

**REVIEW OF QUALITY OF SERVICE
REQUIREMENTS AND TARGETS TO BE
ACHIEVED BY MALTAPOST FOR THE
UNIVERSAL SERVICE**

Consultation Document

MCA/C/13-1691

Publication Date:

10TH SEPTEMBER 2013

Closing Date for submission of responses:

8TH OCTOBER 2013 – AT 12.00AM CET

EXECUTIVE SUMMARY

An essential element of postal services regulation, and probably the one that enjoys the highest profile in the public eye, is the establishment and ongoing monitoring of the quality of postal services, mainly with respect to its efficiency in the provision of a reliable universal service.

Reliability of the universal service essentially entails a delivery time which meets customers' needs and the avoidance of substantial delay, loss or damage to mail. A letter or parcel substantially delayed or lost can mean disappointment and possibly worse, to either sender or receiver, occasionally to both.

The Malta Communications Authority (MCA) has to ensure that users have access to a set of specific universal postal services at a specified quality and at affordable prices. The MCA is required to set and publish quality of service (QoS) standards in relation to the universal service, paying particular attention to routing times and to the regularity and reliability of these postal services.

The universal service is currently ensured by MaltaPost Plc, hereinafter referred to as MaltaPost, as the only postal operator designated to provide a set of universal service obligations. MaltaPost, as the designated universal service provider (USP), must meet the needs of postal service users throughout Malta, by offering a good quality and reliable universal service.

The results achieved by MaltaPost over the past years have shown a constant improvement in the quality of the universal service whereby MaltaPost has, in the main, exceeded the established QoS targets. Furthermore, a recent customer perception survey indicated that consumers are generally satisfied with the time taken for MaltaPost to deliver mail and with MaltaPost's overall QoS performance. The results achieved have also been due to cumulative QoS measures gradually mandated by the MCA over the corresponding period.

The purpose of this consultation document is to determine the QoS measurements and related performance targets to be achieved by MaltaPost for the universal service covering the period October 2013 - September 2016. In addition to the setting of the revised QoS targets, this document also updates the information and reporting requirements with respect to performance monitoring and complaints handling.

Proposed QoS Performance Targets and Reporting Requirements

- The next day delivery (D+1) QoS target for the inland ordinary mail product for the financial year October 2013 - September 2014 will remain at 94% but will increase by one percentage point to 95% for the following two years. The D+1 QoS target for registered letter-post mail and parcel post for the coming three years will remain at 98%.
- The end-to-end transit time objective for intra-community cross-border mail will continue to be monitored by MaltaPost in line with the QoS targets specified in the EU Postal Directive –

85% of mail to be delivered within D+3 and 97% within D+5. In addition, MaltaPost is required to monitor the quality of cross-border mail services to all other foreign addresses in line with an end-to-end transit time objective of D+9 (up to 9 days).

- All inbound cross-border mail services arriving at MaltaPost's office of exchange are to be processed on the same day, and delivered within the same QoS performance targets as that of the inland mail products.
- The D+1 outbound cross border mail targets (loading on airline) with respect to: ordinary mail and bulk mail for European Union (EU) countries, Switzerland Australia, Canada and the United States of America (USA) will remain at 94% for the financial year October 2013 - September 2014 but will increase by one percentage point to 95% for the following two years.
- The D+1 outbound cross border mail targets (loading on airline) with respect to: registered mail and parcel post, for EU countries, Switzerland, Australia, Canada and the USA will remain at 94% for the financial year October 2013 - September 2014 but will increase by one percentage point to 95% for the following two years.
- The D+3 outbound cross border mail targets (loading on airline) with respect to ordinary mail, bulk mail and registered mail for all other countries will remain at 99%. The D+3 outbound cross border mail target (loading on airline) with respect to parcel post for all other countries will remain at 96%.
- MaltaPost is required to continue publish and submit to the MCA information relating to QoS performance standards and related targets, performance achievements and complaints as directed by the MCA.

Consultation Process

This consultation will run from the **10th September 2013** to the **8th October 2013** during which time the MCA welcomes written comments on any of the issues raised in this consultation paper. Further details about submitting comments to this consultation can be found in **Section 7** of the document.

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LEGAL DISCLAIMER

This consultation paper is not a binding legal document and does not contain legal, commercial, financial, technical, or other advice. The MCA is not bound by it, nor does it necessarily set out the MCA's final or definitive position on particular matters. To the extent that there might be any inconsistency between the contents of this document and the due exercise by it of its functions and powers, and the carrying out by it of its duties and the achievement of relevant objectives under law, such contents are without prejudice to the legal position of the MCA. Inappropriate reliance ought not therefore to be placed on the contents of this document.

None of the material in this document should be taken to reflect the views of the Ministry for the Economy, Investment and Small Business or to represent official Government policy, unless it is explicitly stated otherwise. This document is without prejudice to the legal position or rights and duties of the MCA to regulate the market generally.

1.0 INTRODUCTION

The MCA has to ensure that users have access to a set of specific universal postal services at a specified quality and at affordable prices. The MCA is required to set and publish quality of service (QoS) standards in relation to the universal service, paying particular attention to routing times and to the regularity and reliability of these services.¹

The universal service is currently ensured by MaltaPost as the only postal operator designated to provide a set of universal service obligations. MaltaPost, as the designated USP, must meet the needs of postal service users throughout Malta, by offering a good quality and reliable universal service.

In June 2005, the MCA published its first decision notice on the QoS requirements in order to secure improvements in the quality of the universal service. This decision notice established the QoS measurements and targets, in respect of transit time objectives, to be achieved by MaltaPost for the delivery of inland and cross-border mail covering the period October 2004 - September 2007. This decision notice introduced a collective compensation scheme in case of failure, on the part of the USP, to achieve its annual QoS targets. In addition, this decision also set the direction for the improvement of MaltaPost's complaints handling and compensation mechanisms and established the information and reporting requirements for performance monitoring and complaints handling.

In December 2007, the MCA published its second decision notice on the QoS measurement and targets to be achieved by MaltaPost, whereby the QoS targets were revised for a further three year period covering the period October 2007 - September 2010. This decision also established, as a separate requirement, the measurement and monitoring of the inland bulk mail service provided by MaltaPost as part of its universal service obligation.

In November 2010, the MCA published its third decision notice on the QoS measurements and targets to be achieved by MaltaPost, whereby the QoS targets were once again revised for a further three year period covering the period October 2010 - September 2013. This decision notice established, as a separate requirement, the measurement and monitoring of loss and/or substantial delay of mail. In addition, this decision also introduced revisions to MaltaPost's code of practice with respect to the classification of complaints and enquiries.

The purpose of this consultation document is to determine the QoS measurements and related performance targets to be achieved by MaltaPost as the designated USP, covering a three (3) year period (October 2013 - September 2016), for the following universal postal services:

¹ End-to-end routing is measured from the access point to the network to the point of delivery to the addressee i.e. from the point mail is placed into the collection / acceptance system under the responsibility of the collecting postal operator to the final delivery point under the responsibility of the delivering postal operator.

