

History of the Universal Postal Union. Part 2



Toward the end of the 19th century, the UPU issued rules concerning stamp design, intended to ensure maximum efficiency in handling international mail. One rule specified that stamp values be given in numerals, as denominations written out in letters were not universally comprehensible. Another required member nations to use the same colors on their stamps issued for post cards (green), normal letters (red) and international mail (blue), a system that remained in use for several decades

After the foundation of the United Nations, the UPU became a specialized agency of the UN in 1948. It is currently the third oldest international organization after the Rhine Commission and the International Telecommunication Union.

Terminal dues

Origin

The 1874 treaty provided for the originating country to keep all of the postage revenue, without compensating the destination country for delivery. The idea was that each letter would generate a reply, so the postal flows would be in balance. However, other classes of mail had imbalanced flows. In 1906, the Italian postal service was delivering 325,000 periodicals mailed from other countries to Italy, while Italian publishers were mailing no periodicals to other countries. The system also encouraged countries to re-mail through another country, forcing the intermediate postal service to bear the costs of transport to the final destination.

Remailing was banned in 1924, but the UPU took no action on imbalanced flows until 1969. The problem of imbalanced flows became acute after decolonization, as dozens of former European colonies entered the UPU as independent states. The developing countries received more mail than they sent, so they wanted to be paid for delivery.

In 1969, the UPU introduced a system of terminal dues. When two countries had imbalanced mail flows, the country that sent more mail would have to pay a fee to the country that received more mail. The amount was based on the difference in the weight of mail sent and received. Since the Executive Council had been unable to come up with a cost-based compensation scheme after five years of study, terminal dues were set arbitrarily at half a gold franc (0.163 SDR) per kilogram.

Modifications

Once terminal dues had been established, they became a topic of discussion at every future Postal Union Congress. The 1974 Congress tripled the terminal dues to 1.5 gold francs, and the 1979 Congress tripled them again to 4.5 gold francs. The 1984 Congress increased terminal dues by another 45%.

The system of terminal dues also created new winners and losers. Since the terminal dues were fixed, low-cost countries that were net recipients would turn a profit on delivering international mail. Developing countries were low-cost recipients, but so were developed countries like the United States and the United Kingdom. Since the dues were payable based on weight, periodicals would be assessed much higher terminal dues than letters.

The continuing fiscal imbalances required repeated changes to the system of terminal dues. In 1988 a per-item charge was included in terminal dues to drive up the cost of remailing, an old scourge that had returned. To resolve the problem with periodicals, the UPU adopted a "threshold" system in 1991 that set separate letter and periodical rates for countries which receive at least 150 tonnes of mail annually. The 1999 Postal Congress established "country-specific" terminal dues for industrialized countries, offering a lower rate to developing countries.

Shifting balances and the United States

In 2010, the United States was a net sender because it was mailing goods to other countries. That year, the United States Postal Service made a \$275 million surplus on international mail. In addition, the UPU system was only available to state-run postal services. Low terminal dues gave the United States Postal Service an advantage over private postal services such as DHL and FedEx. To protect its profits on sending international mail, the United States voted with the developing countries to keep terminal dues low. They were opposed by the German Bundespost and the Norwegian Post, which wanted to increase terminal dues.

However, the low terminal dues backfired on the United States due to shifts in mail flows. With the growth of e-commerce, the United States began to import more goods through the mail. In 2015, the United States Postal Service made a net deficit on international mail for the first time. The deficits increased to \$80 million in 2017. The UPU established a new remuneration system in 2016, a move that the United States Department of State said would

"dramatically improv[e] USPS's cost coverage for the delivery of ... packets from China and other developing countries."

However, the Chairman of the Postal Regulatory Commission disagreed.

2019 Extraordinary Congress

With the outbreak of the China–United States trade war in 2018, the issue of terminal dues was pushed into the forefront. Americans complained that mailing a package from China to the United States cost less than mailing the same package within the United States. At the time, the UPU's Postal Development Indicator scale was used to classify countries into four groups from richest to poorest. The United States was a

Group I country, while China was a Group III country, alongside countries like Mexico and Turkey that had similar GDP per capita. As a result, China paid lower terminal dues than the United States. The Donald Trump administration complained that it was "being forced to heavily subsidize small parcels coming into our country." On 17 October 2018, the United States announced that it would withdraw from the UPU in one year and self-declare the rates it charged to other postal services.

