

**POSTAL OPERATIONS COUNCIL**
**Committee 1 (Letter Post)**
**UPU Global Monitoring System (GMS)**
**Report of the GMS Implementation Group**  
 (Agenda item 7a)

<b>1 Subject</b> Presentation of a report on the activities of the GMS Implementation Group (GMS IG) since its meeting during the POC session in April 2010.	<b>References/paragraphs</b> §§ 1 to 42 and Annexes 1 and 2
<b>2 Decisions expected</b> Committee 1 is invited to note the report of the GMS IG and to: <ul style="list-style-type: none"> <li>– note the work done by the International Bureau to implement Phase I and Phase II of the GMS;</li> <li>– note that both GMS and UNEX measurement systems are compliant with the GMS technical design;</li> <li>– approve the use of results obtained from both GMS and UNEX measurement systems for terminal dues purposes;</li> <li>– approve the proposals to improve the GMS technical design;</li> <li>– note the actions taken to explore other sources of financing to ensure the long-term financial sustainability of the GMS;</li> <li>– note the work done to study the feasibility of producing a specific GMS report for the calculation of terminal dues for participants in the QS link to terminal dues system;</li> <li>– note the areas for future GMS development;</li> <li>– note the actions taken on communications;</li> <li>– note the GMS milestones for 2012.</li> </ul>	§ 43 §§ 11 to 21 § 25 § 25 § 27 and Annex 2 §§ 31 and 32 §§ 33 and 34 §§ 35 and 38 §§ 39 and 41 § 42

**I. Introduction**

1 In 2008, the 24th Congress in Geneva, through its resolution C 45/2008, instructed the Postal Operations Council (POC) to implement the GMS as a global Union system and to ensure that the GMS can be used for the quality of service link to terminal dues.

2 At the October/November 2008 session of the POC, the GMS Interim Working Group (GMS IWG) presented a comprehensive report on the activities undertaken by the group (POC C 1 2008.3–Doc 8). The POC approved the technical design of the GMS and the overall direction relating to its implementation. To ensure the continuation of the work associated with implementation of the GMS and the future integration of GMS measurement users, the POC approved, through resolution CEP 1/2008.3, the creation of a GMS Implementation Group (GMS IG) within Committee 1 to take on this responsibility.

3 Following the open tender process for the GMS RFID infrastructure (comprising gates and tags) and for panel management and test letter production, which took place between November 2008 and April 2009, and the selection of the service providers, 21 designated operators participated in Phase I of the GMS project. The pilot's operational phase, using live test items, commenced on 3 August 2009.

4 With the success of Phase I, 30 additional designated operators participated in Phase II of the GMS in 2010.

5 In April 2010, the POC approved the GMS IG's proposals for the future GMS governance structure and the extension of the mandate of the GMS IG to the 25th Congress (POC C 1 2010.1–Doc 6b.Add 1). The POC also approved the use of the results measured by the adjusted QLMS for the quality-linked terminal dues system for 2010 (CEP 4/2010.1).

6 The purpose of this document is to report on the activities carried out by the GMS IG and propose to the POC the future direction towards the effective implementation of the GMS.

## **II. POC mandate to the GMS IG**

7 Through resolution CEP 5/2010.1, the POC instructed the GMS IG, with the support of the International Bureau (IB), to:

- oversee the GMS implementation plan to ensure that the GMS operates as a UPU global system;
- develop proposals for refinement and improvement of the GMS technical design;
- organize Joint Contact Committee meetings to ensure effective communication with UPU GMS measurement solution participants;
- handle matters relating to the implementation of the GMS technical specifications by the UPU-agreed measurement system providers, including interoperability and compliance;
- develop proposals to ensure the financial sustainability of the GMS and the future integration of the UPU-agreed measurement systems into a single system;
- ensure the effective management of the results data obtained from the GMS measurement systems, including data protection and confidentiality;
- interact effectively with the GMS Quality Link User Group so that the transition countries in the terminal dues classification can join the link between quality and terminal dues within fixed deadlines; and
- develop proposals regarding the quality improvement of international letter mail.

## **III. Work done by the GMS IG and its ad hoc group**

8 Following the 2010 POC, the GMS IG continued its work under the new chairmanship of Singapore. The other 10 members of the group are Botswana (Vice-Chair), Finland, India, Japan, the Netherlands, Portugal, Qatar, Saudi Arabia, Switzerland and the United States of America. The group met three times and conducted teleconferences to fulfil its mandate.

9 In addition to providing secretarial support to the GMS IG, the IB carried out the work necessary for the running phase of the GMS for the 21 designated operators that joined in 2009 and the set-up arrangements for the 30 designated operators that joined in 2010, including the management of the contracts with the service providers under the supervision of the GMS IG. Global QSF projects were developed to make it easier for designated operators to use their QSF resources to finance their GMS systems.

10 The GMS IG created an ad hoc group, chaired by Great Britain and comprising technical experts from Denmark, France, Sweden, the United States of America and the IB, to assist in developing proposals for refinement and improvement of the GMS technical design and to follow up on the full implementation of the GMS technical design specifications by the UPU-agreed measurement systems, scheduled from 2 May 2010.

#### **IV. Outcome and proposals**

##### *GMS implementation*

##### *GMS Phase I – 2009*

11 The GMS was successfully implemented in the countries of the 21 designated operators that joined in 2009. The GMS RFID infrastructure, panel management and test letter production and the GMS Statistical System for Analysis and Reports (GMS STAR), the central information management system of the GMS, generally functioned well.

12 The system functionality was monitored against a set of operational key performance indicators (KPIs). From the system management viewpoint, the most important KPIs are RFID Read Rate, Valid Mail Rate (VMR) and Valid On Target (VOT), while from the user's perspective, the Year-To-Date (YTD) results are most important. Throughout the year, the IB closely monitored the performance of all the GMS designated operators and worked with them to address and resolve specific operational and technical problems they encountered.

##### *GMS Phase II – 2010*

13 Implementation of the GMS in the countries that joined in 2010 progressed well. A list of these 30 designated operators is provided in Annex I.

