



GIBRALTAR REGULATORY  
AUTHORITY

# DESIGNATION OF UNIVERSAL SERVICE PROVIDER

## Public Consultation

1<sup>st</sup> July 2020

P02/20

# FOREWORD

*The universal service obligation aims to ensure that every user has the right to a universal service involving the permanent provision of a postal service of specified quality at all points in Gibraltar at affordable prices for all users.*

*The Authority shall take such measures as it considers necessary to ensure that the conditions under which universal services are entrusted are based on the principles of transparency, non-discrimination and proportionality so as to guarantee the continuity of the universal service provision, by taking into account the important role it plays in social and territorial cohesion.*

*In 2013, the Authority designated the "Royal Gibraltar Post Office" as the Universal Service Provider for a period of 7 years ending on the 17<sup>th</sup> July 2020.*

*Consequently, it is time for the Authority to revisit the current universal service designation and carry out a new public consultation.*

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# 1. INTRODUCTION

The Gibraltar Regulatory Authority (the "Authority") is responsible for the regulation of the postal services sector in Gibraltar through the granting and enforcement of individual licences and general authorisations in accordance with Gibraltar and EU legislation.

The postal services sector in Gibraltar consists of the Royal Gibraltar Post Office (the "RGPO") who currently provides the universal postal service and operates under an Individual Licence as well as five local courier companies who operate under a General Authorisation. The courier companies, primarily providing courier services are, AI International Couriers Ltd, International Communications Ltd (MRW/Swiss Post), Matrix Logistics Solutions Ltd (DHL), OCS Logistics Ltd (UPS) and East Gate logistics Ltd (TNT).

Under the Post Office Act (the "Act") and Postal Services (Authorisation) Regulations 2012 (the "Regulations"), the Authority is responsible for designating one or more undertaking(s) as universal service provider(s) ("USP") in the postal services market for such a period as may be specified by the Authority. In doing so, the Authority shall take such measures as it considers necessary to ensure that the conditions under which universal services are assigned are based on the principles of transparency, non-discrimination and proportionality so as to guarantee the continuity of the universal service provision.

In 2013, the Authority designated the RGPO as the USP for a period of 7 years ending on the 17<sup>th</sup> July 2020. Consequently, it is time for the Authority to revisit the current universal service designation and carry out a new public consultation.

The Authority welcomes comments from all interested parties on the questions posed in this public consultation (full list of questions is set out in Annex A). **Written comments will be accepted no later than 12<sup>th</sup> July 2020.**

In order to promote further openness and transparency, the Authority will publish the names of all respondents and their responses on its website and will also make available for inspection responses to the consultation at its offices. Please note that this is subject to confidentiality. Respondents are asked to clearly identify material which is to be treated as confidential.

## 2. LEGISLATIVE BACKGROUND

### **Post Office Act**

#### **Designation and tasks of the regulatory authority.**

*3.(1) For the postal sector in Gibraltar, the Gibraltar Regulatory Authority (Authority) is designated as the competent authority to carry out the functions and duties assigned or conferred on it by this Act or any regulations made hereunder.*

*3.(4) The Authority shall have as a particular task ensuring compliance with- (a) obligations arising from this Act in particular by establishing monitoring and regulatory procedures to ensure the provision of the universal service; and (b) competition rules in the postal sector.*

*3.(5) Subject to the provisions of this Act, the Authority may do anything that appears to it to be incidental or conducive to the carrying out of its functions and duties under this Act.*

#### **Provision of universal service.**

*4A.(1) The Authority shall ensure that every user has the right to a universal service involving the permanent provision of a postal service of specified quality at all points in Gibraltar at affordable prices for all users.*

*(2) The Authority shall, to this end, take whatever steps are necessary to ensure that the density of the points of contact and of the access points take account of the needs of users.*

*(3) The Authority shall take whatever steps are necessary to ensure that the universal service is guaranteed not less than five working days a week, save in circumstances or geographical conditions deemed exceptional, and that it includes as a minimum –*

*(a) one clearance; and*

*(b) one delivery –*

*to the home or premises of every natural or legal person, or*

*by way of derogation, under conditions at the discretion of the Authority, one delivery to appropriate installations.*

