

# Standardisation in last mile delivery of single items to individuals

Walter Trezek

CO-Chair of the e-Logistics Working Group, Ecommerce Europe





# e-Logistics: a pressing need for Integrated European / Global Solutions

Walter Trezek: CO-Chair e-Logistics WG, Chair CEN/TC331 WG2, Chair UPU CC



# Digital Single Market

Building the next-generation  
eCommerce ecosystem:  
Digital infrastructure meets big data



*In the past:* Small data for handling big volumes



*The future:* Big data for handling individual items

# Key: align merchant service to customer experience

1. Lack of global playing field for service providers
2. Lack of standardized interface specification to exchange data and to harmonize labelling
3. Lack of information on differences in service and standards
4. [In some cases] Lack of track and trace services
5. Lengthy delivery times throughout Europe
6. Customs and VAT administration
7. Reverse logistics [for small volumes]
8. Lack of transparency in pricing



# Driving regulation, shaping the market

The legal and regulatory framework conditions are set by the EU / UPU.

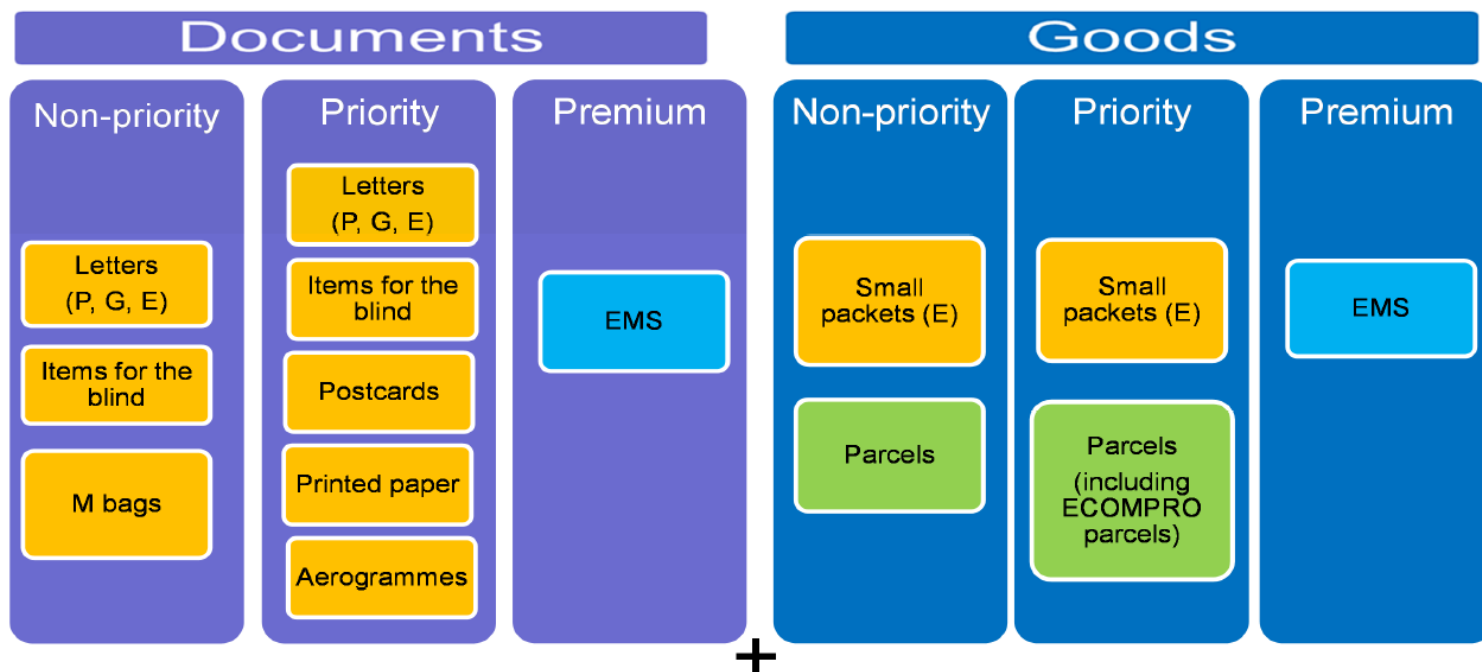
The wider stakeholders can contribute, further specify and agree on the necessary technical and service oriented standards. This is done in technical committees, in a process based on consensus (CEN) or by the members of the UPU (192 countries).