14 The setting up of the GMS, which included the installation of equipment and recruitment of panellists, was generally carried out from May to September 2010. In some countries, due to unforeseen events which were outside the control of the GMS service and equipment providers, the set-up arrangements could only be completed later.

15 From September 2010, the GMS entered a testing phase in the great majority of the countries to ensure that panellists would perform in a stable manner and that the installed RFID equipment performed as expected. The testing phase for these countries ended in December 2010. For those designated operators in which the completion of the set-up phase was delayed, the testing phase was extended.

16 For the majority of the countries that joined in 2010, the GMS was expected to run from January 2011 to December 2011 in a stable manner in order to meet the annual valid sample of test items as defined per country level.

17 All GMS member countries were provided with a country-specific GMS implementation report. In this report, information on where panellists were recruited, the number of test items to be exchanged, and the RFID equipment installed was provided. A specific section on costs was also included with detailed breakdown of the components. Teleconferences were organized with each participating designated operator to discuss and clarify the contents of the implementation report.

18 The GMS designated operators were provided with access to GMS STAR to obtain their quality performance reports. In addition, detailed country reports were produced by the GMS team and provided to designated operators on a quarterly basis. Regular individual teleconferences were conducted with the GMS designated operators. These teleconferences provided an opportunity for the GMS team and each GMS designated operator to learn more about the GMS as a measurement system, to review the quality results and to agree on actions with a view to improving operational issues.

19 Gibraltar and Japan formally informed the IB that they were going to use the GMS results for the calculation of their QS link to terminal dues payments in 2011 and 2012 respectively.

20 Of the 21 designated operators that joined the GMS in 2009, 18 have agreed to renew their participation up to 2012, the exceptions being Greece, Mexico and Norway.

#### *Contract management*

21 The contracts with the GMS service providers have been extended until the end of 2012 for the 30 new joiners as well as the 18 designated operators that had renewed their participation.

#### *Joint Contact Committee meetings*

22 Following the Joint Contact Committee meeting held in April 2010 during the POC session, two other meetings were organized in October 2010 and in April 2011 during the CA session and POC session respectively.

23 During the meeting on 26 October 2010, the GMS designated operators were briefed on the implementation progress of the GMS over the past year. The new developments and functionality of GMS STAR were explained and presented. The meeting provided an opportunity for GMS users to share experience and good practice and helped them to gain better understanding of the GMS and what they needed to do to ensure the smooth running of the measurement system. Members generally found the meeting useful and informative.

24 Some designated operators also took advantage of their presence in Berne to meet with the GMS team to discuss and resolve individual issues with the system.

#### *Implementation of the GMS technical design*

##### **Compliance of the UPU-agreed measurement systems with the GMS technical design**

25 In accordance with § 17 of the GMS technical design, an audit of the UPU-agreed measurement systems should be conducted each year to evaluate whether they operate in accordance with the procedures, rules and principles defined. The GMS ad hoc group carried out the audit from September to November 2010, by meeting with the GMS and UNEX system providers to assess the compliance of their respective measurement systems. The ad hoc group presented the report of the compliance exercise to the GMS IG on 9 February 2011. Based on the result of the systems audit, the ad hoc group concluded that both the GMS and UNEX measurement systems were compliant with the GMS technical design, meaning that the results obtained from these measurement systems could be used for terminal dues purposes.

26 The recommendation of the GMS IG ad hoc group was endorsed by the GMS IG.

#### *Proposal to fine-tune the GMS technical design*

27 The GMS IG ad hoc group examined some aspects of the GMS technical design with a view to updating them, especially following the outcome of the auditing exercise. The areas examined included:

- design improvements;
- improvement of the calculation rules; and
- system and panel management.

28 The proposals by the ad hoc group to improve the GMS technical design are contained in Annex 2.

#### *Financial sustainability*

29 The January 2008 POC agreed that the GMS should be funded according to the "user pays" principle. The IB has been preparing global Quality of Service Fund (QSF) projects to make it easier for designated operators to finance their participation in the GMS with their QSF resources. So far, of the 51 designated operators that have participated in the GMS, 44 or 86% are using their QSF resources for this purpose.

30 While funding for the GMS can be made available from the QSF, it is recognized that other sources of financing should also be explored/developed to ensure its long-term financial sustainability.

31 Through the research of the IB, the GMS IG considered a number of potential funding sources including use of designated operators' own funds, creation of a GMS Cooperative, seeking assistance from international aid agencies, the remuneration of the QS Link bonus and allocation of a specific percentage of terminal dues for participation in GMS. After careful consideration, the following were considered not to be viable for the time being:

- Creation of a GMS Cooperative: As the Council of Administration is reviewing the role of the cooperatives within the UPU, it was considered more appropriate to defer considering this option pending the outcome of this exercise.
- International aid agencies: It was noted that most international aid agencies allocated assistance to projects that were geared to meeting the eight Millennium Development Goals. Notwithstanding the fact that the GMS could help to improve the performance of the letter-mail service, which in turn could facilitate improvement of communication services for citizens, it was considered that given that there was only limited donor money available and governments would have to make arbitrations on the allocation of such funds, the possibility of obtaining funding from this source for the GMS would be rather remote.
- Allocation of a specific percentage of terminal dues for participation in the GMS: To encourage countries to join or remain in the GMS until they participate in the QS link to terminal dues system, consideration may be given to providing a small terminal dues percentage remuneration incentive (percentage to be determined) to those countries that have implemented the GMS. However, recognizing the level of QSF funding already provided by the QSF contributor countries for the GMS, it was considered that it would not be fair to increase the burden of these countries further.

32 In the circumstances, apart from continuing to assist countries in using their QSF resources, the IB will develop flexible costing models to meet different countries' needs and available budgets through their own funds, encourage countries that meet the performance standards to participate in the QS link to terminal dues system, and request the QSF Board of Trustees to dedicate a certain percentage of the funds to GMS as a quality-improvement priority.

