

POSTCOMM'S BRIEF ON DEVELOPMENTS IN LIBERALISING COUNTRIES SWEDEN, GERMANY, NETHERLANDS, DENMARK AND NORWAY

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SWEDEN

(i) Liberalisation

1. The Swedish postal market has been fully liberalised since 1993 when the legal monopoly concerning the delivery of letters was abolished. Deregulation arose out of a long running dispute between Sweden Post and CityMail (established in 1991). A year later, the Postal Services Act 1994 established the National Post and Telecoms Agency (PTS) to enforce and administer the new postal regime.
2. During the first 3 years after deregulation the number of new entrants was slow. However after the price rise in 1997 there was an influx of new operators. At around the same time a decision by the Swedish Competition Authority reduced uncertainty over Sweden Post's right to apply different prices in different parts of the country.
3. Sweden already had a long tradition of competition in respect of direct mail and delivery of parcels. The 1993 Act meant that conveyance of letters was no longer a statutory monopoly – but a licence is still required to pursue “postal business”. Postal business is taken to mean closed and addressed mail items weighing less than 2kg. This is applicable only to postal companies that deliver letters on a regular basis e.g. once a day or twice a week in accordance with some sort of fixed distribution schedule.
4. The introduction of competition saw a rash of anti-trust cases (about 100) submitted to the Swedish Competition Authority/Swedish Market Court as Sweden Post tried to keep out other competitors. For example, the exclusive agreements which Sweden Post earlier made with customers – and which made it virtually impossible to do business with competitors of Sweden Post – have been withdrawn.
5. The main problems blamed for lack of competition are:
 - Difficult for competitors coming into the market
 - Insufficient legislation to promote competition
 - Disputes between national incumbent (Sweden Post) and Competition Authorities about anti-competitive activities
6. Sweden Post has kept its dominant position in the market and has a 95% market share. Sweden Post is a limited liability company 100% owned by the State. The largest competitor is City Mail who has a 4% market share. The remaining licensed operators (30) have a 1% share.

(ii) Universal service

7. The universal service provider is Posten (Sweden Post). This is Sweden's only USP and it operates under a licence, which is granted for 3 years.
8. The universal service requires at least one clearance and one distribution from Monday to Friday of postal items weighing up to 20kg. There is a uniform tariff applying to individually mailed items included in the universal service.
9. The universal service is provided in all of Sweden except where the regulator (The National Post and Telecom Agency [PTS]) decides that an exemption is justified.

(iii) Licensing

10. All licences have identical terms and conditions for all operators except for the USP. The licence terms relate to information, quality standards, undeliverable letters, access to postal infrastructure and customer complaints.
11. 34 operators currently hold postal licences in Sweden, the majority of licensees are small and local operators. PTS issues postal licences and monitors, supervises and controls all licences.
12. Similar to the UK, the regulator is financed through an annual licensing fee system, which is mainly paid for through the USP's licence. The fees are based on the licensee's annual volumes.

(iv) Post Office network

13. Sweden Post is not required to maintain a specific number of retail outlets, but the regulator monitors closures and Ministers have said there should be a post office in each municipality.
14. During the last 30 years the network has gone from 4,000 post offices in the 1970's to around 1,400 in the 90's and currently there are over 3,000 plus about 1,000 cashier service outlets. In 1999, Sweden Post reviewed their network strategy and set out a 10 year plan for post offices. They wanted post offices to be more accessible, provide a better service, have simpler products, be cost effective and have more channels. Sweden Post aimed to close all post offices and to re-open two low cost outlets to replace each one.
15. Sweden Post's network is made up of :
 - **436 directly run Post Centres** which offer pre-paid postal stationery, stamps and parcel collection, PO boxes and mailroom management for businesses only. They are open plan and low security as no financial transactions take place. Each office has several hundred PO boxes, a rack of prepaid postal stationery, a single position counter and a public terminal which gives access to Sweden Post's website. There

are also two large recycling boxes, so people who come to collect their business post from a PO Box can sort it putting much of it straight into the recycling bin. The counter is very simple with a computer, scales and a few rolls of stamps in dispensers similar to those used for lottery cards in the UK.

