



CONSULTATION DOCUMENT

Review of Quality of Service to be achieved by MaltaPost for the Universal Postal Service

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1 Executive Summary

Postal service users, both residential and commercial, are entitled to an affordable high-quality universal postal service that meets their reasonable needs. This includes quality of service (QoS) standards related to: (i) the time permitted for delivery of postal articles; and (ii) the regularity and reliability of the universal postal service.

MaltaPost Plc (hereafter referred to as 'MaltaPost') is the only postal operator designated to provide the universal postal service in Malta and is subject to the relevant obligations. These include meeting the reasonable needs of postal service users throughout Malta by offering an affordable, high-quality and reliable universal postal service. In line with the law, the Malta Communications Authority (MCA) sets QoS standards relating to the universal postal service provided by MaltaPost as part of its Universal Service Obligation (USO). In setting such QoS standards the MCA is empowered to review them periodically in order to ensure that the universal postal service is adequately provided and reflects the reasonable needs of all postal service users, as well as the specific characteristics of the Maltese market.

In the MCA's Decision Notice "Providing Sustainable Universal Postal Services - MCA/D/23-5051" published on the 21st August 2023, the MCA noted that as part of the initiatives to support the sustainability of the universal postal service it would be consulting on revisions to the next-day QoS delivery targets for the local single-piece letter mail and bulk letter mail services. The assessment of the QoS performance targets (that were last reviewed in 2016) must be viewed within the context of the postal market evolution as well as that of the developments in the wider communications market.

The purpose of this consultation document is to determine the QoS standards to be achieved by MaltaPost for the provision of the universal postal service for each financial year, as from the 1st of October 2023. The set QoS standards will remain applicable unless any emerging developments necessitate a re-assessment.

Consultation Process

By way of this consultation document the MCA is seeking views from interested parties on the QoS standards to be achieved by MaltaPost for the provision of the universal postal service as from the 1st of October 2023. The consultation will run from **12th October 2023** to the **16th November 2023**. Please refer to **Section 5** of this consultation for further details about the submission of comments.

Next Steps

Once the responses to the consultation have been analysed and given due consideration, the MCA will make its decision with respect to the annual QoS standards to be achieved by MaltaPost as from 1st October 2023. The MCA will publish its decision which will include a summary of the responses received.

2 Background and Introduction

The MCA is responsible to ensure that users enjoy the right to a universal postal service involving the permanent provision of postal services of specified quality, whilst promoting a universal service that is as sustainable. The universal service provision evolves in response to the technical, economic and social environment, and to the reasonable needs of users.

The MCA is responsible for setting the QoS standards of the universal postal service in Malta. The MCA monitors the QoS in order to guarantee a postal service of good quality. QoS standards focus, in particular, on transit times and on the regularity and reliability of services. As the designated Universal Service Provider (USP), MaltaPost, must adhere to its obligations at law and ensure that its performance is in line with the set QoS standards. The results are presented to the MCA and published on a regular basis.

In June 2005 the MCA published its first Decision on the QoS requirements to be achieved by MaltaPost for the universal postal service. This Decision established the QoS standards, with respect to transit time objectives, to be achieved by MaltaPost for the delivery of domestic and cross-border mail covering the period October 2004 - September 2007. This Decision introduced a collective compensation scheme in case of failure, on the part of the USP, to achieve its annual QoS targets. The 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 on the QoS standards 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 domestic bulk mail service.

In November 2010 the MCA published its third Decision on the QoS standards 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 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.

In January 2014 the MCA published its fourth Decision on the QoS standards to be achieved by MaltaPost, whereby the QoS targets were once again revised for a further three-year period covering the period October 2013 - September 2016. The revised QoS targets established in this Decision reflected the expected performance of an efficient, high quality universal postal service in Malta. This Decision also updated the information and reporting requirements with respect to QoS performance monitoring and complaints handling.

In December 2016 the published its fifth (and currently applicable) Decision on the QoS standards to be achieved by MaltaPost. Through this Decision the MCA decided in favour of retaining the current QoS standards which had been in effect since October 2013. This

Decision also updated the information and reporting requirements with respect to QoS performance monitoring and complaints handling.

In October 2017 the MCA approved a request from MaltaPost for all test mail postal articles exchanged for QoS measurement purpose include the applicable postcode and associated postal address. This in view of the increase in the use of postcodes by consumers. In addition, the use of postcodes is a useful tool for facilitating the sorting and distribution of postal articles and in assisting the postal operator in reducing the potential of mis-delivered mail and other delivery related errors.

In December 2018 the MCA issued a decision whereby it authorised changes to the postal latest collection times: Monday to Friday 17:15 hrs. (instead of 1900 hrs.), Saturday 12:30 hrs. (instead of 15:00 hrs.). As an exception any mail posted at MaltaPost's Qormi Head Office branch during opening times, even if it is after 17:15 hrs, will be processed for the next working day delivery.