#### *GMS double reporting*

33 In response to the request for participants in the QS link to terminal dues system to have a specific GMS report for the calculation of terminal dues payments restricted to participants, the GMS IG, in consultation with the Terminal Dues Group and the GMS Quality Link User Group, tasked the ad hoc group with studying the feasibility of producing such a report and furnishing the following information to facilitate consultation, and for the GMS IG to make a report and recommendation to the 2011 POC:

- i Can such double reports can be produced in compliance with the GMS technical design?
- ii What are the cost implications of double reporting?
- iii Are these reports to be mandatory or optional?

34 The GMS IG's report on this subject is contained in POC C 1 2011.1–Doc 7b, which will be discussed separately within Committee 1.

#### *GMS new developments and planning*

##### Measurement scope

35 Although the GMS was originally designed as an inbound quality of service measurement system, the IB had received inquiries and requests from members on the possibility of future extensions of the system to cover areas such as end-to-end measurement, diagnostic measurement within countries, integration of UPU continuous testing into GMS, and application of GMS to direct marketing.

36 While it is recognized that there is a need to further develop the GMS to meet members' expectations, in particular on the integration of UPU continuous testing into GMS and moving GMS from an inbound measurement to an end-to-end measurement system, an assessment on the impact these developments will have

on the level of resources at the IB will first need to be studied. It is also important to establish that some of these developments will need to be financed from GMS members' own funds, based on the "user pays" principle.

RFID technology: Last mile device

37 The IB is testing a prototype reader to be used to capture the precise date and time passive test items are delivered to the panellists' letter boxes. The reader is one of the options being explored to improve the quality and reliability of the final delivery information on test items. An evaluation of the reader will be conducted shortly.

RFID technology: dual test items

38 The IB, in conjunction with AIDA Centre, the RFID equipment supplier, is currently performing a technical study to develop a test letter that can be read by both passive and semi-active RFID readers. In the event that such test items perform as expected it will be possible to ensure that test letters sent between countries equipped with different RFID technologies can be read and measured. This development is particularly important to facilitate the extension of GMS into an end-to-end measurement system.

### *Communications*

GMS promotion at POST-EXPO and 2011 POC

39 A UPU GMS stand was set up at the last POST-EXPO in Copenhagen, and attracted over 1,000 visitors. This provided an opportunity to publicize the GMS and create greater awareness outside the postal community. A similar promotion stand will be set up at the IB during the 2011 POC session.

GMS on the UPU website

40 The GMS section on the UPU website is being updated with current documents and dynamic presentations. Two new sections will be created; one for GMS users and one for GMS IG members. Access to these two new sections will be restricted, and passwords will be provided to the relevant stakeholders of each category shortly.

GMS in the UPU magazine

41 An article on the GMS was published in the March 2011 edition of *Union Postale*.

### *Milestones*

42 Apart from closely facilitating and monitoring the implementation of GMS in the countries currently participating in the system, the key activities to be conducted by the GMS team in 2011 are to:

- prepare a QSF global project for those designated operators that have decided to join GMS in 2011 and to roll out the system in those countries;
- prepare for the launch of an open tender exercise for the provision of the GMS equipment and services in 2012;
- continue to carry out developments to improve the system;
- organize training sessions for GMS users during the last two quarters of the year.

## **V. Conclusion and decisions expected**

43 Committee 1 is invited to note the report of the GMS IG and to:

- note the work done by the IB to implement Phase I and Phase II of the GMS;
- note that both GMS and UNEX measurement systems are compliant with the GMS technical design;

- approve the use of results obtained from both GMS and UNEX measurement systems for terminal dues purposes;
- approve the proposals to improve the GMS technical design contained in Annex 2;
- note the actions taken to explore other sources of financing to ensure the long-term financial sustainability of the GMS;
- note the work done to study the feasibility of producing a specific GMS report for the calculation of terminal dues for participants in the QS link to terminal dues system;
- note the areas for future GMS development;
- note the actions taken on communications; and
- note the GMS milestones for 2012.

Berne, 31 March 2011

Lee Hon Chew  
Chairman

**List of the 30 designated operators that joined the UPU Global Monitoring System (GMS) in 2010**

Bangladesh  
Belarus  
Benin  
Botswana  
Brunei Darussalam  
Hong Kong, China  
Macao, China  
Costa Rica  
El Salvador  
Eritrea  
Ethiopia  
Ghana  
Gibraltar  
Iran (Islamic Rep)  
Italy  
Japan  
Jordan  
Kenya  
Mali  
Mauritius  
Moldova  
Morocco  
Poland  
Senegal  
South Africa  
Sri Lanka  
Uganda  
Viet Nam  
Yemen  
Zambia





## **Proposals of the GMS IG to fine-tune the GMS technical design**

The GMS IG proposes:

### **I. Design improvements**

- a Criteria for choosing cities to be covered: allow the use of validated real international mail volumes as an alternative means to rank and select cities, instead of relying only on the population criteria currently used. Once selected, the cities will be reviewed again after four years.
- b Adjustments to the 80%-15%-5% design rule for valid mail targets of permanent links, Pool 1 and Pool 2 respectively: introduce an algebraic formulation to correct possible imbalances in allocation.
- c Boosting: duration of boosting is specified to be at least one calendar year from January to December.

### **II. Improvement of calculation rules**

- a Item transit time calculation: remove all holidays, non-processing days and non-delivery days from on-time transit time calculation.
- b On-time performance calculation: modify the on-time performance calculation formula so as to include weighting by format in addition to the existing city and flow weighting.
- c Border control correction calculation: include in the GMS technical design explicit border control correction calculation mechanisms.

### **III. System and panel management**

- a Postage: introduction of meter franking for postage as an alternative to the use of stamps.
- b Delivery addresses: re-defined as street address, P.O. box and permanent (i.e. not temporary address such as hospital, jail or student campus and not mobile address such as mobile home, boat).
- c Data collection: preferably quarterly whenever possible instead of annually as previously stated.
- d Updates and annual review of essential design parameters: introduce yearly review of statistical design parameters.
- e Receiver panellists: allow the use of individual business panellists in addition to private individuals.



