Approved by Council of Communications Regulatory Authority of the Republic of Lithuania 28th of June 2024 decision No. TP-92

# COMMUNICATIONS REGULATORY AUTHORITY OF THE REPUBLIC OF LITHUANIA (RRT)

## ASSESSMENT OF THE IDENTIFIED CROSS-BORDER PARCEL TARIFFS NON-CONFIDENTIAL VERSION

28 June 2024 No. (71.8E)LD-837



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#### 1. INTRODUCTION

Article 6 of Regulation (EU) 2018/644 of the European Parliament and the Council of 18 April 2018 on cross-border parcel delivery services (hereinafter 'the Regulation') requires the national regulatory authorities (hereinafter 'the NRAs') to assess, whether the tariffs of services subject to the universal service obligation (hereinafter 'USO') are unreasonably high.

The Communications Regulatory Authority of the Republic of Lithuania (hereinafter 'RRT') has conducted an assessment of tariffs on cross-border outbound postal items, specified in Annex of the Regulation, and falling within the scope of USO, charged by designated USO provider in Lithuania – Lithuanian Post (hereinafter 'LP').

The primary source for such assessment is public lists of tariffs levied by the statutorily indicated parcel delivery service providers (hereinafter 'PDSPs'), including USO providers, on the respective single-piece postal items from 1 January 2024. Pursuant to Article 5 of the Regulation, the mentioned lists have been provided by each PDSP to the NRA of the Member State of its establishment via the web application PARCEL¹ designed by the European Commission (hereinafter 'EC') and afterwards published by the latter on its official website². It should be noted additionally that such statutory provisions are applicable to PDSPs established in any country of the European Union (hereinafter 'EU') or the European Economic Area (hereinafter 'EEA').

Alongside Article 6 of the Regulation, the mentioned assessment has been undertaken by measuring the tariffs in question via the cost-orientation principle stipulated in Article 12 of Directive 97/67/EC of the European Parliament and the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service (hereinafter 'Directive'). Considering that the cost-oriented pricing analysis is the core of such assessment, the final conclusion in respect of the tested tariffs has been produced after the evaluation of respective tariff-forming costs.

### 2. TARIFF IDENTIFICATION

As prescribed in Article 6 (1) of the Regulation, the NRA is firstly supposed to identify the cross-border tariffs which the latter considers necessary to assess as potentially unreasonably high ones and which therefore requires a more detailed analysis. For identification purposes, the EC has created a pre-assessment filter mechanism providing a possibility to rank the cross-border tariffs of all Member States for each category of the postal items specified in the Annex of the Regulation.

Following the Guidelines<sup>3</sup> issued by the EC on 12 December 2018 to NRAs for cross-border tariff assessment, in order to achieve a fair comparison within all Member States, the tariffs subject to ranking via the pre-assessment filter have been recalculated according to purchasing-power parities (hereinafter 'PPP') published by Eurostat. In this respect, the EC has established 15% of the highest tariffs for each category of postal items. The established percentage threshold implies that the cross-

<sup>&</sup>lt;sup>1</sup> https://postal-statistics.ec.europa.eu/parcel/home

<sup>&</sup>lt;sup>2</sup> https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery/public-tariffs-cross-border\_en

<sup>&</sup>lt;sup>3</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.



border tariffs that fall within 15% of the highest rates among all Member States may be considered potentially high and, therefore, subject to further assessment.

Thus, the pre-assessment filter ranking has demonstrated that the tariffs of LP for some single-piece letters and parcels have fallen within the established 15% threshold, depending on a respective destination (marked by  $\mathbf{v}$  in Table 1).

Table 1. Postal items identified via the pre-assessment filter for further analysis

USO cross-border	Destination Country					
product	IS LI NO RO					
a 1 kg standard letter	-	٧	-	-		
a 2 kg standard letter	-	٧	-	-		
a 5 kg standard parcel	٧	-	٧	٧		

It should be noted that further tariff assessment (see section 3) has been made only in reference to selected destination countries specified in Table 1, and only for those which have provided the required data (i.e. public tariff lists) via PARCEL and such data has been published by the EC on its website (fourteen out of seventeen identified). The cost-orientation test, however, has been conducted in respect of all destinations, identified by the pre-assessment filter.

#### 3. TARIFF ASSESSMENT

The cross-border tariffs identified by the NRA via the pre-assessment filter as potentially unreasonably high and specified in Table 1 are subject to further assessment based on the below-listed four main elements stipulated in Article 6 (2) of the Regulation. Accordingly, the outcomes of such analysis received through respective tariff comparisons and cost evaluations will serve as a basis for drawing the conclusion regarding the assessed tariffs.

