



Minutes of the APPU-Executive Council Meeting

held at the Sheraton Hotel, Hanoi, Vietnam

9 – 13 June 2008

Opening Ceremony

The APPU-EC meeting started at 9.00 am on 9 June 2008. The welcome speech was delivered by Mr. Kwang Sup Ko: Chairman of the Executive Council and Director General of Korea Post.

This was followed by the speech of Director of APPU Bureau: Mr. Somchai Reopanichkul and the Director General of UPU: Mr. Edouard Dayan.

Finally Mr. Nguyen Thanh Hung, Vice Minister of Information and Communications, Government of Vietnam, delivered his presidential speech and declared the EC meeting open.

Agenda Item 1

Opening of the Meeting

Roll Call:

Upon invitation from the Chairman, the Secretary General conducted the roll call and reported that the following 25 out of the 31 APPU members were present.

- | | | |
|----------------------|-----------------|---------------------|
| 1. Australia | 10. Lao | 19. Philippines |
| 2. Bhutan | 11. Korea | 20. Singapore |
| 3. Brunei Darussalam | 12. Malaysia | 21. Solomon Islands |
| 4. Cambodia | 13. Mongolia | 22. Sri Lanka |
| 5. China | 14. Maldives | 23. Thailand |
| 6. Fiji | 15. Myanmar | 24. Vanuatu |
| 7. India | 16. Nepal | 25. Vietnam |
| 8. Indonesia | 17. New Zealand | |
| 9. Japan | 18. Pakistan | |

Six member countries namely Afghanistan, Bangladesh, Iran, Papua New Guinea, Nauru and Tonga were not present.

Status of the Union (EC 2008 Doc 1)

The EC took note of the memorandum by the Secretary General on the status of the Union.

Agenda Item 2

Approval of the Agenda (EC 2008 Doc 2)

The agenda for the Executive Council and the timetable of discussion of its items was presented by the Chair.

The Chair informed the EC that item 19 in the Tentative Agenda - Presentation by Japan - be deleted as Japan would not be able to make the presentation.

Australia, then took the floor and paid tribute to Late Mr. Peter Douglas of the Royal Mail of UK, who had been a regular observer at the APPU EC meeting and remembered him for his services to the region.

The agenda for the Executive Council and the timetable of discussion of its items was approved as presented.

Agenda Item 3

Approval of the Rules of Procedure (EC 2008 Doc 3 Annex 1)

The Secretary General of the EC in his memorandum proposed that the Rules of Procedure as amended by the EC meeting in New Delhi in 2007 be retained.

The EC agreed to the proposal to retain the Rules of Procedure as amended by the EC meeting in New Delhi in 2007.

Agenda Item 4

Report on the Activities of the Union (EC 2008 Doc 4)

Upon invitation from the Chairman, the Director of APPU Bureau presented a report on the activities of the Union (EC 2008 Doc 4)

The Director of APPU Bureau in his presentation talked about the activities of the Union during the year 2007 and till the Council's meeting in 2008. The report gave details of the activities at the Asian-Pacific Postal College and some of the important planned activities. It could be seen from the presentation that this period like the year 2006 had been a very productive and constructive period.

The main points of the presentation included:

- The details of the courses and workshops held at APPC during the period
- The UPU and QSF missions undertaken by APPC
- The Director also talked about a research project on "E-business Strategy in APPU countries" that the Bureau was undertaking during the current year in collaboration with KISDI (Korea Information Society Development Institute). This project has been generously sponsored by Korea Post.

❑ The Director also talked about the initiative taken by APPU Bureau in pushing up the international remittances business through the postal channel and mentioned about the following:

- APPU – UPU – La Poste initiative for building up postal financial services network among the Posts of ASEAN countries.
- PFS Course with the help of Korea Post, Japan Post and private sector.

Australia thanked the Director for taking new initiatives and for successfully managing the activities of the Union. Further Australia suggested that the Director of the Bureau, from next year onwards, should present separate account of the activities of the two divisions of the Bureau i.e. the Training Section and the Administrative Section as the budgets for the two were separate.

The Director of the Bureau then took note of the advice from Australia.

The EC took note of the report on the activities of the Union by the Director of APPU Bureau.

Agenda Item 5

Report on the QSF Regional Projects (EC 2008 Doc 5)

The Director of APPU Bureau presented a report on the QSF Regional Projects implemented/under implementation by the Bureau, highlighting the following:

- ❑ The Regional Project for the Improvement of International Mail System in Asia (RPIIMSA) was the first of its kind in Asia-Pacific and was funded by Singapore Post through its QSF allocations. The eight beneficiary countries, namely Afghanistan, Bangladesh, Bhutan, Cambodia, Lao, Maldives, Myanmar and Nepal participated in the project. The final report of the project was conditionally approved by QSF BoT at its meeting on 25 October 2007. The BoT in its meeting recognized the difficulties faced by the APPU Bureau in the implementation of the regional project and decided to authorize - on an exceptional basis – payment of the balance due to APPU Bureau under conditions of confirming some amounts of payment and filling in the proper forms to request payment.
- ❑ The aim of the QSF Regional Project on Development of a Cost Accounting Model for Asia Pacific Least Developed Countries (RPDCAMAPL) is to achieve “Implementation of a simple cost accounting system and Cost Accounting Model in each of the Target Countries” viz., Afghanistan, Bhutan, Cambodia, Kiribati, Maldives, Myanmar, Nepal, Samoa, Solomon Islands, Timor-Leste and Tuvalu. The project was expected to be completed by the end of the year.
- ❑ The QSF Regional Project for Pacific Island Countries for Improvement of International Mail System (RPPIIMS) aimed to improve the quality of international mail handling by streamlining the international mail processing of the nine beneficiary countries namely Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The sponsoring countries are China and Singapore. The project is now complete and shortly a project completion report will be sent to the QSF Board of Trustees.

