

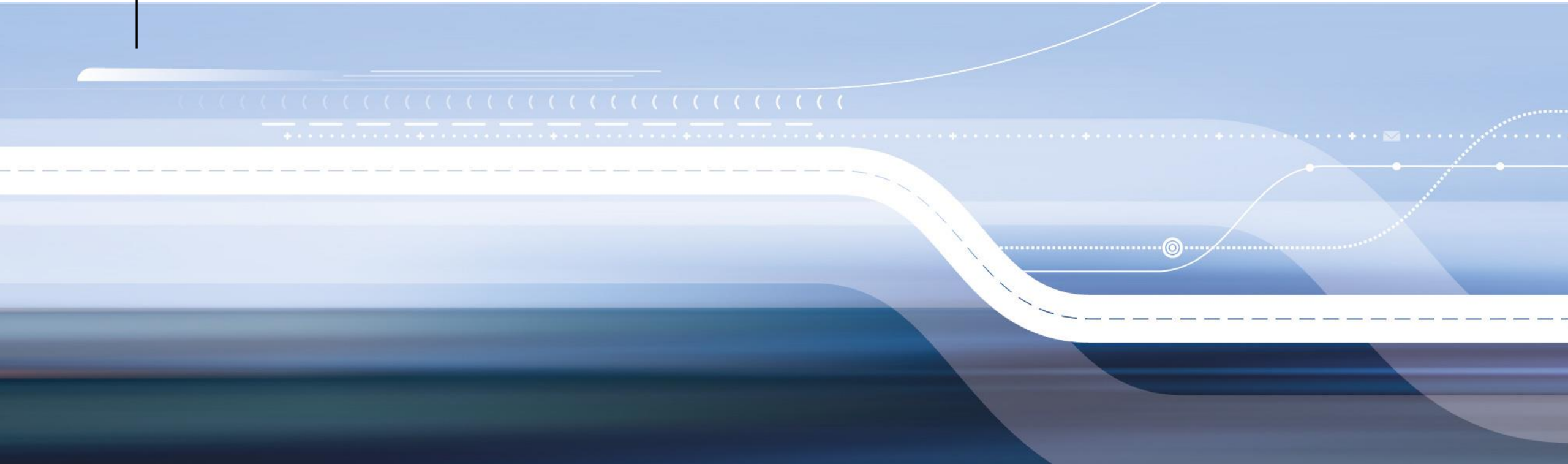


Norwegian Ministry of Transport and Communications

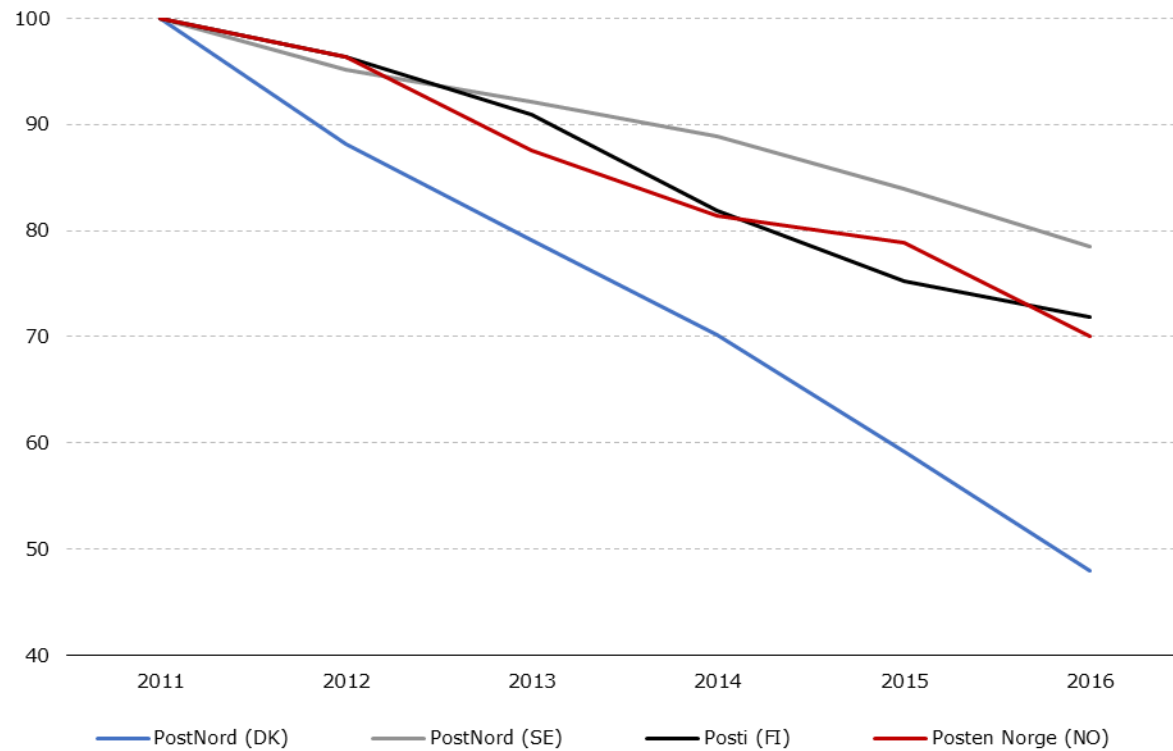
# Falling letter volumes and consequences for the level of the Universal Service Obligation