As mentioned above, the tariffs (adjusted to PPP) of 1 kg, 2 kg standard letters and 5 kg standard parcels delivered by LP to the destination countries specified in Table 1 have fallen within the established 15% threshold of the highest rates of a respective product category among the Member States. Therefore, the said tariffs have been analysed by RRT more comprehensively.

However, before the analysis of the tariffs identified for testing, it is noteworthy to mention that, as a general overview of the nominal cross-border tariffs of all Member States for each category of the postal items specified in the Annex of the Regulation has shown, the average tariff rates charged by LP on cross-border letters (Figure 1) are lower than the average of tariffs levied by other USO providers on the same products sent to Lithuania (about 44% in total). As far as cross-border parcels are concerned, the figures in Figure 1 show that the average tariff rates applied by LP on standard parcels are around 33 % lower in total than those charged by other USO providers on the same items sent to Lithuania.



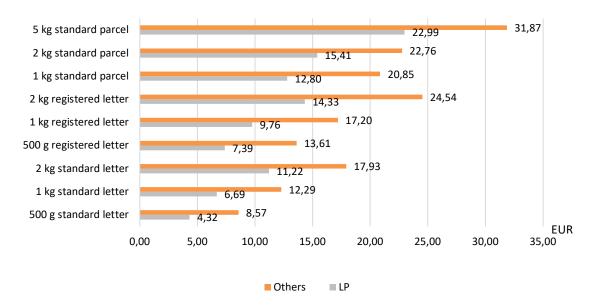


Fig. 1. Comparison of averaged nominal cross-border tariffs applied by LP and other USO providers

### 3.1. <u>First element</u>: domestic and any other relevant tariffs of the comparable parcel delivery services in the originating Member State and the destination Member State

According to our analysis, the most comparable products within this context are cross-border USO letters or parcels in the originating Member State and corresponding items in the destination Member State as they include comparable cost elements of the service provision, only in opposite direction. If there are other (i.e. non-USO) products comparable to the analysed items in terms of service quality and other characteristics, they can also be included in such assessment.

1<sup>st</sup> comparison. Taking into account the factor of comparability, the first estimation has been made in respect of the tariffs of 1 kg, 2 kg standard letters and 5 kg standard parcels delivered by LP to the identified destinations. It should be noted additionally that the assessment of the nominal cross-border tariffs has been chosen on the assumption that one of the main pillars for the ultimate evaluation of the tariffs in question and drawing the conclusion within this field is the analysis of tariff-forming costs.

As mentioned above, the first comparison has been made regarding the nominal cross-border parcel tariffs charged by LP and other USO providers of the identified Member States (Tables 2 and 3).

Table 2. Nominal tariffs of cross-border parcels sent by LP to the identified Member States

USO cross-border letter or	LP: Nominal tariffs (EUR)							
parcel	IS	IS LI NO RO						
a 1 kg standard letter		14.95						
a 2 kg standard letter		29.10						
a 5 kg standard parcel	31.35		31.00	31.25				



Table 3. Nominal tariffs of cross-border parcels sent by other USO providers of the identified Member States to Lithuania

USO cross-border letter or	Other Member States: Nominal tariffs (EUR)						
parcel	IS* LI* NO RO**						
a 1 kg standard letter		N/A					
a 2 kg standard letter		N/A					
a 5 kg standard parcel	N/A		35.56	Z			

<sup>\*</sup> The country did not provide tariff data.

It should be noted that Iceland and Liechtenstein did not provide tariff information and the tariff of 5 kg standard parcels, according to information provided in EC's official website, is not applicable in Romania. The outcome of the above-referred comparison provided in Table 4 has disclosed that the nominal tariff of a 5 kg standard parcel to Norway charged by LP is lower than that levied for identical products from Norway USO provider (around 13 %).

Table 4. Comparison of nominal cross-border tariffs of LP and other USO providers

USO areas handar latter ar	Differences in nominal tariffs (%):								
USO cross-border letter or	LP vs others								
parcel	IS*	LI*	NO	RO**					
a 1 kg standard letter		N/A							
a 2 kg standard letter		N/A							
a 5 kg standard parcel	N/A								

<sup>\*</sup> The country did not provide tariff data.

**2**<sup>nd</sup> **comparison.** As indicated in the Guidelines, it is also important to evaluate and compare the sum of respective domestic tariffs applied by the originating and destination Member States on the same postal items with the corresponding cross-border tariff under assessment.