**COMMITTEE 1 (LETTER POST)**

**Global Monitoring System Implementation Group (GMS IG)**

**Report of the Global Monitoring System Ad Hoc Group on System Compliance of UPU/GMS for 2010**

<b>1 Subject</b>	<b>References/paragraphs</b>
Report of the GMS TG on the system compliance of the application of the UPU/GMS for 2010.	§§ 1 to 4
<b>2 Decisions expected</b>	
Approve the report and accept the recommendation of the GMS Ad Hoc Group.	§§ 5 to 10

**I. Introduction**

1. The GMS IG agreed to the creation of an ad-hoc group to facilitate and support the work needed to ensure that the UPU agreed measurement systems are compliant with the GMS Technical design.
2. The ad-hoc group met face-to-face with the system providers of the UPU/GMS to determine the system compliance of their application to the GMS Technical Design.
3. This report about the system compliance was prepared by the ad-hoc group with the key observations listed below. The report is submitted to the GMS IG for endorsement to the POC.

**II. Results of the Investigation**

4. The key tasks of the GMS Technical Design are listed in Annex 1 together with the associated observations and compliance ratings.
5. The standard questions that were asked of all the system providers are given in Annex 2.

**III. Decision Expected**

6. The GMS Ad Hoc Group advise that the UPU/GMS application complies with the Global Monitoring System (Technical Design) except for the items described below:
  - 6.1. The P/G format split was not respected in the allocation process from January to September 2010, after which it was corrected.
  - 6.2. There is a panel turnover issue PO Box.

6.3. There are instances of low transponder read rates, which influences the amount of valid test items available to report on. The gate coverage is insufficient in some situations because the gates are bypassed by the operation.

7. The GMS IG is asked to accept and approve the report of the GMS Ad Hoc Group.

Bern, 04 February 2011.

T A Ryall  
GMS Ad Hoc Group Chair

## POC GMS IG Doc XX – Annex 1

List of the key items from the Global Monitoring System Technical Guide with observations on Compliance.

No.	Item	Observation	Compliance
1	Sample Design Country Coverage	<p><b><u>Allocation Test Items</u></b></p> <p>Permanent Links</p> <p>Pool 1</p> <p>Pool 2</p> <p>Adjustment to the allocation is done where the allocation for the Pool 1 links requires adjustment.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
2	Sample Design Country Coverage	<p><b><u>Valid</u></b></p> <p>Permanent Links</p> <p>Pool 1</p> <p>Pool 2</p> <p>In some cases, the overall valid on target of 85% is not expected to be reached for some countries because of issues for delivery date recording for countries using PO Boxes and transponder read rates for some other countries.</p> <p>Appropriate action has been taken to ameliorate the problems by making use of the overage up to the limit of 150% and recruiting more panellists.</p>	<p>Partly</p> <p>Partly</p> <p>Partly</p>
3	Sample Design City Coverage	<p>Demonstrated.</p> <p>The provider checks the information from the questionnaire against other sources other sources for validity such as population against www.citypopulation.de. They use the metropolitan area.</p>	<p>Yes</p>
4	Sample Design City Panellists	<p>Demonstrated.</p> <p>For panellists, they are distributed proportionally with a minimum of 3 per city. They use the same process as for the tender. There is an additional reserve of 10%. Usually, this means that the number of extra panellists is small (one or two). One level A country has 60 instead of 50 panellists because of the number of cities in the allocation process.</p>	<p>Yes</p>

		There are top ups for some small cities.	
5	Sample Design Overall Panellists	Demonstrated.	Yes
6	Sample Design Levels	Demonstrated.	Yes
7	Sample Design Contingency when things may go wrong	Demonstrated.	Yes
8	Sample Design Temporal Coverage	Demonstrated.  Any shortfall in the number of test items earlier in the year is recovered by spreading as far as possible the top up items throughout the year to avoid seasonal bias.	Yes
9	Sample Design P/G Split	As of 2010 the format proportions have been 60/40 instead of 80/20 up to September 2010. The error has now been corrected and an improved approach has been put in place aimed at removing this risk. To correct the output results, the provider proposed to weigh the data to have the 80/20 proportions respected, since there is a performance difference ranging up to 4%.	No  There is a correction in place from September 2010 to ensure compliance from then.
10	Mail Characteristics 50g	Described the make up of the mail. Examples shown.	Yes
11	Envelopes	The envelope formats used are for the C6 and C4 sizes for the P Letter & G Flat respectively.	Yes
12	Addressing Standards	The position of the address is country specific. The position is determined from looking on the postal website or by contact with the post.  The country of destination is always written in English. A specific example was given where the country of destination is preferred in English than in the local language. It was common practice use write the address in English for Middle Eastern countries, not Arabic.  The specification of the country of destination complies with Article 123.3.3 of the Letter Post Regulations.	Yes
13	PO Boxes	PO Box panellists where PO Box delivery is the normal practice is used.	Yes
14	Stamps	Provision of stamps is done through a mix of	Yes

		central and local purchase. There is a thorough process for checking the correctness of the postage.	
15	Priority Stickers	<p>Most outbound countries require priority stickers. A limited number have only one service. Outbound items from those countries bear no label. Where both priority and non-priority services are available, priority stickers are used.</p> <p>The priority sticker is positioned where it is normally placed for that sending country. For some countries, the priority sticker is above the stamps; for others, it is in the middle. It is country specific. They are determined from looking on the postal website or by contact with the post.</p>	Yes
16	Transponders	The system uses both passive and semi-active transponders.	Yes
17	Transponder management	The passive transponders are single use and need little or no management.	Yes
18	Panel	The receiver panel consists of private receiver panellists.	Yes
19	Panel management	<p>The procedure of panellist recruitment, training and transfer of data/information between the panellists and the provider was extensively explained. It was noted that in countries predominantly using PO Boxes, mostly in the Middle east (Saudi Arabia, Arab Emirates and Kuwait), raise difficulties in the management of the PO Box panellists due to either irregular pick-up of mail from their PO Boxes or a high panellist turnovers, which may result in insufficient valid data.</p> <p>As a solution for the irregular pick-up of mail, the provider requires the panellists to pick up the mails from their PO Boxes daily at particular cut-off times (based on the postoffices' cut-off times, if any) or simply in "late afternoon". This has however not solved the problem. The provider proposed two measures that could be tried out:</p> <p>(i) RFID: to equip the post office with an antenna and the panellists with transponders. The additional transponder data can be used to cross</p>	Yes

