



Review of Quality of Service (QoS) Targets and Requirements to be Achieved by MaltaPost Plc

Consultation Paper

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Foreword

An essential element of postal services regulation, and probably the one that enjoys the highest profile in the public eye, is the establishment and monitoring of the Universal Service Provider's (USP) Quality of Service (QoS) obligations, mainly with respect to its efficiency in the provision of an 'end-to-end' postal service. A letter or parcel mis-delivered, delayed or lost can mean disappointment or worse, to either sender or receiver, quite often to both.

In June 2005 the Malta Communications Authority (MCA) published its decision notice entitled 'MaltaPost plc – Quality of Service Requirements' in order to secure improvements in the quality of services provided by the USP.¹ This decision notice, amongst others, set the QoS targets, in respect of routing times, to be achieved by MaltaPost plc (hereinafter referred to as MaltaPost) as the designated USP for the delivery of inland and cross-border mail for the three (3) year period covering October 2004 – September 2007. This decision notice also introduced a collective compensation scheme in case of failure on the part of the USP to achieve its annual QoS targets. It also set the direction for the improvement of MaltaPost's complaints handling and compensation mechanisms and established the reporting standards for the scope of complaints measurement and performance monitoring requirements.

In December 2007 the MCA published its decision notice on the Quality of Service (QoS) Targets to be achieved by MaltaPost Plc whereby the QoS targets were revised for the three year period covering October 2007 – September 2010.² This decision notice also set, as a separate requirement, the measurement and monitoring of domestic bulk mail items.³

The MCA is now required to set new QoS targets to be achieved by MaltaPost for the coming three (3) years (i.e. October 2010 – September 2013). In establishing MaltaPost's annual QoS targets, the MCA will take into consideration public expectations on the local front as well as standards adopted by other European Union (EU) Member States. Other aspects that will be taken into account include MaltaPost's QoS performance measurement results to date, and factors that make it uneconomic for MaltaPost to achieve a 100% next day delivery service.

The MCA notes that the results achieved by MaltaPost over the past six (6) years have shown a constant improvement in the quality of service whereby MaltaPost has, in the main, exceeded the established QoS targets (refer to **Appendix A**).⁴ Furthermore, a recent customer perception survey indicated that consumers are generally satisfied with the time taken for MaltaPost to deliver mail and with MaltaPost's overall QoS performance.⁵

In addition to the setting of the revised QoS targets, this consultation also consults on proposals to address concerns with regard to loss and/or substantial delay of mail and a number of improvements deemed necessary for a

¹ Refer to the MCA's Decision - <http://www.mca.org.mt/infocentre/openarticle.asp?id=667&pref=16>.

² Refer to the MCA's Decision - <http://www.mca.org.mt/infocentre/openarticle.asp?id=1145&pref=16>

³ This includes all types of addressed bulk mail including: letter mail, direct mail (which is a particular form of bulk mail as defined in the Postal Services Act), magazines, and newspapers.

⁴ **Appendix A** – Quality of Service – Existing Targets and Performance.

⁵ Refer to MCA (2009), Overview of MCA's Household Market Research on Postal Services (on-line) : <http://www.mca.org.mt/infocentre/openarticle.asp?id=1357&pref=19> and MCA (2009), Overview of Small Businesses Mailers Market Research on Postal Services (on-line) : <http://www.mca.org.mt/infocentre/openarticle.asp?id=1369&pref=18>

consolidation of MaltaPost's information and reporting requirements with respect to the reporting and handling of complaints.

The MCA welcomes comments from all interested parties in particular from customers, for whom the QoS targets are especially important.

This consultation will run from the **18th August 2010** to the **17th September 2010** during which time the MCA welcomes written comments on any of the issues raised in this paper. Further details about submitting comments to this consultation can be found in **Section 6** of the document

It is the MCA's intention to publish a Decision Notice including the new QoS targets to be achieved by MaltaPost for the coming three (3) years by not later than the end of **September 2010**.

1. Introduction

The key purpose of this consultation paper is to determine the new QoS targets, covering a period of three (3) years, to be achieved by MaltaPost in respect of the transit times for the following universal service⁶ postal products:

- **Inland mail:** ordinary mail (i.e. single piece *priority* letter mail), bulk mail,⁷ registered mail and parcel post.
- **Cross-border mail:** ordinary mail, bulk mail, registered mail and parcel post.

In addition, this consultation also seeks input on proposals to address concerns with regard to loss and/or substantial delay of mail items, as well as a number of envisaged improvements to MaltaPost's information and reporting requirements on their handling of complaints.

In line with the MCA's decision notice published in 2005, MaltaPost operates a complaints handling mechanism via which users can make representations and, where applicable, claim compensation when postal items get lost or damaged, or are not delivered in accordance with agreed delivery standards.⁸ Such a complaint handling mechanism also serves to facilitate the identification and effective resolution of routine problems and the factors that may contribute to the non-achievement of the set QoS targets, thereby making it easier for MaltaPost to focus on improving core business processes that make for better service quality and heightened customer satisfaction. The MCA also introduced a collective compensation scheme that is collected by the MCA and injected into the Government's consolidated fund should MaltaPost fail to achieve its annual QoS targets (i.e. next day delivery) for any of the above-mentioned inland mail and cross-border postal products.⁹ Furthermore, in line with the MCA's decision notice MaltaPost publishes information regarding QoS objectives and performance and informs customers about the level of service provided.¹⁰

It is important to note that this consultation does not address the QoS requirements described above, namely:

- complaint handling mechanisms;
- compensation schemes for loss, damage or delay; and
- the collective compensation scheme.

⁶ Users at all points in Malta shall enjoy the right to a universal service involving the permanent provision of a range of postal services of specified quality, as may be prescribed, and at affordable prices for the benefit of all users. These mail products, amongst others, form part of the universal service and subject to next day delivery. It is noted that MaltaPost operates a single mail stream and its customers do not have a choice between priority (next day) service and an economy service (e.g. second class mail).

⁷ This includes all types of addressed bulk mail including: letter mail, direct mail (which is a particular form of bulk mail as defined in the Postal Services Act), magazines, and newspapers.

⁸ Refer to above-mentioned Decision Notice Section 4 - Complaints Handling and Compensation and MaltaPost's Code of Practice with respect to Complaints Handling and Compensation - <http://www.MaltaPost.com/page.asp?p=9381&l=1>.

⁹ This collective compensation scheme came into force at the start of October 2005. MaltaPost is liable to pay the MCA a percentage of the yearly turnover of the postal product concerned (i.e. the difference between the annual service target achieved for that particular product 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 postal product.

¹⁰ Refer to Appendix D of the 2005 Decision Notice – Information to be provided by MaltaPost of MCA's Decision Notice on MaltaPost's QoS Requirements.

These above-mentioned QoS standards and monitoring systems to be achieved by MaltaPost, have already been established in the decision notice published in June 2005, and will continue to apply. Changes to these requirements are not deemed necessary at this stage. The MCA reserves the right to review these requirements at a later stage.

Legal Basis

The European Union (EU) Postal Directive establishes a harmonised framework for postal services throughout the EU and for securing improvements in the QoS provided, and defines the decision-making process regarding further opening of the postal market to competition.

