

COUNCIL OF ADMINISTRATION
Committee 2 (Universal Service Obligation, Regulatory Affairs and Postal Regulation)
Publication of member replies to survey on main aspects of universal postal service
Memorandum by the International Bureau

(Agenda item 7)

1 Subject	References/paragraphs
/ Results of the annual survey of member countries on provision of the universal postal service, conducted by the International Bureau in accordance with Istanbul Congress resolution C 21/2016 (Further strengthening the activities of the Union in the area of postal regulation).	§§ 1 to 21 and Annex 1
2 Decision expected	
CA Committee 2 is invited to take note of the results and analysis, and to provide any feedback and/or observations.	§§ 22 and Annex 1

I. Introduction

1 The UPU International Bureau (IB) conducts an annual survey on the provision of the universal postal service (UPS) by member countries, and reports the results to the Council of Administration and to the other member countries. The most recently updated survey was circulated to member countries in July 2017.

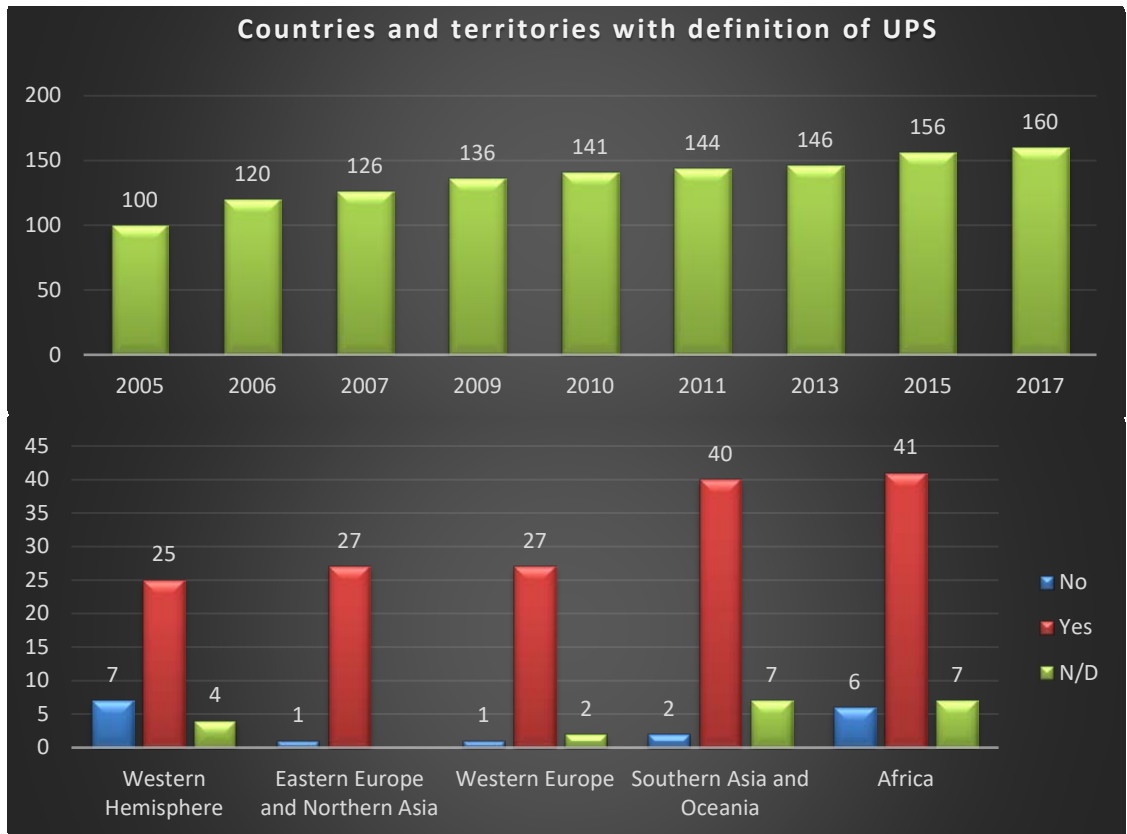
2 The 2017 survey included changes to section 1 (Definition and scope of the universal postal service), section 2 (Access standards), section 3 (User/customer satisfaction standards), section 6 (Liability, treatment of inquiries) and section 7 (Financing of the universal postal service), and introduced a new section 10 (Policy changes). Sixty-seven member countries completed and returned it to the IB before the October 2017 CA session.

3 The IB presented the preliminary survey results to CA Committee 2 in October 2017. It subsequently received a further seven replies from member countries, meaning that a total of 74 member countries replied to the survey in 2017. This document contains cumulative data gathered between 2005 and 2015, along with the 2017 replies.

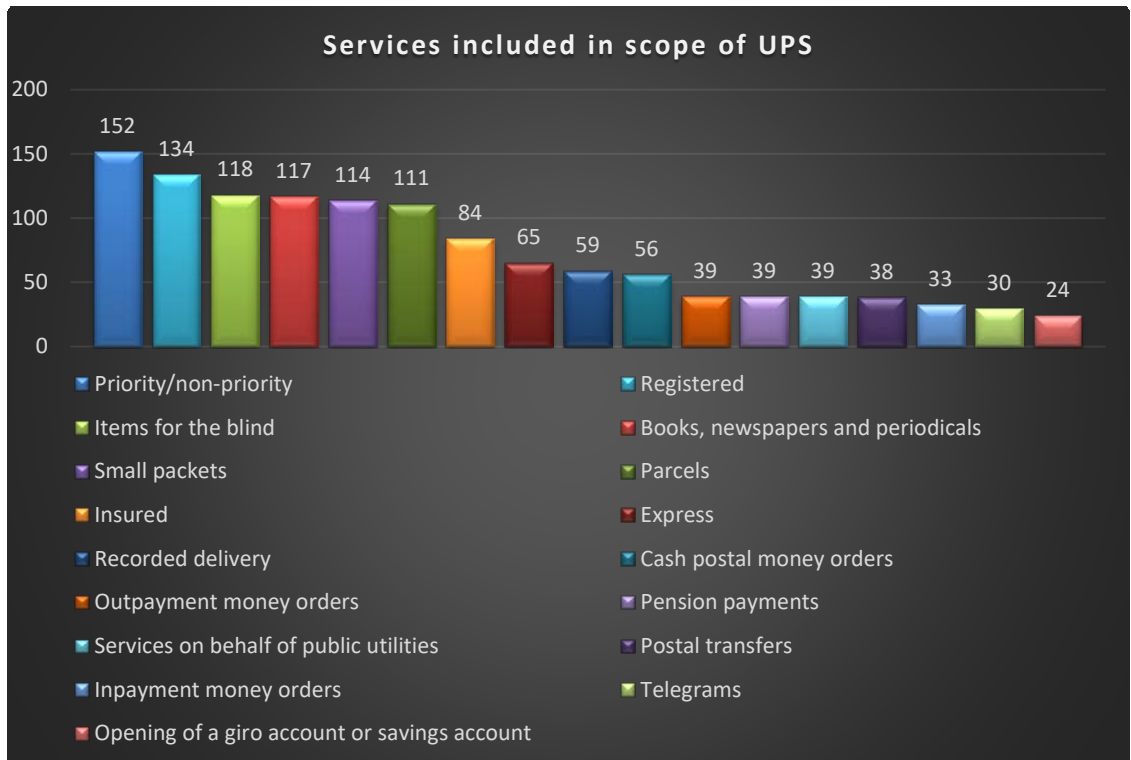
II. Survey results

4 Regarding definition of the universal postal service, the number of countries and territories with definitions of the UPS within some form of regulatory framework has risen by 60%, from 100 in 2005 to 160 in 2017. The increase is modest, but it is growing steadily year by year. There are also several countries with no definition of the UPS; a breakdown by region is shown in the chart below. This shows that all the countries and