Randi Hovde

Copenhagen, 3rd May 2018



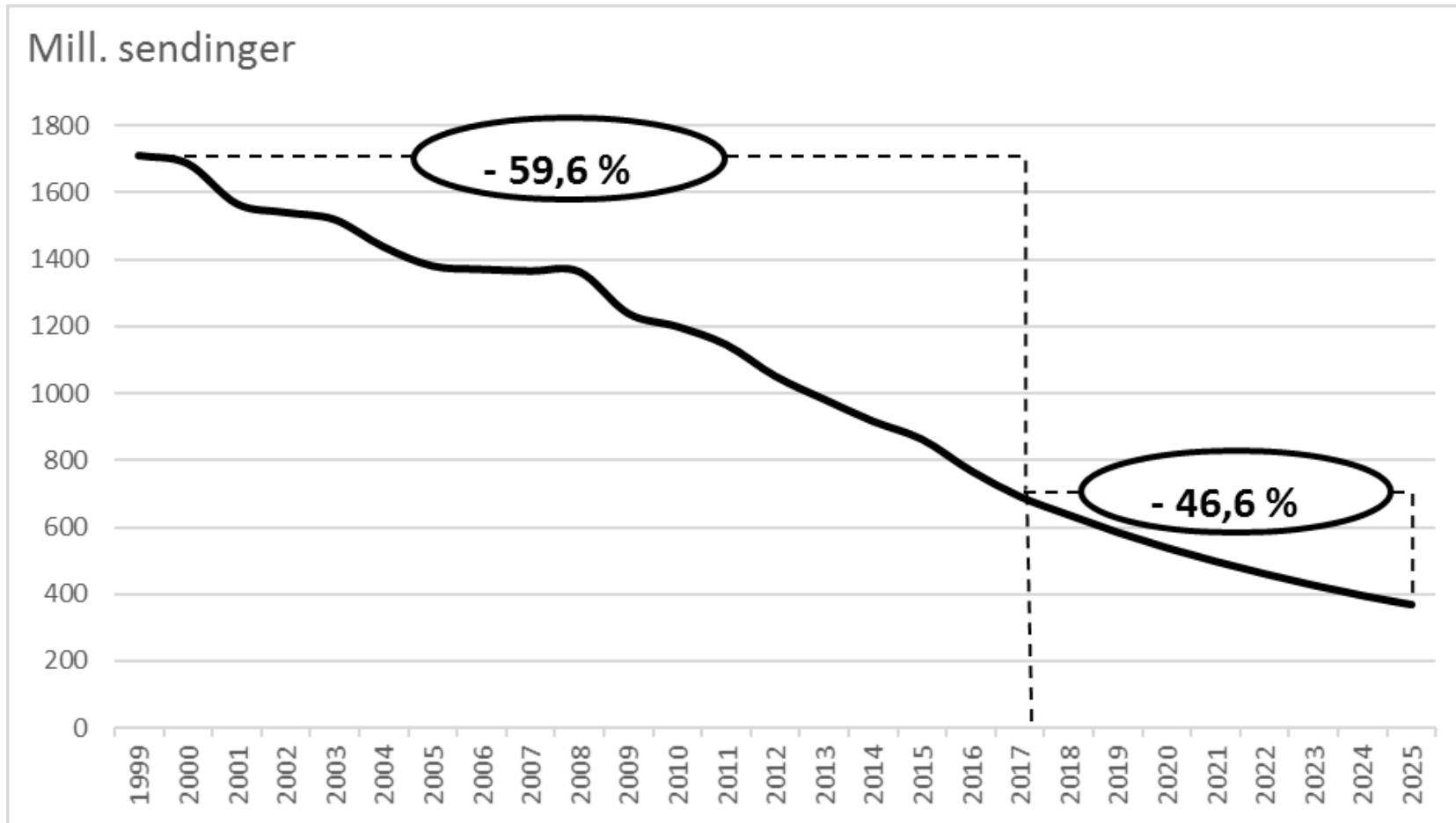
# Falling letter volumes



Source: Copenhagen Economics (2017)



# Letters, news papers and parcels 1999-2025



• Source: Posten Norge AS



# The history of e-substitution

- Dramatic decline in letter volumes and news papers
- Increase in electronic communications and internet news papers
- Reduction in the number of post offices
- Growth in the number of postal service in shops
- Growth in the number of parcels due to e-commerce



# A number of changes in universal services

- Retail network – only 30 post offices left today
- Reduced obligation on basic banking services in the postal network
- No delivery of postal items on Saturdays
- Newspapers are distributed in areas without alternative distribution network
- Reduction on quality requirement from D+1 to D+2 for 85 % of letter volumes
- Report by Copenhagen Economics: Effects of changing the USO in Norway (December 2017)



# Further changes proposed – public consultation

- Beyond 200 responses
  - 82 responses from municipalities
  - 57 responses from laboratories
- Rural needs versus urban lack of interest
- Newspapers want to keep their revenues from paper copies



# What is next?

- Proposal will most likely be presented to Parliament, possibly this spring
- Debate about rural needs and the importance of news paper distribution
- If the parliament agrees to change the Postal Act this autumn, the changes may enter into force from 2020





Norwegian Ministry of Transport and Communications

# Thank you for your attention!

Randi Hovde

Copenhagen, 3rd May 2018