In July 2023, following discussions between MaltaPost and the General Workers Union on the threats to the health, safety, and overall well-being of postal delivery persons, particular during the summer months, the MCA informed MaltaPost that for the period between 1st July and 30th September (i.e., the fourth quarter of MaltaPost's financial year) the QoS performance will be assessed based on the percentage of mail delivered within two working days. This will allow MaltaPost the necessary flexibility to better manage the delivery of mail during the hot summer months. The period between 1st October and 30th June (i.e., the first three quarters of MaltaPost's financial year) will continue to be assessed based on items delivered on the next working day. The changes came into effect as from MaltaPost's financial year October 2022 - September 2023.

In August 2023 in order to facilitate the sustainability of the universal postal service and the changing needs of consumers, the MCA authorised changes in the latest collection times from the access points. The latest letterbox clearance time is set at 7:00 a.m., with a later cut-off time of 12:30 pm at the nearest retail counters (post offices and sub-post offices) every working day. The cut-off time for bulk mail consignment has been set at 10 am every working day.¹

In the MCA's Decision Notice "Providing Sustainable Universal Postal Services - MCA/D/23-5051" published on the 21st August 2023, the MCA noted that as part of the initiatives to support the sustainability of the universal postal service it will be consulting on revisions to the next-day delivery targets for the single-piece and bulk mail services. The assessment of the QoS performance targets (that were last reviewed in 2016) must be viewed within the context

¹ MCA 2023 Decision issued on the 21st August 2023 'Providing Sustainable Universal Postal Services ([MCA/D/23-5051](#))

of the postal market evolution as well as that of the developments in the wider communications market.

Appendix A depicts the QoS standards and performance achieved by MaltaPost for domestic mail over the past four (4) years.

The purpose of this consultation is to review and establish the QoS standards to be achieved by MaltaPost for each financial year, as from the 1st of October 2023, for the following universal postal services:

Domestic mail:	Ordinary mail (i.e., single piece letter-post mail), bulk letter-post mail, registered letter-post mail and parcel post
Cross-border mail:	Ordinary mail, registered letter-post mail and parcel post

In addition to the setting of the QoS standards for the above-mentioned universal postal services, the MCA is also updating: (i) the collective compensation scheme;² and (ii) the information and reporting requirements. Such updates are required as a result of the recent changes made to the QoS standards for ordinary mail pertaining to the fourth quarter of MaltaPost's financial year (i.e., 1st July to 30th September).

This consultation does not extend to the methodology for measuring and monitoring the actual performance against the set QoS targets (refer to **Appendix B**). In addition, the consultation does not extend to other aspects of QoS, and monitoring systems established in the MCA's 2005 QoS Decision³ related to: the complaint handling mechanism; and the compensation schemes for loss, damage or delayed delivery of a postal article. These QoS measurement and monitoring systems have been effective in ensuring a high-quality and reliable universal postal service in Malta.

2.1 Legal basis

The MCA is required to set and publish QoS standards in relation to the universal postal 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.

² The 'Collective Compensation Scheme' was established in the MCA's 2005 Decision whereby such compensation – should MaltaPost fail to achieve its annual QoS performance targets – is collected by the MCA and factored into Government's consolidated fund.

³ Refer to [MCA's 2005 QoS Decision](#).

The European Commission emphasizes the importance of standards required for the provision of an appropriate level of postal service to users.⁴ These include standards for the QoS measurement regarding the reliability of postal services and the treatment of problems of loss, theft and damage.

MaltaPost, as the designated USP, must meet the reasonable needs of postal service users throughout Malta by offering high-quality and reliable universal postal services. The MCA monitors MaltaPost's performance against the set QoS standards. Further to this MaltaPost must report on the results of the monitoring exercise on a regular basis. The MCA ensures that corrective action is taken in cases where the QoS standards have not been achieved.

MaltaPost must also 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. Such procedures enable disputes to be settled fairly, promptly and in an inexpensive manner. Furthermore, MaltaPost is obliged to publish information on the number of complaints received. This must be done at least once every calendar year and should go into detail regarding the nature of the complaints received and how they were dealt with.

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

2.2 Quality of Service standards

MaltaPost must ensure that there is at least one collection and one delivery on every working day provided to the home or premises of every person in Malta; and that a number of certain universal postal services are provided.

The QoS 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 'date of collection' of a postal article and 'n' represents the number of working days between D and the delivery date, including the delivery date.

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

- D+1 measuring the percentage of mail delivered on the working day after injection into the system (regularity);
- D+2 measuring the percentage of mail delivered within two working days after injection into the system (reliability);

⁴ The European Standardization 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>).

