# [Support lacking for U.S. plan to self-declare parcel rates](https://www.freightwaves.com/news/regulation/support-lacking-for-us-plan-to-self-declare-parcel-rates" \t "_blank)

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[March 19, 2019](https://www.freightwaves.com/news/regulation/support-lacking-for-us-plan-to-self-declare-parcel-rates) [John Gallagher](https://www.freightwaves.com/news?author=5c093abb396f8c0e0e32f1fb)

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A spokesman for the Universal Postal Union (UPU) confirmed that only about 15 percent of the forum’s 192 members support a Trump Administration plan allowing countries to self-declare rates on international packages weighing up to 4.4 pounds.

Citing what President Trump considered to be unfair trade practices that disadvantages companies such as FedEx ([NYSE: FDX](https://www.barchart.com/stocks/quotes/FDX)), UPS ([NYSE: UPS](https://www.barchart.com/stocks/quotes/UPS)), and Amazon ([NASDAQ: AMZN](https://www.barchart.com/stocks/quotes/AMZN)), the U.S. State Department [announced its intent last October to withdraw from the UPU](https://www.freightwaves.com/news/economics/ups-praises-trump-move-to-renegotiate-international-postal-rates) and to prepare to start self-declaring rates in 2020.

Negotiations on alternatives were initiated shortly thereafter. They included an amendment by which the United States would stay in the UPU as long as it – and other countries – were allowed to self-declare “terminal dues,” the rates traditionally determined by the UPU to be paid by the postal operator in the origin country to that of the destination country to compensate the destination country’s processing and delivery costs.

According to Bloomberg, the proposal was discussed on March 14 at a U.S. State Department committee meeting led by Joseph Murphy, head of the department’s International Postal Affairs group. Murphy advised the committee, Bloomberg noted, that so far about 30 member countries support the U.S. proposal – which would require a two-thirds vote of membership to approve – with a similar number supporting another option that would speed rate increases that the UPU has already approved.

“I think that provides a reasonable assessment of the situation at this moment in time,” David Dadge, a spokesman for the UPU, told FreightWaves. “Of course, we very much hope that the U.S. will remain a member of the Universal Postal Union. But as a UN Specialized Agency we also have to forge a consensus among all our 192 member countries.”

The withdrawal notice in October 2018 followed a [memorandum issued by President Trump in August](https://www.whitehouse.gov/presidential-actions/presidential-memorandum-secretary-state-secretary-treasury-secretary-homeland-security-postmaster-general-chairman-postal-regulatory-commission) 2018 calling for the UPU reforms. While the UPU’s main objective is to lower the cost of shipping small packages worldwide for consumers in all countries, the Trump Administration’s real target is China, which has benefitted from a stipulation in the UPU treaty assigning lower shipping rates to developing countries. The consensus is that the U.S. is using changes at the UPU as a substitute for Chinese tariffs.

As FreightWaves previously reported, Peter Navarro, who directs the White House Office of Trade and Manufacturing Policy, wrote in an op-ed in September 2018 that the U.S. Postal Service loses about $1 for every small package that arrives from China but American goods exported are charged above cost, making some of those products less cost-competitive in the global market. He also said President Trump would consider self-declared rates for shipping to the U.S. if there was no progress in negotiating a compromise with the UPU.

The State Department acknowledged it would prefer that the U.S. remain a member of the UPU, and that it is working with the organization and other member states to put in place the reforms that meet President Trump’s concerns.

“We are actively negotiating one option that would achieve the Administration’s objectives of self-declared rates and non-distorted markets,” a State Department spokesperson confirmed to FreightWaves. “If successful, these reforms will allow the United States to rescind its withdrawal notice and remain a member of the UPU.”