- **2,039 Letters and parcels service outlets** in supermarkets and petrol stations (often run by multiple chains) in cities and malls. These have a large display of pre-paid postal stationery, stamps and parcel collection and have a free public helpline. There will be a special Posten till, which is manned only when needed. Parcels and registered letters are located in a store room. Each person who works in the outlet is given 1 - 2 weeks training so they are able to man the Posten counter. One person is given extra training and is regarded as the “responsible person”.
- **816 letter service outlets** located in convenience stores, petrol stations, airports and hospitals. They do not offer parcel collection services and offer a limited range of pre-paid postal stationery and stamps with two small display shelves behind the counter. The checkout assistant can ring for help if a query comes up which they can't deal with.
- **1,200 cashier services outlets** offering withdrawals and deposits on behalf of four banks, along with bill payment.

16. In the rural areas Sweden Post has 2,500 rural postmen providing postal (both letters and parcels) as well as counter services to 730,000 households.
17. Posten decided to simplify stamps; these are now stickers so do not need to be licked. Stamps no longer show values, instead they state what service has been purchased, avoiding the need for extra stamps to be purchased when prices go up. Weight steps are matched by stamp price steps, so the customer can weigh the parcel and simply add additional normal rate stamps bought at a 'letters' outlet, for each weight step.
18. Sweden Post decided to keep business centres in-house to keep a strong brand, to reduce dependency on partners (they can cope if a partner closes), so that it can easily try out new products (partners would charge) and to maintain contact with businesses. It also decided to sell all its property and instead rent what was needed.
19. Partnership contracts (from 2001) are for five years so will need to be renegotiated for 2006. Partners are paid by commission on stamps, prepaid packaging and the number of parcels collected. There is also a fixed fee based on the number of customers in the area. Partners are managed on a local basis by post centres, which also supply them with parcels.

GERMANY

(i) Universal postal service

1. The Postal Universal Service Ordinance 1999 (amended 2002) defines the universal postal service in Germany. The original Ordinance did not oblige a particular operator to provide the universal service but rather set a measure for RegTP to determine whether or not universal services were being appropriately and adequately provided in the market. The principle was that in the longer term all operators in the market will be obliged to contribute to the universal service in some way.
2. The universal service in Germany is defined as the conveyance of letter items up to 2,000 grams (including registered, insured, cash-on-delivery and express delivery items), the conveyance of addressed parcels weighing up to 20 Kilos and the conveyance of newspapers and magazines. The universal service also sets quality standards in relation to the network of 12,000 fixed location post offices. Customers in urban areas should be within 2,000 metres of a fixed-location facility and as a rule within 1,000 meters of a letter box. The legislation also sets the average annual letter delivery times (day of posting D+n working days) for inland letter items mailed on a working day must be at least 80% D+1 and 95% D+2.

(ii) Licensing

3. Before 1 January 1998 Deutsche Post, enjoyed a far-reaching monopoly in the German letters market, the only exception being the gradual opening up of the bulk mail market from 1995 onwards and the parcels (CEP) market, which had long been open to competition.
4. Under the Postal Act of 31 December 1997, Deutsche Post was granted an 'exclusive' licence protecting its remaining monopoly area (letters up to 200g or 3X DM1.10 (DM 3.30 = €2,55) and qualifying direct mail up to 50g) until December 2002. The Government extended the exclusive licence to 31 December 2007 (along with amendments resulting from transposition of new EU Directive and price reductions from 1.1.03).
5. Until the restricted statutory monopoly ends, licences are required for the conveyance of letter items weighing less than 1000g and all applicants have a legal right to a licence if they meet the requirements. Licences are granted fairly automatically unless there are good reasons not to such as an applicant's criminal background. There is an unlimited number of licences which may cover several licensable activities. No licence is required for letter items weighing over 1000g, parcels, newspapers and magazines, and courier services as defined in the Act.
6. A licence is now required to carry letters from 100g (the new letters monopoly maximum weight under the EU Postal Directive 2002) up to 1000g. Six categories of licence activity A-F were originally introduced which led to an accelerating growth in the number of new entrant licence holders in addition to the existing 'old-style' licence holders for bulk mail (these were actually holders of 'exemptions' to convey large mailings despite the monopoly under the now defunct Postal Law). RegTP advise that two additional licence categories have now been created - for international mail, G for Outgoing Mail (now fully liberalised)

and H for Incoming Mail (which must be handed over to DPAG at the nearest inward acceptance point or Office of Exchange).