- D+3 measuring the percentage of mail delivered within three working days after injection into the system (reliability).

The QoS for domestic mail relates to the transmission by MaltaPost of any postal article, from when it is deposited at one of MaltaPost's access points to when it is delivered. The QoS standards are based on postal articles deposited at access points before the published 'Latest Time of Posting'. Postal articles that are deposited at access points after the published 'Latest Time of Posting' are deemed to have been posted on the next working day. The scheduling, timing and organisation of deliveries made on each working day is an operational decision for MaltaPost.

The QoS standards for domestic mail must be compatible with those laid down for intra-Community cross-border services reflected in Annex II to of the First Postal Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 as amended by the Third Postal Directive.

The QoS objectives for transit times concerning the fastest standard category of intra-Community cross-border mail services are set at 85% of mail to be delivered within D+3 (regularity) and 97% within D+5 (reliability). These intra-Community cross-border mail standards are 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 by the MCA at D+9 (i.e., up to nine days).

3 Quality of Service targets

As the provider of the universal postal service in Malta, MaltaPost is required to achieve QoS targets in the delivery of particular postal services in each financial year. The objective of MaltaPost's QoS performance targets is to ensure that consumers receive an adequate level of service that meets their reasonable needs.

This section sets out the QoS performance targets to be achieved for the domestic and cross-border universal postal services provided by MaltaPost, as the designated USP. The QoS standards applicable for each financial year shall apply from the 1st of October 2023 and shall remain in force until further notice by the MCA.

3.1 Domestic mail services

The following domestic mail services forming part of the universal postal service are subject to QoS standards:

- **Single piece letter-post mail** (also referred to as ordinary mail) is the domestic mail 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).
- **Bulk letter-post 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.
- **Parcel post service** (also referred to as ordinary parcel service) is the service that provides for the transmission of packages (other than a letter, large envelope or packet) deposited over the counter, either single or in large quantities. Parcels are distinct from letter-post items and transportation freight respectively in consideration to weight and size limits.
- **Registered mail service** provides a flat rate guarantee against risk of loss, theft or damage, and supplies the sender with, where appropriate and upon request, proof of handing in of the postal article and/or of its distribution to the addressee. Whilst registration of single piece letter-post items and bulk letter mail (including advice of receipt) is an option at an additional fee, parcels include registration as part of the service.

The postal market continues to experience significant declines in traditional letter mail volumes year on year as consumers move away from traditional letter mail (i.e., items of correspondence) and shift towards digital means of communication, placing great strains on the sustainability of the universal postal service. In addition, the surge in online shopping, both domestically and cross-border, has resulted in increases and unforeseen spikes in the delivery of letter packets and parcels. User needs and preferences are changing accordingly, and many postal users are already digital citizens and digitised businesses and administrations at

the same time. It is also evident that most urgent letter mail communication is being replaced, or has been replaced, by digital channels.

There is however still a need to ensure that universal postal services are reliably provided, even if users are not sending or receiving postal items as often as they once did. In a context of declining traditional letter mail and increasing letter packets and parcels, it is still in the interest of users (both the senders and receivers) to ensure a minimum level of universal postal services of a specified quality. There is however a trend towards reliability in the delivery of universal postal services as opposed to fast delivery on the level of transit time targets.

The next day delivery targets for the universal postal services are set below 100% in recognition of the fact that events may affect QoS performance which are beyond the USP's control. Such events may include exceptional inclement weather, exceptional staff absence, unforeseeable variations in volumes (also in view of the significant growth in e-Commerce) and human error resulting from a mainly manual sorting process. Setting a D+2 and D+3 target in addition to D+1 ensures the reliability of the universal postal services so that mail that fails next day delivery is delivered on the second and/or third working day.

There exists a wide range of QoS delivery targets for local mail across the EU Member States reflecting different national considerations and, as such, comparisons between Member States cannot be drawn. The '[ERGP \(22\) Report on QOS, consumer protection and complaint handling](#)' reports an average D+1 target of 88.92% for ordinary mail. The report notes that whilst some EU Member States have difficulties reaching the set transit time target, however in these Member States only the standard for the fastest transit time (D+1) is not met while all other standards relating to reliability (i.e., for D+2 and D+3) are normally met.

MaltaPost has argued that the current D+1 QoS performance target of 95% for ordinary mail and bulk mail (last reviewed in 2016) no longer provides an optimal threshold that could be realistically achieved by MaltaPost at a reasonable cost. This also taking into consideration the need for MaltaPost to adapt its postal network to the changing volume mix resulting from the ongoing decline in traditional mail volumes and the significant growth in e-commerce (i.e., resulting in an increase in letter packets and parcels).