The Universal Postal Union responded in May 2019 by calling, for only the third time in its history, an Extraordinary Congress for 24–26 September 2019. The members voted down a proposal submitted by the United States and Canada, which would have allowed immediate self-declaration of terminal dues. The UPU then unanimously passed a Franco-German compromise to allow self-declared terminal dues of up to 70% of the domestic postage rate and increase the UPU terminal dues by 119–164%, phasing in both changes from 2021 to 2025. In addition, countries receiving more than 75,000 tonnes of mail could opt in to self-declared terminal dues on 1 July 2020 in return for a \$40 million "contribution" to the UPU. The United States was the only country that received more than 75,000 tonnes of mail. Trump adviser Peter Navarro declared that the agreement "more than achieved the President's goal," but he denied that the United States was "buying" the deal with its "contribution." UPU Director Siva Somasundram hailed the agreement as "a landmark decision for multilateralism and the Union."

Member Countries

All United Nations member states are allowed to become members of the UPU. A non-member state of the United Nations may also become a member if two-thirds of the UPU member countries approve its request. The UPU currently has 192 members (190 states and two joint memberships of dependent territories groups)

Member states of the UPU are the Vatican City and every UN member except Andorra, Marshall Islands, the Federated States of Micronesia, and Palau. These four states have their mail delivered through another UPU member (France and Spain for Andorra, and the United States for the Compact of Free Association states). The overseas constituent countries of the Kingdom of the Netherlands (Aruba, Curaçao and Sint Maarten) are represented as a single UPU member, as are the entire British overseas territories. These members were originally listed separately as "Colonies, Protectorates, etc." in the Universal Postal Convention and they were grandfathered in when membership was restricted to sovereign states.

Observers

Palestine is an observer state in the UN, and it was granted special observer status to the UPU in 1999. In 2008 Israel agreed for Palestine's mail to be routed through Jordan, although this had not been implemented as of November 2012. Palestine began receiving direct mail in 2016. In November 2018, Palestine signed papers of accession to the UPU. However, its bid for membership was defeated in September 2019 by a vote of 56-23-7, with 106 countries not voting, which fell short of the required two-thirds majority of the UPU membership.

States with limited recognition

States with limited recognition must route their mail through third parties, since the UPU does not allow direct deliveries.

State Mail	routed via
Abkhazia	Russia
Kosovo	Serbia
Nagorno-Karabakh	Armenia
Northern Cyprus	Turkey
Sahrawi Republic	Algeria
South Ossetia	Russia
Taiwan (Republic of China)	United States, Japan
Transnistria	Moldova

Congresses

The Universal Postal Congress is the most important body of the UPU. The main purpose of the quadrennial Congress is to examine proposals to amend the acts of the UPU, including the UPU Constitution, General Regulations, Convention and Postal Payment Services Agreement. The Congress also serves as a forum for participating member countries to discuss a broad range of issues impacting international postal services, such as market trends, regulation and other strategic issues. The first UPU Congress was held in Bern, Switzerland in 1874. Delegates from 22 countries participated. UPU Congresses are held every four years and delegates often receive special philatelic albums produced by member countries covering the period since the previous Congress.

Philatelic activities

The Universal Postal Union, in conjunction with the **World Association for the Development of Philately**, developed the WADP Numbering System (WNS). It was launched on 1 January 2002. The website displays entries for 160 countries and issuing postal entities, with over 25,000 stamps registered since 2002. Many of them have images, which generally remain copyrighted by the issuing country, but the UPU and WADP permit them to be downloaded

Source: Universal Postal Union - <https://en.wikipedia.org>

Universal Postal Union Website: upu.int

Universal Postal Union: [Philately development](#)

World Association for the Development of Philately

Numbering **S**ystem ([WNS](#))

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The WNS goals are to give stamp buyers and collectors a stamp catalogue of all official issues and to fight illegal stamps printed without the postal administrations' consent. Since 2002, some developing countries succeeded to reduce their philatelic program and officially denounce illegal stamps via the UPU.

Source: WADP Numbering System - <https://en.wikipedia.org>