		<p>check receipt date provided by the panellist, and to indicate whether the panellist checks the PO Box daily.</p> <p>(ii) To allow the recruitment of professional panellists for PO Box countries that are more likely to attend the PO Box on a daily basis. It was further noted that the use of professional receiver panellists may not totally solve the PO Box issue because of the possibility of a mail room effect.</p> <p>Regarding the high panellist turnovers, the provider has employed a local recruitment agency to improve the recruitment process. This solution has however not completely solved the problem of panellist turnover.</p> <p>Due to the problems associated with the PO Box panellists, the panellists become reliable after an extended period of training. In some cases, data may be removed or invalidated after a period of time when the panellist is discovered later to be unreliable.</p>	
20	Bundling	No bundling is done from sent date, sending country, or sending panellist.	Yes
21	Holidays and non-delivery days	The provider collects information (holidays, service standard, delivery days of the week, CTT etc) from the DO's by way of questionnaire once a year. This information is cross-checked, when the panellist confirms receipts of test item, to validate the information supplied by the panellist.	Yes
22	Validation	The item, panel and country validation procedures were extensively presented.	Yes
23	On time transit and time calculation	<p><b>Transit time calculation:</b></p> <p>The use of a test database revealed some discrepancies with expected outputs around holiday periods. It is partly due to the possibility of different interpretations of the text in the technical design.</p> <p><b>On time calculation:</b></p> <p>The UPU IB weight the results by flow and city as specified in the GMS Technical Design of November 2009. This is compliant. Assessment of the On- time calculation similar to test</p>	Yes

		<p>database used for the transit time calculation, was not performed. The UPU GMS provider recommends to the Ad Hoc Group to employ such a test database to perform On-time calculations to both providers to evaluate the compliance of the respective On- time calculations to the GMS Technical Design.</p>	
24	Queries	Some member queries had been received and explanations were given.	Yes



## POC GMS IG Doc XX – Annex 2

## Questions for System Compliance 2010

**Audit**

These are the parameters set out in the UPU GLOBAL MONITORING SYSTEM (TECHNICAL GUIDE) version 14 November 2008:

Collection of data?  
 Allocation of test letters?  
 Production of test letters?  
 Panel management?  
 Validation?  
 Analysis?  
 Calculation?  
 Reporting?  
 Distribution?  
 Statistical Design?  
 Archiving?  
 Organization?

**Principles**

Does it achieve its stated general aims?

Does it produce Precise Diagnostic quality performance results for in bound mail from time of receipt to delivery?

Do we have the delivery standards accepted by the relevant UPU body?

Does it measure First Class (or Priority) mail?

Does it satisfy the terminal dues requirements?

Does it demonstrate temporal control?

Does the system protect the anonymity of the panellists: receiver and poster?

Does the system use RFID technology?

Has any items been identified by postal employees?

Does it satisfy the specific GMS Aims?

Is it Customer driven?  
 Is it Globally applicable?  
 Is it Affordable?  
 Is it Transparent and unbiased?  
 Is it Sufficiently accurate and reliable?  
 Is it External?  
 Is it Diagnostic?  
 Is it Local relevance?  
 Is it Simple?  
 Is it Continuous?  
 Is there At least one permanent flow?  
 Is the Accuracy between 1% and 5% where the terminal dues are applied?

**Sample Design**

Does the design respect chapter 4 of the UPU Global Monitoring System Guide (Technical Design) Chapter 4? In particular, does it respect the following:

Countries in correct Level: A, B, C, D E?  
 Correct selection of cities? Based on population and/or volumes- yes/no?  
 Panellists per city?  
 Panellists overall?  
 No. of Permanent links  
 Evidence of Pool 1? Rotations?  
 Evidence of Pool 2?  
 Overall valid samples per country identified as Level, not by name?

Information should be as anonymous as possible.

Are the Allocation rules followed with respect to the following:

Permanent Link Country  
 Pool 1 and 2  
 City

Are the postings Spread across Days of Week, Weeks, Months?

Does it respect the expected item characteristics:

Letters or Flats? Respect dimensions? Respect percentages (80%/20%)?  
 Under 50g?  
 Priority? Priority Sticker?  
 Single piece?  
 Type Written Addresses?  
 Stamps?  
 RFID transponders?  
 Addressing standards?  
 Check payment?  
 Stamp provision?  
 Retention of test items by recipients? Archive?

Show examples of the actual test items at the meeting if possible.

Receipt points:

PO BOX? Pick times?

**Boosting**

Has boosting been Used? If so, when:

Level?  
 Permanent flow?  
 More valid test items for a permanent link?  
 Pool increase?  
 Other?

**Panel Management**

Are the Receiver panellists private? Do you use any professional receiver panellists?

Training material?

**Quality Control and Validation**

Shortfall redress procedures?  
 Date of posting matches schedule posting date?  
 Validation process? Fit for purpose?

**Calculation**

What are the Non-delivery days? Do you have a survey of holidays once a year or once a cycle?  
 When do you obtain the list of CTTs?  
 How do you do the Item on time and transit time calculation? Test database?  
 How do you aggregated figures to produce the reports? Do you include a city weighting? Do you include a Permanent Link, Pool 1 and Pool 2 weighting? Do you include a Format weighting?  
 Do you include a customs correction?

**Assumptions**

What assumptions have you made (e.g. 85% performance, the use of Stamp, etc)?