A postal perception survey, conducted in 2021, amongst Maltese households reflected that 48% of respondents report two days to be an acceptable lead-time for the delivery of letter mail.⁵ A survey on perceptions of businesses using MaltaPost's bulk mail service conducted in 2021 reflected that 55% of respondents report two days to be an acceptable lead-time for delivery of letter mail.⁶ A postal perception survey amongst businesses conducted in 2023

⁵ <https://www.mca.org.mt/articles/postal-services-%E2%80%93-household-survey-2021>

⁶ <https://www.mca.org.mt/articles/postal-perception-survey-2021-bulk-mail#>

reflected that 42% of respondents report two days to be an acceptable lead-time for delivery of letter mail.⁷

In July 2023, following discussions between MaltaPost and the General Workers Union, the MCA informed MaltaPost that for the period between 1st July and 30th September (i.e., the fourth quarter of MaltaPost's financial year) the QoS performance will be assessed based on the percentage of mail delivered within two working days after injection into the system (i.e., D+2). This will allow MaltaPost the necessary flexibility to better manage the delivery of mail during the hot summer months. The period between 1st October and 30th June (i.e., the first three quarters of MaltaPost's financial year) will continue to be assessed based on items delivered on the next working day (D+1) after injection into the system. These changes came into effect as from MaltaPost's financial year October 2022 to September 2023 and without prejudice to the performance measurement for earlier years.

A D+1 performance target of 88% (reduced from the current 95%) for domestic ordinary mail and bulk mail, as proposed by MaltaPost, would continue to reflect users' reasonable needs. Reducing the D+1 performance target to 88% would also assist MaltaPost in adapting its postal network to the changing volume mix resulting from the ongoing decline in traditional mail volumes and the increase in letter packets and parcels.

A D+1 performance target of 95% (reduced from 98%) for registered mail and parcel post would continue to reflect user expectations. As registered mail and parcel post are measured by means of a track and trace system, this enables a postal article to be monitored and its location established at any time, the QoS standards are set higher than those established for ordinary mail and bulk mail products. An effective tracking mechanism makes postal deliveries more transparent for users and helps MaltaPost monitor compliance with routing time requirements.

In order to ensure the reliability of the universal postal services, any such mail which fails the next day delivery service should be delivered by the second and/or third working day. However, it is recognised that there may be some minor factors which could constrain this. Therefore, an allowance of a further 1% is made which, in effect, means that 99% of mail should be delivered within the third working day.

QoS Performance Targets for Domestic Mail

The proposed QoS annual performance targets to be achieved by MaltaPost for the processing and delivery of domestic mail (i.e., clearance, sorting, transport and distribution of

⁷ <https://www.mca.org.mt/articles/2023-mca-business-perception-survey-postal-services>

postal articles) in each financial year (as from 1st October 2023) are being set as depicted in **Table 1** below:

Table 1: Domestic Mail QoS Targets for each financial year			
	D+1	D+2	D+3
Ordinary mail	88% <i>(currently 95%)</i>	95% <i>(currently 98%)</i>	99%
Bulk mail	88% <i>(currently 95%)</i>	95% <i>(currently 98%)</i>	99%
Registered mail	95% <i>(currently 98%)</i>	98% <i>(currently 99%)</i>	99%
Parcel Post	95% <i>(currently 99%)</i>	98% <i>(currently 99%)</i>	99%

The QoS standards reflected in **Table 1** above will continue to ensure that postal service users, both residential and commercial, have access to simple and reliable universal postal services that meet their reasonable needs. The proposed QoS standards will continue to serve the reasonable needs of users whilst contributing to making the universal postal service more sustainable. The MCA also considers that maintaining such QoS standards should play a part in ensuring that users continue to trust the postal service in light of strong competition in the broader communications sector (particularly in the form of e-substitution).

People must be able to rely on their post arriving in good time. MaltaPost's performance is measured against the above mentioned QoS targets. Compliance with QoS standards by the USP is monitored by the MCA. When QoS targets are not met, the MCA is required to take corrective action. Thus, a collective compensation scheme comes into effect if MaltaPost fails to meet the set QoS performance targets.

In line with current collective compensation scheme, should MaltaPost fail to achieve its annual next day delivery (D+1) target for local mail and outbound cross-border mail for dispatch to destination (i.e. loading on airline in Malta) for the ordinary mail, parcel post and registered mail products, MaltaPost is liable to pay as compensation (within the context of the above mentioned collective compensation scheme) a percentage of the yearly turnover of the product concerned (i.e. the difference between the annual service target achieved and the set standard) multiplied by a factor of 0.25. The maximum level of compensation is set at 5% of the yearly turnover multiplied by a factor of 0.25 of any one product.

