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**THE COMMUNICATIONS REGULATION
COMMISSION**

for 2017

ANALYSIS OF THE POSTAL SERVICES MARKET

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I. POSTAL MARKET IN THE REPUBLIC OF BULGARIA

1. Introduction

According to the provisions of the Postal Services Act (PSA), postal services are provided by the postal operators based on licensing and notification regimes.

The provision of the universal postal service (UPS) on the entire territory of the Republic of Bulgaria and services included in the scope of UPS, as well as the provision of “postal money orders” service (PMO), which does not fall within the scope of UPS, are carried out on the basis of individual licenses issued by the Communications Regulation Commission (CRC/the Commission).

In this report, the non-universal postal services (non-UPS) provided by the postal operators on the basis of notifications are covered in the following groups: courier services up to 31.5 kg., hybrid mail, direct mail and additional services (“cash-on-delivery” and “advice of delivery”)¹. PMO service is non-UPS service itself, but in this report it will be present in a separate section.

As of 31.12.2017 the total number of licensed postal operators including the incumbent operator Bulgarian Posts Plc (BP/state operator/incumbent operator) was 22. More of them have more than one license – for provision of service within the scope of UPS and/or for postal money orders.

In the past year CRC issued one new license for provision of services within the scope of UPS to “Taveks” EOOD and four new licenses for the provision of the “postal money orders” service to Fintech Services EAD, FASTO Kurier EOOD, Web Batal Gains OOD and D&D Express EOOD.

As of 31.12.2017 the number of operators that have registered their intention to provide non-UPS was 157, of which 15 were newly registered. Four operators were removed from the Register of operators, providing non-UPS under Art. 38, item 1-3 of PSA² at their request. All registered postal operators have their intention to provide courier services, and three of them will provide “hybrid mail” and “direct mail” services.

At the end of 2017 the number of the participants in the postal market was 169³, which represents an increase of 6 % as compared to the previous year.

2. Volume and structure of the Bulgarian postal market

The postal services market in Bulgaria is dynamically growing.

The volume of the market, calculated by the indicator “revenue from provision of postal services” increases every year. In 2017 the revenue in the two large market segments – provision of services within the scope of UPS and provision of non-UPS⁴ amounted to BGN 425 million⁵, which was a growth of 8 % compared to 2016.

In absolute value increasing in UPS revenue and services from the UPS scope in 2017 compared to 2016 was 16 %, and in revenue from non-UPS and postal money orders - 6%.

¹ These services are concomitant to UPS and NUS and they can not be provided standalone

² http://crc.bg:8080/dpls/apex/f?p=923:230:3276054049828486::NO::P230_ADV,P230_REGION_CONTROL,P230_X:0,0,1

³ Bulgarian Posts EAD – the incumbent operator obliged to provide the UPS, providing also: postal money orders service and non-UPS; 6 operators, providing services from the scope of the UPS, the postal money orders service and non UPS; one operator provided only one service from the scope of the UPS and non-UPS, 22 operators providing the postal money orders service and 145 operators providing only non-UPS.

⁴ PMO revenue are included in the non-UPS revenue.

⁵ Calculated on the basis of received data of 70 % of licensed and registered operators in Bulgaria.

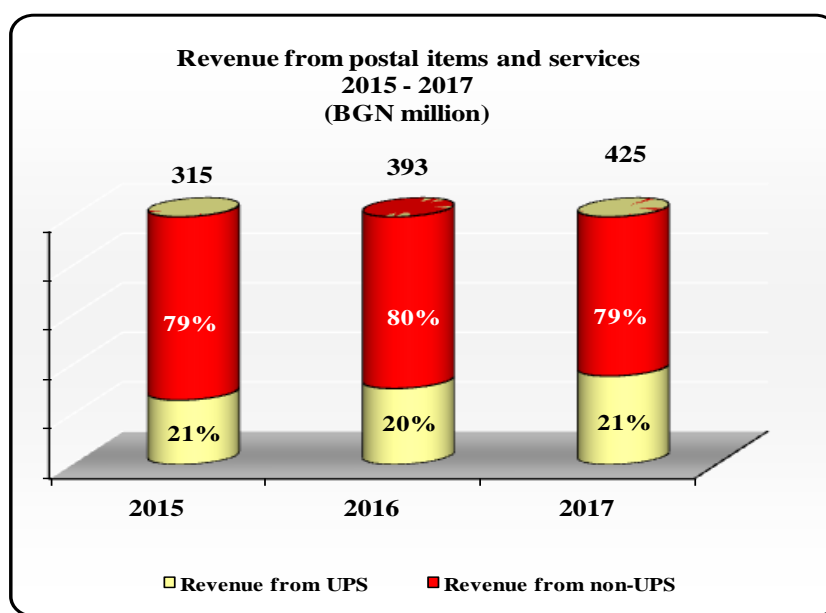


Fig. 1

Source: Data submitted to CRC

The share of revenue from UPS in the total volume of revenue remained a relatively constant level, as in 2017 increased by one percentage points compared to the previous year. The growth was due to the increase in the revenue from parcels, which in absolute value registered growth of 33 % compared to 2016.

In 2017 the volume of the postal services market, calculated on the basis of “number of realized services” indicator amounted to 193 million numbers⁶ and increased by 5 % compared to the previous year.

As it is evident on Fig.1, the non-UPS revenue retained its leading role and relative share in the postal market structure.

⁶ 42 million of them are items within the scope of UPS.

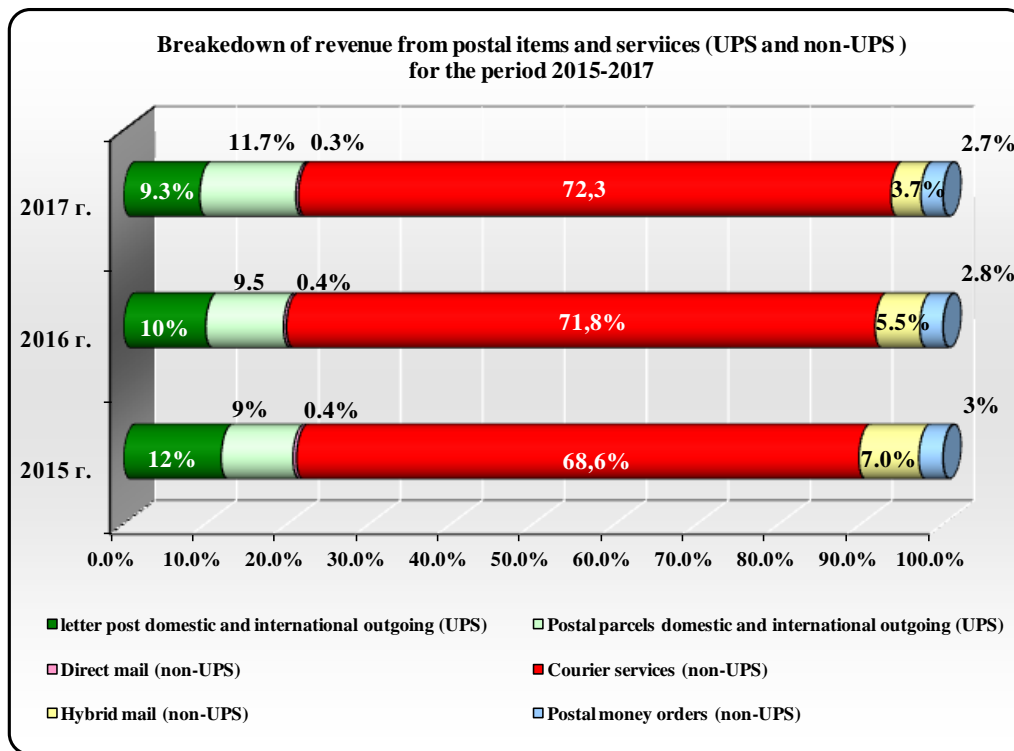


Fig. 2

Source: Data submitted to CRC

From the point of view of services revenue, the structure of the postal market is mainly formed by the revenue from courier services, which relative share were over two thirds of the realized revenue, followed by the revenue from parcels and postal items.

Compared to the previous year, the share of revenue from parcels increased by 2 percentage points, at the expense of decreasing in revenue from postal items and hybrid mail service. The chart in Fig. 2 shows that the other services retained their shares unchanged.

3. Market shares

In 2017 as it was in the two previous years, the market shares of the incumbent operator continued to decrease and reached to 13 % of the total market calculated on the basis of revenue from all postal services. As it is shown in Fig. 3, although in absolute value BP retained its revenue in the previous reported year, in 2017 it continued to lose its market position.

