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The amendment of Postal Services Act, effective since January 1, 2003 (State Gazette issue 23 from 2003) extended the CRC power as independent regulatory body in the postal sector.

Relationships between the only universal postal services operator and the non-universal postal services operators, as well as between the postal operators and the users determines the increasing role of CRC to meet the needs of the society of postal services, establishment of free market under the conditions of non-discrimination among postal operators and loyal competition, and protection of consumer interests in price and service affordability, service quality and reliability, security of parcels.

In 2003 CRC worked actively on the preparation of a secondary legislation to establish clear, precise and transparent rules for operators providing such services.

CRC regulatory and control powers in the postal services sector originate from the Sector Postal Policy, Postal Services Act, Directives 97/67/EU and 2002/39/EU.

According to Article 15 of the Postal Services Act, CRC worked out drafts of the following secondary legislation: Methods of proving the deficit of the universal postal service provision under economically unprofitable conditions, Methods for determination of the affordability of the universal postal service price, Measures to secure confidentiality of correspondence, Criteria for definition of the difficult-to-access regions in the country and the respective settlements within them, Implementation of Standards for determining the density of the access points to the postal network intended to provide universal postal service so as to correspond in number and density to the needs of the users.

Regarding the power granted under Article 15, para 4 of the Postal Services Act, CRC held public consultations on the following drafts of secondary legislation: Methods of proving the deficit of the universal postal service provision under economically unprofitable conditions, Methods for determination of the affordability of the universal postal service price and Standard quality levels for the universal postal service and service efficiency.

On its sessions CRC adopted the following decisions regarding the postal services:

1. Coordination of changes in the service price included in the universal postal service provided by Bulgarian Posts PLC;
2. Adoption of the draft version of the Methods of proving the deficit of the universal postal service provision under economically unprofitable conditions;
3. Adoption of the draft version of the Methods for determination of the affordability of the universal postal service price;
4. Accepted the 2004 deficit of the principal postal operator Bulgarian Posts PLC originated from the provision of universal postal service under unprofitable economic conditions;
5. Definition of the Measures to secure confidentiality of correspondence;
6. Adoption of the draft version of the Standard quality levels for the universal postal service and service efficiency;
7. Adoption of Criteria for definition of the difficult-to-access regions in the country and the respective settlements within them;
8. Adoption of Standards for determining the density of the access points to the postal network intended to provide universal postal service so as to correspond in number and density to the needs of the users;
9. Adoption of the draft version of a Decree on specification of the rules for the formation and application of the prices of the services included in the universal postal service;

10. Registered seven new non-universal postal services operators and issued two new certificates for registration of the functioning non-universal postal services operators due to some changes in their identification data;

11. Approval of the draft version of amendments in the Tariff on fees, collected by CRC according to the Postal Services Act;

12. Preparation and approval of 2002 report of CRC activity in the postal services sector, which was sent to the National Assembly, the President of the Republic of Bulgaria and the Council of Ministers;

13. Adoption, registration and termination of registration of postal stamps used by the major postal operator;

14. Approval and registration of all changes in postal codes resulting from administrative and territorial changes;

15. Approval and registration of all changes in the post stations network of the major postal operator;

16. Approval of a register of non-universal postal services operators and register of stamps used by the principal postal operator;

In order to achieve transparency, publicity and accessibility to the legislation and the activities of CRC in the area of postal services, CRC publishes on its web-site the register of non-universal postal services operators and the following secondary legislation: Measures to secure confidentiality of correspondence, Criteria for definition of difficult-of-access regions in the country and settlements within them, Standards for determining the density of the access points to the postal network intended to provide universal postal service so as to correspond in number and density to the needs of the users, and the CRC 2002 report regarding its activities in the area of postal services.

In relation to the control functions empowered under Article 95 of the Postal Services Act, representatives of the General Directorate 'Communications Control' and CRC performed 85 inspections, 74 of which were planned and 11 – on signal. 85 records of findings and 1 statement of administrative offence were made on the basis of the inspections. The administrative penal proceedings were closed by issuance of an administrative penal act.

In 2003 new activity of the regulator in the postal services sector is the post-license and post-registration control on observation of legal requirements, license terms by the principal postal operator, as well as registration terms. Compared with 2002, there is a positive tendency of increasing the popularity of CRC, which receives more and more complaints by consumers related to the quality of postal services provided by the operators. Other positive tendency is strengthening of CRC role in the relations between the non-universal postal services operators and the principal postal operator.

For the performance of CRC regulatory functions is also of great importance the participation of its representatives in working groups and CERP plenary sessions for studying the experience and practice in the field of postal regulation of EU countries and speeding up the harmonization of primary and secondary legislation and standards to the European ones during the pre-accession period. With regards of the above, useful was also the attendance of experts of Postal Services Regulation Department in the seminar on postal regulation and universal postal service for Balkan countries with participation of lecturers of the Universal Postal Union.

1. Provision of universal postal service in 2003

In 2003 the universal postal service is provided by the principal, and at the same time, the only postal operator in the universal postal service sector – Bulgarian Posts PLC. Bulgarian Posts PLC is also authorized to provide services in the universal postal service reserved sector, established by government monopoly until December 31, 2005.

Due to the availability of reserved sector and the lack of competition in this postal market segment, the analysis of the provision of universal postal service in 2003 shows the following: there is a slight increase in the volume and the revenues from services included in the universal postal service. Non-registered and registered correspondence consignments, printed materials and domestic small packages have increased in volume and in revenue, respectively. Traffic of parcels has decreased, as well as the consumer demand in the additional service "declared value" while

the revenues from them have increased due to the rise in prices in 2002. Money transfers service showed decrease in both volume and revenues, which resulted from the severe competition in the banking sector. Despite the fluctuations in different type of parcels and services, as a whole the tendency in the outgoing international parcels, which comprise relatively small part of the universal postal service, shows a decrease in the total volume and a slight increase in the revenues due to the rise in prices in 2002. Incoming international parcels kept the inclination for reduction in volume and revenues, which affected the amount of deficit.

In accordance with its individual license, the major postal operator is obliged to provide through its postal network the universal postal service within the country, including in case of unprofitable economic environment and in compliance with Articles 23a, 29 and 29a of the Postal Services Act, receives compensation from the State Budget for the deficit from provision of universal postal service after it is proved to CRC and approved by it according to the above conditions. After a detailed analysis of the information, provided in the Bulgarian Posts PLC application, CRC approved the deficit of the principal postal operator incurred from the provision of the universal postal service.

2. Provision of non-universal postal service in 2003

Unlike the universal postal service, the new non-universal services operators were registered in the non-universal postal service sector, which is an indicator of free market and growing competition. A clear tendency of continuing market extension and the efforts of participants to increase their market share is observed.

Intensifying competition to win permanent and solid positions on the non-universal postal services market is a prerequisite for enlarging the nomenclature of services, improving service quality, and securing the confidentiality of correspondence and parcels, which is a step to meet the increasing requirements of the consumers.