	Licensed activity	2000	2001	2002	2003
A	Letters > 200grams or 2.55€	32.9	37.9	40.6	-
A	Letters > 100grms or 1.35 €	-	-	-	57
B	Letters identical contents >50g	60.2	86.4	92.5	100
C	Document exchange	0.5	0.5	1.2	1
D	Higher quality services	46.5	82.9	125.8	180
E	Collection from sender and mailing at DWPN acceptance points	4.0	4.8	9.2	9
F	Collection from DPWN PO Box facilities and delivery	2.9	3.7	3.6	4
G	Outgoing international mail – fully liberalised	-	-	-	15
H	Incoming international mail	-	-	-	K.A
Alt	Old licence – bulk	26.7	33.0	32.6	34
	Total	173.7	248.6	305.5	400

RegTP annual report 2003

(iii) Access

Collection>	Outward Sorting Centre >	Transport >	Inward Sorting Centre >	Delivery Office >
	BZA		BZE	ZSP

Brief Zentrum Ausgang – Outward Mail Centre
Brief Zentrum Eingang – Inward Sorting Office

- At the end of last year (November 2003) only 9 companies had completed “partial service contracts” with DPWN. At that stage RegTP was unable to tell us to what extent these were actually being used. At present there are two points to feed mail into the distribution chain of Deutsche Post: the mail centres for outward processing (BZA) and the mail centres for inward processing (BZE). The BZAs are the beginning of the distribution chain. Letter-mail items are presorted according to the first two digits of the postcode and then transported to the relevant BZEs nationwide. The items are sorted according to the last three digits of the postcode and then delivered to the destination. The discount rates granted when mail is posted at the BZAs are different depending on the volumes of mail posted. From January 2004, the discounts range from 3% for 5,000 to 10,000 items posted to 18% for more than 25,000 items per posting. When the mail reaches the BZEs a standard discount rate of 21% is granted for a volume of at least 500 items. The discount for partial services not only requires direct posting at the BZE – items must be pre-sorted and machine-readable.

8. The basis of prices for competitor access to Deutsche Post's distribution chain (to "partial services") is the standard price charged for large-size letters and "maxi-letters". These letters may weigh more than 100 grammes and are therefore not subject to the exclusive licence.
9. This is a key issue for market opening as the exclusive licence reserving items up to 100 grams means that competitors may only have partial service access for large size and maxi letters which additionally must weight more than 100 grams. In practice, it is less likely that users will want to post a volume of at least 5,000 items of large-size and maxi letters necessary to be eligible for BZA posting. As the volume of items necessary for BZE access is only 500 a more intensive use of partial services is likely though not for competitors.

(iv) Post Office network

	1995	1996	1997	1998	1999	2000	2001	2002
Directly run	13,983	11,981	10,000	7,788	5,562	5,590	5,331	5,030
DPSV		19	80	118	206			
McPaper			14	40	188			
Agencies	2,988	4,604	5,236	6,536	7,992	8,073	7,487	7,653
Total	16,971	16,604	15,331	14,482	13,948	13,663	12,818	12,683