Such evaluation has been implemented by first adding the nominal tariffs charged by LP on 1 kg, 2 kg domestic letters or 5 kg domestic parcel (i.e. accordingly 2.85 Eur, 2.85 Eur and 9.70 Eur) to the nominal tariffs applied by another USO provider in destination Member States on the same products and then comparing the received sums (Table 5) with the nominal cross-border parcel tariffs under assessment (Table 2).

Table 5. Nominal domestic tariffs of LP and other USO providers

Table 3. Nottilla dolliestic tariffs o	i Le and other 030 pro	VIUCIS				
LISO domostic latter or narcal	Other Member States: nominal tariffs (EUR)					
USO domestic letter or parcel	IS*	LI*	NO	RO**		
a 1 kg standard letter		N/A				
a 2 kg standard letter		N/A				
a 5 kg standard parcel	N/A		9.23	Z		
USO damantia lattan an manal	LP+other Member States: sum of nominal tariffs (EUR)					
USO domestic letter or parcel	IS*	LI*	NO	RO**		
a 1 kg standard letter		N/A				
a 2 kg standard letter		N/A				
a 5 kg standard parcel	N/A		18.93	Z		

<sup>\*</sup> The country did not provide tariff data.

<sup>\*\* &#</sup>x27;not applicable' or 'no value encoded'.

<sup>\*\* &#</sup>x27;not applicable' or 'no value encoded'.

<sup>\*\* &#</sup>x27;not applicable' or 'no value encoded'.



The results of such evaluation (Table 6) have revealed that the nominal tariff applied by LP on the 5 kg cross-border outbound standard parcel to Norway in question is substantively higher than the sums of the nominal tariff charged by LP and Norwegian USO provider on the corresponding domestic parcel (by 64%).

Table 7. Comparison of nominal cross-border tariffs of LP with the sum of nominal domestic tariffs of LP and other USO providers in relevant destination MSs

USO aveca bandan/domestic	Differences in nominal tariffs (%):				
USO cross-border/domestic	LP vs others				
letter or parcel	IS	LI	NO	RO	
a 1 kg standard letter		N/A			
a 2 kg standard letter		N/A			
a 5 kg standard parcel	N/A		64	Z	

Thus, taking into account the outcomes received in respect of the above-referred 1<sup>st</sup> and 2<sup>nd</sup> tariff comparisons, which have resulted to some extent in substantive differences, the further investigation, which will assist in drawing the final conclusion within this field, will be based on the evaluation of underlying costs forming the cross-border tariffs under assessment.

The nominal tariffs of 1 and 2 kg standard letters send to Liechtenstein and 5 kg standard parcel sent to Iceland, Norway and Romania were additionally compared with the tariffs for relevant cross-border services of other Lithuanian PDSPs (competitors).

**Remark:** The standard letter and parcel tariffs of LP and other PDSPs are not fully comparable because the postal services provided by them differ in terms of quality; for example, cross-border parcels are transported by different, as well as, when setting tariffs, postal service providers apply different weight levels and determine different dimensions of postal items. However, despite insufficient conformity between the provided postal services, comparing the tariffs of postal services provided by LP with those of competitors allows one to assess users' choices in the Lithuanian postal market.

The comparison of LP 1 and 2 kg standard letters, 5 kg standard parcels tariffs with cross-border parcel tariffs of other PDSPs showed that the applied tariffs differ greatly. For example, LP's 5 kg standard parcel tariffs to Iceland and Norway are the lowest; however, the 5 kg standard parcel tariff to Romania is the fourth lowest. Some of the differences in tariffs are significant and probably determined by the different pricing policies applied by the PDSPs and the shipping scale to certain countries (i.e., 5 kg cross-border parcel tariff applied by UAB 'Omniva LT' for shipment to Romania is 25.76% lower compared to the tariff applied by LP, and 5 kg the cross-border parcel tariff applied by UAB 'Venipak Lietuva' for shipment to Romania is 19.20% lower compared to the tariff applied by LP, but the tariffs of these PDSPs for shipments to other countries are higher than the tariffs applied by LP) (see Table 7).



