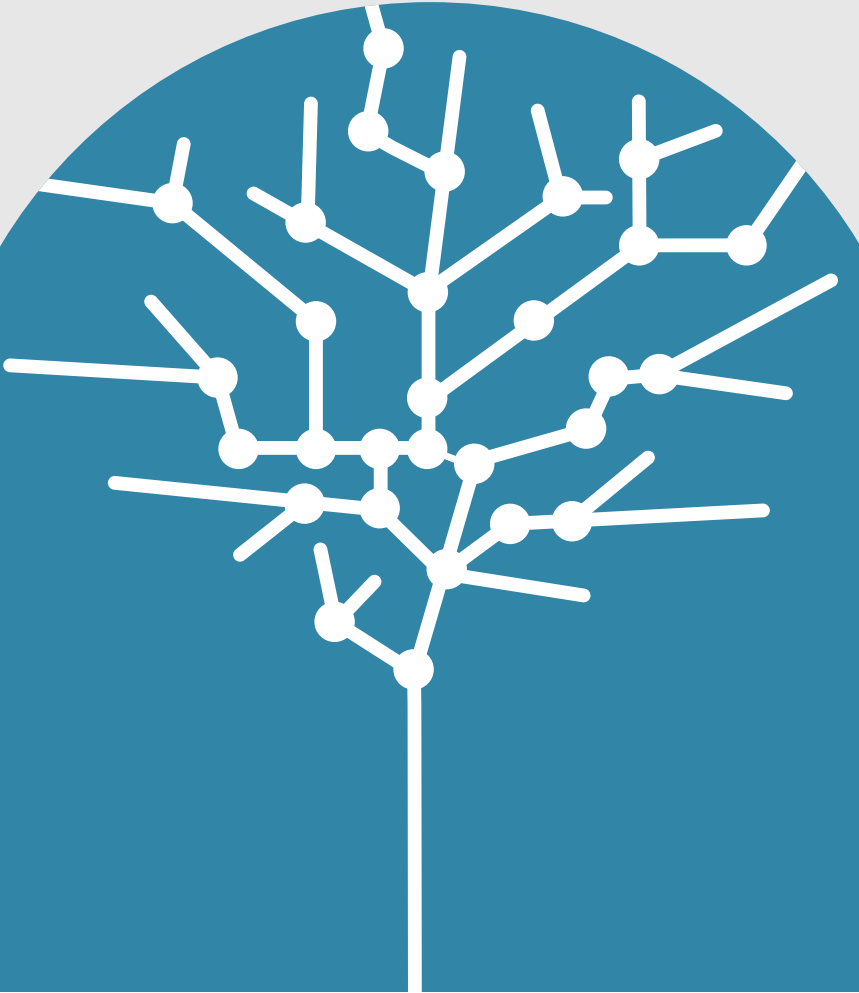


POSTAL SERVICES SECTOR



6. Postal Services Sector

In 2004, EETT proceeded to the implementation of the new Regulatory Framework, which promotes gradual deregulation of the postal market, aiming at ensuring fair competition conditions to the benefit of consumers. EETT also upgraded the market control mechanism it has developed and performed significant number of regular and ad hoc controls on undertakings, aiming at ensuring both smooth operation of the market and consumers' interests. At the same time, EETT performed measurements of the quality of Universal Service (US). Moreover, EETT updated the Electronic Registry of Postal Undertakings, an important tool for its work.

6.1. Regulation of the Postal Market

6.1.1. Implementation of the Updated Regulatory Framework

a. Implementation of the Regulation of General Authorizations

The implementation of the Regulation of General Authorizations for the Provision of Postal Services¹ commenced in 2004, following its enforcement as of 13 November 2003. In the light of the new Regulation, undertakings operating in the postal market were invited to adapt their operations to the new Regulatory Framework until 13 May 2004, by submitting new Declarations for the Provision of Postal Services. This resulted in the modification of 192 existing General Authorizations for the Provision of Postal Services.

The modification of General Authorizations mainly lies in the obligation, on part of those undertakings, for stating the infrastructure they have put in place, in order to ensure minimum quality requirements for the provision of postal services.