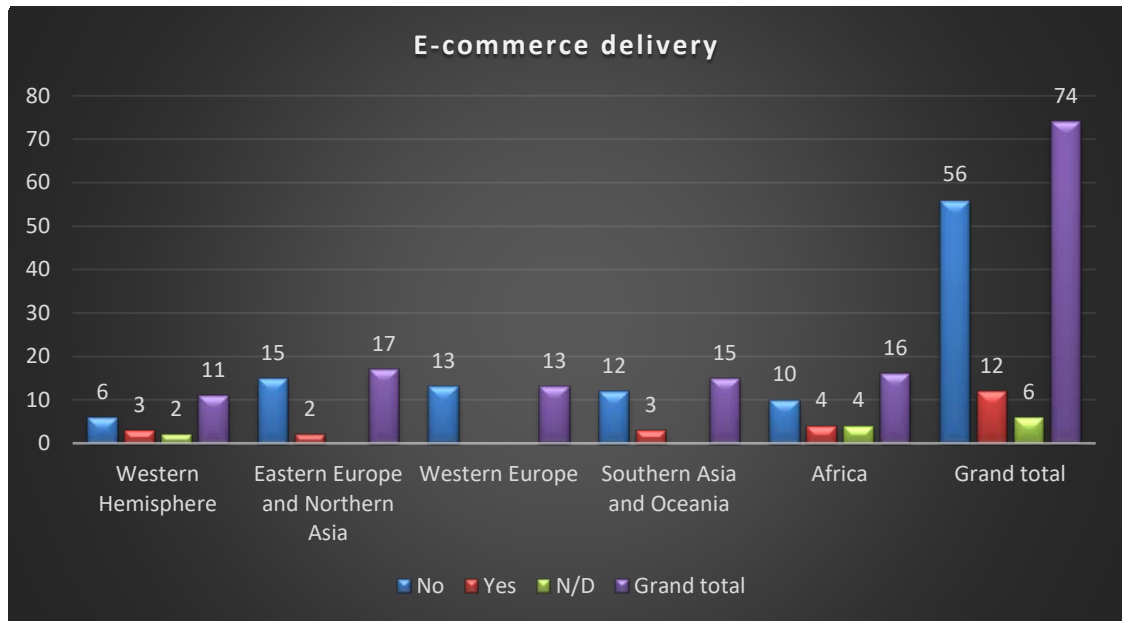
territories in Europe, with the exception of Iceland, San Marino and the Vatican, have defined the UPS, and it appears that the EU's policy on postal services has had a significant impact in this regard.



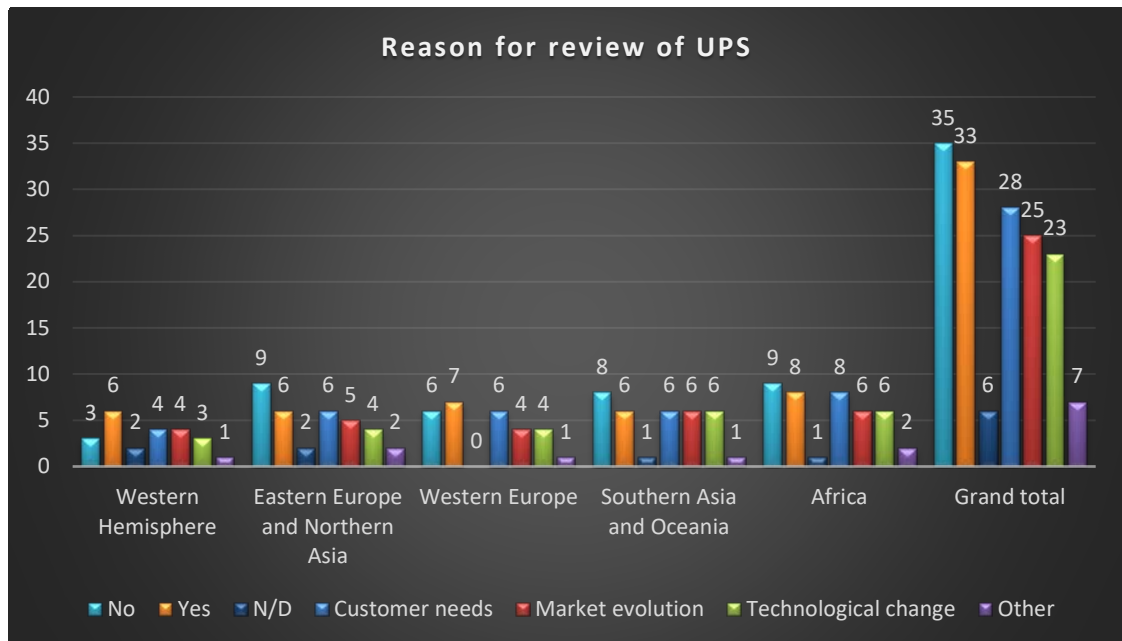
5 The services included in the scope of the UPS are mainly priority and non-priority letters, registered items, items for the blind, books, newspapers and periodicals, small packets and parcels. Non-financial services include pension payments, services on behalf of public utilities, and telegrams.



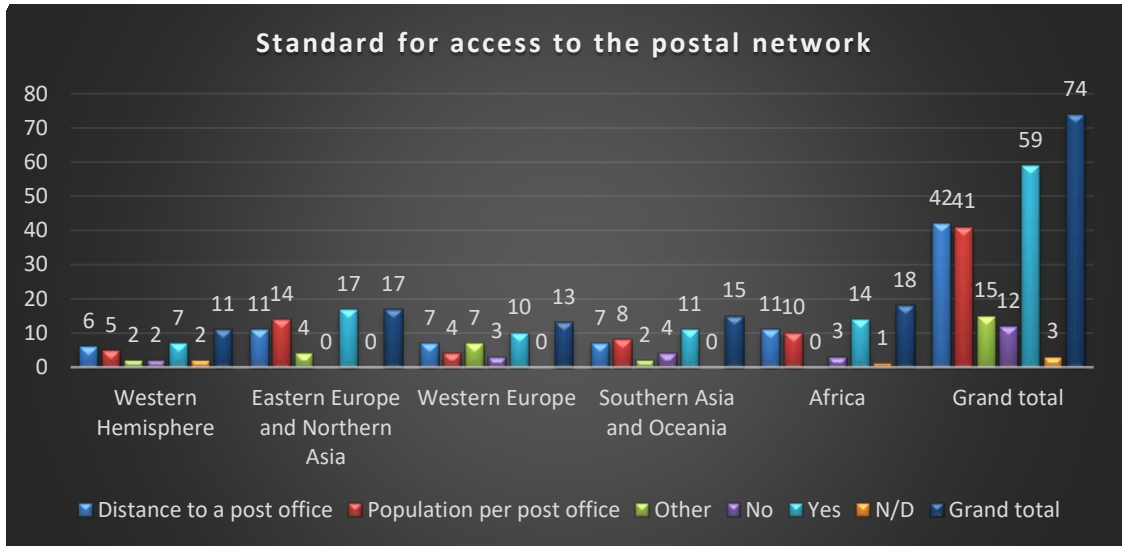
6 There was a new question in the 2017 survey aimed at collecting information on whether an e-commerce-specific delivery service is part of the UPS, since e-commerce has become one of the main business drivers in the postal sector. Twelve countries (only 16% of respondents) said that an e-commerce-specific delivery service is part of the UPS: Brazil, Cameroon, China (People's Rep.), Costa Rica, Estonia, Indonesia, Kenya, Lao People's Dem. Rep., Malawi, Tanzania (United Rep.), the former Yugoslav Republic of Macedonia and Uruguay. This points to the disparate view among member countries about the nature of e-commerce and its relationship with the UPS; while most countries believe that e-commerce is related to commercial activities, others view e-commerce as closely connected with SMEs and consumers.