- **Inland mail:** ordinary mail (i.e. single piece priority letter-post mail), bulk letter-post mail, registered letter-post mail and parcel post.
- **Cross-border mail:** ordinary mail, bulk letter-post mail, registered letter-post mail and parcel post.

In addition to the setting of the QoS measurements and related targets, this document also updates the information and reporting requirements with respect to performance monitoring and complaints handling.

It is important to note that this consultation does not extend to other aspects of QoS standards and monitoring systems to be achieved by MaltaPost that relate to:

- complaint handling mechanisms;
- compensation schemes for loss, damage or delay; and
- collective compensation scheme.

These above-mentioned QoS standards and monitoring systems have been established in the 2005 QoS Decision, and will continue to apply. Changes to these requirements are not deemed necessary at this stage. The MCA reserves the right to review these requirements at a later stage.

It is also noted that this consultation document does not extend to the universal service obligations imposed on MaltaPost with regard to access to the universal service (i.e. access to letterboxes and basic counter services, and daily delivery).²

1.1 QUALITY OF SERVICE MEASUREMENT

The QoS measurement for inland mail is set in the form of a transit time objective of:

- D+1³ measuring the percentage of mail delivered on the working day after injection into the system (regularity); and
- D+3⁴ measuring the percentage of mail delivered within three working days after injection into the system (reliability).

In the case of intra-Community cross-border mail services, QoS standards are set by the European Parliament and the Council. The EU Postal Directive has set QoS objectives for transit times

² Refer to MCA Decision 2008 – MaltaPost Universal Service Obligations – Accessibility, Daily Delivery, Provision of Information: <http://www.mca.org.mt/sites/default/files/attachments/decisions/2012/postal-uso-decision-final-sep-08.pdf>

³ The quality standards for mail are established in relation to the time limit for routing measured from end-to-end for postal items of the fastest standard category according to the formula D+n, where D represents the ‘day of posting’ of a postal article and ‘n’ represents the number of working days after the ‘day of posting’ after which the postal article will be delivered to the addressee in due course of post.

⁴ D+3 represents three (3) working days from the date of deposit to delivery to the addressee. Whatever target is set it is necessary to address what happens to those letters that are not delivered the next working day.

concerning the fastest standard category of intra-Community cross-border mail services at 85 per cent of mail to be delivered within D+3 (speed) and 97 per cent within D+5 (reliability). These intra-Community cross-border mail standards must be achieved not only for the entirety of intra-Community traffic but also for each of the bilateral mail flows between two Member States.

The QoS transit time objective for cross-border mail to all other foreign addresses is set at D+9 (i.e. up to nine days).

1.2 QUALITY OF SERVICE STANDARDS

The European Commission emphasises the importance of standards in providing an appropriate level of postal service to users.⁵ These include standards for the QoS measurement regarding the reliability of postal services and the treatment of problems of loss, theft and damage.

Appendix B provides information regarding the European standards for the measurement of the quality of postal services.

⁵ The European Standardisation Committee (CEN) has been entrusted with developing European measurement methods (standards) for a number of aspects concerning the quality of postal services (refer to <http://www.cen.eu>).

2.0 LEGAL BASIS

The postal regulatory framework emphasises the importance of standards in providing an appropriate level of service to users including the reliability of services and the treatment of problems of delay, loss, theft or damage.

The MCA is required to set and publish quality of service standards in relation to the universal service, within the framework set out in European and National legislation, paying attention in particular to routing times and to the regularity and reliability of services.

MaltaPost, as the designated USP, must meet the needs of postal service users throughout Malta, by offering good quality and reliable universal postal services. The MCA monitors MaltaPost's performance against the QoS targets set and must from time to time report on the results of the monitoring exercise. The MCA ensures that corrective action is taken in those cases where the QoS targets have not been achieved.

In addition, MaltaPost must ensure that transparent, simple and inexpensive procedures are in place to deal with complaints by users, particularly in cases involving non-compliance with service quality standards. These procedures enable disputes to be settled fairly and promptly and in an inexpensive manner. MaltaPost must at least once every calendar year publish information on the number of complaints received - detailing what they were about and how they were dealt with.

A more comprehensive statement of the legal position can be found in **Appendix C**.

3.0 QUALITY OF SERVICE MEASUREMENT AND MONITORING

This section sets out the QoS measurement and monitoring requirements for inland and cross-border universal postal services provided by MaltaPost, as the designated USP.

3.1 INLAND MAIL SERVICES

Ordinary Mail

Single piece letter-post mail (also referred to as ordinary mail) is the ordinary day-to-day correspondence posted by individuals and businesses, big and small (other than bulk mail), at street letterboxes or over the counter at postal outlets (such as post offices or sub-post offices).

The ordinary mail product offered by MaltaPost, as part of its universal service obligation, equates to single piece priority mail. MaltaPost's ongoing performance of its inland ordinary mail product is measured in conformity with the CEN standard EN 13850 on the measurement of the transit time of end-to-end postal services for single piece priority mail and first class mail.

Bulk Mail

Bulk mail consists of a substantial number of similar letter-post items deposited with MaltaPost at the same place and time, to be transported and distributed to the addressees indicated on each of the postal articles. The bulk mail product offered by MaltaPost, as part of its universal service obligation, equates to a priority (next day delivery) bulk mail service.

MaltaPost's ongoing performance measurement of its inland bulk mail product is measured in conformity with the CEN standard EN 14534 on the measurement of the transit time of end-to-end services for bulk mail.

The ongoing performance measurement of MaltaPost's bulk mail product is important for the following key reasons:

- Although there has been a downward trend in the number of letters posted in bulk over the past years (mainly due to, amongst others, e-substitution) a high-quality universal service bulk mail product remains essential for the effective functioning of government, business and commerce in Malta.⁶
- Bulk mail constitutes a larger portion of inland letter-post items – approximately 68% of all inland letter-post items in terms of volumes and revenues are posted in bulk.

⁶ Bulk mail is essential for the effective functioning of business and commerce in Malta. Large business mailers need to be able to send mail such as statements, advertising mail and bills to all their customers, regardless of where in the country they live. Access to an efficient bulk mail service is also imperative for smaller businesses, facilitating contact with their customer base.

- MaltaPost is currently the only provider providing bulk mail services in Malta.⁷

In addition, the MCA notes that the QoS measurement of bulk mail is not only important to bulk mailers, but is also of interest to the postal operator, as other means of communications, able to reach customers in an integrated and measurable way, become more and more accessible.

Loss and Substantial Delay of Ordinary Mail and Bulk Mail

Postal services provide vital infrastructural support for the economy and society in general. Customers need to have assurance that the mail they entrust to a postal operator will arrive at its destination in time and is not lost or substantially delayed in transit - for example due to mis-delivery being the key cause of lost or delayed mail.

MaltaPost is required to measure its QoS performance related to the loss and substantial delay of single piece priority letter mail items (ordinary mail) in conformity with TS 14773. A mail item is considered as lost, or substantially delayed, if the item has not been received by the recipient within seven (7) days after which it has been posted (i.e. D+7).