The modification of General Authorizations significantly

contributed to the rationalization of the Courier market, on the one hand due to the revocation of General Authorizations for undertakings that do not meet the operation requirements of the Regulation and on the other hand due to the penetration of new undertakings wishing to make use of the prospects offered by the market.

b. Implementation of the Regulation for Individual Licences

The new Regulation for Individual Licences², which was enforced as of 22 December 2003, provides for the procedure and requirements for granting Individual Licences for the provision of postal services falling under the Universal Service (US), but not under the exclusive rights of the Universal Service Provider (USP). Moreover, the Regulation provides for the obligations of postal undertakings having an Individual Licence towards consumers, as well as the pricing principles for their services. A necessary prerequisite for granting an Individual Licence is the evaluation by EETT of the potential/ capacity of the postal undertaking to provide quality and reliable services.

In the context of this Regulation, an existing Individual Licence was modified and a new request was submitted and approved, increasing the total number of undertakings to 2. The aforementioned modifications do not apply to the USP (ELTA), to which the Greek State assigned the provision of US, by concluding an Administration Contract that stands for an Individual Licence, as specified in Law 3185/2003.

6.1.2. Updating of the Electronic Registry of Undertakings

EETT's Electronic Registry of Postal Services is a database where the details of postal undertakings and

¹ GG Issue 1682/B/14-11-2003.

² GG Issue 1906/B/22-12-2003.

their networks are registered, enabling management and updating thereof. This is an integrated tool, facilitating the work of EETT to a great extent, given that it enables fast processing of complaints, support of EETT's controls and the issuance of certificates and other applications.

In 2004, the Registry updating continued, in the context of which 104 undertakings were rejected due to non-submission of Declarations for the Provision of Postal Services in order to adapt their operations to the new Regulatory Framework. Moreover, 77 new General Authorizations were granted, increasing the total number of active undertakings with General Authorizations to 266. It should be noted that the number of undertakings with General Authorizations operating in the Courier market was reduced by approximately 10% compared to 2003.

6.1.3. Briefing Postal Undertakings

On 23 June 2004, EETT organized an event entitled "The new Regulatory Framework: A Development Tool for the Courier Market". The aim of the event was to provide information to postal undertakings, but also to record the views of consumers and undertakings on the new Regulatory Framework. The event was attended by representatives of the European Commission, the Ministry of Transportation and Communications (MTC), the largest consumer organizations and postal undertakings.

The issues presented during the event included the following:

- Figures and trends of the Courier market for 2003, as derived from a survey made by EETT, on the basis of information obtained from postal undertakings.
- EETT's actions to ensure fair competition in the Courier market, to eliminate illegally operating

undertakings and to protect consumers' rights.

- The growth models of postal undertakings' networks.

The event demonstrated the positive prospects of the Courier market in an ever developing regulatory environment, where the regulatory intervention of EETT is required on issues such as quality of services.

6.2. Monitoring and Control of the Postal Market

6.2.1. Mechanism for Monitoring and Controlling the Courier Market

In the context of its supervisory role³, EETT placed particular emphasis on the observance of competition rules and the provisions setting the pricing rules of provided services in relation to the US. EETT's monitoring work in that context mainly referred to:

- The control of undertakings with General Authorization registered with EETT Registry of Postal Undertakings, in terms of fulfilling their obligations.
- The identification of undertakings illegally operating in the field of postal services, thus without a Licence or Authorization.

The design of the procedure for the regular control of postal undertakings with a General Authorization was completed in 2004 and the procedure was implemented, upon relevant Decision⁴ of EETT. The regular control of postal undertakings aims at confirming compliance with the terms of their Authorization, securing the exclusive rights of the USP and the observance of the Charter of Obligations to Consumers (COC).

Postal undertakings are selected for regular control based on the information kept with the Registry and the Financial Record of Postal Undertakings with a General Authorization.

³ See article 7(4) of Law 2668/98, as replaced by article 3(4) of Law 3185/03.

⁴ Decision 315/87/2004.