Table 7. Comparison of LP and other PDSPs' tariffs applied during the 2024 assessment of 1 and 2 kg standard letters and 5 kg cross-border parcel

Postal service provider	A 1 kg standard letter	A 2 kg standard letter	A 5 kg standard pa		arcel
	LI	LI	IS	IS NO	
LP tariff (EUR)	14.95	29.10	31.35	31.00	31.25
UAB 'Itella Logistics' tariff (EUR)*	x	x	x	х	15.5
Difference (%)	Х	х	Х	х	-50.40
UAB 'DHL Lietuva' tariff (EUR)*	62.00	74.00	109.00	109.00	82.64
Difference (%)	314.72	154.30	247.69	251.61	164.45
UAB 'DPD Lietuva' tariff (EUR)*	х	x	х	х	37.18
Difference (%)	х	х	х	Х	18.98
UAB 'Omniva LT' tariff (EUR)*	х	х	99.68	33.64	23.20
Difference (%)	Х	х	217.96	8.52	-25.76
UAB 'FedEx Express Lietuva' tariff (EUR)*	107.92	107.92	171.80	107.92	92.70
Difference (%)	621.87	270.86	448.01	248.13	196.64
UAB 'Venipak Lietuva' tariff (EUR)*	х	х	42.42	97.14	25.25
Difference (%)	х	x	35.31	213.35	-19.20
UAB 'Skubios Siuntos' tariff (EUR)*	х	х	362.55	313.45	122.4
Difference (%)	х	х	1056.46	911.13	291.68

<sup>\*</sup>Tariff for postal service with track and trace.

Summarising the data presented in Table 7, it can be stated that LP's 1 and 2 kg cross-border standard letter tariffs are the lowest compared with 1 and 2 kg cross-border letter tariffs applied by other PDSPs. LP's 5 kg cross-border standard parcel tariffs are between the lowest than those applied by other PDSPs in Lithuania. A 5 kg parcel shipment to Romania can be acquired from the other PDSPs to lower tariffs than LP's. Also, it should be noted that, for example, UAB 'Itella Logistics', UAB 'DPD Lietuva', UAB 'Omniva LT' and UAB 'Venipak Lietuva', UAB 'Skubios Siuntos' do not provide letter shipment services to Liechtenstein, UAB 'Itella Logistic' and UAB 'DPD Lietuva' do not provide parcel shipment services to Iceland and Norway. These PDSPs choose directions beneficial and profitable for the company, as it is not designated to provide USO in Lithuania.

As a result of the RRT assessment, LP standard parcel tariffs may be higher than competitors due to the obligation to provide USO thus incurring higher costs than those incurred by other PDSPs. When evaluating cross-border parcel tariffs offered on the Lithuanian postal market, LP's tariffs are in the first or fourth position as the lowest tariffs for cross-border letters and parcels of the corresponding weight. As a result, the user, having the opportunity to choose, can prioritise services of the required quality and price that meet his needs.

According to the comparison presented in Table 7, it can be concluded that LP tariffs are between the lowest, however, the conclusion will be drawn on the evaluation of underlying costs forming the cross-border tariffs under assessment.

### 3.2. Second element: any application of a uniform tariff to two or more Member States

As far as selected cross-border letters and parcels are concerned, they are subject to different tariffs based on a destination country. Thus, within the context of assessing the tested 1 kg, 2 kg cross-



border outbound standard letter and 5 kg cross-border outbound parcel tariffs charged by LP, the uniformity criterion does not cause any relevant implications that could influence the final conclusion.

### 3.3. <u>Third element</u>: bilateral volumes, specific transportation or handling costs, other relevant costs and service quality standards

The analysis based on the third element constitutes the core assessment undertaken by the NRA, in respect of which the final conclusion, i.e. whether the amount of the underlying costs can justify the size of the assessed cross-border tariffs, will be drawn. For this purpose, according to a separate request under Article 6 (5) of Regulation LP has provided RRT with additional cost-based information related to the assessed cross-border tariffs (as annual statutory accounts that are provided for testing cost-orientation of the USO tariffs according to Article 12 of the Directive do not disclose detailed information according to each destination of cross-border parcels).

Costs. It should be noted that the pricing of cross-border letters and parcels (hereinafter 'items') have been set under common principles since 2023, i.e. RRT decided that the tariffs of each cross-border letter and parcel should differ depending on destination country and the final maximum tariff (price cap) for cross-border items consists of 1) the part of the processing of the cross-border items in Lithuania (internal costs), which is being assessed by RRT according to Article 12 of the Directive and the price caps are set accordingly; 2) the part of the transport of the cross-border items to the destination country calculated by the USO provider based on the costs incurred (external costs); and 3) the part of the final international settlements between the USO providers for the delivery of cross-border items in the country of destination (external costs).