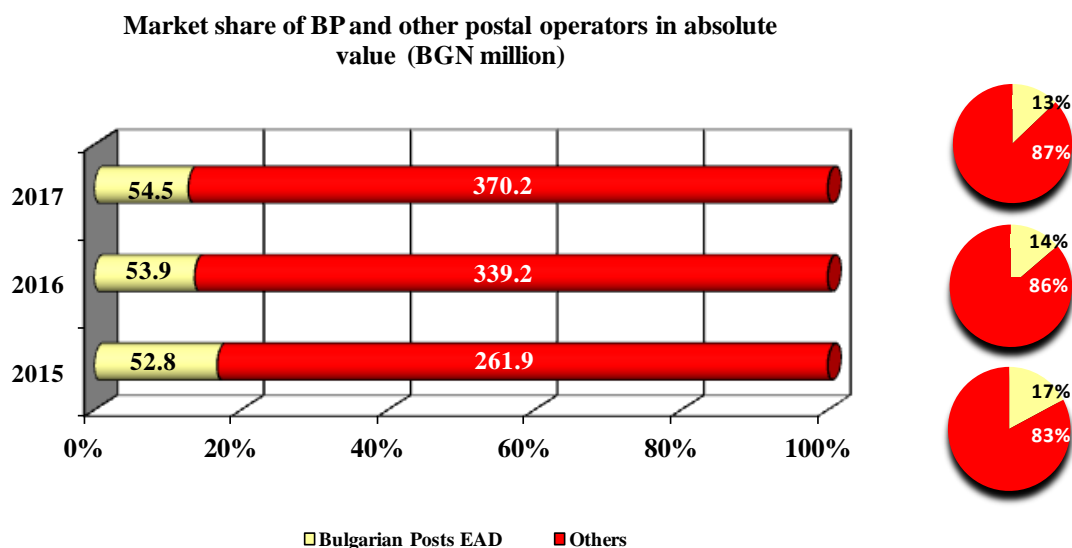


Fig. 3

Source: Data submitted to CRC

BP reduced market share is due to anticipating growth in the revenue of all other operators in amount of 9% compared to 2016 and realized mostly by the non-UPS segment.

II. Provision of Non-Universal Postal Service (non-UPS)

1. Players of the non-UPS market segment

As of 31.12.2017, 65 from 157 registered postal operators announced their intention to provide services within non-UPS scope actually provided non-UPS, while 92 operators have declared that they did not carry out any activity during the reported period.

2. Volume and structure of non-UPS

In 2017, the non-UPS revenue⁷ was BGN 324 million, compared to 2016 and it was a increase by almost 6% (Fig. 4). For that period, the proceeded postal items were about 137 million pcs. and their number remained unchanged in comparison to 2016.

⁷ Courier services up to 31.5 kg, hybrid mail, direct mail, cash-on-delivery and advice of delivery

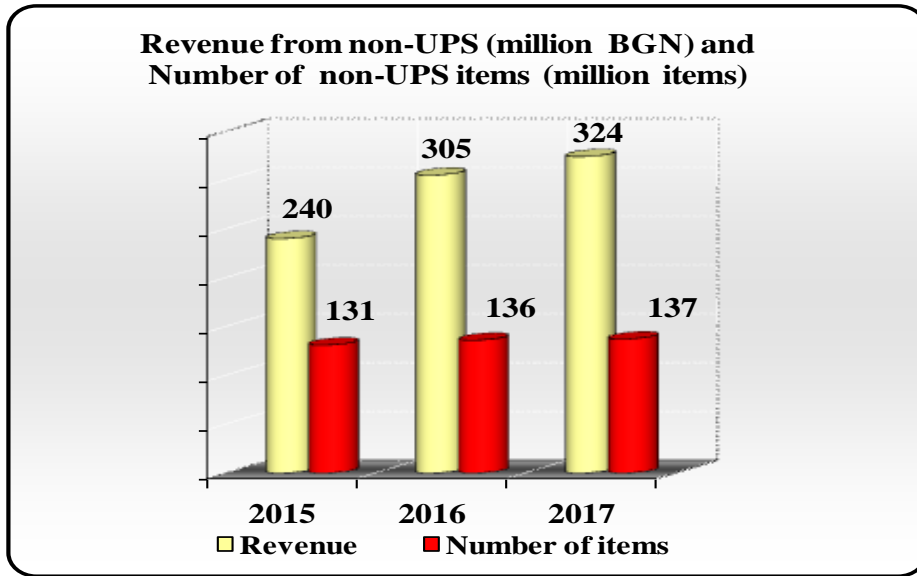


Fig. 4

Source: Data submitted to CRC

However, in 2017 the growth rate of non-UPS revenue slowed down in comparison to previous years. It was a result of the change in the scope of non-UPS market in which courier services up to 31.5⁸ kg, not up to 35 kg were included for the first time. The other reason was the drop of the share of international courier items at the expense of cheaper domestic courier items.

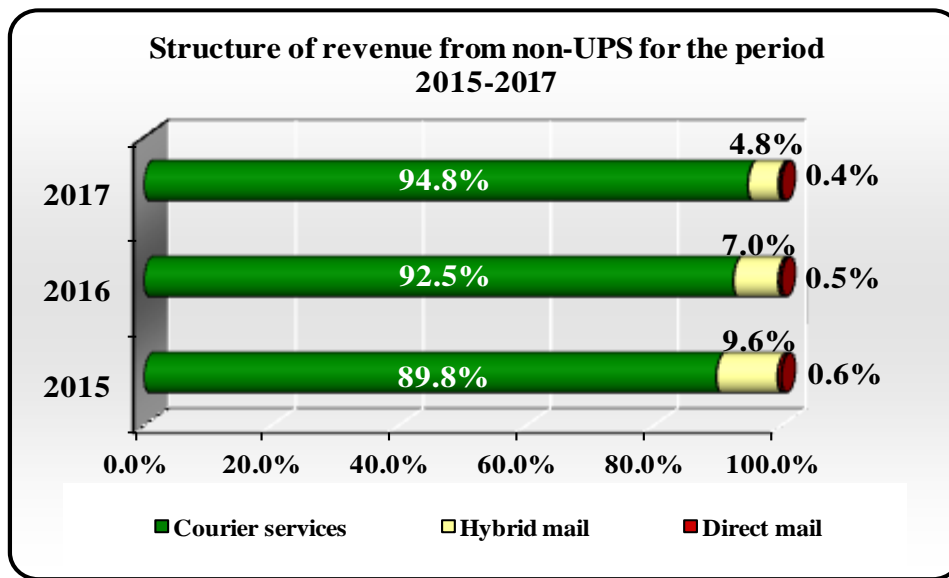


Fig. 5

Source: Data submitted to CRC

Regarding the structure of revenue from the provision of non-UPS, there were no significant changes for the period 2015 – 2017.

As in previous years, the courier service was the growth engine in this market segment.

⁸The weight limit for courier services is defined in relation on Regulation (EU) 2018/644 of the European Parliament and of the Council on 18 April 2018 on cross-border parcel delivery services (Art.2, point 1 in relation to recital 16)

Courier services

Every year the courier services form almost 95% of the non-UPS market. As it is shown on Fig. 5, for one-year period their share increased by almost 2 percentage points while the share of hybrid mails decreased by almost 2 percentage points. The revenue from direct mail form below 1% of the total amount of revenue from non-UPS.

In 2017 the revenue from courier services amounted BGN 307 million, increasing by 9% for one-year period. The revenue from courier services included mainly domestic items, as online shopping was the main development engine. According to data from 70% of postal operators providing non-UPS, in 2017 the revenue from delivered courier items generated by e-commerce formed 39% of the total amount of revenue from courier services. In absolute value the revenue increased by 46% compared to 2016.

The total number of accepted, carried and delivered courier items amounted to 61 million pcs. which is an increase by 28% as compared to 2016.

In 2017, operators provided outgoing courier services, which were with four operators less compared to 2016. Ten operators of them provided only international courier services. The revenue from outgoing courier services were BGN 74.5 million which was a growth of 1.46% compared to 2016.

Hybrid mail

Four operators provided the hybrid mail service in 2017: M&BM Express OOD, BP, Evropat 2000 AD and Tip-Top Courier AD as their number decreased by two compared to the previous reporting period.

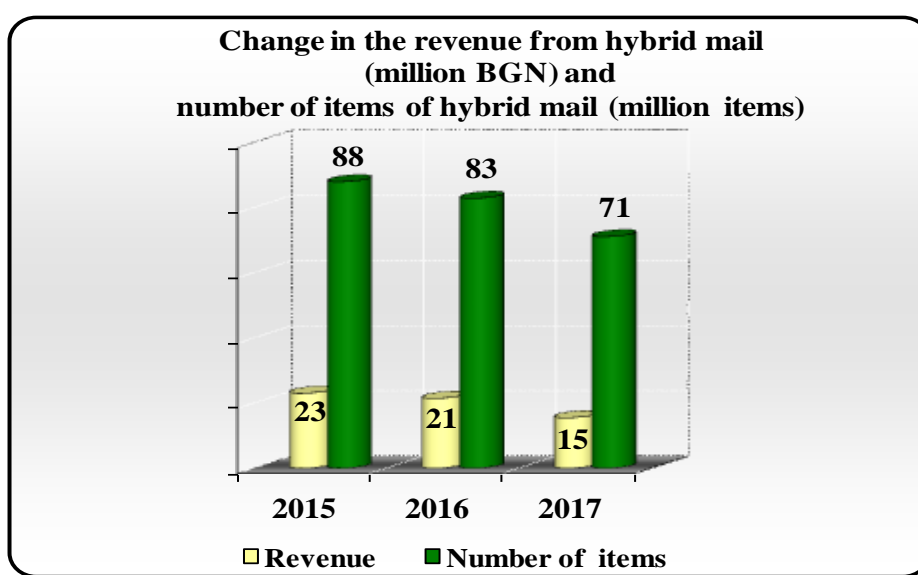


Fig. 6

Source: Data submitted to CRC

As it is clearly shown from the data on Fig. 6, the downward trend for the revenue and the number of postal items from the provision of the hybrid mail service persisted in 2017 as well. The revenue from the provision of the service amounted to over BGN 15 million and it dropped by 28% compared to 2016. In 2017 the number of processed items decreased by 14% compared to the previous reporting period.

The considerable drop both in the number of the postal items and revenue might be explained by the more often practice, utility companies to deliver standalone their items to the end-users. It is beyond the law definition for “Hybrid mail” pursuant to Art.3, item 2 of the PSA – accepting and/or delivery as parcels of messages transmitted through the means of telecommunications. Maintenance trend in drop of the volume and number of hybrid mail items

during the last 3 years is also due to refusal of more and more users to receive their bills for utility on paper and their replacement with electronic ones.