*...*

*(5) The Authority shall ensure that a universal service shall include as a minimum the following requirements –*

*(a) the clearance, sorting, transport and distribution of postal items up to two kilograms;*

*(b) the clearance, sorting, transport and distribution of postal packages up to 10 kilograms; and*

*(c) the provision of services for registered and insured items.*

*(6) The Authority may –*

*(a) increase the weight limit of universal service coverage for postal parcels to any weight not exceeding 20 kilograms; and*

*(b) authorise special arrangements for the door-to-door delivery of such parcels.*

*(7) Notwithstanding the weight limits set pursuant to subsections (5)(b) or (6)(a) the Authority shall ensure that posted parcels received from a Member State weighing up to 20 kilogrammes are delivered in Gibraltar.*

...

*(9) The universal service within the meaning of this Part shall cover both local and cross-border mail.*

***Guarantee of Universal Service.***

*4B.(1) The Authority shall ensure that –*

*(a) the provision of the universal service is guaranteed; and*

*(b) the Commission is notified of the steps it has taken to fulfil this obligation.*

*(2) The Authority may designate –*

*(a) one or more undertakings as universal service providers in order that the whole of Gibraltar is covered; or*

*(b) different undertakings to provide different elements of universal service or to cover different parts of Gibraltar or to both,*

*and where the designation is made under paragraph (b) the Authority shall determine, in accordance with European Union law, the obligations and rights assigned to them and shall publish such obligations and rights as it deems fit.*

*(3) The Authority shall take such measures as it considers necessary to ensure that the conditions under which universal services are entrusted are based on the principles of transparency, non-discrimination and proportionality so as to guarantee the continuity of the universal service provision, by taking into account the important role it plays in social and territorial cohesion.*

*(4) The Authority shall notify the Commission of the identity of the universal service provider it has designated.*

*(5) The designation of a universal service provider shall be subject to a periodic review and be examined against the conditions and principles set out in this section.*

*(6) The Authority shall ensure that the duration of the designation under this section provides a sufficient period for return on investments.*

# 3. UNIVERSAL SERVICE OBLIGATIONS

Universal Service aims to ensure that the provision of certain postal services of a specified quality, which are essential to social and territorial cohesion, are available at affordable prices for all users. The obligations are focused on bringing benefits to those with low incomes who may have difficulty in affording a postal service, end users with disabilities and other vulnerable members of the public.

The universal service obligations considered in this public consultation are:

- Quality of Postal services.
- Affordability of postal services.
- Density of points of contact and access points.
- One clearance and one delivery to the home of every natural or legal person or appropriate installation.
- The clearance, sorting, transport and distribution of postal items up to 2 kilograms.
- The clearance, sorting, transport and distribution of postal packages up to 20 kilograms.
- Provision of services for registered and insured items.
- Provision of certain free services for blind and partially sighted persons.
- Redirection and return to sender services.
- Poste Restante.
- PO Box.
- Local and cross-border Mail.

The Authority will also be consulting on the period of designation for providing the relevant universal services. The RGPO was previously designated as USP for a period of 7 years.

In designating the universal service obligations, the Authority will take into account factors such as market share, size of the network, experience and ability to provide universal service. Once this process is complete and all responses to this consultation have been considered, the Authority will formally designate one or more undertakings as the USP with specified obligations.

## 3.1 Quality of Postal Services

Postal services around the world play a critical, daily role in keeping countries, economies, and people connected. Therefore, the right to a universal service of a specified quality at all points in Gibraltar is essential for all end-users and businesses alike who may rely on this service on a daily basis.

The Act provides that *“every user has the right to a universal service involving the permanent provision of a postal service of specified quality at all points in Gibraltar.”*

In respect of universal service, the Authority shall ensure that quality of service standards are set and published in order to guarantee a postal service of good quality. The Authority is also required to specify the local quality standards for Gibraltar mail services and also has a duty to ensure that independent performance monitoring of the established quality standards are carried out and that corrective action is taken where necessary.

The quality standards for mail are established in relation to the time limit for routing measured from end-to-end for postal items of the fastest standard category according to the formula  $D+n$ , where  $D$  represents the “date of deposit” and ‘n’ represents the number of working days which elapse between that date and delivery to the addressee.

