations Council

The Postal Operations Council (POC) is the technical and operational body of the UPU and consists of 40 elected member countries. It deals with the operational, economic and commercial aspects of the international postal service. At its first meeting after each Congress, the POC revises the Letter Post and Parcel Post Regulations, as well as the Postal Payment Regulations. In short, it is where the nitty-gritty details of delivery time guarantees, return of mail bags, whether fruit flies can be mailed, etc. are negotiated out by 40 countries.

Basically, it is where all the tough negotiations that Congress did not get to are finally completed.

It makes recommendations to member countries concerning standards for technological, operational or other processes where uniformity of practice is essential.

It promotes the introduction of new postal products by collecting, analyzing and publicizing the results of initiatives and research undertaken by Posts. For example, many of the products and concepts developed by the Postal Technology Center or by the Standards Board (both described below) were pioneered by UPU member Posts, then developed by the UPU and promoted for adoption by other member Posts.

The POC's program of work aims above all at helping postal services to modernize and upgrade their postal products. The POC elects its own chairman for the period between Congresses. The current chairman is Mr. James P. Wade of the USPS. He was unopposed for election by Congress to this position, a testimony to the respect he has earned through his years of work in UPU activities.¹¹

¹¹ This latter is an extremely important point. The writer has observed that many of the same players appear at Congress, the CA, the POC, and in the Committees and Working Groups. And these individuals often wield influence far beyond the size of the country they represent. I have tentatively concluded that the influence of a Post or a regulator at the UPU is directly related to the perceived diligence of its representatives in participating in UPU work. In fact, a country is better served by having 3 people always at the CA and POC and various committees, than by having a constantly rotating group of twenty "experts" flitting in and out, but not becoming known by the whole body of representatives. As has been said of members of the US Congress, "Your power is as shiny as the seat of your pants." That is, be there and do the hard work, and you (and your constituency) are rewarded with respect and influence. Any company or organization wishing to have influence in the UPU would be wise to remember this.

The work of the POC is carried out through four different Committees, named Committee 1 (Standards and Procedures), Committee 2 (Terminal dues and Economic Issues), Committee 3 (Operational Issues) and Committee 4 (Markets). In addition, there are “Action Groups”, “POC Groups”, and “User Groups”. The User Groups are “membership groups” of EMS or Telematics Co-operative members. The membership of the other groups is comprised of volunteer countries and countries “requested” to participate by the UPU leadership. These are all set out in the diagram in Appendix C, which also includes the names of Chair, Vice-Chairs and the membership of each group.¹² Each of these has established its goal and objectives and working program outcome statement for the next 4 years, and all will welcome business participation in their work.

The Committee leadership roles, Chair and Vice-Chair, which are critical to work being completed, are assigned following the Congress by the Management Committee consisting of the Director General, Deputy Director General, the Chairs of the CA and POC and senior staff at the IB. There is no pretence of democracy in the process, but the membership does not object. Much time is spent at Congress “in the halls” discussing who wishes to volunteer and who is qualified and available for such assignments. The leadership attempts to draw on the views of the entire membership of the UPU in making assignments; they also obviously consider the willingness of an individual to serve and the willingness of the employer to incur the expense of this contribution.¹³ They also seek out views of the abilities of that person by other members, and balance assignments among developed and developing countries and regions.

A full explanation of the work of each group is well beyond this paper. A “thumbnail description” of each (as well as of the CA and its sub-parts) is set out in Appendix D, which is the UPU Programme and Budget document.¹⁴ However, a few of them merit specific mention here because of their impact on business. Any of these is open to participation by members of the Consultative Committee.

The Standards Board (Committee 1-Standards and Procedures) develops on its own and in co-ordination with other standards setting bodies various standards, such as bar codes and addresses and address codes and numerous other topics. These are important projects that enable the more efficient handling of mail, save both Posts and mailers money, and impact manufacturers of mail handling equipment and mailers.

The Terminal Dues Project Group (Committee 2-Terminal Dues and Economic Issues) has no less than three Project Teams, one of which, Terminal Dues Model, has four working groups: Studies, Terminal Dues Calculation Methods, Policy Questions and

¹² POC 2005 Doc 5. add 1, which is found within POC Doc.5.

¹³ This is no small point. The expense of traveling to and staying in Bern for 2 weeks twice a year is quite considerable, and in fact limits the participation of many developing and smaller developed countries, as well as business organizations, from broader participation. Moreover, a Committee Chair would normally be expected to attend anywhere from two to four additional meetings a year in Bern or elsewhere in the world.

¹⁴ POC 2005 Doc 7.

Domestic Access (ie, direct access). The two other Project Teams are Quality Link, which will be part of the process of setting rewards and punishments for meeting or not one's quality of service commitments, and Statistics and Accounting, which addresses the "nuts and bolts" of terminal dues payments. Yet another Project Group – the Cost Accounting is responsible for implementing cost accounting systems in the Posts around the world. This latter project seems a truly Sisyphean task. Terminal Dues is definitely where the money is.

Committee 3 (Operational issues) has no less than 10 Project Groups studying important operational issues and making recommendations for new regulations on things like quality of service levels, environmental protection, customs procedures, when Posts are liable for damage or loss of mail, and the international reply coupon system, also a useful business tool for international customer prospecting. Here are two important contact committees: one with the International Air Transport Association (IATA), whose members carry most of the international mail, and one with the World Customs Organization, whose members can stall or expedite service, and whose documentation requirements are frequently renegotiated with the UPU. These are major issues for postal competitors such as the air express carriers, who claim they are not always treated at parity.¹⁵

Committee 4 (Markets) is more externally focused than the other committees. One of the most active organizations is the Direct Mail Advisory Board (Committee 4-Markets). This is a membership group dedicated to promoting the development of direct mail programs by Posts world-wide. Among other activities, such as conferences and research, it holds workshops in member countries where the Posts and business communities together learn the value chain of direct mail and develop action plans to promote the tool in their markets. This was the first UPU-based organization to admit private sector members and is still the only one that admits companies (as opposed to Associations) to membership. These have contributed a great deal to education of the Posts.

The Publishing Industry Group co-ordinates with several publisher representative organizations, such as FIPP (International Federation of the Periodical Press), to conduct studies on quality of service and to increase Posts' awareness of the needs of these users. It promotes co-operation with these customers in the development of quality of service measurements and standards. One recent project was a quality of service measurement system established in Europe.

The Customer Relations Project Group promotes customer service standards and relationship management.

Beyond the four Committees, there are also three Action Groups, four POC Groups and the three User Groups previously referred to.

¹⁵ The policy debate circles around whether the Postal and courier products are "like products" and entitled to similar treatment. The Posts traditionally have received more expedited treatment at Customs on all products.

As concerns the Action Groups, Postal Security, Postal Development and Development Cooperation, perhaps the most interesting from a business development point of view are the last two, who will no doubt work very closely together, since their missions overlap. “PDAG” is charged with helping postal systems reform their legal, operational and commercial structures. Read – stop being a bloated government bureaucracy and start being like a commercial enterprise. “DevCoop” works directly with the Regional Advisors to accomplish the same goal. These two groups are also engaged in seeking outside financing, such as the World Bank, to accomplish their ends. One of these may absorb the other in the future.

As concerns POC Groups, special mention should be made of the Quality of Service Fund, which was set up to receive the “extra terminal dues” amounts paid by developed countries when mailing to developing countries. These funds are escrowed and then disbursed by the Board of Trustees of the Fund, who meet quarterly to review applications from the Posts who are entitled to receive the funds. The projects must improve the international mail service of that country. The Board’s meetings to review projects are confidential.

Also in this grouping are Parcels, Postal Financial Services, and E-products and Services. The last sets standards and procedures for deploying the Electronic Post Mark (EPM), promotes its use and assists countries in studying and implementing e-commerce shopping sites. More developed country Posts have shared with developing countries their ideas for products and services and assisted them in developing them domestically. This group is driving the “dot.Post” top-level domain project on which the CC has been invited to be an advisor. It is the point of contact with ICANN, the Internet Corporation for Assigned Names and Numbers, basically the “governing body” for the Internet, if it can be said to have one.

With regard to the Postal Financial Services Group, Congress resolved that postal financial services should be improved and introduced wherever needed. Thus, the Postal Financial Services Group has an ambitious program regarding introducing systems and assuring quality of service. The Telematics Co-operative has an International Financial Services (IFS) product that is being introduced within and between countries at a prodigious rate (discussed below). This could literally open new markets to mailers and provide a payment mechanism for smaller purchases, especially in countries underserved by the banking sector and lacking a credit card system. The Postal Financial Services Group also establishes quality standards for postal payment services and improves the remuneration system. It also co-ordinates relations of members with nonpostal partners such as SWIFT, Western Union, and Eurogiro.

A Short Description of “How Things Get Done” at the UPU

Outside of Congress, which moves literally at lightening speed, the CA and POC appear to work at a snail’s pace. As a multi-lateral institution its predilection is to strive

for consensus in all decisions, and especially critical ones. In the four years I have attended UPU working meetings in Bern, I have seen only a handful of votes per week. There are good reasons for this, because the inherently non-democratic nature of this system is recognized by all participants.¹⁶

The “real work” of the UPU is done in the Working Groups and Committees referred to above. The “plenary” meetings of the CA and POC are where each of these reports to the entire organization on their activities and decisions. The CC is organizing its work in a similar fashion.. Quite often, the committee or group reports back a decision that must be reached by the CA or POC plenary, and this is accomplished in due course when the process of negotiations both inside the Hall and outside it reach a state of readiness-either a decision by consensus or a vote, if it is a contentious issue.

As in any organization, much lobbying and horse-trading on issues of importance occurs “in the corridors”. In the case of the UPU, this is often during the coffee breaks mid-morning and mid-afternoon or during the lengthy 2-hour lunch.¹⁷ One also needs to “work the room”, just as in any political body anywhere.

As in most organizations of this type, the work is reflected in and based upon paperwork, documents, and reports. Everything that occurs is reported on in documents bearing identification numbers reflecting the group which has originated the paper and an identifying number which includes a year designation. Documents originating from the within the Congress start with Con, from the Council of Administration with CA and from the Postal Operations Council with POC.¹⁸ Next comes a year indicator, such as 2005, and finally a document number, which is assigned to papers in consecutive order. “Ann” in the number means it is an Annex. “Add” means it was added at a later time after the document was issued. Thus “POC 2005 Doc.5, Annex 1” indicates a Postal

¹⁶ The United States, which controls some 40% of the world’s gross domestic product, has a vote equal to that of the smallest country, whose GDP might equal that of the city of Boston. Both parties tread lightly because of their power or lack thereof. The overwhelming majority of votes available to developing countries can be, and frequently are, cast in solidarity against the developed countries. But sometimes they are not. Whole books can be, and indeed in the 18th century were, written on this subject. Should the UPU have a Senate (2 representatives each) and a House of Representatives (representatives based on population)? A subject for the Strategic Planning Group described above.

¹⁷ Meetings at the UPU start at 9 AM and end at 12:30, resuming again at 2:30 and ending at 6 PM. Coffee breaks usually occur at 11 AM and again at 4 PM. The frequent breaks and lengthy lunch hour are contractual benefits of the interpreting staff. There are 9 official languages of the UPU and all plenary sessions are interpreted in all nine. Working Groups and other subsidiary bodies may elect to have fewer than the full number of official languages. The CC, for example, has Spanish, French, and English as its official working languages.

There is a subsidized cafeteria on the top floor of the UPU with a lovely view of Bern and its surrounding hills. This is probably the best, maybe only, bargain in Bern, and a pleasant place to hold discussions. In the evenings there is very often a buffet reception in this space hosted by one of the delegations, often with foods of that country. These are also important networking events, and they help make one’s attendance at Bern less expensive. Dinner for one in a modest restaurant in Bern can easily cost CHF 60 (US\$48).

¹⁸ That is, if the documents in question are in English. The initial designation is different in the other languages. In French, CA remains CA and POC becomes CEP.

Operations Council document number 5 produced in 2005, as an annex to that document. This can be found on the UPU website within the CA, Congress or POC sections arranged in each by year.

During the “meeting seasons” at the IB, when numerous committees and plenary meetings are occurring, meeting documents that will be discussed are arranged on tables either at the head of the meeting room, in the corridor, or on the mezzanine floor above the second floor hall. Papers are translated into the “official” languages of the meetings, which in plenaries means all 9, and each language is assigned its own color, French being white, English blue, etc. arranged by language. This translation of documents and production is all managed by the IB. Generally, as documents are translated and issued they are also posted on the UPU website.

International Bureau

The International Bureau (IB) is described on the UPU website as “the UPU's Headquarters and is located in Bern, Switzerland.” This is at least too modest by half, and completely misleading by a whole. The IB is indeed the name of the place where the UPU meets, but it is also the name for the staff that runs the UPU. Not unlike any non-profit organization, or multi-national intergovernmental body, the staff wields enormous influence over the organization’s activities and agenda. Not only how objectives are reached, but what objectives will be reached. In fact, the Bucharest World Postal Strategy was written by the IB. Approved by the CA and Congress, to be sure, but he who holds the pen sets the terms of debate. And the IB holds the pen on everything the UPU does.

The IB staff and its heads, the Director General and Deputy Director General, can not be ignored in any discussion or activity involving the UPU. They are looked to for management, leadership, diplomacy and mediation. The Director General especially is the public face and voice of the UPU. Indeed, anyone intending to participate in UPU activities is wise to approach the organization through them, or at least observe the protocol of introducing oneself at the earliest opportunity. This is not a matter of either pride or arrogance, but efficiency and practicality. They make things happen; they turn committee and work group decisions into real results. Best know the levers that move the postal world.

Reporting to the Director General are Directors, each with responsibility for one (or more) of the four Committees described above, as well as numerous other groups. For example, the Director overseeing and assisting the CC is Mr. Ken McKeown, Director, Markets, and he also supports the various working groups established under Committee 4 (Markets).

