

# **CRC`s assessment for 2023 of the prices of the universal postal service, according to art. 6 of Regulation (EU) 2018/644 on cross-border parcel delivery services**

## **1. IDENTIFICATION OF THE CROSS-BORDER TARIFFS WHICH ARE UNREASONABLY HIGH**

### **1.1. Methodology/requirements**

The methodology follows the requirements of the Regulation (EU) 2018/644 of the European Parliament from 18 April 2018, on cross-border parcel delivery services (Regulation) and Guidelines to the national regulatory authorities on the transparency and assessment of the cross-border parcels tariffs pursuant to Regulation (EU) 2018/644 and Commission Implementing Regulation (EU) 2018/1263 (COM(2018) 838) (Guidelines ).

According to the methodology, CRC applies pre-assessment filter mechanisms in relation to the cross-border tariffs for 9 categories of parcels<sup>1</sup> of "Bulgarian Post" EAD (BP), in its capacity as an USP.

In the "Price assessment" section of the PARCEL Web Tool, where the prices are adjusted to the purchasing power parity, defined by Eurostat (<http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>) for Bulgaria the prices of 6 categories of parcels of "Bulgarian Post" EAD are indicated as subject of further investigation under Art. 6.2 and 6.3. as follow: "a 50 g (domestic and intra Union) registered letter", "a 1 kg (domestic and intra Union) registered letter", "a 2 kg (domestic and intra Union) registered letter", "a 1 kg (domestic and intra Union) standard parcel", " a 2 kg (domestic and intra Union) standard parcel" and " a 5 kg (domestic and intra Union) standard parcel".

After analyse of the national circumstances and the possible options for calculating the filtering mechanisms specified in the opinion of ERGP (18) 36, CRC identified as most appropriate for Bulgaria the use of a filtering mechanism, based on determining the median tariffs for each country.

With this method, the median values of the cross-border tariffs for sending from Bulgaria to other countries are compared with the median cross-border tariffs for the same categories items from other countries send to Bulgaria.

### **1.2 Application of the methodology**

For each of the 9 categories of parcels CRC has compared the median values of the tariffs for sending items to and from Bulgaria (to each MS) with those for items sent to Bulgaria (by each MS). The purpose of the assessment is to identify whether there are cross-border tariffs exceeding significantly the values of respective opposite cross-border tariffs.

### **1.3. Conclusion**

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<sup>1</sup> BP doesn't provide track and trace letter

After the calculations made, when applying the filtering mechanisms based on the median cross-border tariffs, CRC considers that there are no unreasonably high prices of BP by category of parcels by country.

## 2. ASSESSMENT FOR THE IDENTIFIED UNREASONABLY HIGH CROSS-BORDER TARIFFS PURSUANT TO ART. 6, PARA 2 OF THE REGULATION

### 2.1. Methodology/requirements

Pursuant to Art.6, para 2 of the Regulation and the Instructions, the NRA shall make an objective assessment of the identified as unreasonably high prices taking into account the following elements:

- are tariffs subject to a specific price regulation under the national legislation;
- bilateral volumes, specific transportation or handling costs, other relevant costs and service quality standards;
- application of a uniform tariff to two or more Member States;
- comparison between the domestic and other relevant tariffs of the comparable parcel delivery services in the originating Member State and in the destination Member State;
- likely impact of the applicable cross-border tariffs on individual and small and medium-sized enterprise users including those situated in remote or sparsely populated areas, and on individual users with disabilities or with reduced mobility, where possible without imposing a disproportionate burden.
- abuses of dominant market position established in accordance with relevant applicable law.

### 2.2. Application of the methodology

CRC submits an assessment according to the applied filter mechanism described in section 1 and accepted as appropriate for the specific context and the specific situation with cross-border tariffs from Bulgaria. The median of the tariffs for 4 categories cross-border tariffs of the operator "Bulgarian Post" EAD (a 2 kg (domestic and intra Union) registered letter; a 1 kg (domestic and intra Union) standard parcel; a 2 kg (domestic and intra Union) standard parcel and a 5 kg (domestic and intra Union) standard parcel) is slightly higher than the median of the tariffs for receiving same category from Bulgaria. According to the comparison, the average cross-border tariffs to Bulgaria are lower than the average cross-border tariffs from Bulgaria. The main factor for this is the geographical location of the country and its distance from the majority of recipient countries in the EU. This has a significant impact on the choose of transport and the costs for it.

The evaluation of these categories according to the provision of Art. 6 of Regulation (EU) 2018/644 is as follows:

- The prices of BP for services within the scope of the UPS are regulated. The prices allocated to services by type are determined in line with Art. 66 of the Postal Services Act (PSA) which implements the requirements of Art. 12 of Directive 97/67/EU. Pursuant to the PSA, the prices of the UPS shall be formed according to Ordinance on determining the rules for forming and application of the UPS price and are coordinated with CRC. The validated prices of BP for UPS published in the application "PARCEL" were coordinated with CRC by Decision No 204 of 23.06.2012 and are in line with the legal requirements. The prices of BP

for the UPS are affordable and determined according to the “Methodology for determining the affordability of the UPS price”. When determining the affordability, the operator has used consumer price basket for monthly consumption in which the UPS price shall be considered as affordable when the total expected revenue from application of the new prices is less or equal to the total adjusted revenue in the consumer basket determined taking into account the accumulated consumer price index;

- The prices of BP for UPS are related to the costs for services provision which include the specific cost on the territory of the country for transportation and handling as well as costs for transportation, handling, transit and delivery in abroad;

- The prices of BP for identical services according to Art. 66, para 2, p. 1 of the PSA are uniform throughout the national territory. For the international tariffs of BP a uniform tariff is applied for two or more Member States, as the tariffs for parcels are for 6 zones in which the different countries have been grouped;

- The prices of BP for UPS are lower than those of its main competitor from provision of UPS and minimally higher than these of some of the other alternative operators providing services of the scope of the UPS. The prices of BP for UPS are lower than the prices of the operators providing non-universal postal services;

- Until now the Commission for Protection of Competition in Bulgaria has not found abuses with dominant position on the postal services market by BP.

### **2.3. Conclusion**

The conclusion made by the assessment is that the prices cover each of the elements determined in Art. 6 of the Regulation and CRC does not consider them unreasonably high.