

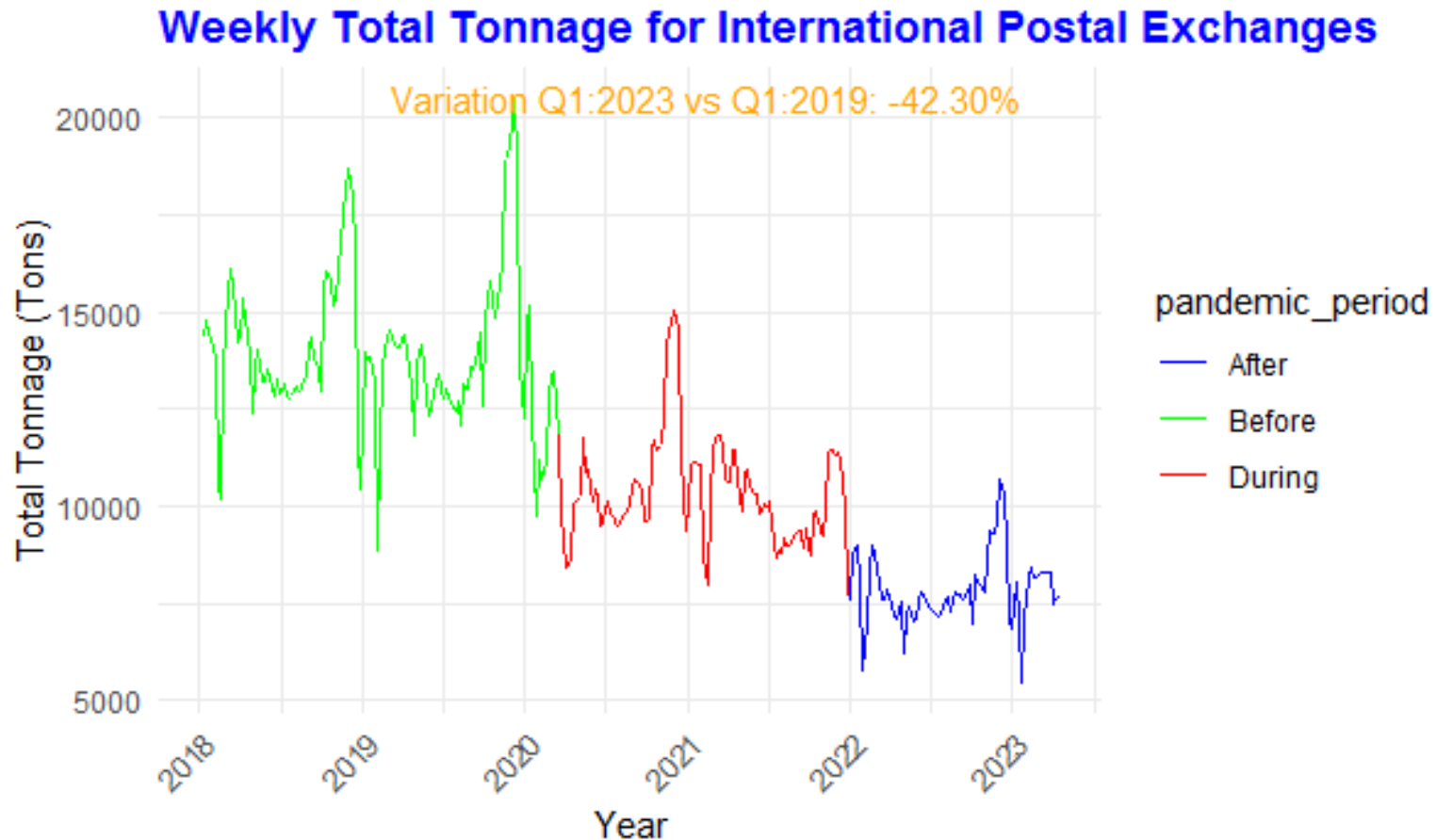
Task Force on the Opening up of the UPU to Wider Postal Sector Players

Proposals to the UPU Council of Administration on Institutional Reform,
Access to UPU products and services,
and Reform as a continuum

Presentation to the Copenhagen Economics Conference, May 8, 2023

2018-2023 international postal tonnage

Tonnage view: post-pandemic international postal exchange patterns differ from pre-pandemic times and there is no clear sign of a tonnage rebound to date



Post-pandemic international postal tonnage still below pre-pandemic levels:

- -42.3% decline in tonnage between Q1 2019 and Q1 2023 (compound annual growth rate (CAGR) - 12.8%).
- No international tonnage recovery in 2022 with lowest ever end-of-year peak volumes.
- Lowest ever tonnage volatility, signaling stabilization in the evolution of traditional international postal exchanges and difficulties in returning to pre-pandemic levels.