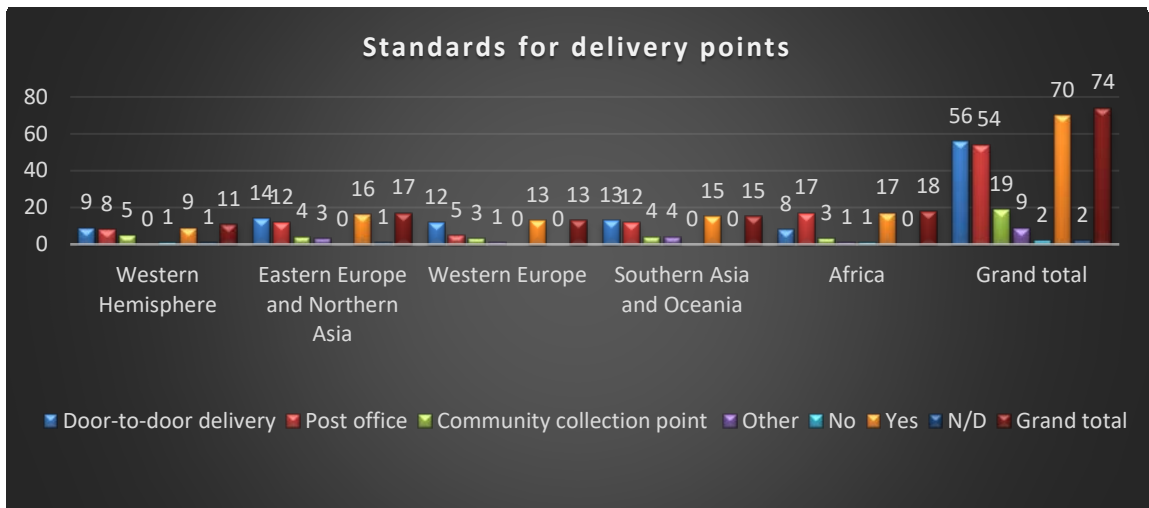
7 Members were asked whether the universal postal service is regularly reviewed and, if so, what the reasons for this are; this was another new question in the 2017 survey. Nearly half of the respondents answered that they reviewed the UPS regularly for various reasons: mostly customer needs, market evolution and technological change.



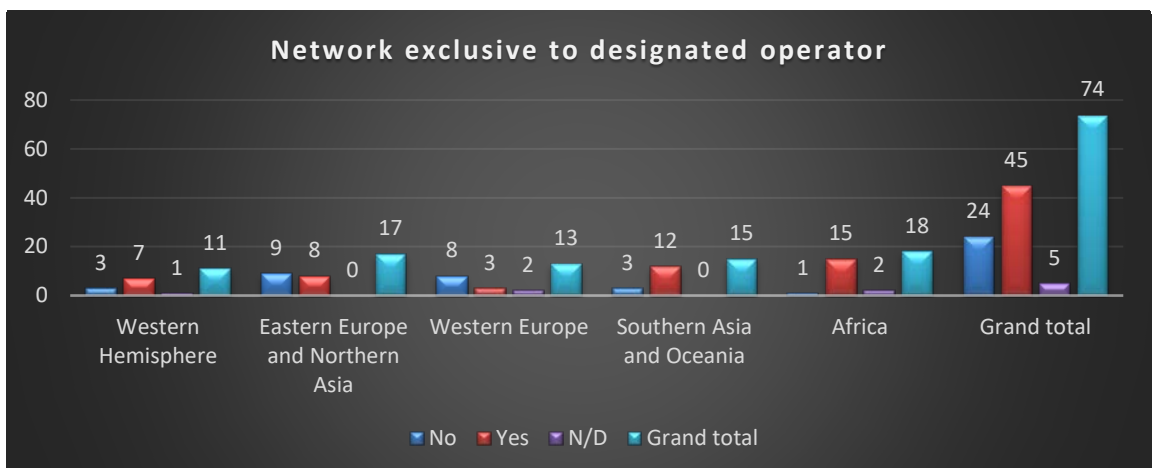
8 Concerning the question as to whether member countries have standards for access to the postal network by the general public, 59 respondents said that they have the relevant standards, mainly based on the distance to a post office or population per post office, while 31 countries replied that they have multiple standards.



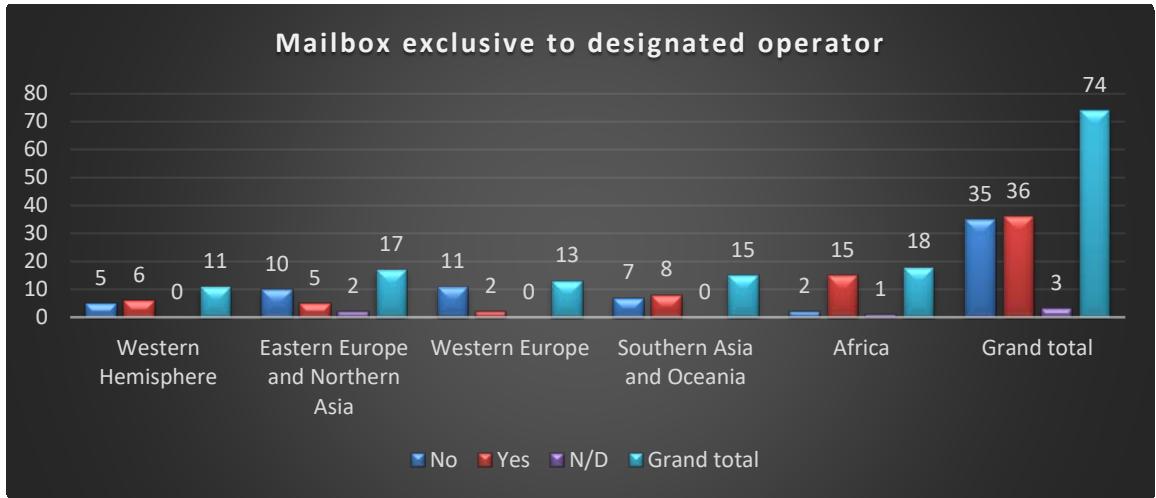
9 Regarding the standards for delivery points, 56 countries provide door-to-door delivery, 54 provide delivery to the post office, and 19 to community collection points; 42 countries have more than one standard.



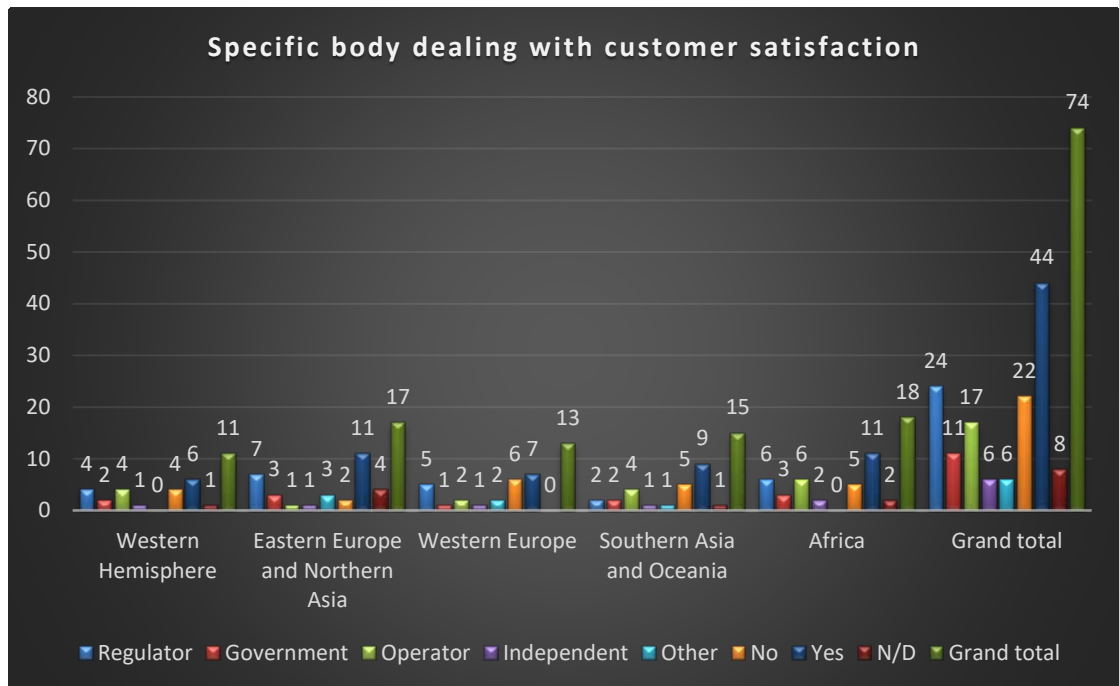
10 As to whether the postal network for the delivery of UPS is exclusive to the designated operator, 45 countries answered yes, and 24 countries answered no. The data with breakdown by region shows that the postal networks are exclusive to the designated operators in most of the responding countries in Africa, Southern Asia and Oceania. Sixteen European member countries share their postal network for the delivery of UPS with other operators. It seems that liberalization of the European postal market has created greater network access opportunities for the benefit of end users.