The EC took note of the presentation made by the Director of APPU Bureau.

Agenda Item 6

Report by the UPU Regional Adviser (EC 2008 Doc 6)

The Regional Adviser in his report explained the priorities and principles regarding development cooperation for the period 2005–2008 as adopted by Bucharest Congress in Resolution C 21/2004. He gave details of the technical assistance projects undertaken by UPU in the Asia-Pacific Region.

The Regional Adviser informed the member countries about the Quality of Service Fund (QSF) projects that he had helped prepare for the benefit of the member countries of the region and that he was ready to assist more member countries with the preparation of their QSF project proposals.

The Regional Adviser further informed the EC that UPU–APPU cooperation is long-standing and found to be beneficial to the countries in the region. The UPU has continued to provide its strong support to the Asian Pacific Postal College. Since 1998 the UPU has been programming a regional project to provide postal administrations in the Asia and Pacific region with training opportunities at the APPC. Implementation of the UPU–APPU Regional project on HR development through training provided at the APPC has made satisfactory progress.

Assistance by Regional Adviser is regularly provided to the APPU Bureau in the implementation of the regional QSF projects. In addition Regional Adviser, whenever called upon, makes presentations to the participants attending various training programmes at the APPC.

The EC took note of the report of the Regional Adviser and the Chairman of the EC thanked the Regional Adviser for his presentation.

Agenda Item 7

Report of the Regional Support Centre for Asia Pacific (EC 2008 Doc 7)

The Regional Support Centre for Asia Pacific (RSCAP) was established in April 1995 and is located in Singapore. It was established to support IT activities, manage deployment and support of UPU technology applications, products and services. RSCAP has assisted most of the postal administrations in our region to deploy IPS or IPS Light for mail services and connected to EDI network to exchange EDI messages with their partners.

The report gave the details of the activities of RSCAP since the last APPU Executive Council meeting held in New Delhi, India in November 2007 up to April 2008. The status of EDI Exchange for postal administrations in Asia Pacific region up to April 2008 was listed during the presentation.

It also talked of the activities planned for the year 2008 – 2009.

The detail of the expenditure during 2007 and the projected expenditure for the year 2008 was also given in the report.

The EC took note of the report of the RSCAP.

Agenda Item 8

Report of the Terminal Dues Working Group (EC 2008 Doc 8)

A report of the APPU Terminal Dues Working Group Meeting, held on 11 June 2008, was presented by its Chairperson - New Zealand. The main issues mentioned in the report are as follows:

- On behalf of the Terminal Dues Project Group Steering Committee, Australia presented the POC proposal for a Global Terminal Dues system and talked of the following:
 - Introduction and background on TDPG work;
 - Mandate and conditions;
 - Proposed terminal dues system – target and transition system, outline of terminal dues proposed elements, classification and Quality of Service Fund;
 - Quality of Service link to terminal dues; and
 - Resolution of future work
- La Poste presented France’s amendments to the POC terminal dues proposal. The proposal related to thresholds for joining target system, application of floor rates, removal of caps for Group 1 countries, cost to tariff ration of 75% and changes to QSF payment (according to classification). During discussions on the proposal, the members raised the following concerns regarding the French proposal:
 - In the long term, as countries move into a single terminal dues system, these rates will be payable by all members and significantly increase the cost of sending mail from current transition to current target system countries.
 - More immediately, as rates increase, market share will decline
 - QSF payments to Group 3 countries would be reduced
- By show of hands no country supported the French proposal. One of the members asked the Chair of the APPU WGOTD to write a letter to the relevant UPU Congress Committee that the French amendments to the POC terminal dues proposals should not be considered as the same was not submitted to IB UPU by the deadline or with the required support. Australia, Brunei, China, Fiji, Indonesia, Korea, New Zealand, Philippines, Singapore, Thailand, Vanuatu and Vietnam indicated their willingness to be co-signatory to the letter.

The EC took note of the report of the Terminal Dues Working Group.

Agenda Item 9

Report of the Postal Security Working Group

The Chairman of the Postal Security Working Group, Iran was not present during the EC Meeting. As a result the report could not be presented. This agenda item was therefore dropped.

Agenda Item 10

Report of the Postal Financial Services Working Group (EC 2008 Doc 10)

Mr. Tae Eui Kim, Chairman of the APPU Postal Financial Services Working Group (PFS-WG) presented a report on its fourth meeting held on 11 June 2008.

Representatives from 9 member countries except Iran participated in the meeting. Australia, Sri Lanka, Philippines officially expressed the willingness of joining the PFS-WG. The request was accepted at the fourth meeting and therefore the number of member countries now increased to 13. Observers from diverse fields also participated in the meeting, including other APPU member countries, Eurogiro, Deutsche Bank, Citibank, UPU PTC etc.

The fourth APPU PFS-WG adopted the following agenda items to discuss at the meeting:

- Development strategy for international remittance services via electronic method in Asia-Pacific region
- Foreign exchange risk management
- Exchange information for financial infrastructure focused on international remittance services
- Co-marketing between member countries in remittance services
- Bilateral meeting session for business expansion

The meeting was divided into four sessions with the agenda items above-mentioned.

Concerning agenda item 1, development strategy for international remittance services via electronic method, Thailand Post presented their business experience and UPU, Eurogiro made a presentation about international remittance solutions. Especially, UPU explained its workflow, pricing policy and Eurogiro introduced its solution including future plan.

