

## **Participants in July 15, 2021, Advisory Committee meeting for International Postal and Delivery Services**

*(participation at 1:15 p.m., registered on Webex)*

### **Members of of International Postal and Delivery Services Advisory Committee**

Brian Palmer, Amazon  
Greg Stofko, FedEx  
Jennifer Warburton, Postal Regulatory Commission  
John Cullen, Ursa Major  
Kate Muth, IMAG  
Keith Kellison, UPS  
Merry Law, WorldVu LLC  
Michael Plunkett, Association for Postal Commerce  
Paul Steidler, Lexington Institute  
Peter Chandler, USPS  
Peter Graeve, Military Postal Service  
Robert Reiner, Guidehouse  
Stephen Simchak, American Property Casualty Insurance Association  
Todd Nissen, USTR

**Designated Federal Officer:** Stuart Smith, U.S. Department of State

### **Other USG Officials Participating:**

Ashley Poling, Vice-Chairwoman Postal Regulatory Commission  
Allison Levy, Postal Regulatory Commission  
Sam Poole, Postal Regulatory Commission  
Janice Gould Alodah, USPS  
Jeffrey Rackow, USPS  
Jerome Giles, USPS  
Jimmy Ortiz, USPS  
Joy Doby, USPS  
Judy de Torok, USPS  
London Shepherd, USPS  
Mary Anderson, USPS  
Michelle Lassiter, USPS  
Sylvie Baylis, USPS  
Tiffany Roman Biffa, USPS  
Thomas Moore, U.S. Department of State  
Yvette Wong, U.S. Department of State  
Shereece Andrus, U.S. Department of State

## **Summary of Meeting of the Advisory Committee on International Postal and Delivery Services, July 15, 2021**

Stuart Smith opened the meeting at 1:00 p.m. The entire session was open to the public, hosted on a Webex videoconference platform, with contact information published in the June 14, 2021, Federal Register notice. Some participants experienced technical difficulties in getting on the Webex platform, which delayed the start about ten minutes. Mr. Smith noted that the pandemic obliged the State Department to convene the Committee on a virtual basis for the second year running and expressed his hope the next meeting would occur in-person. He outlined the ground rules for conducting the meeting.

Mr. Smith said the U.S. delegation would physically participate in the upcoming 27<sup>th</sup> Congress of the Universal Postal Union (UPU) in Abidjan, Cote d'Ivoire, which had been rescheduled to August 9-27, 2021. He outlined issues of interest for the Congress. First, on the Integrated Product Plan (IPP), the United States would support proposals to require tracking for all letters, flats, and small packets/bulky letters and proposals to look at improving the current UPU processes for returns of items containing merchandise across borders. Second, the U.S. would seek to address issues of interpretation that had arisen after the 2019 Geneva Extraordinary Congress, which allowed the U.S. Postal Service to establish self-declared terminal dues for most small packets and bulky letters from foreign designated operators. Specifically, the U.S. had submitted a proposal to clarify the interpretation of Article 28bis, 6quater, which should not, in the U.S. opinion, be read to allow certain other countries to impose uncapped, self-declared terminal dues unilaterally on small packets and bulky letters from the United States. (U.S. Postal Service lawyer Jeffrey Rackow provided an in-depth briefing on the varying interpretations of Article 28bis at the end of the meeting.)

Lastly, a central issue for Congress was the opening of the UPU to wider postal sector stakeholders. A UPU Task Force, comprising numerous member countries, including the United States, met extensively on the issue of UPU widening during 2020 and the first half of 2021. Belgium and Kenya co-chaired the Task Force and their efforts led to a consensus package of proposals, with three key elements: reform of the UPU Consultative Committee to allow company membership; an undertaking to open UPU products and services on a selective basis to non-

designated operators; and, agreement to hold an Extraordinary Congress in 2023 to consider further steps.