Note: international postal exchanges refer to UPU mail classes U, C and E

Source: UPU

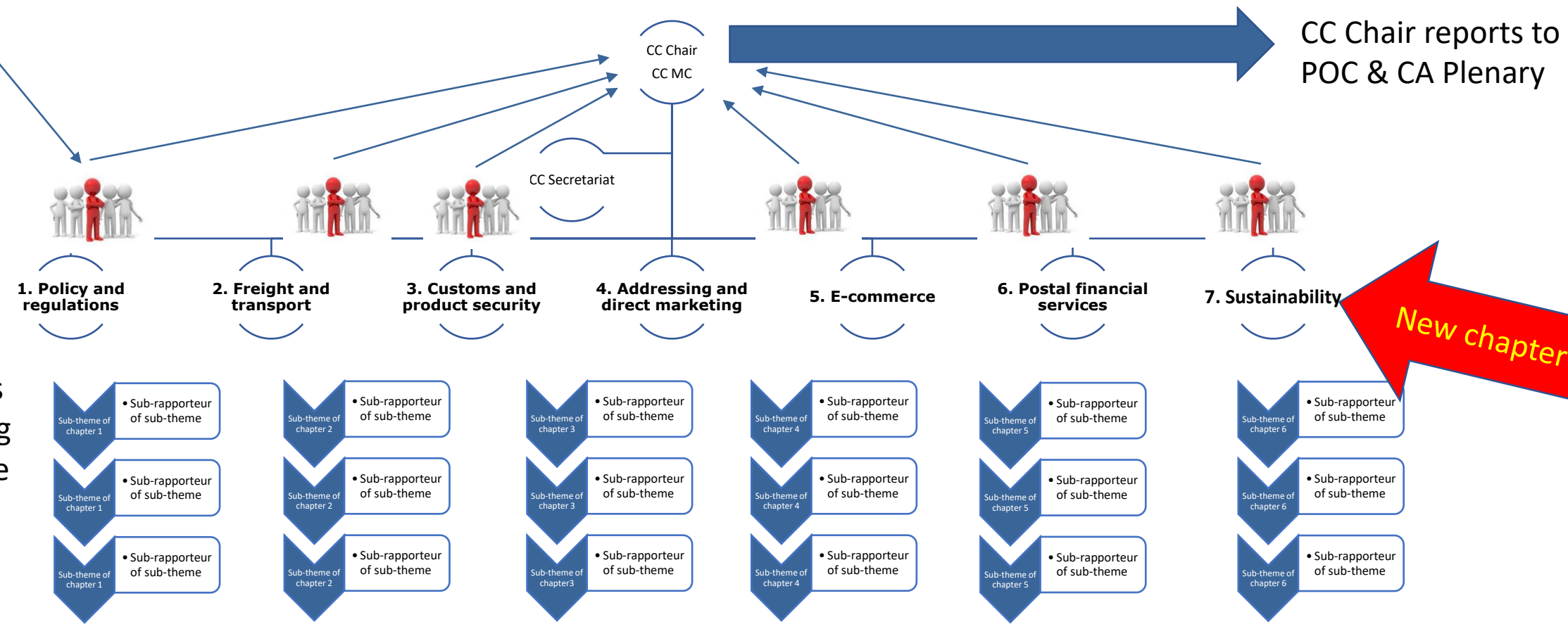
Workstream 1: Institutional reform

Updated CC structure

Chapter rapporteurs



Provide input to POC/CA committees and working groups once input has been cleared by CC Chair



Workstream 2: Access to UPU products and services

Mandate and context

Workstream 2 – technical review of UPU products and services

- A CA C 2 set up an Expert Team (ET) after S1 to conduct the technical review of the UPU products and services to be opened up for WPSP access

Basket 1

Existing UPU products and services approved in the Istanbul cycle

- .POST solutions
- UPU supply chain solutions
- POST*Net Finance solutions
- GMS
- OSCAR
- Trainpost
- UPU*Clearing