The EU Postal Directive was transposed into national law under the Postal Services Act (Cap 254). The MCA's obligations under the Postal Services Act in relation to QoS are as follows:

- under Article 17(1) to issue directions to MaltaPost in respect of the quality of postal service to be provided;
- under Article 17(4) to issue directions to MaltaPost for the purpose of ensuring compliance with its obligations;
- under Article 24(1) to set and publish QoS standards in relation to the universal service, paying attention in particular, to routing times and to the regularity and reliability of services taking into account the views of interested parties as deemed necessary and to establish quality standards in respect of cross-border mail;
- under Article 24(2) to monitor compliance with QoS standards by MaltaPost and make a report on the results of the monitoring exercise;
- under Article 25(1) to prescribe quality standards for inland mail;
- under Article 25(2) to monitor the performance of MaltaPost in accordance with the quality standards for inland mail;
- under Article 27 the MCA shall ensure that transparent, simple and inexpensive procedures are drawn up for dealing with users' complaints, particularly in cases involving loss, theft, damage or non-compliance with QoS standards; and
- Article 27 imposes an obligation on the USP to publish at least once a year information on the number of complaints received, detailing what they were about and how they were dealt with.

MaltaPost's obligations under its licence¹¹ in relation to QoS are as follows:

- Under Regulations 19.1 MaltaPost shall adopt the minimum standards of service approved by the MCA for each of the products falling within the universal service area (i.e. products listed in the Appendix of the Licence).¹² The schedule of the minimum standards of services shall:

¹¹ Refer to Legal Notice 500 of 2004 – MaltaPost plc Licence (Modification) Regulations.

¹² The QoS standards to be achieved for a series of ancillary services depicted in the Appendix of the licence that also form part of the universal service (such as withdrawal of postal articles, re-direction, certificate of posting, certificate of loss or damage, Business Reply Service and private delivery boxes) are as specified in the decision notice published in June 2005.

- specify routing times and the regularity and reliability of services to be achieved;
 - specify standards for national and intra-Community cross border mail consistent with the Annex to the EU Postal Service Directive;
 - incorporate targets for the improvement of service standards within specified timeframes; and
 - provide for regular monitoring reports on the achievements of service standards using testing methodologies consistent with EU requirements.
- Under Regulations 19(2) MaltaPost must ensure that independent performance monitoring is carried out at least once a year and that the results are published.
 - Under Regulations 19(3) the MCA will review the schedule of service standards at least once a year and may propose modifications to the standards in consultation with MaltaPost and any other third person as necessary. MaltaPost shall implement any modifications as the MCA may finally decide upon, within such time as the MCA may stipulate.
 - Under Regulations 21.4 the Licensee shall publish, at the same time as the standards of service report under paragraph 19.3, details of the number and nature of complaints it has received and how these have been dealt with.
 - Under Regulations 21.5 where a customer is not satisfied with the way the Licensee has handled his complaint, the Licensee shall ensure that he is informed that they may refer the complaint to the Authority for investigation. If, in the opinion of the Authority, the number or nature of complaints referred to the Authority indicate (or if the Authority otherwise becomes aware) that the Licensee's complaint handling procedures are not adequate, the Authority may require the procedures to be reviewed and improved.

2. Quality of Service Measurement and Monitoring

The MCA has the specific responsibility for setting standards for the QoS to be achieved by MaltaPost within the framework set out in European and National legislation. QoS standards and related targets must focus, in particular, on routing times and on the regularity and reliability of postal services. Furthermore, the MCA has to monitor MaltaPost's performance against the targets set and must from time to time report on the results of the monitoring exercise. Where the MCA is of the opinion that QoS targets have not been met, the MCA must ensure that corrective action is taken where necessary. The most important point to be borne in mind therefore is that the QoS target for inland mail is to be set in the form of:

- D¹³+1¹⁴ measuring the percentage of mail delivered on the working day after injection into the system (regularity); and
- D+3¹⁵ measuring the percentage of mail delivered within three working days of injection into the system (reliability).

In the case of intra-Community cross-border mail services, QoS standards are set by the European Parliament and the Council. The EU Postal Directive has set QoS objectives for transit times concerning the fastest standard category of intra-Community cross-border mail services at 85 per cent of mail to be delivered within D+3 (speed) and 97 per cent within D+5 (reliability).¹⁶ These intra-Community cross-border service targets must be achieved not only for the entirety of intra-Community traffic but also for each of the bilateral flows between two Member States.

The European Commission emphasises the importance of standards (refer to **Appendix B**)¹⁷ in providing an appropriate level of service to users.¹⁸ These include requirements for quality of service measurement that include the reliability of services and the treatment of problems of loss, theft and damage.

With respect to end-to-end measurement¹⁹ of ordinary mail, performance monitoring must be in conformity with the CEN standard EN 13850 on the measurement of the transit time of end-to-end services for single piece priority mail and first class mail.

¹³ The date of deposit D to be taken into account shall be the same date as that on which the postal item is deposited, provided that the deposit occurs before the latest collection time notified from the access point to the network in question (i.e. 19.00 hrs from Monday to Friday and 15.00 hrs for a Saturday). When deposit takes place after this time limit, the date of deposit to be taken into consideration will be that of the collection on the following working day.

¹⁴ The quality standards for local mail are established in relation to the time limit for routing measured from the end to end for postal items of the fastest standard category according to the formula D+n, where D represents the date of deposit and n the number of working days which elapse between that date and that of delivery of the addressee. D+1 represents one (1) working day from the date of deposit to delivery to the addressee.

¹⁵ D+3 represents three (3) working days from the date of deposit to delivery to the addressee. Whatever target is set it is necessary to address what happens to those letters that are not delivered the next day.

¹⁶ The (+3) and (+5) express the number of days before final delivery during which time collection, sorting, national and international transport, and delivery take place.

¹⁷ Refer to **Appendix B** – European Standardised Measurement System.

¹⁸ The European Standardisation Committee (CEN) has been entrusted with developing European measurement methods (standards) for a number of aspects concerning the quality of postal services. The CEN standards for postal services have been developed by a dedicated Technical Committee within CEN/TC331 (refer to <http://www.cen.eu>).

¹⁹ End-to-end routing is measured from the access point to the network to the point of delivery to the addressee.

This standard has been developed to ensure that the transit time for ordinary mail is monitored on a standardised basis, and its use is mandatory (both for inland and cross-border mail) in respect of such services provided by universal service providers throughout the EU.²⁰

Currently, this is the only EU mandatory standard applicable for all Member States. Member States can mandate other standards for the measurement of other postal services / activities. However, if the measurement of other aspects of the postal service is required by the respective Member States it is necessary to use the appropriate standards.

Inland Mail - Ordinary Mail Service / Bulk Mail Service

MaltaPost's ongoing performance measurement of its inland ordinary mail product is measured in conformity with the CEN standard EN 13850.

MaltaPost's ongoing performance measurement for the inland bulk mail services is measured in conformity with the CEN standard EN 14534.

This performance measurement is carried out by an independent organisation appointed by MaltaPost. In addition, the MCA carries out an annual audit of the methodology employed by the MaltaPost-commissioned organisation responsible for carrying out the performance monitoring in line with the above-mentioned standards.

