

**Testimony of Eric Green**  
**Director, Office of Specialized and Technical Agencies**  
**U.S. Department of State, Bureau of International Organization Affairs**  
**Senate Committee on Homeland Security and Governmental Affairs**  
**Permanent Subcommittee on Investigations**  
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Chairman Portman, Ranking Member Carper, members of the Subcommittee, thank you for the invitation to appear before you today to discuss our ongoing efforts to implement the STOP Act. The STOP Act is helping our country secure the international mail system against the threat of illicit shipments while continuing to ensure the international postal system facilitates commerce and people-to-people connections.

The Department of State has statutory responsibility for the formulation, coordination, and oversight of foreign policy related to international postal services. The Universal Postal Union (UPU), the principal international venue where the Department discharges its responsibilities related to postal affairs, is an intergovernmental organization with a membership that comprises nearly all of the world's countries. It is the first multilateral body the United States joined and the conference that led to its establishment was an initiative of the Lincoln Administration. The UPU's mission entails guaranteeing the free circulation of postal items over "a single postal territory composed of interconnected networks." The UPU is essentially a compact between the world's nations that their postal services will deliver one another's mail according to common rules and on the basis of reciprocity.

In support of the STOP Act's mandate that all mail shipments be accompanied by advance electronic data (AED) beginning in 2021, the Act calls on the Department of State to work to ensure that all international obligations of the United States are consistent with the provisions of the Act. In light of this mandate, I will focus my testimony today on our diplomatic engagement to do that, particularly with the UPU.

As detailed in this Committee's 2017 Staff Report, "Combatting the opioid crisis: exploiting vulnerabilities in international mail," efforts to require AED with international mail have been on-going for many years. In the past ten years, the AED issue in the Union has evolved from a question of "whether" to a question of "when" and "how." The technologically-advanced members of the UPU have favored adopting AED as quickly as possible while others have been cautious in light of the challenges many countries face in ramping up the systems and processes that are needed to meet these requirements.

In that regard, the STOP Act provides an excellent roadmap for prioritizing mail flows on the basis of volume, risk and the capacity of the sending country. The Act also recognized the important role of China and front-loaded the requirement that China provide AED from January 1, 2019. My fellow witnesses can address the positive effects of this requirement on illicit trafficking; from a diplomatic perspective, the China example is a powerful proof-of-concept to show that it is possible to establish systems and procedures to transfer the required data on a large scale.

Since the Act's passage, we have made important progress in the UPU in ensuring that our international treaty commitments complement and enhance the ability of USPS and CBP to carry out their responsibilities under the Act. The UPU Convention (Article 19.1.1) gives countries the authority to refuse admission to “[i]tems not fulfilling the conditions laid down in the Convention and the Regulations.” In recent years, we have worked to ensure the UPU regulations include provisions relating to AED. Work to accomplish this has made notable progress in recent years. For example:

- The April 2019 session of the Postal Operations Council (POC) of the UPU promulgated new regulations to require all foreign posts (FPOs) to provide AED on UPU products containing goods, including parcels and small packets. These regulations, Convention Regulation Article 17-216 (requiring provision of AED on UPU Parcels) and Convention Regulation Article 17-107 (requiring provision of AED on small packets containing goods), will come into force on January 1, 2021.
- The October 2019 POC session clarified (in UPU document POC C 2 2020.1–Doc 2a) how postal items missing AED data required per the UPU regulations were considered as being “non-compliant” and, corresponding to national policy, could be deemed to be non-admissible into the countries requiring AED.

These developments were critical. They provide postal operators worldwide with further authority under UPU regulations to require shipments of goods to be accompanied by AED. Operationally, it has also provided foreign post authorities with further legal justification to seek funding to build and deploy their AED capability. Moreover, if mail items containing goods do not include AED, they will not be compliant with explicit UPU Convention Regulations and may be returned to origin if deemed inadmissible.

There are of course other provisions in the UPU Acts regarding how AED requirements should be implemented. But we are convinced that our implementation plans, which my colleagues from U.S. Customs and Border Protection and the Postal Service will elaborate in more detail, respect those stipulations. They take into account the capacity of the global postal network and its available infrastructure, as the UPU Acts contemplate, as well as whether the data can be provided by all concerned parties in the international postal transport chain. I would also note that we are not alone in imposing AED requirements that take effect next year. The European Union has also done so, and countries including Spain, Germany and France have also warned that non-compliant items may be delayed or refused if they lack the required data.

