

PHYSICAL SERVICES WORKING GROUP (PSWG)

Agenda for Meeting of 5 September 2013 (0900-1230)

(Version 1: 20 August 2013)

1. Opening of meeting
2. Coverage of POC C3 Physical Services Integration Group (PSIG)
 - (i) Letter Post Remuneration Group (LPRG)
 - (ii) Letter Post Quality Measurement and Improvement Group (LPQMIG)
 - (iii) Global Monitoring System – Quality of Service Link User Group (GMSQLUG)
 - (iv) Parcel Post Remuneration Group (PPRG)
 - (v) Parcel Post Quality Measurement and Improvement Group (PPQMIG)
3. APPU representation in POC C3 activities
4. Selection of areas of focus
 - (i) Continuous and specific focus
 - (a) LPRG – identification of key sub-groups
 - (b) PPRG – identification of key sub-groups
 - (ii) Information-based focus
 - (a) LPQMIG – frequency and style of information updates
 - (b) GMSQLUG – frequency and style of information updates
 - (c) PPQMIG – frequency and style of information updates
5. Background report on LPRG – including key issues
6. Background report on PPRG – including key issues
7. Confirmation of members responsible for specific activities
8. Work Plan agreement
9. Reserved for presentation (tbc)
10. Reserved for presentation (tbc)
11. General business


PHYSICAL SERVICES WORKING GROUP: DRAFT TIMINGS
(Thursday, 5 September: 0900-1230)

Time	Subject	Comment
0900-0905	Opening of meeting and discussion of agenda	
0905-0915	The "Physical Services Landscape"	
0915-0925	"A Way of Covering Everything....	
and Keeping it Interesting....	
and Relevant!"	
0925-0955	"Now you choose what we do and how we do it!"	Briefing on exercise
0930-1000	Group discussion on major / medium / minor areas of interest	Break into groups
1000-1030	Report back and agree major / medium / minor areas of interest	
1030-1045	Coffee Break	
1045-1110	Presentation by Viet Nam	
1110-1130	Presentation by PRIME	
1130-1205	Presentation by UPU	
1205-1220	General discussion and next actions	Need to agree on countries to lead aspects of work
1220-1230	Recap	
1230	Close	

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RAQUEL Project – Milestones Achieved

APPU Congress – New Delhi
2-7 September 2013

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RAQUEL Project - Background

Challenges before the Postal Sector:

- All pervasive digital technology,
- Declining world economy, and
- Intense competition from non-DOs in standard and deferred light-weight mail and package services.



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Challenges before the DOs

The challenges before DOs –

- To provide quality service exceeding customer expectations at affordable price;
- Value addition by process re-engineering; and
- Introducing innovative and valued international products and services.



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Key Challenges faced

- To lock-in high value customers in the face of stiff competition;
- Aggressive expansion into new business areas, and
- Reliable track and trace system.



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The Need to Redesign the Services


- DOs- need to modernize their processes and practices; and
- Extend their processing and information infrastructure and technology enabled services;
- Increasing their economic and market place relevance.



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Opportunities at the Door step


- E-commerce has become a staple of global trade;
- E-commerce fundamentally changing ordering and shipping behavior;
- Global logistics strategy is being influenced by important long term trends such as security , ecology, globalization and e-commerce.

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Reversing the trend

DOs' Response-

- Improving delivery performance and providing added value to customers;
- Recognition of the vital importance of meeting and even exceeding customer needs particularly in the business oriented segment.

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Reversing the trend

-
- The biggest differentiator
- Customer Experience;
- And the ability to obtain insights into customers' thinking.



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RAQUEL-The Response

- Registered Article Quality Enhancement Lead Project – an attempt towards value addition to the International Registered Services
- With Market and Customer demands in focus.



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International Registration Service

Strength

- Volume,
- Reliability,
- Security,
- Special handling,
- Signature-on-delivery,



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International Registration Service

Gaps;

- Exchange of EDI is voluntary;
- A large number of DOs do not exchange such data;
- Lack of Track and Trace- un-met customer demand;
- Lack of tool to measure delivery performance;
- No internet-based enquiry system for Registered items.



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RAQUEL- To Bridge The Gap

- In two ways:
- By value addition to the International registration service,
- By reducing the gap between letter mail service and the rapid development of service improvements for EMS and Parcels.



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RAQUEL –Scope of the Project

- Primary objectives:
- To improve the quality of service for registered articles in respect of the DOs in the Asia-Pacific Region
- To enhance customer satisfaction , and
- To stimulate the growth of registered traffic



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RAQUEL-Implementation Details

- Establishment of a sustainable Track and Trace system;
- Steps to promote the exchange of EDI data;
- Introduction of new registered article measurement system(RAMS);
- Introduction of a new Internet-based Registered Article Inquiry System(RAIS) and measures to promote its use.



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RAQUEL-Implementation Details

- The project involves 23 DOs in the Asia-Pacific region,
- Implemented through a series of workshops;
- Site surveys focusing on operational and IT improvements;
- PDOs assisted in streamlining their operations, exchange of EDI and tracking procedure;




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RAQUEL-Adaptation of New Systems


The project envisages the following IT developments or adaptations:

- Development of Internet-based Registered Articles Inquiry System,(RAIS),
- Development of the UPU Registered Articles Measurement System(RAMS).
- Extension of PTC's Automated EDI Alerting System (PEAS) to enable the automatic alerting of designated operators of anomalies in their Registered articles EDI transmission.