Inland Mail - Loss and Substantial Delay

Postal services provide vital infrastructural support for the economy and society in general. Customers need to have assurance that the mail they entrust to the USP will arrive at its destination in time and not be lost or substantially delayed (e.g. due to mis-delivery) in transit.

From an audit of the QoS monitoring surveys for ordinary mail it transpired that during October 2008 and September 2009 approximately 1.5% (22 out of 1482) of the total test mail items posted were not received. At present these test mail items are considered as invalid, based upon the discretion allowed in the standard. The standard states that postal items not delivered within 30 days (i.e. D+30) can be excluded from the measurement.

In addition to the 1.5% of test mail items lost in transit, the MCA notes that in the first quarter of 2010, 69 complaints were received by MaltaPost with regard to lost mail and 215 with regard to mis-delivered mail. In the second quarter of 2010, 50 complaints were received with regard to lost mail and 154 with regard to mis-delivered mail.²¹

From the results of the market research carried out by the MCA in 2009, out of the total number of households who made some form of complaint to MaltaPost (31%), 16.7% remarked about the loss or substantial delay of postal items and 34.7% remarked about mis-delivery.²² In the small businesses market research²³

²⁰ The EN 13850 standard was made mandatory on all Member States for domestic mail from January 2004 and for cross-border mail from January 2005. The standard has also been extended to cover flows with smaller mail volumes in an enlarged EU catering for those countries with relatively small mail.

²¹ Refer to <http://www.MaltaPost.com/page.asp?p=9380&l=1> – (process complaints made with MaltaPost).

²² MCA (2009), Overview of MCA's Household Market Research on Postal Services [available at: <http://www.mca.org.mt/infocentre/openarticle.asp?id=1357&pref=19>]

²³ MCA (2009), Overview of Small Businesses Market Research on Postal Services [available at: <http://www.mca.org.mt/infocentre/openarticle.asp?id=1369&pref=18>].

the same percentage rose to 22.2% for loss or substantial delay out of those who had made some form of complaint (41.7%).²⁴

The MCA recognises that MaltaPost strives to reduce the number of mail items lost or substantially delayed via, amongst others, the strengthening of mail integrity procedures²⁵ (such as the ongoing training given to employees responsible for the sorting and delivery of postal articles to reduce as far as possible lost or significantly delayed mail e.g. due to mis-deliveries) and via the ongoing monitoring of complaints. However, the MCA is concerned with the registered loss of 1.5% of test mail items and the number of complaints registered with MaltaPost on a quarterly basis related to lost and/or mis-delivered mail.

The MCA is therefore of the opinion that substantially delayed and lost mail items should be monitored separately to have a more precise measure than that which can be obtained solely from the measurement of complaints. MaltaPost should continue to provide ongoing training to its postal staff and keep consumers updated on the appropriate use of postcodes and addresses. MaltaPost should take the necessary action to cut the amount of mail that is mis-delivered, lost or substantially delayed.

The measurement of loss and substantial delay of mail would provide the MCA with more information on whether there are issues related to the integrity of mail. In line with the minimum standards on the protection of the integrity of mail the MCA may carry out or request MaltaPost to carry out an audit to ensure compliance with the established minimum standards focusing on the areas related to collection, sorting and delivery processes.

In 2004 the Technical Committee CEN/TC 331, responsible to establish quality of service standards for postal services, published a technical specification (TS 14773)²⁶ which outlined the methods for measuring the level of loss and substantial delay, using a survey of test letters.²⁷ In this specification a minimum period is defined, after which an item that has been sent is treated as if it has been lost or substantially delayed. This is because it is impossible to distinguish between items which will never arrive and those which have been delayed for a very long time.

The resulting overall figure for loss and substantial delay is expressed as a percentage of the total posted priority and first class, single piece test mail items. In the case of D+1 mail items the technical specification indicates that a test mail item shall be considered as lost, or substantially delayed, if the item has not been received by the recipient within seven (7) days of it having been posted. However, the technical specification also highlights that loss or substantial delay may also be estimated using a different rule from that set out in the standard if this is considered appropriate.²⁸

The technical specification has been developed from and is compatible with the requirements of EN 13850 for the measurement of the transit time of end-to-end

²⁴ The sample size for the purpose of the households market research consisted of 553 households whilst that for small businesses consisted of 258 entities.

²⁵ Refer to MCA's Decision on the minimum standards for protecting the integrity and security of mail.

²⁶ A technical specification (TS) is different from a European Standard. A European Standard (EN). A Technical Specification is a normative document provided and approved by a Technical Committee. A CEN/TS can be developed by CEN Technical Committees as a pre-standard. A TS does not have the status of an EN but may be adopted as a national standard.

²⁷ European Committee for Standardisation (September 2004), 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. Technical Standard CEN/TS 14773, Brussels: CEN

²⁸ Ibid., 15.

services for single piece priority and first class mail. Thus, the same survey may be used to measure loss and substantial delay of priority ordinary mail in line with TS 14773.

The MCA is therefore of the opinion that the adoption of this technical specification would not lead to an increase in the costs of the measurement of quality of survey results, as the same survey to establish the quality of service of the transit times of end-to-end single piece priority mail items would be used.

Furthermore, in line with EN 13850 and EN 14534, the MCA is proposing to include, in the measurement calculations, items lost or substantially delayed (i.e. arriving after J+30 or not arriving at all). As mentioned above these were previously considered as invalid test items based upon the discretion allowed by the standard. The MCA is of the opinion that the inclusion of these items would give a more balanced picture of the actual results achieved and encourage MaltaPost to further address issues related loss or substantially delayed postal items.

- Q1.** Do you agree with the adoption of the technical specification (CEN/TS 14773) for the measurement of lost and substantially delayed domestic single piece priority mail items? If you disagree please state why.
- Q2.** Do you agree with the MCA's proposal to include in the sample population, for the purpose of the measurement of the QoS of ordinary mail and bulk mail, items which are substantially delayed or lost? If you disagree please state your reasons.

Inland Mail - Registered Mail and Parcel Post Services

Measurement and monitoring of MaltaPost's performance with respect to registered mail²⁹ and parcel post³⁰ is organised by MaltaPost by means of a track and trace system that enables the travelled distance of a postal item to be monitored and its location to be established at any time.³¹

The MCA is of the opinion that this is the best method of measuring performance and increasing customer satisfaction with respect to the registered mail and parcel post product. Such a system also provides accurate information and enables clients to use the Internet or the telephone to monitor the progress towards delivery of a particular item.

²⁹ MaltaPost provides a registration service whereby every postal article may be registered. A registered article means a service providing a flat-rate guarantee against risks of loss, theft or damage and supplying the sender, where appropriate upon request, with proof of the handing in of the postal article or of its delivery to the addressee;

³⁰ This comprises correspondence in larger envelopes or packages, or documents (i.e. larger than standard envelopes) and goods weighing up to 20 kg per item, or which require specific services such as registration in addition to normal postage. Because of the size of the item or the service required the postal item must be handed to an authorised representative of the USP and/or be delivered personally to someone at the address on the item (or if that is not possible, to be made available for collection from the premises of the USP).

³¹ MaltaPost's registered mail and parcel post D+1 delivery standard implies that registered mail posted at retail counters before 12.30 p.m. (Malta) and 12.00 p.m. (Gozo) on the day is to be delivered the following working day. Since registered mail and parcel post requires a signature on delivery as a proof of delivery, if the addressee is absent a notification notice is issued after the first delivery attempt.

