



Workshop Regulatory environment of PostNL

2 November 2015
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Dutch postal market - overview

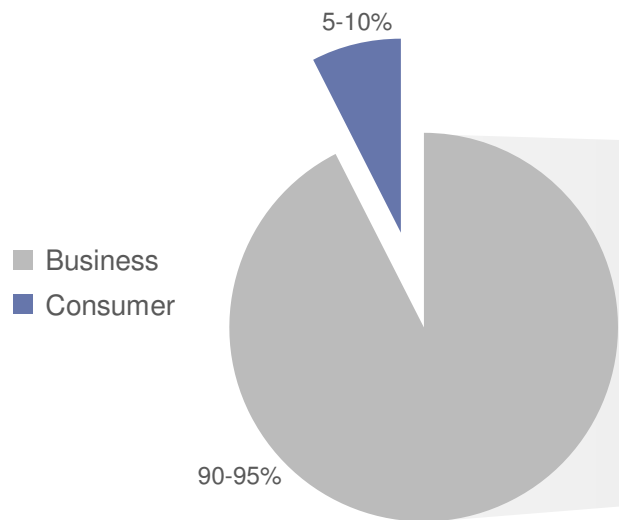
Postal act: article 9 and Significant Market Power

Universal Service Obligation

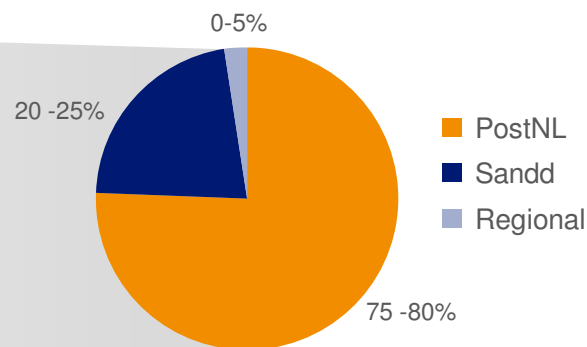
Dutch postal market - volumes



Type of customer (volume, 2013)*



Market share business mail (2013)*



Total volume: 3 – 3.5 billion mail pieces

* Source: Marktmonitor Autoriteit Consument en Markt (ACM), 17 December 2014

Dutch postal market – market players

Customers

Examples

Charities

Publishers

Government

Financials

Small & medium
sized companies

Consumers

Mail producing companies

Examples



National postal operators



Regional postal operators

Examples



Sustainable delivery



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Dutch postal regulatory framework



PostNL		
Dutch Postal Act	<ul style="list-style-type: none">• Key legislation regarding postal market• Overall USO scope and requirements• Overall regulatory and supervisory framework	<ul style="list-style-type: none">• Further USO modernisation• Regular contact with stakeholders
Postal Regulation	<ul style="list-style-type: none">• USO tariffs• USO cost and revenue accounting• USO financial administration and reporting	<ul style="list-style-type: none">• Further tariff development• Regular contact with ACM



Article 9



Supervisory scope is broadened

After complaints of regional postal operators, ACM decided that PostNL should:

- Be more transparent on its tariffs & conditions
- Offer regional postal operators the same as was offered in the tender of Municipality of Rotterdam
- Make no difference between consignments with one sender address and consignments with multiple sender addresses



View PostNL

- PostNL objected to these decisions
 - PostNL is in favor of competition between networks but thinks that these measures could lead to increasing resale of PostNL services
- ACM will take a decision on these objections

Significant Market Power (1)



Supervisory scope is broadened

- As of 1 January 2014 a supervisory regime based upon Significant Market Power (SMP) applies
- The ACM can impose specific remedies on parties with significant market power
 - Transparency
 - Tariffs
 - Network access
- The ACM has conducted a market analysis. The market analysis and concept decision contain proposed measures on 24h mail volumes (non-USO) on:
 - Network access and non-discrimination
 - Tariffs
 - Transparency

Significant Market Power (2)