The LP is obliged to track of the actual costs of international settlements (transit and final settlements) and ensure that the applied tariffs are cost-based.

For cost analysis, LP provided costs per unit, incurred in 2023, of each cross-border postal item to each destination country under assessment. Also, LP provided RRT additional information regarding external costs applied in cross-border letter and parcel tariff calculations and these costs' supporting information.

As for the above-referred internal costs, it should be noted that the amounts of inland costs per unit are the same for all the cross-border letters and parcels in question, regardless of the destination country — in the case of letters, they have variable part depending on the weight levels of letter and, in the case of parcels, they have fixed part per parcel and variable part depending on parcel weight. Having compared the amount of internal costs, incurred in 2023, attributed by LP to a cross-border letter or parcel of a certain category with the one allocated to a similar domestic letter or parcel, it can be seen that these amounts differ to some extent (especially inland transport costs which vary due to a different shipment path). This difference in costs is based on objective differences in the structure of the service because domestic parcels inland transport costs additionally include the cost of domestic delivery.

Taking into account the amounts of external costs per unit, it has to be noticed that the amount of international transport costs allocated by LP to a cross-border letter and parcel depends upon its weight and destination country. Accordingly, the amounts of terminal dues or inward land rates also differ in respect of destination.

The analysis of the 2023 cost structure of the cross-border tariffs under assessment has shown that the amount of external costs per unit is considerably higher than the amount of internal costs and



constitutes about 83% of the total unit costs. The most significant part is formed by terminal dues representing, on average, about 73% (Table 8). This explains and justifies substantial differences in the  $2^{nd}$  comparison (i.e. collating the summed-up domestic tariffs and the assessed cross-border ones).

Table 8. Averaged shares of internal and external costs per unit (C-confidential information)

1160 h	Share of internal costs	Share of external costs			
USO cross-border letter and parcel	in total unit costs (%)				
and parcer	Collection & transport & sorting				
1 kg standard letter	С	С	С		
2 kg standard letter	С	С	С		
5 kg standard parcel	С	С	С		
Average	17	10	73		

After analysing the above-referred internal and external costs, it can be concluded that 5 kg cross-border parcel tariffs to Norway and Romania are lower than unit costs experienced in 2023 (see Table 9), except cross-border 5 kg parcel tariff to Iceland and also cross-border tariffs of 1 kg and 2 kg standard letters to Liechtenstein. Mentioned tariffs charged for cross-border letters are slightly higher than unit costs, accordingly (confidential information) %, (confidential information) % and (confidential information) %, (see Table 9).

Table 9. Comparison of LP's nominal cross-border tariffs and unit cost amounts (C-confidential information)

	turns and ant cost amounts (e-connectical mornation)					
	LP: Nominal tariffs (EUR)					
USO cross-border letter or parcel	IS	LI	NO	RO		
a 1 kg standard letter		14.95				
a 2 kg standard letter		29.10				
a 5 kg standard parcel	31.35		31.00	31.25		
		LP: unit cos	ts (EUR)			
USO cross-border letter or parcel	IS	LI	NO	RO		
a 1 kg standard letter		С				
a 2 kg standard letter		С				
a 5 kg standard parcel	С		С	С		
		Differen	ce (%)			
USO cross-border letter or parcel	IS	LI	NO	RO		
a 1 kg standard letter		С				
a 2 kg standard letter		С				
a 5 kg standard parcel	С		С	С		

It should be noted that tariffs of 1 kg and 2 kg standard letters to Liechtenstein and 5 kg standard parcels to Iceland are higher due to terminal dues or inward land rates applied in 2024 according to the system of Universal Postal Union (see table 9). Other parts of the cross-border tariff (the processing of the cross-border items in Lithuania and the transport of the cross-border items to the destination country parts) are almost the same or lower than the unit costs incurred in 2023 for the same items.

As mentioned before LP is obliged to ensure that certain parts of the tariff for cross-border letters and parcels must be based on the cost of the period when the tariff is applied, in this case, incurred in 2024. LP determines the part of the tariff related to the transport of the cross-border items to the destination country taking into account the rates of transportation of such letters or parcels,



which are based on agreements with the carrier. The rates of carriage of such letters or parcels provided by the airlines are taken into account in the case of analyzed cross-border tariffs. The tariff part of the final settlements between the USO providers for the delivery of cross-border items in the country of destination is determined by taking into account the terminal dues or inward-land rates submitted by the Universal Postal Union. Due to this reason, when calculating the maximum tariff for 1 kg and 2 kg cross-border letters to Liechtenstein and the maximum tariff for 5 kg cross-border parcel to Iceland levied in 2024, LP applied the provisional terminal dues and inward land rates, applicable from 1 January 2024, published by the Universal Postal Union. Considering the following circumstances, mentioned tariffs are cost-based and can not be considered as unreasonable high.