MaltaPost started to monitor the performance measurement of registered mail via an in-house track and trace system from July 2006. The performance measurement of parcel post started in July 2007 following the implementation of a track and trace system for parcel post.

MaltaPost's measurement and monitoring of registered mail and parcel post is carried out 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.³² MaltaPost is also required to take into consideration the CEN technical report TR 15472 for the measurement of transit times for parcels by the use of a track and trace system.

The MCA will, as necessary, continue to audit 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.

Cross-Border Mail

MaltaPost measures cross-border mail flows by means of the International Post Corporation (IPC) UNEX programme which monitors the quality of service of the fastest standard category (i.e. ordinary mail) of cross-border mail from time of posting to when they are delivered.

It is to be clarified that, in the case of cross-border mail, despite effecting the required end-to-end measurement, MaltaPost only has control over the local leg and part of the transit. The inland leg of the destination country is the responsibility of that country's universal service provider. It is noted that extra complications, such as the lack of daily available direct flights, are incurred by MaltaPost with respect to those destinations having low volumes. Nevertheless, MaltaPost should continue to endeavour, as far as reasonably possible, to minimise the effects of these complications.

The MCA ensures that MaltaPost monitors the performance of inter-Community cross-border mail and that the results are published against the targets set by the European Commission.³³ The MCA also ensures that MaltaPost monitors the performance of those non-EU destinations where mail flows are significant (via the IPC UNEX system) and that the results are published.³⁴

The MCA ensures that MaltaPost separately monitors the performance of outbound cross-border mail (i.e. ordinary mail via the IPC UNEX system and registered mail and parcel post via MaltaPost's track and trace system) from time of posting until dispatch to destination (i.e. loading on airline in Malta) and the delivery of inbound cross-border mail (arriving at MaltaPost's office of exchange) until delivery to the addressee and that the results are published against the set QoS targets.

³² The EN 14137 specifies methods for measuring the level of loss and substantial delay for domestic and cross-border registered mail for service providers which have a track and trace system in place. It can also be used to measure the level of loss for other postal services which have a suitable track and trace system in operation.

³³ Due to a revision in the standard for the QoS measurement of cross border mail, testing of small mail volume flows with less than 10,000 mail items per annum per flow can be discontinued. Each country is responsible for their outbound mail flows only and a country's inbound flows are determined by the sending countries. To this end in the coming period the following countries i.e. Latvia, Lithuania, Bulgaria, Ukraine, Estonia, Romania, Iceland will be withdrawn from the sample. However, the sample will now include Luxembourg, Denmark, Greece and Finland.

³⁴ This depends upon the sample used by the IPC. For a complete overview of the 2009 results for intra community cross border mail refer to:
[http://www.ipc.be/en/Media/News/Press_Releases/~media/Documents/PUBLIC/UNEX/Full%20Year%20Results/2009/UNEX%20Leaflet%202009_English.ashx](http://www.ipc.be/en/Media/News/Press_Releases/~/media/Documents/PUBLIC/UNEX/Full%20Year%20Results/2009/UNEX%20Leaflet%202009_English.ashx)

3. Establishment of Quality of Service Targets

Inland Mail Services

In order to correctly determine the level at which targets for inland mail should be set, it is important that both the customer's viewpoint and the operator's viewpoint are taken into account.

If customers are entirely happy with the current level of service then targets should be set to reflect this. If there is a feeling that the performance is poor then the targets should be rated to match expectations. As already mentioned above, a customer perception survey carried out in 2009 indicated that households and small businesses are generally satisfied with the time taken to deliver mail and with MaltaPost's overall performance.³⁵

Another useful benchmark in determining the level at which QoS targets for inland mail should be set is that provided by the respective Member States' established targets for single piece priority mail. The figure below indicates the D+1 delivery targets set by Member States as per 2008.

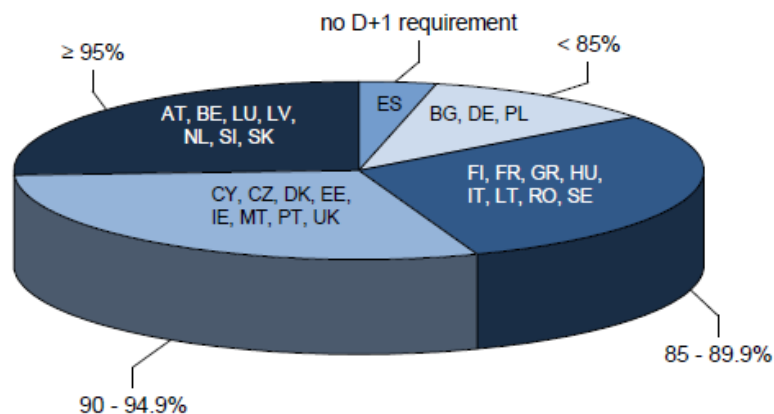


Figure 1: D+1 transit time targets set by national postal legislation per Member State (2008)³⁶

As shown in the figure depicted above more than half of the EU Member States have transit time targets of 90% or more for single piece mail items. The current target for Malta of 93% (for MaltaPost's financial year Oct 2009 – Sep 2010)³⁷ is around the European average but below the targets set in countries, such as, Austria, Belgium, Luxembourg, Denmark, the Netherlands, Slovenia and Slovakia.

³⁵ The customer perception surveys showed that 41.0 % of households interviewed were very satisfied with the time it takes MaltaPost to deliver letters, 46.5% were satisfied and 9% were neither satisfied nor dissatisfied. 62% of households interviewed were of the opinion that the overall quality of service provided by MaltaPost was fairly good, 23% were of the opinion that the service was very good.

As regards small businesses, the customer perception survey indicated that 17.1% of the small businesses interviewed were very satisfied with the time it takes MaltaPost to deliver letters, 64.7% were satisfied and 12% were neither satisfied nor dissatisfied. 55.8% of the small businesses interviewed were of the opinion that the overall quality of service provided by MaltaPost was fairly good, 14% were of the opinion that the service was very good.

³⁶ ITA Consult – WIK Consult (August 2009), The Evolution of the European Postal Market since 1997, p. 114 (on-line) : http://ec.europa.eu/internal_market/post/doc/studies/2009-wik-evolution_en.pdf

³⁷ During the period Oct 2008 – Sep 2009 MaltaPost Plc achieved a D+1 delivery rate of 95.1% - Refer to **Appendix A**.

The MCA is of the opinion that MaltaPost's operations (i.e. MaltaPost network and circulation plans throughout Malta and Gozo) are designed to provide full next day delivery for all inland mail products. Nevertheless, it is inevitable that unforeseeable circumstances will arise and that there will be exceptional factors that make it uneconomic for MaltaPost to provide a 100% next day delivery service.

When looking at the issue from the operator's viewpoint the MCA must take into consideration the factors that have an impact on next day delivery, the quality impact that each of those factors has on current performance and distinguish between those factors within MaltaPost's control and the need for a remedial plan on the part of MaltaPost to address those factors.