If deposit takes place after the last collection time notified from the access point, the date of deposit to be taken into consideration will be that of the following working day.

The following universal service obligation is proposed for the delivery of postal items within Gibraltar.

### **Obligation 1**

**95% of postal items to be delivered in  $D + 1$ .**

## 3.2 Affordability of Postal Services

The Act provides that *“every user has the right to a universal service involving the permanent provision of a postal service of specified quality at all points in Gibraltar at affordable prices for all users.”*

The Authority also has a duty to ensure that the tariffs for each of the services forming part of the universal service are both affordable, cost-orientated and based on the principles of transparency and non-discrimination.

These measures are in place to ensure that universal postal services are affordable for all end-users including both residential consumers (including low income and other vulnerable consumers) and businesses (including small and medium businesses).

### **Obligation 2**

**Tariffs for each of the services forming part of the universal service shall be affordable, cost-orientated, transparent, and non-discriminatory.**

## 3.3 Density of Points of Contact and Access Points

The Act requires the Authority to take whatever steps necessary to ensure that the density of the points of contact and of the access points takes account of the needs of users.

Access points are defined as any physical facilities, including letter boxes, provided for the public either on the public highway or at the premises of the postal service provider, where postal items may be deposited with the postal network by senders.

### **Obligation 3**

**The designated USP shall be required to provide sufficient access points to meet the reasonable needs of users.**

## 3.4 One Clearance and One Delivery

The Act provides that the universal service is guaranteed not less than five working days a week, save in circumstances or geographical conditions deemed exceptional, and that it includes as a minimum – one clearance and one delivery to the home or premises of every natural or legal person, or by way of derogation under conditions at the discretion of the Authority, one delivery to appropriate installations.

### **Obligation 4**

**The designated USP shall ensure the universal service is available not less than five working days a week and shall provide one clearance and one delivery to the home or premises of every natural or legal person, or at the discretion of the Authority, one delivery to appropriate installations.**

## 3.5 Clearance, Sorting, Transport and Distribution of Postal Items up to 2 kilograms

Postal services play a key role in social and territorial cohesion and many residential and business customers still rely heavily on the provision of these services. As such, the Act requires the Authority to ensure that a universal service includes, as a minimum, the clearance, sorting, transport and distribution of postal items up to 2 kilograms.

### **Obligation 5**

**The designated USP shall be responsible for the clearance, sorting, transport and distribution of postal items up to 2 kilograms.**

## 3.6 Clearance, Sorting, Transport and Distribution of Postal Parcels up to 20 kilograms

The Act requires the Authority to ensure that a universal service includes, as a minimum, the clearance, sorting, transport and distribution of postal parcels up to 10 kilograms.

According to the Act, the Authority may also increase the weight limit of universal service coverage for postal parcels to any weight not exceeding 20 kilograms and may authorise special arrangement for the door-to-door delivery of such parcels.

The following universal service therefore proposes to increase the weight limit of postal parcels to any weight not exceeding 20 kilograms.

### **Obligation 6**

**The designated USP shall be responsible for the clearance, sorting, transport and distribution of postal parcels up to 20 kilograms.**

## 3.7 Provision of Services for Registered and Insured Items

The Act requires the Authority to ensure that a universal service includes, as a minimum, the provision of services for registered and insured items in order to ensure that a reliable and safe postal service of good quality is available for all end-users and certain businesses who may wish to avail themselves of these services.

### **Obligation 7**

**The designated USP shall ensure the provision of services for registered and insured items.**

## 3.8 Provision of Certain Free Services for Blind and Partially Sighted Persons

The universal service obligations are focused, amongst other things, on bringing benefits to those end users with disabilities and other vulnerable members of the public who may have specific needs. To this end, the Act stipulates that a universal service may also include, where required, the provision of certain free services for blind and partially sighted persons.

### **Obligation 8**

**The designated USP shall ensure the provision of certain free services for blind and partially sighted persons.**

## 3.9 Redirection and Return to Sender Services

The universal service obligations are focussed on safeguarding a minimum set of services that are essential for all users.

Redirection services allow users who have moved residence or changed offices to have their mail redirected to an alternative address for a specified period of time. Furthermore, return to sender services allow for the conveyance of postal items back to the sender within a reasonable period in cases where delivery to the address has been unsuccessful.

