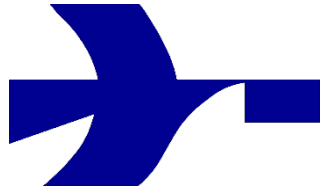


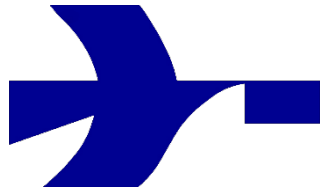
**APPU Meeting**  
**on opening up of the Universal Postal Union**  
**to wider postal sector players**  
**24 February 2021**  
**(online)**

Presentation by:

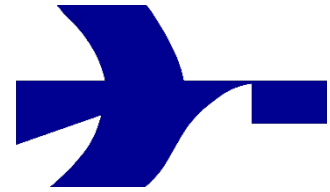
JAPAN



## Japan's View About Opening-Up



- Opening-up the UPU is an essential pillar for the sustainable prosperity of the UPU in the e-commerce era
- Innovations by effective collaborations between DOs and stakeholders will be the key to success
- Maximizing customer satisfaction and enhancing network value are the final goals



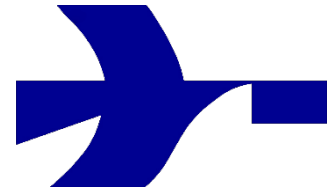
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11. Annex 1

- The UPU would have 3 membership categories
  - ① Member Countries
    - Governmental and/or regulatory authorities, and any other entity to which the government decides to delegate
  - ② Sector Members
    - DOs, other domestic postal operators, courier and integrator companies, etc.
  - ③ Associate Members
    - Airlines, railways and other transport companies, etc.
- Eligibility to access different products and services is defined according to the membership category

(CA 2020.2–Doc 11. Annex 1, P12)

Our View

- Membership needs to be defined, in a way that maintains a single postal territory comprised by member countries and enhances the network value.
- The specific rights and obligations of each membership category should be clearly stipulated.



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11. Annex 1

- Current councils( CA and POC ) and CC would be restructured into 2 new councils :
  - ① Executive Council, consisting of member countries, for governmental and regulatory matters
  - ② Business Council, consisting of all membership categories, for business matters

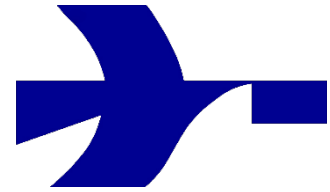
(CA 2020.2–Doc 11. Annex 1, P14)

Views by some TF  
member countries,  
Restricted Unions, etc.

- Restructure the Consultative Committee(CC) and strengthen its functions

Our View

- As an early stage, it is meaningful to formulate a new platform where governments, DOs, and stakeholders gather to make proposals regarding products and services, organizational reforms, and membership fees, etc.
- Discussions on business cases and service chains are especially important regarding products and services



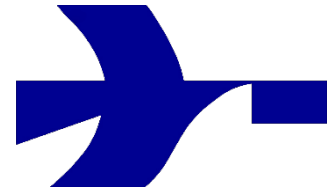
CA 2020.2–Doc  
11. Annex 1

- Services and products( =solutions) are categorized into 10 groups
  - ① Member countries; full eligibility for all UPU solutions
  - ② Sector members; a wide range of solutions, except for those activities that involve governmental prerogatives
  - ③ Associate members; a more partial and conditional access to UPU solutions

(CA 2020.2–Doc 11. Annex 1, P13)

Our View

- We need to design "openings" for services and products in a practical manner based on analyses of business cases.
  - (EX) Combine the mass-transportation model of stakeholders and the one-to-one correspondence model of typical postal services
- Difference of roles between DOs and other network providers should be taken into consideration



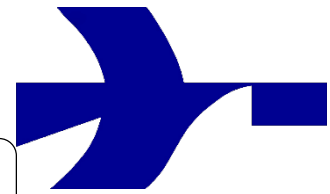
CA 2020.2–Doc  
11. Annex 1

- New members would have to pay annual fees, in addition to payments for on-demand products and services

(CA 2020.2–Doc 11. Annex 1, P10)

Our View

- Reinforcing the financial stability of the UPU through new membership fees would be welcomed
- At the same time, the ultimate goal of opening-up should be for the sake of maximizing user satisfaction



- Some countries and Restricted Unions expressed the need for a newly articulating overarching principles for opening up.

## Example from Japan comment July 2020

## Example from Post Europe comment 2021

## Resolution C 10/2016 Policy on the access of wider postal sector players to UPU products and services

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**Overarching principles for opening-up the UPU**

We should proceed with the opening-up policy based on clear objectives and principles. We suggest general principles in C10/2016 Resolution could be reviewed in a way that includes following points.

**1 Draft overarching principles for opening-up the UPU**

- ✓ "Opening-up" is not a goal in itself, but rather a means of maximizing customer satisfaction, while empowering new synergies through collaboration between various players based on their real needs.
- ✓ The "opening" must take into consideration the benefits of all consumers and citizens, in particular with respect to price levels, accessibility, universality of services, and equal access.
- ✓ We consider revenue increases to not be the original purpose for the opening policy, but we agree that there is a need to systematize the positive contribution and compensation by NP and NC according to its benefit from the UPU.
- ✓ UPU will remain essentially an intergovernmental UN organization, where only member states will make decisions. The organization has to comply with the objectives of sustainable development, in particular with regard to respect for the environment, development aid, growth and employment.
- ✓ Measures for the opening-up policy need to accommodate differences in the domestic laws of each member country (it is reasonable to approve participations of NP and NC to the UPU in each country).
- ✓ When proceeding with discussions, all related talks on this issue should be as transparent as possible. The spirit of unity should be esteemed for this process.