Direct mail

In 2017 the operators providing the direct mail service were: BP, M&BM Express OOD and Pro Logistic EOOD.

In the past year the number of postal items from the acceptance, transmission and delivery of direct mail service increased by 5% compared to 2016 while the revenue decreased by 2%, which may be related to a change in terms of contracts with large clients.

3. Market shares

The ten operators holding the largest relative share⁹ in the volume of revenue from this market segment, according to data submitted to CRS, were:

- BP;
- Geopost Bulgaria OOD;
- DHL Bulgaria EOOD;
- Econt Express OOD;
- In Time OOD
- Leo Express EOOD;
- M&BM Express OOD;
- Rapido Express & Logistics OOD;
- Speedy AD;
- TNT Bulgaria EOOD;

In the ten operators holding the largest market shares of the provision of courier services, hybrid mail and direct mail formed 89% of the revenue in the non-UPS segment.

Fig. 7 presents the BP market shares, the five operators with the largest non-UPS market shares and all other operators providing non-UPSs.

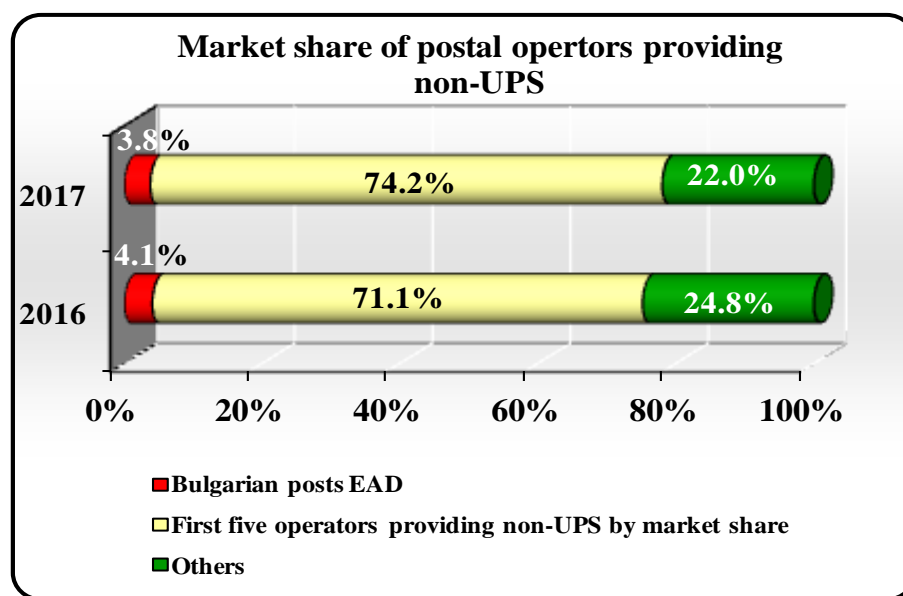


Fig. 7

Source: Data submitted to CRC

⁹ Operators are listed in alphabetical order, and not by the size of their market share

In 2017, BP share retained insignificant - nearly 4% without any change compared to the previous year. At the same time, the five operators with the largest market shares formed over 74% of that market segment. The share of these operators increased by almost 3 percentage points for one-year period.

4. Postal money orders (PMO)

4.1. Market segment players

With issued in 2017 individual licenses for the provision of PMO to D&D Express EOOD, Web Batal Gaims OOD, FASTO Kurier EOOD and Fintech Services EAD, the number of postal operators licensed for performing the PMO service became 22, but only 12 of them reported activity of providing the PMO service for 2017: BP, Econt Express OOD, Speedy AD, Tip-Top Courier AD, Evropat 2000 AD, Factor I.N. AD, EasyPay AD, Toyota Tixim EOOD, Intercapital Group AD, Rapido Express & Logistics OOD, Express Pay EOOD and M&BM Express OOD.

4.2. Market volume and shares

According to data submitted to CRC as of 31.12.2017 all active participants had provided about 13.6 million pcs. of postal money orders in total, and the reported revenues from these are approximately BGN 11.5 million.

BP reported about 1.3 million pcs. PMO, which generated revenue in amount of BGN 3.8 million. In 2017 compared to 2016 the operator reported a decrease in the amount of 11 % in the reported volumes and revenue from PMO, although has the largest post network in the country.

Econt Express OOD reported 10,4 million pcs. PMO for 2017 and BGN 6.4 million revenue from them. The postal operator has stated that about 91 % of the total number of PMO were delivered by the cash-on-delivery. In comparison to 2016 the undertaking increased its volumes and revenue from providing that service by 34% and about 4% respectively.

With reported by EasyPay AD in 2017 approximately BGN 7 thousand revenue from PMO, the operator registered a growth of about 8 % compared to 2016.

For one-year period, the generated revenue from PMO, reported by Express Pay EOOD amounted to only BGN 1 thousand and is equal to those reported for the previous 2016.

In 2017 Speedy AD reported a growth in PMO provision. PMO volumes increased by 55% and the revenue – by 49% in comparison to 2016. All reported PMOs by this postal operator have been express transfers.

Compared to the previous year, Intercapital Group AD registered growth in PMOs volumes and revenues 38% and 36% respectively.

Fig. 8 presents the market shares of provision of PMO service, calculated on the basis of realized revenue.

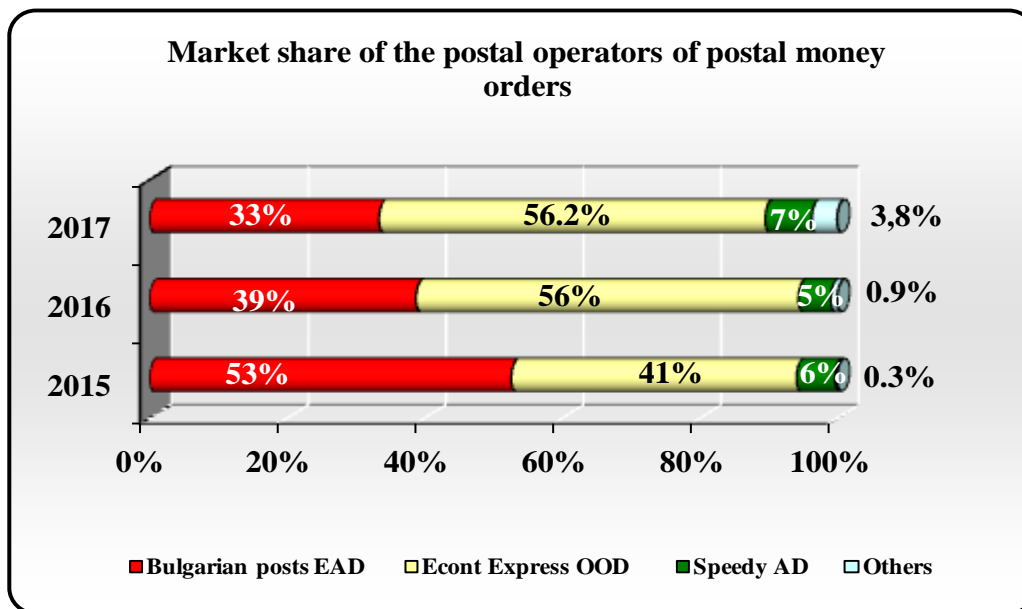


Fig. 8

Source: Data submitted to CRC

According to the data, in 2017 Econt Express OOD had the largest share in revenues of 56.2 %. BP - the incumbent postal operator held the second place by market share in the revenues from the provision of PMOs of 33 %. Unlike the increasing market share of the competitors in 2017, BP market share decreased by 6 percentage points. The downward trend market share of the operator in the revenues from the provision of PMOs has been observed since 2011 despite its well-developed postal network and well-known brand.

5. State of competition in non-UPS

The CRC's intervention in this market segment is limited to that required by the PSA. With regard to courier services of up to 31.5 kg, hybrid mail, direct mail and additional services, the regulatory intervention is directed to complying with postal security requirements, protection the secrecy of letters and protection consumer rights. Regulatory barriers to entry of the market segment, with the exception of the PMO service, are minimal, as evidenced by the annual increase in the number of postal operators who have indicated their intention to operate in this segment. Non-UPS are provided in a competitive environment, and their prices are formed in accordance with the demand and supply of services (Article 65 (1) of the PSA).

Stated above has an effect on the state of competition in non-UPS market segment and PMO service provision, assessed by calculation of the HHI index and CR factor. The values of both indices (of HHI - 1551 and of CR5 – 75%) in 2017 defined the non-UPS market segment as relatively competitive with an average to moderate concentration. To calculate the CR5 ratio, the market shares of the following five operators: DHL EOOD, Econt Express OOD, M&BM Express OOD, Speedy AD and Rapido Express and Logistics EOOD. In 2017 the above five operators formed market shares on the non-UPS market between 5 % and 27 %.

The segment of postal money orders is defined as poorly competitive with a high level of concentration (the HHI value is 4322, and CR4 – 99.1%). To calculate the CR4 value, the market shares of the following four operators: BP, Econt Express OOD, Rapido Express and Logistics EOOD and Speedy AD were used.

III. Provision of Universal Postal Service (UPS)

1. Scope and UPS market players

Pursuant to Art. 34, para.1 of PSA, the following services are included into the scope of UPS:

- acceptance, transport and delivery of domestic and international postal items, items of correspondence up to 2 kg; small packets up to 2 kg; printed matters up to 5 kg; secogrammes up to 7 kg;
- acceptance, transport and delivery of domestic and international postal parcels up to 20 kg;
- additional services “registered” and “declared value”.