Reporting on the QoS performance measurement of ordinary mail (EN 13850) and bulk mail (EN 14534) is expressed as a percentage of postal items delivered within the defined service standard by: (a) excluding postal items not delivered up to D+30 from the calculation; and by (b) including postal items not delivered by D+30 in the calculations (i.e. lost or substantially delayed postal items).⁸

The collective compensation scheme for failure by MaltaPost to achieve its annual next day delivery (D+1) target, for the ordinary mail and bulk mail product, is calculated based on the performance achieved by MaltaPost taking into consideration the inclusion of the postal items not delivered by D+30 in the calculations (i.e. postal items lost or substantially delayed).⁹ This provides a more balanced picture of the actual QoS results achieved by MaltaPost and encourages MaltaPost to continuously address any problems related to the loss and/or substantial delay of postal items.

The MCA recognises that MaltaPost strives to reduce the number of mail items lost or substantially delayed via, amongst other things, the strengthening of mail integrity procedures (such as the ongoing training given to employees responsible for the sorting and delivery of postal articles to reduce as far as possible lost or significantly delayed mail e.g. due to mis-deliveries) and via the ongoing monitoring of complaints.

Since the introduction of the performance measurement of loss and substantial delay of ordinary mail and bulk mail, there has been a notable drop in the total number of complaints registered with MaltaPost (refer to **Table 1** below).

⁷ MaltaPost is also classified as having significant market power (SMP) in the bulk mail market and therefore is subject to a number of specific obligations.

⁸ During the financial year October 2011 - September 2012, 15 out of 1562 (0.96%) of ordinary mail test letters and 11 out of 1247 (0.88%) of test letters posted in bulk were classified as lost or substantially delayed.

⁹ Refer to **Decision 1** of the MCA's 2010 QoS Decision Notice.

Table 1 - Complaints received by MaltaPost¹⁰

	Lost Mail	Mis-Delivery	Total Complaints
Oct 2008 – Sep 2009	444 (11%)	1051 (26%)	4006
Oct 2009 – Sep 2010	225 (8%)	736 (27%)	2686
Oct 2010 – Sep 2011	47 (3%)	404 (28%)	1468
Oct 2011 – Sep 2012	69 (5%)	341 (25%)	1347

In addition, the results of market research carried out by the MCA between 2011 and 2012 amongst households (2011), macro businesses (2011) and large bulk mailers (2012) shows that the number of complaints made with MaltaPost has gone down. Nevertheless, the main complaint registered by end-users remains that related to the loss and mis-delivery of postal items.¹¹

The MCA is of the opinion that the ongoing measurement and monitoring of delayed and lost mail items remains an important component to ensure the provision of a quality universal service. This measurement would continue to provide MaltaPost with a more precise measure than that which can be obtained solely from the measurement of complaints. In addition, this would ensure that MaltaPost continues to take all the necessary action to reduce, as far as possible, the amount of mail mis-delivered, lost or substantially delayed.

The measurement of loss and substantial delay of mail also provides information on whether there are issues related to the integrity of mail. In line with the minimum standards on the protection of the integrity of mail the MCA may carry out, or request MaltaPost to carry out, an audit to ensure compliance with the established minimum standards focusing on the areas related to collection, sorting and delivery processes.

Registered Mail and Parcel Post Services

The registered mail service refers to a service providing a flat-rate guarantee against risks of loss, theft or damage and supplying the sender, where appropriate upon request, with proof of the handing in of the postal article or of its delivery to the addressee. Parcel post comprises of the transmission by post of packages weighing up to 20 kg per item which require specific services such as registration in addition to normal postage. Because of the size of the item or the type of service required the postal item must be handed to an authorised representative of the postal operator

¹⁰ Refer to complaints registered with MaltaPost: <http://www.maltapost.com/record-of-processed-complaints>

¹¹ Out of the total number of households who made some form of complaint to MaltaPost (7%), 42% remarked about the loss or delay of postal items and 42% remarked about mis-delivery. Out of the total number of micro businesses who made some form of complaint to MaltaPost (7%), 34% remarked about the loss or delay of postal items and 28% remarked about mis-delivery. Out of the total number of bulk mailers who made some form of complaint to MaltaPost (33%), 54% remarked about the loss or delay of postal items and 8% remarked about mis-delivery.

Refer to : <http://www.mca.org.mt/surveys>

and/or be delivered personally to someone at the address on the item (or if that is not possible, to be made available for collection from the premises of the postal operator).

The best method of measuring performance and increasing customer satisfaction with respect to registered mail and parcel post is via a 'track and trace' system. Measurement and monitoring of MaltaPost's performance with respect to registered mail and parcel post is organised by MaltaPost by means of a track and trace system that enables the travelled distance of a postal article to be monitored and its location to be established at any time.¹² Such a system also provides accurate information and enables clients to use the Internet or the telephone to monitor the progress towards the delivery of a particular item.

MaltaPost measures and monitors the QoS of its registered mail and parcel post products in line with the EN 14137 standard for the measurement of the loss of registered mail and other types of postal services using a track and trace system. MaltaPost is also required to take into consideration the CEN technical report TR 15472 for the measurement of transit times for parcels by the use of a track and trace system.

Performance Measurements Audit

The performance measurement of the inland ordinary mail and bulk mail products is carried out by an independent organisation appointed by MaltaPost. The MCA carries out an annual audit of the methodology employed by the organisation commissioned by MaltaPost responsible for carrying out the performance monitoring in line with the above-mentioned standards.

In addition the MCA, as necessary, carries out audits on the measurement methods used to monitor the quality of service in terms of delivery of registered mail and parcel post via MaltaPost's track and trace system.

3.2 CROSS-BORDER MAIL SERVICES

From a European perspective the single market can only function with good communications and distribution channels. Efficient and cost effective postal services have an essential part to play in providing these channels to ensure free movement of goods and services, and the intra-Community cross-border mail services play an important role here.

A cross-border mail service refers to an end-to-end postal service from one country to another. A cross-border postal service refers to a situation whereby a sender of a postal article is buying an end-to-end service. The postal operator in country A is supplying the collection portion of an end-to-end service supplied 'into country B' and the postal operator in country B is providing the delivery portion of the same end-to-end service.¹³

¹² MaltaPost's registered mail and parcel post D+1 delivery standard implies that registered mail and parcel post posted at retail counters before 12.30 p.m. (Malta) and 12.00 p.m. (Gozo) on the day is to be delivered the following working day. Since registered mail and parcel post requires a signature on delivery as a proof of delivery, if the addressee is absent a notification notice is issued after the first delivery attempt.

¹³ Refer to 'Study on the External Dimension of the EU Postal Acquis', November 2010 carried out by Wik Consult and JCampbell: http://ec.europa.eu/internal_market/post/doc/studies/2010-wik-external-dimension_en.pdf

MaltaPost monitors the performance of cross-border mail flows by means of the International Post Corporation (IPC) UNEX programme¹⁴ and the Universal Postal Union (UPU's) Global Monitoring System (GMS).¹⁵ These systems monitor the quality of service of the fastest standard category of cross-border letter-post mail from time of posting to when they are delivered. It is noted that the UNEX programme is limited to the measurement of European participants and GMS is based on inbound international cross-border mail.¹⁶ The performance of cross-border mail flows for registered mail and parcel post are monitored by MaltaPost via its track and trace system.