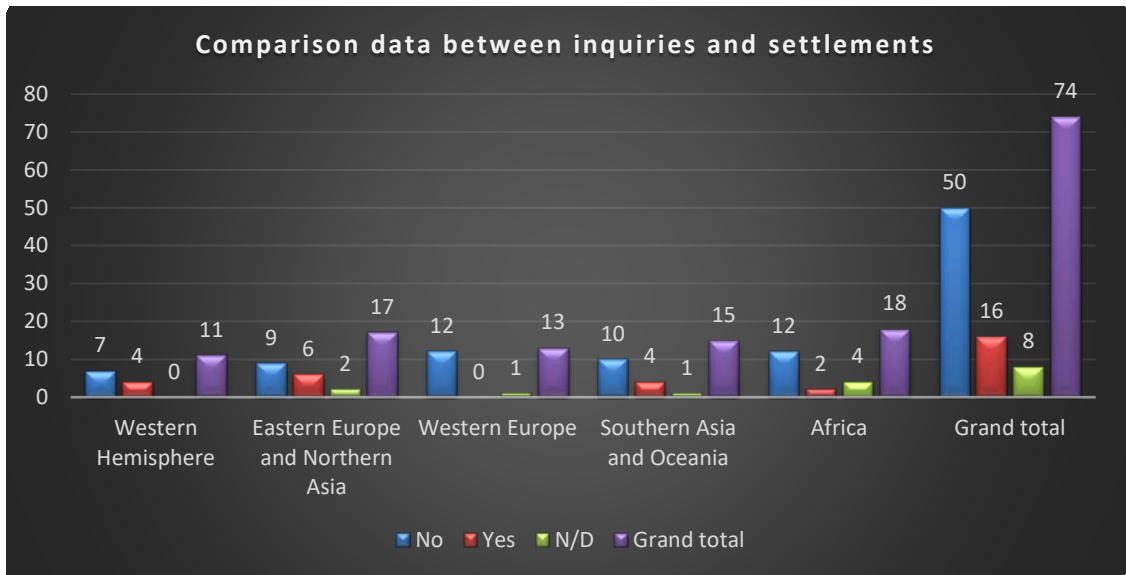
11 On the question of whether access to the mailbox is exclusive to the designated operator, 36 countries answered yes, and 35 countries no. The data with breakdown by region shows that there is a tendency for access to the mailbox to be exclusive to DOs in Africa, and less so in Western Europe. Responses showed that 21 European member countries share their mailboxes with other operators, indicating that the European regulatory framework provides postal players with access to the mailboxes for the benefit of the public.



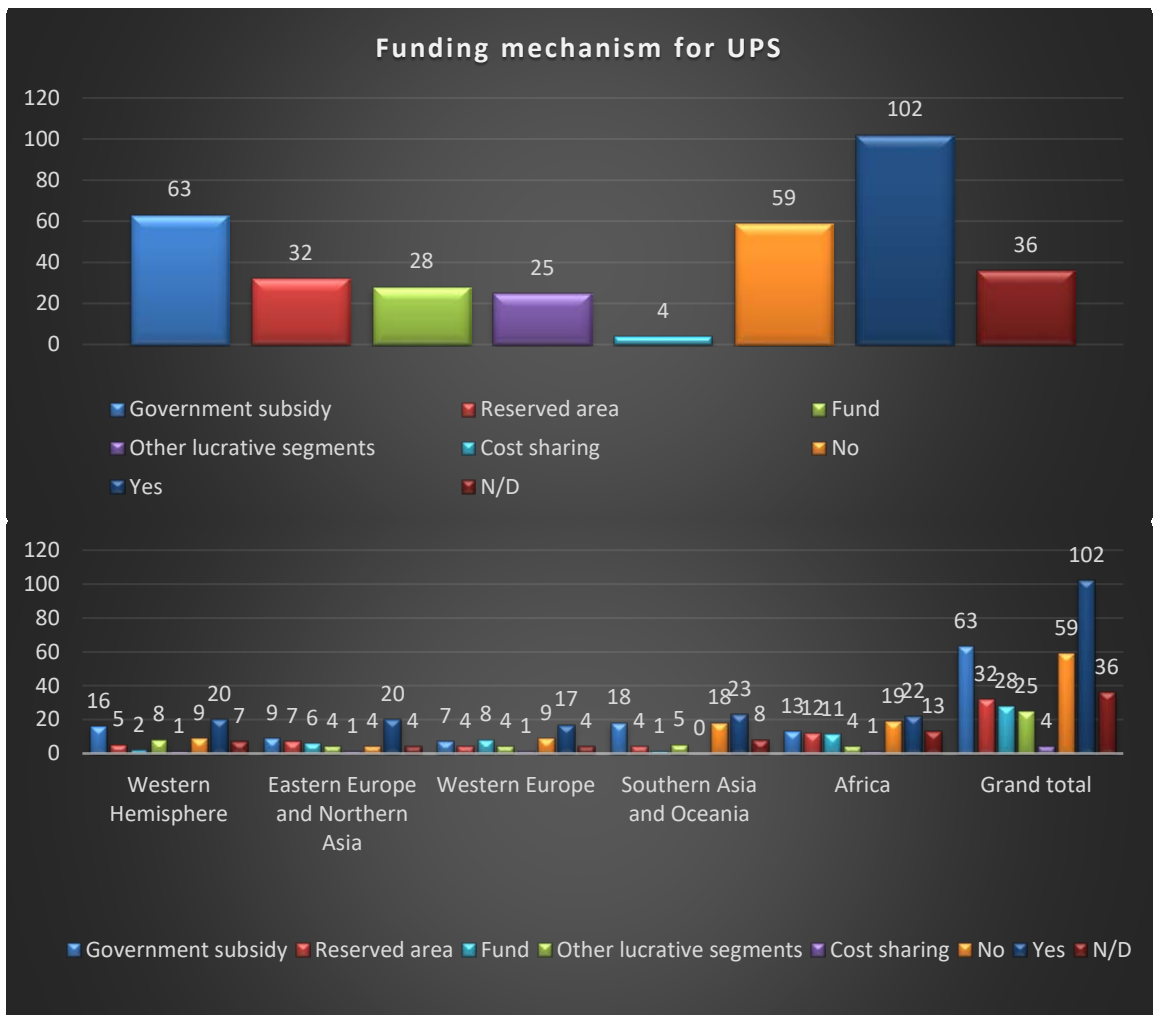
12 Concerning standards, the IB asked a new question in 2017: "Do you have a specific body dealing with customer satisfaction and what is it?" In response, 44 countries said yes, and 22 no. A total of 81.3% (52 respondents) said that either the government, regulator or the operator deals with customer satisfaction. Independent bodies and others perform this role in 9.4% of the countries (6 respondents).