Challenges	Regulatory frame	Solution
Level playing field for all Carriers		USO: Postal Services; Products & Services
Data Interfaces & Item Identification		2 new Mandates & TS17073
Quality of Service, Customer Care		EN 14042
End-2-End Track and Trace		TS 15472
Delivery Time		1 new Mandate (incl. all postal items)
Interfaces: Customs & Import duties/VAT		1 new Mandate (EAD)
Returns		UPU / CEP & GS1 Standards
Tariff & Infrastructure transparency		Termination fees (New EU Parcel Reg.)



# Sectorial separation: Content

**Postal items** (Const. art. 1bis1.6bis)  
(Weight thresholds, dimensions and sizes are as defined in the Regulations: articles 17-103 to 17-105 inc. and 17-203)



**Menu of value-added service feature options**  
(details to be added after the results of the "Survey on mandatory and optional services" have been analyzed)

Key:

Basic services (Conv. art. 17)		Optional service (Conv. art. 36)
Letter-post items	Parcel-post items	EMS



# Sectorial separation<sub>(cont.)</sub>: Markets

## B2B Delivery Market (Logistics and Transport)

Different legislation,  
regulation and  
documentation for

- Road
- Sea
- Inland-water
- TRANSPORT
- Air
- Rail

## B2C Delivery Market (delivery single items to individuals)

Highly regulated national, European  
and global “POSTAL” markets

- Postal Letter items (containing documents)
- Postal Parcel items (containing goods)

# Postal: changes 2018

## Documents:

a letter-post, parcel-post or EMS item consisting of any piece of written, drawn, printed or digital information, excluding objects of merchandise, whose physical specifications lie within the limits specified in the UPU Regulations;

## Goods:

a letter-post, parcel-post or EMS item consisting of any tangible and movable object other than money, including objects of merchandise, which does not fall under the definition of "documents" as provided in paragraph 1.4 above and whose physical specifications lie within the limits specified in the Regulations



## Postal: changes 2018 (cont.)

**small letters (P)** containing documents only, as in UPU articles

**large letters (G)** containing documents only, as in UPU articles

**bulky letters (format E)** containing documents only, i.e. items classified neither as small letters nor as large letters, with physical specifications as defined in article 17 of the UPU Convention and in articles

**AND**

**small packets (format E)** containing goods, with physical specifications as defined in article 17 of the UPU Convention