In reference to the agenda item 2, exchange information for financial infrastructure focused on international remittances, 4 member countries such as Indonesia, Malaysia, Maldives, and Vietnam explained their general business conditions and suggested new services focused on international remittance service.

Concerning the agenda item 3, La-Poste of France pointed out the future of postal remittance services focused on making up the multilateral agreement for IFS payment which would be finalized in 2008 UPU Congress.

Korea Post also explained the experiences of co-marketing on international remittance services with case study in relation to the agenda item 4. Japan Post and some observers, such as APPU Bureau, Citibank, Deutsche bank, pointed out the importance of foreign exchange risk management in remittances with suggesting diverse F/X risk management method. In this regard, some member countries commented that they have some difficulties to adjust it due to the control of central bank in operation.

In the second session, there was bilateral meeting of each participant which was introduced for the first time since PFS-WG meeting started and each participants stimulated bilateral meeting themselves with indicating parties.

In the third session, APPU Bureau announced the future plan and schedule of PFS course/ workshop which is hosted by APPU Bureau & Korea Post, etc.

Concerning the agenda for the next meeting, PFS-WG decided to set up the agenda items before the next meeting through the exchange of information between member countries by diverse channels.

PFS-WG also agreed to hold the next meeting in parallel with the 2009 APPU Congress in New Zealand.

The EC took note of the report by Korea, Chairman of the Postal Financial Services Working Group.

Agenda Item 12

Report of the Finance Committee (EC 2008 Doc 12 Add 1)

Australia, the Chair country of the Finance Committee presented the report of the Finance Committee. The Finance Committee composed of Australia, China, India, Japan, Korea and Thailand met on 9 June to review the APPU administrative budget. The APPU Bureau was represented in the meeting by the Director of the Bureau and Manager Administration & APPU Affairs.

The report mentioned the following:

- Each of the respective financial statements was considered by the Finance Committee along with those for the APP and RSCAP. In particular, the APPU 2007 expenditure of US\$92,358.91 was noted against a budget of US\$74,710 but there was nothing in the report that caused any concern with the Auditor's comments (the report of Tana Working Group Co., Ltd which preceded the detailed financial statements).
- The 2009 APPU budget for the Administrative Section amounting to US\$95,640 was reviewed and detailed comments were sought from the APPU Bureau Director as to its scope and validity, noting that an expenditure of US\$ 92,358.91 was incurred in 2007. A prospective expenditure of a similar order is expected in 2008. After a thorough review, the Finance Committee accepted that the 2009 budget was realistic and would permit our Union and the APPU Bureau Director to be effective on behalf of APPU members during 2009.
- In reaching this position, the Finance Committee took note of the budgets of other restricted unions which far exceed that of the APPU. The Committee also took account of Article 117 of the APPU General Regulations which stipulates that the annual expenditure of the Union shall be separate for the Administrative Section and for the Training Section. Further, the maximum amount for the annual expenditure for the Administrative Section, as stipulated in Article 117.1 of the General Regulations, is **US\$ 80,000**. However, Article 117.5 states that the limit laid down in Article 117.1 may be exceeded to enable the recruitment of personnel or otherwise to provide for the efficient operation of the Administrative Section if a majority of the member countries agrees.
- Based on earlier decisions it became evident that with a 2009 budget of the scope recommended, and recognising funds payable by the APP Cooperative for administrative services of US\$5,000 per annum, a contribution share per unit of US\$1,250 for 2009 would, at least, be required. Several members of the Committee expressed their concerns at this increase, as it exceeded normal CPI adjustments and amounted to an increase of approximately 20% on the per unit contribution that applied in 2005, 2006 and 2007 (US\$1,000) as well as that of 2008 (US1,050).
- After a long deliberation, the Finance Committee took a vote on this matter and, by a majority of its members, it agreed to recommend that the contribution share per unit be set at US\$1,350 for 2009. This represents a substantial increase, but is warranted in supporting our APPU Administrative Section to become a more powerful force for actions supporting the postal services in the region. It was also noted that Korea has indicated that it will move to a higher contribution level in 2009 (5 units) and, if this eventuates, then the total contributions would amount to US\$102,600 in 2009. With the APP Cooperative payment of US\$5,000, the

Union would then have a contingency of some US\$11,960 which would be paid into the Reserve Fund if no other calls were made upon this money.

- As an outcome of these decisions and noting that expenditures in 2006, 2007 and 2008 have exceeded, or will exceed, the approved budgets, the Finance Committee recommends that the APPU Bureau Director be tasked by the APPU EC to stay within the approved budget and only to exceed the approved budget by a declared amount with the express permission of a majority of the APPU membership. If necessary, this could be obtained by postal ballot.

The Finance Committee recommended the following to the EC:

- To accept the 2007 Auditor's financial report.
- To approve the 2009 budget for the APPU Administrative Section, so as to equip the Bureau Director with sufficient funds for the efficient operation of the Bureau on behalf of the APPU member countries.
- To adopt a contribution share of US\$1,350 per unit in 2009.
- To put in place a control to enable the APPU Bureau Director to exceed the approved budget by a declared amount only after obtaining the express permission of a majority of the APPU members.

The Executive Council approved the recommendations of the Finance Committee.

