

## **Assessment of cross-border single-piece tariffs in Denmark 2022**

According to Article 6, paragraph 7, of the Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on Cross-Border Parcel Delivery Services, the National Regulatory Authority shall submit its assessment of cross-border single-piece tariffs to the Commission by 30 June each year.

This paper contains the outcome of the Danish assessment of 2023.

The National Regulatory Authority in Denmark is the Danish Civil Aviation and Railway Authority (hereafter the Danish NRA).

### **Pre-filter mechanism**

According to Article 6, paragraph 1, of the Regulation, the NRA shall identify the cross-border tariffs, which the NRA objectively considers necessary to assess.

The communication paper from the Commission<sup>1</sup> states that the NRA should use a filter mechanism based on a ranking of the cross-border tariffs of all Member States, for each of the 15 categories of single-piece items listed in the Annex of the Regulation. The Commission specifically suggests that the pre-filter mechanism should identify the 25 % highest tariffs. The tariffs should be adjusted according to purchasing-power parities.

The Danish NRA has used the pre-filter mechanism suggested by the Commission.

The "Tariff Assessment" part of the PARCEL-application gives an overview of the purchasing power adjusted tariffs in each category for all

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<sup>1</sup> Communication from the Commission on guidelines to national regulatory authorities on the transparency and assessment of cross-border parcel tariffs pursuant to Regulation (EU) 2018/644 and Commission Implementing Regulation (EU) 2018/1263

Member States. For each category, the 25 % highest tariffs are highlighted. The pre-filter mechanism for Denmark shows, that the following Danish tariffs are amongst the 25 % highest in the 15 categories:

- 500 g standard letter (all destinations)

Based on the result of the pre-filter mechanism, the Danish NRA consider it necessary to assess these Danish tariffs further.

### **Assessment of tariffs**

The Danish NRA has therefore conducted a full assessment according to the methodology recommended in the communication from the Commission. To do so, the Danish NRA asked the USP for further information on the product categories identified by the pre-assessment filter suggested by EC in COM(2018)838 IV.1. The following questions(Q) and answers(A) were given:

Q.1: The NRA asked the USP why they have the same price for all standard letters, i.e., 500 g, 1 kg, and 2 kg.

A.1: The prices are set to make it as simple as possible for the costumers.

Thus, the USP applied a uniform tariff on all standard letters up to 2 kg, i.e., costumers will pay the same price no matter the weight of the standard letters. In addition, these tariffs are uniform across all countries. As the pre-filter mechanism does not consider uniform price structures according to weight, the Danish NRA, has conducted a target analysis of these prices.

#### *500 g standard letters:*

To assess the category of standard letters, the Danish NRA created a filter with all standard letters as one category regardless of the weight and identified the 25 % highest prices within all the prices for 500 g, 1 kg, and 2 kg standard letter.

This is done because the Danish USP operates with only one price for all standard letters up to 2 kg. It therefore seems reasonable to apply an assessment filter where all prices for letters (500 g, 1 kg and 2 kg) are considered as one block of prices. When using this filter, the result is that all prices above 17.90 EUR(PPP) are among the 25 % highest tariffs. The Danish tariffs are 9.75 EUR(PPP) for all standard letters to all countries, hence, the Danish tariffs are not among the 25 % highest, when using this assessment filter. Based on this the Danish NRA concludes that the Danish price for standard letters up to 500 g is not unreasonably high.

#### *General remarks*

In addition, some other factors have been considered. In particular, the Danish NRA has observed a high degree of competition on the

parcel market, which increases the probability of affordable tariffs. Furthermore, the Danish NRA has not received any complaints about non-affordable tariffs in the market.

If other pre-filter mechanisms had been used, the result might have been different.

### **Conclusion**

Based on the above, the Danish NRA concludes, that there is no indication that the tariffs of the standard products in the Regulation are too high. Therefore, the Danish NRA does not take any further action on this matter.