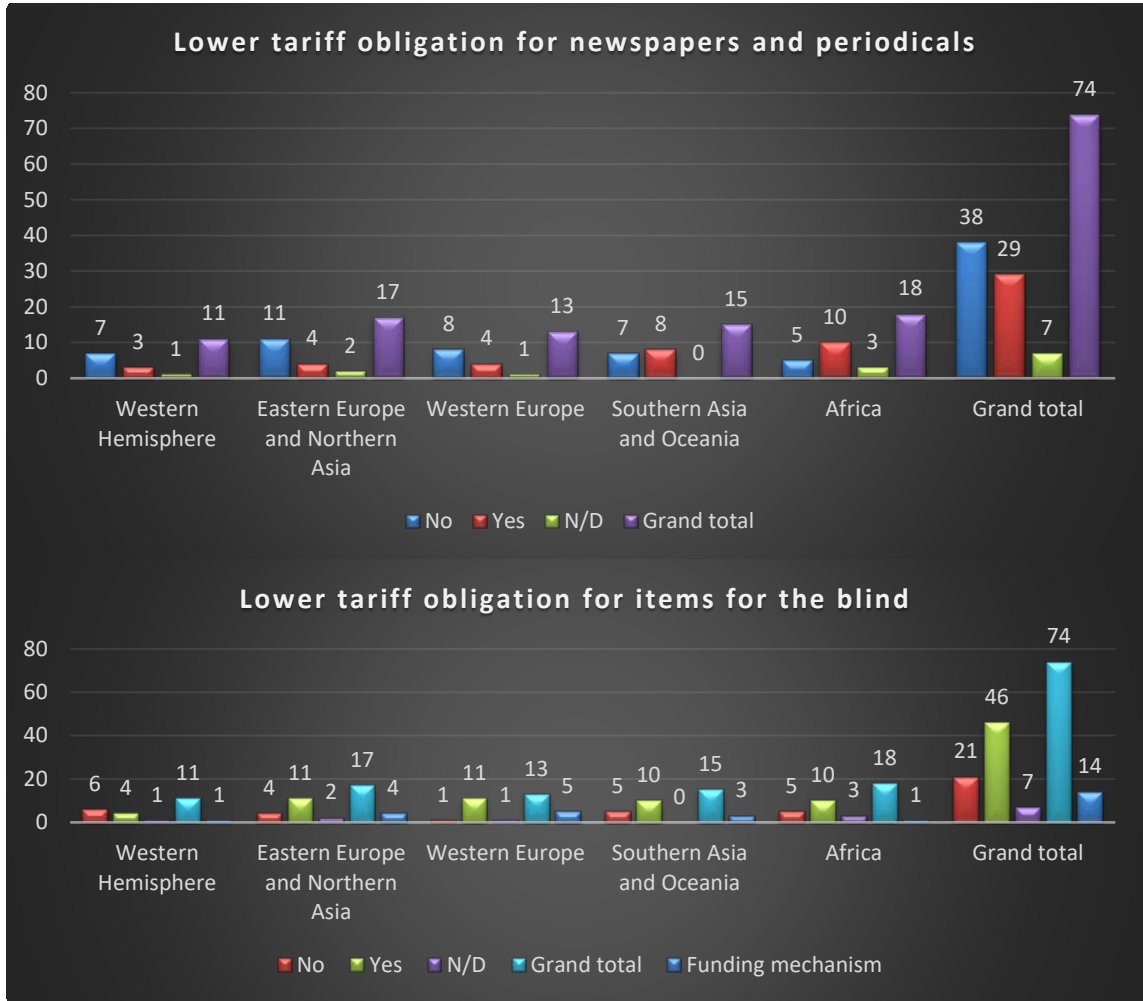
13 In another new question, the IB asked member countries whether they publish data comparing the number of liability inquiries and/or liability settlements as a percentage of the total volume of postal traffic. Only 24% (16 respondents) said yes. The data with breakdown by region shows that there is a tendency for member countries in Western Europe not to publish data comparing the number of liability inquiries and/or liability settlements as a percentage of the total volume of postal traffic. In addition, more member countries in Africa replied no than in the Western Hemisphere.



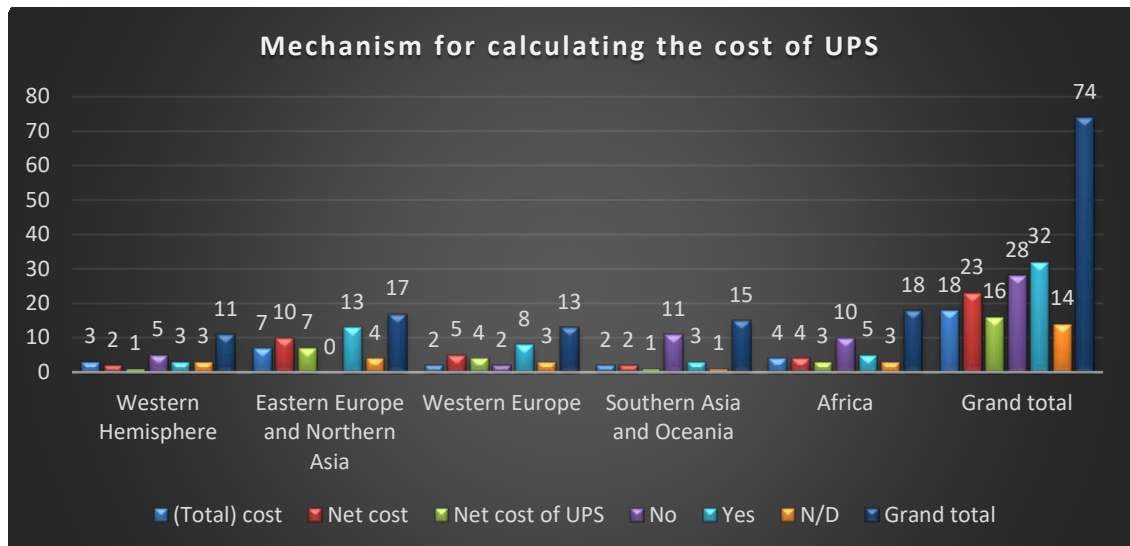
14 Through its surveys, the IB has identified 102 member countries (63% of the total membership) that have established some sort of funding mechanism for the universal postal service; however, the major source of funding comes from government subsidy and/or revenues from traffic in the reserved area. The data with breakdown by region shows that government subsidy is the number one source of financing for the UPS, particularly in the Western Hemisphere, Southern Asia and Oceania, and in all regions except Western Europe. By contrast, specially created funds are the number one source in Western Europe. There are 32 member countries with multiple funding mechanisms for the UPS.



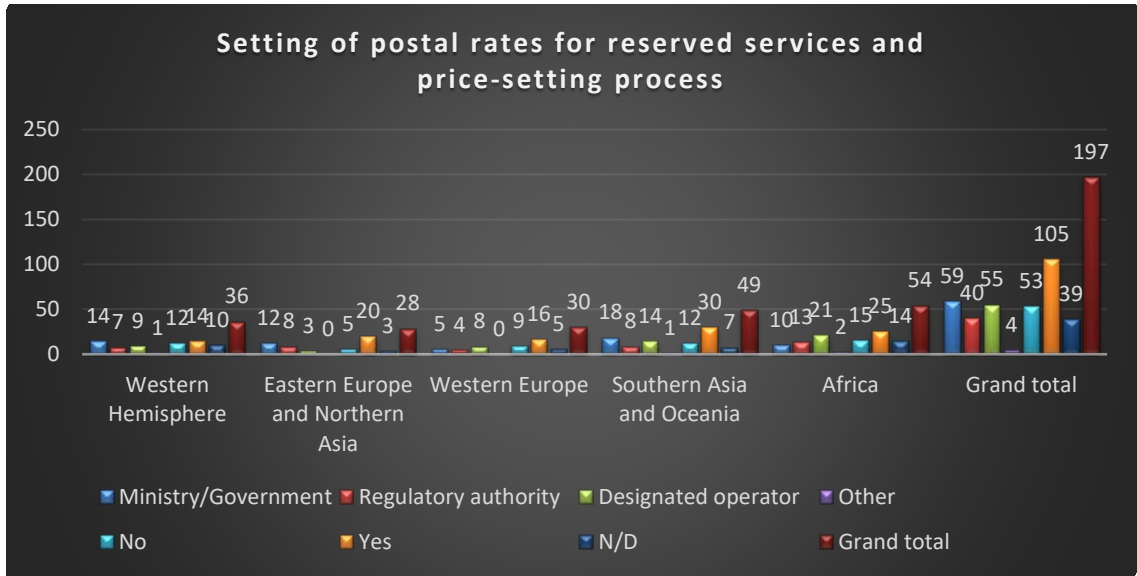
15 In 2017, the IB also asked whether member countries have a lower tariff obligation for newspapers, periodicals and items for the blind. In Africa, positive responses were much higher than in other regions. The importance of lower tariffs for items for the blind is almost as high as for newspapers and periodicals. It seems that there is still relatively strong support for a tariff-discounted service for items for the blind in many member countries.



