

# AMENDMENTS TO THE POSTAL SERVICES ORDINANCE FOUNDATIONS OF A MODERN UNIVERSAL SERVICE

Swiss Post is committed to its universal service obligation and wants to ensure a high-quality universal service, which meets the requirements of the general public now and in the future. That is why Swiss Post has played an active role in the process of revising the Postal Services Ordinance and endorses the new provisions despite much tighter regulations.

The Postal Services Act and the Postal Services Ordinance regulate how the universal postal service is organized. Following a wide-ranging debate in parliament, Federal Councillor Doris Leuthard set up a working group in August 2017 to work out solutions for the future organization of the universal postal service. Swiss Post joined forces with the organizations involved to actively participate in the process, and the outcomes produced by the working group resulted in a widely accepted solution.

Based on the working group's recommendations, the Federal Council initiated amendments to the Postal Services Ordinance. With the revision, the Federal Council aims to create a regulatory framework that will ensure the sustainable development of the universal postal service.

The amendments to be included in the revised version of the Ordinance will mean far-reaching changes with cost implications for Swiss Post. However, Swiss Post endorses the new provisions. The amended Postal Services Ordinance takes effect at the beginning of 2019.

## The main amendments

### Accessibility will be measured at cantonal level

Accessibility requirements will no longer be defined at national level, but at cantonal level. This will place greater weight on the equal treatment of regions.

### Density criterion for cities and conurbations

At the same time, the requirements of cities and conurbations will be taken into account. In order to reflect living habits in urban areas, one access point will be guaranteed for every 15,000 inhabitants or workers.

### Institutionalization of dialogue with the cantons

The dialogue with the cantons will be intensified and institutionalized. Swiss Post and the cantons are encouraged to maintain a regular dialogue with regard to the planning and coordination of the network of post offices and postal agencies within their respective regions.

## The time frames for postal and payment transactions will be standardized

In accordance with the new provisions of the Postal Services Ordinance, payment transactions will from now on generally be accessible within 20 minutes instead of the previous 30 minutes. This means a standardization of the accessibility requirements for postal and payment services.

## Projects in postal legislation:

**Postal Services Act:** The Federal Council has an obligation to periodically review the effectiveness of postal legislation and to clarify whether there is any need for legislative action. In a report prepared to this effect in January 2017, the Federal Council identified a need for adjustments in the following areas: supervision of the universal service in payment transactions, strengthening of consumer protection and facilitation of administrative assistance between the public authorities entrusted with implementing the Postal Services Act. Against this backdrop, the Federal Council instructed the Department of the Environment, Transport, Energy and Communications (DETEC) on 10 October to draw up a consultation draft in order to proceed with the partial revision of the Postal Services Act.

**Postal Services Organization Act:** On 5 September, the Federal Council held a discussion on the development of PostFinance. PostFinance is to be allowed to also provide mortgages and loans. In addition, the Federal Council is in favour of opening up the shareholder base. It has instructed DETEC to draw up a consultation draft on amendments to the Postal Services Organization Act.

**Postal Services Ordinance:** According to the Federal Council, further adjustments to the Postal Services Ordinance are to be made at a later point in time, which has yet to be defined. These will comprise setting price caps on the one hand and the implementation of initiatives to ensure home delivery for permanently inhabited areas on the other.

### Swiss Post's position

The following points are key for Swiss Post to be able to guarantee a forward-looking and self-funded universal postal service:

#### Flexible and mutually agreed solutions

Swiss Post believes that the dialogue must also permit the parties involved to find mutually agreed solutions that deviate from the accessibility requirements. Solutions which have been developed within the scope of the dialogue and are acceptable to PostCom should not be sanctioned. Solutions that formally meet the accessibility requirements but do not add value to the actual use of services are not economically viable and should be avoided at all costs.

#### Clearly defined implementation

The cantonal consideration and the introduction of a new criterion for urban areas are methodically more elaborate, but these guidelines meet the wishes of Swiss Post to provide its services where its customers are – whether in the countryside, in cities or in conurbations.

The assessment of this density criterion for cities and conurbations is to be based on a spatial typology of the Swiss Federal Statistical Office, for example, which will be updated periodically. From the perspective of Swiss Post, it is essential in this case to clearly define the concrete data on which the density criterion is based and the deadlines that will apply to Swiss Post in order to be able to react to any shortcomings with regard to meeting thresholds for these two parameters in individual cantons or regions.

#### Focus on services instead of expanding physical infrastructure

Swiss Post would like to continue to be in a position to focus on services within its network and to be able to provide each of these services in an appropriate manner. The freedom to design the service range is accentuated by customers' needs for round-the-clock access and will become even more important for Swiss Post in the future. For example, Swiss Post is developing new or complementary services in the public service domain, including My Post 24 terminals and the digital management of parcels. In doing so, it is contributing to the provision of both physical and digital infrastructure throughout Switzerland. As a general rule, digitization and new solutions should be employed without neglecting the universal service.

#### Strengthening of branches with partners

The strengthening of the branches with partners is a key element in strengthening the format and its acceptance among the general public. The model is proving to be a great success and offers numerous advantages for customers. Against this backdrop, Swiss Post is actively working to increase the attractiveness of its branches with partners. The focus here is on better information for customers and on staff training.

#### Clear commitment to self-operated branches

However, Swiss Post is also clearly committed to its own branches and will invest around 40 million francs in the modernization of around 300 self-operated branches over the next few years. In addition, 200 My Post 24 terminals will support the network by 2020.

### Immediate implementation of the new provisions

Swiss Post will implement the new accessibility requirements by the end of 2018 and the required network adjustments in the course of 2019. However, the approval process for the new measurement method is going to take some time. Once approved by all competent bodies, the measurement to be carried out for the 2019 calendar year using this new method may be carried out at the beginning of 2020.

### Periodic review of the provisions

To avoid the universal postal service becoming mired in the status quo, it is essential in Swiss Post's opinion that the legal requirements be periodically evaluated and brought into line with reality. A simple focus on maintaining structures without bearing in mind the future is neither effective nor sustainable.