It is noted that, on the basis of audited statistics during the past three years, MaltaPost has continued to further improve the QoS offered to its customers. With respect to variations in mail volumes it is noted that MaltaPost's plans to handle the increased volumes during the Christmas period have proved to be effective.³⁸ Furthermore, a number of initiatives implemented by MaltaPost coupled with other efficiency gains have led to improvements in the overall quality of the universal services. Among others, the new postcode system which has contributed to the improvement of QoS (e.g. through the speeding up of the sorting process and the reduction of mis-delivered postal items).

MaltaPost has also been directed to ensure that all mail is appropriately postmarked (also referred to as date-stamped).³⁹ A date-stamp reflects the date which the postal operator acknowledges receiving mail for processing (also referred to as the cancellation date), the name of the postal operator and any additional information – such as place and time. It enables MaltaPost, amongst others, to identify and track mail, as required for service performance⁴⁰ or security reasons, from where mail has been processed. A date-stamp clearly benefits consumers (both as senders and recipients of mail) who will be in a position to know when MaltaPost acknowledged receipt of a particular postal item and will be conscious that the QoS obligation is being guaranteed.⁴¹

The obligation incumbent on MaltaPost, to achieve next day delivery for mail posted at the close of the normal business day means that the collection and outward sorting processes of all inland mail has to be completed within a rather short time frame. The MCA is of the opinion that MaltaPost should be in a position to adjust the system capacity to cope with day-to-day fluctuations in the volume of business.

The MCA is of the opinion that MaltaPost can further improve the efficiency of the postal service by reducing as far as possible the number of mis-delivered mail

³⁸ It is noted that in December 2008 and January 2009 the D+1 delivery date was slightly lower than the 93% target (December 2008 – 92.5%, January 2009 – 92.2%).

³⁹ MCA (2007), Directive No. 3 of 2007 on the payment of postage and postal identifier (on-line) : <http://www.mca.org.mt/infocentre/openarticle.asp?id=1140&pref=18>

This postmark would show the office responsible for cancelling the postal item and the date that operation was effected. This would be applied to the address side of items by MaltaPost. Postmarks are also used to ensure postage isn't used more than once and to identify the postal operator that has carried the mail. Also refer to the Universal Postal Union (UPU) Letter Post and Parcel Post Manuals.

⁴⁰ MaltaPost would also be in a position to measure 'live mail' i.e. mail as it is presented to postal employees on a day-to-day basis. Live mail can only be measured from the date of post-mark stamped by the postal employee on the envelope to the time of delivery to the intended recipient. Therefore live mail can only be used for calculating performance from an operator's perspective.

⁴¹ It is also noted that the date of the postmark can be quite important, for example, for the submission of 'returns' (e.g. an application by post whereby the postmark date on the envelope is regarded as the date of application) whereby the 'return' would be viewed as being filed 'on time' if the date of the postmark is no more than one day after the date the service is supposed to have been made.

items, which is one of the main causes of lost and substantially delayed mail.⁴² Furthermore, the bulk mail product can be further enhanced by promoting incentives,⁴³ for example, for the pre-sorting of mail, the early presentation of mail, the introduction of bar-coding facilities, the inclusion of a deferred delivery service, and by allowing users themselves to stamp the appropriate postal markings or impressions to indicate payment of postage.⁴⁴ Such incentives could speed up the processing of mail by freeing up resources to give priority to, for example, the sorting of single piece priority mail items and unsorted bulk mail items.⁴⁵

The targets against which to measure MaltaPost's performance must be consistent with the objective of providing next day delivery taking into account the legitimate 'exceptional factors' and 'unforeseeable circumstances' and in full appreciation of the financial issues involved.

The MCA is proposing to maintain similar QoS targets for both the ordinary mail and bulk mail products as MaltaPost's operations are designed to provide full next day delivery for all inland mail products and MaltaPost does not, from a QoS measurement or a cost / price standpoint, differentiate between single piece priority mail and bulk mail.⁴⁶

The MCA is also proposing that the QoS targets for ordinary mail, bulk mail, registered mail and parcel post should remain unchanged during the financial year 2010/11 but should then be increased by one percentage point. This increase would remain for the following two years.

As registered mail and parcel post are measured by means of a track and trace system the QoS targets for registered mail and parcel post are set higher than those established for ordinary mail and bulk mail.

The MCA is of the opinion that the proposed new QoS targets for the postal products depicted below to be achieved by MaltaPost reflect customer expectations, MaltaPost's overall performance, efficiency gains during the past years and efficiency gains envisaged for the coming years. The QoS targets also take into consideration the factors that make it uneconomic for MaltaPost to achieve a 100% next day delivery service.

The QoS targets should provide MaltaPost with the necessary incentive to maintain and improve the regularity and reliability of their services over the envisaged timeframes.

The proposed targets to be achieved by MaltaPost taking into consideration the above-mentioned factors for the coming three (3) years are depicted below:

⁴² Refer to complaints registered with MaltaPost whereby, complaints related to lost and mis-delivered mail are by far the most common - <http://www.MaltaPost.com/page.asp?p=9380&l=1>

⁴³ MaltaPost does not offer any incentive for, amongst others, the pre-sorting and postmarking of bulk mail. In line with the Postal Services Act (Article 21) MaltaPost may also promote services under which discounts are normally given based on the avoided costs as compared to the standard service covering the complete range of features.

⁴⁴ E.g. allowing customers to have an approved MaltaPost postal stamp or mark, impression, logo, which denotes payment or that the sender has entered into an agreement with MaltaPost for postage to be paid.

⁴⁵ Currently bulk postal articles should be handed over to MaltaPost at least one hour before the time of closing of mail as they may be delayed if their dispatch interferes with the scheduled dispatch of other postal articles. The sender may avoid such delay by the prior sorting of these postal articles by localities and by placing them in such a way that the address sides face the same direction.

⁴⁶ As indicated in the above-mentioned Decision Notice the target established for the ordinary mail product included that of the bulk mail and direct mail product.

Proposed Inland Mail QoS targets			
Financial Year (FY)	D+1	D+2	D+3⁴⁷
Ordinary Mail⁴⁸			
FY 2009/10	93%	98%	99%
FY 2010/11	93%	98%	99%
FY 2011/12	94%	98%	100%
FY 2012/13	94%	98%	100%
Bulk Mail⁴⁹			
FY 2009/10	93%	98%	99%
FY 2010/11	93%	98%	99%
FY 2011/12	94%	98%	100%
FY 2012/13	94%	98%	100%
Registered Mail and Parcel Post⁵⁰			
FY 2009/10	97%	99%	99%
FY 2010/11	97%	99%	99%
FY 2011/12	98%	99%	100%
FY 2012/13	98%	99%	100%

Q.3 Do you agree with the proposed QoS targets to be achieved over MaltaPost’s financial year for the delivery of inland mail as depicted above? If you disagree, please state why?

Cross-border Mail Services

MaltaPost monitors the quality of service for cross-border ordinary mail from time of posting to when they are delivered in line with the targets specified in the EU

⁴⁷ A target of 99% within 3 days is suggested for this mail thus making allowance for failures outside the control of MaltaPost, e.g. mail which is delivered to the wrong address (MaltaPost’s fault) may not be reposted by the person who receives it in error (outside control of MaltaPost).

⁴⁸ Includes letters, postcards, printed papers, locally registered newspapers and articles for the blind.