As the QoS performance for the fourth quarter of the financial year is now being assessed on the percentage of mail delivered within two (2) working days after injection into the system (i.e., D+2), whilst the first three quarters of the financial year continue to be assessed on the items delivered on the next working day (i.e., D+1), the collective compensation scheme is being revised as follows:

- Should MaltaPost fail to achieve the set D+1 performance target for the first nine (9) months of financial year (1st October - 30th June) for domestic mail (i.e., ordinary mail, bulk

mail, parcel post and registered mail), MaltaPost will be liable to pay as compensation a percentage of the turnover of the product concerned (i.e., the difference between the QoS target achieved for the first nine months of the financial year of the particular product and the set QoS performance target) multiplied by a factor of 0.25. The maximum level of compensation that will be paid is 5% of turnover multiplied by a factor of 0.25 of any one product. For example, if MaltaPost miss the D+1 performance target for local ordinary mail by 1.1% over the first nine months of the financial year, then MaltaPost will pay as compensation 1.1% of the turnover of that product multiplied by a factor of 0.25.

- Should MaltaPost fail to achieve the set D+2 performance target for the last three months of financial year (1st July - 30th September) for domestic mail (i.e., ordinary mail, bulk mail, parcel post and registered mail), MaltaPost will be liable to pay as a compensation a percentage of the turnover of the product concerned (i.e., the difference between the QoS target achieved for the last quarter of the financial year for the particular product and the set QoS performance target) multiplied by a factor of 0.25. The maximum level of compensation that will be paid is 5% of turnover multiplied by a factor of 0.25 of any one product. For example, if MaltaPost miss the D+2 performance target for local ordinary mail by 1% over the last three months of the financial year, then MaltaPost will pay as compensation 1% of the turnover of that product multiplied by a factor of 0.25.

The collective compensation scheme - should MaltaPost fail to achieve its QoS performance targets - is collected by the MCA and factored into Government's consolidated fund.

Q1. Do you consider the proposed QoS performance targets to be achieved by MaltaPost for domestic mail as from October 2023 onwards as being adequate to meet the reasonable need of users of postal services? If you disagree, please state why.

3.2 Cross border mail services

The EU Postal Directive defines cross-border mail as 'mail from or to another Member State or from or to a third country'⁸ i.e., an end-to-end postal service from one country to another.

MaltaPost is required to monitor and measure the QoS for intra-Community cross-border mail services from time of posting to when they are delivered in line with the targets specified in the EU Postal Directive (85% of mail to be delivered within a D+3 window and 97% within a D+5 window). In addition, MaltaPost is required to monitor the quality of cross-border mail

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:31997L0067&from=EN>

services to all other foreign addresses in line with an end-to-end transit time objective of D+9 (up to 9 days).

MaltaPost monitors the performance of cross-border mail flows by means of the International Post Corporation (IPC) UNEX⁹ programme. MaltaPost also monitors the performance of inbound cross-border mail flows by means of the Universal Postal Union (UPU's) Global Monitoring System (GMS).¹⁰ These systems monitor the QoS of the fastest standard category of cross-border letter-post mail from time of posting to when they are delivered. The performance of cross-border mail flows for registered mail and parcel post are monitored by MaltaPost via its track and trace system.

All inbound cross-border mail services (i.e., ordinary mail, registered mail and parcel post) arriving at MaltaPost's office of exchange¹¹ before 1900 hrs between Monday and Friday and 17:30 hours on Saturday are processed on the same working day and delivered with the same QoS performance targets as those of domestic mail products. MaltaPost separately monitors the performance of outgoing cross-border letter-post mail, registered mail and parcel post from time of posting until dispatch to destination (i.e., handing over to the airline in Malta) against set QoS performance targets.

The MCA recognises that there may be difficulties when measuring the end-to-end QoS performance of the outgoing cross-border ordinary mail to non-European countries and destinations with low mail volumes. However, the set transit times serve as an indication of the performance to be achieved by MaltaPost for these mail flows. MaltaPost has a good grasp of the indicative timeframes for delivery to these destinations and therefore keeps the public informed of the lead times to expect for the end-to-end delivery of letter-mail items to these countries.

There are no changes envisaged to MaltaPost's QoS performance targets for outgoing cross-border mail. However, the changes to the QoS performance targets for domestic mail products (refer to **Table 1** in Section 3.1) will result in changes to the QoS standards of incoming cross-border mail.