Agenda Item 13

Report of the Asian-Pacific Postal College Governing Board (EC 2008 Doc 13 Rev 1)

The report of the APPC Governing Board was presented by Thailand, the Chair country of the GB. The 38th APPC Governing Board Meeting was held on 9 June 2008. It was attended by 11 member countries namely Australia, China, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippines, Thailand and Vietnam. Mr. Worapat Tiewthanom, Deputy Permanent Secretary of the Ministry of Information and Communication Technology of Thailand: Acting Chairman of the Governing Board, Mr. Somchai Reopanichkul: Director of APPU Bureau and Ms. Araya Prasittiboon: Manager Administration and APPU Affairs were present.

Representatives from UPU, La Poste – France, Bhutan, Brunei Darussalam, Maldives, Cambodia, Lao, Nepal and Mongolia were also present at the Meeting as observers.

Mr. Worapat in his opening address to the Governing Board confirmed that the Royal Thai Government will continue to contribute Baht 2,000,000 to the APPC for another year.

Following the Chairman's address, Thailand Post announced in the GB that Thailand Post will continue to waive the maintenance and the depreciation fee of Thai Baht 1,500,000 to the College in 2009.

The outcome of the Governing Board meeting was summarized as follows:

- The Auditor's report for the year 2007 was presented and approved.
- The statement of income and expenditure from 1 January to 30 April 2008 and estimated income and expenditure for the period of 1 May to 31 December 2008 was also noted and approved.

- ❑ Board appointed IAC (Audit) Limited to be the Bureau's auditor for 2008 at the auditing fee of Baht 40,000 for APPC and Baht 30,000 for APPU.
- ❑ Board endorsed in principle the Business Plan of APPC (2008-2011).
- ❑ Board approved 18 training courses to be conducted in 2009. The External Training Programs would be confirmed later on.
- ❑ Board also approved the seat allocation for 2009 comprising 62 seats for 232 weeks on self-funded basis and 96 seats for 388 weeks on fellowship grants.
- ❑ Board approved the 2009 budget as proposed.
- ❑ China indicated that China had increased her annual cash contribution from US \$ 15,000 to US\$ 25,000 for 2008. Therefore the College could provide additional training courses to her postal officers. This year, the College organized a special training course on Postal Regulations for 34 officers in which experts from La Poste, Japan and India delivered lectures. It is expected that there would be closer cooperation between the College and China in future.

The Executive Council took note of the report of the Governing Board presented by Thailand.

Agenda Item 14

Report of the Asia Pacific Post Cooperative

Hong Kong (China), the Chairman of the APP Cooperative presented a report on the APP GA to the EC.

The main points of the verbal report were as follows:

- ❑ The terms of service for 3 of the Cooperative Management Board members namely Japan Post, Korea Post and Singapore Post had expired. APP had called for nominations and upon the close of nomination period, candidacy from Japan Post, Korea Post, Singapore Post and Pakistan Post had been received. An election was held at the General Assembly with Japan Post, Korea Post and Singapore Post being re-elected into the Cooperative Management Board.
- ❑ Members were very much concerned about the financial situation of APP Cooperative where the level of membership contribution constituted only 55% of the annual recurrent expenditure. The Chairman had approached each and every one of the larger Posts to ask for their financial support and was pleased to mention that they are all very supportive. The total contributions had increased substantially but still could not catch up with the level of expenditure. APP was seriously looking at increasing membership fees as well as increasing contribution classes to narrow the deficit. Apart from increasing fund from members, APP was looking into other sources of revenue such as conducting consultancy work for Quality of Service Fund Project, working more closely with the EMS Cooperative, APPU Bureau and PTC to share out some of the costs.
- ❑ The two consultants of APP reported on the progress of their work in 2008. There are totally eight projects being undertaken in 2008 and the Business Performance Management System (or BPMS) was the focus of work during this year. The BPMS, has been developed with the aim of helping postal operators within the Asia Pacific region to improve their delivery performance in EMS. APP has scheduled three training sessions on BPMS for all its members to utilize the management tool for EMS service quality improvements. The first round of this training was conducted in March 2008 in Macau and the feedbacks received in response to the workshop were very positive. Therefore, APP had decided to fully launch the program to all its members. Two more workshops would be conducted in the coming months

to help more members in implementing the system. APP had also organized an EMS and Parcels Conference in Australia in April this year with participation from 10 postal administrations and the feedbacks were again very favorable.

- ❑ The APP GA also discussed about projects to be undertaken in 2009. An initial list of projects have been developed and it would be further refined along the way.
- ❑ The subject of reorganization of APP and RSCAP was also discussed during the GA meeting. After active deliberation, the GA decided to put forward this paper to the APPU EC for endorsement. This paper was presented this morning and was endorsed by the APPU EC. APP would in future work very closely with PTC to make the best use of RSCAP's resources.
- ❑ Finally, the GA also approved an amendment to the Statute. This amendment was necessary because the date of the 2009 GA falls in March 2009 which meant that members would have to pay their contributions by February 2009. However, a number of members have their financial year ending on 31 March. This would have resulted in members having to pay twice within one financial year, a request that many Posts could not meet. To ensure that all APP members could stand for election of the APP CMB under such special circumstances, a change to the Statute was approved.

The Executive Council took note of the report presented by the Chairman of the APP.

Agenda Item 15

Report of the WTO Issues Project Group (EC 2008 Doc 15)

As Chairman of the WTO Issues Project Group of UPU, Malaysia presented a report to the APPU EC on the WTO issues.

The report listed the following key achievements during the last cycle:

- UPU obtained ad-hoc observer status at the WTO's Council of Trade in Services in April 2006.
- Knowledge shared between the UPU and WTO Secretariats on matters pertaining to the postal services and GATS.
- Conducted a study of the various proposals concerning the classification of postal services and courier services
- Commissioned the World Trade Institute to conduct a comprehensive study on the implication of GATS on the postal services.
- Informed UPU's members on the development of the Doha Round negotiations concerning postal services.
- Held APPU's seminar on WTO issues relating to postal services in Kuala Lumpur in 2005.