**Volumes:** as far as cross-border parcel volumes are concerned, the data provided by LP (for 2023) shows that the total amount of the USO 1 kg, 2 kg letters and 5 kg parcels dispatched to EU/EEE countries is quite low (Table 10). Therefore, there are no economies of scale in this case, which could lead to higher unit costs. As shown in Table 10, the largest part of 5 kg parcels is sent to Norway. Additionally, it has to be stressed that the number of 5 kg USO parcels incoming from EU/EEE countries is significantly lesser if compared with the number of outgoing ones. However, any impact of these findings has not been identified on the cross-border tariffs subject to this assessment.

Table 10. Volumes of cross-border parcels received and sent by LP to the identified destinations (C-condidential information)

in or mation,						
	Volume (units)					
USO cross-border standard letters and parcel	IS	LI	NO	RO		
USO cross-border standard letters from 1 to 2 kg						
Export traffic		С				
Import traffic		С				
5 kg USO cro	oss-border parcels					
Export traffic	С		С	С		
Import traffic	С		С	С		
Total USO export	1 115 297					
Share of total USO export (%)	С	С	С	С		

3.4. <u>Fourth element</u>: the 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

The analysis of the fourth element is based on the evaluation of the impact of the assessed cross-border tariffs on consumers (individuals and small businesses) in terms of both financial affordability and physical accessibility, paying particular attention to the most vulnerable ones (persons with disabilities living in remote rural areas, etc.). It has to be mentioned that no specified studies from user perspective have been carried out in this regard, thus considerations are based on the expert view and thus they are just of informative nature (lesser importance for final conclusion).

As far as financial affordability is concerned, this is a significant factor that RRT also takes into consideration, especially when LP applies for USO tariff amendments. 2023 RRT assessed LP USO tariffs when LP applied for changes to the USO tariff from 1 January 2024.



Considering physical accessibility, it has to be noted that LP is obliged to maintain a certain level of postal network with the established number of USO provision points throughout Lithuanian territory. Also, it should be noted that physical accessibility is essential for people living in rural areas (many of whom are retired, physically disabled, etc.). In such places, with a view to increase efficiency, LP implemented a "mobile mailman" business model that provides the ability to get postal services at home and has allowed LP to save the cost of keeping very seldomly used physical post offices in rural areas<sup>4</sup>. The introduction of such efficiency measures saves costs and therefore contributes to ensuring greater affordability of postal services without sacrificing the availability of postal services in rural areas.

### 3.5. Optional elements

Overall, cost accounting data provided by LP for the purposes of monitoring cost orientation of USO price cost orientation according to Article 12 of the Directive does not yet allow individual price control. However, in addition to periodic price review according to Article 12 of the Directive, RRT intends to assess the services that have been identified in this report (i.e. by applying the principle of cost orientation at the level of each service).

### 4. CONCLUSION

The evaluation of the cross-border letter and parcel tariffs identified via the EC pre-assessment filter for further analysis revealed that:

- 1. The tested 5 kg cross-border parcel tariffs to Norway and Romania are lower than unit costs, incurred in 2023, for the same items;
- 2. The tested 1 kg and 2 kg cross-border letter tariffs to Liechtenstein and 5 kg cross-border standard parcel tariff to Iceland are slightly higher than unit costs, incurred in 2023, however mentioned tariffs are higher due to terminal dues or inward land rates, which according to UPU should be applied in 2024 and to the obligation of RRT reflect LP's actual costs in 2024. Due to this reason, it can be concluded that mentioned tariffs can not be considered as not cost-based.

Considering all the named circumstances, the cross-border letter and parcel tariffs identified via the EC pre-assessment filter are not considered as unreasonably high.

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<sup>&</sup>lt;sup>4</sup> After calling a "mobile mailman" by phone, he arrives at the client's home the next day. The "mobile mailman" provides all ordinary postal services at the client's home free of any additional charge (comparing to the ones provided in post offices of densely populated areas). A customer survey conducted by RRT in December 2023 showed that customers positively value "mobile mailman" service: 80% of those using "mobile mailman" services, believe they arrive quickly, 81% respondents answered that "mobile mailman" provides them with all the services they need, 75% from the respondents' responded that it is easy to contact "mobile mailman" and order the service.