Network strategy

10. At the time of unification there were 22,000 offices with more per head in the East than in the West. Small offices, such as those run by farmers as a sideline, were closed in the early 90s as part of downsizing. Since then the network has been remodelled based on a strict population based GIS model. Around 8,000 offices with 2 staff or fewer have been converted into agencies. Agencies are in department stores, supermarkets, newsagents, garages etc. They are paid a lump sum and left to decide how to cover costs, employ staff and fix opening hours.
11. In the past, agencies have been obliged to offer postal services during opening hours but, in 2003, 7,500 were offered new contracts that allow for postal services being offered at times deviating from opening hours, but not closing for holidays etc. The post offices involved were smaller sales points, e.g. in supermarkets, travel agents or lottery sales points. Some refused the new contract amid fears that the contract, expected to save Deutsche Post at least €10m, could squeeze service providers' income by up to 30%. Other changes have included:
 - 400 "centre branches" to act as centres of competence for a regional network and offer financial advice in private areas of the post office.
 - post offices designed specifically to meet the needs of SMEs.
 - 2,300 open plan post offices - DPWN has invested over €500m in modernisation.

Special provision for rural areas

12. In all communities that are served by mobile facilities in accordance with the Postal Universal Services Ordinance (see "access criteria") 18,500 postmen provide post office services as part of their delivery rounds. Customers request services by displaying a card in their post box. Stamps, collection of letters and parcels are available to everyone Monday to Saturday. Rural postmen used to provide payments into and out of Postbank accounts, telephone cards etc. Larger amounts of cash had to be ordered in person. However, these services were not covered by the universal service obligation imposed on Deutsche Post and it seems to have stopped offering the services because demand was negligible.

NETHERLANDS

1. The regulatory regime - Pre April 1995

Prior to 1 April 1995, the regulatory authority for the Dutch postal market was the Telecommunications and Post Department of the Ministry of Transport, Public Works and Water Management. A new interim Directorate became operational within the Department at that date to supervise the implementation of the Postal Act. This, the General Postal Guidelines Decree (Besluit Algemene Richtlijnen Post – or BARP) and various other decrees made up the regulatory framework. Since its creation in 1989, the designated statutory universal service provider for posts and telecommunications was the 100% state-owned public limited company KPN (Koninglijke PTT Nederland) one of whose subsidiaries, PTT Post, dealt with postal activities. The universal service obligation as re-confirmed under the 1989 Postal Act included the duty on KPN to carry letters and other addressed items up to 10kgs in return for *inter alia* a reserved area for letters not exceeding 500g conveyed within and to and from the Netherlands, and an exclusive right to install letter boxes and to issue “official” postage stamps. Cross subsidisation within the reserved area but not from it to the non-reserved area was allowed. Direct mail fell outside the Dutch definition of letters (“individualised written communications”) and thus outside the reserved area.

1995 Onwards

In 1994 and 1995, the state floated 30% and 26% respectively of its shares in KPN, retaining around 43.4%. Then, in 1997, KPN purchased the Australian express company, TNT. In June 1998, the mail, express and logistics activities were de-merged from KPN and, as TPG (TNT Post Group), became the world’s first publicly-listed postal company, although the State still owns 34.9% of the equity. The postal services operating licence legally passed at the same time from KPN to TPG under the Enabling Act. TPG has two brands, Royal PTT Post – to whom it entrusted the concession - and TNT. The original concession expired on 31 May 2000.

Current Regulatory Arrangements

A new regulatory body, Onafhankelijke Post en Telecommunicatie Autoriteit (OPTA) was established for the postal market in 1997 under the OPTA Act. Its task is to supervise compliance with the Postal Act including approving the correct allocation of costs and revenues to the various activities and monitoring the correct application of tariff rules. Competition issues, however, such as the abuse of a dominant market position, are the preserve of the Dutch Competition Authority (MNa) which has a collaboration agreement with OPTA.

Reducing the Monopoly

A series of studies for the Ministry of Transport, Public Works and Water Management were carried out from 1996 on. Then in 1997, the EC Directive was adopted, leading to the amended Netherlands Postal Act implemented through a new Postal Decree and an

amended BARP on 1 June 2000. The most important amendment was the reduction of the letter monopoly from 500g to not more than 100g *and* up to three times the basic tariff (3 x 80cents = NFL2.40). Under the new concession effective from 1 June 2000, this reserved area now no longer applies to letters posted to other countries. It is estimated that these changes will open up about 20% of the market to competition. Addressed Direct Mail is outside the reserved area. Where TPG grants a discount on bulk mail (e.g. letters above 100g, printed matter to 2kg and parcels to 10kg domestically not sent at a single unit rate regardless of the number of units), this comes under the heading of free services and TPG is liable to VAT along with its competitors. The exclusive rights relating to the issue of postage stamps and the siting of letterboxes remain.

