



## THIRD EXTRAORDINARY CONGRESS

Convention – Proposal

## 20.28.4 (option V)

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Article 28

Terminal dues. General provisions

### PROPOSAL FROM CONSULTATIONS

Paragraph 10. Amend as follows:

10 For terminal dues payment purposes, letter-post items posted in bulk ~~by the same sender and received in the same dispatch or in separate dispatches~~ in accordance with the conditions specified in the Regulations shall be referred to as “bulk mail”. The payment for bulk mail shall be established as provided for in articles 29 and 30.

**Reasons.** – This proposal reflects the outcomes of the consultations undertaken by the Secretary General and represents a balance between the various interests of member countries.



## THIRD EXTRAORDINARY CONGRESS

Convention – Proposal

# 20.28.101 (option V)

Amendment to proposal 20.28.92 (option C)

Article 28bis

Terminal dues. Self-declaration of rates for bulky (E) and small packet (E) letter-post items

### PROPOSAL FROM CONSULTATIONS

Amend paragraphs 1, 2 and 3, and add new paragraphs 6bis, 6ter, 6quater, 6quinquies and 6sexies as follows:

- 1 (No change.)
- 1.1 Subject to 1.2 and 1.3, the self-declared rates shall:
  - 1.1.1 (No change.)
  - 1.1.2 be based on 70%, or the applicable percentage in paragraph 6ter, of the domestic single-piece charge for items equivalent to bulky (E) and small packet (E) letter-post items offered by the designated operator in its domestic service and in effect on 1 June of the year preceding the year for which the self-declared rates would be applicable;
  - 1.1.3 to 1.1.5 (No change.)
  - 1.1.6 be applied to all bulky (E) and small packet (E) letter-post flows other than those from countries in the transitional system to countries in the target system, if those latter flows do not exceed 400 tonnes per year between countries in the target system as from 2010, 2012 and 2016, and from those countries to countries in the target system prior to 2010 if those flows (including all letter-post formats) exceed 25 tonnes per year.
  - 1.1.7 be applied to all bulky (E) and small packet (E) letter-post flows to, from and between countries in the transitional system on the basis of sampling of their inbound flows if those flows (including all letter-post formats) are above 100 tonnes per year.
- 1.2 The self-declared rates per item and per kilogramme for bulky (E) and small packet (E) letter-post items shall not be higher than the country-specific ceiling rates determined by a linear regression of 11 points corresponding to 70%, or the applicable percentage in paragraph 6ter, of the priority single-piece tariffs of equivalent domestic services for 20-gramme, 35-gramme, 75-gramme, 175-gramme, 250-gramme, 375-gramme, 500-gramme, 750-gramme, 1,000-gramme, 1,500-gramme and 2,000-gramme bulky (E) and small packet (E) letter-post items, exclusive of any taxes.
  - 1.2.1 to 1.2.4 (No change.)
- 1.3 Where the country-specific ceiling rates calculated in accordance with paragraph 1.2 result in a revenue calculated for an E format item at 0.158 kilogrammes that is are lower than the revenue calculated for the same items at the same weight on the basis of the rates specified below rates for bulky (E) and small packet (E) letter post items specified in article 29.11 or 30.4, the self-declared rates shall not be higher than the following rates: specified in article 29.11 or 30.4.
  - 1.3.1 for the year 2020, 0.614 SDR per item and 1.381 SDR per kilogramme;
  - 1.3.2 for the year 2021, 0.645 SDR per item and 1.450 SDR per kilogramme;

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1.3.3 for the year 2022, 0.677 SDR per item and 1.523 SDR per kilogramme;

1.3.4 for the year 2023, 0.711 SDR per item and 1.599 SDR per kilogramme;

1.3.5 for the year 2024, 0.747 SDR per item and 1.679 SDR per kilogramme;

1.3.6 for the year 2025, 0.784 SDR per item and 1.763 SDR per kilogramme.

1.4 and (No change.)