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RAQUEL- Commitment of DOs

- Establish delivery performance targets for RAs and to take measures to achieve those targets;
- Install tracking system for RAs, if currently not available;
- Undertake to exchange tracking data on RAs with their partners in the region;
- Subscribe to and operate the Internet-based Inquiry System for RAs when the system becomes operational (subscription conditions will be defined by the PTC and DOs informed accordingly)

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RAQUEL-Benefits to the PDOs

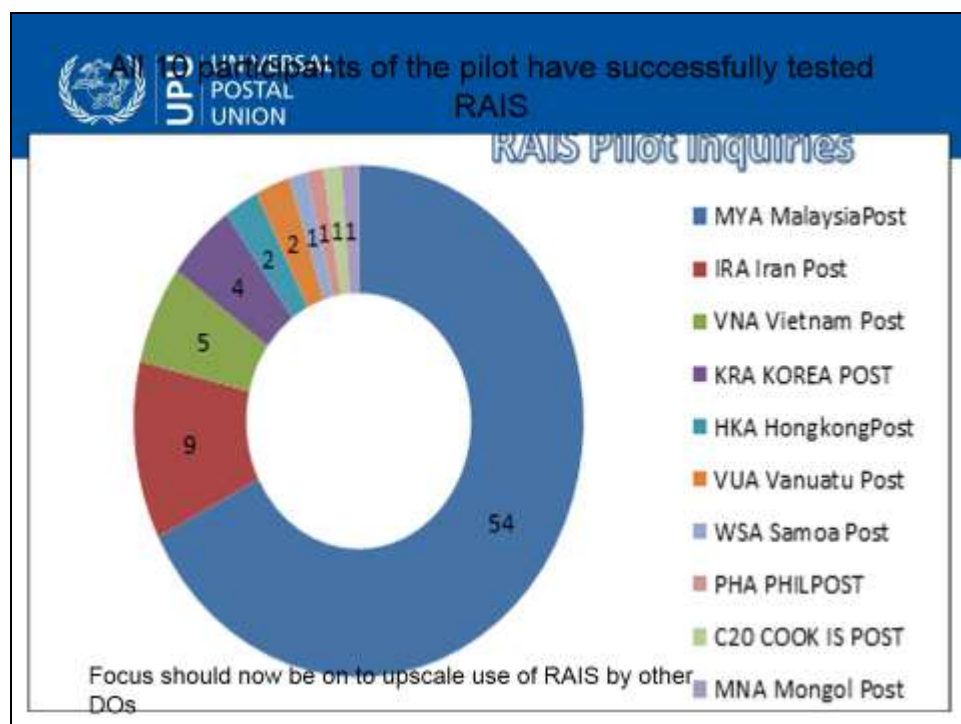
- Reduce the gap in service quality between the letter mail service and the established service improvements for EMS and Parcels;
- Provide Knowledge and assistance for enhancing operations of the registration service through workshops and site surveys;
- Supply performance measurement reports to facilitate appropriate measures to increase delivery performance for Registered Articles

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RAQUEL-Benefits to the PDOs

- Meet customer needs for tracking information concerning Registered Articles;
- Improve processing of customer enquiries through Internet-based inquiry System for Registered Articles;
- Stimulate the growth of Registered traffic due to improved services and the fulfillment of customer expectations

		UNIVERSAL		As on 15-11-11																				
15th November																								
Sender		AF350	BO350	BT350	CK350	CN350	FI350	HK350	IR350	KR350	LR350	MM350	MN350	MY350	NP350	PG350	PH350	PK350	SG350	TD350	UN350	VJ350	WS350	Total
AFR Postal Administration, Afghan	AF350	0	0	0	0	1	0	0	1	1	0	0	0	0	1	0	0	0	1	0	0	0	0	5
BDP Bangladesh Post Office	BO350	0	0	0	0	1	0	1	1	1	1	1	0	1	1	0	0	0	1	1	0	0	0	13
BHA Bhutan Post	NULL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CNO COOK ISLANDS POST	CK350	0	0	0	0	1	1	1	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	4
CNA CHINA POST	CN350	0	0	0	0	0	1	1	1	1	0	0	1	0	0	0	1	0	1	1	0	0	1	6
FIN POST FI LTD	FI350	0	1	0	1	1	0	1	1	0	0	1	1	0	1	1	0	1	1	0	0	0	1	13
HKA Hongkong Post	HK350	0	0	0	1	0	0	0	0	1	0	0	0	1	0	0	1	1	0	1	0	1	0	6
IRA Post Company, Islamic Rep of	IR350	1	1	0	0	1	0	1	0	1	1	1	1	1	1	1	0	1	1	1	0	0	0	14
KBA KOREA POST, REP OF KOREA	KR350	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LKA Postal Department Sri Lanka	LR350	0	1	0	1	1	1	1	1	0	1	1	1	0	1	0	0	0	1	1	0	0	0	12
MMA Myanmar Posts and Telecomm	MM350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MNA Mongolia Post Company	MN350	0	0	0	0	1	0	0	1	0	0	0	0	0	1	0	0	0	1	0	0	0	0	4
MVA MALDIVES POST LIMITED	MD350	0	1	0	0	1	1	1	0	1	1	1	0	0	1	0	0	0	1	0	0	0	0	10
MYA Malaysia Post Limited	MY350	1	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	19
NPA Nepal Post, Ktm	NP350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PGA Post PNG Ltd, Papua New Guin	PG350	0	1	0	1	1	1	1	1	1	1	1	0	0	1	1	0	0	0	1	1	0	0	14
PNA PHILIPPINE POSTAL CORPORAT	PH350	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	19
PKA Pakistan Post Office	PK350	1	1	0	0	1	0	1	1	0	0	0	0	1	0	0	1	0	0	0	0	0	0	8
SGA SINGAPORE POST LIMITED	SG350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TGA Tonga Post	TO350	1	0	0	0	1	0	1	0	1	1	0	0	0	0	0	0	1	0	1	1	0	0	12
VNA Vietnam Post (VNPost)	NULL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VUA Vanuatu Post Limited	VU350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WSA Samoa Communications Unit	WS350	0	0	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	4
Total number of connections																							206	



[illegible]

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Sample report – Out-bound

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Monthly Measurement Reports (Prepared by the Universal Postal Union)

Inbound and Outbound Item Report
(JUN 14 - JUN 14) (TCOMT)