2. What analysis was undertaken? In particular, what modelling or quantitative analysis was done of the incumbent and/or the postal market?

In the first half of 1998, PriceWaterhouseCoopers UK (PWC) carried out for the Ministry for Transport, Public Works and Water Management (Minvenw) a fundamental three part postal study providing an analysis of the Dutch market; the organisation of the universal service; and an international comparison 'gathered together in a final report to form the basis of several policy scenarios'. This reviewed the market as five distinct segments: letters; addressed items (including direct mail); unaddressed mail; parcels; and courier services.

Latest news

In order to fulfil its universal service obligation, TPG has a legal monopoly on letters up to 100 grams as well as the exclusive right to place postboxes on the public highway. Bulk mail consignments sent at rates below the single-item rate are not covered by the universal service. Printed matter does not fall under the monopoly which means that this section of the market is open to competition.

Bulk mail forms a part of the market where competitors are already active and where competition is on the increase, as evidenced by the growth of competitors such as Sandd and Selekt Mail.

In July 2005 the Dutch Government reduced its holding in TNT from 18.6% to 10%. The Government satisfies itself with ensuring the universal postal service through its "golden share", which grants the Government special voting rights within TNT. The Dutch Government has made a public commitment to fully open the market to competition from 2007.

DENMARK

(i) Universal postal service

1. In accordance with Postal Services legislation, Post Danmark has been granted a concession (sole right) by means of an Executive Order. The concession grants an exclusive licence in return for the provision of the universal service. Post Danmark has to provide a universal service covering the following domestic mail and parcels products for delivery on six working days:
 - Addressed letters weighing up to 2 kgs;
 - Other addressed mail with uniform, printed contents eg catalogues up to a weight limit of 2 kgs;
 - Daily, weekly and monthly papers, magazines and periodicals weighing up to 2 kgs;
 - Addressed parcels weighing up to 20 kgs;
 - Literature for the blind, weighing up to 7 kgs.
2. The universal service also covers international mail, the Faroe Islands and Greenland.
3. Delivery is to a common delivery boxes rather than to the entrance to the home and must be lockable. Since 1974, common delivery boxes must be set up on the ground floor in buildings with more than three delivery sites. Letter boxes must be set up at the entrance to the individual lot of villas and terrace houses. "Letter boxes must be set up at the entrance to the individual lot so that the mail can be delivered to the letter box direct from a public access road". Legislation also determines the height, width and depth of the letter boxes and letter slits.
4. The concession also requires Post Danmark to provide a network of post offices but issues no specific guidance on the number and ownership. That said, the Act provides for the Minister of Transport to demand changes to the development of the post office network by the Concession holder.
5. In addition to the weight limits, items encompassed by the universal service obligation are subject to size limits. For example, addressed letters:
 - Minimum: 14cm x 9cm
 - Roll or bar: length 10cm and length + 2xgirth/height = 17cm
 - Maximum: length 60cm and length + width + height = 90cm
 - Roll or bar: length 90cm and length + 2 X girth/height = 104cm

(ii) Post Danmark's concession (or exclusive licence)

6. Post Danmark was granted the concession in February 1999. Post Danmark's concession (or sole right) is confined to domestic addressed mail up to 100 grams (3 times basic tariff) in accordance with the European Directive's requirements on the maximum reservable area:

- Addressed mail, irrespective of contents, when placed in an envelope or similar packaging;
 - Addressed written messages, including post cards, with individual contents.
7. In accordance with the new Act, the concession will be reduced to 50 grams (2.5 times the public tariff) in January 2005 and year ahead of the next step in the European Postal Directive. Outgoing cross-border mail, which is also subject to EU-wide liberalisation, has been liberalised in Denmark since 1996.
 8. The concession does not include the conveyance of addressed catalogues, brochures, magazines, periodical and other mail with uniform printed contents in transparent packaging. Nor does it cover courier mail.
 9. There is no licensing regime in Denmark. Private operators must register with the Regulator, indicating the services offered and providing a pledge on security.