⁹ The 2022 results of the IPC UNEX measurement system showed that on average international priority letter mail in Europe was delivered in 3.7 days in 2022 compared to 4.1 days in 2021. The 2022 results show that posts continue to recover from the disruption caused by the Covid-19 pandemic, with better scores than in 2021, having delivered 63.6% of the mail in three days (speed indicator) and 85.3% in five days (reliability indicator).

https://www.ipc.be/~media/documents/public/unex/full%20year%20results/unex_leaflet_2014_en.pdf

¹⁰ The GMS is a system for measuring the quality of service. The information can be used to determine UPU terminal dues remuneration, according to a performance bonus system established within the UPU, and to contribute to the informed decisions on operational and quality improvement.

¹¹ An 'office of exchange' is the place where MaltaPost accepts cross-border mail from a postal operator of another country.

QoS Performance Targets for Cross-border Mail

The QoS annual performance targets to be achieved by MaltaPost, applicable from 1st October 2023, for the processing and delivery of cross-border mail are set as depicted below:

Table 2: Cross-border Mail QoS Performance Targets for the financial year (October to September)		
(a) End-to-End Cross Border Mail		
EU intra-community cross-border mail is measured and monitored by MaltaPost in line with the end-to-end QoS targets specified in the EU Postal Directive – 85% of items to be delivered within D+3 (speed) and 97% within D+5 (reliability).		
(b) Outgoing Cross-border Mail		
The QoS performance targets to be achieved by MaltaPost for the delivery of outgoing cross-border mail (i.e., ordinary mail, registered mail and parcel post) from dispatch to destination (i.e., handing over to airline in Malta) are listed below:		
	D+1	D+3
Ordinary Mail		
EU Member States, UK, Switzerland, Australia, Canada and USA	95%	99%
All other countries	-	99%
Registered Mail		
EU Member States, UK, Switzerland, Australia, Canada and USA	95%	99%
All other countries	-	99%
Parcel Post		
EU Member States, UK, Switzerland, Australia, Canada and USA	95%	99%
All other countries	-	96%
(c) Incoming Cross-border Mail		
All incoming cross-border mail arriving at MaltaPost’s office of exchange before 19:00 hrs between Monday and Friday and 17:30 hrs on Saturday is processed on the same working day and delivered within the QoS performance targets of the domestic mail products (as reflected in Table 1 in Section 3.1).		

It is noted that no changes are required to the collective compensation scheme for failure to achieve the annual QoS targets outbound cross-border mail products for dispatch to destination (ordinary mail, parcel post and registered mail).

In the event that MaltaPost fails to achieve its annual next day delivery (D+1) target for outbound cross-border mail for dispatch to destination (i.e., handing over to airline in Malta) for the ordinary mail, parcel post and registered mail products, MaltaPost will be liable to pay as compensation (within the context of the above mentioned collective compensation scheme) a percentage of the yearly turnover of the product concerned (i.e., the difference between the annual service target achieved and the set standard) multiplied by a factor of 0.25. The maximum level of compensation that will be paid is 5% of the yearly turnover multiplied by a factor of 0.25 of any one product.

Q2. Do you consider that the QoS performance targets to be achieved by MaltaPost for cross-border mail continue to be adequate? If you disagree, please state why.

4 Information and Reporting Requirements

The MCA monitors 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 both MaltaPost and the MCA to identify any issues with the quality of the universal postal service which may need to be addressed.

In addition, publishing QoS results is essential for MaltaPost to maintain trust in the universal postal services. It benefits both MaltaPost and their customers by fostering transparency, encouraging improvements, and ensuring compliance with regulatory requirements.

Information Requirements

MaltaPost conveys information about the universal postal service with respect to QoS standards and related targets, performance achievements and complaint measurement and redress procedures through, as a minimum, a variety of media:

- 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 MaltaPost's website;
- through advertising media; and
- in the MaltaPost's Annual Report.

With regard to information on the time of collection (i.e., the latest collection time) to secure delivery, MaltaPost makes the following information available:

All posting points	<ul style="list-style-type: none">• The days when mail is collected.• The 'Latest collection time' at the posting point.• The customer care helpline:<ul style="list-style-type: none">- to enquire or lodge a complaint;- to report any irregularities, such as apparent interference with a letterbox; and- to ask questions regarding whether or not a collection has been made.• The code of a particular street letterbox.• Advice to the public that postal articles containing valuables must be sent by registered mail.
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<p>MaltaPost’s website</p>	<ul style="list-style-type: none"> • The 'Latest collection time' from the respective access points. • Information with respect to QoS targets • The quarterly and annual QoS performance achieved for each service.
<p>Offices owned and/or controlled by MaltaPost providing the universal service</p>	<ul style="list-style-type: none"> • The 'Latest collection time' from the respective access points • Information with respect to QoS targets and performance achieved for each service

Reporting Requirements

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:

- Domestic ordinary mail and bulk mail on a quarterly basis and not later than thirty-five working days after the end of each quarter.
- Domestic registered mail and parcel post on a quarterly basis and not later than thirty-five working days after the end of each quarter.
- Cross-border mail biannually and not later than thirty-five working days after the end of April and the end of October. The MCA may, at its discretion, grant an extension of a further fifteen working days.