In the register of the licensed postal operators under Art.39 of PSA¹⁰ are registered companies providing UPS on the basis of the issued individual licenses. These operators are as follows:

- BP, whose license includes obligation to provide all services within the scope of UPS on the entire territory of the country (§70 of TFR of PSA);
- Econt Express OOD, Tip-Top Courier AD, M&BM Express OOD, Star Post OOD, Terra Post Services EOOD, Speedy AD, FASTO Kurier EOOD, Tavex EOOD and Toyota-Tixim EOOD, whose licenses have been issued to the provision of services within the scope of UPS on the part of the territory of the country.

All licensed operators listed above with the exception of Terra Post Services EOOD and newly licensed FASTO Kurier EOOD, Tavex EOOD and Toyota-Tixim EOOD have declared that in 2017 they carried out their activity in that market segment.

2. Volume and structure of the market segment of services within the scope of UPS

In 2017 the revenues of services from the scope of UPS amounted to about BGN 89 million and reported a growth of about 16 % compared to 2016. The number of realized postal items and services from the UPS scope for both country and abroad was about 42 million pcs. As the increased compared to the previous year was about 12 %.

¹⁰http://crc.bg:8080/dpls/apex/f?p=923:210:3276054049828486::NO::P210_ADV,P210_REGION_CONTROL,P210_X:0,0,1

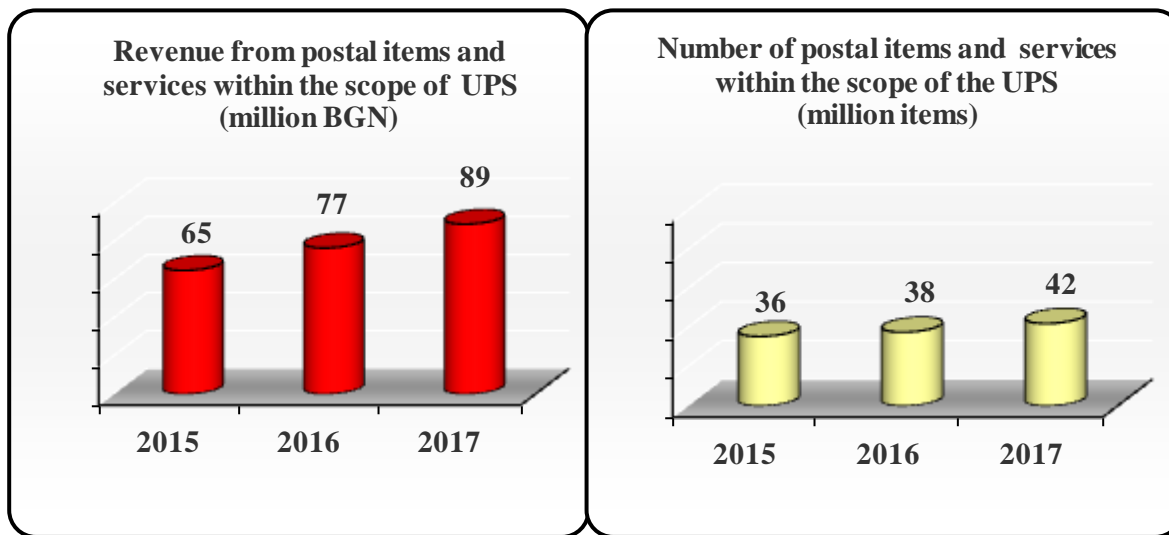


Fig. 9 and Fig. 10

Source: Data submitted to CRC

The upward trend in revenue growth is due to upgrowth of parcel items which have relatively higher prices compared to these of the postal items.

On the following figure it is presented the structure of generated revenues from postal items and postal parcels up to 20 kg domestic and international outgoing.

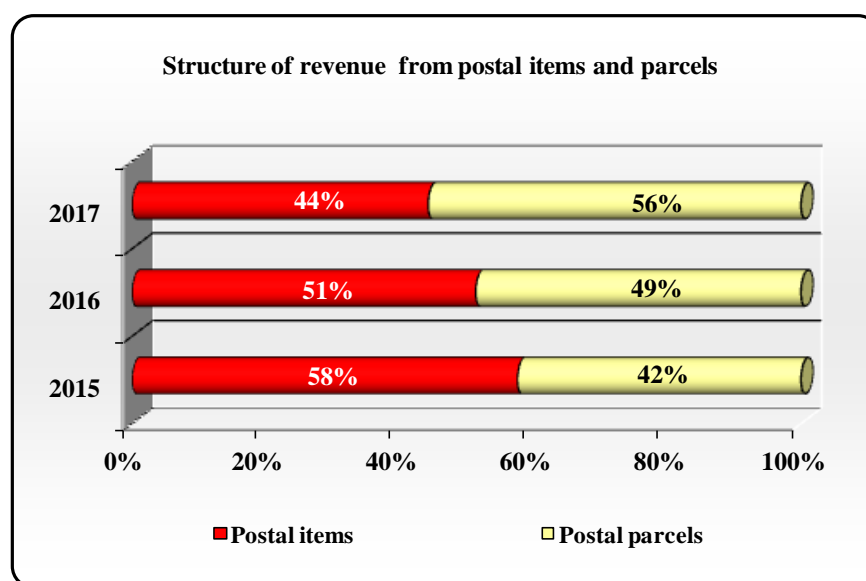


Fig. 11

Source: Data submitted to CRC

For the period 2015 – 2017 a steady annual growth of the revenue from the parcels by 7 percentage points was observed. As a result, in 2017 for the first time the share of revenue from the parcels went ahead of the revenue from postal items.

The revenue from postal items in 2017 amounted to BGN 16.1 million and was at the same level compared to the reported revenue of these items for 2016.

Fig. 12 presents the development of revenue from domestic and international outgoing postal items for the period 2015 – 2017. It is clear from the chart that in 2017 the levels of the revenue from postal items for the country and abroad remained unchanged compared to 2016.

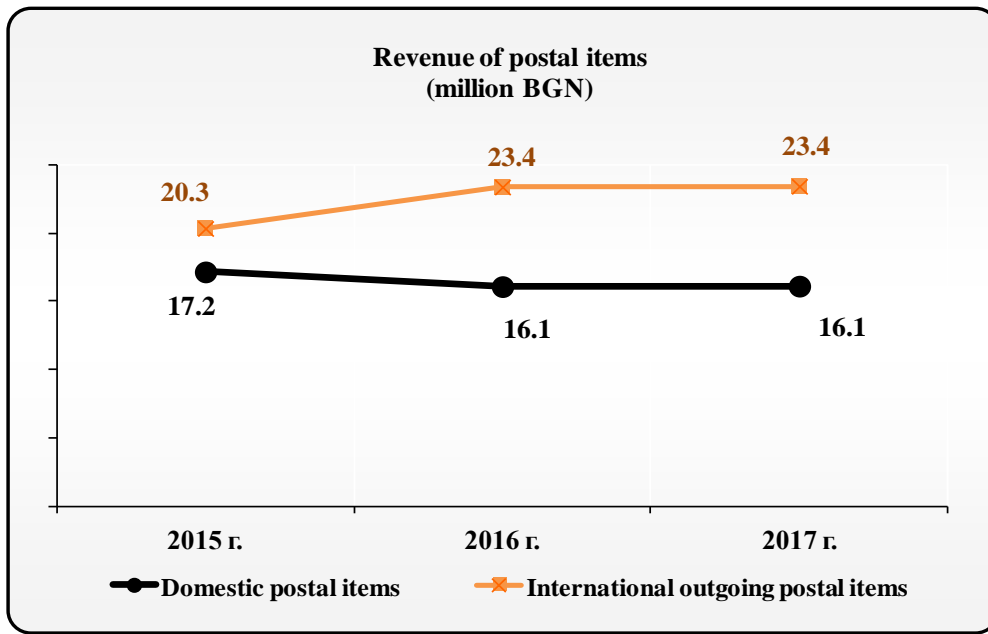


Fig. 12

Source: Data submitted to CRC

BP formed 90 % from revenues from the domestic postal items amounted to BGN 16.1 million. M&BM Express OOD reported about 9%, and the rest revenue was generated by Econt Express OOD, Tip-Top Courier AD and Star Post OOD. In comparison to 2016 BP reported a growth in revenue from these items by 4 %. The largest relative share in the revenue from postal items was for the items of correspondence up to 2 kg which share was about 96 % of the total service revenue.

During this reporting period, the revenues from outgoing international postal items amounted to about BGN 23.4 million as 99% of them were reported by BP. In comparison to 2016 in 2017 the revenues from outgoing international postal items was unchanged. According to the data provided by BP, there was no change in the number of these items which was about 5 million pcs. The revenues from outgoing international postal items was mainly formed by the service “priority outgoing international registered postal items”.

The revenues generated from the provision of domestic and international outgoing parcels amounted in total BGN 49.8 million while their number was 12 million pcs.