**Mandatory application of S10 barcode and CN 22 or CN 23 on small packets (E-format items) containing goods**

# Postal: changes 2018 (cont.)

## New global cross-border postal rate system

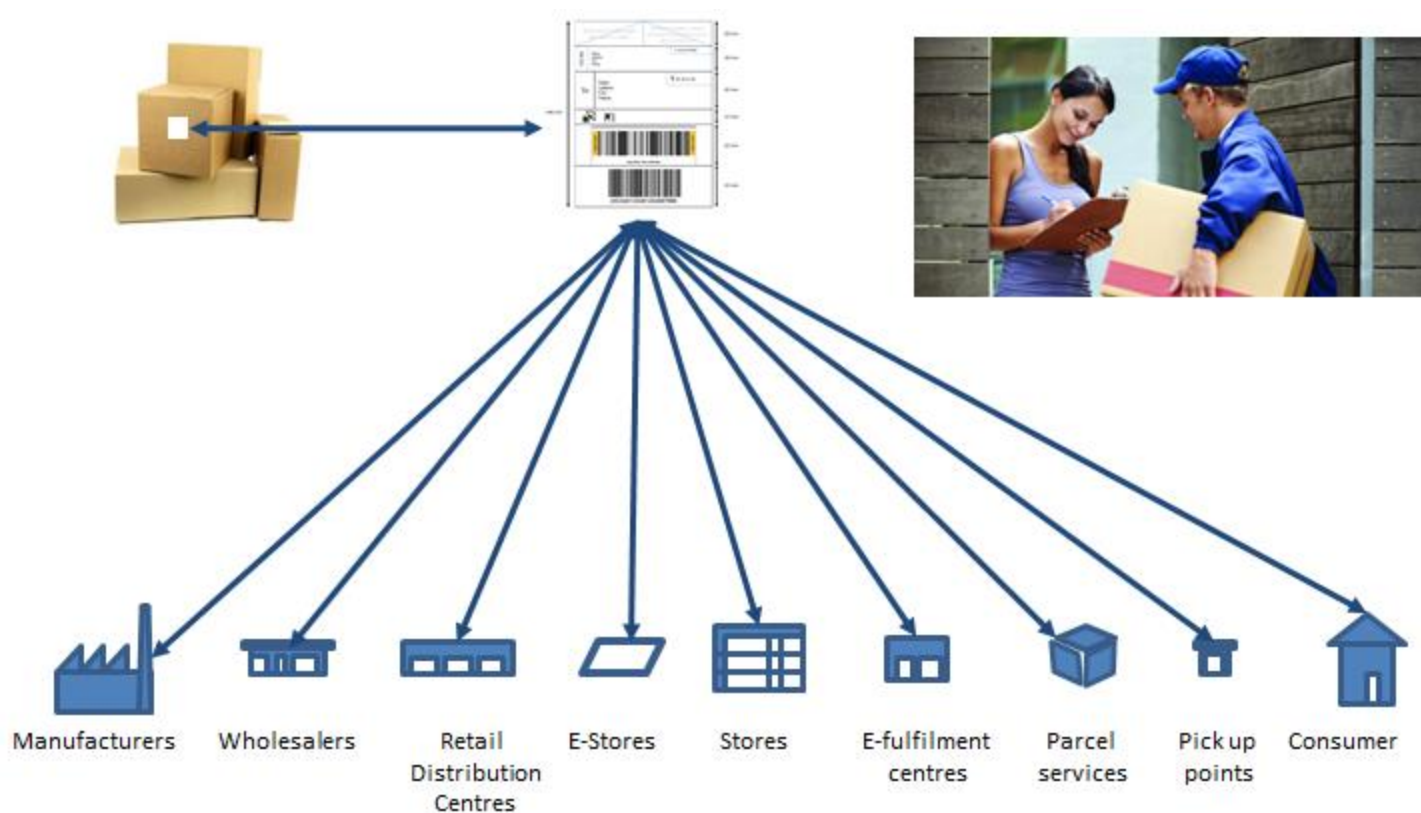
Compared to cross border letter post items, the access remuneration per item containing merchandise\* to third party postal territories, will be increase by approx. 120% on Jan 1<sup>st</sup>, 2018.

The fee for registering letter post items without specified content will be increase by approx. 80%.

Pure letter post items, containing transactional mail or correspondence will see an increase of 3% per annum.

\*Merchandise: “anything that is bought or sold wholesale or retail), i.e. anything that is the object of trade and commerce, or an article of commerce”

# Marrying parcel ID & parcel content





# Harmonised “CEN” label: CEN/TS17073\*

Responsible delivery - CO2 neutral		Packages <b>1 of 3</b>
		Weight <b>5 Kg</b>
No signature required		
FROM	Service courier GeoPost 9 rue Maurice Malet 92130 Issy Les Moulineaux France	
TO	Perfect Barcode Ltd 123 Straightandnarrow Street Smethwick West Midlands - B66 1 BY GB - England	
Account 907865		+33(0) 1 41 33 90 00
0044 12 500 2500		Contact : Fred Smith
0110 2532 9483 75 8		EXPRESS BY 12
Track		Service
<input checked="" type="checkbox"/> 12		GB-GUK-0550-BHM1
901-GB-B661BY		30
		0866 1BY0 1102 5329 4837 5901 826L
		(00)340123451234567895