**2 Other notes**

- ✓ Impacts toward customers, and the real needs of DOs, NPs, and NCs should be carefully taken into consideration.
- ✓ We should take into account that UPU has two types of services when we consider opening-up, mandatory services such as basic services as stipulated in Convention Art.17 and other optional services.
- ✓ The current UPU designs international postal services, network specifications, and settlement between operators, etc., while ITU mainly plays a standardizing role among countries and operators. The organizational differences between them are considered to reflect differences in functions.

**POST EUROPE**

Recalling that the UPU Convention requests Member countries to designate the entity or entities responsible for fulfilling the obligations arising from signing the Convention, and that these obligations do not apply to other postal stakeholders;

Considering the need to avoid any market distortions in the postal sector;

Decides to adopt the general policy on opening up UPU to wider postal sector stakeholders attached in annex 1.

**Annex 1**

**I – Overarching policy and General Guidelines**

Widening the access to product and services was already launched in 2016 by Resolution C10/2016 « Policy on the access of wider postal players to UPU products and services ». This resolution provides for the basic principles and modalities established: gradual opening up of access under a policy of fairness and equality consistent with general principles. These general principles are used as a basis for defining the following General Guidelines:

- Maintaining the integrity and independence of the UPU
- No unfair advantage to any group or individual player
- Clear delineation of the responsibilities and roles of all entities involved
- Transparent management, control and integration of the postal supply chain
- Reciprocity of interconnection with other stakeholders networks, as applicable
- Wider postal sector payment for access to UPU products and services
- Demonstrated need for wider postal sector access to specific UPU products and services
- Proper security mechanisms in place to ensure data protection and privacy
- Gradual implementation and respecting financial sustainability of the provision of postal service obligation derived from UPU Acts
- Guarantees to customers and citizens
- Principles of necessity, proportionality, non-discrimination and avoidance of market distortion must be taken into account for wider postal sector participation
- Non-discriminatory country-specific, market-based, cost-covering payment for access
- Aligned with the United Nations Sustainable Development Goals

**II - Roadmap - recommendations in accordance with these principles**

In a Phase 1, reviewing carefully products and services that could be opened. For each category of UPU solutions, to carry out impact analysis before taking decision to assess whether the opening of a

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Annex 1

**Policy on the access of wider postal sector players to UPU products and services**

1 The UPU is the fundamental organization for the Post, intergovernmental in nature, with the concept of wider sector involvement embedded in its mission and strategy. The access of wider postal sector players to UPU products and services will help advance the UPU mission as laid out in the UPU Constitution. In particular, it will help advance the UPU mission in the areas of cooperation and interaction among stakeholders, as well as in ensuring the satisfaction of customers' changing needs. We have to recognize that today's postal world, with letter-mail volumes going down and e-commerce parcel and parcel volumes growing fast, is very different from the postal world of five or ten years ago. In order to meet today's and tomorrow's customer demands and remain relevant, designated operators will increasingly have to cooperate with wider postal sector players. Wider postal sector players may include customs organizations, postal suppliers, supply chain service providers (e.g. Customs, transporters and airlines), as well as non-DOs.

**a General principles**

- The access policy should be based on several important principles:
  - maintaining the integrity and independence of the UPU;
  - no unfair advantage to any group or individual player;
  - clear delineation of the responsibilities and roles of all entities involved;
  - transparent management, control and integration of the postal supply chain;
  - reciprocity of interconnection with other stakeholder networks, as applicable;
  - wider postal sector payment for access to UPU products and services;
  - demonstrated need for wider postal sector access to specific UPU products and services;
  - proper security mechanisms in place to ensure data protection and privacy.
- The policy targets access to UPU products, services and networks under predefined conditions for wider postal sector players involved or wishing to be involved in the international postal business. Of course, these stakeholders will be restricted in their area of participation.
- In order to make the UPU's products and services available to wider postal sector players, it is imperative that the Council of Administration oversee the gradual, systematic opening up of access under a policy of fairness and equality consistent with the general principles in paragraph 2. At the same time, the responsibilities and obligations of UPU member countries must be preserved.

**b UPU mission and customers**

- In keeping with the UPU mission, one stakeholder group that the UPU should also take into consideration is the customer of the designated operator. In order to ensure the satisfaction of customers' changing needs, it may be possible to make some products available directly to those customers, either through the UPU itself or through UPU members. Licensing or conditions of sale must be carefully considered.
- Other stakeholders include supply chain service providers, in particular Customs, airlines, transporters and security authorities, as well as non-DOs.

**c Target products and services**

- Considering the range of interests among the different stakeholders, the UPU may provide access to part(s) of the functionalities of IT-related products and services developed by the UPU International Bureau and some of the UPU technical standards (such as EDI messages). These should be offered on the basis of the demonstrated needs of players that can contribute to enhancing the quality of postal services.

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