

# **Assessment of cross-border single-piece parcel tariffs (2021)**

**– Article 6 of Regulation (EU) 2018/644 –**

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## 1. Framework

Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April (the Regulation)<sup>1</sup> on cross-border parcel delivery services sets out, inter alia, specific provisions concerning the assessment by National Regulatory Authorities (NRAs) of the tariffs of certain cross-border parcel delivery services in order to identify any excessively high tariffs.

In particular, Article 6(1) of the Regulation provides that the NRA shall identify, on the basis of the public lists of tariffs obtained pursuant to its Article 5, and for each of the categories of single-piece postal items listed in the Annex to the Regulation (and summarised in the table below), the cross-border tariffs of the parcel delivery service provider originating in its Member State (MS) subject to a universal service obligation (USO) that the NRA objectively considers necessary to assess.

**Table 1. Categories of postal items listed in the Annex to the Regulation**

Service	Weight (in grams)
Normal correspondence	500, 1000 and 2000
Registered mail	
Correspondence with <i>track &amp; trace</i>	
Standard parcel	1000, 2000 and 5000
Parcel with <i>track &amp; trace</i>	

Source: Regulation.

As follows from Article 5(1) of the Regulation, cross-border parcel delivery service providers<sup>2</sup> must submit to the NRA of the MS where they are established, by 31 January of each calendar year, the public list of tariffs applicable on 1 January of that year for the delivery of single-piece postal items belonging to the categories listed in the Annex to the Regulation. In accordance with Article 5(2) of the Regulation, the public list of these tariffs has been published by the European Commission (EC) on a dedicated website.<sup>3</sup>

<sup>1</sup> <https://www.anacom.pt/render.jsp?contentId=1435245>.

<sup>2</sup> With the exception of providers excluded by Article 4(6) and (7) of the Regulation. In Portugal, the following parcel delivery service providers have submitted information on tariffs associated with postal items listed in the annex to the Regulation, through the PARCEL platform developed by the European Commission for this purpose: CEP - Correios Express Portugal, S.A. (CEP); CEP II - Correios Express Portugal, S.A. (CEPII); CTT - Correios de Portugal, S.A. (CTT); CTT Expresso - Serviços Postais e de Logística, S.A. (CTT Expresso); DHL Express Portugal, Lda. (DHL); DPD Portugal - Transporte Expresso, S.A. (DPD); Logista - Transportes, Transitários e Pharma, Unipessoal, Lda. (Logista); TCI - Transporte Courier International, Lda. (TCI); TNT Express Worldwide (Portugal), Transitários, Transporte e Serviços Complementares, Unipessoal, Lda. (TNT); UPS of Portugal Transportes Internacionais de Mercadorias Sociedade Unipessoal, Lda (UPS).

<sup>3</sup> [https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery/public-tariffs-cross-border\\_en](https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery/public-tariffs-cross-border_en)

In this framework, and inasmuch as in Portugal CTT is the universal postal service (USP) provider on which the relevant obligations fall, only the tariffs practised by CTT, as USP, are subject to this assessment.

In accordance with whereas 25 of the Regulation, in order to reduce the administrative burden for NRAs and parcel delivery service providers subject to the US obligations, and in accordance with the principle of proportionality, NRAs may base the identification of cross-border tariffs for which assessment is required on an objective pre-assessment filter system.

Commission Communication COM (2018) 838<sup>4</sup> of 12.12.2018 sets out guidance for the NRAs on the assessment of cross-border parcel tariffs under the Regulation. According to this guidance NRAs should use a filtering system based on a ranking of cross-border tariffs of all MSs for each of the 15 categories of single-piece postal items listed in the Annex to the Regulation. It should be based on the tariffs reported by providers, corrected according to purchasing power parities established by Eurostat. According to the EC, this will help ensure comparability and fairness across the European Union (EU), as well as the flexibility and adaptability of a filtering system, so as to take account of changes in the market.

Therefore, and based on the pre-assessment filtering system proposed by the EC, the tariffs to be analysed should be those above a pre-established threshold, and it was established that for the current exercise the tariffs included in the group of the highest 25% should be analysed.<sup>5</sup>

With regard to the objective assessment to be carried out by the NRA, Article 6(2) of the Regulation provides that such assessment should be based on the principles set out in Article 12 of Directive 97/67/EC,<sup>6</sup> considering in particular the following items:

- the national tariffs and other relevant tariffs of comparable parcel delivery services in the originating MS and the destination MS;

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<sup>4</sup> <https://www.anacom.pt/render.jsp?contentId=1465228>

<sup>5</sup> As provided for in the above-mentioned Communication, this percentage may gradually decrease in the following years of application of the Regulation (to values between 25% and 5%), to be determined in close cooperation between the EC, the NRAs and the European Regulators Group for Postal Services (ERGP). In this regard, note the position recently adopted by the ERGP, following a request from the EC, that a reduction of the referred percentage from 25% to 20% to be implemented in 2022 - <https://ec.europa.eu/docsroom/documents/45604>.