Information on the origin post (name or logo)		Product identifier, service level, postal network used to process the item	
FROM	Name Address City Nation	+12345 678901	
To	Name Address City Nation	+98 76 432 109	
		HA 976 774 739 AU	
		(00)340123451234567895	

Zone	Information content	Mandatory (M) / Conditional (C)
A0	Origin operator	M
A1	Product identifier	C
A2	Network identifier	C
A3	Service level indicator	C
B0	Sender name	M
B1	Sender address	M
B2	Sender telephone number	C
B3	Sender customer account number	C
C0	Addressee name	M
C1	Addressee address	M
C2	Addressee telephone number	C
D	Instructions	C
E1	Item identifier (S10) or other unique identification of the item as defined by proprietary carrier coding, including the UPU implementation of ISO/IEC 15459-1 (the licence plate standard) and an associated label for the identification of parcels	C / M <sup>a</sup>
E2	Item identifier (SSCC) Unique identification (SSCC) of the item is based on the company prefix of the shipper (GCP) as defined by GS1.  NOTE GS1 is a non-for-profit organisation. Users might need a license issued by GS1.	C <sup>b</sup> / M

<sup>a</sup> The UPU Item identifier is mandatory for postal items within the UPU network, as specified in the UPU treaties and conventions.

<sup>b</sup> In case only UPU designated postal operators are involved in the cross-border delivery they may choose to use the UPU identifier only.

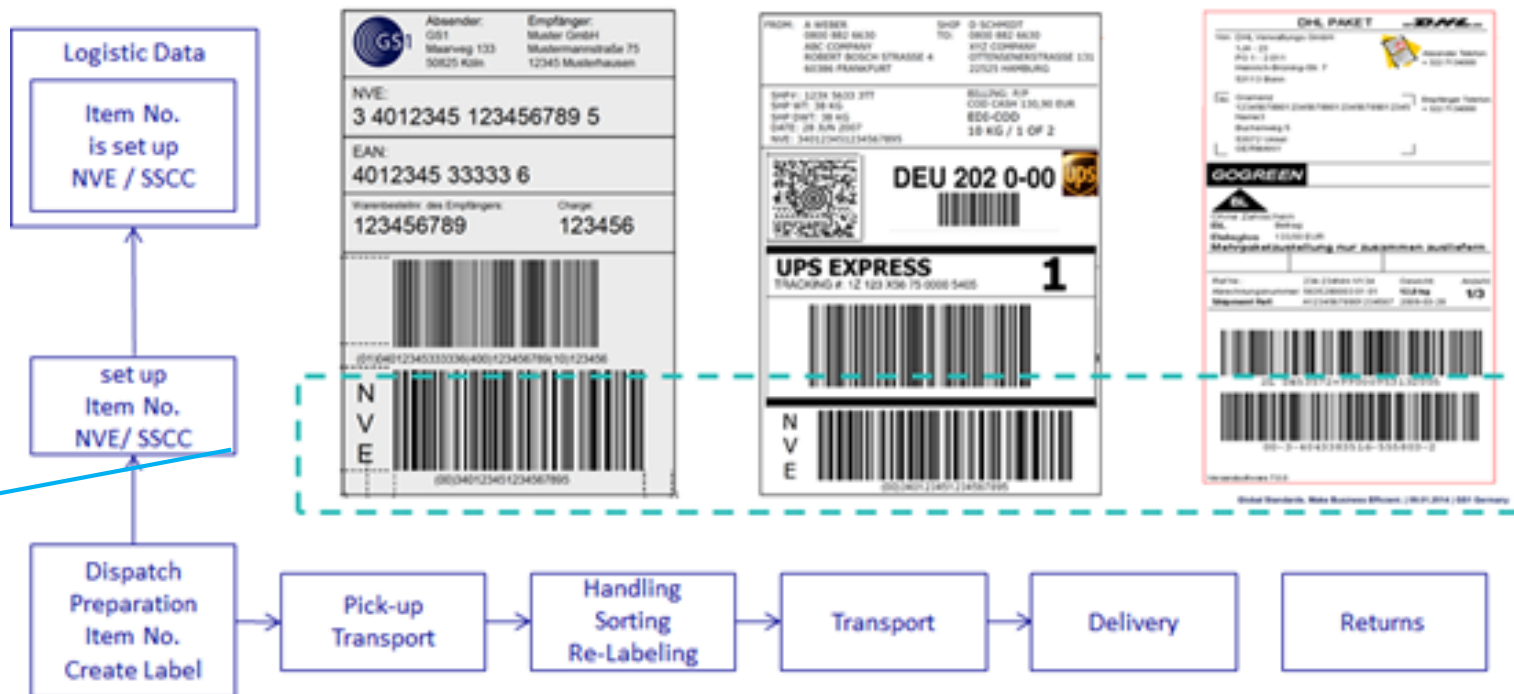
When the Item is intended to be transported in the UPU network (by those postal operators, designated by the member states to fulfil the obligations of the treaties of the UPU) there might be no need for another barcode but the UPU S10 compliant barcode. It is possible (due to the technical capabilities of the different postal administrations) to have challenges when UPU S10 compliant identifiers and SSCC identifiers are used on the same label.

