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Co-Chairs of the Taskforce on the Opening Up of the UPU to Wider Postal Sector Players  
Universal Postal Union

9 October 2020

**Subject: Concept note from Asia-Pacific regional members of the Taskforce on Opening Up the UPU to Wider Sector Players**

Dear Co-Chairs of the Taskforce on the Opening Up of the UPU to Wider Postal Sector Players (the Taskforce).

Firstly, we would like to thank you for your hard work in leading the Taskforce on what is an important matter not just for UPU members but for the future of the UPU. We acknowledge your efforts to coordinate the questionnaire on next steps and summarise member countries' submissions at the June Taskforce meeting, and are pleased to be involved in this work.

Asia-Pacific regional members of the Taskforce (regional taskforce members) met on 24 September to discuss the draft proposal that was presented to the Taskforce at the 7 September Taskforce meeting. Regional taskforce members also discussed the three additional proposals that have been shared with the Taskforce to date, namely proposals from the Consultative Committee (CC), Indonesia, and Germany.

The purpose of this note is to:

- inform you of the regional taskforce members' views on the draft proposal and next steps presented by the International Bureau (IB) at the 7 September meeting;
- seek an additional meeting of the Taskforce to discuss all four proposals; and
- submit the document *Summary of proposals, inputs and views of the Taskforce on Opening Up the UPU* (see **Attachment A below**) for dissemination to the Taskforce.

**Views of Asia-Pacific regional taskforce members on the draft proposal and next steps of the Taskforce**

Regional taskforce members are supportive of the two-staged approach outlined in the draft proposal. Regional taskforce members note that a two-staged approach has been raised by the region in the concept note we submitted to you on 29 May 2020. However, the region's two-staged approach outlined that products, services and membership options unanimously agreed by the Taskforce could be recommended to Congress in the first step, and all products, services and membership options not unanimously agreed by the Taskforce should be included in a roadmap for continuing work in the next cycle.

Regional taskforce members positively note the draft proposal distinguishes the role of designated operators from wider sector members in matters relating to the universal service obligation (USO). Regional taskforce members also consider that every proposal should clearly define and describe the roles and responsibilities of current UPU members (i.e. member countries and designated operators) and any new wider sector members.

However, regional taskforce members remain concerned that key elements of the region's previous concept note, submitted to you on 29 May 2020, have not been responded to directly. Specifically:

- the need to **establish overarching principles and objectives** for opening up products and services and membership; and
- **possible reforms to the CC.**

In the region's view, there is merit in clearly outlining the measures by which each proposal has been assessed against, as well as the rationale for not taking an incremental change management approach. This is important given that the outcomes of this Taskforce will establish the foundations for long-term reform of the UPU so it can continue to be a fit-for-purpose body into the future. It would also ensure that our final recommended plan is more likely to be actively supported by the majority of member states.

Additionally, the Taskforce must consider all proposals and a variety of views and undergo a rigorous due diligence process before it endorses any proposal to be put to UPU members.

Therefore, regional taskforce members are proposing that **the Taskforce meet as soon as possible, but not later than 23 October** to:

- discuss the CC transformation proposal;
- the proposals from Indonesia and Germany,, and
- further explore the issues member countries raised in their responses to the June questionnaire.

To assist this discussion, regional taskforce members submit the attached document, *Summary of proposals, inputs and views of the Taskforce on Opening Up the UPU* (see Attachment A below). **We kindly request that it is shared with all Taskforce members as soon as possible, but not later than 23 October.**

The purpose of this document is to summarise the four proposals that have been presented to the Taskforce (i.e. the draft proposal on the way forward, the CC transformation proposal, and the proposals from Indonesia and Germany), as well as key concepts made by Taskforce members. This will enable Taskforce members to discuss in detail the elements of each proposal in order to consider the benefits and risks each provides.

We would be grateful for your assistance in sharing the summary document with the Taskforce and in setting up a Taskforce meeting as soon as possible to discuss all the proposals that have been tabled to date.

We would also welcome a discussion with you on any of the points raised in this note.

Kind regards,

Australia, China, Japan, Singapore and Vietnam

Cc: Mr Mutua Muthusi, Secretariat of the Taskforce

## Attachment A

### Summary of proposals, inputs and views from the Taskforce on Opening Up the UPU

**Purpose of this paper** – to summarise the four proposals and various comments from TF member countries presented to and remarked at the Taskforce on Opening Up the UPU in order for Asia Pacific Taskforce members to discuss which elements of each proposal they support or do not support and to discuss additional suggestions for next steps.

#### 1. **Timeline of the taskforce on opening up the UPU**

October 2019	Creation of the taskforce on opening up the UPU to wider sector players
December 2019	Consultation on opening up the UPU to wider postal sector players
February 2020	CA/POC session – Taskforce Doc 11
April 2020	Questionnaire on the next steps in opening up the UPU to wider postal sector players
June 2020	Taskforce (TF) teleconference – IB presentation of questionnaire results and outline of two proposals: one from the Consultative Committee and one from Indonesia
September 2020	Taskforce teleconference – IB presentation of draft proposal on the way forward (hereon in, proposal on the way forward) 14 comments to June presentations and proposals were submitted from member countries and shared among TF members.
September 2020	Draft proposal circulated from Germany

#### 2. **Current Situation**

- The taskforce has a variety of proposals before it for consideration (the proposal on the way forward), TF member draft proposals (Indonesia and Germany) and the Consultative Committee (CC) proposal.
- As discussed at the 7 September 2020 Taskforce teleconference, Taskforce members agree that the work on opening up is important and vital for the UPU, but that clear objectives and a detailed plan for opening up need to be developed.
- Some countries consider it necessary to have a practical planning Working Group that involves a range of stakeholders and considers a number of business cases for the future of the UPU.

