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Assessment of cross-border single-piece parcel tariffs on parcels originating in Sweden

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In accordance with the provisions of Article 6 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 Regulation), the Swedish national regulatory authority Swedish Post and Telecom Authority (PTS) hereby submits its assessment of cross-border single-piece parcel tariffs.

Summary

PTS's application of the pre-assessment filter mechanism suggested by the European Commission¹ yields, with two exceptions, no objective indications that tariffs for single-piece postal items in scope of Article 6 of the Regulation originating in Sweden might be unreasonably high. The pre-assessment filter mechanism identified two tariffs as subject to objective assessment by PTS, namely the tariffs for the 500 g and 1000 g track and trace letters to Czech Republic.

In accordance with Articles 6.2 and 6.3 of the Regulation, PTS therefore assessed the tariffs for the universal service provider's (Postnord Group AB) 500 g and 1000 g track and trace letters to Czech Republic. PTS's conclusion is that these tariffs is not unreasonably high.

Identification of tariffs to be pre-assessed by filter mechanism

The tariffs subject to assessment in accordance with Article 6 of the Regulation are tariffs for fifteen different categories of postal items, consisting of five types of postal items with three different weights each (see Annex - Table 1 for an overview of the categories).



¹ 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, section IV.1.

The Swedish universal service provider (USP) has submitted tariffs for nine of the fifteen categories. The first of January 2023 the USP did not offer any cross-border standard parcels, but solely track and trace parcels. In addition, due to the use of uniform tariffs covering several weight categories, the tariffs are reported, following the instructions, only in the highest weight category, which results in that no tariffs are reported for the categories 500 g standard letter, 1000 g standard letter and 1000 g registered letter. In sum, PTS identified 233 tariffs, out of the maximum 435², to be pre-assessed by the filter mechanism.

Application of pre-assessment filter mechanism

The objective of the pre-assessment filter mechanism proposed by the Commission is to rank the tariffs covered by the universal service by destination for each category of postal items. The Commission states that, in order for the pre-assessment comparison to be true and fair, the nominal reported tariffs should be adjusted according to purchasing-power parities in accordance with the procedure established by Eurostat.³

If a tariff falls within the 25 per cent highest of reported tariffs to a particular destination, the tariff is considered to possibly be unreasonably high by the pre-filter mechanism and is therefore eligible for further assessment.

The application of the pre-assessment filter mechanism identified that one of the 500 g track and trace letter tariffs as well as one of the 1000 g track and trace letter tariffs (both with destination Czech Republic) fell among the 25 per cent highest tariffs.

Final assessment

The application of the pre-assessment filter mechanism identified that two tariffs fell among the 25 per cent highest tariffs and should therefore be further assessed by PTS. The assessment was carried out in accordance with Articles 6.2 and 6.3 of the Regulation.

Studying the USP's pricing for the category 500 g track and trace letter, it appeared that the USP uses uniform pricing (SEK 156), except for the particular destination of Czech Republic (SEK 187). The USP applies a uniform tariff of SEK 152 to over 40 countries, both in Europe and elsewhere, but due to particularities of the receiving operator a standard track and trace letter product can not be used to Czech Republic, whereto a more costly registered letter product needs to be used to this particular destination. The same is the case for the 1000 g

² 5 types of postal items x 3 weights x 29 destinations.

³ Communication from the Commission; section IV.1, sub-section A *flexible and adaptable filter mechanism taking into account changes in the market.*

track and trace letter to Czech Republic, with tariff SEK 208 (the uniform tariff for all other European destinations is SEK 156 in this category).

Following Article 6.2 a) the domestic and any other relevant tariffs of the comparable parcel delivery services should be considered in the assessment. In particular, when we in this case find that the reason for the higher tariffs is beyond the USP's control as it has not been possible to use the standard track and trace product. This is due to the fact that the receiving operator do not accommodate this service, a relevant comparison is to tariffs of the available product – the registered letter service. In the pre-filter assessment of the 500 g registered letter, it is evident that the uniform tariff (SEK 187) is not within 25 percent highest tariffs for any destination, including Czech Republic, for the registered letter category. Even though the SEK 187 tariff to Czech Republic for a 500 g traceable letter is higher than the uniform price to other European destinations (SEK 156), we find that the higher tariff is acceptable in order for senders to have the ability to send traceable letters also to Czech Republic as the used product also have the additional features of a registered letter. The case is exactly the same for the 1000 g track and trace letter to Czech Republic.

To conclude, PTS finds given the evidence that the 500 g and 1000 g track and trace letter tariffs for the USP to Czech Republic cannot be deemed to be unreasonably high.

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