In the case of cross-border mail, despite effecting the required end-to-end measurement, MaltaPost only has control over the local leg and part of the transit. The inland leg of the destination country is the responsibility of that country's postal operator. It is noted that extra complications, such as the lack of daily available direct flights, are incurred by MaltaPost with respect to those destinations having low mail volumes. Nevertheless, MaltaPost should continue to endeavour, as far as reasonably possible, to minimise the effects of these complications.

The MCA ensures that MaltaPost monitors the performance of end-to-end inter-Community cross-border mail and that the results are published against the transit objectives and targets set by the European Commission. The MCA also ensures that MaltaPost monitors the performance of end-to-end cross-border mail to other foreign destinations against the set transit time objective.

MaltaPost is required to separately monitor and measure the performance of outbound cross-border letter-post mail, registered mail and parcel post from time of posting until dispatch to destination (i.e. loading on airline in Malta) and the delivery of inbound cross-border mail (arriving at MaltaPost's office of exchange¹⁷) until delivery to the addressee. The results are published against the established transit time objectives and set QoS targets.

The MCA recognises that there may be difficulties to measure the QoS performance of outbound cross border ordinary mail and bulk mail items to non-European countries due to the fact that the UNEX system only measures European cross-border mail and the GMS system is only based on

¹⁴ Quality of service for European cross border traffic is measured by the IPC's UNEX end-to-end monitoring system. The UNEX system complies with the CEN EN 13850 standard. Conformance to this standard is mandatory for the EU Member States and those of Iceland, Norway and Switzerland. 37 European countries participate in the UNEX end-to-end monitoring system.

<http://www.ipc.be/en/Operational-services/Quality%20excellence/UNEX>

¹⁵ The objective of the GMS is to provide for UPU designated postal operator, precise diagnostic quality of service performance results for **inbound international mail** that are linked to terminal dues remuneration (these refer to payments effected between countries for handling international mail). These measurements consider the time required by the designated postal operator of destination from the arrival of test items, to their final delivery.

<http://www.upu.int/en/activities/global-monitoring-system/gms-description.html>

¹⁶ The Malta GMS design is based on the inbound weights as received over a calendar year from each country, with the top most 7 countries (Switzerland, Germany, France, United Kingdom, Italy, Sweden, USA) forming the Permanent Link Pool. The next two countries in the list from Pool 1, while a country from each continent makes up Pool 2. The countries in Pool 2 are randomly selected, with the sending countries from both Pool 1 and 2 remaining anonymous to the receiving country.

¹⁷ 'Office of Exchange' has the meaning assigned to it by Article 169 of the Letter Post regulations adopted by the Universal Postal Union (UPU). An 'office of exchange' is the place where MaltaPost accepts cross-border mail from a postal operator of another country.

inbound international mail. Nevertheless, the transit time objective should serve as an indication of the performance that should be achieved by the USP for these mail flows. It is premised that MaltaPost already has a good grasp of the indicative transit times to these destinations and should therefore keep the public informed on the transit times to expect for end-to-end delivery of mail items to these countries.

The MCA notes that the QoS performance monitoring problems referred to relate only to the measurement for cross-border ordinary mail and bulk mail. MaltaPost's QoS performance of the registered and parcel outbound cross border mail to these countries, is based on the results available via its track and trace system.

4.0 QUALITY OF SERVICE TARGETS

This section sets out the MCA's proposals on the QoS performance targets to be achieved by MaltaPost for the universal service covering the period October 2013 - September 2016.

4.1 INLAND MAIL SERVICES

In order to determine the level at which QoS performance targets for inland mail should be set, it is important that both the customer's viewpoint and the operator's viewpoint are taken into account.

If customers are happy with the current level of service then QoS targets should be set to reflect this. If there is a feeling that the performance is poor then QoS targets should be rated to match expectations. A recent customer perception survey indicated that households, small businesses and large bulk mailers are generally satisfied with the time taken to deliver mail and with MaltaPost's overall performance.¹⁸

Another important benchmark in determining the level at which QoS targets for inland mail should be set is that provided by the respective EU Member States' established QoS targets for single piece priority mail. More than half of the EU Member States have transit time targets of 90 percent or more for single piece letter mail items.¹⁹ The current target of 94 percent to be achieved by MaltaPost is above the European average but below the targets set in countries, such as, Latvia (97%), Slovakia (96%), Austria (95%), Luxembourg (95%), Netherlands (95%), Slovenia (95%) and Switzerland (97%).²⁰

MaltaPost's postal network has been designed to provide full next day delivery capability to all routes nationwide.²¹ It is inevitable that unforeseeable circumstances will arise and that there will be exceptional factors that will come in the way of MaltaPost in its attempt to provide a 100% next day delivery service. The established QoS targets need to cater for these unforeseeable circumstances.

¹⁸ The customer perception surveys carried out between 2011 and 2012 showed that 78% of households, 79% of micro businesses and 63% of large bulk mailers were satisfied with the time it takes MaltaPost to deliver letters: <http://www.mca.org.mt/surveys>

¹⁹ Refer to the European Regulator Group for Postal Services (ERGP) report on QoS and end-user satisfaction: http://ec.europa.eu/internal_market/ergp/docs/documentation/2012/121130_ergp-12-30-quality-service-end-users-draft-report_en.pdf

²⁰ Refer to EU Sector Studies 2010 on the Main developments in the postal sector (2008-2010) (Copenhagen Economics): http://ec.europa.eu/internal_market/post/doc/studies/2010-main-developments-country_en.pdf

²¹ MaltaPost operates a single stream and its customers do not have to make a choice between priority (delivered by the next working day - D+1) service and economy service (delivered up to two days later D+3). The speed of delivery required would determine the price to be paid. The disadvantage of this is that it would involve introducing another process into the mail chain, i.e. segregation of priority mail from economy mail.

The factors that could legitimately be taken into account in setting a QoS target against which to measure MaltaPost's performance include, for example, unforeseeable variations in volumes,²² exceptional staff absence and human errors resulting from an entirely manual mail sorting process.

In line with the CEN QoS measurement standards, non-functioning of the postal operator and days of strike or industrial disputes must not be discounted. Only, in the case of 'force majeure' events, deductions in the corresponding period may be considered by the MCA. Moreover, these shall be indicated in the reporting and be subject to audit.²³ In the past three years there were only three instances where MaltaPost requested a limited exemption from its QoS requirements due to exceptional weather conditions.

Over the past years MaltaPost has continued to improve the QoS offered to its customers. The MCA remains of the opinion that MaltaPost can further improve the efficiency of the universal service by continuing to reduce as far as possible the number of mis-delivered mail items, which is one of the main causes of lost and substantially delayed mail.²⁴ MaltaPost could also raise awareness amongst users on what to do with mail that has been mis-delivered.