#### 3. **Principles, rights and obligations**

##### Proposal on the way forward: Rights and obligations of members

- Member countries to decide on the specific rules for access to products and services, retain rights to determine which entities represent the member country and voting rights on treaty matters, and approved applications for UPU memberships.
- All members to have access to products and services and comply with rules for each product category and ability to vote on non-treaty matters.
- USO providers to retain sole involvement USO-related matters
- All members to have no conflicting objectives/values to those of the UPU (including Sustainable Development Goals)
- Compliance with principles of equal access and non-discriminatory treatment of market players for all members.

### CC proposal: Principles

- Represent the interests and views of wider postal sector players interested in supporting the UPU's mission and objectives.
- Build win-win partnerships and alliances with designated operators and wider sector players.

### Indonesia proposal: Principles, rights and obligations

- Minimise silos in the UPU and simplify the UPU's bodies to achieve swifter decision making processes, and provide a more holistic and comprehensive understanding of rapidly changing global postal issues.
- Adhere to obligations provided for in the Constitution, Convention and General Regulations
- Ability to choose their membership category and participate in the activities of the bodies, Committees, standing groups, task forces of the UPU of which they are members.
- Right to choose access to certain products and services (i.e. publications, systems or cooperatives).

### Germany proposal: Principles

- Opening up of the UPU must safeguard fair and non-discriminatory competition and take into account the appropriate allocation of rights and responsibilities of the various stakeholders.
- Decisions are made only by those members / stakeholders that are affected by these decisions in order to avoid distortions in governance.
- Role of governments (regulators) should be distinct from the role of postal service providers (operators)

### **4. Ideas provided from TF member countries shared as 14 comments on Sept. 7<sup>th</sup>, from the floor in TF discussion in the proposal on the way forward, taskforce member draft proposals (Indonesia, Germany) and the Consultative Committee (CC) proposal**

#### **(1) Services and products to be opened to UPU members**

- Concept 1      As many UPU services and products as possible should be opened to states, DOs and other stakeholders while USO obligations continue to be fulfilled (Proposal on the way forward and Indonesia proposal refers).
- Concept 2      The UPU should establish a platform (e.g, the CC plan to strengthen the CC) for incorporating the needs of wider sector stakeholders, and opening up the UPU's services and products, step by step, in co-operation with DOs and member states.

#### **(2) Decision-making rights**

- Concept 1      Only governments and regulators should have the voting rights to amend treaties. (Proposal on the way forward refers).
- Concept 2      DOs have voting rights, if authorized by member states (Proposal on the way forward refers).
- Concept 3      All members could have voting rights depending on the nature of each issue (i.e. voting rights for managerial rules and those for business rules could be given to different types of UPU members.) (Proposal on the way forward refers).
- Concept 4      Postal sector members, including DOs, could be observer members only, without the right to vote (Indonesia and Germany proposals refer).
- Concept 5      CC members could continue to exercise an advisory, influencing and consultative role and not have any decision making role vis-à-vis the UPU policy and regulatory frameworks (CC proposal refers).

Concept 6 CA and POC continue to exist while the CC is strengthened to have more rights such as making official proposals to CA. (Some member countries)

### **(3) Membership fees**

Concept 1 Member countries would continue to pay an annual membership fee and new sector members would also pay an annual membership fee.

### **(4) Organisational Reform**

Concept 1 The Executive Council (EC) deals with legal matters, such as treaties. The Business Council (BC) deals with business matters. Governments and regulators participate in the EC and all types of members participate in the BC (Proposal on the way forward refers).

\* One variation of this idea is to establish a committee in BC comprised of only DOs that specifically deal with USO matters. Another variation of this idea is to make a committee(s) that involve stakeholders in the POC.

Concept 2 Current POC and CA continues to exist. Creation of a new Consultative Council that has functions to officially propose and reflect ideas in the decisions of the UPU (CC proposal refers).

\* One variation of this idea is to define the CC as one of the councils aligned with POC and CA instead of a committee.

Concept 3 Current POC and CA continues to exist. Create a new Wider Sector Council to replace the CC (Germany proposal refers).

Concept 4 Current CA and POC continue to exist. Create three new membership categories to integrate into the committees, standing groups and taskforces of the two Councils (Indonesia proposal refers).

Concept 5 CC are strengthened to have broader variety of stakeholders permitted to be committee members by the UPU member states and to be empowered to have rights to make official proposals to CA, etc. (Some member countries)

### **(5) Other comments from member countries**

Concept 1 Some countries stressed a necessity to clarify and organize overarching principles for opening-up.

Concept 2 Some countries stressed an importance to discuss distinctions between DOs and other stakeholders (in addition to distinction between state members and other members) and unique roles of DOs.

## **5. To discuss: Next steps as outlined in the proposal on the way forward**

- Step 1: Formally submit a proposal package for approval at the 27th Congress, which includes amendments to the Acts of the Union. The time and place of an Extraordinary Congress are to be determined by the Congress.
- Step 2: Remaining implementation details will be defined and adopted at the Extraordinary Congress (to be held preferably within 12 months of the 27th Congress and/or by a date set by the Council of Administration).