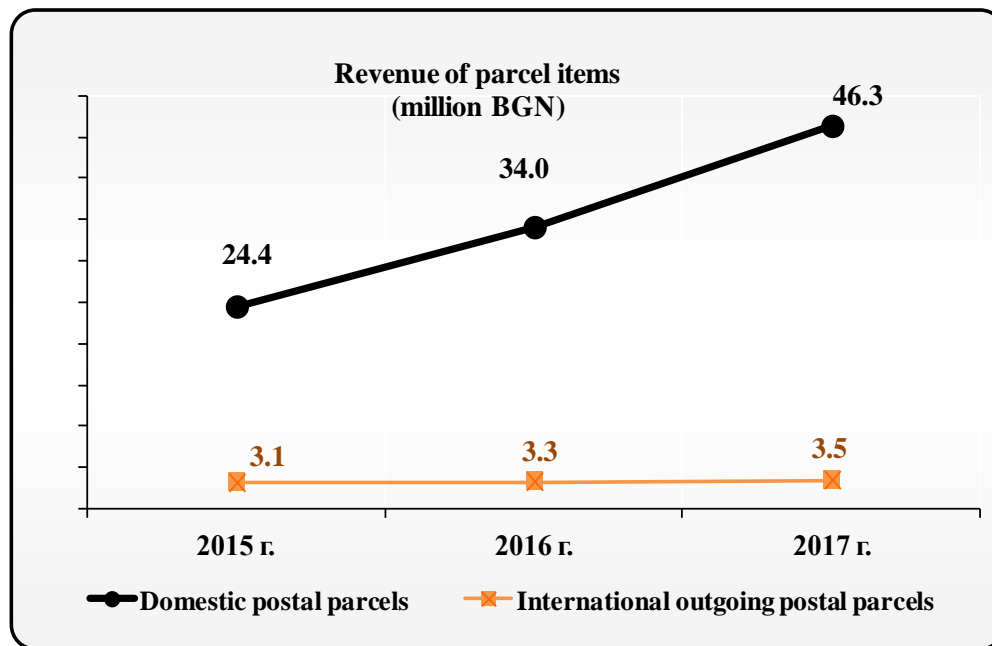


Fig. 13

Source: Data submitted to CRC

From the figure above it is evident that reported revenues from parcels up to 20 kg for the country in 2017 increased by 36 % in comparison to 2016. According to summarized data, about 46 % of all revenues from parcel items for the country up to 20 kg are formed from parcel items generated by e-commerce.

During the previous 2016, as well as in 2017 the revenue growth from services included in the UPS scope, is mainly due to the increase in revenues from accepted and delivered postal parcels up to 20 kg for the country by Econt Express OOD. The postal operator reported an increase by about 32 % of the number of the parcel items for the country and revenue growth of 35 % of that service in 2017 as compared to the previous year.

The number and revenue from the parcels up to 20 kg for the country realized by Speedy AD increased respectively by 79 % and by 93 % compared to 2016.

In 2017 M&BM Express OOD, Tip-Top Courier AD and Star Post OOD generated very small share in the market segment of parcel items for the country up to 20 kg.

In 2017 the service “postal parcels up to 20 kg for abroad” reported a growth by 6% more than in 2016. This service was provided only by BP.

3. Users of services within the scope of UPS

The e-commerce boom resulted in change of the customers’ profile. The services from business to individual consumers (business-to-consumer B2C) become more workable at the expense of business-to-business (B2B) services.

Fig. 14 shows the structure of items within the scope of UPS items handed by business users.

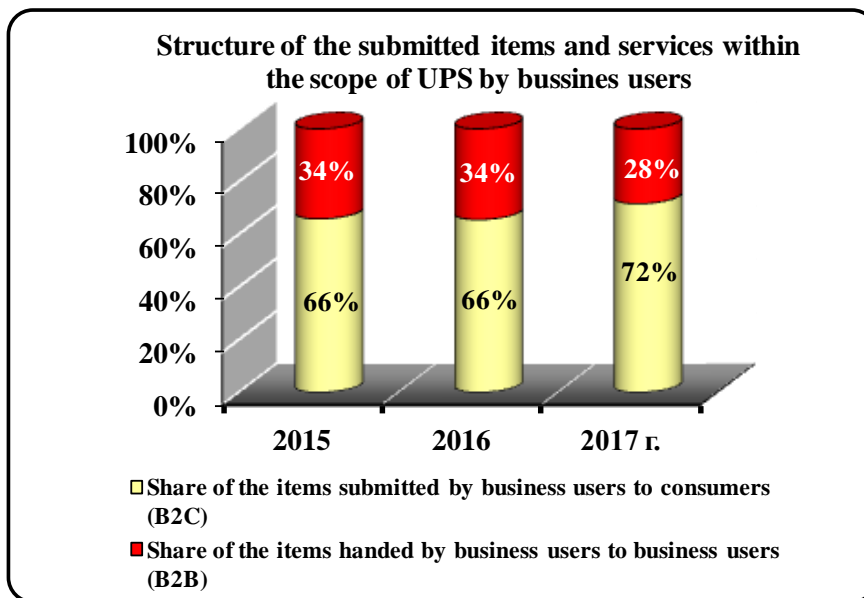


Fig. 14

Source: Data submitted to CRC

As the chart shows, in the period 2015 – 2017 the share of delivered B2C services was bigger than the share of delivered B2B services. In one-year period it increased by 6 percentage points as a result of increased online goods consumption.

According to data submitted by BP, the amount of postal items and services of the UPS scope, delivered in 2017 to the users was 70% share for B2C services to 30% share for B2B services respectively. The individual users of the incumbent operator most often used unregistered items of correspondence, small packets, parcels with/without declared value while the business users of UPS – services "unregistered and registered domestic and international outgoing items of correspondence up to 50 g without priority" and „registered items with advice of delivery”.

For the same period, the services from the UPS scope carried out by Econt Express OOD were used by business and individual users in ratio B2C – 93 % to B2B - 7%. Parcels up to 20 kg with/without declared value were the majority part of these services.

About 56% delivered B2C services and 44% carried out B2B services were reported by M&BM Express OOD for 2017.

4. Market shares

In the previous 2015 and 2016, as well as in 2017, BP and Econt Express OOD were the main competitors in the market segment of services within the scope of UPS. Although, under the PSA, BP provides the UPS on the territory of the whole country, the market position of the incumbent operator in this market segment significantly weakened and in 2017 reached to 47%, which was a drop by 6 percentage points compared to 2016.

For the first time since the liberalization of that market, during the current reported period the incumbent operator occupied smaller share than those of its main competitor - Econt Express OOD.

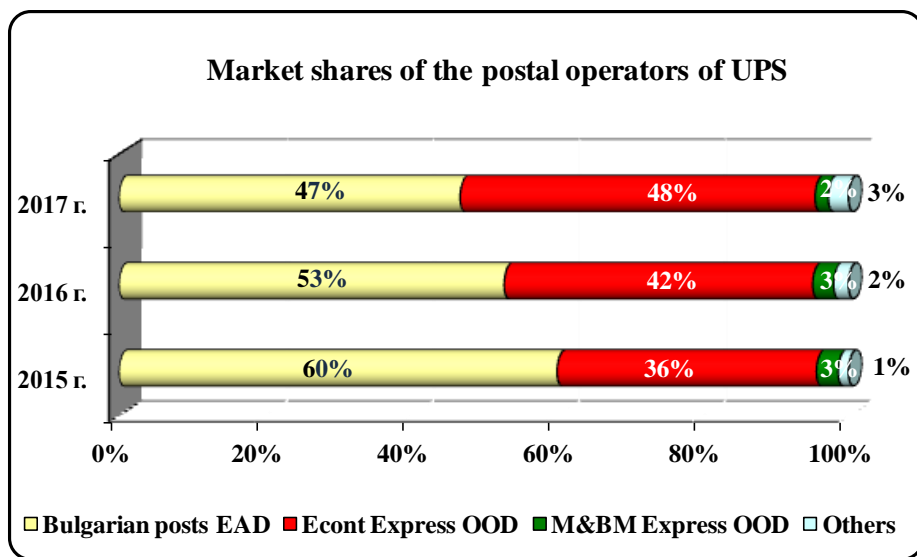


Fig. 15

Source: Data, submitted to CRC

According to the data shown in Fig. 15, BP market share is 47 %, while of Econt Express OOD - 48 %.

Compared to the previous reported period M&BM Express OOD decreased its market share from 3 % in 2016 to 2 % in this reported period. Speedy AD also reported some activity and revenue from provided services within the scope of UPS. Speedy AD and other licensed operators formed total market share of about 3 %.

5. State of competition in the market segment of services within the scope of UPS

CRC as a specialized independent state authority regulating the carrying out of the postal services in the Republic of Bulgaria (Art. 15, para. 1 of PSA) has legal power mainly focused on regulation of the all activity of the incumbent postal operator – BP. The following are subjects of regulation and control: the network size of the incumbent operator; quality of the UPS provided by BP; UPS prices; net costs and the unfair financial burden from the provision of UPS; access to the incumbent operator’s network etc.

That market segment penetration is carried out after issuance of an individual license by CRC, with specified rights and obligations for UPS throughout the whole country or parts of UPS provision.

In view of the above, in 2017, for yet another year, the state of competition in this market segment measured by HHI¹¹ index and CR4¹² factor was characterized as poorly competitive and highly concentrated, despite the redistribution of the market shares in UPS segment between Econt Express OOD and BP.

BP had generated 89 of all revenue reported for domestic items of correspondence up to 2 kg; 83 % of all revenue from printed matters; 99 % of all revenue from international services within the scope of UPS.

Econt Express OOD is a leader in providing the service postal parcels for the country up to 20 kg – with a share of about 93 % % of all revenues reported in the country from this service.

¹¹ HHI – Herfindahl-Hirschman Index –measurer of the market concentration.

¹² CR4 - (CR - Concentration Ratio) - indicator for concentration that characterizes not the whole market but only the position of the biggest players.