The report also explained about the draft Congress Resolution concerning UPU-WTO issues. Malaysia as Chairman of the CA WTO Issues Project Group also sought the APPU's members support for the draft Congress Resolution concerning the future works on WTO Issues.

The EC took note of the presentation.

Agenda Item 16

Report of the Parcels Working Group (EC 2008 Doc 16)

This report was presented by New Zealand. The EC was informed that the Working Group chaired by New Zealand was held on 11 June 2008. The key purpose of the meeting was to update APPU members on the activities and decisions of the UPU Parcels Group and POC, to review the provisions of service features included in the Inward Land Rate (ILR) system in the Asia Pacific and to discuss UPU Congress proposals and the way forward for the UPU Parcels Group and parcel activity in the Asia Pacific.

The Chair gave two presentations on parcels during the APPU parcels meeting and in particular it was noted that:

- With regard to the provisions of the ILR service features, there is an inconsistent parcel service across the Asia-Pacific. As a region, we were not meeting the customer or market expectations, and that a number of administrations were receiving a reduced ILR;
- Many administrations were not participating in the parcel service reports and are therefore missing an opportunity for independent verification of their performance and diagnostic opportunities. Administrations can be included in the report by providing the IB UPU authorization for their data to be included in the reports;
- Administrations were asked to pay particular attention to the distribution of the annual UPU parcels questionnaire in early June. The IB uses administration's responses to the questionnaire to determine each administration's ILR. Completed questionnaires must be received by IB UPU before 31 August 2008.

The following were commented by the members during the parcels meeting:

- Parcel as a product has a good future. However there is a need to understand customers' requirements. It may be more appropriate to take a regional (rather than global) approach to respond to the customers' needs and therefore the region must work together more closely;
- The future UPU parcel work needs to consider parcel rates, the relationship to EMS imbalance charges and alignment and market opportunities for the two products;
- There should be a market research on a heavier weight limit, as this is a service that competitors can offer;
- Further clarification of whether a measure of EMD/EMC should be included alongside the EMH/EMI over EMD measure in the updated ILR service feature provision from 2010 (the Chair to raise this with the UPU Parcels Interim Working Group and advise the APPU Parcels members of the outcome);
- The future UPU Parcels Committee needs to work closely with the UPU Customs Group.

A presentation was also made by Deutsche Post regarding developments in its domestic parcel offer including development of a GO GREEN parcel that meets customer requirements for a carbon neutral parcel product.

The EC took note of the report.

Agenda Item 17

Presentation by UPU (EC 2008 Doc 17)

The presentation by UPU was made by the Quality of Service Coordinator at IB UPU. The presentation talked of the major proposals to the 2008 UPU Congress and was divided in to the following groups:

- New strategy/Mission
- Capacity
- Structure
- Projects
- Cooperation

The presentation emphasized that main thrust of the new proposed Postal Strategy of the coming UPU Congress. The proposed updated UPU mission statement was also explained.

In order to enhance the capacity, the proposed new method of financing of the UPU activities was discussed. The proposed new committee structure under CA and POC was explained during the presentation. The major proposals to the forthcoming UPU Congress to improve the quality of postal products and services were presented to the APPU EC.

The Chairman of the EC found the presentation very informative and appreciated the role played by UPU.

The EC took note of the presentation.

Agenda Item 18

Presentation by Singapore (EC 2008 Doc 18)

The presentation by Singapore was about the reorganization of Asia Pacific Post Cooperative (APP) and Regional Support Centre for Asia Pacific (RSCAP). The presentation detailed the objectives and role played by RSCAP and APP.

Singapore explained the current situation of the UPU's Postal Technology Centre (PTC) activities as under:

- PTC has opened a new Global Support Centre in Montevideo
- RSCAP will no longer provide general support for PTC related products
- RSCAP will continue to provide practical assistance with regards to installation and deployment of PTC products
- RSCAP will continue to undertake country visits where more complex problem solving is required. These could be follow up missions as directed or initiated by PTC.
- Under the regionalization plans of PTC, RSCAP will now be known as Regional Technical Centre (RTC)

The presentation further talked of a need to go forward in the region. Many of the projects or work needed in the region clearly demonstrates the need for a coordinated and unified approach and that there is a need for:

- Business Development
- Marketing
- Operations Review
- Technical Solutions
- Technical Support

The APP and RSCAP met these requirements with their respective consultants, however, the region could benefit if all are working together. Singapore informed the EC that the APP CMB had re-organized the APP Office with the host country appointing an Office Director to manage the office and consultants. This would start on 1 July 2008.

Singapore then proposed the reorganization of APP and RSCAP in the following manner:

- To place RSCAP under the APP umbrella so that the APP can set the direction of projects in the region that will take into account the commercial, operation and technical requirements of the members
- The re-organized APP/RSCAP office will work in close cooperation with PTC in the area of technological products, services and regional missions.
- For any future changes to the location of the new APP/RSCAP office, the postal administration that hosts it will be responsible for managing the combined unit

Singapore further informed the EC that

- This proposal has support of the APP CMB and the current host country for APP and RSCAP –Singapore. The UPU Telematics Cooperative and PTC have been consulted and responses has been favourable.
- Funding –All current APP and RSCAP voluntary funding arrangements to remain. So all countries should maintain their level of funding.
- Resource
 - Current APP and RSCAP consultants will remain
 - APP CMB has approved the recruitment of a technical support staff

Singapore then proposed to the EC to endorse the proposal that APP and RSCAP be re-organized under a single management point at the earliest opportunity but no later than 1 January 2009.