(iii) Liberalisation and sale of Post Denmark

10. The first stage of liberalisation in the Danish postal market was in 1995 when the monopoly area was reduced from 1 kilogram to 250 grams (5 times lowest tariff). This partial liberalisation exercise included the corporatisation of Post Denmark and the establishment of a regulator.
11. In June 2002 the Postal Business Act converted Post Denmark to a public limited company. The Postal Business Act also gave the Ministry of Transport authorisation to sell up to 25% of the share capital of Post Denmark. In September 2003 the Danish Ministry of Transport announced its intention to reduce the state's 100% holding in Post Denmark. This followed the publication of an independent report commissioned by the government from the investment bank Rothschild on how such a divestment should best be handled. The report concluded that divestment to a strategic investor or financial investor would be better than listing on the stock market. A strong brand name, stable cash flow and the number one position within its market meant that Post Denmark could prove attractive to a single investor. The report also suggested that a number of reforms must take place to ensure a successful sale.
12. The suggested reforms included pushing ahead with plans to reduce the number of civil servants Post Denmark. The report warned that counting on further natural attrition would not be enough. The productivity gains currently achievable would not be sufficient to compensate for the difference between Post Denmark's low revenue growth versus wage inflation. The report also said that a regulatory structure was needed to secure the universal service in the face of liberalisation and that this should be in place for at least three or five years before any sale. Furthermore it warned that Post Denmark should be wary of employing any diversification plans in the face of competition as to date this strategy had not generated good returns and investors generally preferred focussed businesses.

(iv) Size based pricing

13. Postal rates are determined by Post Danmark. The postage levels for domestic letters covered by the sole right and for daily, weekly and monthly papers as well as magazines and periodicals are subject to the approval of the Minister.
14. SBP was introduced in Denmark on 2 January 2003, after six months notice of the change.
15. The price changes as a result of the introduction of SBP were relatively modest in Denmark compared to those proposed in the UK. The equivalent increases for first class from pre SBP to the "large letter" format was 29% in Denmark (64% in the UK) and 63% for "packets" (232%).
16. The formats chosen are roughly in line with those in the UK, one notable exception is that large letters can be up to 20mm thick, contrasting with the 10mm proposed in the UK.

(v) Post Office network

17. Post Danmark is required to submit a yearly statement about developments in the post office network. In recent years, Post Danmark has been reducing the number of outlets it owns and runs directly. Branches are now divided into six types, with post offices within the same category offering the same range of products. Employees are required to attend retailing courses focusing on the lay-out and furnishing of the post office, supporting the sale of the services and products on offer.
18. In rural areas, Post Danmark uses mobile post offices some areas, as well as postmen offering postal and financial services to the door.
19. Financial services are the main source of income, with postal services coming second. Benefits are paid direct into bank accounts; otherwise people are sent a postal money order or a bank cheque. Bill payment through post offices is in decline due to increasing numbers of customers paying their bills through the PBS payment service or through electronic home banking. No government services are provided through the post office.
20. Post Danmark is now trying to develop a new range of products including 'Pay as you Go' mobile phones and cards and international telecards, electronic ticketing and communication services (e.g. Post Offices also offer a communications wall with a fax machine, photocopier, telephones and a postage machine and in some places also PCs with Internet connection).

Latest news

The reserved area in Denmark was reduced from 100 grams to 50 grams in 1 January 2005 – one year ahead of the EU Directive timetable (1 January 2006). Denmark is also

committed to full market opening in 2007 ahead of the European Commission target date of 2009. 25% of Post Denmark has been sold to an investment company.