It should be pointed out that the adoption of AED requirements in the international postal system coincides with other major changes in the sector. The rise of electronic communications has caused a steady decrease in traditional letter flows by about 30 percent over the past 10 years. Meanwhile, the growth of ecommerce has caused the volume of parcel traffic to double over the same period.<sup>1</sup> This rise in ecommerce has led to what some commentators describe as a

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<sup>1</sup> [facts.usps.com/table-facts/](https://facts.usps.com/table-facts/) Accessed 11/30/2020. Figures are for the U.S.; data for international letter and package traffic follows the same pattern.

“tsunami of packages,”<sup>2</sup> although over the past year as a result of the pandemic, lack of air transportation, and higher terminal dues for small packets there has been some retrenchment.

Having the data to analyze this flow of parcels is now critical for all postal authorities in the world, to improve cargo security, modernize customs operations and simplify communications throughout the supply chain. In short, AED and the accompanying infrastructure is essential for participation in modern-day global commerce.

Despite the security and business imperatives of adopting AED, there remains a gap between AED requirements and the capabilities of many countries to meet them, particularly countries in the developing world. As a result, it is likely that during 2021 mail flows from some countries will be disrupted because they are not able to comply with the AED requirements in the STOP Act.

In order to address the capacity challenges, we and our partners are working with the UPU to provide technical assistance to accelerate progress towards global adoption of AED. In late 2019, the UPU rolled out a mobile phone application that creates a paperless customs declaration and transmits the AED to relevant entities in the postal supply chain including to the destination country’s authorities in conformity with their national laws. The postal authorities of 15 countries and territories are currently using the app, thereby allowing their residents to register items through this system. The UPU Quality Service Fund is providing resources to enable developing countries to link up to this application.

The UPU has worked with several other international organizations to coordinate outreach and training to all countries to prepare for the AED requirements. The UPU has partnered with the World Customs Organization (WCO), the International Air Transport Association, and the International Civil Aviation Organization among others on AED initiatives, and has also intensified its cooperation with INTERPOL, International Narcotics Control Board (INCB) and the United Nations Office on Drugs and Crime (UNODC).

The UPU has conducted regional workshops with WCO on AED and contraband in the Asia and Arab region (2017), Caribbean and Latin America region (2018), and the Central and West Africa region (2019). National pilot workshops and on-site visits and trainings (Armenia, Indonesia, Vietnam, India, Kazakhstan, South Africa, and Moldova) were also carried out over the course of these years.

The United States has supported efforts to improve countries’ capacity to handle and transmit AED. In 2019, the Postal Service committed \$17 million over five years to the UPU to assist the development of AED capabilities and security initiatives, as part of the historic agreement in Geneva last year that provided us with the ability to self-declare our terminal dues rates for small packets. The United States, through the Department of State’s Bureau for International Narcotics and Law Enforcement Affairs (INL), has also provided assistance to the

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<sup>2</sup> “The Clock is ticking on advance electronic data for trade and ecommerce in LDCs” by Alexander Thern-Svanberg and Javier Garcia in “Trade for Development News,” August 19, 2020. <https://trade4devnews.enhancedif.org/en/op-ed/clock-ticking-electronic-advance-data-trade-and-ecommerce-ldcs>

UPU to expand its Security and Customs Related Electronic Data Exchange (SECUREX) Project (an AED capacity-building initiative) to another 15 countries. SECUREX enables Post-Customs data exchanges and is relied upon to help identify and interdict suspicious packages and assist law enforcement efforts to counter trafficking of illicit substances through the global postal supply chain.

The COVID pandemic has prevented the UPU from providing in-person training to assist postal operators in meeting the new AED requirements. As soon as conditions permit, these efforts will resume. In addition, postal services worldwide have been considered essential, but they are scrambling to deal with disruptions to airline traffic that transports international mail shipments.

In conclusion, my colleagues and I at the State Department are proud to be part of a whole-of-government response to the opioid challenge. In line with the STOP Act, we have leveraged our leadership role in the Universal Postal Union and our bilateral relationships to increase the percentage of incoming shipments of goods with AED and we have accelerated international efforts to make the exchange of AED a worldwide standard.

Thank you, and I look forward to your questions.