FJA - POST FUJI LTD

FJA - Outbound Item Report, May 2013

Measurement	Items with events sent by FJA				Disputes	Items with events sent by partners										Scanning performance (%)										Delivery performance (%)										No info.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
	Sent count	A	B	C		PRIORITIZED sent	Name recipient	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE		AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DP	DR	DS	DT	DU	DV	DW	DX	DY	DZ	EA	EB	EC	ED	EE	EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	ET	EU	EV	EW	EX	EY	EZ	FA	FB	FC	FD	FE	FF	FG	FH	FI	FJ	FK	FL	FM	FN	FO	FP	FQ	FR	FS	FT	FU	FV	FW	FX	FY	FZ	GA	GB	GC	GD	GE	GF	GG	GH	GI	GJ	GK	GL	GM	GN	GO	GP	GQ	GR	GS	GT	GU	GV	GW	GX	GY	GZ	HA	HB	HC	HD	HE	HF	HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	HU	HV	HW	HX	HY	HZ	IA	IB	IC	ID	IE	IF	IG	IH	II	IJ	IK	IL	IM	IN	IO	IP	IQ	IR	IS	IT	IU	IV	IW	IX	IY	IZ	JA	JB	JC	JD	JE	JF	JG	JH	JI	IJ	JK	KL	LM	LN	LO	LP	LQ	LR	LS	LT	LU	LV	LW	LX	LY	LZ	MA	MB	MC	MD	ME	MF	MG	MH	MI	MJ	MK	ML	MM	MN	MO	MP	MQ	MR	MS	MT	MU	MV	MW	MX	MY	MZ	NA	NB	NC	ND	NE	NF	NG	NH	NI	NJ	NK	NL	NM	NN	NO	NP	NQ	NR	NS	NT	NU	NV	NW	NX	NY	NZ	OA	OB	OC	OD	OE	OF	OG	OH	OI	OJ	OK	OL	OM	ON	OO	OP	OQ	OR	OS	OT	OU	OV	OW	OX	OY	OZ	PA	PB	PC	PD	PE	PF	PG	PH	PI	PJ	PK	PL	PM	PN	PO	PP	PQ	PR	PS	PT	PU	PV	PW	PX	PY	PZ	QA	QB	QC	QD	QE	QF	QG	QH	QI	QJ	QK	QL	QM	QN	QO	QP	QQ	QR	QS	QT	QU	QV	QW	QX	QY	QZ	RA	RB	RC	RD	RE	RF	RG	RH	RI	RJ	RK	RL	RM	RN	RO	RP	RQ	RR	RS	RT	RU	RV	RW	RX	RY	RZ	SA	SB	SC	SD	SE	SF	SG	SH	SI	SJ	SK	SL	SM	SN	SO	SP	SQ	SR	SS	ST	SU	SV	SW	SX	SY	SZ	TA	TB	TC	TD	TE	TF	TG	TH	TI	TJ	TK	TL	TM	TN	TO	TP	TQ	TR	TS	TT	TU	TV	TW	TX	TY	TZ	UA	UB	UC	UD	UE	UF	UG	UH	UI	UJ	UK	UL	UM	UN	UO	UP	UQ	UR	US	UT	UU	UV	UW	UX	UY	UZ	VA	VB	VC	VD	VE	VF	VG	VH	VI	VJ	VK	VL	VM	VN	VO	VP	VQ	VR	VS	VT	VU	VV	VW	VX	VY	VZ	WA	WB	WC	WD	WE	WF	WG	WH	WI	WJ	WK	WL	WM	WN	WO	WP	WQ	WR	WS	WT	WU	WV	WW	WX	WY	WZ	XA	XB	XC	XD	XE	XF	XG	XH	XI	XJ	XK	XL	XM	XN	XO	XP	XQ	XR	XS	XT	XU	XV	XW	XX	XY	XZ	YA	YB	YC	YD	YE	YF	YG	YH	YI	YJ	YK	YL	YM	YN	YO	YP	YQ	YR	YS	YT	YU	YV	YW	YX	YY	YZ	ZA	ZB	ZC	ZD	ZE	ZF	ZG	ZH	ZI	ZJ	ZK	ZL	ZM	ZN	ZO	ZP	ZQ	ZR	ZS	ZT	ZU	ZV	ZW
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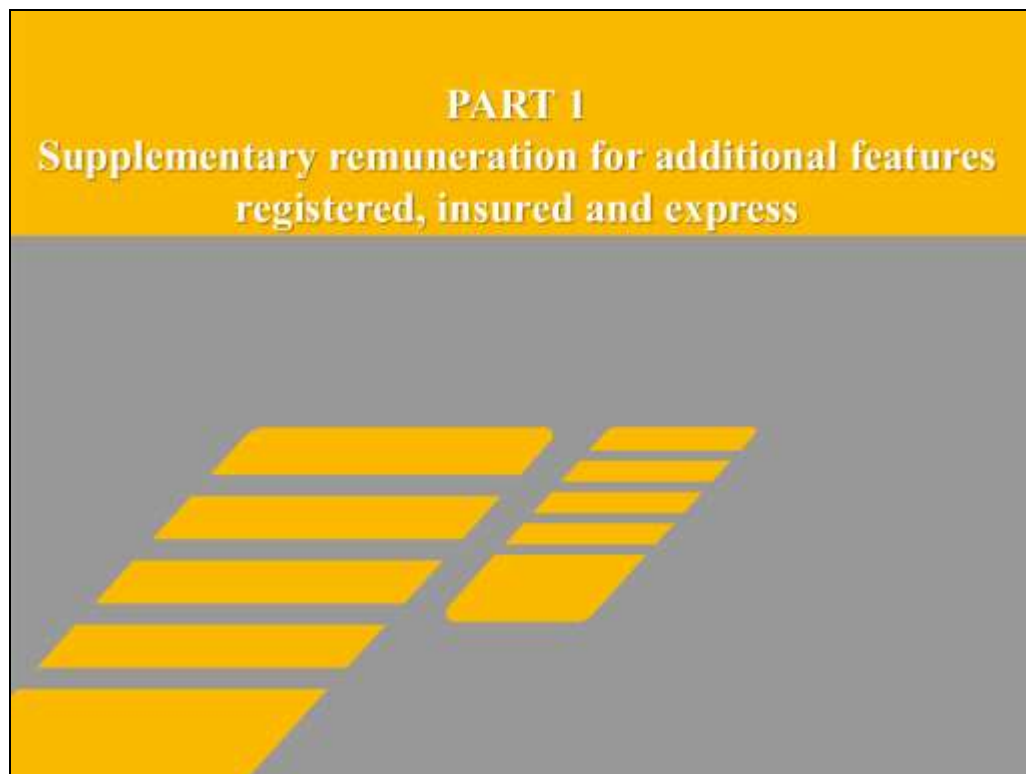