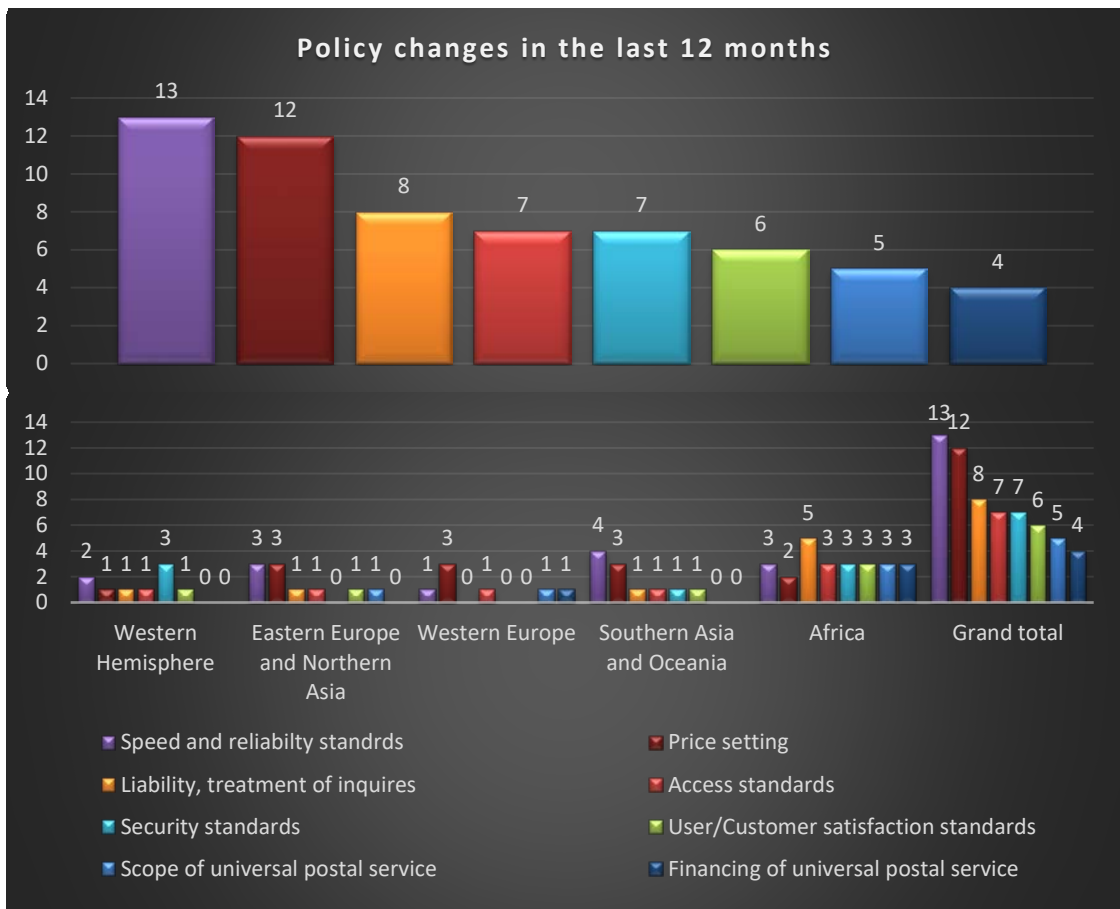
16 In response to the 2017 survey, 53.3% (32 respondents) said that they employ a mechanism to calculate the cost of the universal postal service. Most respondents from Eastern Europe and Northern Asia replied yes. Meanwhile, the rate of negative response was higher in Southern Asia, Oceania and Africa.



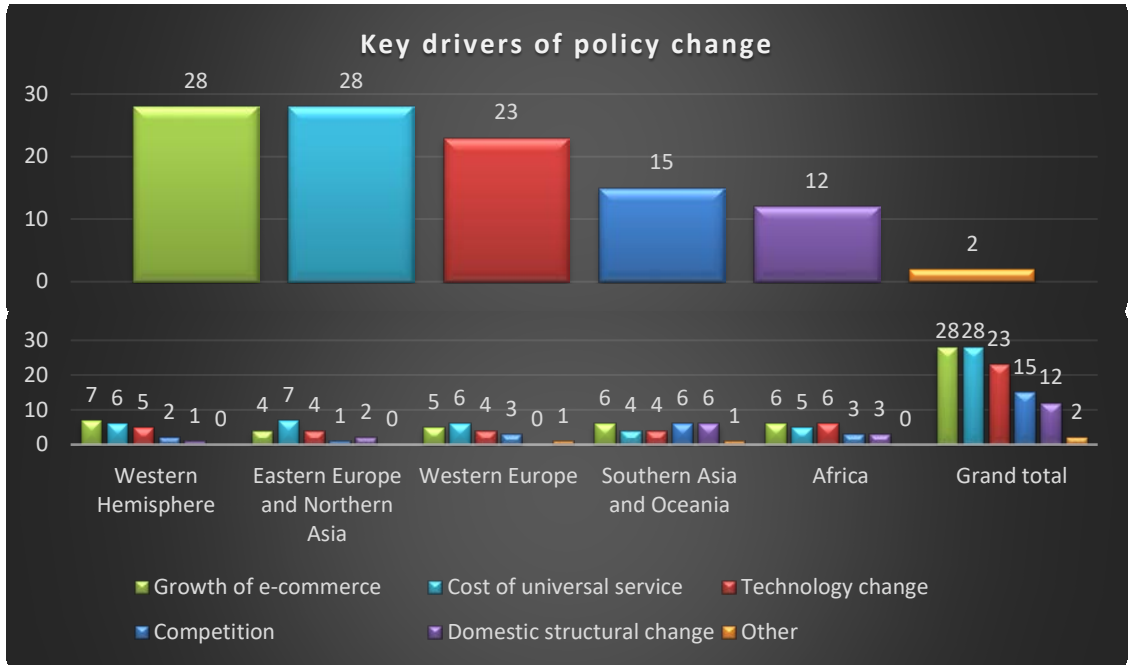
17 Regarding the entity responsible for setting postal rates for the reserved area, the majority of respondents said that the supervising ministry and government are the predominant bodies involved. However, there is a tendency towards allowing the DOs to take on a more significant role in this area.



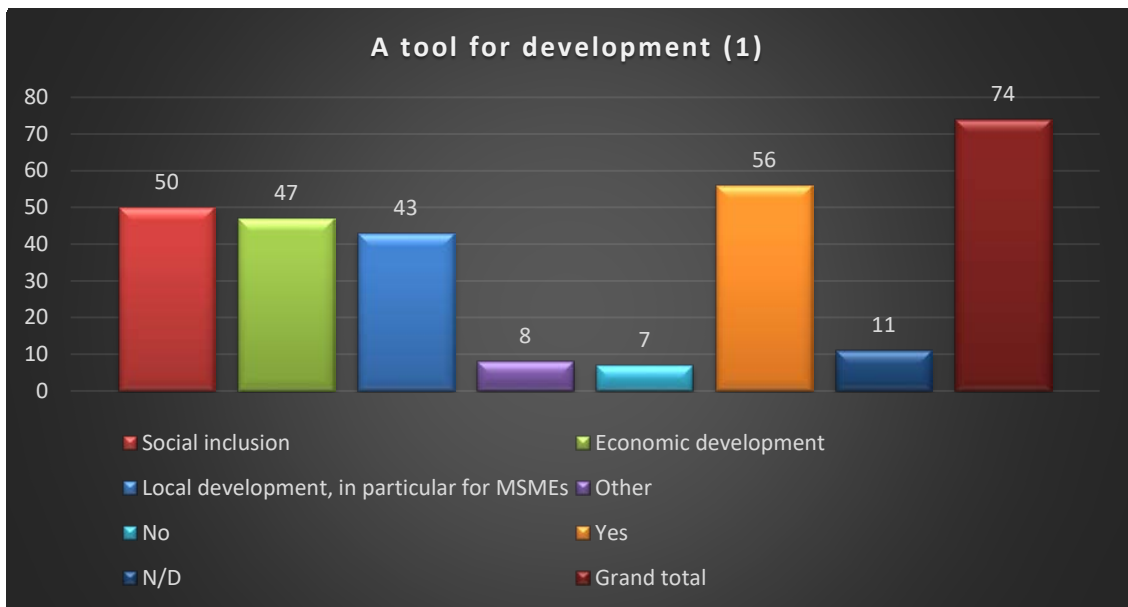
18 Over the 12 months preceding the survey, 22% of countries (13 respondents) modified their policies, statistically more often in the area of speed and reliability standards and price setting, and less in the field of scope and financing of the universal postal service. This means that more countries are constantly putting their postal policy under review to adapt to the rapidly changing postal environment and, in particular, to take account of the rapid development of e-commerce delivery services.



