



USPS Exit from the Universal Postal Union

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Universal Postal Union (UPU): Background

The UPU is a specialized United Nations agency made up of 192 members that facilitates the exchange of international mail

Who makes up the UPU?

Postal Network

192 member countries creating a single postal territory

UPU Congress

The UPU Congress adopts the Acts of the Union, including the Universal Postal Convention which facilitates the exchange of mail among 192 member countries

Governance

The UPU develops and maintains international postal regulations and standards to facilitate the exchange of postal-related information

What does the UPU do?

The UPU provides the framework and associated services to support exchanges between posts



Operational, accounting, and security standards



Payment system between posts



Rates for delivery of mail and packages between posts

The US has been a member for 144 years, with the State Department serving as lead US representative and the USPS serving as the "designated operator"



Universal Postal Union (UPU): Case for Withdrawal

The Postal Service fully supports the objectives of the Administration to secure a more balanced and fair remuneration system for small packets containing goods

Reason for Withdrawal

The UPU rate system for small packets creates economic distortions which allow foreign producers to ship goods to US consumers at a lower price than US postage rates

Parallel Paths

- The USPS is making the necessary preparations for an exit
- If the economic distortions resulting from the terminal dues system can be eliminated, USPS will remain in the UPU
- UPU members developed 3 alternative proposals to address these concerns; Option B would allow the US to remain in the UPU: self-declared rates for small packets to be implemented in 2020.
- UPU members recently voted to hold an Extraordinary Congress in late September to consider these proposals

Key Dates

August 2018

Presidential Memo

Trump Administration announces intent to withdraw from UPU

October 2018

Notice of Withdrawal

US State Department provides formal notice of withdrawal from UPU

September 2019

Vote on Rate Options

UPU to consider proposals related to terminal dues

October 2019

UPU Withdrawal

If a satisfactory resolution is not adopted by the UPU, the US will withdraw on October 17, 2019

Commitment to International Mail

USPS will remain in the international mailing business whether or not the US is a member of the UPU

Focused on Customer Needs

USPS will strive to be the provider of choice for our customers' international shipping needs

Dedicated Team for Solution Development

USPS has a team dedicated to the development of effective shipping solutions outside the UPU agreement framework

USPS is committed to serving its international customers, and is actively working on solutions to minimize disruptions in the event the US withdraws from the UPU



Solutions Outside of UPU

USPS intends to keep our major international products and services for export; USPS anticipates some changes to geographic coverage may result from exiting



Pricing

Rate changes are likely to follow the current, normal, annual cycle schedule that our customers expect, unless costs increase significantly



Postal and Commercial Partnerships

USPS is seeking to establish agreements with foreign posts to continue exchanging mail if the US exits; USPS also intends to use commercial logistics partners for delivery abroad

Questions?