

**Explanation concerning the Cross-Strait Postal Service  
Agreement**  
**— The Results of the Second Chiang-Chen Meeting (Postal  
Service)**

Mainland Affairs Council  
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**I. The necessity of expanding cross-strait postal service cooperation**

**1. Direct mail links are a universal demand**

(1) The government began to conduct indirect cross-strait postal service on April 18, 1988. On April 29, 1993, the SEF and ARATS signed the Cross-Strait Agreement on Inquiries about and Compensation for Registered Mail, to provide the public on both sides of the Taiwan Strait with a basis for making inquiries about and seeking compensation for lost or damaged cross-strait registered mail, conducted through the SEF and its mainland counterpart. As of the end of September 2008, more than 300 million items of mail had been delivered across the Taiwan Strait, of which roughly 130 million were sent from Taiwan to the mainland and roughly 170 million from the mainland to Taiwan. These are very substantial figures.

(2) In recent years, owing to the development of e-mail and the Internet, the volume of cross-strait mail has no longer been growing, but still there are more than 10 million items of mail passing between the two sides of the Taiwan Strait each year, including around 700,000 items of registered mail, so demand for cross-strait postal services is still very large.

**2. Cross-strait direct postal service – when water flows, a channel is formed**

(1) Though indirect cross-strait postal service has been implemented for many years, there are still some problems:

- a. Mail must be routed via Hong Kong, Japan or another third territory, a time-consuming delivery process.
  - b. Mail from Taiwan to the mainland must be centrally collected for dispatch from just two post offices in Shanghai and Beijing, which affects the time efficiency of delivery to other parts of the mainland, and also heightens the possibility of mail being lost.
  - c. The impossibility of sending time-sensitive business letters or goods makes it unable to meet business needs.
  - d. The inability to mutually settle terminal dues stemming from cross-strait mail deliveries puts it out of synch with general postal practice, and impacts mail company operations.
- (2) “Time efficiency” is the key to cross-strait postal service. In the past, the necessity of routing cross-strait mail via a third territory created an innate limitation for mail delivery. With the 2<sup>nd</sup> “Chiang-Chen talks” achieving agreement on direct cross-strait air and sea transport, direct postal delivery follows as naturally as flowing water forming a channel. Hence, the two sides have matched the opening of direct transport links by further expanding cross-strait postal cooperation on its existing basis, to provide the public on both sides of the Strait with faster and more convenient postal services.

## **II. Major progress under the Cross-Strait Postal Service Agreement**

The Cross-Strait Postal Service Agreement signed between the SEF and ARATS on November 4 has achieved the following major progress on issues of cross-strait postal service cooperation:

### **1. Expansion of scope and greater convenience for the public**

In addition to the service already in operation for registered mail (including letters, postcards, aerogrammes, printed matter, newspapers, magazines, and mail for the blind), service in the future will be extended

to include small packages, parcels, express mail, and postal remittances.

## **2. Direct transmission and delivery, with addition of dispatch points**

(1) In line with direct cross-strait sea and air transport, the transmission of cross-strait mail via a third territory will be changed to direct transmission.

(2) Increasing the number of cross-strait mail dispatch offices:

- a. In Taiwan: Three new dispatch offices in Kaohsiung, Kinmen and Matsu will be added to the original two dispatch offices in Taipei and Keelung.
- b. The mainland: Three new dispatch offices in Nanjing, Xian and Chengdu will be added to the original five dispatch offices in Beijing, Shanghai, Guangzhou, Xiamen and Fuzhou.
- c. Mail dispatch offices may in the future be augmented or adjusted in accordance with actual need.

## **3. Inquiry services, quality enhancement**

(1) The two sides' mail processing centers will establish fast and convenient channels for mail inquiries, to conduct direct two-way liaison (currently all undertaken by the SEF).

(2) In accordance with the Universal Postal Convention and commercial practice, registered mail and parcel inquiries shall be submitted within six months of the day after posting by the original poster; and express mail inquiries within three months.

## **4. Direct two-way normal operation**

(1) In accordance with the Universal Postal Convention and international practice, the two sides' post companies will establish a system for the direct settlement of terminal dues.

(2) Responsibility for compensation will also be clearly stipulated: When registered letters or parcels sent across the Taiwan Strait are lost, stolen or damaged, the party responsible shall be liable for compensation, and settlement shall be reciprocal; when the same

situation happens to express mail, the side from which it was sent shall assume responsibility for compensation.