Committee 1 (Standards and Procedures) is in the hands of Mr. Gary Halpin, Director Economics and Regulatory Affairs, who also supports Committee 2 (Terminal Dues and Economic Issues). Mr. Halpin, formerly of Canada Post, was instrumental as a

delegate to the UPU in chairing the negotiations on terminal dues through to a successful conclusion during the last 4-year cycle.

Committee 3 (Operational Issues) is supported by Mr. Suleman Msofe, Director of Operations and Technology. Mr. Msofe is also charged with responsibility for the POC Plenary, which involves basically knowing everything going on in all the POC working groups and task forces, and assuring records and reports on those activities are timely and accurate.

These are the people who know how the organization works, who really make the budgets and oversee the staff, and who get things accomplished. They have many years of experience with the postal world and with the institution and its workings. In a nutshell, they are “career civil servants”. In American slang we would also say they are the “go to guys” to get things accomplished.

Given everything the UPU does, it can be a surprise to learn that it consists of a full-time staff of only about 150 employees drawn from some 40 different countries. Most of these, it seems to this observer, were seconded from, or transferred permanently from, postal operator members of the UPU. There is nothing particularly surprising about this, since much of their work requires a solid grounding in how postal systems work (or do not work) and what they do.¹⁹ The total budget of the UPU is about \$60 million of which the IB’s portion is about \$43 million. It’s truly a bargain.

The IB provides logistical and technical support for the UPU's bodies. It serves as an office of liaison, information and consultation, and promotes technical cooperation among Union members. In recent years, the IB has taken on a stronger leadership role in certain activities. These include the application of postal technology through its Postal Technology Centre, the development of postal markets through potential growth areas such as direct mail and EMS (express mail service – ie, the postal equivalent of FedEx or UPS) and the monitoring of quality of service on a global scale.

The IB is not solely stationed in Bern, but around the world in the offices maintained by the six “Regional Advisers”, which we have referred to before. The function of these postal professionals is to assist Posts of developing countries in the programming, preparation, implementation and follow-up of postal development projects within their regions. One of their newest responsibilities is to assist Posts in applying for Quality of Service projects, referred to above under POC.

¹⁹ In the view of many private sector observers and participants in UPU activities, this “postal heritage” is not always viewed with approval, as it is deemed to inspire a predilection for procedure over substance, unnecessary observance of rules and procedures, and over-politicization of the most minor of matters. A common theme among private sector participants is that the UPU needs an infusion of private sector goal orientation.

Telematics Co-operative and the Postal Technology Center

Also outside Switzerland, the UPU has established a number of Regional Support Centers (Montevideo, San Juan Puerto Rico, Dar-es-Salaam, and Singapore to support the information technology activities described below. These centers manage the deployment and support of UPU technology applications, products and services within their regions, and enable the Center to provide 24/7 support to the users of the services it has deployed and which are described below. This is all pretty impressive stuff for an organization that most people, even postal people, have never heard of. Your birthday package to your sister in Shanghai gone missing from when you mailed it in Sao Paolo is being sought by at least three, maybe all four, offices, all day long. (And your Post will take the credit for finding it, when what they can take credit for is joining the Telematics Co-operative and using IPS. See below.)

The Postal Technology Center was established under the auspices of a voluntary UPU membership organization with the ungainly name of “Telematics Co-operative”. Any public, semi-public, or Private Postal Operator whose country is a member of the UPU and whose national legislation enables it to execute the Acts of the UPU can join the Telematics Cooperative. 113 countries have done so.²⁰

The developments and products of the Telematics Co-operative through the Postal Technology Center should put to rest the myth of the “sleepy postal system”. One of its first products was the “International Postal System”²¹ which provides a means for Posts to follow the movement of their mail from origin to destination, including offices of exchange, international air carriers, and through Customs at destination. If the destination country is a member, the tracking can go as far as their system goes. It is, in short, a track-and-trace system applicable to any Post-carried product entered into the system: express mail, parcels, and mail.

Some 50 Posts have implemented IPS. Those who are also members of the Express Mail Service co-operative and implement IPS for that system can now offer express mail service nationally and internationally at terms highly competitive with private express carriers. In fact, the participating postal systems use IPS as the “back-end” of the website you might consult to locate your express parcel or letter.

The PTC has also developed a highly secure software application for international money transfers. The system uses PKI encryption and electronic data interchange for a fully secure transfer system. The system provides reliable, secure and timely electronic financial services in order to permit the Posts to provide money transfer services at a reasonable cost. Much of the impetus for this development was the desire of developing country Posts to serve their countrymen working abroad in sending funds home. It is no

²⁰ <http://www.ptc.upu.int/tc/member.shtml>

²¹ <http://www.ptc.upu.int/ps/ips.shtml>

accident that French-speaking Africa and France were some of the first to implement the system. It would be desirable if the United States Postal Service, which serves the most varied and largest immigrant populations in the world, would implement this system. This would enable the many immigrants supporting families at home to send money to their loved ones at a reasonable cost. This is currently denied them because there is no competition in this market.

Each of these products has its own “User Group”, IMS User Group and IFS User Group. These are the PTC customer countries and they help it identify needed changes to the products. There is also an Advanced Electronic Services Group which identifies the frontiers to be broken through next. As a result of their work, the PTC has developed an Electronic Post Mark, which is a secure identity verification system, and is promoting development of “dot post”, an Internet top-level domain that will be open to Posts and the wider postal industry community. The Center continues to explore the boundaries between postal services and the Internet-era with the goal of assisting the Posts to discover and exploit opportunities in the developing world of electronic commerce.

Consultative Committee

Created on 16 September 2004 by the 23rd Universal Postal Congress in Bucharest, the Consultative Committee is the youngest body of the UPU, giving postal stakeholders *other than* public postal operators and regulators a voice in the organization’s deliberations. The Consultative Committee represents the interests of the wider international postal sector, and provides a framework for dialogue between postal industry stakeholders. It consists of non-governmental associations and organizations representing customers, delivery service providers, workers’ organizations, suppliers of goods and services to the postal sector and other organizations that have an interest in international postal services, including direct marketers, private operators, international mailers and printers.

The creation of the Consultative Committee was the result of the recommendations of a High Level Group established by the 1999 Beijing Congress to study the future constituency, structure and role of the UPU. It led to the creation of the UPU Advisory Group in 2000. The Advisory Group has ceased to exist with the creation of the Consultative Committee and non-governmental members of the Advisory Group have automatically become members of the new body.²² The newly elected UPU Council of Administration and the Postal Operations Council have also designated members to the new body. With the creation of the Consultative Committee, the UPU structure includes three interest groups: governments or postal regulators, postal operators, and external stakeholders.

As Chairman of the Consultative Committee, I was pleased to have some 20 different organizations (and 32 people) ask to come to our plenary meeting in January of this year as observers, nearly as many observers as members of the Committee! They came, and stayed, and we welcomed the debates they helped foster. As a Committee, we

²² Listed in Appendix E. This is as of March 3, 2005. There is one application for membership pending.

began the process of developing our own projects, measurable goals, and outcome statements. We have four exciting proposals in addition to our work of monitoring and participating in debates in the other committees: survey of direct access modalities and requirements; customer perception of changes in quality of service as a consequence of postal reform; training postal employees in the new digital world; opening up postal data of the UPU for business use.

My personal goals as Chairman of the CC are to broaden industry participation in our work, increase awareness in the wider business community of the importance of the UPU to development of all our economies, increase the use of direct mail as a marketing tool world-wide, and be our sector's voice in the debates on reformation of the UPU and Posts around the world. The issues are too important to be left to the Posts, their regulators, or their government owners.

Both I and the International Bureau of the UPU would be delighted to answer any questions you might have about our work or that of the UPU.

Charles A. Prescott

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Annexes:

- A. US State Department Report on POC meeting of January 2005
- B. Council of Administration structure and committees
- C. Postal Operations Council structure and committees
- D. Programme and Budget of the UPU 2006-2008
- E. Consultative Committee membership list

Appendix A

The US State Department maintains a postal policy website where this paper and other documents may be viewed and in some cases downloaded at: www.state.gov/p/io/ipp.

UNITED STATES DELEGATION REPORT

UPU POSTAL OPERATIONS COUNCIL

17-28 JANUARY 2005

INTRODUCTION

This report summarizes the work of the 2005 session of the UPU Postal Operations Council, held in Bern, Switzerland from January 17 to 28.

The 2005 POC session focused on examining more than 400 proposals to modify the Letter Post and Parcel Post Regulations – a job delegated by the UPU Congress – and organizing the workplans of the POC committees, boards and groups of various descriptions for the 2005-2008 period (that is, until the next Congress). Most of the work regarding the examination of proposals fell to the first of the POC's three Committees.

In the report below, you will find considerable attention paid to the workplans as well as the members and chairs of the many project groups, subgroups, boards and teams formed or elected at this 2005 POC. The U.S. joined several groups in subject areas – such as terminal dues, service performance measurement and UPU reform – to which our government assigns a high priority.

Other POC decisions or actions of importance to the United States were the following:

- The POC declined to elevate the target for terminal dues quality link even a single percentage point to 86%. The target remained at 85% on-time delivery.
- The Board of Trustees of the UPU's Quality of Service Fund announced plans to draft proposals to revise the Fund's three major documents: the Deed of Trust; the Project Management Manual and the Financial Management Manual. The Trustees also signaled their intention to simplify procedures for submission of project proposals.
- In several presentations, USPS operations experts explained the benefits of a new USPS program to introduce incentives for airlines that transmit scanned data on dispatches of outbound international mail. It is thought that the USPS program might jump-start long-awaited UPU efforts to measure the performance of airlines in handling and transporting international dispatches.
- Of thirteen proposals submitted by the U.S., the POC adopted eleven and referred the remaining two for study. The successful U.S. proposals concerned mandatory use of barcodes on parcels (in the sense that liability arrangements do not apply to parcels without standard UPU barcodes); use of a universal mail bag; statistics and accounting

procedures; regulations governing inquiries; and confirmation of receipt, through EDI messages, of preadvised letter and parcel dispatches.

- A U.S. proposal to accelerate lifting of the prohibition against mailing fruit flies (of the genus *Drosophila melanogaster*) across national borders was adopted. Starting May 1 of this year, biomedical researchers worldwide can legally mail these flies that are used for critical research on the genetic causes of major human diseases.
- The U.S. delegation stressed the need for POC groups to develop of quantifiable goals and measurements for the work they plan to undertake over the next four years as well as on the importance of setting priorities and operating within a zero nominal growth (ZNG) budget of 74 million Swiss Francs for 2005-2006. At his first full session as POC Chairman, Jim Wade of USPS reinforced these themes of budget disciplines and concrete, measurable goals in presentations he gave in Plenary and at meetings of a number of POC groups. In these presentations, Wade instructed the Chairs of every POC group to draft an "outcome statement" describing specifically the goals the group plans to achieve, the funding required and how success is to be measured. These individual plans will be rolled up into a comprehensive POC outcomes statement to be used to set POC priorities and make funding decisions. Such ambitious planning and budgetary discipline is new to the POC.
- A Council of Administration working group on the "structure and constituency of the Union" held an initial brainstorming session which drew out a wide range of views on a future direction for further structural reform of the UPU.
- The EMS Cooperative elected an Israeli postal manager to its seven-person Board.

The U.S. delegation was led by Donald Booth, Director of the Office of Technical Specialized Agencies of the Department of State's Bureau of International Organization Affairs. Other members of the delegation included Department of State officials Dennis Delehanty and Heather Von Behren; U.S. Postal Rate Commissioner Ruth Goldway; U.S. Chief Postal Inspector Lee Heath; USPS Senior Vice President for Intelligent Mail Charles Bravo; USPS Vice President for International Business and POC Chairman Jim Wade; and Mike Regan, Lea Emerson, William Alvis, all of USPS. Several U.S. private sector representatives attended the POC meetings in their capacity as members of the UPU's new Consultative Committee that was established at the September 2004 Bucharest Congress. In all, 715 delegates from 89 countries attended the POC.

COMMITTEE 1: STANDARDS AND PROCEDURES

The center of attention of this first post-Congress POC session was the work of Committee 1, which faced the task of examining and deciding upon nearly 400 proposals to amend the UPU's Letter Post and Parcel Post Regulations. The POC adopted nearly all those proposals that affect U.S. interests. The following were among the several proposals submitted by the United States:

- A proposal to deny liability for parcels that do not carry the 13-character item barcodes specified in UPU standard S10. (In Plenary, a well-timed U.S. intervention defeated an appeal that would have granted Germany the right to apply liability arrangements for

parcels without UPU-standard barcodes. Both decisions were important victories for the use of standardized UPU barcodes on international mail items.)

- A proposal to free postal administrations from the obligation of using mailbags of the specific colors as long as the bag labels correctly identify the category of mail within. (This apparently minor decision can bring major savings on equipment purchases and operational costs to the USPS and other postal administrations.)
- A proposal indicating the need for electronic preadvice (through UPU-standard EDI messages), 29-character UPU-standards barcodes on receptacles, and electronic confirmation of receipt for international mail dispatches on bilateral links where exported volumes exceed 100 tons annually. (This decision will bring major cost savings to postal administrations that are capable of transmitting these EDI messages.)
- A proposal to allow administrations to use printouts generated by computer systems, rather than the manual system of checking paper forms, to confirm the receipt of international mail dispatches at destination exchange office (which should also produce important cost savings at exchange offices).

On the issue of inward land rates (the rates analogous to terminal dues for parcels), the U.S. delegation fared less well. The Bucharest Congress had decided to transfer authority to set inward land rates from individual postal administrations to the POC. Under this decision, all administrations' inward land rates for 2006 would be based on their individual 2003 rates, then reduced to 71.4% of those rates, with an adjustment for inflation. Destination administrations would be eligible for supplementary payments of up to 40% of the 71.4%, based on the provision of five service features: tracking data; home delivery; liability; signature on delivery, and publication of delivery standards. If an administration provides all five features, it therefore would receive 100% of its 2003 rates.