Basket 2

Access to IB secretariat support and analysis, research on market trends

- Legal advisory services
- Access to address / contact lists
- Access to Union documents
- Research and analytical services to WPSPs
- Provision of consultancy services on UPU solutions

Basket 3

Access to UPU solutions for interoperability/ interconnection

- Supply chain supporting tools
- PosTransfer solutions
- Mobile apps postal payments
- Exception-handling solutions
- Mobile apps track and trace
- Other GMS solutions
- Postal security certification
- IMPC codes
- Remuneration solutions
- Addressing solutions

Outcomes

Package 1A: interoperability/interconnection package

Interoperability model 1

Direct Entry Model

Interoperability model 2

Transport Interoperability and
Interconnectivity Marketplace

Interoperability model 3

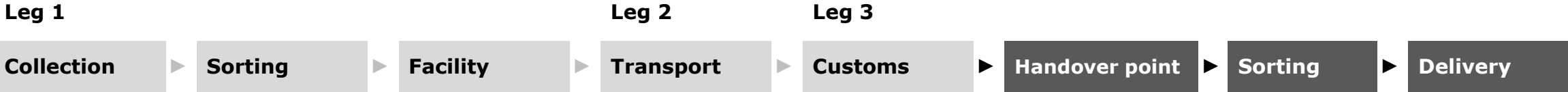
First Mile Injection Model

- All 3 interoperability models would be entirely **optional and voluntary** for any party, in particular DOs
- All 3 interoperability models **exclude** the use, by WSPSPs, of CN forms, IMPC codes and UPU remuneration rates (use of these solutions and systems are exclusive and specific to DOs processing of postal items)
- Assessments of positive and negative impacts (including on QSF contributions) will be carried out after the EC. Results of any pilot tests (if shared) will help inform assessments and discussions to shape future proposals to the 2025 Congress.

Outcomes

Package 1A

Interoperability model 1: Direct Entry Model



Operational, technical, legal and policy framework that ensures that two entities, of which one is a DO and the other a WPSP, can exchange items between them for partial processing in their respective value chains

Items are presented on a purely commercial basis and at any point in the value chain after customs clearance

Direct Entry Model excludes the use of CN forms, IMPC codes, UPU remuneration rates and any other operational procedures that are exclusive and specific to the processing of postal items

Interoperability Framework Agreement (IFA) and bilateral contract to give effect to the Direct Entry Model

Outcomes

Package 1A

Interoperability model 2: Transport Interoperability and Interconnectivity Marketplace



Model where designated operators and the wider postal sector players can interoperate and interconnect through a transport marketplace (TIIM)

TIIM, once implemented, would become UPU's leg 2 marketplace services that brings together demand and supply of international transport services of postal or commercial items

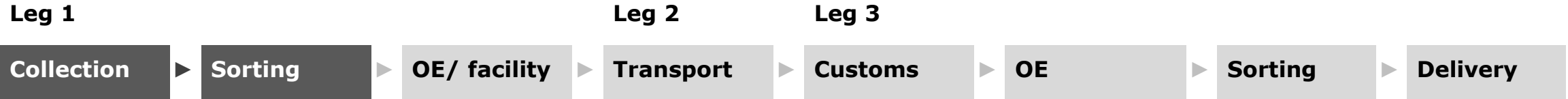
TIIM is essentially a platform-based IT system that consolidates all relevant information behind specific data points in terms of mail transport demand and supply of the cargo capacity offered by certified UPU partners

All modes of transport, i.e. international road, rail, sea or air cargo/ freight services
TIIM to provide capabilities to book, schedule and track consignments

Outcomes

Package 1A

Interoperability model 3: First Mile Injection Model



Model where DOs and WPSPs can interoperate and interconnect at any point in the postal value chain prior to the preparation of dispatches of mail at the OE in the country of origin

Model essentially concerns the development and implementation, on a voluntary basis, of an IPS interface to facilitate the flow of data collected by the WPSP to the origin DO relevant to items injected by the WPSP into the UPU postal stream at a facility in the country of origin

UPU would provide for a single standard from a DO perspective on UPU (technology) solutions. The UPU Standard interfaces to provide capabilities for WPSPs to easily ship postal items, capturing or generating all the UPU postal data necessary to comply with the UPU acts