### **Obligation 9**

**The designated USP shall ensure the provision of redirection and return to sender services.**

## 3.10 Poste Restante

Poste Restante is a service that allows travellers or overseas visitors to Gibraltar, who do not have a permanent address in Gibraltar, to receive letters or parcels. The postal service provider in question holds the mail until the recipient calls for it. It is also a convenient service for people who are unable to have their mail delivered directly to their place of residence at that time.

### **Obligation 10**

**The designated USP shall ensure the provision of Poste Restante services.**

## 3.11 PO Box

A PO Box is a convenient way to have personal or business mail delivered securely, and it also provides a separate delivery address which will remain constant even when the user moves house or offices. Normally, the PO Boxes will be located at the premises of the postal service provider.

### **Obligation 11**

**The designated USP shall ensure the provision of a PO Box service.**

## 3.12 Local and Cross-Border Mail

The Act states that the universal service shall cover both local and cross-border mail. Further, the Act states that local mail shall cover items posted within Gibraltar and addressed to some place in Gibraltar. Cross-border mail is defined by the Act as mail from or to a Member State or from or to a third country.

### **Obligation 12**

### **Local mail**

**The designated USP shall be responsible for the clearance, sorting, transport and delivery of local postal packets posted within and addressed to some place in Gibraltar.**

### **Cross border mail**

**The designated USP shall be responsible for the clearance, sorting, transport and delivery of inbound cross-border postal items and postal parcels for delivery within Gibraltar and clearance, sorting, transport and onward conveyance of outbound cross-border postal items and postal parcels.**

# 4. PROPOSED DESIGNATIONS

The twelve elements of universal service for which a designation is required are set out in section 3 above.

In considering any designation, the Authority is required to take into account the ability of undertakings to satisfy all or part of the universal service obligations. It may also take into consideration the willingness of a postal service provider or other person to provide all or part of the universal service obligation, and any other criteria which it considers relevant.

Overall, the development of competition in the market provides opportunities for all or part of the universal service obligations to be provided by operators other than the RGPO.

To this end, the Act provides that different undertakings may be designated to provide different elements of universal service.

## 4.1 Quality of Postal Services

The right to a universal service of a specified quality at all points in Gibraltar is essential for all end-users and businesses alike who may rely on this service on a daily basis.

The Authority is required to specify the local quality standards for Gibraltar mail services and also has a duty to ensure that independent performance monitoring of the established quality standards are carried out and that corrective action is taken where necessary. Therefore, the Authority places significant emphasis on the importance of meeting the established quality standards required for the provision of a satisfactory universal postal service. This also includes the reliability of postal services in terms of the treatment of problems of loss, theft and damage.

Furthermore, competition has developed as a direct result of the liberalisation of the postal market, and good quality of service is crucial so that universal service providers can successfully face the challenges of growing competition in a demanding market. Without good quality of service and the timely delivery of postal items, USP's may be unable to retain their customers and define their own market presence and the Office of the Ombudsman is currently the independent body responsible for monitoring these standards.

The Authority is currently working together with the RGPO in making the necessary operational changes and refinements to ensure they meet their regulatory requirements.

The Authority therefore proposes to designate the RGPO as USP for the provision of quality of postal services with an obligation to deliver 95% of local postal items in D+1.

The Authority will carefully consider any representations it receives from interested parties in respect of the provision of quality postal services and any views in respect of the target of 95%.

**Q1. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider for the provision of quality of postal services and be required to deliver 95% of local postal items in D+1?**

## 4.2 Affordability of Postal Services

The Act requires designated undertakings to adhere to the principle of maintaining affordability in respect of the tariffs for each of the services forming part of the universal service and that these are cost-orientated, transparent, and non-discriminatory.

The affordability obligation is also especially aimed at those residential consumers and businesses that are most likely to be at risk of not being able to afford universal postal services. For residential consumers this comprises those who have low income and who may be particularly reliant on postal services including, for example, the elderly and disabled, or those who may lack internet access. For businesses, this comprises small and medium businesses for which postal services are a critical input. For the benefit of these consumers and the overall competitive structure of the market, the cost of basic postal services should not exclude the most vulnerable in the community from enjoying a minimum set of quality services. Furthermore, it is the Authority's understanding that the current rates adopted by the RGPO cater for the general public including low-income users.

