

UPU Global Monitoring System Newsletter

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(Issue No. 4)

As you may have already read in the International Bureau press release "New Global Monitoring System up and running" issued on 4 August 2009, we are pleased to announce that we have reached a new milestone in the GMS project – the GMS pilot's passage from set-up phase to actual testing phase.

With the selection of the GMS service providers in March 2009, the pilot phase involving 21 countries officially began in April. In the past few months, with the support of the GMS Implementation Group, the International Bureau and the GMS contractors have been working closely with the pilot countries to ensure the pilot's smooth set-up.

The actual move from set-up phase to testing phase took place on 3 August 2009. Test letters with transponders will be sent to the 21 pilot countries up to the end of the year. The data collected as the test items pass through the RFID gates in those countries will be transmitted to the UPU and used to help designated operators identify service failures and improve operational efficiency.

This issue of the newsletter provides updates on:

- the selection of the GMS service providers;
- progress of the GMS pilot;
- work on integrating the current Quality Link Measurement System (QLMS) in order to meet GMS design specifications from January 2010;
- development of the GMS governance structure from 2010;
- efforts to finance GMS participation;
- our communication plan with users and prospective users.

Moving forward, the International Bureau has recently issued letters inviting designated operators to participate in the GMS implementation phase from 2010. We urge all designated operators to do so, because any improvement in a country's domestic quality of service is expected to enhance the competitiveness of its international letter-post service.

We will continue to provide you with regular updates on the development of this truly UPU global mail measurement project.

Akio Miyaji
UPU Quality of Service Coordinator

Service providers selected

The open tender process for the GMS RFID infrastructure (comprising gates and tags) and for panel management and test letter production was successfully completed in March 2009. The passive RFID technology (ISO 180006c type (EPC Gen 2), ultra-high frequency (UHF) in the 860 to 960 MHz spectrum), which would provide the most cost-effective solution, had been selected for the UPU Global Monitoring System (GMS).

At the POC plenary session in April 2009, the Director General of the International Bureau announced that AIDA Centre of Spain had been selected to supply the GMS RFID infrastructure and that Quotas of Germany had been chosen as the panel management and test letter production supplier.

AIDA Centre has considerable experience with passive RFID solutions for postal applications in Spain's Correos y Telégrafos. Quotas, which conducts mail measurement surveys for a number of Posts, is currently the International Bureau's panel management service supplier for the UPU continuous testing programme.

Thanks to generous donations from several member countries, the UPU Postal Technology Centre (PTC) has developed an in-house analysis and reporting system, called the "GMS Statistical System for Analyses and Reports (GMS STAR)", used to process and validate test item data, calculate

performance results and produce reports, as prescribed in the GMS design specifications.

GMS preparation – Pilot phase 1

The 21 pilot member countries involved in the pilot phase are:

Aruba*	Romania**
Chile*	Saudi Arabia**
Greece**	Singapore*
India*	Slovakia**
Korea (Rep.)*	Spain*
Malaysia*	Switzerland*
Mexico**	Togo*
Netherlands Antilles*	Tunisia*
Norway**	United Arab Emirates**
Peru*	Venezuela*
Qatar*	

* Countries that require RFID equipment installation

** Countries that already have RFID equipment

After the official launch of the GMS pilot in April, the International Bureau, AIDA Centre (the RFID infrastructure contractor) and the country managers of the GMS pilot members that require RFID equipment conducted site surveys at all their offices of exchange and airmail handling units to determine the exact location and number of gates required for each site. Each country was then provided with a detailed implementation plan and an indication of the related costs.

The site surveys gave pilot members a better idea

of the progress made on the GMS project and an opportunity to discuss specific questions about their participation in it. They also enabled AIDA Centre to see the actual operating environment of the offices where the RFID equipment would be installed, and to decide with the Posts concerned on the best locations for the gates and ancillary equipment, thus ensuring that all the parties involved were consulted and were committed to the project, and reducing the likelihood of problems when the equipment was eventually delivered for installation.

