



CERP, Project team « statistics » :
draft guidelines on how NRAs could apply article 22a of the 3rd postal directive

Context / objectives

The new article 22a of the postal directive gives NRAs the power to collect data directly from operators and this power should be used. It also distinguishes different objectives when collecting data (points (a) and (b) of paragraph 1.) :

“Provision of information

Article 22a

1. Member States shall ensure that postal service providers provide all the information, in particular to the national regulatory authorities, including financial information and information concerning the provision of the universal service, namely for the following purposes:

(a) for national regulatory authorities to ensure conformity with the provisions of, or decisions made in accordance with this Directive,

(b) for clearly defined statistical purposes.

2. Postal service providers shall provide such information promptly on request and in confidence, where necessary, within the timescales and to the level of detail required by the national regulatory authority. The information requested by the national regulatory authority shall be proportionate to the performance of its tasks.

The national regulatory authority shall give the reasons justifying its request for information.

3. Member States shall ensure that national regulatory authorities provide the Commission, upon request, with appropriate and relevant information necessary for it to carry out its tasks under this Directive.

4. Where information is considered confidential by a national regulatory authority, in accordance with Community and national business confidentiality rules, the Commission and the national regulatory authorities concerned shall preserve such confidentiality.’;”

The objective of these guidelines is to provide a framework helping NRAs to apply article 22a) at the national level in order to tailor data requirements to the needs of the domestic market or of specific market segmentations.

There is already a process set up by Eurostat, with the support of CERP, following a European Commission request to re activate postal statistics collection, analysis and publication for Europe wide studies. Eurostat collects aggregate data and then publishes postal statistics such as total turnover from the domestic postal sector as % of GDP, total number of persons employed, number of people served by one post office, number of access points, number of letter –post items sent per capita with published results for the time being only for the universal service provider.

The large scope of this information is sufficiently detailed and homogeneous to allow comparison but it does not aim at following specific markets nor could it be used for most regulatory purposes. That is why some NRAs have put in place market observatories or use *ad hoc* studies such as market surveys / research.

Both approaches are distinct but complementary, the Eurostat one is "for clearly defined statistical purposes" at the European level, whereas NRAs might need to collect and publish information "to ensure conformity with the provisions of, or decisions made in accordance with this [the postal] Directive (...)". It is also desirable that NRAs put in place the collection of statistics about the national postal market, e.g. conducting an annual survey on specific markets giving much more detailed information than the Eurostat one.

These guidelines rely on best practices observed in different countries and use the definitions contained in the Eurostat Glossary whenever possible. The guidelines could also be completed with/illustrated by a small publication from a few countries on these core indicators.

1. Why do regulators need particular data?

The data is essential for NRAs to know;

- Size of the country’s postal market (volume / turnover)
- What operators are in the market
- Areas where Competition is developing
- Share of key players (even if kept confidential)¹
- How the market is evolving

So as to inform policy/regulatory decisions and to accurately segment the market (different operators / services behave differently), i.e. transactional mail, advertising/direct mail, fulfilment, response, parcels, delivery versus upstream activities.

2. Why it is important and useful to rely on national market observatories or market studies ?

It allows tailoring of data requirements to the needs and characteristics of the market / specific markets (NB Eurostat will continue to request data for Europe wide studies).

3. Why it is important / relevant to publish data?

NRAs shall ensure availability of reliable and up to date market information, notably in the newly liberalized markets.
 The role of the NRA is to ensure availability of this information, by means of the collection of statistics and other survey research.
 Market transparency / supervision is a regulation objective which implies the need to publish data on market size.

4. What are the core indicators for regulatory purposes?

US Letters/correspondence	Volume	Turnover	Average Prices
US small packets ²	Volume	Turnover	Average Prices
US parcels	Volume	Turnover	Average Prices

¹ If the size of the total market is published, based on returns by individual operators, the NRA will know the market shares of all operators (confidential) but individual operators will be able to calculate their own market share and see how this is evolving.
² Bulky “letters” generally containing goods. Some countries define these as letters, others as parcels and others provide a completely separate category called packets or small packets

Total Employment

For each of these products, it would normally be necessary to collect / publish information on cross-border services (inbound/outbound) as well as domestic services, as well as information to determine the market share of the various end-to-end operators, as well as access services (if applicable) which means that ideally non Universal Service data on these products should be collected, analysed and published.

NRAs may also choose to collect data on other more specific markets such as direct mail, transactional mail, order fulfilment over the internet, etc, however the core indicators stated above should be primarily published for comparison purposes between countries with similar characteristics.

5. How to make this data as homogeneous as possible from one country to another ?

As a starting point use Eurostat definitions wherever possible

- Harmonise market reports with reports of similar countries, if possible³
- When it is not possible to do this be as precise as possible for instance when defining the market characteristics

6. Recommendations on confidentiality

When confronted with demands for confidentiality of the data, the NRA shall find an appropriate balance between confidentiality of the operator's data and the objectives of market transparency.

By publishing data on the size of market segments in which historical operators hold a dominant position, new entrants will receive indications of the turnover related to these market segments (e.g. registered mail, direct mail). Therefore at the beginning of market opening there is a trade-off to be found between professional secrecy protection and the regulation objective of market transparency which implies publication of market size data.

Based on new article 22a it is the function of the NRAs to decide what data is confidential. In any decision to overrule a confidential classification by an operator, NRAs might adopt a pragmatic approach. NRAs might also consider to use penalty provision if allowed into their national legislation. Operators should be required firstly to provide justification as to why they consider data to be confidential. NRAs should review all confidential classifications taking into account various scenarios or using different criteria, for example :

- the indicator in question is already published by other postal regulators ;
- the data (or an estimate) itself is already published in public market studies ;
- is the data disclosure going to reveal some information that would put the operator at a significant competitive disadvantage ?
- publication of data on Non-USP operators only in aggregate form ;
- others ?

³ Countries with similar market and population characteristics