⁴⁹ As mentioned above this includes all types of addressed bulk mail including: letter mail, direct mail (which is a particular form of bulk mail as defined in the Postal Services Act), magazines, and newspapers.

⁵⁰ As registered mail and parcel post requires a signature on delivery as a proof of delivery, the QoS target refers to the first delivery attempt. If the addressee is absent a notification notice is issued by MaltaPost after the first delivery attempt.

Postal Directive (85 per cent of mail to be delivered within D+3 and 97 per cent within D+5).⁵¹

All inbound cross-border mail (i.e. ordinary mail, registered mail and parcel post) arriving at MaltaPost's office of exchange⁵² before 19:00 hrs between Monday to Friday and 16:30 hrs on Saturdays is processed on the same day, and delivered with the same performance targets as that of the inland mail products identified above.⁵³

The proposed targets to be achieved by MaltaPost for delivery of outbound cross-border mail (i.e. ordinary mail, bulk mail, registered mail and parcel post) from dispatch to destination (i.e. loading on airline in Malta) for the coming three (3) financial years are depicted below:

Proposed Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets			
Ordinary Mail / Bulk Mail			
EU countries, Australia, Canada, and USA:	D+1	93%	FY 2009/10
	D+1	93%	FY 2010/11
	D+1	94%	FY 2011/12
	D+1	94%	FY 2012/13
All other countries:	D+3	99%	FY 2009/10
	D+3	99%	FY 2010/11
	D+3	99%	FY 2011/12
	D+3	99%	FY 2012/13
Registered Mail			
EU countries, Australia, Canada, and USA:	D+1	93%	FY 2009/10
	D+1	93%	FY 2010/11
	D+1	94%	FY 2011/12
	D+1	94%	FY 2012/13
All other countries:	D+3	99%	FY 2009/10
	D+3	99%	FY 2010/11

⁵¹ The validity and independence of the statistics are guaranteed by the UNEX external monitoring contractor. Refer to the IPC website <http://www.ipc.be/> for additional information.

⁵² An 'office of exchange' is the place where MaltaPost accepts cross-border mail from a postal operator of another country.

⁵³ Refer to <http://www.MaltaPost.com/page.asp?p=9370&l=1>.

	D+3	99%	FY 2011/12
	D+3	99%	FY 2012/13
Parcel Post			
EU countries, Australia, Canada, and USA:	D+1	93%	FY 2009/10
	D+1	93%	FY 2010/11
	D+1	94%	FY 2011/12
	D+1	94%	FY 2012/13
All other countries:	D+3	95%	FY 2009/10
	D+3	95%	FY 2010/11
	D+3	96%	FY 2011/12
	D+3	96%	FY 2012/13

The MCA will continue to ensure that MaltaPost monitors the performance of cross-border mail in line with EU performance targets and that MaltaPost separately monitors the performance of outbound cross-border mail from dispatch to destination (i.e. loading on airline in Malta)⁵⁴ and inbound cross-border mail from MaltaPost's office of exchange to delivery and that the results are published against the targets set for delivery.

Q.4 Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for outbound cross-border mail from dispatch to destination (loading on airline in Malta) as depicted above? If you disagree, please state why?

Q.5 Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for inbound cross-border mail from MaltaPost's office of exchange to delivery as depicted above? If you disagree, please state why?

⁵⁴ Cross-border mail that is posted before 19:00hrs between Monday and Friday and 15:00hrs on Saturday in the Maltese Islands is collected, processed and dispatched to destination (loading on airline) the following working day for any EU countries, Australia, Canada and USA, and following three (3) working days for all other countries.

4. Complaints Handling – Information Requirements

The above-mentioned end-to-end measurement standards consider only the measurement of transit time (expressed as the percentage of mail delivered within D+n days end-to-end) and do not cater for other qualitative aspects of service performance.⁵⁵ Therefore, simple, transparent and low-cost complaint handling mechanisms constitute important channels via which service users can express dissatisfaction with existing services.

Complaints facilitate the identification and effective resolution of routine problems thereby making it easier for MaltaPost to focus on improving core business processes that make for better service quality and heightened customer satisfaction. They also constitute important sources of information that flag existing problems which may not be captured through the measurement of end-to-end transit times. Information about complaints received complements the measures already discussed above to ensure that QoS targets are effectively achieved.

To this end MaltaPost's management information system to track and monitor complaints is a key management tool for MaltaPost to be able to monitor frequency of issues and establish patterns, with a view to implementing effective remedies, thereby improving QoS, customer satisfaction and reducing costs.

The MCA's 2005 decision notice states that:

- Complaints handling should be in conformity with the EN 14012 standard on the complaints handling principles.
- MaltaPost would retain the commitments in the booklet entitled 'Committed to Customer Care' (also referred to as the Code of Practice) and extend its scope to include complaints other than those that deal with loss, damage or delay;
- MaltaPost update the above-mentioned booklet within three (3) months from the publication of the Decision Notice according to guidelines published in the same decision notice (Ref to **Appendix E** of the same Document);
- This booklet would be kept updated and may require an annual review. It was also stated that this should be published and made available for viewing by all its customers as indicated in guidelines contained in the same decision notice (Ref to **Appendix D** of the same Document); and that
- MaltaPost must provide the MCA with quarterly statistical reports on the complaints received and resolved. MaltaPost was also required to provide an annual report that consolidates all quarterly statistical reports and explanation of actions MaltaPost had taken to address the complaints.

In 2009 the MCA reviewed MaltaPost's complaint handling requirements and procedures. Based on the outcome of the review the MCA instructed MaltaPost to review some of its procedures including amongst others: (a) the creation of an

⁵⁵ For example, the date of deposit is defined by the last collection of the day but the standard does not measure whether the timing of the last collection of the day meets customers' requirements. Similarly EN 13850 considers the date of delivery but does not take into account the time of day when the item was delivered, the condition of items when delivered, access to customer service information or the post office counter service waiting times, etc.

internal customer care manual; and (b) the way complaints are recorded and addressed.

Subject to this review the MCA is proposing to further instruct MaltaPost to submit to the MCA and publish a revised code of practice which should encompass a number of changes. The proposed changes entail that MaltaPost:

- Clearly introduces a distinction between an enquiry and a complaint. All customer care terminology used on its website and on published material should be reviewed to ensure consistency throughout. The booklet entitled 'Committed to Customer Care' does not distinguish between an enquiry and a complaint nor a different mechanism for handling each request.
- The categorisation of complaints as listed in its code of practice⁵⁶ should reflect the modified categories of complaints as published by MaltaPost in its quarterly report submitted to the MCA and published on MaltaPost's website.⁵⁷ This is being detailed explicitly in the table below.