\*CEN/TS 17073:2017 - Postal services - Interfaces for cross border parcels



# Bottom-most Barcode is harmonised

GS1, the not-for-profit international organisation provides the necessary harmonised infrastructure





# Multi-Carrier & Multi-Channel environment

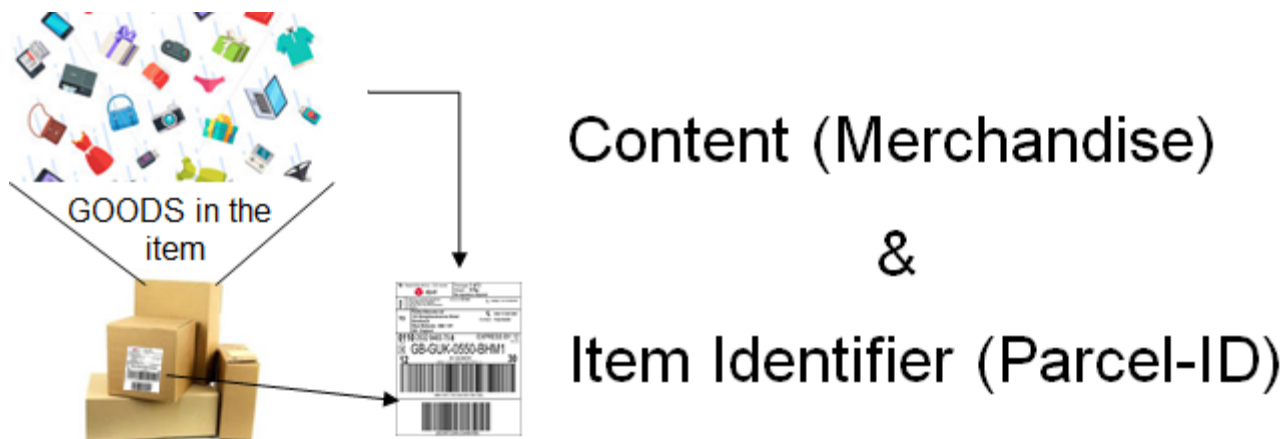
**One size label, for all carriers & postal services**