MaltaPost is required to publish on its website its quarterly QoS performance for the financial year against the set targets for domestic ordinary mail, bulk mail, registered mail and parcels in line with the format agreed with the MCA.

MaltaPost is required to publish annually on its website its QoS performance for the financial year against the set targets for outbound ordinary mail, outbound registered mail, outbound parcels, inbound ordinary mail, inbound registered mail, and inbound parcels in line with the format agreed with the MCA.

MaltaPost is required to keep the public informed on the expected lead times for end-to-end delivery for all postal articles to both European destinations and other countries. MaltaPost should also make this information available to the MCA.

5 Request for Comments and Next Steps

The MCA would like to seek the views and comments from interested parties on the proposed QoS standards for the universal postal service to apply as from the 1st October 2023 as set out in this consultation document.

Once the responses to the above consultation have been analysed and given due consideration the MCA will make its decision with respect to the QoS standards. The MCA will publish its decision which will include a summary of the responses received.

Respondents are kindly requested to refer their comments to the numbered consultative questions. When making their submissions respondents may also make comments on any aspect of the consultation by referring to the specific sections of this document.

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.¹²

All views and comments should be submitted in writing in electronic format (such as Microsoft Word or PDF Format). Respondents are required to include their personal or company particulars, correspondence address, contact number and email address in their submissions.

All responses to this consultation should be clearly marked "**Review of QoS Standards to be achieved by MaltaPost for the Universal Postal Service**" and sent, by not later than **16th November 2023** to the:

Chief, Policy and Planning

Malta Communications Authority
Valletta Waterfront
Floriana FRN1913
Malta

Email: info@mca.org.mt

Tel: +356 21 336840

¹² In accordance with the MCA's confidentiality guidelines and procedures:

http://www.mca.org.mt/sites/default/files/articles/confidentialityguidelinesFINAL_0.pdf

Appendix A: Quality of Service Performance

The QoS standards and performance achieved for domestic mail are summarised in the table below:

Domestic Mail QoS Targets / Performance Achieved						
Financial Year (FY)	D+1		D+2		D+3	
Ordinary Mail						
	Target	Performance	Target	Performance	Target	Performance
FY 2018/19	95%	93.21%	98%	98.11%	99%	98.44%
FY 2019/20 ¹³	95%	-	98%	-	99%	-
FY 2020/21	95%	90.96%	98%	96.62%	99%	98.04%
FY 2021/22	95%	87.56%	98%	95.26%	99%	97.58%
Bulk Mail						
FY 2018/19	95%	95.32%	98%	98.51%	99%	98.89%
FY 2019/20 ¹⁴	95%	-	98%	-	99%	-
FY 2020/21	95%	90.81%	98%	97.93%	99%	98.52%
FY 2021/22	95%	90.67%	98%	97.84%	99%	98.54%
Registered Mail						
FY 2018/19	98%	99.60%	99%	99.93%	99%	99.96%
FY 2019/20	98%	-	99%	-	99%	-
FY 2020/21	98%	99.07%	99%	99.76%	99%	99.89%
FY 2021/22	98%	98.02%	99%	99.85%	99%	99.94%
Parcel Post						
FY 2018/19	98%	99.09%	99%	99.86%	99%	99.91%
FY 2019/20 ¹⁵	98%	-	99%	-	99%	-
FY 2020/21	98%	98.65%	99%	99.69%	99%	99.86%
FY 2021/22	98%	97.26%	99%	99.72%	99%	99.89%

¹³ During the financial year 2019/20 measurement was suspended due to the onset of the COVID19 pandemic.

¹⁴ Ibid.

¹⁵ Ibid.

Appendix B: Quality of Service Measurement and Monitoring

This Appendix reflects the methodology for the measurement and monitoring of the performance achieved by MaltaPost against the QoS standards set for domestic and cross-border universal postal services.

QoS Measurement and Monitoring of Domestic Mail

Domestic mail - Ordinary Mail and Bulk Mail

The measurement and monitoring of single piece priority letter-post mail (ordinary mail) and bulk letter-post mail (bulk mail) is organised by MaltaPost 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; and
- CEN standard **EN 14534** on the measurement of the transit time of end-to-end services for bulk mail.

This QoS measurement and monitoring is carried out by an independent organisation appointed by MaltaPost. The results of the QoS monitoring are published in a report.

The MCA ensures that the results are justified and that corrective actions are taken if necessary. The MCA, as necessary, audits the measurement methods used by the independent organisation appointed by MaltaPost to conduct the performance monitoring for domestic ordinary mail and bulk mail.