**Call For Tender****2.1 Annual review of the statistical design including boosting options**

Update on holidays on a quarterly basis?  
 Annual review of at least the following:

Statistical design in Chapter 4 of the technical design?  
 Permanent links?  
 City selection?  
 Boosting?

**2.2 Allocation of receiver panellists and test items**

Minimum of panellists per city?  
 Are items bundled from same outbound country to same inbound city?  
 Are items bundled from same outbound country to same receiver panellist?

Allocation matrix adhered to (format, city, etc)?

What is the panel turn-over? How much use of reserve panellists?

**2.3 Recruitment of panellists**

Any receiver panellists that are:

Employed by the post?  
 Employed by a market study company or involved in other studies?  
 Is there any evidence of identification of panellists by the DO?

How do you verify that the receiver panellists are not clustered in the same location?

**2.4 Training of panellists**

Are there any issues with this?

**2.5 Duties of panellists**

Are there any issues with this?

2.6 Panel maintenance

How many panellists have been dropped out of how many panellists?

2.7 Production of test items

Is there an identification number or mark on the envelope?

Has the proportion of P Letters and G Flats been respected?

Has the 50g weight been respected?

Are white envelopes used for the test items?

Are window envelopes used?

How do you verify that the test items have been correctly paid for priority mail?

What is the rule on the use of priority stickers? Which sending countries use them and which do not?

What addressing protocol is used?

What language is used on the test items for the country name?

2.8 Transponder management

Are there any issues with this?

2.9 Stamp management

Are there any issues with this?

2.10 IT and data production

What is the level of challenges or queries of the item samples? What are the chief causes of the challenges or queries?

Is the accuracy for each country between 1.0% and 5.0% for countries applying to terminal dues?

2.11 KPIs and timeline

Data recency?

**Amendments through POC Not incorporate in the Technical Guide or the Call For Tender**

Is the city weighting with more than 1 city follow resolution POC 8/2007 between 5% and 60%?

Do you apply the POC rules governing CTT's that they should be no earlier than 15:00?

Do you follow the deadlines for inquiries within 3 months of the results except for November and December of 45 and 30 days respectively?

Have you received requests for force majeure? What rules have been applied?

Application of the customs rules?

**COMMITTEE 1 (LETTER POST)****Global Monitoring System Implementation Group (GMS IG)****Report of the Global Monitoring System Ad Hoc Group on System Compliance of UNEX/GMS for 2010**

<b>1 Subject</b>	<b>References/paragraphs</b>
Report of the GMS TG on the system compliance of the application of the UNEX/GMS for 2010.	§§ 1 to 4
<b>2 Decisions expected</b>	
Approve the report and accept the recommendation of the GMS Ad Hoc Group.	§§ 5 to 6

**I. Introduction**

- 1 The GMS IG agreed to the creation of an ad-hoc group to facilitate and support the work needed to ensure that the UPU agreed measurement systems are compliant with the GMS Technical design.
- 2 The ad-hoc group met face-to-face with the system provider of the UNEX/GMS from IPC to determine the system compliance of their application to the GMS Technical Design.
- 3 This report about the system compliance was prepared by the ad-hoc group with the key observations listed below. The report is submitted to the GMS IG for endorsement to the POC.

**II. Results of the Investigation**

- 4 The areas investigated are listed in Annex 1 together with the key observations and the compliance rating.

**III. Decision Expected**

- 5 The GMS Ad Hoc Group recommends that the UNEX/GMS application complies with the Global Monitoring System (Technical Design) because all the key tasks are performed to a high professional standard fit for the purpose of the payment of terminal dues.
- 6 The GMS IG is asked to accept and approve the report of the GMS Ad Hoc Group.

Bern, 2 December 2010.

T A Ryall

GMS Ad Hoc Group Chair

DER/EAP

ADL

29.10.2010

List of the key items from the Global Monitoring System Technical Guide with observations on Compliance.

The service providers informed the ad-hoc group that all design elements were implemented in January 2010, with the exception of two elements: outbound pool 2 countries and inbound city weighting. The service provider was instructed to put the two elements on hold, pending a UPU consultation round. The remaining two elements were duly implemented after the completion of the consultation round, as of May 2010. The Compliance evaluation here below is based on the full implementation.

The approach and compliance were explained in general and illustrated in detail by a full design account of one inbound DO (B level).

<b>Item</b>	<b>Observation</b>	<b>Compliance</b>
Sample Design Country Coverage	Permanent Links Pool 1 Pool 2  Allocation Test Items	Yes Yes Yes  Yes, based on a 4-week period.
Sample Design Country Coverage	Permanent Links Pool 1 Pool 2  Valid  There are 2 stages to the validation process with the normal checks for the validity of an item from the general information provided by the panellists and is the item usable for the reports according to the eligibility rules of the GMS system.	Yes Yes Yes  Yes
Sample Design City Coverage	Detailed example of process shown.	Yes
Sample Design City Panellists	Detailed example of process shown.	Yes
Sample Design Overall Panellists	Detailed example of process shown.	Yes
Sample Design Levels	Detailed example of process shown.	Yes
Sample Design Contingency when things may go wrong	The allocation has checks during a 4 week period. Possible shortage in week 2 is balanced with an increase the following week. Allocation targets are thereby guaranteed on a 4-week period, whereas the insufficient valid mail during the first half year would not be compensated with e.g. boosts during the second half year, <i>if</i> a shortage of valid mail should appear.	Allocation: Yes Valid mail: Yes Pool 1+2: Yes