6. Analysis of the state of UPS according to the PSA requirements

This analysis covers some of the main requirements, characterizing UPS: the possibility the service to be used throughout the whole territory of the country, affordable prices and the unfair financial burden from imposed obligation in order to provide condition for UPS provision.

6.1. Number and location (density) of access points to BP postal network

Pursuant to Art.3, para.2 of the Postal Directive¹³ (Directive), the Member-states are obliged to take the necessary measures to ensure that the density of points of contact and access points to the postal network of the incumbent operator must take account of the needs of users.

According to Bulgarian legislation requirements for the number and location (density) of the access points to the postal network of the incumbent operator are regulated in Art.33 in connection with Art.15, para.1, item. 12 of PSA. The number and location (density) of the access points are determined on the basis of Norms¹⁴, in order to match the number and density of users' needs.

According to BP data, as of 31.12.2017 the number of permanent post offices was 2980: of which 639 were located in the towns and 2341 – in the villages. Out of the post offices in the villages, 240 were located in settlements with population of less than 150 residents, 1328 - in settlements with population of over 150 and below 800 residents and 773 – in settlements with population of over 800 residents. 5174 was the total number of settlements where postal services were provided. 50% of the settlements were served by post offices, 43% – by mailman, 6% – under contracts and 1% – by postal agencies.

BP postal network has had its structure since liberalisation of the postal market, which results in high costs for its maintenance.

The issue for post offices closure is quite sensitive and in view of its social and political response, a comprehensive concept of optimizing the postal network of the incumbent operator should be developed and adopted. UPS provision does not need the existence of a permanent post office. The incumbent operator can use alternative ways of service such as a mobile post office, postal agencies, and distant post windows as is the practice of its competitors.

Unlike BP, the postal market operators are flexible and quick-orientated to the benefits and new market opportunities, which provide new technologies. In their activity they introduce innovative solutions like so called “Parcel lockers” or “Automatic post station” (APS). The automatic post stations are machines with a number of boxes of different sizes located in commercial chains, petrol stations, Malls and other objects with extended working hours. APS allow the users to choose the time of receiving and/or submitting the item.

Speedy AD and Econt Express EAD are the first postal operators on Bulgarian market which have introduced APS for receiving and sending of postal items. To receive or send postal items is necessary to enter a unique code in the machine and follow the relevant instructions paying by debit or credit card. Each operator has detailed instructions for receiving and sending postal items using APS on their website. At the moment, according to the information published on their websites, Speedy AD has about 40 APS on the territory of the country and Econt Express EAD has 28 „Econtomat”s.

The use of APS by the users of postal services, including UPS gives them possibility to be flexible regarding time, location and cost of the service, and for the postal operators – a way to reduce logistics costs.

¹³ Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and improvement of quality of service

¹⁴ Norms for determining the density of the access spots to the postal network of the operator obliged to provide universal postal service, adopted by a Decree of the Council of Ministers No. 130 of 26.06.2012, prom.SG, No.50 of 3 July 2012.

6.2. Price affordability of the UPS scope services

At European level, the requirements for price determination of the UPS scope services are defined pursuant Art.12 of Postal directive. According to this directive, the prices of the UPS scope services should be complied with the following principles:

- prices must be affordable and must be such that all users, irrespective of their geographic location and in view of specific national conditions, have access to the services provided. Member States may maintain or introduce the provision of a free postal services for the use of blind and partially sighted persons;
- prices must be cost-oriented and give incentives for an efficient universal service provision;
- whenever necessary for reasons relating the public interest, member States may decide that a uniform tariff shall be applied throughout their national territory and/or cross border, to services provided at single price tariff and to other postal items. The application of a uniform tariff does not exclude the right of the universal service provider(s) to conclude individual agreements on prices with customers;
- prices must be transparent and non-discriminatory.

According to the current legislation, only the prices of the incumbent operator are a subject of regulation by CRC, in view of their affordability. The prices shall be defined and applied according to the requirements of Ordinance on determination of the rules for formation and application of the prices for the UPS¹⁵ and Methodology for determination of the affordability of the universal postal service price¹⁶, and Art.66, para 2 of the PSA.

Requirements for the determination of UPS prices in Bulgarian legislation are significantly complicated, cumbersome and beyond the European principles. To this principles Art. 66, para.2 of PSA includes the following:

1. observance of the quality of services;
2. provision of profit, which is well-grounded from an economic point of view in accordance with the established investment;
3. creation of conditions to encourage consumption;
4. compliance with the price levels at international markets in as much as the situation in the country allows it.

The cumulative application of the principles under Art.66, para. 2 of the PSA is practically impossible due to their contradictiveness. For example, if UPS prices are determined in lines with the QoS regarding the time for delivery of domestic postal items, their levels should be extremely lower than the costs made by the incumbent operator. In order to eliminate the contradictiveness and for the simplification of the legal framework, a legislative initiative for the amended of Art.66, para. 2 of the PSA is needed.

At the same time the prices of the postal operators licensed to provide services within the scope of the UPS are not subject to regulation. Pursuant Art.65, para.4 of the PSA, the postal operators providing services within the scope of UPS and operators providing non-UPS shall submit the prices to CRC for information within 10 days prior to the effective date of the said price. Through their flexible policy to provide services at prices lower than those of BP, the operators mentioned above put price pressure on the incumbent operator.

Although the regulatory shortcomings, in 2017, BP proposed to modify the UPS prices and as a result the price of the following services were modified: items of correspondence up to 2 kg, small packets up to 5 kg and domestic printed matters up to 5 kg “priority/ non- priority”; domestic parcels up to 20 kg; additional service “registered domestic and international outgoing items of correspondence “priority/ non- priority”.

¹⁵ Prom.SG, No.70 of 9 September 2011

¹⁶ Prom.SG, No.70 of 9 September 2011

6.3. Assessment for the presence of unfair financial burden incurred by the provision of the universal postal service and preparation of proposal for the amount of compensation

UPS is a service of general economic interest. BP provides this service under §70 of TFR of PSA obligation at conditions different than commercial. By reason of that, Art.29 of the PSA, provides BP to receive compensations from the state budget, when the obligation for UPS results in net costs and represent unfair financial burden for the operator

In accordance with the provisions of Art.29a, para.1 of the PSA, in 2017 as it was in 2015 and 2016, BP submitted an application to CRC for compensation of the net costs and the unfair financial burden from the provision of the service in 2016. In comparison to 2016 the amount of the compensation increased by 32 %, which according to BP is due to increase in net costs in order to maintenance of a network and increased staff costs. According to Section II of this report, BP's non-UPS market share is just symbolic so the realized revenue in the segment do not contribute to reduce the financial burden from UPS provision.

In compliance with its powers under Art. 29a, Para. 3 and Art. 296, Para. 5 of the PSA, CRC held a public procurement procedure¹⁷ with the following subject: "Implementation verification of the system of allocation of costs of Bulgarian posts EAD and audit of the submitted documents related to the calculation of the net costs of carrying out the universal postal service for 2016". Based on the factual findings from the performed audit, CRC adopted the following decisions:

- Decision No 519 of 21.09.2017 on coordination of the results obtained from the cost allocation system by types of services of BP;
- Decision No 520 of 21.09.2017 concerning the presence of unfair financial burden from the provision of the universal postal service and determination of the amount of compensation due to BP for the provision of the universal postal service in 2016.

According to the auditor's assessment, the net costs of carrying out the universal postal service for 2016 before reporting the intangible benefits and the incentives for cost efficiency amounted to BGN 18.527 thousand. After correction by the cash equivalent of the benefits (in amount of BGN 800.28) and by the cash equivalent of the incentives for cost efficiency (in amount of BGN 164.229) the total amount of the net costs was BGN 17.562 thousand.

The report on factual findings from the performed audit was published in compliance with the requirements for trade secret preservation on the CRC website - section "Areas of regulation - Posts".

Based on the assessment for the presence and amount of unfair financial burden from the universal postal service provision for 2016, set due compensation to BP in amount of BGN 17.562 thousand. In compliance with Art. 15, Para.1 item 16, the Commission extended a proposal to the Minister of Finance to include the amount of compensation in the draft Law on the State Budget of the Republic of Bulgaria 2018.

IV. Implementation of UPS quality standards and service efficiency

In compliance with the provisions of Art.15, Para. 1, item 7 of the PSA, in 2017 CRC held a public procurement procedure and determined the contractor awarded¹⁸ to carry out with the following subject "Measurement of the "end-to-end" transit time for single piece domestic priority and non-priority postal items and postal parcels in the network of the operator obliged to perform the universal postal service in 2017". The results of the implementation of the

¹⁷ The implementation of the order was assigned by CRC to KPMG Bulgaria OOD – by contract No 03-08-18/11.05.2017.

¹⁸ PricewaterhouseCoopers Bulgaria EOOD

quality targets/norms ¹⁹ for transit time for the postal items (norms), are given in the tables below.

1.1. Transit time for domestic unregistered priority mail

With quality target concerning the transit time for single piece domestic unregistered priority mail for **D+1** – not less than **80%** of the postal items and for **D+2** – not less than **95%** of the postal items, on an annual basis (2017) the results from the measurement were **53.1%** and **79.2%** respectively.

End-to-end transit time	Service quality targets	Results 2015	Results 2016	Results 2017
D+1	Not less than 80% of the postal items	71.4%	59.7%	53.1%
D+2	Not less than 95% of the postal items	92.2%	86.1%	79.2%

As it is evident from the data, in comparison to 2015, in 2017 the downward quality trend continued related to the transit time for single piece domestic unregistered priority mail. The measured results registered a drop again for the both indices - D+1 and D+2 – by about 7 percentage points, which significantly deviate them from the norms.

