



Overview of national USO changes

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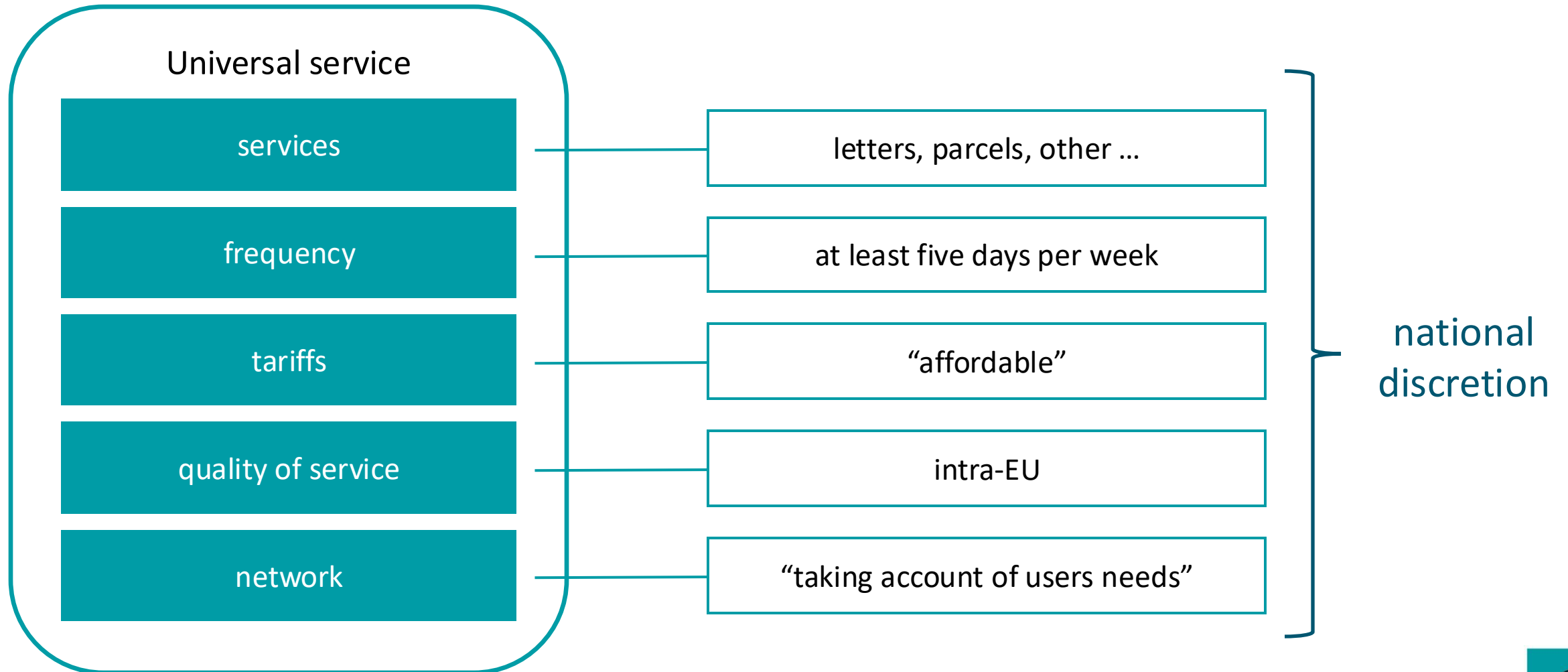
Cullen International

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Adjusting the universal service is not so unusual

Universal service is broadly defined at EU level



Adjusting the universal service is not so unusual

services

remove bulk mail



remove direct mail



remove or limit parcels



tariffs

remove price cap



network

reduce size



Some additions too:

- non-priority letters
- online priority letter
- automated facilities

Recently, more changes to delivery frequency



removal of USO (2024)



reduced to 3 days/week (2023)



reduced to alternate day (2020)



“exception” to allow alternate day (2015)



removal of D+1 physical letter (2022)



consulting on reduced frequency (2024)

Along with associated quality changes



- from 85% D+1
- to 95% D+2



- from 80% D+1 and 95% D+2
- to 50% D+4 and 97% D+5



- from 80% D+1 and 95% D+2
- to 95% D+3 and 99% D+4

In consultation:



- from 97% D+1 and 97% D+3
- to 90% D+2



- from 93% D+1 and 98.5% D+3
- to 90% D+1 and 95% D+3

- many countries adopting QoS standards to assess reliability
- some considering removal of speed targets



Relaxing quality of service targets allows lower delivery frequency and possible opportunities for significant operational efficiencies

Demand for change differs between national markets



But differences are not always simple to decipher

No clear correlation between:

- letter volume decline and push for change to USO
- letter volume decline and digital readiness

➔ Indicates that national circumstances and cultural preferences are significant

Implications for the EU framework

Increasing divergence from
PSD requirements



Risk of PSD falling into
disrepute

- No recorded infringement cases brought for PSD
- Existing changes to USO accepted as derogations under article 3

should be for exceptional
circumstances or geographical
conditions

member states only have to guarantee universal
service, no need to impose an obligation on any
provider

Key points

- Changes to the universal service are not uncommon
- But major changes are now being introduced or considered ... and more frequently
- Countries now reducing delivery frequency and allowing more operational flexibility
- Not all countries are affected equally – dependent on national circumstances
- Failure to introduce more flexibility into the EU framework risks putting the PSD into disrepute



thank you!

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