The proposal was then placed before EC for discussion.

Australia supported the reorganization as it felt that the APP and RSCAP working together would be beneficial.

Director of APPU Bureau and Secretary General of the EC told the EC that in principle he endorsed the proposal, however, he wanted to know as to how will the APPU members who are non-members of APP be served in future especially with regard to technological support.

Director PTC of UPU told the EC that all Posts that used the PTC product will be supported directly by the PTC and that UPU had no problem with the merging of APP and RSCAP.

Pakistan wanted the proposal to be deferred as some of the important members were not present as the presentation had been taken up before the scheduled time as mentioned in the timetable and the sequence of discussions (EC 2008 Doc 2) and that the proposal required more time to study.

The Chairman of EC opined that since a majority of the members were present it was not necessary to defer the consideration of the proposal.

Pakistan then wanted to know about the activities undertaken by APP for improvement of the Quality of Service in the region. Pakistan also wanted to know if the legal aspect of merging the two entities had been considered.

The Chairman of the APP Cooperative responded by mentioning some of the activities of APP and told the EC that the details of the activities had been given to the APP General Assembly on 11 June 2008.

The EC then approved the proposal of Singapore for re-organization of APP and RSCAP under a single management point at the earliest opportunity but no later than 1 January 2009.

Agenda Item 20

Presentation by La Poste (EC 2008 Doc 20)

La Poste of France made a two part presentation to the APPU EC meeting. In the first part, an overview of the La Poste Group and its strategic goal was explained. In the second part of the presentation, the activities of La Poste within Asia Pacific region and its future plan was explained.

The presentation gave details of the activities under the agreement with APPU. It also talked of the activity report for 2008 under the La Poste-APPU Cooperation Agreement:

- 2 lecturers participating at the APPC course programmes
- Grant of 8 fellowships
- IEMO workshop and a pilot for the launching of an IEMO service via IFS
- Strategic seminar on postal solutions for small and medium size companies

The presentation gave details of the strategic seminar which is planned to be held in Bangkok on 3 – 4 December 2008 for senior managers of Asia Pacific postal administrations. Air ticket, visa fees and accommodation charges will be covered for 1 person from each of the APPU LDC.

The EC took note of the presentation.

Agenda Item 22

Presentation by UNI-Apro (EC 2008 Doc 22)

The presentation made by UNI-Apro was on promoting cooperation between labour and management in the postal sector in the Asia Pacific region.

The EC took note of the presentation by UNI-Apro.

Agenda Item 23

Proposals for 2008 UPU Congress (EC 2008 Doc 23)

The session started with the Chairman of the EC inviting New Zealand to moderate the session on Proposals for 2008 UPU Congress. New Zealand presented a draft agenda listing the Congress Proposals that were proposed to be discussed during the meeting. The agenda for discussion was accepted as proposed.

1. The first set of Proposals was presented by China. China in its presentation explained the rationale behind Congress Proposals introduced by it. The Congress Proposals presented by China were as follows:

- 35.144.1 – Inquiries
 - In practical operations, if the destination administration does not return the full investigation within 160 working hours, there is no authorization code provided by the liable administration. In such a case, the sending administration should be authorized to indemnify the rightful claimant on behalf of the destination administration automatically. If the reply returned by the destination administration is incomplete and cannot be considered as a final reply to settle the matter, automatic payment of indemnity should be authorized in accordance with Article RC 153.1.
- 35.138.1 – CN 15 form
 - A stamped impression cannot include all the reasons for non-delivery and in many cases the impression may be unreadable or illegible after a long period of transmission.
- 29.55.1 and 29.56.1 - Form CN 55 / 56 - Add a column headed "Forwarding route used for transit".
 - At present, the CN 55/CN 56 is used to claim both terminal dues and transit charges. When claiming transit charges, the administration which is preparing the account does not know the transit route used by the transit administration. Consequently, the said administration does not know the distance and the rate applied. Therefore, it is necessary to clearly show the forwarding route used for transit by the transit administration.
- 25.229.2 – Transmission and acceptance of CN 55 and CN 56 Statement of Mails
 - Wherever data in the CN 55 are amended, one copy of the CN 55 should be retained by the administration of origin and the other should be returned to the administration preparing the account. Therefore, the CN 55 should also be sent in duplicate to the administration of origin.
- 25.200.1 – Return of empty bags
 - Some postal administrations use empty bags belonging to third-party administrations which were not able to be returned directly to the country that owns them. Therefore, it is suggested that only the empty bags of the dispatching administration and the administration receiving the dispatch should be used.
- 35.203.1 - Preparation of Accounts
 - It is necessary to instruct the postal administration which is preparing the account how to prepare the CP 94. The data in the CP 87 parcel bill should be entered in the CP 94 statement by the office of origin, then by office of destination, in chronological order of the mails.

- 29.8.2 – Form CN 08
 - In the Letter Post and Parcel Post Regulations, there are no detailed rules concerning liability and indemnity in case of delay in delivery. Neither administrations of origin nor administrations of destination are authorized to indemnify the claimant for delay in delivery. In such a case, it is meaningless to investigate the reason for delay by sending a CN 08 form. In order to avoid misadvising customers, the CN 08 form should not be used to investigate delays. Therefore, it is advisable to
 - delete “Delay – Date of arrival” from the “Reason of Inquiry” column and
 - delete “or delay” from the sentence "In case of damage or delay, give the reason in the "Final reply" part under "Any other Comments".