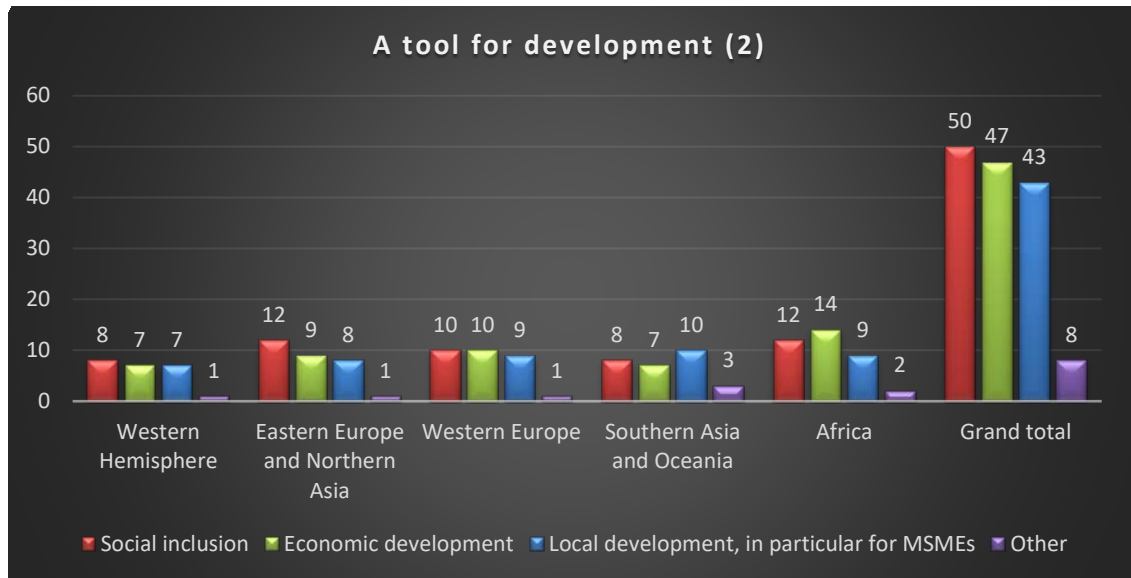
19 Of the 74 respondents, 32 anticipate policy changes to universal postal service provision. In addition, they indicate that cost of the UPS, growth of e-commerce and technology change are major key drivers for anticipated policy change. In Western Europe, it seems that domestic structural change is not a driver for policy change. Likewise, competition is not regarded as a key driver for policy change in Eastern Europe and Northern Asia. This shows that UPS policy should evolve based on the needs of business development and technology change; in particular, the pace of policy change has been accelerated in recent years owing to the key drivers in postal development.



20 Most respondents (89%) indicate that their governments view UPS and/or the postal network and postal services in general as a tool for development. Although they indicate multiple choices, 89% choose social inclusion as the key driver, 84% choose economic development and 77% choose local development, in particular MSMEs.



21 Respondents in Africa indicate that their governments view UPS and/or the postal network and postal services in general primarily as a tool for economic development. Meanwhile, respondents in Eastern Europe and Northern Asia see social inclusion as the primary development function of the Post.



III. Next steps

22 The IB will issue a flagship publication on postal regulation and the universal postal service in 2018. The aim is to produce a comprehensive study which will provide knowledge, guidance and policy advice to member countries on providing a lasting and efficient universal postal service and on postal regulation. The conclusions of this survey and analysis of the results will feed the results of the proposed global panorama study and pave the way for further work, in particular in the context of future UPS publications.

Berne, 2 March 2018



Results of the annual surveys in 2005–2007, 2009–2011, 2013, 2015 and 2017 on the application of standards in the main areas of the universal postal service

	Yes (%)	No (%)
1 Definition and scope of the universal postal service		
1.1 Do you have a definition of the universal postal service (UPS)?	160 (90.4)	17 (9.6)
1.2 Do you formally define the UPS in a document?	148 (89.2)	18 (10.8)
1.2.1 If so, please indicate the appropriate type:		
a legislation	127 (85.8)	
b concession	2 (1.4)	
c licence	6 (4.1)	
d manual	8 (5.4)	
e other	8 (5.4)	
N.B. – The percentages are of the 148 "yes" answers; some members gave multiple answers.		
1.3 If you have a definition of the UPS, please indicate which of the following elements fall within the scope of the UPS:		
– letter post		
a priority/non-priority items (books, newspapers and periodicals not included)	152 (98.1)	3 (1.9)
b books, newspapers and periodicals	117 (78.0)	33 (22.0)
c items for the blind	118 (84.3)	22 (15.7)
d small packets	114 (79.7)	29 (20.3)
e supplementary services:		
i registered	134 (87.0)	20 (13.0)
ii insured	84 (63.2)	49 (36.8)
iii recorded delivery	59 (49.2)	61 (50.8)
iv express	65 (49.6)	66 (50.4)
f parcels	111 (86.7)	17 (13.3)
– other services:		
g financial services:		
i postal transfers	38 (28.6)	95 (71.4)
ii cash postal money orders	56 (45.2)	68 (54.8)
iii outpayment money orders	39 (33.1)	79 (66.9)
iv inpayment money orders	33 (29.2)	80 (70.8)
v opening of a giro account or savings account	24 (20.7)	92 (79.3)
vi any other services	22 (24.4)	68 (75.6)

		Yes (%)	No (%)
	h non-financial services:		
	i telegrams	30 (22.4)	104 (77.6)
	ii pension payments	39 (28.5)	98 (71.5)
	iii services on behalf of public utilities	39 (28.7)	97 (71.3)
	iv any other services	15 (17.2)	72 (82.8)
1.3.1	Do you include e-commerce-specific delivery services in the scope the universal postal service?	12 (17.6)	56 (82.4)
1.4	Is the universal postal service regularly reviewed? If so, please indicate the cause:	33 (48.5)	35 (51.5)
	a customer needs 28 (84.8)		
	b technological change 23 (69.7)		
	c market evolution 25 (75.6)		
	d other (please specify) 7 (21.2)		
1.4.1	Do you have a process for gathering and reflecting public needs (businesses and/or private individuals) in deciding the scope and definition of the UPS?	64 (41.6)	90 (58.4)
1.5	If you have not formally defined the UPS, do you have plans to do so in the future? If so, please specify:	24 (50.0)	24 (50.0)
	a within 6 months 6 (25.0)		
	b within 1 year 13 (54.2)		
	c within 2 years 13 (54.2)		
2	Access standards		
2.1	Do you have standards for access to the postal network by the general public?	59 (83.1)	12 (16.9)
	If so, are they based on the following?		
	a distance to a post office 42 (71.2)		
	b population per post office 41 (69.5)		
	c other (please specify) 15 (25.4)		
2.2	Do you have standards for the number of collection and delivery days per week?	148 (89.2)	18 (10.8)
2.2.1	Do you have standards for delivery points? If so, please indicate the appropriate type:	70 (97.2)	2 (2.8)
	a door-to-door delivery 56 (80.0)		
	b post office 54 (77.1)		
	c community collection point 19 (27.1)		
	d other (please specify) 9 (12.9)		
2.2.2	If the standard for the delivery point is door-to-door delivery, do you have standards for redelivering registered or insured letters in cases where the items are not received on first delivery?	38 (57.6)	28 (42.4)
2.2.3	If the standard for the delivery point is door-to-door delivery, do you have standards for mailbox sizes?	24 (35.3)	44 (64.7)