NORWAY

(i) Liberalisation

The Norwegian Government proposes full competition in the Norwegian postal market from 1 January 2007. They consider that full liberalisation will lead to increased efficiency and innovation, lower prices, and a greater variety of products of benefit to the consumers. On 15 March 2005 the Government's proposal to open the market was approved by the Parliament. New elections in the Parliament are expected this year. This is a concern because the Opposition parties voted against the proposal and it only passed by a narrow margin.

NPT are planning to present their ideas and a first draft of the new postal legislation to the Ministry of Transport and Communication on April 25. NPT are looking forward to discussing the first draft with the Postcomm team during this visit. The draft will include the following chapters:

1. Objectives and definitions
 - "Postal services (PS)"; ordinary unregistered mail, where most of the characteristics used in the CEPT-report on definitions are used;
 - "Prime rate services" or "Value added postal services (VAP)";
 - registered mail but otherwise including the characteristics from "postal services".
2. General regulation on providers of PS and VAP
3. Access to the postal network
4. Management of "public" resources
 - Zip codes/postal codes
 - Addresses
 - Public stamps
 - mail/letter boxes
5. Universal services
 - Scope, limitations and obligations (delivery, quality etc.)
6. Disputes and complaints
7. and 8. Surveillance and reaction
 - Authority, corrections, fines, charges etc.

(ii) Universal service

The universal service provider is Posten (Norway Post). It was established as a Government owned limited company on 1 July 2002. Norway Post receives direct funding from the government to finance the USO which includes the cost of providing post offices. The public funding also covers services for disabled people, and banking services.

Within the USO, both letters and parcels are delivered 6 days a week. Newspapers and periodicals are also included in the USO. Mail is generally collected from letterboxes 6 times a week, except in rural areas where it is delivered less frequently.

In urban areas letters are delivered direct to the address or to within a maximum distance of 100 metres. Parcels must be collected from the nearest Post Office, unless an additional fee is paid for delivery to the door. In rural areas letters are delivered to the door or to within a maximum distance of 250 metres. With parcels they are delivered to the door if there is a mobile Post Office or they need to be collected from the nearest Post Office. Under the USO Norway Post must have one post office in each municipality.

The Ministry of Transport and Communication do not want the universal service to be jeopardised due to liberalisation. They want the current service to be maintained or improved. The Ministry intends to maintain a geographically uniform tariff for single item below a specific weight.

(iii) Licensing

Norway Post's licence is effective from 1 October 2001 until 31 December 2005. It is for the reserved area (sealed, addressed letters under 100 grams) is granted pursuant to the Norwegian postal services legislation supplemented by the Norwegian postal services regulations. The Norwegian Post and Telecommunications Authority oversees that the company fulfils the licence requirements.

(iv) Post Office network

1. Norway Post began a restructuring programme of its network in March 2001 with the aim of increased service and accessibility. The network is made up of:
 - **305 Postshops** - these have replaced main post offices and offer standardised and streamlined postal services, commercial services (telecoms, multi media and office supplies), financial services and tickets
 - **1,150 Post in Shops** - replaced smaller post offices and open in previously unserved locations and provide everyday postal and financial services, co-located with shops, kiosks and petrol stations opened in partnership with three multiple chains
 - **24 business centres** - supply basic postal services and value added services (logistics) in areas with high commercial/industrial density
 - **5 call centres** - deal with customer service, complaints, sales and internal support.
2. Norway Post must have one post office in each municipality as part of its USO. There are more than 400 municipalities in Norway, and a handful of these have less than 1,000 inhabitants. The regulator (NPT) can grant exceptions to the one post office in each municipality rule, as long as the post office is replaced by a local solution, such as rural postal distribution which guarantees a minimum set of services and quality.

3. Post office hours vary from place to place, but are generally Monday to Friday 8:30am - 5pm and Saturday 8am - 1pm. Post offices run by agencies (Post in Shops), usually offer postal services until the shop closes (which may be as late as 9pm Monday to Friday and 6pm on Saturday).
4. The products of other postal operators are not available through post offices.

Latest news

Norway is now preparing legislation to confirm full market opening in 2009.