- 20.17.3 – Inquiries
 - In compliance with Articles RL 150.2.6 and RC 144.4.6, the inquiry shall be returned to the administration which originated it as soon as possible and at the latest within two months from the date of the original inquiry. If the CN 08 and accompanying documents are forwarded and returned by surface mail, the period may be more than one month. The investigation time would be too short for the administration of destination, and the customer would complain if the reply to the inquiry was too long. Therefore, the transmission of inquiries should be made by airmail or by electronic means.

China also introduced a Congress Proposal on promoting “best practice” experiences on postal regulatory issues. The proposal says that the Council of Administration, in conjunction with the International Bureau, shall

- organize postal regulatory forums or seminars during the annual meeting of CA;
- collect and publish each year the information related to universal service, postal reform and legislation as well as market regulation of member countries.

The proposals introduced by China were appreciated by the EC.

2. After China, Pakistan spoke about its proposals for the 2008 UPU Congress. Pakistan informed the EC that it had withdrawn a number of proposals as it did not find it necessary. The main proposals from Pakistan were as follows:

- Under Article 12.3 of the Convention, the word literature for the blind should be replaced by mail for the blind;
- Under Article 21 of the Convention, “postal administrations” should be replaced by “member countries” or “designated operators”.

3. Indonesia presented the following Congress Proposals:

- 25.140.1 – International Business Reply Service (IBRS)
 - The UPU Convention Article 13 paragraph 4.1 stipulates that all administrations shall be obliged to operate IBRS “return” service. This paragraph, however, does not indicate in what way the administrations where the respondents of the sending administrations’ customers are residing would be able to verify the “return” IBRS service items and whether the sending administrations’ customers are officially authorized to use the IBRS service. Hence, the sending in advance of notification of the authorizations and the specimen of the “return” IBRS service items to the administrations where the respondents concerned are residing would facilitate such verifications and the handling arrangements of the “return” IBRS service items by the latter.
 - Therefore Indonesia proposed to introduce a new paragraph in Article RL 140 that clearly specifies that administrations authorizing their customers to use IBRS service are obliged

to notify their authorizations along with the specimen of the IBRS items concerned to other administrations where the respondents of their customers are residing.

- 23.87.2 – Prohibition (letter post)
 - Indonesia does not accept any liability regarding the loss or the damage of registered and insured items containing coins, bank notes, cheques, postage stamps, foreign currency, or any kind of securities payable to bearer because the insertion of such articles to the postal items are not in line with the domestic regulations.
- 35.142.1 – Parcels containing items whose early deterioration or decay is to be feared
 - Selling postal items without any prior notice or legal formality from rightful owners, whatever the reasons, will disappoint postal customers on the quality of the postal services. The existing paragraph tends to cause postal violations which lead to ruin the confidence of the general public in the postal services as stipulated in Article 9 paragraph 1 of UPU Convention. Therefore amendment is suggested to Article RC 142.
- 22.4 – Non-liability of postal administrations
 - In case the loss, theft or damage of a postal item occurred during the conveyance prior to handing it over to the transit and destination postal administration, the liability shall remain at the sending postal administration, because the latter has entered into contracts with the concerned airlines/carriers. Furthermore, the sending postal administration is free to choose the carrier for conveying its postal items to destination postal administrations. Therefore a new paragraph is proposed to be created under Article 22 of the Convention.

4. New Zealand presented the following Congress Proposals:

- 25.140.X - International Business Reply Service (IBRS)
 - There is a growing demand from customers worldwide for an International Business Reply Service (IBRS) that also covers goods. Currently the IBRS service is limited to correspondence and printed papers unless otherwise agreed bilaterally. The expansion of the IBRS service to include goods would greatly assist the e-commerce led growth of the UPU small packet product as it will allow companies with offshore subscription bases to easily manage their returns processes. This will in turn facilitate the continued growth of this important market segment. IBRS would remain an optional service for all UPU members. In addition, in order to make the acceptance of IBRS items more attractive, it is proposed that administrations be paid for all IBRS items received.
- 25.183.X - Transmission of items intended for direct access to the domestic service
 - This sets the use of the modified CN 31 letter bill for direct access mail as the default practice. The use of other documentation should only be required by the national legislation of the dispatching or receiving member country.
- 20.29.X - Terminal dues. Provisions applicable to exchanges between countries in the target system
 - Increasing the additional payment for both registered and insured items to 1.5 SDR recognizes the similar level of effort required for delivery of these services, both of which require a signature of acceptance or some other form of evidence of receipt on delivery.
- 20.30.X - Terminal dues. Provisions applicable to mail flows to, from and between countries in the transitional system

- Increasing the additional payment for both registered and insured items to 1.5 SDR recognizes the similar level of effort required for delivery of these services, both of which require a signature of acceptance or some other form of evidence of receipt on delivery.

5. Thailand presented the following Congress Proposal:

- 148.2.2.1 – Application of the liability of postal administrations
 - The UPU Convention Article 21 paragraph 7 stipulates that when an indemnity is due for loss of, total theft from or total damage to registered item, ordinary parcel or insured item, the sender or the addressee, as the case may be, shall also be entitled to repayment of the charges and fees paid with the exception of the registration and insurance charges. The current Article RC 148.2.2.1, however, does not indicate the repayment of charges and fees to the entitled sender or addressee. The existing paragraph tends to cause disputes to some postal administrations involved which, from time to time, refuse to pay these charges and fees. Hence, it becomes necessary to amend this Article to be much clearer and in line with the existing Article RL 155.4 of the Letter Post Regulations.