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Thank you for your attention



CONTENT
<ul style="list-style-type: none">• PART 1: Supplementary remuneration for additional features registered, insured and express set up in RL213bis of Letter Post Regulation.• PART 2 : Request of USPS to keep EDI exchange with other DOs.• PART 3: Some proposals of Vietnam Post



PART 1

Standard remuneration for registered items


Article 27.8 of the Universal Postal Convention stipulates:

- ☐ For registered items there shall be an additional payment of 0.55 SDR per item for 2010 and 2011 and 0.6 SDR for 2012 and 2013.
- ☐ For insured items there shall be an additional payment of 1.1 SDR per item for 2010 and 2011 and 1.2 SDR for 2012 and 2013.

POC Documents for reference :

- ☐ Letter Post Regulation RL 213bis and RL 213ter

PART 1




Main Objective

To give participating DOs the opportunity to exchange bar-code scanning data between them to improve customer visibility, operational visibility and customer service

For

REGISTERED SERVICES
INSURED SERVICES
EXPRESS SERVICES

PART 1



Main principles of the program

1. Reciprocity Principle
Participating DOs are expected to provide both inbound and outbound scanning services
➤ if a DO does not offer outbound service to its customers, it can be excepted from the reciprocity principle

2. Quality Targets
Targets should be attained to qualify for supplementary remuneration

3. Remuneration
Remuneration based on the measured performance and on-time data transmission

4. Reporting
Monthly and yearly reporting based on outward and inward scanning information

5. Participation
Participation in each of the services (registered, insured, express) is voluntary

PART 1



Mandatory scanning events

For each of the optional services relating to the exchange of tracking information, the designated operator provides at least the mandatory tracking info of the outbound and inbound:

- EMC** outbound (departure from Office of Exchange)
- EMD** inbound (arrival at inward Office of Exchange)
- EMH** attempted or unsuccessful delivery
- EMI** final delivery

Other scan events could be exchanged on an optional basis, but these would not affect remuneration, only the level of customer satisfaction.

E.g. EME (customs); EMF (departure from inbound OE); EMG (arrival at delivery office); etc.

PART 1




Conditions for receiving supplementary remuneration

The following basic conditions must be met:

- ☐ Provision of inbound tracking service and of scanning information for each of the service for which the DO is a participating member
- ☐ A minimum level of quality must be achieved
- ☐ Timely transmission of scanning data
- ☐ The remuneration would be paid by the outbound designated operator on the basis of the quality of service performance and the number of items with the mandatory inbound scanning events

PART 1





Quality Targets

Of 70% of items with EMC (departure OE) :


1. At least **80% of items** should have an **EMD event transmitted within 72 hours** after scanning event, **AND**
2. At least **80% of items** should have either or both an **EMH** (unsuccessful delivery attempt) and **EMI** (final delivery) event, **transmitted within 120 hours** of the event time

70% items with EMC


 **EMC**
Mandatory tracking events over EMC

 **EMD**
< 72 hours over EMC

+

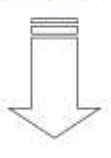
 **EMH or EMI**
< 120 hours

PART 1



Supplementary Remuneration

The targets should be attained to qualify for supplementary remuneration



For each relevant service the inbound DO can obtain **0.5 SDR per item** if scanning conditions at the destination are met

PART 1



Participation

Participation in the system by designated operators is voluntary for each of the services. This means that, for each service (e.g. registered), an operator may participate in both the inbound and outbound scanning services.

UPU member countries wishing to participate in this program can start at the beginning of each new quarter (1 January, 1 April, 1 July, 1 October)

Those which want to participate should contact the Letter Post Development and Supplementary Remuneration Program.

PART 2

**Request of USPS to keep EDI for registered items
with other DOs.**



PART 2



According to the notification from USPS in the letter dated 31st May of 2013 to Vietnam Post, since the 1st of July 2013, USPS will keep EDI for registered items **with only DOs who is the member of Pay for Performance Programme (as Supplementary remuneration for additional features registered, insured and express) of UPU or the member of PRIME Cooperative.**

PART 2



In order to clarify more in this, USPS has raised some following reasons as:

- Under the domestic regulation of USPS, registered items have not been considered as the priority items - no tracking and tracing;
- In order to provide tracking and tracing for registered items, USPS need more payment from other DOs to cover the arising cost to set up tracking and tracing.

PART 3

Some analysis and proposals of Vietnam Post



PART 3



1. Some analysis:

- Currently, USPS is one of leading DOs which is exchanging such large volume of registered items with APPU DOs (approximately 55,2% over total volume of outbound registered items from Vietnam). Therefore, exchanging EDI with USPS is so essential to ensure the benefit of customer using registered service in tracking and tracing.
- However, the requirement from USPS to DOs in order to maintain EDI exchange is so hard to do due to some followings :
 - + It's not easy for DOs of developing countries to participate in Pfp program of UPU or Prime Cooperative. In case of taking part in these, the DOs of developing countries will have to make a full payment for R items as below:

PART 3



**Terminal dues (the year of 2013: 4,162 SDR/kg + 0.6 SDR/item)
+ Supplementary remuneration (PfP program: 0,5 SDR/item or
Prime Cooperative: 0,3 -0,6 SDR/item)**

Actually the outbound volume of R items from DOs of developing countries is higher than the inbound volume of R items destined to them. This causes the imbalance in the payment from DOs of developing to DOs of developed countries (paying much more than paid);

+ According to statistics recently in Vietnam, the volume of R items has been reducing clearly as below:

* The year of 2011: 8.8 % lower than the volume of R items in the year of 2010;

PART 3



* The year of 2012: 16.2% lower than the volume of R items in the year of 2011.