**Driven by the senders**  
(all carriers support)

**Linked to the „First logistic Operator“**



# The Item ID was the 1<sup>st</sup> step ...



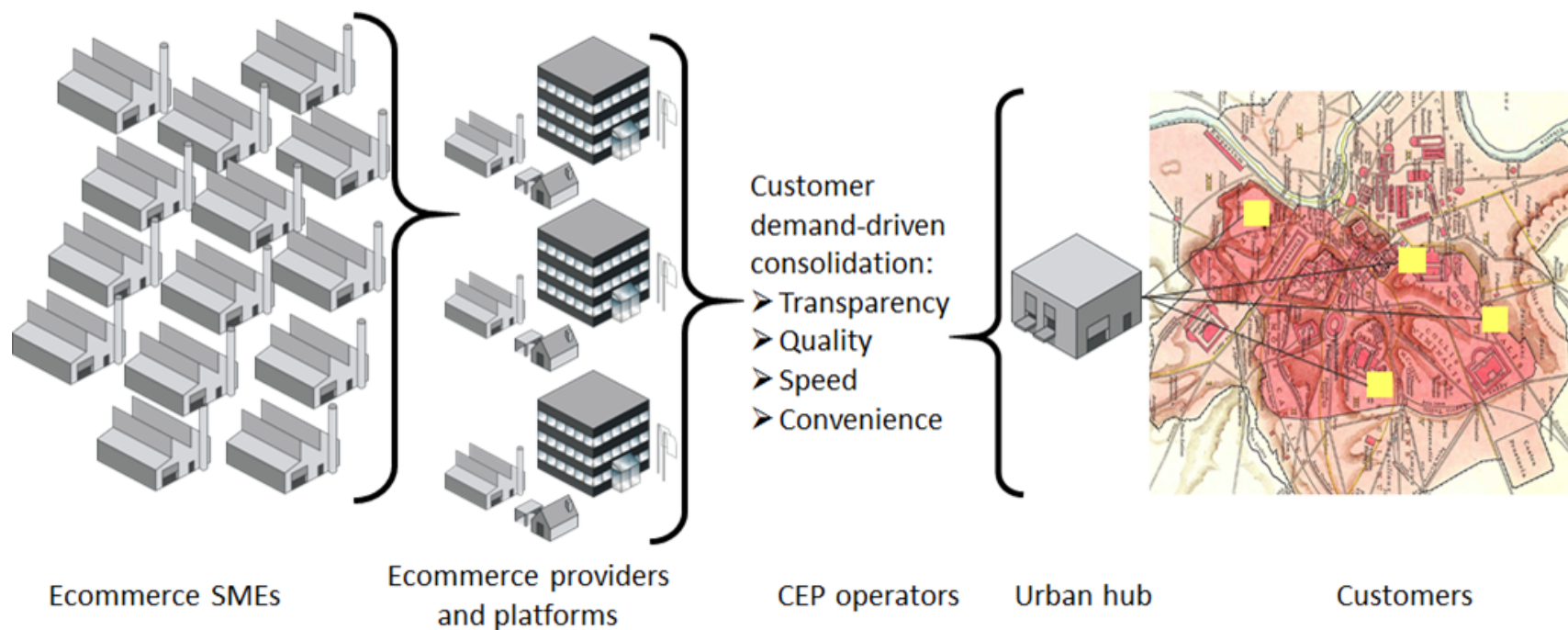
**Combining the closed Carrier / Postal parcel ID & open supply-chain licence plate functionalities**