The Authority therefore proposes to designate the RGPO as USP in respect of the affordability of postal services.

The Authority will carefully consider any representations it receives from interested parties in respect of the affordability of postal services.

**Q2. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider with respect to affordability of postal services?**

## 4.3 Density of Points of Contact and Access Points

The Act requires the Authority to take whatever steps necessary to ensure that the density of the points of contact and of the access points takes account of the needs of users. Access points are defined as any physical facilities, including letter boxes, provided for the public either on the public highway or at the premises of the postal service provider, where postal items may be deposited with the postal network by senders.

The RGPO is currently required to provide sufficient access points to meet the reasonable needs of users of the universal postal service, in practice, this means post boxes and post offices. The RGPO currently has an extensive network of over 28 pillar boxes in various locations around Gibraltar which can be used to send letters and small packets, as well as two main post offices namely the General Post Office located at 104 Main Street and the Parcel Post Office located at 7 Rooke Road.

The Authority therefore proposes to designate the RGPO as USP in respect of the density of points of contact and access points.

The Authority will carefully consider any representations it receives from interested parties in respect of the density of points of contact and access points.

**Q3. What are your views in relation to the Authority’s proposal that the RGPO should be designated as Universal Service Provider with respect to the density of points of contact and access points?**

## 4.4 One Clearance and One Delivery

The Authority proposes to designate the RGPO as USP in respect of providing one clearance and one delivery to the home of every natural or legal person, or to appropriate installations, five working days a week.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q4. What are your views in relation to the Authority’s proposal that the RGPO should be designated as Universal Service Provider in respect of providing one clearance and one delivery to the home of every natural or legal person, or to appropriate installations, five working days a week?**

## 4.5 Clearance, Sorting, Transport and Distribution of Postal Items up to 2 Kilograms

It is well documented that mail volumes, specifically letter items, are in decline worldwide due to electronic substitution and the trend towards online activity. Digitisation has fundamentally altered how people communicate and do business. However, despite this dramatic shift over the last decade, many residential consumers, as well as small to medium sized businesses still rely on this service for their daily activities and the Authority has a duty to safeguard this service provision.

The RGPO currently has an extensive network of access points, as well as a main post office and large sorting office that provides the suitable infrastructure necessary for the clearance, sorting, transport and distribution of postal items up to 2 kilograms.

The Authority therefore proposes to designate the RGPO as USP in respect of the clearance, sorting, transport and distribution of postal items up to 2 kilograms.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q5. What are your views in relation to the Authority’s proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance, sorting, transport and distribution of postal items up to 2 kilograms?**

## 4.6 Clearance, Sorting, Transport and Distribution of Postal Parcels up to 20 Kilograms

In contrast to the significant decline in letter mail volumes, the postal industry has experienced a considerable increase in the number of postal packages and parcels as a direct result of e-commerce and online shopping. In certain respects, this is the only real growth market whereby USP's can potentially compete and become profitable. Therefore, the provision of this service is more relevant and necessary than ever before.

The RGPO currently has a main post office together with a large dedicated parcel sorting office that successfully provides sufficient infrastructure for the clearance, sorting, transport and distribution of postal items up to 20 kilograms.

The Authority therefore proposes to designate the RGPO as USP in respect of the clearance, sorting, transport and distribution of postal parcels up to 20 kilograms.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q6. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance, sorting, transport and distribution of postal parcels up to 20 kilograms?**

## 4.7 Provision of Services for Registered and Insured Items

Registered mail is a mail service offered by postal service providers in many countries. It allows the sender proof of mailing via mailing receipt and, upon request, electronic verification that an article was delivered or that a delivery attempt was made. Certain items may even require a receipt upon delivery. Services for insured items allows users to claim compensation up to a certain value if the postal item is damaged or lost and is beneficial for both users and business customers.

The RGPO currently provides a registered and insured service which gives consumers an alternative service with increased security to meet their needs. The RGPO also offers a service whereby non-dutiable registered letters that could not be delivered are available for collection the next working day from the registered letter counter at the parcel post offices.