The major reason of this is the selling rate of R items which is not very comparative. In case of participating in PfP or Prime Cooperative, there is a need to raise the selling rates of R items covering terminal dues and supplementary remuneration. The raising rates will cause the limitation of the growth of R service.

+ Also, due to the limitation of facility infrastructure and low quality of labor force, it is impossible for DOs of developing countries to meet the standard criterias of the UPU PfP or Prime Cooperative.

PART 3



2. Proposals of Vietnam Post

- Submitting to UPU to consider the requirement of USPS in accordance with the UPU's Convention and Letter Post Regulation. Currently, the annual terminal dues for R items from DOs to USPS has covered the major cost of handling, delivery and tracking tracing
- Submitting to UPU to consider some following solutions in order to meet the requirement of USPS, encouraging the DOs of developing countries to participate in PpP of UPU and ensuring the benefit of customer in use of R items such as :
 - + Revising the supplementary remuneration stipulated in RL 213bis down to 0,3 SDR/item instead of 0,5 SDR/item currently;

PART 3



- + Conducting a long-term study to apply the method of terminal due payment for R items based on the performance which is similar to the method inward land rate payment for parcels at present (there will be the basic rates and bonus calculated by percentage of terminal due only). Applying this method, the supplementary remuneration set up in RL 213 bis will be deleted .





Kathleen Treanor

Agenda



- **PRIME membership**
 - ✓ Worldwide and APPU
 - ✓ Products
- **Growth in eCommerce**
- **PRIME Exprès**
 - ✓ The 'ideal' eCommerce product
 - ✓ How we can help

What is PRIME?



- **Posts working TOGETHER to grow their business:**
 - ✓ Improve quality & performance of UPU value-added Letter products
 - ✓ Help meet market needs - primarily growth in e-commerce
 - ✓ Improve and expedite service to customers
 - ✓ Grow and protect Posts' Revenue
- **With LOW entry costs**
 - ✓ By exploiting Posts' existing Universal Letter Network resource
 - ✓ Using existing data transmission networks (GXS, UPU, etc)
- **Performance & PfP, monitored by IPC**

3

PRIME's Strategies



Marketing & Development

- **Posts design their own products (name, positioning, etc)**
 - ✓ In line with their own market strategy, corporate id, etc
 - ✓ PRIME provides guidance, design manual, style guides, templates
 - ✓ Must use the PRIME logos
 - ✓ Must use UPU bar-coding standards
- **PRIME facilitates expansion as requested by members**
- **PRIME handles all necessary linkages with other Posts**
 - ✓ Make all necessary arrangements with other posts (TPAs)
 - ✓ Advise all posts of members' products, circulating :designs, commencement dates, operational instructions
 - ✓ Once operational, PRIME provides: performance reports (delivery & scanning), amounts payable & receivable, ready-reckoner

4

PRIME's Strategies



IT & Operations

- Posts may use the best IT infrastructures they can afford
 - ✓ Handheld scanners
 - ✓ Timely & accurate Messaging
 - ✓ Delivery Info uploaded to websites
 - ✓ Use reports/STORM to see where you are & what needs to be done
- PRIME reports & measurement tools/systems to help Posts
 - ✓ Returns, STORM, CSS. AR - Using IPC systems/tools

5

PRIME's Products



1. Registers



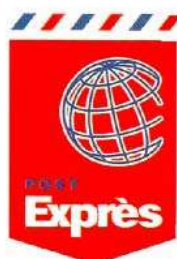
2. Insured



3. "Exprès"

Tracked Priority packet

- Do NOT have to call it "Exprès"
- Globe logo is sufficient



6

110 Posts Working Together

23 in the Asia-Pacific Region

Afghanistan, Australia, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, India, Indonesia, Iran, Japan, Korea, Lao, Malaysia, Mongolia, Maldives, Myanmar, Nauru, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Samoa, Sri Lanka, Singapore, Solomon Islands, Thailand, Tonga, Vanuatu and Vietnam

7

110 Posts Working Together

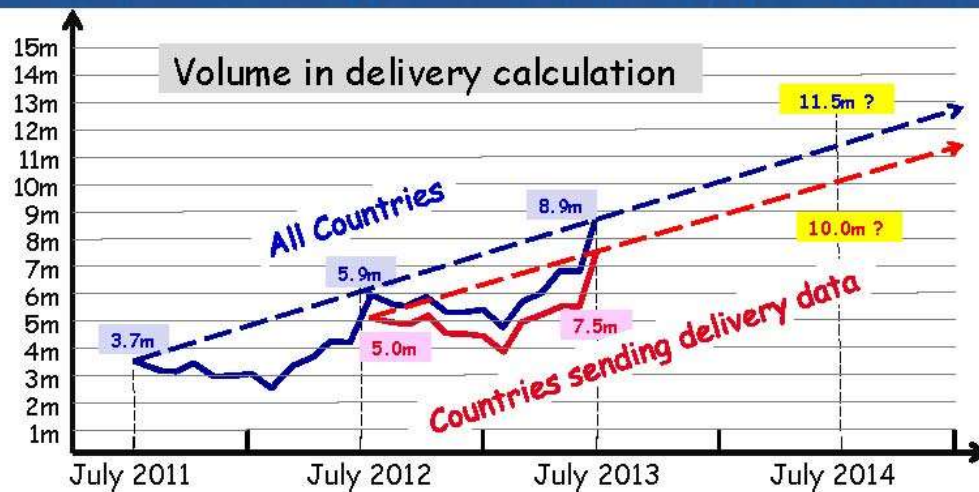
23 in the Asia-Pacific Region

Afghanistan, Australia, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, India, Indonesia, Iran, Japan, Korea, Lao, Malaysia, Mongolia, Maldives, Myanmar, Nauru, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Samoa, Sri Lanka, Singapore, Solomon Islands, Thailand, Tonga, Vanuatu and Vietnam

