Dear Reader,

This CERP Newsletter is the first opportunity to introduce myself as the new CERP chairman.

Since being elected in May this year it is my pleasure to communicate and cooperate with all interested stakeholders in the postal market.

This newsletter is dedicated to informing you about the results of the CERP Plenary meeting which took place on 29-30 May 2014 in Skopje where new chairpersons have been elected. Furthermore you will find an interview with Robert Clarke about the recent development regarding the size and scope of the Universal Postal Service in New Zealand.

I hope you enjoy this newsletter and invite you to contact me if you may would like to contribute to any of the forthcoming CERP newsletters.

Yours sincerely

Ljubisa Mitevski
(CERP Chairman)
During this Plenary new chairpersons for the posts of the chair, vice-chairs and the chairs of the working groups after the termination of their 3 years cycle were elected.

The new CERP chairman, Ljubisa Mitevski from the Former Yugoslav Republic of Macedonia took over his post from Ulrich Dammann after 6 years of leadership.

As vice-chairs Anna Karolak-Wozniak from Poland and Egil Thorstensen from Norway were elected.

Egil Thorstensen also continued as Chairman of the CERP Working Group UPU and Andreas Hach from Austria has been appointed as new Chairman of CERP Working Group Policy.

Ulrich Dammann was charged with the provisional task of coordination of the CERP Task Force Communication.

Over and above this, the following CERP documents drafted in CERP working groups have been approved:

Working Group Policy developed the “CERP Guide for Expert Missions” that comprises aspects for the practical preparation of projects as well as criteria and questionnaires which – depending on the task – are important for the conduction and completion of missions.

Working Group UPU developed two documents:

“Working Methods for CERP in UPU Matters” describes the procedure when contributing to the work of the UPU by introducing common positions or contributions.

“CERP contribution concerning clear decision making process within the UPU” concerns a request to establish detailed procedures where UPU member countries can express their opinion regarding actions proposed by the Director General of the International Bureau and consider and decide on any actions to be taken.

On the second day of the Plenary meeting the regular forum discussion took place. This time the topic dealt with “The need for change in USO, facing shrinking volumes and less public demand”.

The discussion was moderated by Robert Clarke from New Zealand (see also the following interview) and the panel comprised representatives from the European Commission, the Danish Ministry of Transport, EMOTA, FEDMA, PostEurop and the UPU.

A mp3 record of the discussion is available on the CERP website:
http://www.cept.org/cerp/deliverables/list-of-plenaries

The background to this discussion lay in the recent changes in the size and scope of the Universal Postal service in New Zealand, where for example the obligation to deliver letter post items will be reduced to 3 days per week in urban areas from mid 2015 onwards.
Interview Robert Clarke – New Zealand – The future of USO

Introduction

Robert Clarke, an independent consultant, has been working for the New Zealand Ministry of Business, Innovation and Employment until last year, where he was responsible for postal issues and led the negotiations with New Zealand Post on a revised deed on the provision of Universal Postal Services.

Under financial pressure, in 2012 NZ Post sought regulatory relief from the New Zealand government. It could have done so in respect of general regulation (for example, by seeking re-imposition of its previous monopoly) or in respect of access regulation (for example, by seeking a change to the powers of PNAC). Instead, it chose to propose an amendment to the USO, to loosen the constraints on its response to the decline in letter volumes.

Following a detailed consultation process in October 2013, New Zealand became the first developed nation to allow its universal service provider, New Zealand Post (NZ Post), the legal right to switch to alternate day delivery. NZ Post is now planning the introduction of that system. The following table shows the changes in universal postal service in New Zealand from 2015 onwards:

<table>
<thead>
<tr>
<th>Service</th>
<th>1998 Deed</th>
<th>2013 Deed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Delivery frequency</strong></td>
<td>6 days per week delivery to 95% of addresses; 5 days per week delivery to 99.88% of addresses; 1 to 4 days per week delivery to other 0.12% of addresses</td>
<td>Not less than 3 days per week delivery to urban and provincial addresses; Not less than 5 days per week delivery to PO Boxes and rural addresses currently receiving 5 or 6 day per week service; Not less than 1 day per week delivery to 0.12% of addresses (remote areas), including grandfathering of 2-4 day per week delivery to any rural addresses currently receiving such a service</td>
</tr>
<tr>
<td><strong>Minimum number of delivery addresses in total</strong></td>
<td>At least 1,463,938</td>
<td>At least 1,910,010</td>
</tr>
<tr>
<td><strong>Commitment to add new delivery addresses</strong></td>
<td>None</td>
<td>Will add new delivery addresses on request, unless operationally impracticable or would jeopardise commercial sustainability of the universal postal service.</td>
</tr>
<tr>
<td><strong>Limit on use of community mail boxes</strong></td>
<td>No more than 1.5% of total delivery points</td>
<td>No more than 3.0% of total delivery points</td>
</tr>
<tr>
<td><strong>Charging</strong></td>
<td>NZ Post shall not reintroduce the rural delivery fee</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Postal outlets in total</strong></td>
<td>At least 880</td>
<td>At least 880, but can include up to 640 self-service kiosks</td>
</tr>
<tr>
<td><strong>Postal outlets with agency services</strong></td>
<td>At least 240</td>
<td>240 providing bill pay services, must be staffed</td>
</tr>
<tr>
<td><strong>Access to postal network</strong></td>
<td>Obligation to provide competitors with access to the NZ Post postal network</td>
<td>No change</td>
</tr>
</tbody>
</table>
Robert, thank you very much for your readiness to talk with me just one day before you leave Europe to return home to New Zealand. I hope you have enjoyed your time here.

My first questions are related to your experience after having lived in Europe for a number of months now: What are the basic differences between Europe and New Zealand, not only in post? How satisfied have you been with the postal services in Europe, compared with New Zealand? Is there any postal issue from Europe you are going to take back to New Zealand?

The overall atmosphere I have experienced here in Brussels is as a multi-cultural melting pot. It is somehow similar to New Zealand where the population is a mix of Anglo-European, Asian and Polynesian inhabitants. From my perspective the basic difference, in regulatory terms, is the absence of a supranational authority (such as the European Commission) in New Zealand, which enables our country to take its own decisions, grants more independence but on the other side leaves more room for the risk of error. New Zealand seeks a balance between customer needs and the ability of the postal operator to act commercially. Compared to that the European Union is a kind of consumer paradise where in my view the directions taken by the parliament are often more populist than economic driven.

Regarding the quality I am very satisfied with the postal services offered, especially the speed of delivery, the guaranteed delivery timeframes and the way postal operators in different countries are ready to cooperate. I am impressed by the E-commerce debate and the possibilities that pop up when efficient postal network providers use this growing business to boost their postal business in a competitive market.

The second group of questions concerns the clarification of some details in the new USO arrangement in New Zealand:

What kind of services are provided in “self-service kiosks”? How far from home may “community mail boxes” be? Is there any case or specific service for which a compensation is paid to New Zealand Post?

In these kiosks the same postal services that are provided in staffed post offices are likely to be provided, including registered letters, packages, parcels and bill payments. Regarding the community mail boxes there are no specifications as to distance. These boxes may be located in local stores, in post offices or on main roads. There is no compensation to New Zealand post for the provision of any service.

My next question is: Is any information already available on how New Zealand Post is going to implement the new USO requirements?

Since the relaxations in USO are going to come into force from July 2015 only, until now there are no concrete actions known. My personal view is however, if New Zealand Post really were to reduce the number of delivery days in urban areas to 3 days, competitors could step in and thus in the interests of the brand trust and for good publicity this may not happen at all. Over and above all this, re-negotiations are already foreseen for 2018 with a view to further relaxations if required.

Last but not least: What is your personal impression, having lived in Europe for some time, regarding the scope of the US and the future expectations in Europe?

From my perspective at the time being the USO definition is very stringent, assuming the worst, and is based on too little trust in postal operators and their clients’ ability to keep them honest.

Robert, thank you very much for this talk and all the best for the future.