1.2. Transit time for domestic unregistered non-priority mail

In 2016, transit time for domestic unregistered non-priority mail was not measured by an independent external body, so the results for 2017 were compared the those for 2015.

End-to-end transit time	Service quality targets	Results 2015	Results 2017
D+2	Not less than 80% of the postal items	90.4%	82.7%
D+3	Not less than 95% of the postal items	97.1%	92.4%

A drop was registered in the results for domestic non-priority and priority mail, as for D+2, the registered decrease was about 8 percentage points, while for D+3 – about 5 percentage points. Regardless, D+2 indicator was fulfilled. However, D+3 indicator was not reached, if only less than 3%.

1.3. Transit time for domestic postal parcels

For the second another year it was measured the “end-to-end” transit time for postal parcels. The results are presented in the following table:

¹⁹ Norms for UPS quality and service efficiency, prom. SG, No.64 of 19 August 2011

End-to-end transit time	Service quality targets	Results 2016	Results 2017
D+1	Not less than 80% of the postal parcels	53.2%	52.9%
D+2	Not less than 95% of the postal parcels	92%	85%

The reported results for the “end-to-end” transit time for parcel items for 2017 did not meet the set quality norms and standards for the service. In comparison to the previous 2016 the results for D+1 remained almost unchanged, while for D+2 the drop was 7 percentage points.

In order to improve the quality of the provided UPS, during the annual measurements for implementation of the quality norms, CRC has periodically notified the incumbent operator for the quarterly interim results. On an annual basis, recommendations to improve the service quality had also been given. Due to the poor quality of the UPS provided in 2016 and the beginning of 2017, CRC initiated two meetings with BP representatives and sent a request to the operator to provide information on the actions which should be taken in order to improve the results of the quality measurement with regard to transit time for domestic priority postal items and parcel items in the second half of 2017. The operator submitted the requested information, CRC authorized inspectors carried out inspections concerning the implementation of the measures envisaged. The results on an annual basis showed that the measures envisaged did not achieved any result. In accordance with its powers under Art.105b of the PSA, CRC has taken the appropriate administrative punitive sanctions.

The results for the transit time for international postal items, as well as the results for the time for complaint processing, are displayed in a table containing comments and clarifications in Appendix 1” Other results from Measurement of the UPS Quality” to the report.

V. ENSURING POSTAL SECURITY

The safety and security of the postal sector as a part of the global supply chain is critical to supporting worldwide commerce and communication. Having in mind the international situation, the role of postal security as an anti-terrorist factor more and more increases. Therefore, it is necessary development and implementation of security standards and best practices exchange among Posts all over the world.

As a part of the global postal system, the Bulgarian postal sector has defined requirements for postal security, which are mandatory for all postal operators.

PSA regulates the general requirements related to ensuring the postal security, as well as the sanctions for their violation. A regulation – Ordinance No.6 on the postal security requirements²⁰ (Ordinance), specifies the actions which the operators shall take concerning:

- security and protection of postal items money means by outside persons and by employees of the postal operators; keeping the secret of correspondence; protection of users’ personal data;
- violation of the safety of the staff, buildings and property of the postal operators;
- prevention of conveyance as postal items of forbidden and dangerous goods, objects and substances;

²⁰ Prom. SG, No.90 of 15.11.2011

- prevention of use of forged or out-of-date postage stamps, postal products with a printed impression for prepaid universal postal service, postage seals and date-stamps, postage forms and documents, etc.;
- prevention of money laundering and terrorism financing.

By the Ordinance, the competent state authorities²¹, including CRC are obliged to control compliance and application of the requirements for postal security. In a view of the above mentioned CRC provides the information only of its competence.

The postal operators licensed for providing the postal money orders service must under the terms of the issued individual license and under Art.8 of the Ordinance, to prepare internal rules for control and prevention of money laundering, which are approved by the Chairperson of the State Agency National Security (SANS). According to the data of the annual questionnaires submitted to CRC, at the end of 2017, 17 licensed postal operators for providing the postal money orders service have fulfilled the above license obligation.

With reference to the provision of Art.13, para. 4 of the Ordinance, the postal operators develop internal rules of conduct for staff at suspected weapons, ammunition, pyrotechnics, explosives, flammable or other dangerous substances and objects contained in postal items. The rules under Art.13, para. 4 are agreed with the competent authorities of the Ministry of Interior and the State Agency National Security (SANS/the Agency). On the basis of the annual questionnaires, at the end of 2017, 35 postal operators introduced internal rules under Art.13, item. 4 of Ordinance No.6. Pursuant to Art.10 of the Ordinance the postal operators should designate the postal offices where they would equip with video surveillance special desks for taking valuable items. The fulfilment of the aforementioned Ordinance obligations together with the measures taken for: non-admission of forbidden objects and substances in/through the postal network (pursuant Art.12 of the Ordinance); keeping the secret of correspondence, protection of classified information and protection of users' personal data (pursuant to Art. 20, para.1, item 2, item. 5 and item 6 of the PSA) protection of environment, human life and health (pursuant to Art. 20, para.1, point 9 of the PSA), were subject to complex inspections. The summarized information of the analysis on the inspections carried out reported that the operator being inspected complied the provisions under Art. 20, para. 1, items 2, 5, 6 and 9 of the PSA, as well as under Art.12, para. 1 of the Ordinance. In the course of the inspection, 4 cases were found where video surveillance cameras had not been installed in the premises for customers' service and storage of postal items. As a result, an AEAO²² was drawn up.

Taking into account the joint competence as well as the nature of information submitted to the SANS and the Ministry of Interior and their collaborative competences, CRC's opinion is that forthcoming amendment of the PSA should remove the obligation an analysis on the measures for postal security pursuant to Art.17, para.1 to be included in the annual report on the postal services.

VI. Control activity and user protection

In performance of the legal obligation to monitor the compliance with legal acts related to postal services, the requirements for the provision of UPS, the conditions for implementations under the issued individual licenses and obligations of operators, providing non-UP in 2017 authorized CRC officials under Art. 95 of PSA carried out a total of 146 inspections, of which:

²¹ Art. 22of the Ordinance

²² Act for the establishment of an administrative offence

- 42 inspections in relation to complaints, the most predominated part of the complaints were related to undelivered postal items;
- An inspection of BP post offices (as postal operator obliged to provide UPS) concerning the actions taken by the operator to improve QoS;
- 69 complex inspections of postal operators providing non-UPS;
- 19 inspections of postal operators which have not submitted before CRC the report of their activities for 2016.

In 2017, 14 AEAOs in the field of postal services were drawn up, 6 of which in relation to complaints/signals submitted to CRC, 5 for violation of Art.105, para.1 of the PSA, 1 for violation of Ordinance No.6 on postal security requirements and 2 AEAOs - for violation of Art.105b of the PSA. In 10 cases administrative liability had been committed and penal decrees had been issued.

CRC has two specific powers in order to protect the interests of the postal services users under Art. 15, para.1, item. 5 of the PSA - coordination of the Terms & Conditions of the contract with users of postal services (Terms & Conditions) of the relevant postal operator (Art. 15, para.1, item.18, in connection with Art.21, para.6 of the PSA) and adoption of opinions on disputes between users and postal operators on complaints in connection with the provision of postal services (Art.15, para.1, item.17, in connection with Art.86, para.4 of the PSA). In the past 2017 CRC coordinated the Terms & Conditions of 6 operators. Apart from this, the Commission accepted that the General Terms & Conditions of 4 postal operators are in accordance with the PSA, they were however not coordinated but sent for approval to the Commission on Consumer Protection (CCP)²³. 276 complaints/signals filed by postal services users against postal operators were considered. Apart from this, CRC passed-judgement on 4 decisions on formal requests for Commission opinion on a rejected complaint in connection with the provision of Art.86, para.4 of the PSA. CRC experts participated in the work of the Sectoral reconciliation commission for electronic communications and postal services at CPC (Customer Protection Committee), which is an authority for alternative dispute resolution between the customers and traders concerning contracts for the sale of goods or supply of services. CRC experts participated in the handling of 2 complaints on disputes in the field of postal services against BP, as the complainers suggested conciliation proposals on the relative conciliation proceedings.

It should be noted that CRC opinions under Art.15, para. 1, point 17 and Art. 86, para. 4 of the PSA are advisory and do not have binding obligation for the parties which should be fulfilled. In view of the latter, and also the interests of the users of postal services, which the Commission have to protect (Art.15, para.1, item 5 of the PSA), the relevant amendments and supplements in the PSA should be envisaged *de lege ferenda* with the aim to ensure possibility of CRC to give mandatory instructions on the general conditions of the contract between the postal services users and the operators.

In 2017 according to data from the annual questionnaires of the incumbent operator and operators providing services within the scope of UPS, the total number of complaints filed was 19 679 of which 8 789 were justified. The table below shows the number and breakdown of justified complaints for domestic and international items, by reasons for a 2-year period.

²³ Under Art. 148, para. 2 of the Consumer Protection Act (CPA), when in a normative act is provided government authority to approve the general terms of contracts with customers and subsequent amendments thereto, they should be sent to the CCP for an opinion on the existence of unfair terms. The Government authority must approve the general terms of contracts with customers only if the CCP approves its terms and after assessing that they do not contain unfair terms within the meaning of Consumer Protection Act. Apart from this, in this hypothesis of the Consumer Protection Act is not provided deadline for pronouncement of CPC concerning the provided terms and conditions. At the time of preparing this report, the CPC has not approved 6 pieces general Terms and Conditions (sent in 2016 and 2015) and therefore they were not agreed by CRC.