1.5

2 In addition to the ceiling rates provided for in 1.2, the notified self-declared rates shall not be higher than the maximum revenues defined for the years 2021 to 2025, as follows:

2.1 2021: the revenue calculated on the basis of the self-declared rates shall be set at the lowest between the country-specific ceiling rates and the revenue in 2020 for an E format item at 0.158 kilogrammes increased by ~~28%~~ 15%;

2.2 2022: the revenue calculated on the basis of the self-declared rates shall be set at the lowest between the country-specific ceiling rates and the revenue in 2021 for an E format item at 0.158 kilogrammes increased by ~~17%~~ 15%;

2.3 2023: the revenue calculated on the basis of the self-declared rates shall be set at the lowest between the country-specific ceiling rates and the revenue in 2022 for an E format item at 0.158 kilogrammes increased by ~~15%~~ 16%;

2.4 2024: the revenue calculated on the basis of the self-declared rates shall be set at the lowest between the country-specific ceiling rates and the revenue in 2023 for an E format item at 0.158 kilogrammes increased by ~~42%~~ 16%;

2.5 2025: the revenue calculated on the basis of the self-declared rates shall be set at the lowest between the country-specific ceiling rates and the revenue in 2024 for an E format item at 0.158 kilogrammes increased by ~~12%~~ 17%.

3 ~~No restrictions shall apply to the ratio between the self-declared item rate and kilogramme rate in effect in 2021.~~ For rates in effect in ~~2022~~ 2021 and subsequent years, the ratio between the self-declared item rate and kilogramme rate shall not change by more than ~~40~~ 5 percentage points upwards or downwards compared with the ratio of the previous year. For designated operators that self-declare rates under paragraph 6bis or apply such rates on a reciprocal basis under paragraph 6quater, the ratio in effect in 2020 shall be based on the self-declared per-item rate and per-kilogramme rate established as of 1 July 2020.

4 to (No change.)

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6bis With effect from 1 July 2020, and notwithstanding paragraphs 1 and 2, a designated operator of a member country that received total annual inbound letter-post volumes in 2018 in excess of 75,000 tonnes (as per the relevant official information provided to the International Bureau or any other officially available information assessed by the International Bureau) may self-declare rates for bulky (E) and small packet (E) letter-post items, other than for the letter-post flows referred to in paragraphs 1.1.6 and 1.1.7, and the said designated operator shall also have the right not to apply the maximum revenue increase limits set out in paragraph 2 for mail flows to, from and between its country and any other country.

6ter If a competent authority with oversight for the designated operator which exercises the aforementioned option in paragraph 6bis determines that, in order to cover all costs for handling and delivery of bulky (E) and small packet (E) letter-post items, the designated operator's self-declared rate any year after 2020 must be based on a cost-to-tariff ratio that exceeds 70% of the domestic single-piece charge, then the cost-to-tariff ratio for that designated operator may exceed 70%, subject to a limitation that the cost-to-tariff ratio to be used shall not exceed one percentage point above the higher of 70% or the cost-to-tariff ratio used in the calculation of the self-declared rates currently in effect, not to exceed 80%, and provided that the designated operator in question furnishes all such supporting information with its notification to the International Bureau under paragraph 1. If any such designated operator increases its cost-to-tariff ratio based on such a determination of a competent authority, then it shall notify the International Bureau of that ratio for publication by 1 March of the year preceding the year in which the ratio shall apply. Further specifications related to the costs and revenues to be used for the calculation of the specific cost-to-tariff ratio shall be provided in the Regulations.

6quater Where a designated operator of a member country invokes paragraph 6bis, all other corresponding designated operators, other than those with the flows referred to in paragraphs 1.1.6 and 1.1.7, may do likewise.

6quinquies Any designated operator that invokes the possibility outlined in paragraph 6bis shall, in the calendar year of the entry into force of the initial rates, be required to pay a charge to the Union, for five consecutive years (beginning with calendar year 2020), in the amount of 8 million CHF per annum, for a total of 40 million CHF. No further payment shall be expected for self-declaration of rates in accordance with this paragraph after the conclusion of the five-year period.

6quinquies.1 The charge referred to above shall be exclusively allocated in accordance with the following methodology: 16 million CHF shall be allocated to a tied fund of the Union for the implementation of projects aimed at electronic advance data and postal security under the terms of a letter of agreement executed between the said designated operator and the Union; and 24 million CHF shall be allocated to a tied fund for the purposes of funding long-term liabilities of the Union, as further defined by the Council of Administration, under the terms of a letter of agreement executed between the said designated operator and the Union.