PTC already provides extensive integration possibilities with UPU technology

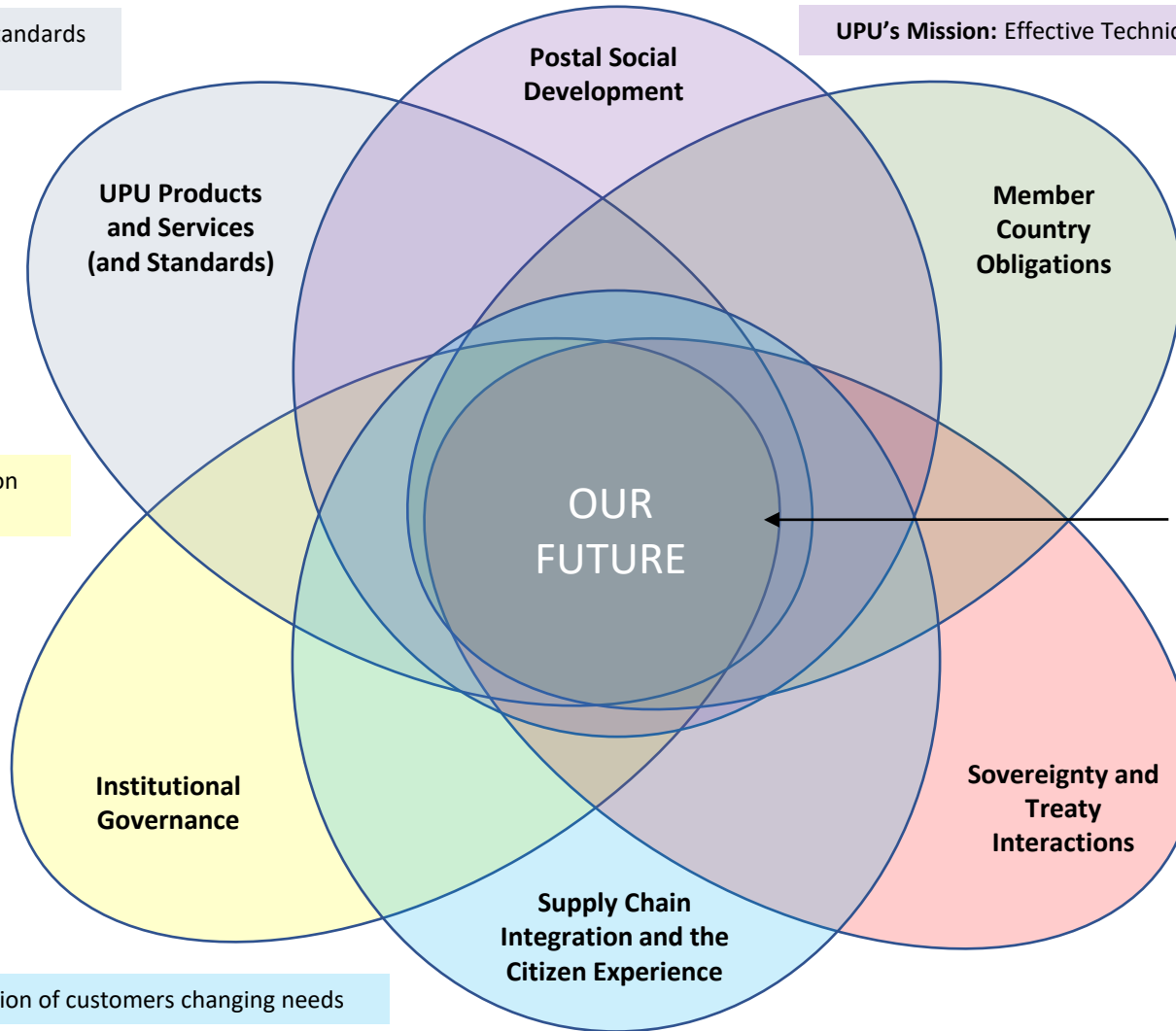
Workstream 3: Reform as a continuum

Developing 'Our Future': Possible Axes of Study

UPU's Mission : Adoption of fair common standards and the use of technology

UPU's Mission: Effective Technical Cooperation (and assistance)

UPU's Mission: Countries shall form a single postal territory for the reciprocal exchange of postal items



UPU's Mission: Cooperation and interaction among stakeholders

Sustainable Development Goals (SDGs)

UPU's Mission: A single territory of interconnected networks.

UPU's Mission: Satisfaction of customers changing needs

Thank you