		Yes (%)	No (%)
2.2.4	Is access to the postal network for the delivery of the universal postal service exclusive to the designated operator?	45 (65.2)	24 (34.8)
2.2.5	Is access to the mailbox exclusive to the designated operator?	36 (50.7)	35 (49.3)
2.3	Do you have standards for the minimum opening hours of post offices?	122 (74.4)	42 (25.6)
2.4	Do you publish results for the achievement of access standards?		
a	on a monthly basis?	7 (10.4)	
b	on a quarterly basis?	6 (9.0)	
c	on an annual basis?	44 (65.7)	
d	on a basis other than a, b or c?	10 (14.9)	
	Total	67 (100)	
2.5	Do you have related regulations or requirements for operation (self-run or others) and ownership (self-owned or others) of access points?	20 (32.3)	42 (67.7)
2.6	Do you have related regulations or approved requirements for establishing and closing post offices?	43 (64.2)	24 (35.8)
3	User/customer satisfaction standards		
3.1	Do you have standards within the UPS relating to the treatment of customer complaints, and do you measure the time for handling customer complaints?	120 (72.7)	45 (27.3)
3.2	Do you have standards for, and do you measure, customer satisfaction?	74 (48.4)	79 (51.6)
3.3	Do you publish results for the achievement of customer satisfaction?		
a	on a monthly basis	12 (16.0)	
b	on a quarterly basis	9 (12.0)	
c	on a biannual basis	22 (29.3)	
d	on an annual basis	30 (40.0)	
e	other	2 (2.7)	
	Total	75 (100)	
3.4	Do you have a specific body dealing with customer satisfaction?	44 (66.7)	22 (33.3)
a	regulator	24 (37.5)	
b	government	11 (17.2)	
c	operator	17 (26.5)	
d	independent	6 (9.4)	
e	other	6 (9.4)	
	Total	64 (100)	
3.5	Do you have an independent body which acts as the voice of the customer with regard to the UPS?	66 (40.0)	99 (60.0)

	Yes (%)	No (%)
4 Speed and reliability standards		
4.1 Do you have service standards at national level within the UPS for:		
a priority letters?	144 (87.8)	20 (12.2)
b non-priority letters?	113 (74.3)	39 (25.7)
c parcels?	124 (78.5)	34 (21.5)
d other categories of mail?	80 (67.2)	39 (32.8)
4.2 Do you have service standards, and do you measure them in conjunction with other countries for international mail?	120 (72.7)	45 (27.3)
4.3 Do you publish results for the achievement of service standards?	78 (48.4)	83 (51.6)
4.4 Do you have and/or monitor agreed standards for the clearance of mail by your customs authorities?	85 (53.1)	75 (46.9)
5 Security standards		
5.1 Do you have standards to ensure the safe receipt and dispatch of mail at airports?	147 (86.5)	23 (13.5)
5.2 Have you designated an airport security coordinator to monitor the security of international mail operations?	129 (77.7)	37 (22.3)
5.3 Do you have standards to detect and prevent the postal transmission of dangerous goods?	146 (86.9)	22 (13.1)
5.4 Do you have standards to prevent the theft of national and international mail?	145 (86.3)	23 (13.7)
5.5 Do you publish results for the achievement of security standards?	30 (18.2)	135 (81.8)
6 Liability, treatment of inquiries pursuant to UPU Convention article 22		
6.1 Do you have standards for settling claims from customers according to the amount of compensation to be paid to the customer?	142 (84.0)	27 (16.0)
6.2 Do you have standards for settling claims from customers according to the time limit for settling the claim with the customer?	144 (86.2)	23 (13.8)
6.3 Do you have standards (e.g. response time limits) for handling liability inquiries?	131 (78.9)	35 (21.1)
6.4 Do you publish information about the achievement of your standards for:		
a the settling of claims with customers?	43 (26.7)	118 (73.3)
b the handling of liability inquiries from customers?	43 (26.9)	117 (73.1)
6.5 Do you publish figures for liability inquiries received?	48 (29.3)	116 (70.7)
6.6 Do you publish figures for compensation paid to customers?	33 (20.4)	129 (79.6)
6.7 Do you publish data comparing the number of liability inquiries and/or liability settlements as a percentage of the total volume of postal traffic in the domestic and/or international service?	16 (24.2)	50 (75.8)

		Yes (%)	No (%)
7	Financing of the UPS		
7.1	Do you have a funding mechanism for the UPS?	102 (63.4)	59 (36.6)
	If so, please tick the box corresponding to your source of funding:		
a	government subsidy	63 (61.8)	
b	reserved area	32 (31.4)	
c	resources from other more lucrative segments	25 (24.5)	
d	resources from a specially set up fund	28 (27.5)	
e	cost sharing (with local entities)	4 (3.9)	
	N.B. – The percentages are of the 102 "yes" answers. Some members gave multiple answers		
7.1.2	Do you have a lower tariff obligation for:		
a	newspapers and periodicals?	29 (43.3)	38 (56.7)
b	items for the blind?	46 (68.7)	21 (31.3)
	If so, do you have a funding mechanism for those obligations?	14 (32.6)	29 (67.4)
7.3	Do you have a mechanism to calculate the cost of the UPS?	32 (53.3)	28 (46.7)
	If so, do you calculate:		
a	the (total) cost of universal postal service provision?	18 (66.7)	9 (33.3)
b	the net cost resulting from the provision of the universal postal service?	23 (76.7)	7 (23.3)
c	the net cost of the universal postal service?	16 (69.6)	7 (30.4)
	If so, do you plan to reduce that cost?	13 (48.1)	14 (51.9)
8	Price setting		
8.1	Do you have a price setting process for the UPS?	105 (66.5)	53 (33.5)
8.2	What body is responsible for setting postal rates for reserved services?		
a	supervisory ministry or government	59 (56.2)	
b	regulatory authority	40 (38.1)	
c	designated postal operator	55 (52.4)	
d	other (please specify):	4 (3.8)	
	N.B. – The percentages are of the 105 "yes" answers. Some members gave multiple answers		
9	Information on the role of the postal regulator		
	Please indicate which of the following elements fall within the role of the postal regulator:		
a	Establish postal sector policy	55 (64.0)	31 (36.0)
b	Draft and propose relevant enabling legislation	63 (74.1)	22 (25.9)
c	Monitor compliance with the relevant enabling legislation	87 (94.6)	5 (5.4)
d	Regulate the universal postal service; monitor compliance with the universal postal service obligations and quality of service standards	88 (94.6)	5 (5.4)

		Yes (%)	No (%)
e	Regulate prices of the universal postal service	77 (81.9)	17 (18.1)
f	Manage the funding of the universal postal service	51 (59.3)	35 (40.7)
g	Set standards for services provided by the UPS provider	64 (73.6)	23 (26.4)
h	Establish the basic principles of cost accounting for the universal postal service and/or set requirements for the cost accounting system	54 (65.9)	28 (34.1)
i	Grant licence to the universal postal service provider	61 (68.5)	28 (31.5)
j	Grant licenses to postal service providers/register postal operators	70 (77.8)	20 (22.2)
k	Act as arbiter in disputes between customers and postal service providers and/or between postal service providers	67 (74.4)	23 (25.6)
l	Represent the country in relations with international organizations	65 (75.6)	21 (24.4)
10 Policy changes			
10.1	In the last 12 months, have you modified one or more of the following?	13 (22.0)	46 (78.0)
a	scope of the universal postal service	5 (38.5)	
b	access standards	7 (53.8)	
c	user/customer satisfaction standards	6 (46.2)	
d	speed and reliability standards	13 (100)	
e	security standards	7 (53.8)	
f	liability, treatment of inquiries	8 (61.5)	
g.	financing of the universal postal service	4 (30.8)	
h	price setting	12 (92.3)	
10.2	Do you anticipate any policy changes to the provision of the universal postal service in your country, for example, universal postal service standards, financing of the universal postal service and/or other aspects?	32 (50.8)	31 (49.2)
10.3	If a policy change is anticipated, what is the key driver?		
a	competition	15 (48.4)	
b	technology change	23 (71.9)	
c	growth of e-commerce	28 (87.5)	
d	domestic structural change	12 (37.5)	
e	cost of the universal postal service	28 (87.5)	
f	other	2 (6.3)	
10.4	Does your government view the universal postal service and/or the postal network and postal services in general as a tool for development?	56 (88.9)	7 (11.1)
	If so, please indicate it:		
a	local development and in particular for MSMEs	43 (76.8)	
b	social inclusion	50 (89.3)	
c	economic development	47 (83.9)	
d	others	8 (14.3)	