The MCA remains of the opinion that the bulk mail product can be further enhanced by promoting incentives, for example, for the pre-sorting of mail, the early presentation of mail, the inclusion of a deferred delivery service, and by allowing users themselves to stamp the appropriate postal markings or impressions to indicate payment of postage. Such incentives could speed up the processing of mail by freeing up resources to give priority to, for example, the sorting of single piece priority mail items and unsorted bulk mail items.²⁵

As MaltaPost's operations are designed to provide full next day delivery for all inland mail products, similar QoS targets should be applied for both the ordinary mail and bulk mail products. The MCA is proposing to maintain the current next day delivery target of 94 percent for the inland ordinary mail and bulk mail products for the financial year October 2013 – September 2014. The D+1 QoS target would be increased by one percentage point to 95 percent for the following two years. A next day delivery target of 95 percent would still mean that on average 5 letters out of 100 posted could be delivered after D+1.

As registered mail and parcel post are measured by means of a track and trace system the QoS targets are set higher than those established for ordinary mail and bulk mail products. No changes

²² It is noted that mail is manually sorted thus enabling MaltaPost to relatively easily adjust the system capacity to cope with day-to-day fluctuations in the volume of business.

²³ European Committee for Standardisation (December 2012), Postal Services – Quality of Service – Measurement of the transit time of end-to-end-services for single piece priority mail and first class mail. *ibid.*, par. 5.2.2, p.17

Thus in case of natural disaster, or terror attacks the MCA would consider the deduction of the corresponding period during which operation is affected in such a way that conveyance times cannot be guaranteed by "normal" postal operations.

²⁴ Refer to complaints registered with MaltaPost whereby, complaints related to lost and mis-delivered mail are by far the most common - <http://www.MaltaPost.com/page.asp?p=9380&l=1>

²⁵ Bulk postal articles are handed over to MaltaPost at least one hour before the time of closing of mail as they may be delayed if their dispatch interferes with the scheduled dispatch of other postal articles. The sender may avoid such delay by the prior sorting of these postal articles by localities and by placing them in such a way that the address sides face the same direction.

are deemed required to the QoS targets for register mail and parcel post. The MCA is proposing to maintain the current next day delivery target of 98% for both inland registered mail and parcel post products for the period October 2013 - September 2016.

The MCA intends to maintain the QoS target of 99% of all inland postal articles delivered within three working days (D+3) making allowance for failures outside the control of MaltaPost.

The MCA is of the opinion that the new proposed QoS targets for the universal postal services listed below reflect customer expectations, MaltaPost's overall performance, efficiency gains during the past years and efficiency gains envisaged for the coming years. The QoS targets also take into consideration the exceptional factors that make it unfeasible for MaltaPost to achieve a 100% next day delivery service.

The QoS targets should continue to provide MaltaPost with the necessary incentive to maintain and improve the regularity and reliability of the universal service over the envisaged timeframes.

The proposed targets to be achieved by MaltaPost taking into consideration the above-mentioned factors for the coming three (3) years are listed below:

Proposed Inland Mail QoS targets²⁶:			
Financial Year (FY)	Target D+1	Target D+2	Target D+3
Ordinary Mail			
FY 2012/13	94%	98%	99%
FY 2013/14	94%	98%	99%
FY 2014/15	95%	98%	99%
FY 2015/16	95%	98%	99%
Bulk Mail²⁷			
FY 2012/13	94%	98%	99%
FY 2013/14	94%	98%	99%
FY 2014/15	95%	98%	99%
FY 2015/16	95%	98%	99%
Registered Mail and Parcel Post²⁸			
FY 2012/13	98%	99%	99%

²⁶ The QoS targets are based on the average to be achieved over MaltaPost's financial year as a whole.

²⁷ This includes all types of addressed bulk mail including: letter mail, direct mail (which is a particular form of bulk mail as defined in the Postal Services Act), magazines, and newspapers.

²⁸ As registered mail and parcel post requires a signature on delivery as a proof of delivery, the QoS target refers to the first delivery attempt. If the addressee is absent a notification notice is issued by MaltaPost after the first delivery attempt.

FY 2013/14	98%	99%	99%
FY 2014/15	98%	99%	99%
FY 2015/16	98%	99%	99%

Q1. Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for the delivery of inland mail as depicted above? If you disagree, please state why.

4.2 CROSS-BORDER MAIL SERVICES

MaltaPost monitors the QoS for intra-Community cross-border mail services (i.e. ordinary mail, bulk mail, registered mail and parcel post) from time of posting to when they are delivered in line with the targets specified in the EU Postal Directive (85 per cent of mail to be delivered within D+3 - speed - and 97 per cent within D+5 - reliability).²⁹ In addition, MaltaPost is required to monitor the quality of cross-border mail services to all other foreign addresses in line with an end-to-end transit time objective of D+9 (up to 9 days).³⁰

All inbound cross-border mail services (i.e. ordinary mail, registered mail and parcel post) arriving at MaltaPost's office of exchange before 19:00 hrs between Monday to Friday and 17:30 hrs on Saturdays is to be processed on the same day,³¹ and delivered with the same performance targets as that of the inland mail products identified above.

The proposed targets to be achieved by MaltaPost for delivery of outbound cross-border mail (i.e. ordinary mail, bulk mail, registered mail and parcel post) from dispatch to destination (i.e. loading on airline in Malta)³² for the coming three (3) financial years are listed below:

²⁹ The validity and independence of the statistics are guaranteed by the UNEX external monitoring contractor. Refer to the IPC website <http://www.ipc.be/> for additional information. The results for 2012 may be viewed via the following link:

http://www.ipc.be/~media/Documents/PUBLIC/UNEX/Full%20Year%20Results/UNEX%20Leaflet%202012_EN.pdf

The results for 2012 show that the European priority letter mail performance exceeded the European Union (EU) objectives. The IPC UNEX measurement system showed that 93.1% of letters were delivered within three days of posting and 98.4% within five days.

³⁰ The improvement of international postal service quality is a key objective of the UPU. The UPU quality of service programme for 2013 – 2016 maintains the global quality of standard at D+5 (the fifth working day after the day of posting) and the target for attainment of this standard at 85%, which should be achieved by 2016 by progressively raising the annual target. This standard and target should apply to the international priority letter post between those areas and/or cities that are most important in terms of international postal exchanges in each member country.