This Congress decision and POC proposal on parcel rates caused serious concern for the United States for several reasons. First, capping inward land rates may mean that the costs of handling and delivery of inbound international parcels in the U.S. will not be covered. Second, doubts remain whether the UPU's International Bureau (IB) will be able to conduct reliable measurements on administrations' application of the five service features. Third, while the UPU has adopted the goal of aligning terminal dues rates for letter post more closely to domestic postage rates and ultimately to costs, the UPU seems to be moving in the opposite direction for inward land rates by concentrating decision-making authority within the POC and blocking any reference to the *real* costs incurred by administrations in handling and delivering parcels.

The POC nevertheless approved the details of the Bucharest Congress proposal on inward land rates with one important adjustment: rather than referencing the rates in force in 2003, the POC decided to set 2004 rates as the base for calculating 2006 rates. These rates would be further adjusted for inflation and the information in the report cards on provision of the five service features.

Committee 1, chaired expertly by Isabel Tavares of Portugal, completed its ambitious agenda on time, an impressive accomplishment in itself.

Standards Board

The work of Committee 1 also encompasses the Standards Board and its ancillary groups. Under the leadership of Charles Bravo of USPS, the Standards Board approved:

- A revised XML-based standard for electronic money orders;
- A standard describing the design, use and maintenance of code lists;
- Updates to a document describing how EDI messages are exchanged; and
- Creation of a World Customs Organization/UPU work group on EDI issues, which will report to the Standards Board and the WCO-UPU Contact Committee. This will be a technical support group, not a policy group.

UPU-CEN Contact Committee

The Standards Board Chairman and IB staff meet biannually with representatives of the CEN technical committee for postal standards (TC 3311) to review progress on postal standards, since CEN standards have the force of law within the European Union. The meetings have improved coordination of the work of the UPU and CEN without which there would high potential for duplication of effort – or worse, divergent standards. At this session, the Contact Committee reached a key agreement on procedures that the UPU and CEN will follow to ensure that the standards of the two organizations are in synchronization.

IATA-UPU Group on EDI

This group, which last met in September 2000, defines and develops the messages for the exchange of data between posts and airlines for improving efficiencies and reporting on service performance. Nine postal administrations and nine airlines attended this first post-Bucharest meeting – the equal representation being coincidental, not by design.

The meeting opened with a survey of current EDI usage by air carriers and postal administrations. USPS presented its domestic EDI requirements program for air carriers and explained how the program is expected to affect handling and transportation of international mail. The airlines raised several questions on operational, policy and contract issues. Also discussed was a USPS proposal to use an existing segment in the CARDIT message for a “transport service requirements” code which the air carriers will review.

Participants discussed the issue of handling exceptions, as well as extending the consignment status code list. IATA explained the need for the airlines to be able to identify undocumented mail receptacles, and the airlines were tasked to quantify the scope of the problem so that potential solutions may be found. IATA also proposed the use of commercial airway bills to allow easier shipment identification by airline cargo systems. The group will meet again in April 2005 in Bern.

COMMITTEE 2: TERMINAL DUES AND ECONOMIC ISSUES

Over the next four years, POC Committee 2, under the chairmanship of Cuba, will focus on terminal dues; transit charges; assisting member countries to determine costs and set rates; determining the overall cost of universal service obligations; and reviewing postal statistics.

Within Committee 2, the Terminal Dues Project Group will play a major role in further developing the terminal dues system. The U.S. was selected to co-chair the Statistics and Accounting Project Team with Malaysia and will also sit on the Terminal Dues Model Project Team, including the Development of Methodologies Work Group. A new Cost Accounting Project Group in which the U.S. will participate was also formed.

Despite a passionate plea by the Consultative Committee Chairman, Charles Prescott, representing the consumers' point of view, Committee members voted by a significant margin to retain the terminal dues quality of service link performance target at 85% for 2006.

Terminal Dues Project Group

The first meeting of the POC Terminal Dues Project Group, which has 65 members and observers, took place under the chairmanship of Switzerland, with Canada as Vice-Chair. The Project Group approved its preliminary work program for the period 2005 to 2008, mainly based on Bucharest Congress Resolution C 46.

To carry out the work of the Project Group, three Project Teams of 10 to 15 members were formed which will meet three to four times a year. The Project Teams and Co-chairs are:

- PT 1: Terminal Dues Model (Co-chairs Morocco and Belgium)
- PT 2: Statistics and Accounting Project Team (Co-chairs Malaysia and the U.S.)
- PT 3: Quality of Service Link to Terminal Dues (Co-chairs Brazil and Finland)

The Terminal Dues Model Project Team will have the following four work groups:

- Studies (Co-chairs Canada and China)
- Development of Methodologies (Co-chairs Germany and Ghana)
- Policy Questions (Co-chairs Great Britain and India)
- Domestic Access (Co-chairs Australia and Romania)

The Project Group also considered a draft resolution for the quality of service link to terminal dues for the year 2006. This quality link began on 1 January 2005 with an 85% target to be reached by all industrialized countries except Greece and Spain. The initial version of the resolution had called for the target to increase to 86% for the year 2006, though Germany argued that the target should remain at 85% – a motion supported by Japan and Israel. The U.S. characterized the 1% increase as a small step towards improving letter post services, and called upon the Quality of Service Link Project Team to consider setting country-specific targets (or groups of targets) in the years subsequent to 2006. Seventeen Project Group members preferred retaining the 85% target while 13 members, including the U.S., favored moving to 86%. Committee 2 subsequently endorsed the 85% target for 2006.

Terminal Dues Model Project Team

The co-chairs of this Project Team and its work groups will meet in Morocco in March to finalize the workplans and timelines based on the comments received. The next meeting of the entire membership of the Model Project Team will take place in May, most likely in Bern.

Statistics and Accounting Project Team

The most urgent task of this Team, which Malaysia and the U.S. (Lea Emerson and Pat Barnwell of USPS) jointly lead, is to update the Statistical and Accounting Guide to reflect all of the changes to the terminal dues system adopted by the Bucharest Congress and the January 2005 POC. The IB will keep Team members informed about timelines for publication of the Letter Post Regulations since this final version is needed for updating the Guide.

The Team's workplan includes the design and organization of regional training workshops on the new procedures for the settlement of accounts and collection of terminal dues statistics. Team members were asked to volunteer to conduct training at these workshops in their respective regions. (So far only Indonesia and Malaysia have stepped forward to organize a training workshop for the Asia-Pacific region.)

Postal Economics

At a brief meeting, the Postal Economics Project Group decided that its work over the next four years will focus on the development of postal traffic, the impact of delivery methods on costs and traffic and the economic cost of the universal service obligation.

Charles Robinson of the Postal Rate Commission will serve as the U.S. representative on the Project Group. In a discussion on postal statistics, the U.S. recommended that the group examine the relevancy of data currently used, as well as consult major mailers and members of the Consultative Committee on their perspectives in future studies. The Group will next meet in October of this year.

COMMITTEE 3: OPERATIONAL ISSUES

Committee 3 heard status reports of its several project groups (described in the paragraphs below). At the end of the meeting, the U.S. proposed an approach for carrying out the work in Congress Resolution C 33, which calls for a comprehensive review of the operational and accounting procedures in the UPU Acts with a view to replacing paper-based postal operational and accounting processes with procedures based on EDI transmissions. The U.S. strongly recommended that this review should initially be carried out by a small team of experienced postal experts, from perhaps three countries. Later, the POC may wish to create a formal working group, possibly in 2006 and 2007, to solicit a wide range of views if member countries on the findings and recommendations of the team of experts. The Committee approved the approach recommended by the U.S.

Addressing Project Group

The Addressing Project Group confirmed the formation of a subgroup on postcode promotion and improvement to be chaired by France, and a subgroup on international address components to be chaired by the U.S. (Ruth Jones of USPS). The main objective of the latter will be to finalize UPU standard S42 which will enable automatic drafting of addresses in compliance with national standards.

Customs Support Project Group

This Group, chaired by the Netherlands, surveyed issues related to postal implementation of the new CN 22 and CN 23 customs declaration forms, and considered recommendations to improve compliance in provision of customs information, such as the Harmonized System codes.

Participants heard an extensive briefing on EU issues focusing on development of a modernized customs code. The Group also reviewed the current status of security measures already undertaken or under consideration by customs and other agencies such as the FDA, and proposed reaction by postal administrations. Of particular interest were proposed EU requirements for electronic pre-advice similar to, but more demanding than, those recommended in the U.S. Trade Act of 2002.

Postal members of the WCO-UPU Contact Committee

At a meeting on January 26, the postal members of the World Customs Organization-UPU Contact Committee developed the following recommended agenda items for inclusion on the agenda of the April 2005 meeting of the WCO-UPU Contact Committee:

- Evaluation of security trends in the field of customs and their impact on the postal sector;
- Development and testing of systems for EDI exchanges between postal administrations of interest to customs authorities;
- Roles of senders, postal administrations and customs in achieving greater compliance in the provision of customs information;
- Improved cooperation between postal and customs authorities.

Participants discussed how postal administrations and customs might develop a common approach for customs security and informational requirements worldwide.

Liability Project Group

The Liability Project Group met to organize its work program over the next four years. . In the wake of a decision by Committee 1 to refer more than thirty Bucharest Congress proposals concerning claims and indemnities to the Group, work was divided into six newly-formed subgroups responsible for legal issues, registered items, payment of indemnity and reimbursement, claims, timeframes and evaluation of the proposals referred to the Group. The U.S. joined the subgroups on claims and timeframes.

Quality of Service Project Group

The Quality of Service Project Group nominated Sweden as its Chair and formed a Steering Committee composed of Brazil, Korea, Portugal, Russia and Sweden. A majority of the activities in the workplan of the Group will focus on the following four areas:

- Quality monitoring to support the link between quality of service and terminal dues;
- Promotion of greater awareness of quality of service through seminars, for example during the 2006 POC session, and development of a Quality of Service website;
- Continued organization of quality of service missions for 2005-2006;
- Review of the methodology employed to certify postal administrations in the quality management field.

Of special interest to the U.S. was the creation of a “Terminal Dues Quality Link Monitoring Systems Subgroup”, chaired by Germany, that intends to work quickly to ensure that data collected for the purpose of linking quality and terminal dues payments and the accompanying measurement systems are valid. In particular, this subgroup will address the issue of deployment of customs gates for performance measurement purposes.

COMMITTEE 4: MARKETS

This Committee’s mission is to satisfy customer needs by broadening knowledge of markets and facilitating their development. The Committee formed, or reinstated, the following five bodies:

- Direct Mail Advisory Board;
- World Association for the Development of Philately;
- Publishing Industry Group;
- Research and Marketing Development Group;
- Customer Relations Group.

An Executive Board composed of the Chairs of these five bodies, plus representatives of selected POC and regional groups and the Chairman of the Consultative Committee, will coordinate the Committee’s work.

The first three bodies held their first meetings during the POC and presented action plans approved by their members during these meetings. The Research and Marketing Development Group and the Customer Relations Group will have their first meeting in October 2005, and their action plans are only tentative. Presenting a summary of UPU budgetary resources allocated to Committee 4 for the period of 2005-2008, the Chairman noted that additional funds will be required from extraordinary sources. The final budget for Committee 4 will be decided at the October 2005 CA.

Direct Mail Advisory Board

The Direct Mail Advisory Board adopted its Development Plan for 2005-2008 which will focus on six main lines of work: information, education and training, networking and benchmarking, measurement tools and standards, communications and interaction with other groups within or outside the UPU.

The DMAB adopted the Chairman's proposal to add two additional Vice-Chairs, that is, Russia for the postal side and Gene del Polito of POSTCOM for the private sector. The DMAB Steering Committee will be composed of the DMAB Chair and three Vice-Chairs. On the Steering Committee China, Italy, New Zealand, Tunisia and the U.S. will serve as postal members while the Direct Marketing Association, the Buhrs Group and POSTCOM will serve as members from the private sector.

ACTION GROUPS

Postal Development Action Group

The PDAG Planning Team met twice during the POC session to consider workplans for the next four years. Among the items discussed were performance indicators for reform projects, twinning projects, involvement of Regional Advisors in PDAG work, and responsibility for the feasibility study for transforming the Quality of Service Fund into a postal investment bank. The feasibility study was assigned to representatives from Belgium, France, Spain and the U.S., with the U.S. as Chair.

Postal Security Action Group

The Postal Security Action Group, chaired by USPS Chief Postal Inspector Lee Heath, discussed the structure, direction of work and future focus of PSAG in light of a member survey distributed in December 2004 aimed at evaluating PSAG activities. The meeting also featured presentations on electronic data interchange messaging between posts and airlines, fraudulent attacks on the postal money order system and a new security "code of conduct". PSAG membership now stands at 74 countries.

POC GROUPS

Electronic Products and Services Group

The newly-created Electronic Products and Services Group (EPSG) will concentrate on UPU policies, regulations and standards regarding new electronic services, or *eServices*. While the Telematics Cooperative's Advanced Electronic Services User Group will continue to focus on product development and operational functions, the EPSG will seek strategic market development opportunities where regulations are applicable and develop a higher level workplan in line with the growing importance members now place on *eServices*. Specifically, the work of the EPSG will include:

- Research and strategy recommendations to the POC;
- Product and service specifications;
- International operating models and service standards;
- Operating policy and regulations;
- Financial models, pricing policy and enabling multi-lateral agreements.

The EPSG terms of reference also include working with governments and postal administrations on strategy, specifications, standards, policy and market development; seeking input from innovators and early adopter posts as subject experts; and developing a strategy for the second phase of the World Summit on the Information Society (WSIS) in Tunisia in November 2005 to maximize exposure for the postal industry.

The Group's five project teams formed at the meeting will address a WSIS telekiosk and regulatory and policy issues; EPM; the *.post* top level domain; electronic shopping; and hybrid mail. The U.S. showed an interest in joining the *.post* and hybrid mail project teams.

Parcels Group

In presenting his vision and terms of reference for this group, Chairman Gary Simpson of Great Britain stressed that members must make clear progress in the next 18 months to forestall further decline in parcel traffic. The meeting then dealt with the formation of the definition of subgroups concerning the five following areas: management, services, product definition, accounting and development.

