



# **Malta Communications Authority**

## **Consultation on proposed amendments to the Postal Services (General) Regulations**

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**September 2008**

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## **Purpose**

The purpose of this consultation is to seek input from stakeholders and the public on amendments to the Postal Services (General) Regulations (hereinafter referred to as the "Regulations"), which amendments are being proposed to Government by the Malta Communications Authority (hereinafter referred to as "MCA"). The purpose of these proposed amendments is to address specific issues that have arisen in recent months. The amendments are included as an annex to this consultation and deal with four areas of postal operations:

1. Postal identifiers
2. Business Reply and Freepost services
3. Postal Schemes; and
4. Authorisation fees.

### **1. Postal Identifiers**

The proposed amendments require all postal operators to have a 'postal identifier', that is a mark or a stamp on the postal article that clearly and easily indicates the postal operator or operators that have handled the article, or provided a postal service as well as whether such service has already been paid for.

In early 2007, it came to MCA's attention that a number of postal articles were being delivered to offices and households without bearing any such mark or stamp, and that this had led to some confusion. In order to ensure that all users of postal services can easily identify the postal operator responsible for the delivery of each postal article that they receive, amendments to the Regulations are being proposed whereby each postal operator will be required to fix, impress or print on each postal article it accepts for delivery a 'postal identifier', which may consist of a postage stamp, postmark or impression unique and easily attributable to that postal operator.

### **2. Business Reply and Freepost services**

Under the Regulations the Universal Service Provider (hereinafter referred to as the "USP") is required to provide a business reply service whereby payment of postage payable on a postal article may be made by a person other than the sender of the

said postal article.<sup>1</sup> The current practice is that such service may be availed of by using purposely prepared pre-paid envelopes.<sup>2</sup>

The proposed amendments envisage that the USP furnishes two types of business response service. The first is the traditional service currently offered which, as described above, is a "Business Reply service." Essentially this involves providing interested business clients with cards, folders, envelopes or labels with special printing to indicate that the postage fee of such items has already been paid for. The postage fee is in fact paid for by the business client itself and allows its customers the benefit of returning forms, questionnaires, payment slips, etc. without having such customers incurring any expense on their part.

The second is a new service which is described in the proposed amendments as being a "Freepost service." This service implies that all local mail addressed to a particular pre-approved address, may be delivered to that destination without the need for pre-payment of any postage fee whatsoever. For an address to be eligible for such a service by the USP, it must be specifically designated by the Minister responsible for posts who, after having consulted with MCA, considers that there is a public interest in providing such a service to such an addressee. The USP is to receive adequate compensation as approved by MCA for providing such a service.

## **Schemes**

Regulation 43 of the Regulations enables the USP to make schemes in relation to the postal services that it provides. The proposed amendments give MCA the power to issue a directive requiring the USP to have in place such schemes as MCA may consider necessary. MCA may also require the USP to amend any existing scheme if this is in conflict with the Postal Services Act, any licence or authorisation conditions.

The proposed amendments enable MCA to require the USP to amend any existing scheme where this is necessary to ensure compliance or to eliminate possible conflict with any regulatory decision. It also respects the faculty of the USP to issue or amend its own schemes, thereby minimising the need for legislative intervention.

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<sup>1</sup> See Postal Services (General) Regulations, regulation 31.

<sup>2</sup> There is currently one exception to this. Following a dispute and subsequent agreement, Maltapost plc and the Inland Revenue Department agreed that correspondence can be sent to the Inland Revenue Department in envelopes clearly addressed to it without the need for any postage and without the need for the sender to use any customised pre-paid envelopes provided for by the Inland Revenue Department. The Inland Revenue Department pays an extra charge for this service.

## **Authorisation fees**

Currently fees paid by all postal operators authorized to provide services which fall outside the scope of the universal services, are charged at a flat rate of 930 Euros. MCA believes that the current fees structure need to be revised to reflect a more equitable system which factors also the size of the different operators authorized to provide services outside the scope of the universal service. The proposed amendments therefore suggest a reduction of the authorization fee to 150 Euros and introduce an exemption from payment for all operators whose annual turnover is less than 23,000 Euros.