Mr. Smith underlined that, while Task Force member countries approached UPU widening with varying degrees of ambition, the United States consistently has been at the more ambitious end of the spectrum. The issue of UPU reform has become too pressing to allow it to languish for another four years. Having completed the Congress overview, Mr. Smith noted that no party had submitted written statements for the Advisory Committee and then asked if any participant wanted to speak.

Ms. Kate Muth of the International Mailers Advisory Group (IMAG) requested details on the implementation of self-declared rates, asking whether the U.S. Postal Service submitted a proposal on inward land rates and whether that would be extended to letter mail. Further, she sought clarification on the rights of UPU member countries in UPU Groups two to four, which were protected against U.S. self-declared rates for flows below certain weight thresholds, but which seemingly could themselves self-declare without caps on small packets and bulky letters from the U.S.

Responding to the last point, Mr. Smith said some member countries and UPU International Bureau (IB) staff supported the interpretation that UPU Group 2-4 countries whose own flows to the U.S. were below the weight thresholds should still be permitted to apply uncapped self-declared rates on flows from the U.S., despite the plain language of the Geneva Agreement. For that reason, the United States prepared proposals for the Abidjan Congress to counter this point. In principle, the U.S. wants to do away with UPU rate setting and allow the designated operators to set rates. We consider it likely, however, that Congress will accept the Postal Operations Council (POC) proposal to maintain rate caps. Turning to Ms. Muth's first point, Mr. Smith said he thought it too early to comment on the view that the Postal Regulatory Commission (PRC) provided the previous week.

Mr. Steve Simchak of American Property Casualty Insurance Association (APCIA) requested an overview of the next steps for UPU widening. Mr. Smith said that, as noted earlier, the Task Force had developed proposals in three areas. In addition, during the 2020-2021 TF discussions, the United States encouraged the TF to consider how non-designated operators could introduce volumes into the networks of designated operators, using the UPU platform. Further, the U.S. had

sought to restructure the existing three UPU councils (Council of Administration, Postal Operations Council, Consultative Committee) to better demarcate the government-operator divide. The goal was to give wider stakeholders in the postal industry a larger voice. In response, Mr. Simchak shared his hope that Consultative Committee reform would include opening to a wide range of non-delivery companies that have a stake in the UPU.

Mr. Paul Steidler of the Lexington Institute took the floor to state that the recent PRC view was clear and unprecedented. The view said that the UPU capped rates were inconsistent with U.S.C. Title 39 (Postal Accountability and Enhancement Act). Mr. Steidler suggested that the State Department could use this PRC language effectively at the opening of the Abidjan Congress to speak out against capped terminal dues. Turning to the Synthetic Trafficking and Overdose Prevention Act of 2018 (STOP Act), Mr. Steidler noted that many packages entering the United States simply didn't have the advance electronic data (AED) required by law. He asked whether the State Department was looking at ways the U.S. government, and the U.S. Postal Service in particular, was assessing fees and denying entry to postal items without AED. In closing, he said the more the Postal Service could do to enforce the law, the better served would be the U.S. people.

Responding to the first point, Mr. Smith said that while the State Department was looking carefully at the PRC view, it remained premature for him to comment. On the STOP Act, Mr. Smith underlined that the responsibility for implementation was with Customs and Border Protection (CBP) and the U.S. Postal Service. Many details are law-enforcement sensitive. As for imposing fees on foreign postal services that failed to provide AED, the USG view was that a fee was not an exclusive remedy. Instead, the mail should be inadmissible, as provided for both under that STOP Act and by UPU regulation. The State Department is working closely with CBP and the U.S. Postal Service to ensure effective implementation of the Act. Capacity-building with less developed foreign post offices represents an important part of our effort, including through the significant funds that the U.S. Postal Service pays the UPU under the Geneva Convention for AED capacity-building.

Following the final presentation by U.S. Postal Service lawyer Jeffrey Rackow on U.S. proposals to address the conflicting interpretations of terminal dues arising from the Geneva Convention (see above), and with no further questions from the floor, Mr. Smith thanked the group for its participation and closed the meeting.