Each of these groups will draft a workplan by June 2005 when the Steering Committee – composed of the Chairs of these subgroups – will meet to review progress. The U.S. (Brian Hutchins of USPS) will chair the Services Subgroup and thus serve on the Steering Committee. The Services Subgroup will be responsible for increasing the use of bar codes on international parcels, the transmission of electronic tracking information and developing performance measurement systems for parcels.

Quality Of Service Fund Board of Trustees

The Quality of Service Fund (QSF) Board of Trustees held its quarterly meeting under the Chairmanship of Mr. Ramachandran Ganesan, the Director General of Posts of India. The Board is composed of representatives of the following nine countries elected by the POC: Brazil, Burkina Faso, France, India, Japan, Kenya, Portugal, Russia and the United States. Dennis Delehanty of the Department of State represents the U.S. on the Board.

As this was its first meeting since the Bucharest Congress, the Board reviewed Congress resolution C 8 which, among other decisions, instructed the Board to draft updated versions of the Deed of Trust, the Project Management Manual and the Financial Management Manual. The Board adopted a plan and calendar to produce draft documents for presentation to the POC Management Committee in October.

A recent IB survey showed that postal administrations continue to regard most information related to QSF accounts as confidential. One exception is the amount of funding spent on each individual project approved. This information will be henceforth included in future Board reports to the POC.

The Board further discussed how it might better communicate information about its work and the challenges it faces to the wider UPU community. At its next meetings in Tokyo in April and New Delhi in July the Board will explore recommendations for such a communications plan, including the suggestion to hold informal, non-decisional workshops and briefing meetings for delegates attending the POC and CA sessions in Bern.

The Board gave provisional approval to dozens of projects pending the receipt of information missing from project proposals. The pace of submission of project proposals is quickening as administrations become more familiar with the mechanics of submitting proposals. Since 2001, the Board has approved projects totaling about \$26 million.

Lastly, the Board initiated discussions on developing global indicators by which the concrete effects of QSF projects on a postal administration's overall quality of service could be measured. These indicators might include, for example, the quality of service reports currently issued by the UPU or the UPU's planned service performance report cards.

USER GROUPS

EMS Cooperative

The EMS Cooperative General Assembly took up a number of issues related to the budget approval process, as well as minor changes to the statutes and EMS Pay-for-performance plan. Elections for three Board positions were held during the Cooperative. Wendy Eitan of Israel and Patrick Lin of Hong Kong were elected as new Board members while Fabio Cesar Vieira of Brazil retained his seat.

The main topic of discussion was the EMS Business Plan for 2005 to 2008. The business plan segmented the members of the Cooperative into three groups: the largest importers; those with tracking capability; and those with no tracking. The three groups were given separate timelines to attain specific performance goals. These performance goals will be tracked for each administration in each group, and the present report cards will adjusted accordingly.

Telematics Cooperative

The Telematics Cooperative General Assembly elected Chris Grosser of Australia as Management Board Chairman while Abdeljalil Azzane of Morocco was elected Vice-Chairman. A position on the Board – that of Vice-Chair for legal affairs – remains open.

Reviewing the Cooperative's business plan for 2005-2008, the Board committed to providing a more detailed plan no later than the extraordinary General Assembly scheduled for October 2005. The Board also expressed continued strong commitment to recovering debts from members.

During a discussion on Cooperative finances, U.S. representatives insisted on more transparency and details on the activities of the Postal Technology Centre (PTC). Specifically, the U.S. delegation requested more information on the number of PTC staff members assigned to each program, and how much is spent per program. The Board indicated that this detailed information will be provided in future Telematics Cooperative budget documents. It was also reported that contributions from the UPU General Budget to the Telematics Cooperative will be reduced to 500,000 Swiss francs in 2005, and further to 350,000 Swiss francs in 2006. Dealing with this reduced funding from the UPU budget is the primary reason for convening the extraordinary General Assembly in October 2005.

The Cooperative's three user groups – which handle advanced electronic services, international financial services and international mail services – offer research, development and operational services to their members.

International Mail Services User Group

This User Group strives to provide software solutions for integrated international mail management, combining mail processing, operational management, and EDI messaging. A meeting of this User Group in Bern provided information on the following:

- Operation of the Regional Support Centers;
- License fees, network costs, POST*Net message counts;
- Highlights of the differences between IPS (many features) and IPS Light (fewer features);
- New Portable Scanning Devices for mobile scanning;
- New Quality Control System focusing on item-level statistics.

Members concurred that the Group's priorities shall be Portable Scanning Devices and introducing customer item information into the IPS Light application.

Advanced Electronic Services User Group

This User Group focuses on development of electronic postal commerce to facilitate development of standards and foster innovation of new ideas. Current User Group projects include the .post top level domain, Electronic Post Mark, hybrid mail, Radio Frequency Identification.

At the User Group meeting, private companies gave detailed presentations on the Electronic Post Mark (EPM) at the meeting. The potential relationship of EPM with the UPU terminal dues structure is being explored. Australia, Canada, Egypt, France, Italy and Portugal plan to pilot or implement this standard in 2005 and two major private companies reportedly have expressed interest in embedding EPM into their products.

Participants heard a presentation on the .post top level domain, the Cooperative's application for ICANN approved in 2004. There is significant legal and policy work required, but postal administrations recognize that they have a unique opportunity in obtaining rights to this top level domain. Highlights of the .post presentation included a conceptual discussion of a unique identity linked to physical addresses at the national level for users, international interoperability, and enabling applications on .post to serve as a single global platform.

Other priority activities include hybrid mail and RFID (Radio Frequency Identification). The desired result is to establish a single international standard for hybrid mail. Although RFID was initially viewed for identification purposes, further benefits have emerged related to trackability of waste, theft, transportation and logistical management. The User Group will initiate work on the development of standards for hybrid mail and undertake a market survey to identify needs and uses for RFID.

COUNCIL OF ADMINISTRATION PROJECT GROUPS

Acts of the Union Project Group

The Acts of the Union Project Group nominated the U.S. (Bill Alvis of USPS) as its Chair and adopted the Group's work plan for the Bucharest cycle. Most activities in the workplan involve the following objectives:

- Study of the use of the term "postal administration" within the context of the Acts;
- Study of the UPU reservation system and define the term "reservation";
- Development of a formal legislative drafting guide.

The Project Group agreed to begin work immediately on the use of the term "postal administration" by drafting reflection documents on possible alternatives. At its next meeting, the Group will discuss the reflection documents and the IB's draft Acts of the Union using the terms "member country" and "operator". The Group also reviewed the results of a questionnaire on replacing the term "postal administration" carried out in February 2004 by the earlier Acts of the Union Project Group.

The IB will initiate the work on the UPU system of reservations and provide an analysis of the use of reservations by the next meeting. The Project Group agreed to delay the work on the legislative guide until member countries could better determine their availability to participate in the work. The Group will next meet in May of this year.

Strategic Planning Group

Under the leadership of the Russia, the Group adopted its work plan for the Bucharest cycle and approved the schedule for finalizing the UPU Program and Budget 2005-2006. The Group also expressed support for aligning the objectives outlined in the UPU Program and Budget with the Bucharest World Postal Strategy, as presented by the POC Chairman and adopted by the CA and POC Management Committees.

To carry out the work of the project group, four subgroups were formed. The subgroups, chairs and primary objectives are outlined below:

- SG 1 (Chair: France): implementation of results-based budgeting and management and the prioritization and assessment of the UPU Program and Budget and the Bucharest World Postal Strategy
- SG 2 (Chair: U.S.): development of scenarios for the future of the postal industry
- SG 3 (Chair: Russian Federation): arrangements for the 2006 strategic conference and communicating with stakeholders
- SG 4 (Chair: Belgium): development of the Nairobi World Postal Strategy

The Chair proposed scheduling the next meeting during the St. Petersburg symposium in the Russian Federation in June 2005, to review the tasks and timetables of the subgroups. However, the Group did not make a final decision as to the date and location of the next meeting.

Structure and Constituency of the Union Project Group

This new Project Group convened a full-day brainstorming session to elicit ideas for further reform of the Union as outlined in Bucharest Congress C 54. A principal concept put forward for consideration in this resolution is the suggestion for transforming the Postal Operations Council into a Postal *Operators* Council which would foster more commercial arrangements, for example, commercial contracts between postal operators rather than formal inter-governmental agreements.

The Chair of the Project Group, Germany, had arranged for a consultant company to give wide-ranging presentations on the conceptual, practical and legal issues related to further reform of the UPU. These presentation drew out five major issues regarding reform that the Project Group will confront in its work over the next four years, namely definition of responsibilities of governments and operators; legal status of operator agreements, including possible voluntary agreements; composition of the Postal Operations (or Operators) Council; principles and procedures related to voting rights; and financing of the UPU.

A discussion ensued on these five topics which also touched upon the mission of the UPU and its overall structure as well as the specific roles of the CA and POC. A wide range of views were heard, which reflects the greatly varying legal structures for postal policies and operations among UPU member countries. Of note was a new mood reflected in the interventions of several participants who expressed support for alternative voting principles that might move a new POC structure away from the one-country one-vote structures towards more proportional voting systems. One or two delegations, however, expressed caution in this regard. A further challenge will be to reach agreement on a reformed or revised UPU organization that reconciles the legal structures of those countries that have adopted a clear distinction between operational and regulatory functions (such as many governments in Europe) and those that have made no such clear distinction or have not established a regulatory agency governing postal markets.

WTO Relations Project Group

During the first meeting of the WTO Relations Project Group, the Group adopted its workplan, which focuses on four main objectives:

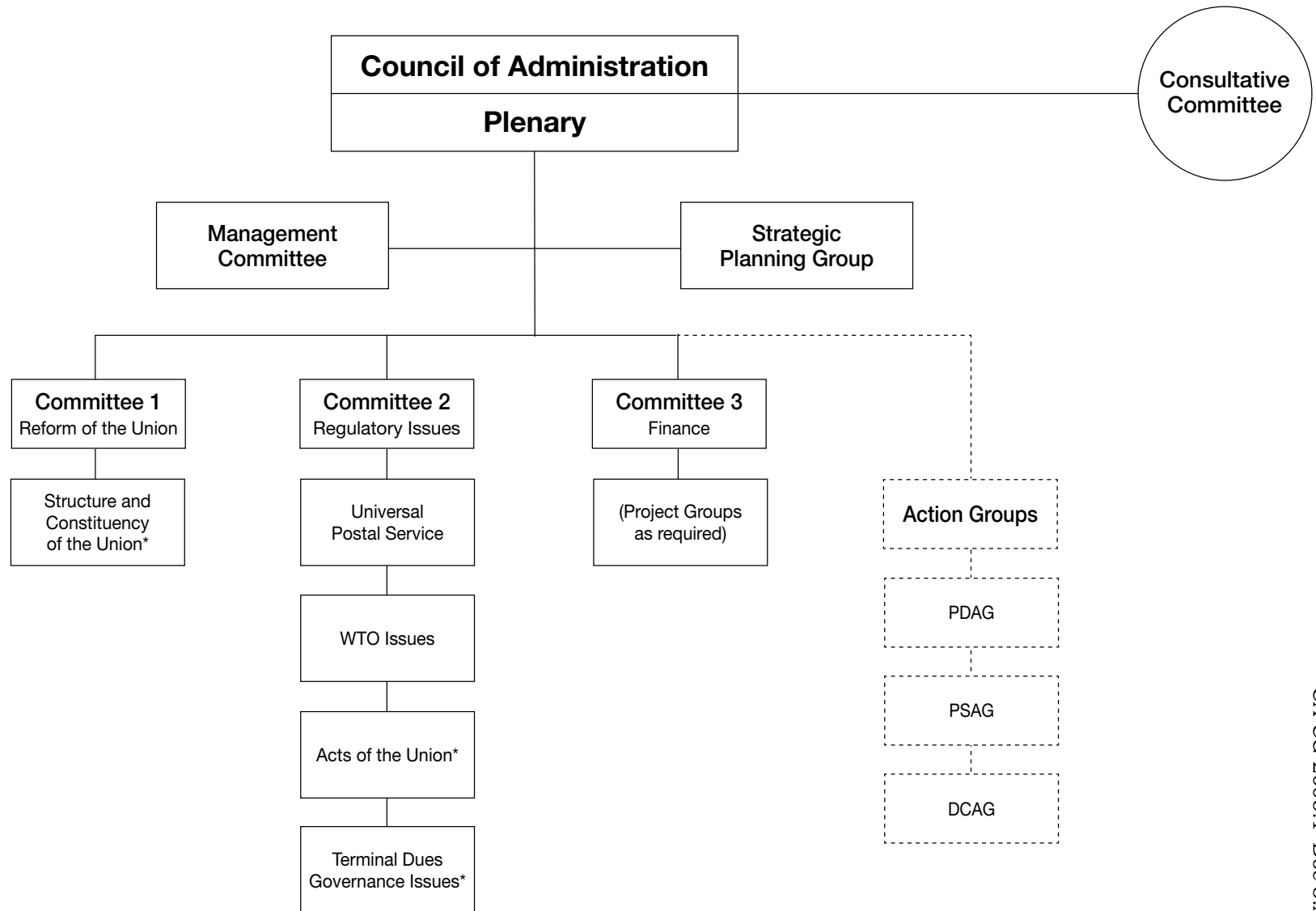
- Monitor international law in the field of trade in services;
- Establish a WTO-UPU Memorandum of Understanding;
- Study the proposals submitted to the WTO concerning the classification of postal services and courier services and identify their impact on the UPU; and
- Obtain observer status in the WTO for the UPU.

The Group also listened to presentations delivered by the European Community, Japan, Mercosur and Bolivia, New Zealand, and the United States explaining their current offers to the WTO and updating the group on the latest developments within the WTO concerning classification of postal and courier services. The IB will conduct a study of the proposals submitted to the WTO and present the results to the Group by March 2005 and the CA in October 2005.