Breakdown of justified complaints according to their cause	Number					
	2016		2017		Change	
	domestic	international	domestic	international	domestic	international
Filed complaints (total), including:	873	6996	971	7818	▲	▲
for lost item	99	6359	97	7787	▼	▲
for delayed item	170	385	178	8	▲	▼
for damaged item or with missing content (fully or partially)	240	110	205	15	▼	▼
for misdelivered item	14	35	45	0	▲	▼
for returned postal parcel without reason for non-delivery	3	43	4	0	▲	▼
general complaints (complaints based on a general dissatisfaction with the operator's services)	329	58	364	8	▲	▼
concerning the behaviour and competence of postal employees	13	0	18	0	▲	=
concerning complaint handling	5	6	25	0	▲	▼
other	0	0	35	0	▲	=
Complaints settled with payment of compensation	2016		2017		Change 2017	
	pcs.	BGN	pcs.	BGN	pcs.	BGN
	5712	431 311	7644	605 961	▲	▲

In 2017 as compared to 2016, the total number of complaints submitted decreased considerably - by 4%, but the number of complaints considered justified has increased by

almost 12%. In one-year period the number of complaints settled with payment of indemnity increased and the amount of compensations paid increased by 40%.

In 2017, 90 % of the complaints considered justified related to lost items, mostly they were lost international items submitted to BP offices. According to the operator's data, it was concerned to items forwarded by BP, which could not be localized by the foreign postal administrations. Subsequently, these administrations gave consent for payment of compensations to the recipients.

According to the information provided by the licensed postal operators for the provision of services within the scope of UPS, over 75% of the complaints considered justified related to domestic items were due to delay in delivery damaged items (totally or partially) or common dissatisfaction with the services of the operator. It should be noted that in 2017 the positive trend from the previous year in decreasing the number of complaints for damaged items continued. In 2017, Econt Express OOD and BP reported the biggest number of complaints for domestic items. In the past year the share of complaints regarding the procedures for their processing was relatively minor, which indicated that the licensed operators had taken measures to give the users a chance to declare their dissatisfaction with the postal services provided.

To provide users with quality services within the scope of UPS was an important part of CRC activity. CRC regularly measured the implementation of the service quality norms and carried out complex inspections for compliance of the licensing obligations by the operators providing a part of UPS.

According to data from the annual questionnaires, submitted by operators licensed to provide the postal money orders service and registered for the provision of non-UPS, in 2017 the total number of filed complaints was 10 441 and it decreased by 9% compared to 2016. The number of complaints considered justified in the past year was 6 127 and it decreased by 20% compared to the previous year. The number of complaints settled with payment of compensation and the amount of compensations paid decreased by about 20% compared to 2016.

The table below shows the breakdown of justified complaints by reasons for a 2-year period.

Breakdown of justified complaints, by reasons	Number					
	2016		2017		Change	
Filed complaints (total), including:	7688		6127		▼	
for damaged item	3129		2106		▼	
for lost item	644		635		▼	
for rifled item	417		68		▼	
for item delivered with delay from the deadline for delivery	2219		1926		▼	
others	1251		1373		▲	
for postal money orders	28		19		▼	
Complaints resulting in payment of	pcs.	BGN	pcs.	BGN	pcs.	BGN

Breakdown of justified complaints, by reasons	Number					
	2016		2017		Change	
compensation	5534	945 760	4397	746 080	▼	▼

The data in the table above shows that in all two years of the period, the largest share of complaints considered justified is held by complaints filed for damaged items, followed by those for delayed items. Taken together, the two types formed up to 65% of the number of complaints considered justified. It should be noted that in one-year period less number of complaints had been filed for damaged, lost and rifled items and items with delayed delivery, which is largely indicative for the measures taken by the postal operators to provide more quality services.

In 2017 the trend from the previous year in decreasing the number of the PMO complaints considered justified continued. Among the main causes of complaints were orders paid with delay and common dissatisfaction with the services.

CRC carefully monitors and analyses the reasons for complaints filed not only to the incumbent operator, but the operators providing services within the scope of UPS and operators providing non-UPS as well. The PSA does not provide explicit obligations for the quality of the services provided by the operators, but there are obligations to elaborate procedures for acceptance and handling of complaints and for payment of indemnities, which include, inter alia, a procedure for settlement of disputes with users²⁴. These obligations were incorporated by clauses in the General Conditions²⁵ of the contract between the postal operators and users. Regarding the above, in 2017 CRC inspected the non-UPS operators in order to monitor the fulfillment of these obligations, including: keeping a register of the received complaints with information for decisions taken on them; the way to determine which complaints are considered justified; providing the possibility of filing complaints in each office of the operator's network; control of compliance with the delivery terms of the items, specified in the General Conditions; access to the General Conditions of the relevant operator in all postal service offices. Overall, the inspections found a small number of irregularities. All operators without exception have developed their internal instructions for receiving and processing the complaints, creating the necessary organization for their implementation with control provided over each stage. E-registers with files with all relevant information and the way of resolution, for each individual case are kept. Almost all operators have installed vide surveillance cameras and electronic system in order to track the postal items.

VII. Conclusion

Postal services in their traditional role or changing during the years remain an integral part of the people life. Economic conditions, urbanization and digitization will continue to change the postal market, which have an effect on the market boundaries and business models.

According to the International Postal Corporation²⁶ report, the International Monetary Fund prognosis is for global growth of the postal market of 3.7% by 2018 worldwide. The expectations are of migration from rural regions to the cities of more and more people which

²⁴ Art.20, para.1, point 10 of the PSA

²⁵ On the basis of Art.21, para. 6 the General Conditions are approved by CRC

²⁶ <https://www.ipc.be/en/knowledge-centre/market-intelligence/global-postal-industry-report>

will lead to infrastructure changes. The forecasts say that e-commerce will be more than half of all online sales by 2021.

At regional level the growth will be driven by developing countries, including these in the Asia-Pacific region: for example, cross-border e-commerce from and to China is expected to double its volume over the next five years. Clothing, apparel and shoes, media and consumer electronics remain the three biggest e-commerce product categories, and the growth in online sales of food and drinks will create a possibility for on-demand grocery delivery.

The competition in the postal market is expected to increase because a multiple of market players make every endeavour to increase their share within the parcel delivery market. New B2C models will be added to the traditional B2B services, the e-commerce “giants” will invest in the logistics of deliveries.

The global trends outlined are relevant to Bulgarian postal market which has been driven by the parcel items, especially these generated by e-commerce. Market development and implementation of the e-government policy will force postal services providers to improve their postal business models and strategies. The incumbent operator shall focus its endeavour on traditional services transformation (letter mail), take advantage of the increase of the number of domestic and international parcel items and develop its activity beyond the core business. The UPS scope and characteristics shall be considered again in order to comply with the expected changes related to the needs of today’s users and dynamics of emerging markets.

Other results from Measurement of the UPS Quality

1. Transit time for international priority postal items

The end-to-end time for single piece international priority postal items is measured using the UNEX system of the International Post Corporation – IPC, to which Bulgarian posts EAD (BP) has been joined since the beginning of 2008. In 2017 the system covered in its measurements postal operators obliged to provide UPS from the 28 EU Member States, as well as Iceland, Norway, Serbia and Switzerland. It is organized according to the requirement for independent measurement of end-to-end transit times of Directive 97/67EC and measurements are carried out in line with the requirements of the EN 13850:2012 standard. The results obtained are official for all operators and serve as an accounting basis between them.

1.1 International unregistered postal items without priority from geographical zones within Europe

End-to-end transit time	Service quality targets	Results 2015	Results 2016	Results 2017
D+3	Not less than 85% of the postal items	39,8%	44%	40,3%
D+5	Not less than 97% of the postal items	81,9%	81%	80,3%

The comparison of the results for a three-year period shows that the trend of non-compliance of both norms continues. After a slight improvement of the result for D+3 in 2016, there was again a decline in 2017, and the result for D+5 remained almost unchanged.

The table below shows the summarized results of all countries participated in the measurement for the same three-year period:

End-to-end transit time	Service quality targets	Results 2015	Results 2016	Results 2017
D+3	Not less than 85% of the postal items	89%	83,2%	79,5%
D+5	Not less than 97% of the postal items	97,1%	95,2%	94,2%

It is interesting to note that at the European level, the opposite trend is observed – subsequent decrease of result since 2013²⁷. The above trend may be explained by the fact that the postal operators have to reduce their operating costs, related to less and less volumes of international letter mail, while the postal products - result from e-commerce as untracked postal items are on steady and significant upward, posing challenges in existing infrastructure.

1.2 International unregistered postal items without priority from geographical zones within Europe

End-to-end	Service quality targets	Results	Results	Results
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²⁷ <https://www.ipc.be/en/News-Portal/general-news/2018/03/19/10/49/ipc-publishes-unex-cen-module-results-for-2017>

transit time		2015	2016	2017
D+5	Not less than 80% of the postal items	82%	79,4%	80.9%
D+7	Not less than 95% of the postal items	96,4%	96,2%	96.7%

The results were almost similar to those from the previous year, the both indicators were fulfilled. Here it should be noted that measurements of these normative are carried out by Bulgarian Posts EAD by means described in the operator's internal instruction.

2. Time limits for handling complaints

Standard time limit for handling complaints	Service quality targets	Results 2015	Results 2016	Results 2017
30 days for domestic postal services	Not less than 90% of complaints	99%	99%	99%
90 days for international postal services	Not less than 90% of complaints	98,6%	98,6%	97.7%

As it is clear from the table above, targets were not only met, but the results were much higher than the targets set.