

# Universal Postal Union to Convene an Extraordinary Congress

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## The Universal Postal Union (UPU)

Established in 1874, the Universal Postal Union (UPU) is the primary forum for multilateral cooperation and negotiation of international postal issues among nations worldwide. According to [its website](#), the UPU "helps to ensure a truly universal network of up-to-date products and services."

The primary decision-making body of the UPU is the [UPU Congress](#). Normally, the Congress convenes every four years and was next scheduled to meet in 2020. On September 3, 2018, however, the UPU is scheduled to hold an ["Extraordinary Congress"](#) for the first time since 1900. This Insight provides a brief introduction to the UPU and its policies regarding two international mail issues that have been the subject of legislation introduced in the 115<sup>th</sup> Congress: (1) [advanced electronic customs data](#) and (2) international mail rates and procedures for establishing [terminal dues](#) (i.e., international mail remuneration rates).

## The UPU and UPU Congress

The UPU became a [specialized agency of the United Nations in 1948](#) and currently has [192 member nations](#). The UPU Congress is the "supreme authority" of the UPU and the primary forum for negotiation among member nations. The [26<sup>th</sup> UPU Congress](#) was held in 2016 in Istanbul, Turkey. Representatives from each of the UPU's member nations met to "decide on a new World Postal Strategy and set the future rules for international mail exchanges."

## Other UPU Bodies

Besides the UPU Congress, the UPU consists of these bodies:

- The [Postal Operations Council](#) (POC) includes 40 member nations elected during the UPU Congress to handle technical and operational issues.
- The [Council of Administration](#) meets annually to ensure the continuity of the UPU's work between Congresses. Among other things, it is responsible for the UPU's budget and accounts.

The [International Bureau](#) is an administrative body that provides logistical and technical support to the UPU.

## Extraordinary Congress

An "[Extraordinary Congress](#)" may be convened by request with approval of two-thirds of the current UPU nations. The UPU has convened an Extraordinary Congress on one occasion, in 1900, to commemorate the 25<sup>th</sup> anniversary of the UPU's founding. During the 26<sup>th</sup> Congress, the UPU approved a resolution to convene its second [Extraordinary Congress in September 2018](#).

## International Mail: Select Issues for Congress

Bills on international postal issues have been introduced in the 115<sup>th</sup> Congress, including several that would require the Secretary of State to renegotiate any portion of an existing UPU agreement where the United States' obligation conflicts with its provisions (e.g., [H.R. 5788](#), [S. 372](#)). Although the [POC](#) has authority to make select regulatory changes at its annual sessions, changes to the [UPU Acts](#) that require ratification by the member nations may be renegotiated only at the quadrennial Congress. The UPU's 27<sup>th</sup> Congress is scheduled for 2020. However, the [Extraordinary Congress](#) will convene from [September 3 to September 7, 2018, in Addis Ababa, Ethiopia](#).

On August 23, 2018, President Trump issued a [Presidential Memorandum](#) that specified international postal policies and reforms that are "in the interest of the United States." Many of the policies and reforms listed in the memorandum have been the subject of legislation introduced in the 115<sup>th</sup> Congress, including (1) rates that do not favor foreign mailers over domestic mailers, (2) terminal dues reform with rates that fully reimburse the United States Postal Service (USPS) for costs, and (3) advance collection of electronic customs data (e.g., [H.R. 5524](#), [S. 2638](#), [S. 3057](#)). The President states that future UPU agreements, including those from the upcoming [Extraordinary Congress](#), should be consistent with the policies in the [memorandum](#).

## Terminal Dues and International Mail Rates

Each UPU member nation selects one—or, in rare instances, more than one—[Designated Postal Operator](#) (DPO) to "operate postal services and to fulfill the related obligations arising out of the Acts of the Union on its territory." The USPS is the DPO for the United States. [Terminal dues](#) are payments that the destination DPO (e.g., USPS) collects from the originating DPO (e.g., China Post) for the costs of delivering inbound international letter mail in the destination country (in this example, the United States).

The purpose of terminal dues is to compensate the destination country for the costs it incurs. Terminal dues, however, are not calculated based on the actual cost of handling and delivery of the mail in the destination country. Instead, terminal dues are based on the originating country's [economic and postal development](#). Terminal dues paid by less developed countries are lower than those paid by more developed countries regardless of the actual cost incurred by the destination country.

The prices an originating DPO charges its customers for outbound international mail are not the same as the terminal dues it pays the destination DPO. Each member nation is responsible for developing its own [policies and regulations](#) to determine the prices its DPO charges consumers for outgoing international mail products. International postal rates may be also set by [negotiated service agreements](#) or through a bilateral or multilateral agreement between the USPS and DPOs of one or more UPU member nations. Although terminal dues do not apply to these agreements, a [2017 study commission by the PRC](#) noted that the rates are often the baseline point during negotiations.

Further, terminal dues apply only to international letter mail (e.g., letters, postcards, small packets) between DPOs. Terminal dues do not apply to express consignment operators (e.g., UPS, FedEx) or to parcel post, which is priced using a system based primarily on the size and weight of each package.

## Advanced Electronic Customs Data

The UPU's POC is responsible for developing policies and recommendations regarding advanced electronic customs

data. Among other things, the POC has conducted outreach and monitored the legislative developments of UPU member nations regarding advanced electronic data requirements. Additionally, in May 2017, the UPU and the World Customs Organization (WCO) launched a joint [WCO-UPU survey](#) to assess nations' preparedness for "[capturing, sending, receiving and using data in electronic format](#)." Sharing of advanced electronic customs data is not required under the 2016 UPU agreements for all member nations. However, [a WCO-UPU Memorandum of Understanding](#) and the [2018 WCO-UPU Postal Customs Guide](#) note the importance of developing best practices and standards for nations' collection and sharing of electronic customs data.