Domestic mail - Loss and Substantial Delay of Ordinary Mail and Bulk Mail

Measurement of loss and substantial delay of single piece priority letter-post mail (ordinary mail) is organised by MaltaPost in conformity with **TS 14773**¹⁶. 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).

The **TS 14773** measurement methods are compatible with the requirements of **EN 13850** for the measurement of the transit time of end-to-end services for single piece priority and first-class mail. Thus, the same survey is used to measure loss and substantial delay of ordinary mail in line with **TS 14773**.

¹⁶ CEN/TS 14773: 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.

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).

The collective compensation scheme for failure by MaltaPost to achieve its delivery target is calculated 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).

Domestic mail - Registered Mail and Parcel Post

Measurement and monitoring of MaltaPost's performance with respect to registered mail and parcel post is organised by MaltaPost by means of its track and trace technology.

Measurement and monitoring of MaltaPost's performance with respect to registered mail and parcel post is 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. MaltaPost takes into consideration the CEN technical report **TR 15472** for the measurement of transit times for parcels collected, processed and delivered by postal service providers by the use of a track and trace system.

Domestic mail - Performance Measurements Audit

The performance measurement of the domestic ordinary mail and bulk mail products is carried out by an independent organisation appointed by MaltaPost. The organisation appointed by MaltaPost manages the survey and produces the results completely independently of MaltaPost. Results are published on the MaltaPost's website and reported to the MCA.

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 appropriate standards.

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.

Force Majeure

In line with the CEN QoS measurement standards, the QoS measurement system must be continuous. Non-functioning of the postal operator and days of strike or industrial disputes must not be discounted from the QoS measurement. Deductions in the corresponding period may be considered by the MCA only in the case of 'force majeure' events. Moreover, these must be indicated in the reporting and be subject to audit. Any intended deduction must be

reported to the MCA without delay. Agreement with the MCA on all planned deductions due to 'force majeure' is required prior to the calculation of the annual report.

QoS Measurement and Monitoring – Cross-Border Mail Services

MaltaPost monitors the performance of end-to-end inter-Community cross-border letter-post mail (ordinary mail) in line with **EN13850** and that the results are published against the transit objectives and targets set by the European Commission.

MaltaPost monitors the performance of end-to-end cross-border mail to other foreign destinations against the set transit time objective. The performance of cross-border mail flows for registered mail and parcel post are monitored by MaltaPost via its track and trace system. MaltaPost separately monitors and measures the performance of outbound cross-border letter-post mail, registered mail, and parcel post from time of posting until dispatch to destination (i.e., handing over to airline in Malta) and the delivery of inbound cross-border mail (arriving at MaltaPost's office of exchange until delivery to the addressee). The results are published against the established transit time objectives and set QoS targets.

The measurement of cross-border end-to-end services for single piece priority mail is measured by the IPC's UNEX¹⁷ end-to-end monitoring system. MaltaPost also monitors the performance of inbound cross-border mail flows by means of the Universal Postal Union (UPU's) Global Monitoring System (GMS)¹⁸.

MaltaPost monitors and measures the performance of cross-border mail (letter-post mail, registered mail and parcel post) in line with the set transit time objectives for:

- end-to-end EU intra-Community cross-border mail;
- end-to-end cross-border mail for non-EU destinations where mail flows are significant;
- outgoing cross-border mail from time of posting until dispatch to destination (i.e., handing over to airline in Malta); and
- incoming cross-border mail arriving at MaltaPost's office of exchange until delivery to the addressee.

¹⁷ [Results | International Post Corporation \(ipc.be\)](#)

¹⁸ The GMS is a system for measuring the quality of service. The information can be used to determine UPU terminal dues remuneration, according to a performance bonus system established within the UPU, and to contribute to the informed decisions on operational and quality improvement.

Appendix C: Legal Basis

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

- under Article 25(1) thereof 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) thereof 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 it may consider necessary in this regard.

The MCA's obligations under the Postal Services (General) Regulations (SL254.01) in relation to the QoS of the universal service are as follows:

- under regulation 7H (1) thereof postal operators are required, in accordance with guidelines laid down by the MCA, to draw up transparent, simple and inexpensive procedures to deal with complaints by users, particularly in cases involving loss, theft, damage or non-compliance with QoS standards;
- under regulation 7H (2) thereof the USP 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) thereof 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, taken into account the views of interested parties as it may deem necessary;
- under regulation 24A (2) thereof 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) thereof compliance with QoS 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) thereof 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 MCA may establish in accordance with its powers at law;

- under regulation 24B (1) thereof any USP 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) thereof information shall be published at least annually by the USP in a manner that is to the satisfaction of the MCA.



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