Categorisation of Complaints listed in Code of Practice	Revised Categorisation of complaints as Submitted by MaltaPost
<ul style="list-style-type: none"> • Delay • Loss or substantial delay • Damage • Change of address • Mail delivery or collection • Mis-delivery • Access to customer service information • Access to postal services, • Behaviour and competence of postal personnel • Post office counter service waiting times • Treatment of complaints 	<ul style="list-style-type: none"> • Delay • Substantial delay • Loss • Damage • Change of address (Re-Direction) • Mail delivery or collection • Mis-delivery (to the wrong address) • Access to customer service information • Access to postal services • How complaints are treated, other complaints • Clients instructions • Registered mail • Behaviour and competence of postal personnel • Post office counter service waiting times • Mail left partially out of the letterbox • Mail not posted in letter box/posting slot • Inquiry concerning locally posted mail • Inquiry concerning incoming item (foreign) • Inquiry concerning outgoing item (foreign) • Postal officer did not knock (failure to attempt delivery for large mail items or those requiring a signature) • Wrong endorsement of registered postal item

Table 1: Categorisation of complaints as categorised in code of practice ("Committed to Deliver) and MCA report

⁵⁶ Ref. to MaltaPost Plc., Committed to Deliver (on-line) : <http://www.MaltaPost.com/page.asp?p=9381>

⁵⁷ Ref. to MaltaPost Plc, Complaints by MCA Classification. 1st January 2010 to 31st March 2010 (on-line) : <http://www.MaltaPost.com/filebank/MCA%20Reports%20%20Customer%20Care/MCA%20REPORT%2001.01.10%20-%2031.03.10.pdf>

In line with the 2005 Decision Notice complaints handling should be in conformity with the EN 14012 standard on the measurement of complaints and redress procedures. In addition MaltaPost's Code of Practice should be kept updated on an annual basis.

The MCA also notes that in line with the MCA Decision of 2005 MaltaPost must submit to the MCA an annual report that encompasses a higher level of detail and accuracy necessary to monitor the ongoing nature of complaints and enquiries and any corrective actions.

The MCA therefore notes that the annual report should therefore be accompanied with a narrative that explains emerging and recurring themes e.g. district / hub specific issues, personnel administrative issues etc., and actions taken to correct them and where applicable explanations of issues which impact on MaltaPost services over which they have no authority to effect corrective actions.

- Q.6** Do you agree with the changes being proposed by the MCA to MaltaPost's published code of practice? If you disagree please state why.
- Q.7** Do you agree with the changes being proposed by the MCA to MaltaPost's annual report on their complaints handling? If you disagree please state why.

5. Conclusion

The arguments raised in this paper will facilitate the debate about the quality of service targets to be achieved by MaltaPost for the coming three (3) years.

A portion of the postal services market is still closed to competition due to the designated reserved area, which has been assigned to MaltaPost, and limited competition is available in the non-reserved area. Nevertheless, the QoS standard of first-day service achieved by MaltaPost over the past six (6) years has registered improvements in the quality of postal services and has ensured a high level of customer service on the part of the USP.

Bearing in mind the interests of all postal users, the MCA is of the opinion that further improvements can be made to the current level of quality that would, amongst others, improve MaltaPost's next day delivery performance

The MCA is obliged by law to set and monitor QoS targets to be achieved by MaltaPost for the provision of the universal service. The proposed attainable targets for inland and cross-border postal products over a three (3) year period should enable MaltaPost to further improve on its quality of service and address current quality issues.

Moreover the changes proposed to MaltaPost's Code of Practice on the handling of complaints and the way complaints are reported should effectively ensure greater transparency and lead to better service to customers, via improvements to work processes and procedures.

The MCA may modify the above-mentioned proposals following the responses received to the consultation.

6. Submission of Comments

The consultation period will run from the **18th August 2010** to the **17th September 2010** during which the MCA welcomes written comments on any of the issues raised in the paper. Having analysed and considered the comments received, the MCA will establish the new QoS targets and requirements to be set for the provision of the universal service obligation and a report will be published on the consultation which will, amongst others, summarise the responses to the consultation.

Receipt of comments will be acknowledged. Comments will be made publicly available by the MCA and on the MCA's website unless declared confidential. Respondents are therefore asked to separate out any confidential material into a clearly marked annex.

Respondents are also kindly requested to preferably refer their comments to the numbered consultative questions (refer to **Appendix C**). Respondents may also make comments on any aspect of the consultation by referring to the specific sections of this document when making their submissions.

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.⁵⁸

All responses to this consultation should be clearly marked "**Review of Quality of Service (QoS) Targets and Requirements to be achieved by MaltaPost Plc**" and sent by post, facsimile or e-mail to the:

Chief, Policy and Planning
Malta Communications Authority
Valletta Waterfront
Pinto Wharf,
Valletta FRN1913
Malta

Tel: +356 21 336840
Fax: +356 21 336846
email: postal@mca.org.mt

⁵⁸ Refer to <http://www.mca.org.mt/infocentre/openarticle.asp?id=544&pref=1>.

Appendix A – Quality of Service – Existing Targets and Performance

Targets set and actual performance achieved for inland mail are summarised in the table below:

Inland Mail QoS Targets						
Financial Year (FY)	D+1		D+2		D+3	
Ordinary Mail						
	Target	Results	Target	Results	Target	Results
FY 2004/05	89%	90.78%	95%	99.18%	97%	100%
FY 2005/06	90%	92.14%	96%	98.68%	98%	99.84%
FY 2006/07	92%	94.86%	97%	99.18%	99%	99.85%
FY 2007/08	92%	93.29%	97%	99.03%	99%	99.72%
FY 2008/09	93%	95.13%	97%	99.17%	99%	99.93%
FY 2009/10	93%	-	98%	-	99%	-
Bulk Mail⁵⁹						
FY 2007/08	92%	91.82%	97%	99.50%	99%	100%
FY 2008/09	93%	95.25%	97%	99.08%	99%	99.83%
FY 2009/10	93%	-	98%	-	99%	-
Registered Mail⁶⁰						
	Target	Results	Target	Results	Target	Results
FY 2004/05	95%	-	96%	-	99%	-
FY 2005/06	96%	-	97%	-	99%	-
FY 2006/07	97%	96.06% ⁶¹	98%	97.88%	99%	98.37%
FY 2007/08	97%	98.28%	98%	99.47%	99%	99.67%
FY 2008/09	97%	98.22%	98%	99.65%	99%	99.76%
FY 2009/10	97%	-	99%	-	99%	-

⁵⁹ MaltaPost started recording the quality of service measurement of the priority bulk mail product in April 2008.

⁶⁰ MaltaPost started recording the quality of service measurement of registered mail via a 'track and trace' system as from July 2006.

⁶¹ MaltaPost failed to achieve the target for registered mail during FY2006/2007 due to industrial action related to this service during the months of May and June 2007.

Parcel Post⁶²						
FY 2004/05	95%	-	96%	-	99%	-
FY 2005/06	96%	-	97%	-	99%	-
FY 2006/07	97%	-	98%	-	99%	-
FY 2007/08	97%	99.60%	98%	99.81%	99%	99.87%
FY 2008/09	97%	99.45%	98%	99.87%	99%	99.94%
FY 2009/10	97%	-	99%	-	99%	-

The targets set and actual performance achieved by MaltaPost for delivery of outbound cross-border mail from dispatch to destination (i.e. loading on airline in Malta) are summarised in the table below:

Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets⁶³			
Financial Year 2005/06		Target	Results
Ordinary Mail	D+1	90%	92.80%
Registered Mail	D+1	90%	-
Parcel Post	D+1	90%	-

Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets			
Financial Year 2006/07		Target	Results
Ordinary Mail	D+1	92%	92.2%
Registered Mail	D+1	92%	-
Parcel Post	D+1	92%	-

⁶² MaltaPost started recording of the quality of service measurement of parcel post via a 'track and trace' system in July 2007.