Item	Observation	Compliance
Sample Design Temporal Coverage	Allocation process ensures temporal coverage is respected.	Yes
Sample Design P/G Split	Allocation has correctly spread formats per week per country. For permanent links, volumes are relatively high, i.e. easier to reach the correct format. With small volumes, deviations may occur. That is adjusted over a 4-week period. On a quarter level, the proportions are perfect.	Yes
Mail Characteristics 50g	Format dimensions are respected.  20 grams C6  45 grams C5  45 grams C4	Yes
Envelopes	White envelopes are used.  No window envelopes are used. (The Technical Design prescribes address labels be used)	Yes
Addressing standards	Addressing is checked by internet addressing tools in each inbound country.  Examples of the country naming conventions in addresses were given. They showed that the appropriate local custom and practice was observed in applying the country name in the address.  In addition, a survey was carried out with physical examples provided by designated operators of the positioning of the address, the priority sticker and the stamp. It included an agreed specification of the address layout; this specifies where the [name], [residence], [street], [village, town or city]. [postcode or zip-code] and [country of destination]. There is a language specification for the country of destination.	Yes
P O Boxes	No P O Boxes are used in the UNEX GMS study.	N.A.
Stamps	Aim to have central stamp provisions. When not possible, local stamp purchase is made. In a few outbound DOs, the post offices use metering instead of stamps as postage.  There is a thorough process for check of correct postage.	Yes

<b>Item</b>	<b>Observation</b>	<b>Compliance</b>
Priority stickers	<p>Priority stickers are used on all items.</p> <p>The Technical Design states that</p> <ul style="list-style-type: none"> <li>- “UPU regulations do not require a priority indicator...”</li> <li>- The application of a priority indicator is not required by the study design and should be done only in countries where such indicators are widely used... or as requested by the study contractor”</li> <li>- “...Since a timely allocation of test items in the receiving DPO is desirable, the transit time for the outbound segment needs to be as predictable as possible. This means ensuring that items do not accidentally travel by sea or through a second-class mail stream in the country of origin.”</li> </ul> <p>The measurement provider has, after consultation with participating DOs, decided that priority stickers be used, thereby supporting the aim of having an even spread of inbound items on delivery days to panellists and “ensuring that items do not travel through a second-class mail stream in the country of origin.”</p> <p>The UPU was informed during the application of QLMS as best practice. This tradition of custom and practice is reaffirmed through the response to the UPU GMS Ad Hoc Technical Group.</p>	Yes
Transponders	Only semi-active transponders are used.	Yes
Transponder management	No panellist touches a transponder on the sender side (receives envelopes already prepared and sealed). Management includes knowledge of the exact location of all items at all times.	Yes
Panel	<p>Receiver panellists: The panel consists of private receiver panellists. No business receiver panellists are used.</p> <p>Sender panellists: although panellists may be business panellists, they are requested to drop letters in mail boxes to reflect a private panellist behaviour.</p>	Yes
Panel management	<p>The contractor has “sleeping panellists” list.</p> <p>A thorough inquiry about the independence of the panellist (no connection with the Post Office or market survey company or journalism) is made.</p> <p>No business panellists.</p> <p>Extensive account of panellist training.</p> <p>Panellist reporting on test items receipt daily or minimum twice a week.</p> <p>Extensive account of panellist reporting to ensure correct data with several cross-checks.</p>	Yes



<b>Item</b>	<b>Observation</b>	<b>Compliance</b>
Bundling	Bundling is definitely avoided on allocation and posting levels, but may happen involuntarily if the receiver DO is not perfect in service delivery	Yes
Holidays and non-delivery days	A full review is included in the yearly design review. Quarterly updates.	Yes
Validation	An extensive account was given of several validation steps to ensure correct information about item delivery.	Yes
On-time and transit time calculation	<p>The UPU Ad Hoc Technical Group has checked the transit time calculation; it follows the principles outlined in the GMS in that all non-working days are removed.</p> <p>The UNEX GMS calculation applies a customs correction following principles agreed with POC.</p> <p>The on time weighting process has been extended from flow and city to add format following the principles agreed with POC for terminal dues application. It is recommended that a formal specification be included in a revision of the GMS Technical Design.</p>	Yes.

**POSTAL OPERATIONS COUNCIL****Committee 1 (Letter Post)****Global Monitoring System Implementation Group Meeting****(Berne, Switzerland, 2 May 2011)****Report****I. Attendance**

1 The Global Monitoring System Implementation Group (GMSIG) met in Berne, Switzerland, on 2 May 2011. The list of participants is attached at **Annex 1**.

**II. Summary*****Opening of the meeting and adoption of the agenda (POC C1 GMSIG 2011.3-Doc 1)***

2 The Chairman opened the meeting and extended a warm welcome to all the participants. Apart from the change in the order of discussion for Item 3 which would be taken after Item 7, the agenda was approved.

***GMS project – Progress report (Item 2)***

3 The IB made a brief presentation to update members on the progress of the GMS project. The IB would follow up on the following areas:

- To facilitate the GMSIG and the GMS users to better understand the KPI results, the IB would include the targets for each of the KPIs in the presentations and reports on these indicators.
- Recognizing that a number of GMS countries would be joining the QS link in the near future, more assistance should be provided to them to address the specific technical and operational problems they encountered to improve their performance.
- Some GMS users in the APPU region which joined in 2010 had expressed concern over the quality performance and lack of information regarding their equipment installation. To dispel any misinformation or misconception they may have on the matter, prompt action should be taken to address the individual issues of those users and to improve the general communication with all the GMS users.
- Designators operators due to join the QS link should be encouraged to join the GMS as soon as possible to enable them to have more time to cope with the transitional issues to get their performance up to the level to meet the QS link targets.
- More discussions or site visits to reassess operational procedures should be conducted for those GMS countries that have persistently recorded low read rates due to operational bypass of test letters from gates equipped with RFID equipment in order to resolve their specific issues.

- With the change in the IB procurement rules which limited the maximum period of a contract to 4 years, a new call for tender for the supply of the RFID infrastructure and panel management would be undertaken in 2012. The IB would need to draw on support of experts from UPU member countries to assist in this process.
- With the endorsement of Tom on the updated calculation rules for delivery performance, the quarterly reports were expected to be completed and sent to the GMS users in May to be followed up by individual teleconferences.
- Tests for the last mile device and the dual test envelopes would be conducted and a report made to the GMSIG in due course.