³¹ Refer to : <http://www.maltapost.com/quality-of-services>

³² Cross-border mail that is posted before 19:00hrs between Monday and Friday and 15:00hrs on Saturday in the Maltese Islands is collected, processed and dispatched to destination (loading on airline) the following working day for any EU Member States, Switzerland, Australia, Canada, USA, Brazil, Israel, Japan, Ukraine, Iceland and New Zealand, and following three (3) working days for all other countries. Refer to: <http://www.maltapost.com/international-mail-deliver>

Proposed Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets:			
Ordinary Mail / Bulk Mail			
		Target	Financial Year
EU countries, Switzerland, Australia, Canada, and USA:	D+1	94%	FY 2012/13
	D+1	94%	FY 2013/14
	D+1	95%	FY 2014/15
	D+1	95%	FY 2015/16
All other countries:	D+3	99%	FY 2012/13
	D+3	99%	FY 2013/14
	D+3	99%	FY 2014/15
	D+3	99%	FY 2015/16
Registered Mail			
EU countries, Switzerland, Australia, Canada, and USA:	D+1	94%	FY 2012/13
	D+1	94%	FY 2013/14
	D+1	95%	FY 2014/15
	D+1	95%	FY 2015/16
All other countries:	D+3	99%	FY 2012/13
	D+3	99%	FY 2013/14
	D+3	99%	FY 2014/15
	D+3	99%	FY 2015/16
Parcel Post			
EU countries, Switzerland, Australia, Canada, and USA:	D+1	94%	FY 2012/13
	D+1	94%	FY 2013/14
	D+1	95%	FY 2014/15
	D+1	95%	FY 2015/16
All other countries:	D+3	96%	FY 2012/13
	D+3	96%	FY 2013/14
	D+3	96%	FY 2014/15
	D+3	96%	FY 2015/16

As already mentioned in the document, the MCA recognises that there may be difficulties to measure the QoS performance of the outbound cross border ordinary mail and bulk mail items to non-European countries against the set targets.

Given MaltaPost's universal service obligations, the MCA is of the opinion that the QoS performance targets for these countries should remain. The set transit time objective and QoS targets should serve as an indication of the performance that should be achieved by MaltaPost for these mail flows. MaltaPost has a good grasp of the indicative timeframes for delivery to these destinations and should therefore keep the public informed on the lead times to expect for end-to-end delivery of letters to these countries. MaltaPost should also make this information available to the MCA.

The MCA notes that the monitoring problems referred to, relate only to the measurement for cross-border ordinary mail and bulk mail. MaltaPost is still required to measure and publish the results achieved on the registered and parcel outbound cross border mail to these countries, as performance measurement is carried out through its track and trace system.

- Q2.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for outbound cross-border mail from dispatch to destination (loading on airline in Malta) as depicted above? If you disagree, please state why.
- Q3.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for inbound cross-border mail from MaltaPost's office of exchange to delivery as depicted above? If you disagree, please state why.

5.0 REPORTING PROCEDURES AND REQUIREMENTS

It is important for the MCA to continue to monitor MaltaPost's QoS requirements throughout the year and therefore it is necessary for MaltaPost to submit appropriate reports on its QoS measurement and results achieved against the established transit time objectives and set targets. Such reports enable the MCA to identify any issues with the quality of the universal service which may need to be addressed.

In addition, MaltaPost is required to continue to convey information about the universal service with respect to QoS standards and related targets, performance achievements and complaint measurement and redress procedures through a variety of media:³³

- at the point of posting;
- by way of notice at all post offices;
- in written form at all post offices for subsequent reference at home or business premises;
- on the Company's website;
- through advertising media; and
- in the Company's Annual Report.

With regard to information on the time of last collection to secure next day delivery, MaltaPost is required to continue to make the following information available:

- The time of the last collection from access points to secure next day delivery should be made available by way of notice prominently displayed in all offices owned or controlled by MaltaPost and used for the provision of the universal service. The same information should be made available on MaltaPost's website.
- The days when mail is collected and the last collection time, the free phone customer care helpline (to contact MaltaPost in the event of enquiries or complaints or to report any irregularities such as the apparent interference with the letter box or questions about whether a collection has or has not been made), the code number of that particular street letterbox, and advice to the public that postal articles containing valuables must be sent by registered mail, prominently displayed at all posting points.

With regard to QoS targets and the performance achievement of those targets, MaltaPost is required to continue to make the following information available:

³³ Also refer to MCA Decision 2008 – MaltaPost Universal Service Obligations – Accessibility, Daily Delivery, Provision of Information: <http://www.mca.org.mt/sites/default/files/attachments/decisions/2012/postal-uso-decision-final-sep-08.pdf>

- Comprehensive information in respect of QoS targets for all aspects of the universal service should be made available by way of notice prominently displayed in all offices owned or controlled by MaltaPost and used for the provision of the universal service. The same information should be made available on MaltaPost's website.
- MaltaPost is required to provide the MCA with the following reports on its QoS performance against the set targets in line with the format agreed with the MCA:³⁴
 - Inland ordinary mail and bulk mail on a quarterly basis and not later than twenty working days after the end of each quarter.
 - Inland registered mail and parcel post biannually and not later than twenty working days after the end of December and the end of June.
 - Cross-border mail biannually and not later than twenty working days after the end of December and the end of June.
 - The reports should contain the QoS measurements for each quarter together with the cumulative measurement for the year to date.

With regard to complaint measurement and redress procedures, MaltaPost is required to continue to make the following information available:

- A Code of Practice (i.e. via MaltaPost's booklet entitled 'Committed to Customer Care') for handling complaints and redress in line with guidelines mentioned in **Appendix D**. The Code of Practice should be made available for subsequent reference at home or business premises from larger post offices. The same information should be made available on MaltaPost's website.
- MaltaPost is required to publish information on the number of complaints and enquiries received on a quarterly basis on its website and forwarded to the MCA by not later than twenty working days following the end of each quarter.
- MaltaPost is required to publish information on the number of complaints and enquiries received and the manner in which they had been dealt with in its Annual Report. The annual report should also include a narrative explaining emerging and recurring themes e.g. district / hub specific issues, personnel administrative issues etc., and actions taken to correct them and where applicable explanations of issues which have an impact on MaltaPost service. The scope of this narrative should be to monitor the ongoing nature of complaints and inquiries and take any corrective action as necessary.
- The reporting with respect to each of the identified compliant categories (refer to **Appendix D**) should contain the following columns:

³⁴ On the 1st November 2012 MaltaPost proposed changes to the QoS reporting requirements. Following an evaluation of the proposals made by MaltaPost, in May 2013, the MCA informed MaltaPost that QoS quarterly reports for registered mail, parcel post and cross border mail would be revised to a biannual submission.

- opening balance of unresolved complaints at start of period;
- complaints received in quarter;
- complaints resolved in quarter;
- complaints resolved at end of quarter; and
- total recompense paid out.

Q4. Do you agree with the information and reporting requirements with respect to performance monitoring and complaints handling as depicted above? If you disagree, please state why.

6.0 CONCLUSION

The arguments raised in this paper will facilitate the debate about the quality of service parameters and targets to be achieved for the universal service for the coming three (3) years.

The postal services market is now open to competition due to removal of the reserved area, which was assigned to MaltaPost as the incumbent designated USP. Nevertheless, it remains important to ensure that users continue to get a high quality universal service. In addition performance measurement of quality of service is important to any postal operator in order to improve efficiency, remain competitive and retain customers.

The MCA is obliged by law to set and monitor QoS targets to be achieved for the provision of the universal service. The proposed attainable targets for inland and cross-border mail products over a three (3) year period to be achieved by MaltaPost for the universal service should enable MaltaPost to maintain and improve upon its quality of service.