Glossary of abbreviations and terms

<i>Abbreviation or term</i>	<i>Full name or explanation</i>
CA	Council of Administration
CEN	European Committee for Standardisation
CN	A series of forms in the UPU Convention for use in international postal operations, such as Form "CN 38 Delivery Bill.Airmail". The letters "CN" refer to "Convention".
CPC	Central Product Classification
DMAB	Direct Mail Advisory Board
EDI	Electronic Data Interchange
EMS	Express Mail Service
EPM	Electronic Post Mark
EPSG	Electronic Products and Services Group
GATS	General Agreement on Trade in Services
IATA	International Air Transport Association
IB	International Bureau (the UPU secretariat in Bern, Switzerland)
IATA	International Air Transport Association
PDAG	Postal Development Action Group
POC	Postal Operations Council
PSAG	Postal Security Action Group
PTC	Postal Technology Centre
QSF	Quality of Service Fund
RFID	Radio Frequency Identification
SDR	Special Drawing Right
WTO	World Trade Organization
XML	Extensible Markup Language (format for the exchange of electronic data)

Organizational chart of the Council of Administration



* Newly proposed groups

Chairmanships, vice-chairmanships and members of Council of Administration bodies (2005–2008)

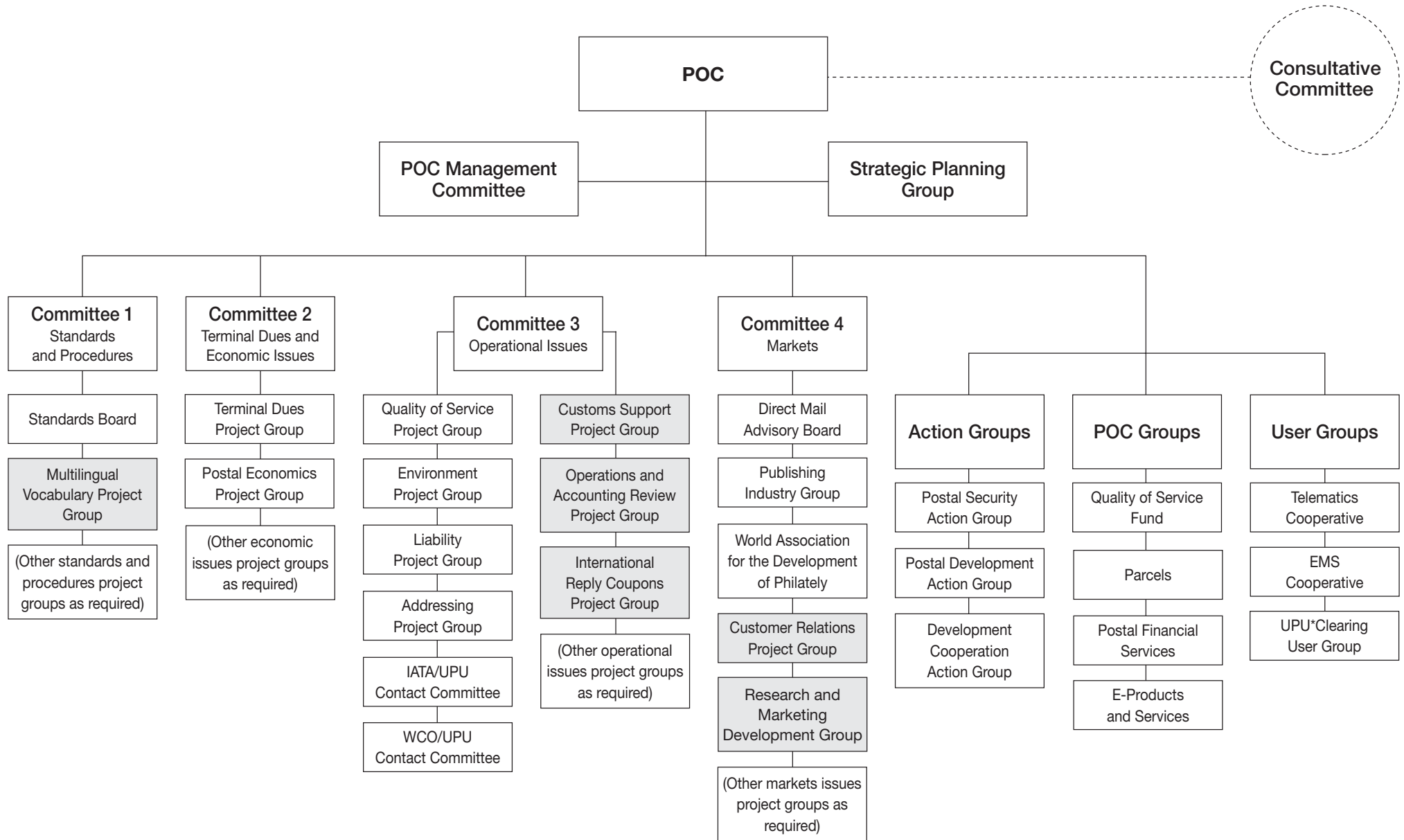
CA bodies	Members
Management Committee	Vice-Chairmen of CA: Mr. Ali Younsioui (Algeria) Ms. Paola Ferri, (Italy) Mr. Agha Masood Hasan (Pakistan) Mr. Simeon Yearwood (Trinidad and Tobago) Germany (Chairman of C 1), Brazil (Chairman of C 2), Nigeria (Chairman of C 3), Russian Federation (Chairman of SPG) <i>Observers:</i> <ul style="list-style-type: none">– DMA, Chairman of Consultative Committee– Spain (DCAG)– Canada (PDAG)– United States of America (PSAG)
Chairman: Mr. Gabriel Mateescu (Romania)	

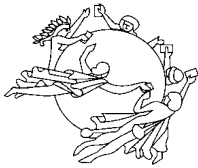
CA bodies	Members
Consultative Committee	Appointed during constituent meeting on 4 October 2004:
Chairman: Mr. Charles Prescott, DMA (United States)	CA members: Benin, Japan, Spain
Vice-Chairman: Spain	POC members: Barbados, Great Britain, Korea (Rep.)
	<i>Observer:</i>
	Germany
	<i>Non-governmental members:</i>
	Air Courier Conference of America (ACCA), Association for Postal Commerce (PostCom), Association of Stamp Catalogue Publishers (ASCAT), Direct Marketing Association (DMA), European Information and Communications Technology Industry Association (EICTA), Envelope Manufacturers Association (EMA), European Mail Order Traders and Distance Selling Association (EMOTA), Federation of European Direct and Interactive Marketing (FEDMA), Global Express Association (GEA), International Association of Philatelic Journalists (AIJP), International Chamber of Commerce (ICC), International Federation of the Periodical Press (FIPP), International Federation of Philately (FIP), International Federation of Stamp Dealers Associations (IFSDA), International Mailers' Advisory Group (IMAG), International Olympic Committee (IOC), The International Air Cargo Association (TIACA), Union Network International (UNI-POSTAL), World Blind Union (WBU)
Strategic Planning Group (SPG)	Appointed during constituent meeting on 4 October 2004:
Chairman: Mr. Igor Syrtsov (Russian Federation)	CA members: Belgium, Cameroon, China (People's Rep.), Costa Rica, Romania
	POC members: Australia, Egypt, France, Russian Federation, United States of America
	<i>Observers:</i>
	Germany, Italy
Committee 1 – Reform of the Union	All CA members
Chairman: Mr. Eschweiler, Mr. Udo Seidl (Germany)	<i>Observer</i>
Vice-Chairman: Morocco	

CA bodies	Members
<p>Structure and Constituency of the Union Project Group</p> <p>Chairman: To be appointed</p>	<p><i>Members:</i></p> <p>Belgium, China (People's Rep.), Germany, Japan, Pakistan, Portugal, Spain, United States of America</p> <p><i>Observers:</i></p> <p>Egypt, France, Israel, Norway, Switzerland</p>
<p>Committee 2</p> <p>– Regulatory Issues</p> <p>Chairman: Mr. Paulo Machado Belém Filho (Brazil)</p> <p>Vice-Chairman: Iran (Islamic Rep.)</p>	<p>All CA members</p> <p><i>Observer:</i></p> <p>Brunei Darussalam</p>
<p>Universal Postal Service Project Group</p>	<p><i>Members:</i></p> <p>Azerbaijan, Brazil, China (People's Rep.), Germany, Great Britain, Hungary, Italy, Japan, Kazakhstan, Niger, Nigeria, Pakistan, Poland, Portugal, Spain, Sudan, United States of America, Viet Nam</p> <p><i>Observers:</i></p> <p>Belgium, Egypt, France, New Zealand, Turkey, Ukraine</p>
<p>WTO Issues Project Group</p> <p>Chairman: Mr. Halim Man (Malaysia)</p>	<p><i>Members:</i></p> <p>Belgium, Brazil, China (People's Rep.), Germany, Italy, Japan, Pakistan, Poland, Portugal, Spain, United States of America</p> <p><i>Observers:</i></p> <p>France, Kazakhstan, New Zealand, Switzerland, Ukraine</p>
<p>Acts of the Union Project Group</p> <p>Chairman: To be appointed</p>	<p><i>Members:</i></p> <p>Belgium, China (People's Rep.), Germany, Hungary, Italy, Japan, Pakistan, Portugal, Spain, United States of America</p> <p><i>Observers:</i></p> <p>France, Kazakhstan, Norway</p>

CA bodies	Members
Terminal Dues – Regulatory Issues Project Group	<i>Members:</i> China (People's Rep.), Great Britain, Hungary, Indonesia, Italy, Niger, Pakistan, Portugal, Spain, United States of America <i>Observers:</i> Belgium, France, Switzerland, Ukraine
Committee 3 – Finance Chairman: Mr. A.M. Argungu (Nigeria) Vice-Chairman: Hungary	All CA members <i>Observer:</i> Switzerland

Draft new organizational chart of the Postal Operations Council





Chairmanships, Vice-Chairmanships and members of Postal Operations Council bodies (2005–2008)

(This document has been prepared on the basis of information supplied to the various International Bureau Directorates by countries. For most of the POC bodies, the member lists are not yet complete or definitive. Countries interested in joining these bodies are therefore asked to inform the Secretariat rapidly – by the end of the 2005 POC session if possible.)

POC bodies	Members
Management Committee Chairman: Mr. James P. Wade (United States of America) Vice-Chairman: Mr. Dan Ameyo (Kenya)	Portugal (Chairman of C 1), Cuba (Chairman of C 2), India (Chairman of C 3), New Zealand (Chairman of C 4), Russian Federation (Chairman of SPG) Observers: <ul style="list-style-type: none">– Romania (CA Chairman)– United States of America (PSAG Chairman)– Canada (PDAG Chairman)– Spain (DCAG Chairman)
Strategic Planning Group (SPG) Chairman: Mr. Igor Syrtsov (Russian Federation)	Appointed during constituent meeting on 4 October 2004: POC members: Australia, Egypt, France, United States of America CA members: Belgium, Cameroon, China (People's Rep.), Costa Rica, Romania Observers: Germany, Italy

POC bodies	Members
<p>Consultative Committee</p> <p>Chairman: Mr. Charles Prescott, DMA (United States of America)</p> <p>Vice-Chairman: Spain</p>	<p>Appointed during constituent meeting on 4 October 2004:</p> <p>POC members: Barbados, Great Britain, Korea (Rep.)</p> <p>CA members: Benin, Japan, Spain</p> <p>Observer: Germany</p> <p>Non-Governmental Observers:</p> <p>Air Courier Conference of America (ACCA), Association for Postal Commerce (PostCom), Association of Stamp Catalogue Publishers (ASCAT), Direct Marketing Association (DMA), European Information and Communications Technology Industry Association (EICTA), Envelope Manufacturers Association (EMA), European Mail Order Traders and Distance Selling Association (EMOTA), Federation of European Direct and Interactive Marketing (FEDMA), Global Express Association (GEA), International Association of Philatelic Journalists (AIJP), International Chamber of Commerce (ICC), International Federation of the Periodical Press (FIPP), International Federation of Philately (FIP), International Federation of Stamp Dealers Associations (IFSDA), International Mailers' Advisory Group (IMAG), International Olympic Committee (IOC), The International Air Cargo Association (TIACA), Union Network International (UNI-POSTAL), World Blind Union (WBU)</p>
<p>Committee 1 – Standards and Procedures</p> <p>Chairman: Ms. Isabel Tavares (Portugal)</p> <p>Vice-Chairman: Mr. Sébastien Zehi (Côte d'Ivoire (Rep.))</p>	<p>All POC members</p>
<p>Standards Board</p> <p>Chairman: Mr. Charles Bravo (United States of America)</p>	<p>Australia, China (People's Rep.), Côte d'Ivoire (Rep.), Egypt, Finland, France, Germany, Great Britain, Iran (Islamic Rep.), Italy, Japan, Kazakhstan, Netherlands, New Zealand, Pakistan, Portugal, Sweden, Tanzania (United Rep.)</p> <p>Observer: PAPU</p>
<p><i>New proposal:</i></p> <p>Multilingual Vocabulary Project Group</p> <p>Chairman:</p>	<p>Members: three French-speaking countries (Belgium (Chairman), France, Switzerland) and representatives of the UPU language groups (Brazil, China (People's Rep.), Germany, Portugal, Russian Federation, Spain, Tunisia, United States of America)</p> <p>Final approval to be given by the 2005 POC</p>