### **III. The benefits of expanding cross-strait postal service cooperation**

#### **1. Expanding the scope of postal services to satisfy public demand**

Cross-strait trade and economic activities and social contacts have been growing more intensive by the day. But for a long time past, because cross-strait postal service was limited in scope to just ordinary and registered mail, it meant that businesses and members of the public could not simply go to the nearest post office to send time-sensitive documents, information, samples, goods, and so on, which detracted from the convenience and time-efficiency of postal services, and was also a hindrance to grasping business opportunities. After the signing of the Cross-Strait Postal Services Agreement, cross-strait postal services are expanded to include small packets, parcels and express delivery mail, which not only meets the goal of providing greater convenience to the general public, but also is helpful to enhancing the benefits of cross-strait economic and trade connections. According to estimation by Chunghwa Post Co., cross-strait parcel post volume will grow markedly in the future, and in the initial phase could increase by 8%.

#### **2. Enhancing mail time-efficiency and security**

- (1) In the past, cross-strait mail had to be routed via a third territory, and it also had to be first collected together and sent to dispatch offices in Beijing and Shanghai (three other dispatch offices in Guangzhou, Xiamen and Fuzhou could send mail directly to Taiwan, but could not directly receive mail from Taiwan) to be redirected to other parts of the mainland. The mainland's vast size and the several stages of transmission and redirection meant that postal dispatch lost its time-efficiency and mail was also at heightened risk of being lost or damaged. In the future,

cross-strait mail can be transported directly by air and sea, greatly saving transport time and cost. Moreover, the two sides will also increase their numbers of dispatch offices, increasing the convenience of collection and dispatch operations, and enabling even more conspicuous savings of time and cost. According to estimation by the MOTC, mail to large cities such as Beijing and Shanghai that used to take 7~8 days for delivery is expected to take just 5~6 days for delivery in the future, while delivery time to other regions is expected to be reduced by an average of one day.

- (2) According to data provided by Chunghwa Post Co., the state of losses of registered mail sent from Taiwan to the mainland has already greatly improved, totaling just ten in the past three years. Since registered mail sent from Taiwan to the mainland often contains important documents, such as mainland spouses' Taiwan entry permits, plane tickets, and notarized documents, all concerning people's close personal interests, every item should be assured of safe delivery. In the future, cross-strait mail will be transmitted directly by air or sea, which will greatly enhance the safety of mail delivery, and safeguard people's interests. Furthermore, whereas in the past registered mail inquiries all had to be transmitted via the SEF, wasting time and effort, in the future inquiries can be submitted directly to cross-strait postal affairs handling centers (the two sides' dispatch offices), which will be faster and more efficient.

### **3. Promoting the normalization of cross-strait postal operations**

- (1) In the past, when cross mail had to be transmitted via a third territory, related liability was relatively hard to clarify. When a registered letter was lost, stolen or damaged, it was always the post office on the sender's side that was liable for compensation, with no mutual settlement. After the opening of direct cross-strait postal services, the two sides will be able to clearly determine liability for compensation in all kinds of situations with reference

to the Universal Postal Convention and international practice, and will be able to conduct mutual settlement.

- (2) The substantial imbalance in the number and weight of postal items sent across the Taiwan Strait (with far more sent from the mainland to Taiwan than vice versa) means that the collection of postal tariffs is also imbalanced. In the past, the non-reciprocal settlement of terminal dues by the postal service operators on the two sides of the Taiwan Strait created difficulties for the two sides' handling of terminal dues, and was out of synch with international postal service operating norms. In the future, the two sides will follow the provisions of the Universal Postal Convention in reciprocally settling terminal dues (for letters and small packets) and dues applicable to other kinds of postal items (parcels and express mail). This will enable the operation of cross-strait postal services to be normalized.

#### **4. Direct postal remittances to provide for the public convenience**

Currently, cross-strait postal institutions do not provide direct remittance service, and when members of the public use a post office to remit money to the mainland, Chunghwa Post Co. has to make the transfer through the New York branch of Citibank, which is a complicated transaction and incurs a heavy processing fee. In the future, postal institutions on both sides of the Taiwan Strait will be able to conduct direct remittance services, in a mode similar to international postal remittances. The much simpler process and higher time-efficiency will enable the public to enjoy a more convenient remittance service at greatly reduced attendant expense.

## **IV. Conclusion**

The signing of the Cross-Strait Postal Service Agreement opens a new chapter in cross-strait postal cooperation. In the future, the scope of cross-strait postal services will be extended to include small packets, parcels, express delivery, and postal remittances, to provide greater convenience to the general public and businesses. The direct delivery of

cross-strait mail not only will save time and money, but also will greatly heighten safety, enabling cross-strait postal services to truly embody the spirit of serving the people's convenience and to march forward into a new era.