



Remailing: A “Thorn” in Cross-border Mail

Postal Services are an essential means of communication and exchange between natural and legal persons, both within and outside the borders of each country. They are vital for all social and financial activities in modern world. It is certain that the ongoing development and quality improvement of postal services on a global scale has solved serious problems with regard to the shipment of postal items on a cross-border level. However, fierce competition combined with the legitimate desire of users to achieve the lowest price possible, especially in the case of bulk mail of objects, has resulted in certain special problems, especially for the Universal Service Provider (USP) of the destination country.

One of these problems is the rerouting of cross-border mail through postal services, which is now called “remailing”.

Remailing is the shipment of postal items as follows:

- > Postal items are prepared by their sender who resides or has his seat in the mail origination country for shipment to recipients who reside or have their seats also in the origination country [country A] or in another country [country C].
- > Then, instead of being handed over for sorting and delivery to the USP of the origination country, they are forwarded massively to another country [country B] and are handed over to the USP of the said country [B], while being destined for recipients who reside or have their seats either in country [A] (A-B-A rerouting) or to country [C] (A-B-C rerouting).
- > The above shipment method is chosen by the sender in order to ensure financial benefit (profit) from the more favorable rates applicable in country [B].

“Remailing” is interesting from a commercial and financial point of view when postal fees are quite different from one country to another. The higher the difference between the high domestic fees charged in one country and the low terminal dues charged by the USP of the said country for delivering

incoming cross-border mail, the higher the margin for profitable remailing. In other words, when the terminal dues of the recipient country are lower than domestic fees, the sender USP may charge cross-border fees much lower than the normal domestic fees charged in the recipient country. Thus the shipment of mail from country [A] to country [B] and its remailing to country [A] or to a third country [C] is profitable.

“Remailing” was discussed in the 22nd International Postal Congress held in 1999 in Beijing. Article 43 of Part I of the “International Postal Convention” concluded by the representatives of the member countries of the Universal Postal Union (UPU), which was transposed into the Greek legislation based on Law No. 3048/2002 (Hellenic Government Gazette 206/A/2002), states:

“1. A member country shall not be bound to forward or deliver to the addressee letter-post items which senders residing in its territory post or cause to be posted in a foreign country with the object of profiting by the more favourable rate conditions there.

2. The provisions set out under 1 shall be applied without distinction both to letter-post items made up in the senders country of residence and then carried across the frontier and to letter items made up in a foreign country”.

The above provision actually disapproves of the remailing method and allows for the USP of each country

to decide whether to deliver postal items that have -provenly- come from a remailing procedure, without excluding the possibility of legal action, on a domestic and international level, for claiming damages for a potential financial loss. In addition, with regard to the preparation of postal items, the emphasis is placed, correctly, on the substantial part of the process. Thus no distinction is made with regard to the “legal treatment” of items prepared (“composed”) in the country where the sender resides and those prepared in another country, however based on an order issued by and on account of the true sender who resides in the source country.

It should be noted that EETT, as the National Regulatory Authority for Postal Services, in two of its recent Decisions (No. 342/83/2005 and No. 384/077/2006), verified certain cases of remailing at the expense of the Hellenic Post (ELTA), the USP responsible for the territory of Greece, judging that these are subject to the provisions laid down in article 43, Part I of the International Postal Convention. In the second Decision it was judged that the Decision text should be forwarded to the Regulatory Authority of the Federal Republic of Germany in order to investigate a potential involvement of the USP of that country in the said case of remailing.