**L.N. of 2008**

**POSTAL SERVICES ACT  
(CAP. 254)**

**Postal Services (General) (Amendment) Regulations, 2008**

IN EXERCISE of the powers conferred by articles 7, 31, 32, 57 and 81 of the Postal Services Act, the Minister for Infrastructure, Transport and Communications, after consultation with the Malta Communications Authority, has made the following regulations:

**Title**

**L.N. 328 of 2005**

1. (1) The title of these regulations is the Postal Services (General) (Amendment) Regulations, 2008 and shall be read and construed as one with the Postal Services (General) Regulations, 2005, hereinafter referred to as “the principal regulations”.

**Amends regulation 2 of the principal regulations**

2. In regulation 2(2) of the principal regulations after the definition of “postal arrangement” there shall be inserted the following new definitions:

“ “Postal identifier” means any postage stamp, postmark or impression that is unique to each postal operator and which satisfies the following:

- (a) It is affixed to, or impressed on, or printed on postal articles;
- (b) It exclusively identifies the postal operator; and
- (c) It clearly indicates to members of the public that those postal articles have been, or are intended to be, accepted by that postal operator for the purpose of being conveyed by post;

“Postmark” means any mark or impression applied by a postal operator to a postal article for any postal purpose;”.

**Amends regulation 23 of the principal regulations**

3. In Regulation 23(f) of the principal regulations the words "Business Reply Service" shall be substituted with the words "Business Response Service".

**Amends regulation 28 of the principal regulations**

4. In regulation 28(1) of the principal regulations the words "other than a business reply article" shall be substituted with the words "other than a business reply or freepost article".

**Substitution of regulation 31**

5. Regulation 31 of the principal regulations shall be substituted by the following:

**"Business Response Service**

31. (1) The universal service provider shall provide a business response service whereby payment of postage payable on a postal article is made by a person other than the sender of that postal article.

(2) A business response service shall include the following:

(a) A business reply service whereby the universal service provider provides a person other than the sender of a postal article, with the facility to provide others with cards, folders, envelopes, or labels which may be used to send a postal article to a specified address without the prepayment of postage; and

(b) A freepost service whereby the universal service provider enables any person as the Minister may after consultation with the Authority by order in the Gazette designate, to provide senders with a specified address which may be used to post a postal article to that address without the prepayment of postage."

**Amends regulation 43 of the principal regulations**

6. In regulation 43(1)(ii) of the principal regulations the words "in conflict with the Act or with the licence or authorisation conditions:" shall be substituted with the word "in conflict with the Act, the licence or authorisation conditions or with any decision issued by the Authority: "

**Amends regulation 53 of the principal regulations**

7. In regulation 53(2) of the principal regulations there shall be added the following new proviso:

“ Provided further that the provisions of this regulation shall not apply to any such instances as may be established at law or by the Authority as may require the universal service provider to deliver postal articles free of charge or at a reduced rate of postage to a designated addressee.”

### **Addition of new Part VII**

8. After regulation 62 of the principal regulations there shall be added the following:

#### **“Part VII**

#### **Postal Identifier**

##### **Obligation to affix etc on a postal article the postal identifier**

62A. (1) A postal operator shall, as soon as is reasonably practicable on accepting a postal article for conveyance by post and prior to conveying the postal article, affix to, impress or print on, that postal article its postal identifier:

Provided that this requirement shall not apply if the postal identifier of the conveying postal operator is already affixed to, impressed or printed on the postal article.

(2) A postal operator who provides postal services which fall within the scope of the universal service shall ensure that a postal article carried by him is marked with a postmark which also indicates the date when it was delivered into the care of the said postal operator.”

### **Renumbering**

9. Parts VII and VIII of the principal regulations shall be renumbered as Parts VIII and IX respectively.

### **Amends the Schedule to the principal regulations**

10. Paragraph c) of the Schedule to the principal regulations shall be amended as follows:

(a) The words "Euros 930" shall be substituted with the words "Euros 150";  
and

(b) There shall be added the following the new proviso:

" Provided that an operator who demonstrates to the satisfaction of the Authority that its annual turnover does not exceed Euros 24,300 shall be exempt from the payment of any such fees."



Respondents to this consultation are requested to make their submissions by no later than close of business of the **30<sup>th</sup> September 2008**.

Responses are to be sent in writing or by e-mail to the following address:

**The Chairman**

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