The MCA may modify the above-mentioned proposals following the responses received to the consultation.

7.0 REQUEST FOR COMMENTS

The consultation period will run from the **10th September 2013** to **8th October 2013** during which the MCA welcomes written comments on any of the issues raised in this consultation paper. Having analysed and considered the comments received, the MCA will establish the new QoS targets and reporting requirements. A report will be published on the consultation which will, amongst others, summarise the responses to the consultation.

Respondents are also kindly requested to preferably refer their comments to the numbered consultative questions (refer to **Appendix E**). Respondents may also make comments on any aspect of the consultation by referring to the specific sections of this document when making their submissions.

The MCA appreciates that the issues raised in this paper may require respondents to provide confidential information. Respondents are requested to clearly identify confidential material and if possible include it in a separate annex to the response. Such information will be treated as strictly confidential if in line with MCA's confidential guidelines and procedures.³⁵

All responses to this consultation should be clearly marked "**Review of Quality of Service Requirements and Targets to be achieved by MaltaPost for the Universal Service**" and sent by post, facsimile or e-mail to the:

Comments should be sent to:

Chief, Policy and Planning
Malta Communications Authority
Valletta Waterfront
Floriana FRN1913
Malta

Email: info@mca.org.mt

Tel: +356 21 336840

Fax: +356 21 336846

³⁵ Refer to <http://www.mca.org.mt/guidelines/mcas-internal-guidelines-confidentiality>

APPENDIX A - QUALITY OF SERVICE TARGETS AND PERFORMANCE

Targets set and actual performance achieved for inland mail are summarised in the table below:

Inland Mail QoS Targets						
Financial Year (FY)	D+1		D+2		D+3	
Ordinary Mail						
	Target	Performance	Target	Performance	Target	Performance
FY 2004/05	89%	90.78%	95%	99.18%	97%	100%
FY 2005/06	90%	92.14%	96%	98.68%	98%	99.84%
FY 2006/07	92%	94.86%	97%	99.18%	99%	99.85%
FY 2007/08	92%	93.29%	97%	99.03%	99%	99.72%
FY 2008/09	93%	95.13%	97%	99.17%	99%	99.93%
FY 2009/10	93%	95.09%	98%	99.31%	99%	99.75%
FY 2010/11	93%	96.73%	98%	99.36%	99%	99.74%
FY 2011/12	94%	95.58%	98%	98.59%	99%	98.98%
FY 2012/13	94%	-	98%	-	99%	-
Bulk Mail						
FY 2007/08	92%	91.82%	97%	99.50%	99%	100%
FY 2008/09	93%	95.25%	97%	99.08%	99%	99.83%
FY 2009/10	93%	95.98%	98%	99.51%	99%	99.84%
FY 2010/11	93%	96.73%	98%	99.35%	99%	99.76%
FY 2011/12	94%	95.27%	98%	98.80%	99%	98.88%
FY 2012/13	94%	-	98%	-	99%	-
Registered Mail						
FY 2006/07 ³⁶	97%	96.06%	98%	97.88%	99%	98.37%
FY 2007/08	97%	98.28%	98%	99.47%	99%	99.67%
FY 2008/09	97%	98.22%	98%	99.65%	99%	99.76%
FY 2009/10	97%	99.65%	99%	99.86%	99%	99.90%

³⁶ MaltaPost failed to achieve the target for registered mail during FY 2006/2007 due to industrial action related to this service during the months of May and June 2007.

FY 2010/11	97%	99.75%	99%	99.91%	99%	99.95%
FY 2011/12	98%	99.59%	99%	99.91%	99%	99.95%
FY 2012/13	98%	-	99%	-	99%	-
Parcel Post						
FY 2007/08	97%	99.60%	98%	99.81%	99%	99.87%
FY 2008/09	97%	99.45%	98%	99.89%	99%	99.94%
FY 2009/10	97%	99.96%	99%	99.97%	99%	99.98%
FY 2010/11	97%	99.99%	99%	99.99%	99%	100%
FY 2011/12	98%	99.12%	99%	99.67%	99%	99.81%
FY 2012/13	98%	-	99%	-	99%	-

The targets set and actual performance achieved by MaltaPost for delivery of intra-Community outbound cross-border mail, measured by means of the International Post Corporation (IPC) UNEX programme, from dispatch to destination (i.e. loading on airline in Malta) are summarised in the table below:

Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets			
		Target	Performance
Financial Year 2010/11			
Ordinary Mail	D+1	93%	95.50%
Financial Year 2011/12			
Ordinary Mail	D+1	94%	97.98%

The targets set and actual performance achieved by MaltaPost for delivery of intra-Community inbound cross-border mail arriving at MaltaPost's office of exchange, measured by means of the International Post Corporation (IPC) UNEX programme, are summarised in the tables below:

Inbound Cross-Border Mail (arriving at MaltaPost's office of exchange) QoS Targets			
		Target	Performance
Financial Year 2010/11			
Ordinary Mail	D+1	93%	93.13%
Financial Year 2011/12			
Ordinary Mail	D+1	94%	95.18%

The targets set and actual performance achieved by MaltaPost for delivery of inbound cross-border mail arriving at MaltaPost's office of exchange, measured by means of the UPU Global Monitoring System (GMS), are summarised in the tables below:

Inbound Cross-Border Mail (arriving at MaltaPost's office of exchange) QoS Targets			
		Target	Performance
Financial Year 2010/11			
Ordinary Mail	D+1	93%	95.50%
Financial Year 2011/12			
Ordinary Mail	D+1	94%	95.50%

APPENDIX B - EUROPEAN STANDARDISED MEASUREMENT SYSTEM

The European Committee for Standardization has a number of standards for the measurement of the quality of postal services (refer to CEN/TC 331 Published Standards)³⁷:

- EN 13850:2012: Postal services - Quality of Service - Measurement of the transit time of end-to-end services for single piece priority mail and first class mail.
- EN 14012:2008: Postal services - Quality of Service - Complaints handling principles.
- EN 14508:2003+A1:2007: Postal services - Quality of Service - Measurement of transit time of end-to-end services for single piece non-priority mail and 2nd class mail.
- EN 14534:2003+A1:2007: Postal services - Quality of Service - Measurement of transit time of end-to-end services for bulk mail.
- EN 14137:2003: Postal services - Quality of Service - Measurement of loss of registered mail and other types of postal service using a track and trace system.
- CEN/TS 14773:2004: Postal services - Quality of Service - Measurement of loss and substantial delay in priority and first class single piece mail using a survey of test letters.
- CEN/TR 15369:2006: Postal services - Quality of Service - Guide for the implementation of EN 14534 Measurement of the transit time of end-to-end services for bulk mail.

Performance measurement of the quality of service for inland single-piece priority mail is carried out in accordance with the European Standard EN 13850. Performance measurement of the quality of service of bulk mail is carried out in accordance with the European Standard EN 14534. Performance measurement of loss and substantial delay in priority first class single piece mail is carried out in accordance with TS 14773. Performance measurement in line with these European standards is carried out by an independent organisation appointed by MaltaPost. The MCA carries out an annual audit of the methodology employed by the MaltaPost-commissioned organisation responsible for carrying out the performance monitoring in line with the above-mentioned standards.