POC bodies	Members
Committee 2 – Terminal Dues and Economic Issues	All POC members
Chairman: Mr. Luis M. Chaviano JO (Cuba)	
Vice-Chairman: China (People's Rep.)	
Terminal Dues Project Group (TD PG)	Angola, Australia, Azerbaijan, Barbados, Belarus, Belgium, Benin, Bolivia, Bulgaria (Rep.), Canada, Chile, China (People's Rep.), Côte d'Ivoire (Rep.), Cuba, Czech Rep., Denmark, Egypt, Finland, France, Germany, Great Britain, Greece, Guinea, Hungary (Rep.), India, Indonesia, Iran (Islamic Rep.), Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Korea (Rep.), Latvia, Lesotho, Libyan Jamahiriya, Lithuania, Malaysia, Mali, Mexico, Netherlands, New Zealand, Niger, Norway, Pakistan, Panama, Portugal, Romania, Russian Federation, Rwanda, Senegal, Singapore, Slovakia, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, United States of America, Venezuela, Zimbabwe
Chairman: Mr. Björn Arni (Switzerland)	
Vice-Chairman: Mr. Dave Eagles (Canada)	
	Observers: Chad, Uzbekistan, PAPU, PUASP
Postal Economics Project Group	Australia, Azerbaijan, Barbados, Bulgaria (Rep.), Finland, France, Germany, Great Britain, Ireland, Kenya, Russian Federation, Spain, Tunisia
Chairman: Ms. Joëlle Toledano (France)	
Vice-Chairman: Tunisia	
Committee 3 – Operational Issues	All POC members
Chairman: Mr. R. Ganesan (India)	
Vice-Chairman: Romania	
Quality of Service Project Group	Australia, Barbados, Belarus, Belgium, Benin, Bulgaria (Rep.), China (People's Rep.), Congo (Rep.), Côte d'Ivoire (Rep.), Czech Rep., Finland, France, Germany, Ghana, Great Britain, Greece, Hungary, India, Iran (Islamic Rep.), Italy, Jordan, Kenya, Lesotho, Mali, Mauritania, Mexico, Pakistan, Portugal, Romania, Russian Federation, Slovakia, Spain, Sweden, Tanzania (United Rep.), Thailand, Ukraine, United States of America, Uzbekistan, Viet Nam
Chairman: Mr. Lars Vesterlund (Sweden)	
	Observers: Chad, Kazakhstan, PAPU
	Important note: The QS Project Group is open to all UPU members. This list relates solely to new applications for membership. The 2005 POC will approve the new make-up of the group.
Environment Project Group	Finland, France, Germany, Great Britain, Iran (Islamic Rep.), Spain, Switzerland
Chairman: Mr. Patrick Widloecher (France)	
	Observers: Chad, New Zealand

POC bodies	Members
<p>Liability Project Group</p> <p>Chairman: Ms. Maria Daria Troiani (Italy)</p>	<p>Australia, Belgium, Finland, France, Germany, Great Britain, Hungary, Iran (Islamic Rep.), Israel, Korea (Rep.), Netherlands, Pakistan, Romania, Spain, Sweden, United States of America</p> <p>Observers: Chad, Kazakhstan, PAPU</p>
<p>Addressing Project Group</p> <p>Chairman: Mr. Abdelilah Bousseta (Morocco)</p>	<p>Australia, France, Great Britain, Italy, Spain, Switzerland, United States of America</p> <p>Observer: PAPU</p>
<p>IATA–UPU Contact Committee</p> <p>Chairman: Mr. Muhammad Arshad Malik (Pakistan)</p>	<p>Applications for membership from:</p> <p>Australia, Belgium, China (People's Rep.) Finland, France, Germany, Great Britain, Hungary, Iran (Islamic Rep.), Italy, Japan, Kenya, Russian Federation, Spain, United States of America</p>
<p>WCO–UPU Contact Committee</p> <p>Chairman: Mr. Reinhard Fischer (Germany)</p>	<p>Applications for membership from:</p> <p>Australia, Belgium, China (People's Rep.), France, Great Britain, Hungary, Iran (Islamic Rep.), Italy, Japan, Malaysia, New Zealand, Pakistan, Russian Federation, Spain, United States of America</p> <p>Observer: PAPU</p>
<p><i>New proposal:</i></p> <p>Customs Support Project Group</p> <p>Chairman:</p>	<p>Final decision to be taken by the 2005 POC</p> <p>Belgium, Brazil, Bulgaria (Rep.), China (People's Rep.), Egypt, France, Germany, Great Britain, Indonesia, Iran (Islamic Rep.), Italy, Kenya, Netherlands, New Zealand, Nigeria, Romania, Russian Federation, Spain, Tunisia, Ukraine, United States of America, Venezuela</p> <p>Observers: Argentina, Cuba, Kazakhstan, Slovakia, Turkey, Zimbabwe, Air Courier Conference of America International (ACCA)</p>
<p><i>New proposal:</i></p> <p>Operations and Accounting Review Project Group</p> <p>Chairman:</p>	<p>Final decision to be taken by the 2005 POC</p> <p>Belgium, Bulgaria (Rep.), Chile, France, Indonesia, Iran (Islamic Rep.), Jamaica, Jordan, Libyan Jamahiriya, Mexico, New Zealand, Pakistan, Romania, Tunisia, United States of America, Venezuela</p> <p>Observers: Argentina, Central African Rep., Cuba, Kenya, Sweden, Zimbabwe</p> <p>Functions: see resolution C 33/2004</p>

POC bodies	Members
<i>New proposal:</i> International Reply Coupons Project Group	Final decision to be taken by the 2005 POC Belgium, Bulgaria (Rep.), Iran (Islamic Rep.), New Zealand, Pakistan, Tunisia Observers: Cuba, Indonesia, Jamaica, Kenya, United States of America, Venezuela
Chairman:	
Committee 4 – Markets	All POC members
Chairman: Mr. Mark Lawley (New Zealand)	
Vice-Chairman: Burkina Faso	
Direct Mail Advisory Board	Australia, Belgium, China (People's Rep.), Côte d'Ivoire (Rep.), Czech Rep., Finland, Germany, Greece, Hungary, Iran (Islamic Rep.), Italy, Jordan, Netherlands, New Zealand, Pakistan, Romania, Russian Federation, Spain, Sweden, Tanzania (United Rep.), United States of America
Chairman: Mr. Everton Luiz Cabral Machado (Brazil)	
Vice-Chairman: Saudi Arabia	Observers: Chad, PAPU
Publishing Industry Group	Australia, Belgium, China (People's Rep.), Germany, Great Britain, Greece, Netherlands, New Zealand, Pakistan, Portugal, Romania, Switzerland, PostEurop, European Federation of Magazine Publishers (FAEP), International Magazine Services (IMS)
Chairman: Ms. Francesca Coratella (Italy)	
Co-Chairman: FIPP	Observers: Chad, Finland
World Association for the Development of Philately (WADP)	Belgium, Benin, Côte d'Ivoire (Rep.), France, Greece, Hungary, Iran (Islamic Rep.), Jordan, Kenya, Pakistan, Russian Federation, Senegal, Slovakia, Tanzania (United Rep.), Tunisia
Chairman: Vacant	Five philatelic industry partners
Vice-Chairman: International Federation of Philately (FIP)	Observers: Chad, PAPU
	Important note: The WADP is open to all UPU members. This list relates solely to new applications for membership. The 2005 POC will approve the new make-up of the association.
<i>New proposal:</i> Customer Relations Project Group	Final decision to be taken by the 2005 POC Belgium, Bulgaria, (Rep.), Côte d'Ivoire (Rep.), Egypt, Finland, Germany, Iran (Islamic Rep.), Italy, Kenya, Kazakhstan, Mexico, Nigeria, Pakistan, Spain, Tunisia, Venezuela Observers: Angola, Central African Rep., Cuba, Indonesia, Libyan Jamahiriya, Malaysia, Niger, Slovakia, Turkey, United States of America, Zimbabwe
Chairman:	

POC bodies	Members
<p><i>New proposal:</i> Research and Marketing Development Project Group</p>	<p>Final decision to be taken by the 2005 POC</p> <p>Bulgaria (Rep.), China (People's Rep.), Finland, Iran (Islamic Rep.), Italy, Jordan, Kazakhstan, Kenya, Nigeria, Pakistan, Panama, Spain, Thailand, Tunisia, Venezuela</p> <p>Observers: Angola, Cuba, Indonesia, Jamaica, Libyan Jamahiriya, Malaysia, Slovakia, Turkey, United States of America, Zimbabwe</p>
Action Groups	
<p>Development Cooperation Action Group (DCAG)</p> <p>Chairman: Ms. Elena Fernández Rodríguez (Spain)</p> <p>Vice-Chairman: Pakistan</p>	<p>Barbados, Belgium, Brazil, China (People's Rep.), Côte d'Ivoire (Rep.), France, Great Britain, India, Italy, Kenya, Malaysia, Mali, Mexico, Pakistan, Portugal, Slovakia, Spain, Switzerland, Tanzania (United Rep.), Viet Nam</p> <p>Observers: Angola, Azerbaijan, Brunei Darussalam, Chad, Venezuela, PAPU</p> <p>Important note: The DCAG is open to all UPU members. This list relates solely to new applications for membership. The 2005 POC will approve the new make-up of the group.</p>
<p>Postal Development Action Group (PDAG)</p> <p>Chairman: Mr. Gerard Power (Canada)</p>	<p>Belgium, Brazil, Bulgaria (Rep.), China (People's Rep.), Côte d'Ivoire (Rep.), Finland, France, Great Britain, Greece, Iran (Islamic Rep.), Italy, Kazakhstan, Kenya, Mexico, New Zealand, Portugal, Spain, Switzerland, Tanzania (United Rep.), United States of America, Viet Nam</p> <p>Observers: Angola, Azerbaijan, Brunei Darussalam, Chad, Uzbekistan, Venezuela, PAPU</p> <p>Important note: The PDAG is open to all UPU members. This list relates solely to new applications for membership. The 2005 POC will approve the new make-up of the group.</p>
<p>Postal Security Action Group (PSAG)</p> <p>Chairman: Mr. Lee Heath (United States of America)</p>	<p>Australia, Belgium, Belarus, Benin, Canada, China (People's Rep.), Egypt, Finland, France, Germany, Great Britain, Greece, Guinea, Hungary, Iran (Islamic Rep.), Italy, Jordan, Kenya, Mali, Mexico, Netherlands, New Zealand, Pakistan, Portugal, Romania, Russian Federation, Slovakia, Spain, Sweden, Switzerland, Thailand, Ukraine</p> <p>Observers: Chad, Uzbekistan, Venezuela, PAPU</p> <p>Important note: The PSAG is open to all UPU members. This list relates solely to new applications for membership. The 2005 POC will approve the new make-up of the group.</p>

POC Groups
Quality of Service Fund (QSF)

Brazil, Burkina Faso, France, India, Japan, Kenya, Portugal, Russian Federation, United States of America

Chairman: India

Parcels Group

Australia, Belgium, Benin, Bulgaria (Rep.), Canada, China (People's Rep.), Côte d'Ivoire (Rep.), Egypt, Finland, France, Germany, Great Britain, Greece, India, Iran (Islamic Rep.), Italy, Japan, Jordan, Kenya, Korea (Rep.), Netherlands, New Zealand, Norway, Pakistan, Romania, Russian Federation, Rwanda, Spain, Sweden, Switzerland, Ukraine, United States of America

Chairman: Mr. Gary Simpson (Great Britain)

Observers: Chad, PAPU

Important note: The Parcels Group is open to all UPU members. This list relates solely to new applications for membership. The 2005 POC will approve the new make-up of the group.**Postal Financial Services Group**

Belgium, Benin, Brazil, Bulgaria (Rep.), China (People's Rep.), Côte d'Ivoire (Rep.), Egypt, France, Germany, Ghana, Great Britain, Greece, Guinea, Hungary, Iran (Islamic Rep.), Italy, Jordan, Kenya, Lesotho, Pakistan, Romania, Russian Federation, Rwanda, Senegal, Slovakia, Spain, Switzerland, Tanzania (United Rep.), Thailand, Tunisia, Ukraine, Viet Nam

Chairman: Mr. ONDA Tetsuo (Japan)

Observers: Chad, PAPU

E-Products and Services Group

Azerbaijan, Bulgaria (Rep.), Canada, Egypt, Finland, France, Iran (Islamic Rep.), Italy, Kazakhstan, Kenya, Libyan Jamahiriya, Malaysia, Netherlands, Pakistan, Portugal, Rwanda, Slovakia, Spain, Tanzania (United Rep.), Thailand, Ukraine, United States of America

Chairman: Mr. Dean Pope (Canada)

Observer: Chad

User Groups**Telematics Cooperative**

The Chairman and two Vice-Chairmen will be elected in January 2005

Chairman: Mr. Stefan Lindholm (Sweden)

See Annex 1

Vice-Chairman: Mr. Mangin (France)

Advanced Electronic Services (AES) User Group	See Annex 1
Chairman: Mr. Stefan Lindholm (Sweden)	
International Financial Services (IFS) User Group	See Annex 1
Chairman: Mr. Lev Razovski (Russian Federation)	
International Mail Services (IMS) User Group	See Annex 1
Chairman: Mr. Christopher Grosser (Australia)	
EMS Cooperative	See Annex 2
Chairman: Mr. Akio Miyaji (Japan)	
Vice-Chairman: Mr. Fabio Vieira Cesar (Brazil)	
UPU*Clearing User Group	Argentina, Australia, Belgium, Brazil, Canada, Costa Rica, Cyprus, Denmark, Iceland, Israel, Italy, Japan, Malta, Morocco, Mozambique, Poland, Portugal, Senegal, Spain, Switzerland, Syrian Arab Rep., Tanzania (United Rep.), Tunisia, Turkey, Uganda, United Arab Emirates
Chairman of Steering Committee: Ms. Eva Olsen (Denmark)	
Chairman of General Assembly: Mr. Mansour Guèye (Senegal)	

Table 1 – Breakdown of projects by body and by group

Body/group	Objective/ Programme ¹	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
CONGRESS	5/3	1 Organize the 24th Universal Postal Congress; participate in it and disseminate the results.		1 Logistical preparations made on time and to the satisfaction of both parties: International Bureau and Kenya. 2 Congress documents prepared and distributed in time. 3 Congress organized to participants' satisfaction.	7	0	0
CA and its Management Committee	5/3	2 Organize the annual sessions of the Council of Administration (CA), its Management Committee and its Committees; participate in them and disseminate the results.		1 Documents prepared and distributed in time. 2 Meetings organized to participants' satisfaction. 3 Summary record of meetings distributed no later than one month after the session.	11	13.8	331
Strategic Planning Group	5/2	3 Develop and implement an integrated planning process based on the scenarios method.	C 82/2004	1 Analyses accepted by a large number of stakeholders.	17	4	5
		4 Prepare a Programme and Budget of the work of the Union bodies; monitor its implementation and disseminate the results.	C 82/2004 C 83/2004	1 Results-based methodology developed and implemented in the process of preparing the Programme and Budget. 2 Measurable performance indicators defined for each Programme and Budget project.	37	15	0
		5 Monitor implementation of the Bucharest World Postal Strategy (BWPS); analyze and disseminate the results to all Union member countries.	C 84/2004	1 Greater number of countries replying to the questionnaire on implementation of the Strategy. 2 More relevant results reported and measurable level of progress (in comparison with the Beijing Postal Strategy (BPS)).	20	4	6
		6 Prepare and organize the 2006 UPU Strategy Conference.	C 71/2004	1 Greater participation by countries and other stakeholders in the Conference (basis: 2002 Geneva Conference). 2 Availability of information which will serve in the development of the future world postal strategy.	11	5	140

¹ Objectives and programmes of the Bucharest World Postal Strategy (Congrès–Doc 46).