This proposal of Thailand is being supported by China, Cambodia, Vietnam, Iran, Pakistan, Lao, and Korea.

6. Japan talked about the following two proposed Congress Resolutions:

- Initiatives for the sustainable reduction of poor environmental impact in the framework of the postal sector:
 - The postal operators of the member countries should promote such initiatives that aim at reducing the negative impact on the environment and to make the status of the progress in their own countries available to the public.
- Study on establishing permanent Universal Postal Convention and Postal Payment Service Agreement:
 - The present procedure on Convention and Agreement, which requires the existing Convention and Agreement to be wholly replaced by the new ones adopted at each Congress, entails enormous amount of work for the member countries to conclude them each time. As a consequence, it happens that Convention and Agreement, the very base of the international postal service and international postal payment service, cease to exist between many member countries because they could not conclude the latest Convention and Agreement before the expiration date of the older ones. For example according to the International Bureau, as of February 27, 2008, only 28 out of 191 member countries had concluded the latest Convention adopted at Bucharest Congress in 2004, despite that based on the Constitution, it is mandatory for all member countries to conclude it.
 - Japan believes that it is beneficial for all the member countries to establish permanent Convention and Agreement, in order to reinforce a legal basis for the international postal service and international postal payment service.
 - It is necessary that amendment clauses are stipulated in the new permanent Convention and Agreement, so that they are able to be amended, like in the case of the Constitution and General Regulations. This would greatly reduce the amount of work of the member countries, particularly for the countries whose official language are not the same as that of the Union. Such change would strongly encourage earlier conclusion of the mandatory documents of the Union by many member countries.
 - In view of the above, this resolution proposes to instruct the Council of Administration to undertake a study to establish permanent Convention and Agreement with the participation of all interested countries.

7. The presentation by Japan was followed by New Zealand quickly taking the EC through the following core Congress Proposals:

- Structure and Constituency of the Union –
Proposals:
10.0.1 – Mission of the UPU
15.101.91 – Functions of Congress
20 – Resolution. Further reform of the UPU
- Replacement of Postal Administration –
Proposals:
Congress Doc 17 – Use of the term “Postal Administration” in the Acts of the Union
- Budget, Financing of Cooperatives/User Groups –
Proposals:
Resolution 41 – Support costs for extra-budgetary activities
Congress Doc 35
15.130.1 Rev 1 – Contribution Classes
- Consultative Committee (CC) –
Proposals:
Congress Doc 13
15.106.1 – Composition, Functioning of the CC
Resolution 19 Rev 1 – Improving/strengthening role of CC
10.13.1 – Iran; Include CC as a permanent body of the Union
10.18.91 – Iran; Establishes CC in a new article of the Constitution
- UPU Strategy and Strategic Planning Activities –
Proposals:
Congress Doc 38
15.102.4 – Functions of CA
15.104.2 – Functions of POC
15.112.2 – Duties of Director General
Resolution 28 – Strategic Planning Activities
- Performance Measurement and Quality –
Proposals:
Congress Docs 21a and 21b
Resolution 45 – Global Monitoring System
Resolution 50 – Quality of Service Program for 2009-2012
- Customs Issues –
Proposals:
Resolution 40 – Counterfeit Items sent through the Post
20.0.1 – Pakistan; Prior consultation between customs and posts US Proposal – Expanded use of electronic data interchange for Customs
RL131 bis – United States; Marking of items for presentation
RC 130 – United States; Consignment Service and providing customs EDI
- Markets and Products –
Proposals:
Congress Doc 23

Resolution 07 – Market research for Parcels
Resolution 31 – Customer Relations/Services
Resolution 32 – Market Development
Resolution 33 – Direct Mail Markets Development
Resolution 34 – Relations with the Publishing Sector

- Development Cooperation Issues –
Proposals:
Congress Docs 28, 30 and 30. Add 1
Resolution 29 Rev 1 – Development Cooperation
Resolution 30 Rev 1 – Sustainable Development
Resolution 39 – Development Cooperation
- Extraterritorial Offices of Exchange (ETOE) –
Proposals:
Congress Doc 18
Resolution 23 – ETOEs and International Mail Processing Centre Codes
- CA/POC Elections –
Proposals:
Congress Docs 33b Rev 2 and 34b Rev 2
15.102.3 – Election of CA members

8. The moderator for the session, New Zealand, then asked Great Britain, one of the observers to the EC meeting to present to EC some of its Congress Proposals. Great Britain briefly presented the following Congress Proposal:

20.27.3 - Article 27 – Posting abroad of letter post items
Article RL 140 para 2.5 – International Business Reply Service
Article RL 140 paras 3.3 and 3.5 – International Business Reply Service
Article RL 140 para 4 – International Business Reply Service
Article RL 140 para 5.1.1.2 – International Business Reply Service.

At the end of the session the Chairman of the EC thanked New Zealand for moderating the session excellently and requested the EC to take note of the presentations.

Agenda Item 24

2009 APPU Congress (EC 2008 Doc 24)

New Zealand informed the EC meeting that it was all set to host the next 2009 APPU Kiwi Congress at Auckland from 9 to 13 March 2009. A presentation was made about the venue of the Congress, the city of Auckland and New Zealand. New Zealand invited all the APPU member countries to attend the meeting and make it a big success.

Mr. Jae Seok Min: the Acting Chairman of APPU EC showed his appreciation and said that it is expected that the 2009 APPU Congress will be well organized.

The Executive Council took note of New Zealand's announcement.