- All members exchange data and have scanning
- 92 use PRIME Global Customer Service System
- 20 Registered Pfp agreement (UPU system Pfp also recommended 70+ members)
- 36 Inbound Exprès
- 20 Outbound Exprès (incl 5 bilaterals)

8

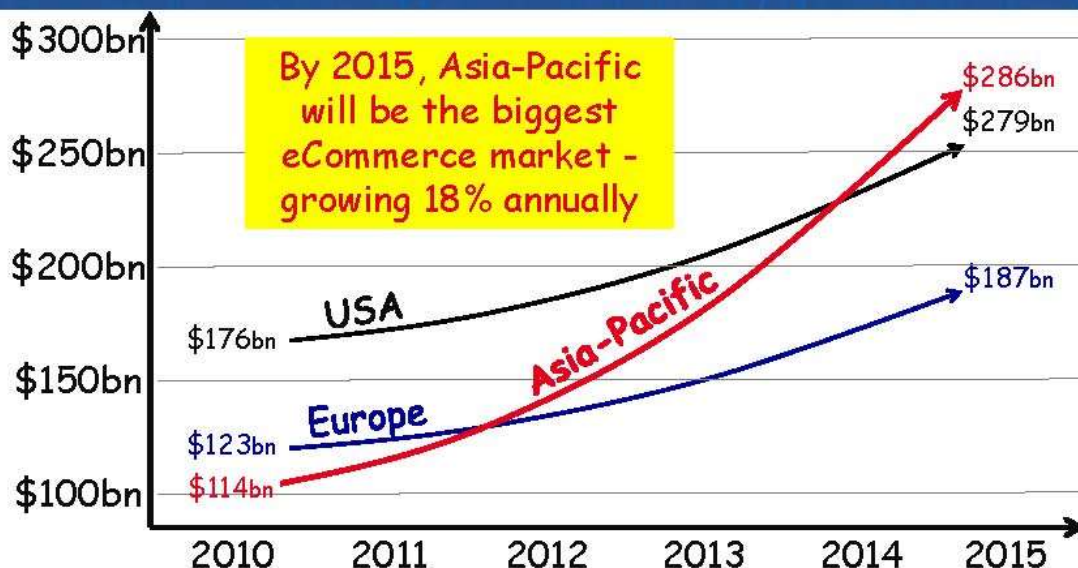
Registers are growing ... but
leading to increased costs & stress



Fewer Posts offering UPU-type "Insured" service

9

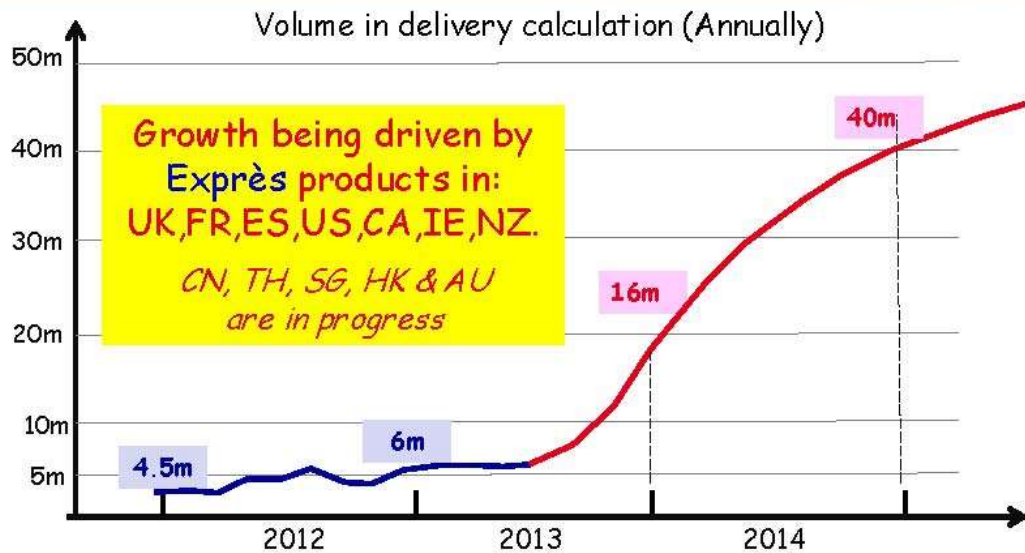
Market Opportunity for Posts -
eCommerce growing 10-18% annually



Source: Forrester US, Europe and Asia eCommerce Forecasts 2010-2015

10

PRIME Exprès - set to grow 700%



11

PRIME Exprès - Why?