View PostNL

- Physical mail is part of broader communication market; PostNL cannot have Significant Market Power
- Strongly disciplined by
 - Clients have access to alternatives for physical mail
 - Competitors
 - Buying power
- Potential measures should be proportional
- PostNL is worried about possible effects on postal market and for PostNL

Sustainable delivery



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Universal Service Obligation

Universal Service Obligation (USO)

USO covers both addressed mail and parcels



Mail and parcels

- Single items
- Export & import and other
- Total revenue € 844 million (2014)



Tariff regulation

- Price cap 10% return on sales
- Yearly assessment tariff headroom ACM (CPI and volume development)

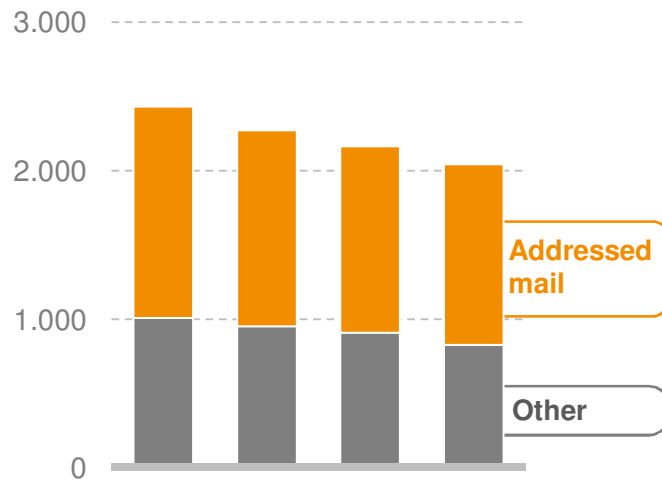


Service obligations

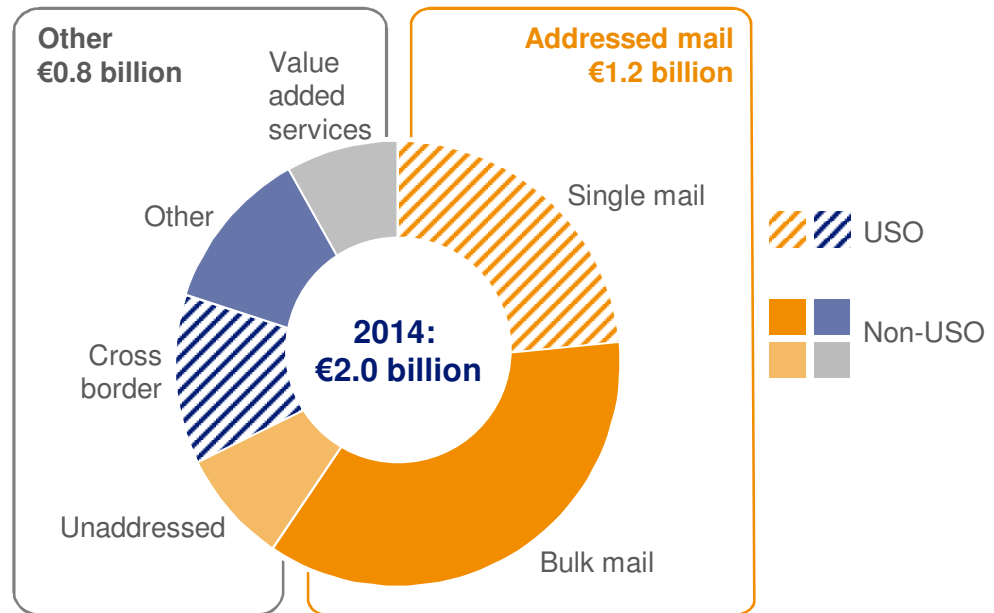
- Delivery and collection: 5 days for regular mail, 6 days for mourning cards and medical mail
- 95%+ quality level required (FY 2014: 96.7% resp. 97.6%)
- Minimum number of letter boxes: 19,000
- Minimum number of full service outlets: 2,000

Mail in the Netherlands – revenue

Revenue (€ million)



Revenue split 2014



Thank you!