#### ***GMSIG report to POC (POC C 1 2001.1-Doc 7a) (Item 3)***

4 The IB briefly presented the GMSIG report to Committee 1 which had been endorsed at the GMSIG teleconference held on 22 March. Regarding the statement in paragraph 32 to request the QSF Board of Trustees to dedicate a certain percentage of the funds to GMS as a quality-improvement priority, Ms McClung from the United States, who was on the QSF Board of Trustees, pointed out that the Board did not have the authority to do that. Nevertheless, requests for review of QSF rules and operations may be directed to the QSF ad hoc group the QSF Board of Trustees would propose to the POC to create which would have the mandate to provide recommendations to Congress on a number of aspects concerning the QSF.

5 As to the need to further develop the GMS to meet members' expectations of moving the system from an inbound measurement to an end-to-end measurement system mentioned in paragraph 36 of the report, the IB pointed out that it had received requests from 13 designated operators for such enhancements to the GMS system. Since the UPU was a member driven organization, such requests had to be considered recognizing the level of resources at the IB and the financing of such enhancements based on the 'user pays' principle.

#### ***GMS double reporting (POC C 1 2001.1-Doc 7b) (Item 4)***

6 The document (POC C 1 2001.1-Doc 7b) on the feasibility study on a report specific to QS link participants based on the GMS design, which was prepared after the teleconference on 12 April and incorporating the suggestions of the Chairs of Committee 1 on the consultation process with the relevant stakeholders, was discussed. The members present raised no objection to the principle of having GMS specific reports for countries that want them for calculation of terminal dues purposes. However, some concerns were raised regarding the costs to be incurred and some members would like to have more information in this respect before they took a decision on whether or not to request for them.

7 The Chair would present the document at the meetings of the GMS QLUG, the Terminal Dues Group and the GMS Joint Contact Committee to seek their views and comments so that their contributions could be taken on board by the GMSIG in its recommendation to the POC. It was agreed that the GMSIG would meet on 6 May to discuss and finalize the document for presentation to Committee 1.

#### ***Methodology for auditing systems on compliance with the GMS technical design (Item 5)***

8 Tom presented the report of the GMS Ad Hoc Group on the compliance of the UPU GMS and UNEX systems with the UPU GMS technical design for 2010. The conclusion of the group was that both systems were compliant. Hence, the results obtained from those measurement systems could be used for terminal dues purposes. It was decided that Committee 1 would be requested to approve this recommendation.

9 In the course of conducting the auditing exercise, the Ad Hoc Group encountered difficulties with the methodology for the audit and in accessing some commercially sensitive data as the members were from postal operators. The Ad Hoc Group and the IB would study the issues involved, including revisions to the auditing methodology and the possible use of external consultants, and submit a report for the 2012 auditing exercise for discussion at the next meeting.

***GMS project plan 2011 to 2013 (Item 6)***

10 The IB reported that it had received a number of requests from GMS members for the following enhancements to the GMS:

- Extension to an end-to-end measurement system
- Progressive integration of UPU continuous testing into the GMS
- Extension to include domestic measurement
- Extension to monitoring other assets such as mail bags and parcels

To meet GMS members' needs and expectations, the IB proposed that a 3-year project plan should be prepared to address the requirements for further developments of the GMS. Such a plan should cover the aspects relating to priorities set by the members, costs involved and the required level of resources.

11 The GMSIG noted the need to meet the requirements of the GMS members but was somewhat concerned with the level of resources the IB would require to cope; recognizing that it was already stretched in the implementation of the GMS. The IB noted the concerns and pointed out that any developments should follow a controlled process with flexible usage of resources including the need to draw on experts from UPU member countries as was the case with the current project cycle for the development of the GMS technical design and the procurement of the GMS services. The IB would prepare a detailed project development plan for consideration at the next meeting.

***GMS Joint Contact Committee meeting on 6 May (POC C 1 GMSCC 2011.1-Doc 1) (Item 7)***

12 The IB said that for the GMS Joint Contact Committee meeting on 6 May, apart from presentations from the GMS service providers and the PTC (on the GMS STAR), there would also be a presentation from GS1 on RFID opportunities. GS1 is an international organization dedicated to the design and implementation of global standards and solutions to improve the efficiency and visibility of supply and demand chains globally and across sectors. The technical standards of the GMS are based on GS1 open standards. The UPU has signed a Memorandum of Understanding with GS1 in December 2010. The agenda for the GMS Joint Contact Committee meeting on 6 May was endorsed.

***Next meeting (Item 8)***

13 The GMSIG would meet briefly on 6 May to finalize the document to Committee 1 on the feasibility study on a report specific to QS link participants based on the GMS technical design.

14 The next GMSIG meeting would be held in Berne on 6-7 September 2011. Members would be provided with more details in due course.

***Any other business (Item 9)***

15 There being no other business, the Chairman thanked all the members for their participation in the meeting and their valuable contribution to the work of the GMSIG.

16 The presentations made during the meeting are contained in the attachments to this report.

**List of participants**

(Berne, Switzerland 2 May 2011)

**GMSIG members**

Mr. Lee Hon Chew (Chairman)	Singapore
Mr. Sakae Kamibayashi	Japan
Mr. Jan Sertons	Netherlands
Mr. Ahmed M. Al-Anezi	Saudi Arabia
Mr. Thierry Golliard	Switzerland
Mr. Albert Tejano	USA
Ms. Flori McClung	USA

**International Bureau**

Mr. Seydou Konaté  
 Mr. Suresh Mansukhani  
 Mr. Antonio Caeiro  
 Mr. Birahim Fall  
 Mr. Stéphane Vuillemin  
 Mr Julius Tsuwi  
 Ms Géraldine Krebs

**Invitees**

Mr. Tom Ryall	Great Britain
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**Absent with apologies**

Mr. Thapelo Kalake (Vice Chairman)	Botswana
Mr. Kai Peräsalo	Finland
Mr. Jagannathan Srinivasan	India
Mr. Arlindo Oliveria	Portugal
Mr. Jaber Aize Al Marri	Qatar