- **Ideal eCommerce product**
 - ✓ Response to growing 'packets' market - at lower cost
 - ✓ Fits with your marketing strategy:
 - ✓ Can use your own brand name - Exprès not required
 - ✓ Attractive Pfp: 1-2 SDR per item
 - ✓ PayPal dropped signatures October 9, 2013
- **Easy access to new markets**
 - ✓ PRIME sets up all multi-lateral arrangements ... & bilaterals if required
- **Easy to get started**
 - ✓ Uses normal priority letter delivery service and stream
 - ✓ Several scanning options - PDA is not essential
 - ✓ PRIME design guides, sample logos/labels/etc, operating instructions



12

PRIME Exprès - Features



- ✓ Confirmation of delivery - A signature is not required
- ✓ 100% delivery target measured against standards
- ✓ Multilateral agreements or bilaterals supported by PRIME
- ✓ Electronic exchange of data arranged - measurement & reports
- ✓ Quality improvement strategy
- ✓ Quality monitoring - Pay for performance
- ✓ Web-based expedited customer service system
- ✓ Ready Reckoner provided to assist invoicing & checking - for multilateral agreements and for bilaterals

Bottom line:

PRIME allows Posts offer better, more reliable product to THEIR customers

13

Benefits to Customers - Exprès



- Simple-to-use system
 - Only addition - barcode & logo - incorporated in bar-coded label
- Usual CN22 or CN23 as necessary
 - Countries' requirement available from PRIME to Origin Posts
- Pick ups - Retail outlets or even Letter box
 - ✓ Posts do what suits their market, operations & customer size/importance
- Priority Letter with added electronic Delivery Confirmation
 - No signature - Don't have to sign for so is not necessary wait at home unless big
 - Post Boxes etc ok.
- Limited tracking owing - keeps costs down
- Inclusive Price or add-on for Exprès
 - Franking machines, stamps or contract/invoicing

14



Delivering Value-Added Letter Services

www.prime-posts.com

CONTACT: Kathleen.treanor@ipc.be

Don't forget.... EMS/KPG for PREMIUM market

REPORT OF THE PHYSICAL SERVICES WORKING GROUP (PSWG)

Draft Report on Meeting of 5 September 2013

1. Introduction

1.1 The PSWG, chaired by New Zealand, met from 0900-1230 on 5 September.

1.2 The meeting was attended by members from Tonga, Australia, New Zealand, Brunei Darussalam, Iran, Japan, Malaysia, China, Hong Kong, Macau, Singapore, Thailand, India, Indonesia, Philippines, Vanuatu, Viet Nam. Observers were also present from APP Cooperative, Great Britain, France, Belgium, Switzerland, IPC, PRIME, UPU.

1.3 The meeting was the first for the Working Group in the current APPU cycle (2013-2017). As such it was formative in terms of the agenda.

2. Key Discussion and Outcomes

2.1 Physical Services Landscape

- (i) Physical Services is a wide-ranging area of work – and one in which the APPU has a history of being known and respected – terminal dues and parcels.
- (ii) PS broadly relates to what we pay each other, quality, and the right products and services for our customers. It is important because at the next UPU Congress, or before, we will make decisions on some aspects that will change how we do business or what we pay.
- (iii) The main subject areas covered by PS are:
 - Letter Post Remuneration Group (LPRG)
 - Letter Post Quality Measurement and Improvement Group (LPQMIG)
 - Global Monitoring System – Quality of Service Link User Group (GMSQLUG)
 - Parcel Post Remuneration Group (PPRG)
 - Parcel Post Quality Measurement and Improvement Group (PPQMIG)
 - Product Strategy and Integration Group (PSIG)

2.2 Working Group Focus

- (i) Given the sheer range of topics and material in PS (i.e., POC Committee 3), a key focus will be on “Making it Easier to Understand” the progress and relevance of the POC work.

- (ii) The initial activity (at the New Delhi meeting) is to review all work activities in PS and, from that process, select areas where the focus is:
 - in-depth on the subjects that are of highest importance;
 - to some degree on the subjects which might be important but do not rank as top priority; and
 - via a watching brief on all other items
- (iii) The overall outcome will be full, proportionate coverage of all POC PS activity.

2.3 Work Style

- (i) The WG will be looking for a team effort with management of work being shared as much as possible.
- (ii) The APPU has eight members who are on the POC (Australia, China, India, Indonesia, Japan, Malaysia, New Zealand, Thailand), plus two Observers (Singapore and Viet Nam). The WG will expect these countries and others to manage the work of the WG.

2.4 Other Activity

- (i) Aside from a specific focus on POC Committee 3 PS, the work content, particularly at the annual EC meetings, would also endeavour to include:
 - presentations of general interest (e.g., the PRIME presentation in the New Delhi meeting)
 - presentations of member concerns or issues (e.g., the Viet Nam presentation in the New Delhi meeting)
 - presentations of central relevance (e.g., the UPU presentation on Raquel / RAIS in the New Delhi meeting)
- (ii) In taking a specific, wider approach, it is important to not overlook activity in POC Committee 1 (Supply Chain). Accordingly, it is recorded in these notes that future APPU EC meetings should seek to provide an opportunity for Supply Chain issues, with an immediate or strategic bearing on PS, to be presented in one EC forum or another.

3. Categorisation (Prioritisation) PS Activities

- (i) A schedule of the 39 activities in POC Committee 3 had been summarised in Congress Doc 18 Add 2. In addition, the schedule had been populated with the results of some “early polling” of member interests (this being from a survey recently initiated among the membership).

- (ii) The meeting took the opportunity to review the schedule and to comment / decide on which topics were of higher importance etc.
- (iii) The following is the broad outcome of the consideration and comment.

- LPRG (Terminal Dues)

High importance, in-depth consideration by APPU. Task 1 and Task 4 should be elevated in terms of attention.

Work-leader to be decided (two potential candidates in prospect).

- LPQMIG

Medium-level importance, annual documented reporting to keep membership updated on aspects of relevance.

Work-leader to be decided.

- GMSQLUG

Medium-level importance, annual documented reporting to keep membership updated on aspects of relevance.

Work-leader to be decided (one candidate in prospect).

- PPRG and PPQMIG

High importance, in-depth consideration by APPU.

Work-leader: New Zealand

- PSIG

High importance, in-depth consideration by APPU.

Work-leader to be decided (no candidates in prospect).

4. Next Steps re PS Activities

- (i) Based on the decisions regarding the categorisation of activities, the following steps are outlined below.