The Authority therefore proposes to designate the RGPO as USP in respect of the provision of services for registered and insured items.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q7. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of services for registered and insured items?**

## 4.8 Provision of Certain Free Services for Blind and Partially Sighted Persons

In the context of disabled users, the Act provides for specific measures for users with disabilities. The Authority therefore has the power to specify universal service obligations applicable to designated undertakings which are focused, amongst other things, on bringing benefits to those end users with disabilities and other vulnerable members of the public who may have specific needs.

To this end, the Act stipulates that the Authority may impose a universal service obligation on the designated USP for the provision of certain free services for blind and partially sighted persons. The service should be designed to support blind and visually impaired people as well as the charities that work hard to improve their lives. This service should convey eligible items only, in other words items prepared for or by a blind or visually impaired person that are specifically related to their medical condition e.g. braille items relief maps, harnesses for guide dogs etc.

To date, the RGPO has provided a suitable free service for the blind and partially sighted. The service consists of a free postal service for eligible items such as relief maps, guide dog harnesses, brail items etc up to 7 kilograms, to be sent by or to blind or partially sighted persons, or from the organisations that work to support them. Therefore, the Authority proposes to designate the RGPO as USP in respect of the provision of certain free services for blind and partially sighted persons.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q8. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of certain free services for blind and partially sighted persons?**

## 4.9 Redirection and Return to Sender Services

The universal service obligations are focussed on safeguarding a minimum set of services that are essential and beneficial for all users. Redirection services allow users, who have moved house or changed offices to have their mail redirected to an alternative address for a specified period of time. Furthermore, return to sender services allow for the conveyance of postal items back to the sender within a reasonable period in cases where delivery to the addressee has been unsuccessful and the sender's address is legibly marked on the postal packet.

The RGPO currently provides both redirection and return to sender services. The redirection service is offered free of charge for local redirections and the same service is also offered internationally, however this is subject to a fee of £75 to cover international postage.

The RGPO has successfully provided both of these services for a number of years, therefore the Authority proposes to designate the RGPO as USP in respect of the provision of redirection and return to sender services.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q9. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of redirection and return to sender services?**

## 4.10 Poste Restante

Poste Restante is a service that allows travellers or overseas visitors to Gibraltar, who do not have a permanent address in Gibraltar, to receive letters or parcels using the Post office's main address. Many users will rely on this type of service for a large variety of reasons ranging from travel and moving residence to more extreme cases such as not having a fixed address. It is for this reason that the Authority considers Poste Restante to be an important universal service provision that should be available for all users.

The RGPO currently offers Poste Restante and has done so for many years, therefore the Authority proposes to designate the RGPO as USP in respect of the provision of Poste Restante.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q10. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of Poste Restante services?**

## 4.11 PO Box

The RGPO currently provides an effective PO Box rental service located at its main postal headquarters located at 104 Main Street, however the physical PO Boxes are accessible for users from Irish Town. This service provides an alternative, but more importantly a secure location for users to have personal or business mail delivered and will always remain constant irrespective if the user moves premises or residence. This is clearly an important service that provides users with both security and peace of mind for various reasons.

The RGPO has successfully provided a PO Box service for many years, therefore the Authority proposes to designate the RGPO as USP in respect of the provision of PO Boxes.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q11. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of PO Boxes?**

## 4.12 Local and Cross-Border Mail

The RGPO currently provides a well-rounded universal postal service both locally and internationally and therefore, the Authority proposes to designate the RGPO as USP in respect of the provision local and cross-border mail.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q12. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance, sorting, transport and delivery of local postal packets posted within and addressed to some place in Gibraltar?**

**Q13. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance, sorting, transport and delivery of inbound cross-border postal items and postal parcels for delivery within Gibraltar, and the clearance, sorting, transport and onward conveyance of outbound cross-border postal items and postal parcels?**

## 4.13 Designation Period

The Act provides that the Authority may designate one or more undertakings as USP's in order that the whole of Gibraltar is covered, or different undertakings to provide different elements of universal service or to cover different parts of Gibraltar or both. The Act also stipulates that the Authority's designation shall be subject to periodic review and ensure that the duration of the designation provides for sufficient return on investments.