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
Consultative Committee	5/1	7 Promote participation by the wider postal sector in the work of the UPU.		1 Integration of the Consultative Committee (CC) into the UPU structure. 2 Greater awareness of CC views on the part of the CA and POC. 3 More international organizations joining the CC and involving themselves in UPU activities. 4 Increased involvement by CC members in postal development. 5 Increased involvement of wider postal sector in postal activities at regional level.	26	4	0
CA Committee 1 (Reform of the Union)	5/2	8 Continue reform of the UPU so as to ensure constant adaptation of its structures to the main environmental needs of the postal sector.	C 54/2004	1 Number of studies carried out and recommendations made on restructuring the UPU. 2 Number of proposals submitted to the 24th Congress in line with the expectations of member countries. 3 Degree of satisfaction of member countries with the operation of the Union.	31.5	9	100
CA Committee 2 (Regulatory Issues)							
CA Committee 2 - Universal Service Project Group	1/1	9 Carry out studies and activities on behalf of countries to help them provide an accessible, good quality universal postal service which satisfies customers and takes account of market requirements.	C 10/2004	1 Number of criteria and models on the universal postal service made available to countries. 2 Number of countries applying these criteria and models. 3 Percentage of the population with access to universal postal service in countries. 4 Reduced level of postal exclusion around the world.	13.5	4	0
	1/3	10 Gather and disseminate information on the status of the universal postal service around the world.		1 Number of countries replying to questionnaires. 2 Reliability of the information disseminated.	4	0	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
CA Committee 2 – Acts of the Union Project Group	2/1	11 Conduct a study with a view to preparing a practical formal legislative drafting guide adapted to the Union.	C 68/2004	1 Proposal presented for a decision by the CA on the question. 2 Practical formal legislative drafting guide prepared and disseminated to countries.	7	2	0
		12 Conduct a study concerning the definition of the term "reservations" in the Acts of the Union.	C 9/2004	1 Proposals accepted by the greatest number of Union member countries. 2 Proposals accepted by the 24th Congress.	1,5	0,5	0
		13 Study the use of the term "postal administration" in the context of the Acts of the Union.	C 11/2004 Congress Prop. 035 referred to the CA	1 Proposals accepted by the greatest number of Union member countries. 2 Approval of related proposals by the 24th Congress.	9	4	0
CA Committee 2 – WTO Issues Project Group	5/4	14 Monitor international legislation on the treatment of postal services in the World Trade Organization (WTO).	C 70/2004 C 74/2004	1 Results of the analysis of WTO proposals disseminated by 31 March 2005. 2 Cooperation agreement signed between the WTO and UPU and observer status obtained within the WTO.	11	2	0
CA Committee 2 – Terminal Dues – Regulatory Issues Project Group	2/4	15 Analyze regulatory aspects and the classification of countries for terminal dues.	C 12/2004 C 13/2004 C 46/2004	1 Terminal dues system accepted by Congress. 2 No complaint against the system lodged within the WTO. 3 Country classification accepted by Congress.	9	4	0
CA Committee 3 (Finance)	5/2	16 Conduct a study on the system of mandatory contributions to the regular UPU budget and share the results with Union member countries	Congress Prop. 15. 127.2	1 Recommendations resulting from the study approved by the CA and adopted by the 24th Congress.	3	0	0
	5/2	17 Conduct a study on support costs for extrabudgetary activities.	C 61/2004 C 66/2004 C 75/2004	1 Recommendations resulting from the study approved by the CA and adopted by the 24th Congress.	9	0	0
	5/2	Prepare a Programme and Budget for the work of the Union bodies; monitor its implementation and disseminate the results.	C 82/2004 C 83/2004	(see SPG)			

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
	5/2	18 Provide the information needed to assess the Union's financial situation.		1 Reports on the financial situation of the Union presented regularly to the CA. 2 Analysis of the financial situation adopted by the CA and suitable measures taken where necessary.	4	4	0
POC and its Management Committee	5/3	19 Organize the annual sessions of the POC, its Management Committee and its Committees; participate in them and disseminate the results.		1 Documents prepared and distributed in time. 2 Meetings organized to participants' satisfaction. 3 Summary record of meetings distributed no later than one month after the session.	17	20.8	289
Strategic Planning Group		See CA					
POC Committee 1 (Standards and Procedures)	2/1	20 Establish the Letter Post, Parcel Post and Postal Payment Services Regulations, keep them up-to-date and publish them; publish the Letter Post Manual.	C 85/2004	1 Regulations adapted, updated and disseminated to Union member countries. 2 Greater interoperability of postal networks through the application of provisions by member countries.	8	3	0
POC Committee 1 - Standards Board	2/1	21 Improve the interoperability and interconnection of national postal networks through the definition of standards geared towards high quality, accessibility and customer satisfaction.	C 30/2004 C 31/2004 C 32/2004	1 Greater number of countries applying UPU standards. 2 Greater number of UPU standards approved by the competent bodies. 3 Greater number of countries applying electronic exchange of information. 4 High editorial standard for all UPU standards publications ensured. 5 Monthly publication, in electronic format, of updates to the UPU standard code lists. 6 Income generated through the sales of standards publications increased by at least 5% per year 7 Greater number of subscribers to the UPU standards publications.	43	0.5	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
	2/1	22 Ensure the coordination of UPU standardization activities with those of other international organizations and industry groups.		1 Joint development and approval of postal standards with CEN ensured. 2 Streamlined application of the UN/LOCODE and ISO country/currency codes within the relevant UPU standards.	6	0	12
Multilingual Vocabulary Project Group	2/1	23 Update and publish the Multilingual Vocabulary of the International Postal Service and its supplements.		1 New edition of the Multilingual Vocabulary disseminated on time.	5	2	0
POC Committee 2 (Terminal Dues and Economic Issues)							
POC Committee 2 - Terminal Dues Project Group	2/4	24 Improve the terminal dues system so that it responds as far as possible to commercial, regulatory and operational requirements.	C 46/2004	1 New terminal dues system accepted by a majority of Union member countries. 2 Agreement achieved on an equitable transition to a new cost- or market-based compensation system. 3 Increase in the number of countries providing direct access to their domestic service.	16	7	0
	2/4	25 Conduct economic analyses to enable terminal dues to be set on the basis of the costs associated with the services offered by postal administrations and any other economic and commercial criteria regarded as relevant.	C 19/2004 C 20/2004 C 46/2004	1 Approval by the CA of the methods developed to establish terminal dues rates and adjust existing rates. 2 Adoption by Congress of the proposed amounts.	18	5	0
	2/4	26 Implement the quality of service link to terminal dues.	C 46/2004	1 Quality of service link to terminal dues established. 2 System accepted by the greatest number of countries.	15	3	20
	2/4	27 Improve statistical, accounting and operational systems for terminal dues and transit charges and the general international accounting system.	C 41/2004 C 46/2004	1 Availability of statistical systems that improve the terminal dues system. 2 Better knowledge on the part of postal administrations of their mail handling costs.	11	5	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
POC Committee 2 - Postal Economics Project Group	1/3	28 Help member countries to know their costs, particularly those of the universal postal service, and to set their rates.	C 10/2004 C 18/2004 C 53/2004	1 Increased number of countries applying costing methods. 2 Increased number of countries setting their prices on the basis of costs.	27	1	0
POC Committee 3 (Operational Issues)							
POC Committee 3 - Quality of Service Project Group	2/2	29 Develop the programme of certification of postal administrations in the quality of service field.	C 48/2004	1 Number of administrations certified. 2 Integration of the principles of resolution C 48/2004 into the certification method.	14	23	44
	2/2	30 Organize letter-post service quality testing.	C 29/2004	1 Increased compliance with the worldwide quality standard at global, regional and individual levels. 2 Increased number of administrations taking part in UPU-organized international service quality tests.	20	47	299
	2/2	31 Gather and disseminate information on quality.		1 Number of editions (CD-ROM format) of Compendium of Standards; number of updates of standards published on the UPU website. 2 Amount of information on the organization of transmissions available on the UPU website and updated. 3 Number of EmIS messages disseminated; reduced time between receipt of information and its dissemination.	8	21	24
	2/2	32 Organize missions to identify and correct operational problems in the field; assist in the organization of regional training.		1 Percentage of consultants' recommendations implemented. 2 Number of missions carried out. 3 Number of group training activities organized.	10	19	310

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
POC Committee 3 - Environment Project Group	4/3	33 Undertake activities to ensure sustainable development of postal services and anticipate technological, ecological and regulatory changes by promoting environmental protection and sustainable development.	C 64/2004 C 67/2004	<ol style="list-style-type: none"> 1 Appropriate environmental protection measures approved by the POC. 2 Awareness programme developed, approved and implemented. 3 UPU recommendations concerning environmental protection adopted by a growing number of countries. 4 At least 50% of postal administrations integrating environmental protection and sustainable development issues into their management processes. 	3	3	0
POC Committee 3 - Liability Project Group	2/1	34 Conduct studies aimed at optimizing the handling of customer complaints and inquiries, improving the registered, insured and recorded delivery services, examining related liability issues and responding to customer needs in all these areas.	C 38/2004 C 39/2004 C 43/2004 C 55/2004	<ol style="list-style-type: none"> 1 Number of proposals made to Congress on liability issues. 2 Increased number of postal administrations considering or introducing a supplementary indemnity for their outbound registered items. 3 Solutions proposed for guaranteeing strict compliance with the provisions of the Letter Post Regulations and Parcel Post Regulations by all postal administrations. 	7	2	0
POC Committee 3 - IATA-UPU Contact Committee	2/1	35 Facilitate the interoperability of networks and improvement of quality of service by carrying out quality of service activities in conjunction with IATA and other carriers' organizations, negotiating rates that are acceptable to airlines and postal administrations alike, and promoting automation (particularly the increased use of barcodes and exchange of EDI messages between airlines and postal administrations).	C 60/2004	<ol style="list-style-type: none"> 1 Unit cost of transport for a given category of airmail implemented. 2 Barcode and EDI messaging systems in place. 3 Agreement between IATA and UPU in force. 4 Agreed standards applied by an increasing number of countries and airlines. 	5	5	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
POC Committee 3 - WCO-UPU Contact Committee	2/1	36 Facilitate the interoperability of networks and improvement of quality of service by standardizing and harmonizing customs legislation and the procedures relating to the treatment of postal items in conjunction with the World Customs Organization and postal administrations, improving the accuracy of data and other customs information supplied by postal customers; develop EDI messages between Customs and Posts to enable customs formalities to be completed before items arrive.	C 40/2004 C 62/2004 C 63/2004	1 Legislation and procedures harmonized and standardized by 2006 at the latest. 2 Greater number of countries applying the standards adopted. 3 Customs clearance times for postal items meeting standards and reduced. 4 Transmission times for postal items improved. 5 Availability of information about accuracy of data and details required by Customs. 6 Increase in number of items accompanied by all relevant and necessary information. 7 EDI message system between Customs and postal administrations in place. 8 Increased number of countries exchanging EDI messages. 9 Increase in the percentage of pre-cleared items.	16	4	0
POC Committee 3 - Customs Support Group	2/1	37 Facilitate the interoperability of networks and improvement of quality of service by deciding on the direction of UPU policy in the area of customs through the establishment of a Customs Support Group.	C 40/2004 C 62/2004 C 63/2004	1 Clear and concrete formulation of postal objectives with respect to customs matters. 2 Improved quality of advice given to postal members of the WCO-UPU Contact Committee. 3 UPU members made aware of customs compliance issues.	3	2	0
POC Committee 3 - International Reply Coupons Project Group	2/4	38 Facilitate the interoperability of networks and improvement of quality of service by further improving the international reply coupon service.	C 45/2004	1 Number of administrations selling IRCs. 2 Number of IRCs exchanged.	5	0	0
POC Committee 3 - Operations and Accounting Review Project Group	2/1	39 Carry out a comprehensive review of the procedures concerning postal operations and inter-administration settlement of accounts.		1 Improved procedures/regulations relating to postal operations and inter-administration settlement of accounts. 2 Existence of standards to promote the use of EDI for the exchange of operational and accounting information between postal entities.	24	0	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
POC Committee 3 - Addressing Project Group	2/1	40 Help member countries to improve the addressing of postal items.	C 49/2004	1 Number of countries having benefited from assistance with addressing. 2 Number of countries adopting addressing standards. 3 Number of countries having improved or introduced postcodes. 4 Number of updates of the "Postal Addressing Systems" publication.	24	12	0
POC Committee 4 (Markets)							
POC Committee 4 - Direct Mail Advisory Board	3/1	41 Ensure that interaction, involvement and coordination between the UPU, Posts and the direct mail industry foster the growth of direct mail as a factor of economic and market expansion, developing the expertise of stakeholders at all levels.	C 23/2004	1 Number of information and training programmes delivered. 2 Increased use of direct mail and direct marketing by stakeholders. 3 Study of the impact of, and adaptation of, the current rules. 4 Measurement tools created, distributed and implemented by an increasing number of stakeholders. 5 Definition and increased use of standards for direct mail.	14	1	0
POC Committee 4 - World Association for the Development of Philately	3/1	42 Facilitate the growth of stamp collecting and philately; enhance relations between partners in the philatelic industry; promote best practices.	C 24/2004 C 25/2004 C 26/2004 C 50/2004 C 51/2004	1 Increased viability and profitability of philatelic businesses. 2 Increased participation of industry partners in UPU philately programmes. 3 Implementation of Code of Ethics by an increased number of countries. 4 Reduction of the number of illegal postage stamp issues.	14	10	100
POC Committee 4 - Research and Marketing Development Project Group	3/1	43 Carry out analyses of the market and of the postal environment.	C 17/2004	1 Number of research reports produced.	10	8	45
	3/2	44 Help postal operators to increase their capabilities in marketing and sales functions as well as the creation of new products and services.	C 17/2004	1 Greater number of postal administrations establishing marketing functions and teams. 2 Greater number of postal administrations developing and implementing result-oriented marketing strategies.	10	4	40