- (a) Document the outcomes at the New Delhi meeting (i.e., Congress Doc 18 Add 4). (New Zealand to undertake – complete by 5 September)
- (b) Confirm work-leaders for LPRG, LPQMIG, GMSQLUG and PSIG. (New Zealand to undertake - complete by 20 September)
- (c) Establish work methodology, terms of reference, and reporting requirements. (New Zealand to undertake in conjunction with work-leaders – complete by 4 October)
- (d) Prepare current activity briefing following October 2013 POC meeting. (Work-leaders to undertake – complete by 29 November)
- (e) Circulate activity briefings to membership. (Work-leaders via New Zealand via APPU Bureau – complete by 28 February 2014)
- (f) Update activity briefings following 2014 POC. (Work-leaders – complete by 9 May 2014)
- (g) Prepare and circulate PSWG agendas and activity outlines for 2014 APPU EC meeting. (Work-leaders via New Zealand via APPU Bureau – complete by 23 May 2014)
- (ii) **Note:** the activities and timings in sub-paragraph (i) above were not discussed in detail at the meeting. However, they are recorded in this draft report to enable them to be considered and agreed during or following the Congress.

5. Presentations

A trio of presentations was made, each reflecting on an aspect of registered / tracked services.

(i) Raquel / RAIS

Mr Ajay Kumar Roy updated the meeting on this project. A full copy of the presentation is available on the APPU website.

(ii) Viet Nam

Mrs Ha Thi Hoa presented on the P4P remuneration system for registered product and the issue with the level of payment as well as the exclusion from EDI messaging with USPS. The meeting provided a range of useful assistance to Viet Nam with a key aspect being to direct the issue to the Product Integration area of the POC.

(iii) PRIME

Ms Kathleen Treanor updated the meeting on the services and features of PRIME. A full copy of the presentation is available on the APPU website

Mark Lawley
Chair
APPU Physical Services Working Group

5 September 2013

APPU Physical Services Working Group: Early Polling Results: 4 September 2013

Overall Activity	Detailed Activities	Strong Interest (e.g., ongoing updates, development of regional views)	Annual Updating on Key Points Only	Minor Interest
Letter Post Rem Group (LPRG)	Task 1: Study on cost of handling inbound mail.	2	3	
	Task 2: Review the formula for converting domestic tariffs into TD rates.	4	1	
	Task 3: Asses the impact of the new TDs rates on markets and designated operators.	4	1	
	Task 4: Proposed remuneration for other services.	2	2	1
	Task 5: Study the possibility of applying parts of the target system provisions by the transition countries.	1	4	
	Task 6: Deferred proposals to amend Letter Post Regulations.		5	
	Task 7: Statistical and accounting procedures and forms.	2	2	1
	Task 8: Transit	2	2	1
	Task 9: Review provisions of bulk mail	2	2	1

Overall Activity	Detailed Activities	Strong Interest (e.g., ongoing updates, development of regional views)	Annual Updating on Key Points Only	Minor Interest
	Task 10: IPK Study	4		1
	Task 11: Flow Study	2	3	
	Task 12: Review of principles governing QSL TDs	4	1	
	Task 13: Ensure appropriate levels of QSF are assigned to countries most in need.	2	3	
	Task 14: Sanctions mechanism for non-payment of long-term debts.	1	3	1
Letter Post Quality Measurement and Improvement (LPQMIG) Group	Project 1: Development and close monitoring of key performance indicators (KPIs) for all mail products and production of quality of service report cards for all classes of mail.	4	1	
	Project 2: UPU quality management certification system.	1	4	
	Project 3: Provision of Information (Delivery standards, Letter Post Compendium, EmlS).	2	2	1
	Project 4: Implementation of regional projects, including those aimed at strengthening the development of human resources.	1	3	1

Overall Activity	Detailed Activities	Strong Interest (e.g., ongoing updates, development of regional views)	Annual Updating on Key Points Only	Minor Interest
	Project 5: Promoting the development of experts who will provide assistance to regions through operational audits.		4	1
	Project 6: Implementation of quality measurement systems for non-trackable letter mail (GMS, world-wide end-to-end measurement system).	3	2	
	Project 7: Promoting the use of the Internet-based Inquiry System (IBIS) for registered letter mail.	3	2	
	Project 8: Promoting customer satisfaction assessment.	1	3	1
Global Monitoring System – Quality of Service Link User Group (GMSQLUG)	Validation Review Committee	1	4	
	Standards and targets	1	4	
	UNEX / GMS	1	4	
Parcel Post Remuneration Group (PPRG)	<ul style="list-style-type: none"> Inward land rates <ul style="list-style-type: none"> Floors and caps Inflation adjustment Outward land rate for returns 	4	1	

Overall Activity	Detailed Activities	Strong Interest (e.g., ongoing updates, development of regional views)	Annual Updating on Key Points Only	Minor Interest
Parcel Post Quality Measurement and Improvement Group (PPQMIG)	Validation of delivery standards	3	2	
	IBIS	3	2	
	Minimum specifications	3	2	
	Merchandise returns	2	3	
	Transit policy, procedures and charges	2	3	
Product Strategy and Integration Group (PSIG)	Development of e-commerce strategy	3	2	
	Matrix of existing services	2	3	
	UPU programme for merchandise returns	3	2	
	Advice of delivery study	2	3	

Overall Activity	Detailed Activities	Strong Interest (e.g., ongoing updates, development of regional views)	Annual Updating on Key Points Only	Minor Interest
	Introduction and enhancement of the format separated letter-post service	2	3	
	UPU programme for registered, insured and express items	4	1	

Physical Services Working Group: Guidelines for Reviewing the Early Polling of Areas of Interest

1. We have to be practical.
2. We can't do everything.
3. The work has to be shared among our members – we must try and avoid leaving the work to a willing few.
4. The key things to think about are:
 - (i) Areas of major importance or interest is what we devote our quality time to (done at meetings)
 - (ii) Areas of less interest will not be forgotten. We will simply issue written updates in easy-to-follow summaries and have POC members available for discussion or clarification should questions arise (done outside of WG meetings)
5. We look for countries to lead the areas of major importance.
6. We look for countries to manage the summary of lesser important items and circulate those to the WG for ongoing information – and to be available to answer questions.