6quinquies.2 The charge set forth in this paragraph shall not apply to those designated operators of member countries that apply self-declared rates reciprocally under paragraph 6quater as a consequence of another designated operator exercising the option to self-declare rates in accordance with paragraph 6bis.

6quinquies.3 The designated operator paying the charge shall inform the International Bureau each year how the sum of 8 million CHF per annum is to be allocated, provided that the five annual allocations overall are distributed as set out above, pursuant to the said letter of agreement. A designated operator that exercises the option to self-declare rates in accordance with paragraph 6bis shall be provided with due reporting of the expenditures related to the charge remitted, pursuant to this paragraph, under the terms of a letter of agreement executed between the said designated operator and the Union.

6sexies If a designated operator exercises the option to self-declare rates in accordance with paragraph 6bis, or if a designated operator reciprocally applies a self-declared rate under paragraph 6quater, then simultaneously with the introduction of self-declared rates, the said designated operator should consider making available to sending designated operators of UPU member countries, on a non-discriminatory basis, proportionately adjusted charges for volume and distance, to the extent practicable and available in the receiving country's published domestic service for similar services under a mutually agreeable bilateral commercial agreement, within the framework of the rules of the national regulatory authority.

7 (No change.)

**Reasons.** – This proposal reflects the outcomes of the consultations undertaken by the Secretary General and represents a balance between the various interests of member countries.



## THIRD EXTRAORDINARY CONGRESS

Convention – Proposal

## 20.29.6 (option V)

Amendment to proposal 20.29.3 (option C)

### Article 29

Terminal dues. Provisions applicable to mail flows between designated operators of countries in the target system

### PROPOSAL FROM CONSULTATIONS

Paragraphs 9, 11, 13, 15 and 17bis. Amend as follows:

9 The rates applied for flows between countries in the target system prior to 2010 for bulky (E) and small packet (E) letter-post items may not be higher than:

9.1 and (No change.)

9.2

9.3 for the year 2020, ~~0.799~~ 0.762 SDR per item and ~~4.795~~ 1.714 SDR per kilogramme;

9.4 for the year 2021, ~~0.823~~ 0.785 SDR per item and ~~4.849~~ 1.765 SDR per kilogramme.

11 The rates applied for flows between countries in the target system prior to 2010 or from 2010, 2012, and 2016 for bulky (E) and small packet (E) letter-post items may not be lower than:

11.1 to (No change.)

11.3

11.4 for the year 2021, ~~0.634~~ 0.645 SDR per item and ~~4.420~~ 1.450 SDR per kilogramme-;

11.5 for the year 2022, ~~0.649~~ 0.677 SDR per item and ~~4.459~~ 1.523 SDR per kilogramme;

11.6 for the year 2023, ~~0.667~~ 0.711 SDR per item and ~~4.500~~ 1.599 SDR per kilogramme;

11.7 for the year 2024, ~~0.686~~ 0.747 SDR per item and ~~4.542~~ 1.679 SDR per kilogramme;

11.8 for the year 2025, ~~0.705~~ 0.784 SDR per item and ~~4.585~~ 1.763 SDR per kilogramme.

13 The rates applied for flows between countries in the target system as from 2010 and 2012 as well as between these countries and countries in the target system prior to 2010 for bulky (E) and small packet (E) letter-post items may not be higher than:

13.1 and (No change.)

13.2

13.3 for the year 2020, ~~0.799~~ 0.762 SDR per item and ~~4.795~~ 1.714 SDR per kilogramme;

13.4 for the year 2021, ~~0.823~~ 0.785 SDR per item and ~~4.849~~ 1.765 SDR per kilogramme.

15 The rates applied for flows between countries in the target system as from 2016 as well as between these countries and countries in the target system prior to 2010 or as from 2010 and 2012 for bulky (E) and small packet (E) letter-post items may not be higher than:

15.1 and (No change.)

15.2

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15.3 for the year 2020, ~~0.799~~ 0.762 SDR per item and ~~4.795~~ 1.714 SDR per kilogramme;

15.4 for the year 2021, ~~0.823~~ 0.785 SDR per item and ~~4.849~~ 1.765 SDR per kilogramme.