⁶³ As regards outbound cross border mail times the following countries are currently being tested: Austria, Belgium, Bulgaria, Switzerland, Cyprus, Czech Republic, Germany, Estonia, Spain, France, United Kingdom, Hungary, Ireland, Italy, Lithuania, Latvia, Netherlands, Poland, Portugal, Romania, Sweden, Slovenia, Slovak Republic. Due to a revision in the standard for the QoS measurement of cross border mail testing of small mail volume flows with less than 10,000 mail items per annum per flow can be discontinued. Each country is responsible for their outbound mail flows only and a country's inbound flows are determined by the sending countries. During the year end 2011 the following countries i.e. Latvia, Lithuania, Bulgaria, Ukraine, Estonia, Romania, and Iceland will be withdrawn from the sample measured. However, the sample will now include Luxembourg, Denmark, Greece and Finland.

Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets			
Financial Year 2007/08		Target	Results
Ordinary Mail	D+1	92%	96.7%
Registered Mail	D+1	92%	-
Parcel Post	D+1	92%	-

Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets			
Financial Year 2008/09		Target	Results
Ordinary Mail	D+1	93%	97.6%
Registered Mail	D+1	93%	-
Parcel Post	D+1	93%	-

Outbound Cross-border Mail (Loading on Airline in Malta) QoS Targets			
Financial Year 2009/10		Target	Results
Ordinary Mail	D+1	93%	-
Registered Mail	D+1	93%	-
Parcel Post	D+1	93%	-

The targets set and actual performance achieved by MaltaPost for delivery of inbound cross-border arriving at MaltaPost's office of exchange are summarised in the tables below:

Inbound Cross-Border Mail (arriving at MaltaPost's office of exchange) QoS Targets			
Financial Year 2005/06		Target	Results
Ordinary Mail	D+1	90%	-
Registered Mail	D+1	96%	-
Parcel Post	D+1	96%	-

Inbound Cross-Border Mail (arriving at MaltaPost's office of exchange) QoS Targets			
Financial Year 2006/07		Target	Results
Ordinary Mail	D+1	92%	95.5%

Registered Mail	D+1	97%	-
Parcel Post	D+1	97%	-

**Inbound Cross-Border Mail (arriving at MaltaPost's office of exchange)
QoS Targets**

Financial Year 2007/08		Target	Results
Ordinary Mail	D+1	92%	93.2%
Registered Mail	D+1	97%	-
Parcel Post	D+1	97%	-

**Inbound Cross-Border Mail (arriving at MaltaPost's office of exchange)
QoS Targets⁶⁴**

Financial Year 2008/09		Target	Results
Ordinary Mail	D+1	93%	95.2%
Registered Mail	D+1	97%	-
Parcel Post	D+1	97%	-

**Inbound Cross-Border Mail (arriving at MaltaPost's office of exchange)
QoS Targets**

Financial Year 2009/10		Target	Results
Ordinary Mail	D+1	93%	-
Registered Mail	D+1	97%	-
Parcel Post	D+1	97%	-

⁶⁴ The following sample was used to measure the quality of service incoming cross border mail items during for the financial year 2008-2009: **EU** Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, United Kingdom, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, Latvia, the Netherlands, Poland, Portugal, Romania, Sweden, Slovenia, Slovak Republic **Non EU**: Switzerland, Iceland, Norway

Appendix B – European Standardised Measurement System

The European Committee for Standardization has a number of standards for the measurement of the quality of postal services (refer to CEN/TC 331 Published Standards)⁶⁵:

EN 13850:2002+A1:2007: Postal services – quality of service - Measurement of the transit time of end-to-end services for single piece priority mail and first class mail.

EN 14012:2008: Postal services – Quality of services – Complaints handling principles.

EN 14508:2003+A1:2007: Postal services – quality of service – Measurement of transit time of end-to-end services for single piece non-priority mail and 2nd class mail.

EN 14534:2003+A1:2007 Postal services – quality of service – Measurement of transit time of end-to-end services for bulk mail.

EN 14137:2003: Postal services – quality of service – Measurement of loss of registered mail and other types of postal service using a track and trace system.

CEN/TS 14773:2004 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.

The only EU mandatory requirement to implement these standards is in respect of EN 13850. However if measurement of other activities is undertaken it is necessary to use the appropriate standards.

Section 1 (Scope of EN 13850) makes it clear that Bulk Mail requires different measurement systems and methodologies compared with single piece mail. The introduction to EN 14534 emphasises the differences between the single piece and bulk mail standards. The main reasons to support a separate standard for the measurement of bulk mail include the fact that most bulk mail will be subject to a contract and explains why it is not possible to combine the measurement of single-piece and bulk mail in a single system.

MaltaPost, following a procurement process, engaged 'Informa Consultants' to measure the quality of service for single-piece priority mail in accordance with the European Standard EN 13850 and bulk priority mail in accordance with the European Standard EN 14534. Subsequently, the MCA appointed the audit firm 'Ernst & Young' to audit the methodology employed by 'Informa Consultants' to carry out the Quality of Service Monitoring Surveys.

Measurement and monitoring of MaltaPost's performance with respect to registered mail and parcel post is organised by MaltaPost by means of the track and trace technology. Measurement and monitoring of MaltaPost's performance with respect to registered mail and parcel post must be 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 and take into consideration the CEN technical report TR 15472:2006 for the measurement of

⁶⁵ Refer to

<http://www.cen.eu/cen/Sectors/TechnicalCommitteesWorkshops/CENTechnicalCommittees/Pages/Standards.aspx?param=6312&title=CEN/TC%20331#>

the transit time of end-to-end services for parcels by the use of a track and trace system.

The MCA, as necessary, audits the measurement methods used to monitor the quality of service in terms of delivery of registered mail and parcel post via a track and trace system.

MaltaPost provides the MCA with QoS reports (in line with the respective European standards) on a quarterly basis and not later than twenty (20) working days after the end of each quarter. Reports distinguish between the inland mail and cross-border mail products. The reports contain the measurements for the quarter together with the cumulative measurement for the year to date.

Complaints handling must be generally in conformity with the EN 14012 standard on the measurement of complaints and redress procedures.

Appendix C – Consultation Questions

List of Questions:

- Q1.** Do you agree with the adoption of the technical specification (CEN/TS 14773) for the measurement of lost and substantially delayed domestic single piece priority mail items? If you disagree please state why.
- Q2.** Do you agree with the MCA's proposal to include in the sample population, for the purpose of the measurement of the QoS of ordinary mail and bulk mail, items which are substantially delayed or lost? If you disagree please state your reasons.
- Q3.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for the delivery of inland mail as depicted above? If you disagree, please state why?
- Q4.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for outbound cross-border mail from dispatch to destination (loading on airline in Malta) as depicted above? If you disagree, please state why?
- Q5.** Do you agree with the proposed QoS targets to be achieved over MaltaPost's financial year for inbound cross-border mail from MaltaPost's office of exchange to delivery as depicted above? If you disagree, please state why?
- Q6.** Do you agree with the changes being proposed by the MCA to MaltaPost's published code of practice? If you disagree please state why.
- Q7.** Do you agree with the changes being proposed by the MCA to MaltaPost's annual report on their complaints handling? If you disagree please state why.