During the infancy of liberalisation at the end of 2012 and owing to the lack of any meaningful competition in the postal services sector, the RGPO was designated as USP and this designation was valid for a period of seven years ending on 17<sup>th</sup> July 2020.

At the time, the RGPO was the only suitable postal service provider well placed to ensure the provision of universal service despite the presence of various courier companies, some of which are now providing certain letter/post card services. As the postal services market in Gibraltar has evolved and developed, the Authority has decided to reduce the designation period going forward from seven years to three years.

The Authority proposes to designate the RGPO as USP for all elements of universal service for a further period of 3 years.

The Authority will carefully consider any representations it receives from interested parties in this regard.

**Q14. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider for a further period of three years? Would you consider this to be an appropriate designation period?**

# ANNEX A: QUESTIONS

**Q1. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider for the provision of quality of postal services and would therefore be required to deliver 95% of local postal items in D+1?**

**Q2. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of affordability of postal services?**

**Q3. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the density of points of contact and access points?**

**Q4. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of providing one clearance and one delivery to the home of every natural or legal person, or to appropriate installations, five working days a week?**

**Q5. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance, sorting, transport and distribution of postal items up to 2 kilograms?**

**Q6. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance, sorting, transport and distribution of postal parcels up to 20 kilograms?**

**Q7. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of services for registered and insured items?**

**Q8. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of certain free services for blind and partially sighted persons?**

**Q9. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of redirection and return to sender services?**

**Q10. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of Poste Restante services?**

**Q11. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the provision of PO Boxes?**

**Q12. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance,**

**sorting, transport and delivery of local postal packets posted within and addressed to some place in Gibraltar?**

**Q13. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider in respect of the clearance, sorting, transport and delivery of inbound cross-border postal items and postal parcels for delivery within Gibraltar, and the clearance, sorting, transport and onward conveyance of outbound cross-border postal items and postal parcels?**

**Q14. What are your views in relation to the Authority's proposal that the RGPO should be designated as Universal Service Provider for a further period of three years? Would you consider this to be an appropriate designation period?**

# ANNEX B: DEFINITIONS

**"clearance"** means the operation of collecting postal items by a postal service provider.

**"cross-border mail"** means mail from or to a Member State or from or to a third country.

**"distribution"** means the process from sorting at the distribution centre to delivery of postal items to their addressees or by way of derogation in accordance with section 4A(3)(b)(ii), under conditions at the discretion of the Authority, one delivery to appropriate installations.

**"insured item"** means a service insuring the postal item up to the value declared by the sender in the event of loss, theft or damage.

**"local"** in relation to any postal packet or any description thereof, means posted within Gibraltar and addressed to some place in Gibraltar.

**"post office letter box"** includes any pillar box, wall box, or other box or receptacle provided by the permission or under the authority of the Minister for the purpose of receiving postal items, or any class of postal packets of appropriate size, for transmission by or under the authority of the universal service provider.

**"postal item"** means an item addressed in the final form in which it is to be carried by a postal service provider. In addition to items of correspondence, such items also include books, catalogues, newspapers, periodicals and postal parcels containing merchandise with or without commercial value.

**"postal network"** means the system of organisation and resources of all kinds used by the universal service provider for the purposes in particular of -

(a) the clearance of postal items covered by a universal service obligation from access points throughout Gibraltar;

(b) the routing and handling of those items from the postal network access point to the distribution centre; and

(c) distribution to the addresses shown on items.

**"postal packet"** means a letter, postcard, reply postcard, newspaper, printed packet, sample packet, or parcel, and every packet or article transmissible by post.

**"postal services"** means services involving the collection, clearance, sorting, transport and distribution of postal items.

**"postal service provider"** means an undertaking providing one or more postal services.

**"registered item"** means a service providing a flat-rate guarantee against risks of loss, theft or damage and supplying the sender, where appropriate upon request, with proof of either or both the handing in of the postal item or of its delivery to the addressee.

**“Royal Gibraltar Post Office”** means the Government entity which, amongst other things, is engaged in providing postal services.

**“universal service provider”** means the public or private postal service provider providing a universal postal service or parts thereof within Gibraltar, the identity of which has been notified to the Commission in accordance with section 4C.

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