All the equipment, shipped to each site in June and July, has now been successfully installed and certified by AIDA's engineers.

For pilot members with RFID equipment, a validation process was conducted to ensure that their equipment complies with GMS measurement specifications. They were also required to ensure, with their RFID infrastructure suppliers, that the data captured by their equipment are properly routed to the GMS STAR. An interim solution has been developed, pending the development of direct transfer arrangements.

As regards panel management, the recruitment and training of panellists have been completed. The dispatch of test letters with RFID transponders began in August 2009.

To facilitate identification of the RFID tags to be used for the GMS, the International Bureau has developed a specific tag numbering system (licence plates). It has also worked closely with the current supplier of the UPU Quality Link Measurement System (QLMS) to ensure that tags bearing the UPU licence plate can be read by its RFID equipment and that the data are transmitted to the GMS STAR.

GMS up and running – Pilot phase 2

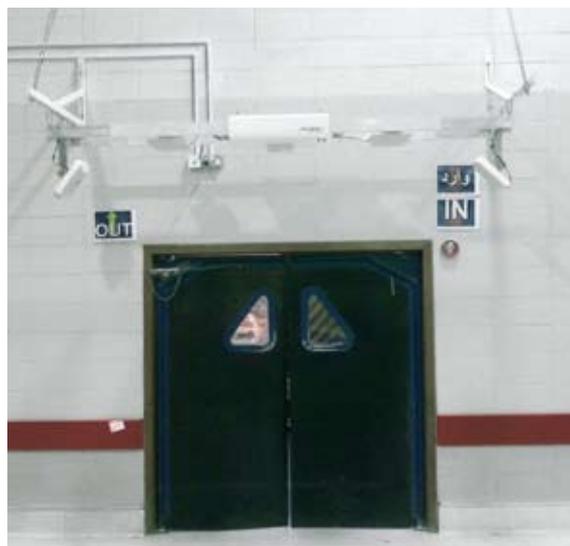
The pilot's operational phase, using live test items, began on 3 August and will continue until year's end, with the calculation of countries' performance and the monthly transmission of GMS reports to all participating members.

The actual roll-out of the GMS with the 21 pilot members will take place next year. More countries are expected to participate from 2010. On the basis of a phased implementation approach, the GMS should have 100 participants by 2012.

Implementation phase

For the project's next phase, the International Bureau sent out letters on 8 July 2009 inviting designated operators to take part in the GMS project's implementation phase for two years, from January 2010 to December 2011.

Participation is open to all designated operators. The International Bureau can help operators without RFID equipment to acquire passive-type equipment as part of the current UPU contract. It can work with operators that currently have semi-active RFID equipment to ensure its integration into the GMS and that the GMS data generated can be properly transferred to the GMS STAR.



For the GMS operational arrangements planned, the passive tags to be supplied under the UPU contract cost 0.3 USD each and will therefore be disposed of after use. For semi-active tags, however, which cost some 20 USD each, an arrangement for their re-use will be needed, resulting in a slightly higher tag management cost. Recognizing the potential long-term savings that passive RFID technology can provide, two pilot members, Switzerland and Spain, both with semi-active equipment, have decided to install passive equipment in their offices of exchange.

The GMS is designed to meet the basic requirements of quality performance measurement linked to terminal dues payments, with priority given to diagnostic performance measurement of the destination designated operator's inbound leg. As an added option, the GMS could also meet end-to-end measurement requirements for individual designated operators.

The cost of participating in the GMS depends on the amount of RFID equipment required and the running costs for diagnostic mail measurement. The International Bureau will work closely with individual designated operators to provide precise and detailed information on the cost of meeting their specific needs.