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
POC Committee 4 - Customer Relations Project Group	3/2	45 Adopt and implement best customer service and relationship management practices throughout the world.	C 27/2004 C 28/2004	1 Adoption and implementation of best practices/standards by an increasing number of postal administrations. 2 Greater number of postal administrations developing customer strategies. 3 Increased customer satisfaction.	12	7	60
POC Committee 4 - Publishing Industry Group	3/1	46 Develop relations with the publishing sector at international, regional and national levels; develop the business for mutual advantage; monitor and improve quality of service.	C 86/2004	1 Broadening of membership and interest base (postal and publishing industry). 2 Greater participation by Posts and publishers in quality of service monitoring project. 3 Improvement in results of publishing mail delivery (transmission times, condition, reliability measured). 4 Increased interaction between Posts and publishers at national level.	14	7	100
POC Parcels Group	2/1	47 Facilitate the interoperability of networks and improvement of quality of service by establishing, updating and publishing the Parcel Post Regulations, the Parcel Post Manual, the Parcel Post Compendium and the Parcel Post Accounting Guide.	C 65/2004	1 Complete updated paperback edition of Parcel Post Regulations published and distributed to all UPU members by 1 July 2005. 2 Complete updated edition of Parcel Post Manual published and distributed to all UPU members by 1 January 2006. 3 Complete updated edition of the Parcel Post Compendium published and distributed to all UPU members by 1 January 2006. 4 Complete updated edition of the Parcel Post Accounting Guide published and distributed to all UPU members by 1 January 2006.	4	3	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
	3/1	48 Carry out a general programme of activities consisting of projects and studies in areas of operational and commercial interest aimed at helping postal parcel operators – especially those in developing countries – to enhance their postal parcel product.	C 65/2004	<ol style="list-style-type: none"> 1 Business Plan presented to, and adopted by, the POC (April 2006). 2 Results of a survey of a number of administrations applying barcodes to their parcels presented to 2005 CA session meeting of Parcels Group. 3 Results of a survey of a number of administrations exchanging EDI messages presented to 2006 POC. 4 First set of quality of service results for parcels presented to 2006 POC session. 5 Comprehensive action plan for promoting more efficient customs processing presented to, and adopted by, 2006 POC 6 Recommendations concerning the possible introduction of a "Rugby System" style of customer response measurement presented to, and adopted by, the 2006 POC. 	23	10.5	0
POC Postal Financial Services Group	2/2	49 Establish, publish, monitor and update quality standards (QS) for postal payment services (PPS). Improve PPS remuneration methods. Improve the security of postal financial services (PFS).	C 47/2004	<ol style="list-style-type: none"> 1 Application of quality standards by a growing number of participating countries. 2 Growing improvement in PPS quality through the application of standards, testing and consequential actions. 3 Implementation of the new PFS clearing system by an increasing number of countries. 	11	6	0
	3/1	50 Develop postal savings and banking services in Union member countries.		<ol style="list-style-type: none"> 1 Growing number of countries developing savings and banking services. 	2	4	50
	5/1	51 Develop programmes of cooperation between member countries and with non-postal partners (banks, SWIFT, etc.).		<ol style="list-style-type: none"> 1 Growing number of cooperation programmes introduced. 2 Situation analyses, models and concepts concerning the introduction of new postal financial services available. 3 Postal financial services and postal savings services introduced in at least ten more member countries. 4 Number of countries with modern postal financial services increased. 	4	8	35

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
	3/1	52 Support the programme to establish the UPU IFS world network.		1 Amount of market research on the various PPS. 2 Greater number of countries creating new postal payment products and services. 3 Additional income generated by the new products.	11	10	60
	2/1	53 Establish and publish the UPU Acts concerning postal payment services, the texts of the Postal Payment Services Manual and Compendium and ad hoc publications decided by the Postal Financial Services Group, and keep them up-to-date.		1 Regulations of the Postal Payment Services Agreement approved by the POC. 2 Updates to Acts of the Union and PFS Manual published.	11	4	20
Postal Security Action Group (PSAG)	2/3	54 Carry out activities, within the framework of the Postal Security Action Group (PSAG), designed to ensure that Posts, their customers and citizens of member administrations are protected, to the greatest extent possible, from threats to Posts, whether natural or man-made, that attack health, well-being or assets.	C 56/2004 C 57/2004 C 58/2004 C 59/2004	1 Existing training and informational materials re-evaluated and new materials applicable to current threats developed. 2 Information on biological, chemical and radiological hazards to international mail systems successfully distributed. 3 Customer awareness information successfully distributed. 4 Contingency planning strategy with regard to dangerous goods terrorism, pro-active prevention and spillage procedures distributed to and developed by an increased number of member administrations. 5 Successful and productive partnerships with other international organizations involved in dangerous goods issues such as the International Atomic Energy Agency, World Health Organization and international civil aviation organizations developed. 6 Revenue protection security standards established. 7 Strategies to prevent money laundering and the use of postal financial systems to support or finance terrorism established and implemented by an increased number of postal administrations.	15	3	140

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
	2/3	55 Carry out activities, within the framework of the Postal Security Action Group (PSAG), designed to ensure that Posts' international and domestic products are protected from theft, irregularity and fraudulent or criminal misuse.	C 56/2004 C 57/2004 C 58/2004	1 International mail loss and irregularity data system based on the new eMARIA software platform established. 2 Periodic international airport security review programme involving all security stakeholders implemented in a greater number of countries. 3 Measurable reduction in international mail losses and irregularities observed. 4 Increased confidence amongst the public and postal customers in postal security.	14	2	140
Postal Development Action Group (PDAG)	4/1	56 Implement the activities of the Postal Development Action Group (PDAG) aimed at promoting efforts to reform the legal, operational and commercial structures of the postal sector in member countries and securing additional funding for these projects.	C 7/2004	1 Number of countries that have defined a national postal reform policy. 2 Number of countries having initiated or implemented structural changes. 3 Number of reform projects that have benefited from external financial assistance. 4 Number of reform projects carried out as part of the twinning of member countries.	35	26	100
Development Cooperation Action Group (DCAG)	4/1	57 Implement, particularly through the intermediary of the Regional Advisers, the UPU development cooperation programme in the field, aimed at supporting reform of the postal sector.	C 14/2004 C 21/2004	1 Number of multi-year integrated projects prepared and impact of their implementation on the situation of the Post in beneficiary countries. 2 Number of reform projects that have benefited from the assistance of the Regional Advisers. 3 Number of QSF projects formulated and assessed by the Regional Advisers.	24	26.5	2,868

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
	4/1	58 Help developing countries, through programmes and integrated projects, to implement the institutional and structural reform of the postal sector and modernization of the public postal operator.	C 21/2004	1 Number of reform projects that have benefited from UPU assistance. 2 Number of countries that have carried out projects on the provision of an accessible, affordable, good quality universal postal service that satisfies customers. 3 Number of technical cooperation projects and activities implemented to help countries apply universal postal service costing methodologies. 4 Number of countries that have benefited from projects enabling them to attain the worldwide mail service quality standard. 5 Number of operators that have benefited from projects helping them to use new communication technologies in their production process.	150	111.7	2,722
	4/2	59 Develop and implement projects and activities aimed at strengthening the skills of postal administrations' staff and the capabilities of local postal training institutions in order to help modernize postal structures.	C 21/2004	1 Number of TRAINPOST workshops organized to train specialists. 2 Number of managers benefiting from refresher seminars. 3 Number of developed/adapted courses made available to countries. 4 Number of online courses made available to developing countries.	31	23	0
E-Products and Services Group	3/1	60 Assist UPU members by providing strategic direction in policies and standards for the development of postal electronic services and related technologies (.post, Electronic Post Mark (EPM), online shopping, etc.) that enhance the range of services offered to customers.	C 15/2004 C 35/2004	1 Feasibility studies on the introduction of an online postal shopping service. 2 Role of Posts highlighted at the World Summit on the Information Society (WSIS). 3 Technical and commercial agreements to establish .post top-level domain name negotiated with Internet Corporation for Assigned Names and Numbers (ICANN). 4 Standards and procedures for Electronic Post Mark (EPM) defined and disseminated to UPU members	0	0	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
International Bureau (Projects)	2/1	61 Establish, update and publish the Convention, Regulations, circulars and operational publications.		1 Regulations and other operational publications disseminated to UPU member countries.	8	40	0
	2/1	62 Preparation, publication and dissemination of the Bucharest Congress Acts.		1 Manual updated and disseminated to UPU member countries.	3.5	4	0
	2/4	63 Manage the international reply coupons system on behalf of Union member countries.		(see IRC Project Group)	2	2	4
	3/1	64 Perform postage stamp distribution.			2	69	40
	5/1	65 Provide statistics on postal services required by the UPU and its members and make forecasts on future postal development.		1 Required data obtained from as many member countries as possible. 2 Reliability of information supplied to stakeholders improved. 3 Postal statistics published annually. 4 Postal statistics and indicators published on the Web. 5 A document on the situation of the postal sector around the world published annually.	30.8	12	40
		66 Ensure that the UPU is fully involved in the activities of the wider postal sector.		1 Greater awareness within the postal sector of the role of the UPU. 2 Greater recognition of the UPU as a centre for knowledge and information.	4	4	0

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
		67 Compile, publish and distribute UPU public information publications (<i>Union Postale</i> , UPU biennial report, UPU corporate brochure) and manage the ordering, sale and distribution of UPU documents and other UPU publications and products.	C 35/2004 C 36/2004	1 Increased reader satisfaction (all three publications). 2 Better reader interaction (<i>Union Postale</i>). 3 Increased readership (all three publications). 4 Increased number of paid subscriptions (<i>Union Postale</i>). 5 Increased interest from trade and postal publications in reproducing information and articles (from all three publications). 6 Increased interest from potential advertisers (<i>Union Postale</i>). 7 Increased customer satisfaction (member countries and other parties who order UPU publications and documents).	22	36	490
		68 Disseminate information, documents and publications of interest to all postal industry stakeholders, the general public and the media via the UPU website; provide IB staff with access to information and administrative tools on the intranet site.	C 36/2004 C 52/2004	1 Increased number of users/visitors to the website. 2 Increased user satisfaction. 3 Increased number of requests for information received via info@upu.int. 4 Improved ability on the part of the International Bureau to respond effectively to inquiries by referring inquirers to information and publications available on the Web. 5 Feasibility study on overhauling the website to facilitate access to information required for postal operations.	27	22	5

Body/group	Objective/ Programme	Projects	Resolution	Performance indicators	Staff (M/M)		Other expenditure (000 CHF)
					P	G	
		69 Promote the role and image of the UPU through strengthened relations with postal industry communication experts and the media, and through the implementation of proactive, well-targeted public relations and information activities.	C 35/2004 C 36/2004	1 Increased number of countries with effective communications structures and tools in place. 2 Increased exchange of information between all UPU stakeholders (regulators, operators, external stakeholders and UPU bodies, particularly the IB's External Communications Programme). 3 Timely dissemination of information by the IB External Communications Programme to all stakeholders, including the public and the media. 4 Increased number of requests for information about the UPU and the postal sector. 5 Improved (and more positive) media coverage on the UPU and the postal sector.	28	14	112
	5/2	70 Develop staff skills and develop human resource policy and management at the International Bureau.		1 Development of regulatory texts (Staff Regulations and Rules, administrative instructions). 2 Training delivered to International Bureau staff more appropriate to their needs. 3 Positive evolution of work environment.	30	15	400
	5/3	71 Provide the logistics and conference services required for the smooth running of meetings.		1 Services provided to the satisfaction of users.	120	552	3,301
	5/4	72 Optimize the benefits of UPU membership of the UN common system.	C 34/2004 C 35/2004	1 Active presence of the UPU at certain meetings of UN bodies (CEB, HLCM, HLCP, etc.). 2 Number of UPU reports, articles and documents distributed to selected addressees within the UN system. 3 Increased contribution by the Union to the activities of the World Summit on the Information Society in 2005. 4 Availability of statistical data and other information from the UN. 5 Number of cooperation agreements concluded with UN common system bodies.	18	4	166

International organizations:

Air Courier Conference of America (ACCA)
Association for Postal Commerce (PostCom)
Association of Stamp Catalogue Publishers (ASCAT)
Direct Marketing Association (DMA)
Envelope Manufacturers Association (EMA)
European Information Communications Technology Industry Association (EICTA)
European Mail Order Traders Association (EMOTA)
Federation of European Direct Marketing (FEDMA)
International Association of Philatelic Journalists (AIJP)
International Chamber of Commerce (ICC)
International Express Carriers Conference (IECC)
International Federation of the Periodical Press (FIPP)
International Federation of Philately (FIP)
International Federation of Stamp Dealers' Associations (IFSDA)
International Mailers' Advisory Group (IMAG)
International Olympic Committee (IOC)
The International Air Cargo Association (TIACA)
Union Network International (UNI-POSTAL)
World Blind Union (WBU)

UPU members:

Australia
Brazil
Canada
China (People's Rep.)
Côte d'Ivoire (Rep.)
Great Britain
Japan
Korea (Rep.)
Malaysia
Portugal
Russian Federation
Spain (Chairman)
United States of America