17bis The terminal dues rates applicable to bulky (E) and small packet (E) letter-post items that have been self-declared pursuant to article 28bis shall substitute the rates pertaining to bulky (E) and small packet (E) letter-post items in this article and shall not apply the provisions in paragraphs 7, 9, 11, 13 and 15 in 2021; ~~with the exception of the reference in 28bis.1.3.~~

**Reasons.** – This proposal reflects the outcomes of the consultations undertaken by the Secretary General and represents a balance between the various interests of member countries.



## THIRD EXTRAORDINARY CONGRESS

Convention – Proposal

# 20.30.8 (option V)

Amendment to proposal 20.30.3.Rev 1 (option C)

### Article 30

Terminal dues. Provisions applicable to mail flows to, from and between designated operators of countries in the transitional system

### PROPOSAL FROM CONSULTATIONS

Amend paragraphs 4bis, 4ter, 5 and 6bis as follows and delete paragraph 6ter:

4bis Other than for the terminal dues rates applicable to bulky (E) and small packet (E) letter-post items that have been self-declared pursuant to article 28bis from 2021 onwards and in accordance with 1bis above, the rates applied for flows to, from and between countries in the transitional system for bulky (E) and small packet (E) letter-post items may not be lower than:

4bis.1 (No change.)

4bis.2 for the year 2021, ~~0.634~~ 0.645 SDR per item and ~~4.420~~ 1.450 SDR per kilogramme;

4bis.3 for the year 2022, ~~0.649~~ 0.677 SDR per item and ~~4.459~~ 1.523 SDR per kilogramme;

4bis.4 for the year 2023, ~~0.667~~ 0.711 SDR per item and ~~4.500~~ 1.599 SDR per kilogramme;

4bis.5 for the year 2024, ~~0.686~~ 0.747 SDR per item and ~~4.542~~ 1.679 SDR per kilogramme;

4bis.6 for the year 2025, ~~0.705~~ 0.784 SDR per item and ~~4.585~~ 1.763 SDR per kilogramme.

4ter Other than for the terminal dues rates applicable to bulky (E) and small packet (E) letter-post items that have been self-declared pursuant to article 28bis from 2021 onwards and in accordance with 1bis above, the rates applied for flows to, from and between countries in the transitional system for bulky (E) and small packet (E) letter-post items may not be higher than:

4ter.1 for the year 2020, ~~0.799~~ 0.762 SDR per item and ~~4.795~~ 1.714 SDR per kilogramme;

4ter.2 for the year 2021, ~~0.823~~ 0.785 SDR per item and ~~4.849~~ 1.765 SDR per kilogramme.

5 Other than for the terminal dues rates applicable to bulky (E) and small packet (E) letter-post items that have been self-declared pursuant to article 28bis from 2021 onwards, for flows below the flow threshold specified in article 29.16 or 29.17 in 2018 and 2019 and below the flow threshold of 100 tonnes in 2020 and 2021, the per-kilogramme and per-item components shall be converted into a total rate per kilogramme on the basis of a worldwide average composition of one kilogramme of mail as follows:

5.1 (No change.)

5.2 (No change.)

5.3 for the year 2020, not lower than 5.163 SDR per kilogramme and not higher than ~~5.954~~ 5.795 SDR per kilogramme;

5.4 for the year 2021, not lower than ~~5.309~~ 5.368 SDR per kilogramme and not higher than ~~6.428~~ 5.967 SDR per kilogramme.

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6bis For mail flows to, from and between countries in the transitional system ~~to countries in the target system~~ below 100 tonnes and where terminal dues rates applicable to bulky (E) and small packet (E) letter-post items have been self-declared pursuant to article 28bis by the designated operator of destination, the total rate of ~~5.309~~ 5.368 SDR per kilogramme shall apply in 2021.

~~6ter — For mail flows to and between countries in the transitional system below 100 tonnes where terminal dues rates applicable to bulky (E) and small packet (E) letter post items have been self-declared pursuant to article 28bis and where the country of destination decides not to sample the inbound mail, the per kilogramme and per item components shall be converted into a total rate per kilogramme on the basis of a worldwide average composition of one kilogramme of mail, as referred to in article 29.16.~~

**Reasons.** – This proposal reflects the outcomes of the consultations undertaken by the Secretary General and represents a balance between the various interests of member countries.