It is planned to have the GMS operate on a «user pays» principle. All designated operators joining the system will be asked to agree to fund the necessary costs on a proportional basis. However, as with the current GMS pilot, the International Bureau will formulate a global project to help designated operators to use their QSF resources to finance the first two years of their participation in the GMS.

Toward GMS integrity

GMS Taskforce report

The GMS Implementation Group (GMS IG) was instructed by POC Committee 1 to cooperate with the appropriate POC bodies in preparations for the integration of the GMS, which include adjustments to the current QLMS to meet GMS design specifications from January 2010. To

facilitate and support this task, the GMS IG Chair, in consultation with the Quality Link User Group (QLUG) Chair, set up a taskforce in April 2009, consisting of experts from the GMS IG and the QLUG, to be chaired by Tom Ryall of Great Britain.

The taskforce completed its work in early June and produced two reports dealing with questions that had arisen during work to make the QLMS and GMS designs compatible. The reports contained recommendations on the changes needed by current QLMS users to achieve this compatibility with the GMS design.

As implementation of these changes could have consequences for QLMS participants, a consensus had to be reached. QLMS participants were consulted and, although the vast majority of them agreed to the changes, a number of them expressed concerns. The International Bureau and the GMS IG and QLUG Chairs are working with the members in question to resolve these issues so that work can proceed on modifying the QLMS in line with GMS design specifications with effect from 2010.

GMS governance structure

To facilitate the roll-out of the GMS pilot phase, the POC in October 2008 had approved an interim governance structure comprising the GMS IG, the pilot members, invited technical experts, the contractors and the International Bureau, to support and manage the pilot phase.

The GMS IG, in consultation with the QLUG, will propose a governance structure for the GMS implementation phase intended to embrace all designated operators that apply the UPU provisions on the quality of service link to terminal dues and/or participate in the UPU GMS. That proposal will then be submitted to the 2010 POC for consideration and approval.

Financing GMS participation

One of the main objectives of the GMS is to provide participating designated operators with the diagnostic performance information needed to monitor the quality of their international letter-post service and take appropriate action for improving services where required. It is therefore possible for the set-up and running costs incurred during the first two years of participation to be financed from a country's QSF assets. The QSF Board of Trustees has acknowledged the high priority of the GMS project, which all members should implement, since the diagnostic results will serve as a tool for evaluating designated operator performance in implementing projects financed through the QSF.

The International Bureau will work closely with the QSF Board of Trustees to formulate a special project for countries participating in the GMS from 2010 that wish to use their QSF resources for this purpose; as an alternative, designated operators can voluntarily finance their own participation. Efforts will also be made to secure voluntary contributions from member countries to help finance the project.

As an incentive, countries participating in the terminal dues measurement system will receive a terminal dues increase of 2.5% for their entire inward letter mail flow from other participating countries, with an additional 2.5% increase for meeting the quality target set for the year in question.

The best way to ensure the sustainability and long-term viability of the GMS is for designated operators to finance the capital and annual recurrent costs of their participation from their own operating budget.

Interaction with users – workshops

Recognizing the importance of the GMS to the UPU community and to ensure that members fully understand the benefits and implications of the system, the International Bureau plans to organize a series of workshops for GMS country managers in 2009 in various regions to provide information on the GMS, explain the GMS project plan for 2010 and provide specific training on data analysis and quality improvement.

The second workshop for GMS country managers will be held in Berne during the CA session in October to review the progress of the pilot, share experiences and resolve specific problems encountered. Designated operators planning to join the GMS from 2010 will also be invited to attend.

Meetings

To ensure the smooth running of the pilot and to plan both the GMS country managers' meeting and roll-out of the project's implementation phase, the GMS IG will meet in early September and again in late October during the CA session.

Expert taskforce meetings involving the GMS suppliers will be held during the next few months to coordinate and evaluate the activities relating to the pilot and to resolve any problems that may arise. The International Bureau will also work closely with the countries joining the GMS in 2010 to facilitate their participation.

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