Performance measurement and monitoring of registered mail and parcel post is organised by MaltaPost by means of its track and trace system. Performance measurement must be generally in conformity with the EN 14137 standard for the measurement of the loss of registered mail and other types of postal services using a track and trace system and take into consideration the CEN technical report TR 15472:2006 for the measurement of the transit time of end-to-end services for parcels by

³⁷ Refer to:

<http://www.cen.eu/cen/Sectors/TechnicalCommitteesWorkshops/CENTechnicalCommittees/Pages/Standards.aspx?param=6312&title=CEN/TC%20331#>

the use of a track and trace system. The MCA, as necessary, audits the measurement methods used to monitor the quality of service in terms of delivery of registered mail and parcel post via MaltaPost's track and trace system.

MaltaPost measures cross-border mail flows by means of the International Post Corporation (IPC) UNEX programme and the UPU's Global Monitoring System (GMS).

Complaints handling must be generally in conformity with the EN 14012 standard on the measurement of complaints and redress procedures.

APPENDIX C - LEGAL BASIS

The EU Postal Directive establishes a harmonised framework for postal services throughout the EU and for securing improvements in the QoS provided. The EU Postal Directive was transposed into national law under the Postal Services Act (Cap 254).

The MCA's obligations under the Postal Services Act in relation to QoS of the universal service are as follows:

- under Article 25(1) to prescribe quality standards for inland mail which standards shall be compatible with those for Intra-Community cross border mail as established by the European Parliament and Council;
- under Article 25(2) to monitor the performance of the universal service provider in accordance with the quality standards for inland mail; and
- under Article 76A(2) issue directives to a universal service provider in respect of the quality of postal services to be provided, including compliance with any quality standards that the MCA may establish and any corrective action as the MCA may consider necessary in this regard.

The MCA's obligations under the Postal Services (General) Regulations in relation to the QoS of the universal service are as follows:

- under Regulation 7H(1) postal operators are required to, in accordance with guidelines laid down by the MCA, draw up transparent, simple and inexpensive procedures to deal with complaints by users, particularly in cases involving loss, theft, damage or non-compliance with quality of service standards;
- under Regulation 7H(2) the universal service provider and where the MCA may consider appropriate, any operator providing services within the scope of the universal service, shall at least once every calendar year publish information on the number of complaints received, detailing what they were about and how they were dealt with;
- under Regulations 24A(1) quality of service standards in relation to the universal service, with regard to routing time and the regularity and reliability of services, shall be set and published from time to time by the MCA, having taken into account the views of interested parties as it may deem necessary;
- under Regulation 24A(2) the MCA may establish quality standards in respect of cross-border mail, provided that in respect of intra-Community cross-border mail, such standards shall be set in accordance with those set by the European Parliament and the Council;

- under Regulation 24A(3) compliance with quality of service standards by the USP shall be monitored by the MCA which shall from time to time make a report on the results of the monitoring exercise;
- under Regulation 24A(4) the MCA may, when establishing quality of service standards under this regulation, adopt those measures that it considers to be appropriate in respect of non-compliance with such standards by the universal service provider - such measures may include requiring the universal service provider to pay such administrative fines as the Authority may establish in accordance with its powers at law;
- under Regulation 24B(1) any universal service provider shall provide users and postal operators with regular, detailed and up to date information on the particular features of the universal service offered, with special reference to the general conditions of access to the service, as well as to prices and quality standard levels; and
- under Regulation 24B(2) information shall be published at least annually by the universal service provider in a manner that is to the satisfaction of the MCA.

APPENDIX D - COMPLAINTS AND REDRESS GUIDELINES

Points of Contact

Customers should have clear and up to date information on how to contact MaltaPost in the event of enquiries or complaints. MaltaPost should make available specific details of contact names (if appropriate) and addresses for contact in person or by post; an e-mail address for contact by e-mail; and hours of opening, telephone number (together with hours of manual operation, hours when recording facility will be in place) and fax numbers.

MaltaPost should provide a free phone number and other alternatives for low cost access such as e-mail, mailing address or Internet web page form.

Records of Complaints

MaltaPost shall publish statistics of complaints and enquiries on a quarterly basis in a format as described by the MCA (refer to **Section 5** of this document).

Process of Lodging Complaints for Resolution

MaltaPost shall clearly specify all the procedures which customers and providers of the postal services should follow in the event of a particular category of complaint. The steps to be used by either party should be flexible and easily understandable. Good practice should result in customers being kept informed of the progress of their complaint when an immediate resolution is not possible.

Response times

MaltaPost shall specify a guaranteed response time for different categories of complaint, bearing in mind that different categories of complaints require different levels of investigation.

Category of complaints and enquiries

The MCA will monitor the following categories of customer complaints and enquiries which are non-exhaustive:

Complaint Category	Enquiry Category
- Delay	- Postage
- Substantial delay	- Incoming postal item (foreign)
- Loss	- Outgoing postal item (foreign)
- Damage	- Opening Times
- Change of address (re-direction)	- Delivery Time

- Mail delivery or collection
- Mis-delivery (to the wrong address)
- Access to customer service information
- Access to postal services
- How complaints are treated
- Other complaints
- Clients instructions
- Registered mail
- Behaviour and competence of postal personnel
- Post office counter service waiting times
- Mail left partially out of the letterbox
- Mail not posted in letter box/posting slot
- Postal officer did not knock (failure to attempt delivery for large mail items or those requiring a signature)
- Wrong endorsement of registered postal item
- Redirection
- Temporary Mail Custody
- Postcodes
- Notifications posted
- Locally posted mail
- Others

In order to ensure that response times for specific categories of customer complaint are adhered to and also to give the postal service provider an opportunity to demonstrate its commitment to meeting those response times, MaltaPost should indicate the process for compensation and/or reimbursement in its code of practice.

Right to seek other forms of Redress and/or Independent Advice

MaltaPost shall clearly specify a customer's right to seek other forms of redress or independent advice. This right to seek other forms of redress or independent advice should only be allowed when the mechanics of the postal service provider's established code of practice have been exhausted without resolution of the complaint.

Publication of the Code of Practice

MaltaPost shall publish its Code of Practice and ensure that it is readily available for viewing by all its customers. The Code of Practice shall be kept up to date on an annual basis.

APPENDIX E - CONSULTATION QUESTIONS

List of Questions:

- Q1.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for the delivery of inland mail as depicted above? If you disagree, please state why.
- Q2.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for outbound cross-border mail from dispatch to destination (loading on airline in Malta) as depicted above? If you disagree, please state why.
- Q3.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for inbound cross-border mail from MaltaPost's office of exchange to delivery as depicted above? If you disagree, please state why.
- Q4.** Do you agree with the information and reporting requirements with respect to performance monitoring and complaints handling as depicted above? If you disagree, please state why.