# Collaboration in the Last Mile

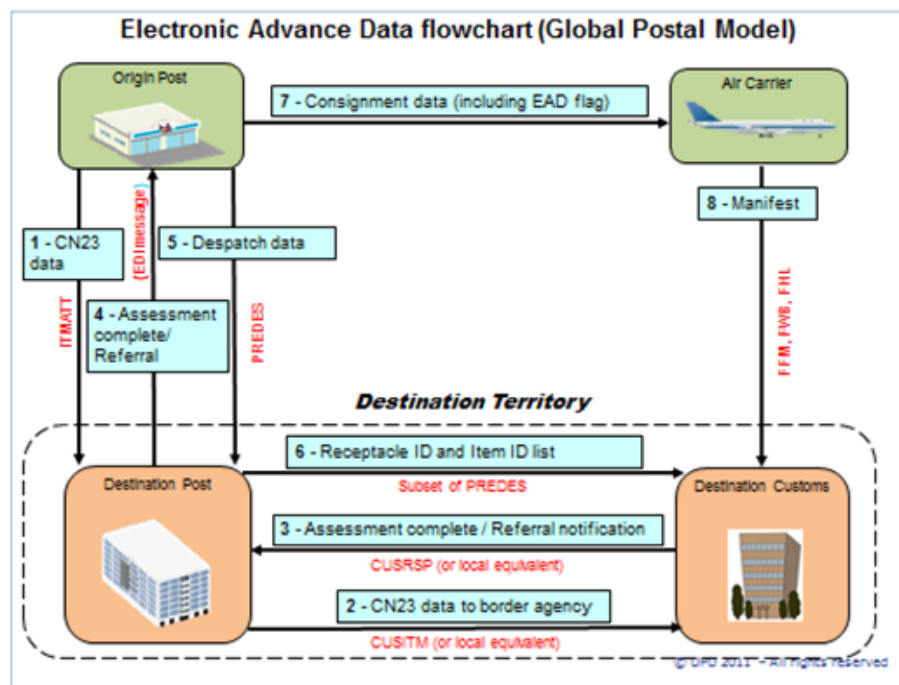
- Last Mile is an extremely costly component in the end-to-end logistics supporting Value Networks.
- The Last Mile costs may exceed 50% of total end-to-end logistics costs
- Over 50% of world population lives in (congested) urban areas today. Expectation is >70% by 2050.
- Delivery to these areas becomes increasingly unsustainable.
- Collaborations of various kinds are required to address the issues in Last Mile environment.

## B2B2C leads to delivery chain management



## 2<sup>nd</sup> step: Matching Item ID & Content

Requirements for electronic advanced data (EAD) in postal operations, in particular compliant to security and customs requirements\*



Source: IPC / UPU – proprietary (closed) solution

\*Mandated WI by the EC – kick-off in November 17

## 3<sup>rd</sup> step: Ecosystem



Requirements to connect, access, participate and further develop open global networks and systems, for postal operators & the wider postal sector players\*

\*Mandated WI by the EC – kick-off in November 17



# Parcel Regulation

**Based on: Council & European Parliament documents**

Shift from „necessary universally available provision“ to a „holistic“ market regulation: Instead of USPs, now all “providing parcel delivery services, employing not less than 25, unless that provider is established in more than one member state” in the EU common market. (even extended to the collaborative economy, e-commerce platforms and 3rd and 4th party logistics providers)

“TRADER” is a new subject of the Regulation. Pre-contractual Information and Quality of Service related obligations, lead to an obligation to directly offer access to digital tools available only via an extensive third-party (the physical delivery operators) integration for track and trace, the choice of individual delivery, pick-up, drop-off or collection times.

In principle:

**We welcome that the parcel delivery market will be conducted by all market participants.**

However stopping halfway – extending the parcel delivery provision to ALL, without treating ALL equal, leads to a serious distortion of the market.





Thank you!

Questions?

## Walter Trezek

Austrian Standards Institute (ASI):  
Chairman “Postal Services & Office  
Communication”; Presidential Advisor

Ecommerce Europe: CO-Chair, e-Logistics  
WG

European Committee for Standardisation  
(CEN): TC 331, WG2 „New digital postal  
services“ Convenor & Secretary. Liaison  
officer of CEN to ETSI TC ESI

Universal Postal Union (UPU): Chairman of  
the Consultative Committee & Liaison  
officer of CEN to UPU