<sup>6</sup> Directive 97/67/EC of 15.12.1997 as amended by Directive 2008/6/EC of 20.02.2008, hereafter referred to as Directive 97/67/EC or Postal Directive.

- the application of a uniform tariff to two or more MS;
- the bilateral volumes, the specific transportation or handling costs, other relevant costs and service quality standards;
- the likely impact of applicable cross-border tariffs on individual users and small and medium-sized enterprises (SMEs), including those in remote or sparsely populated areas, and users with disabilities or reduced mobility, where feasible and where it does not impose a disproportionate burden.

In addition, Article 6(3) of the Regulation provides that the NRA may, where it considers it necessary, also take into account the following elements:

- whether tariffs are subject to specific price regulation under national legislation;
- abuses of dominant market position established in accordance with applicable law.

As provided in Article 6(7) of the Regulation, the NRA must submit its assessment to the EC by 30 June of the relevant calendar year provide a non-confidential version of that assessment, and the EC will publish the non-confidential version of the assessment provided by all NRAs no later than one month from the date of receipt (Article 6(8)).

It should also be noted that, as set out in Article 6(5) and (6) of the Regulation, each NRA may request, if it considers it necessary, further evidence in relation to the identified tariffs that may be needed to carry out the assessment, which must be communicated to the NRA within one month of receipt of the request, accompanied by a justification of the tariffs being assessed.

In this framework, on 23.04.2021 ANACOM sent a request for information to CTT, which sent the requested information on 24.05.2021. This information has been taken into account in the analysis presented in the following section of this document, specifically as regards costs incurred with the provision of the services in question.

## 2. Analysis

### 2.1. Identification of the tariffs to be assessed

Following the application of the aforementioned pre-assessment filtering system identified in Commission Communication COM/2018/838, the tariffs charged by CTT for the following items were identified as objectively necessary:

- a 1 kg postal item with track & trace [for all destinations reported under Article 5 of the Regulation (EU Member States, Iceland, Liechtenstein and Norway) - corresponding to tariffs "Zone 1" and "Zone 2" of CTT international postal item tariffs];
- a 2 kg postal item with track & trace [for all destinations reported under Article 5 of the Regulation (EU Member States, Iceland, Liechtenstein and Norway) - corresponding to tariffs "Zone 1" and "Zone 2" of CTT international parcel tariffs];
- a 5 kg postal item with track & trace [for all destinations reported under Article 5 of the Regulation (EU Member States, Iceland, Liechtenstein and Norway) - corresponding to tariffs "Zone 1" and "Zone 2" of CTT international parcel tariffs].

It should be noted that the stated tariffs, with the exception of those for 5 kg track & trace parcels corresponding to "Zone 1",<sup>7</sup> have already been identified in the pre-assessment filtering system applied in previous years (2019 and 2020), and the assessments carried out by ANACOM concluded that there was no evidence that the said tariffs were excessively high.<sup>8</sup>

As regards the tariffs for 5 kg track & trace parcels corresponding to "Zone 1", identified this year for the first time under the pre-assessment filtering system, it should be noted that these tariffs have remained unchanged since the previous tariff assessment exercise (in particular since April 2018).

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<sup>7</sup> With destinations being Austria, Belgium, Germany, Spain, France, Italy, Liechtenstein, Luxembourg and Netherlands.

<sup>8</sup> Decisions of 26.06.2019 and 26.06.2020, available at <https://www.anacom.pt/render.jsp?categoryId=409086>.

## **2.2. Assessment of tariffs**

Following the identification of potentially excessive tariffs under the pre-assessment filtering system, they are then assessed against the elements listed in Article 6(2) of the Regulation.

### **2.2.1. Principles set out in Article 12 of Directive 97/67/EC and specific price regulation under national legislation**

As stated above, the assessment must be carried out in accordance with the principles set out in Article 12 of Directive 97/67/EC (Article 6(2) of the Regulation), in which it is stated that MSs should seek to ensure that, when setting tariffs for each service covered by the provision of the US, the following principles, inter alia, are observed:

- price affordability, which must allow all users access to the services provided, irrespective of their geographical location and taking into account specific national conditions;
- cost-orientation of prices, encouraging efficient provision of the US, with the possibility for MSs to apply a single tariff within the national territory and/or across borders to single-piece tariff services and other postal items, whenever necessary for reasons of public interest;
- transparency and non-discrimination of the tariffs and conditions linked to them.

The principles set out in Directive 97/67/EC were transposed to the national framework through Law 17/2012 of 26 April, subsequently amended (Postal Law). In particular, Article 14(1) of this Law establishes that the pricing of postal services included in the provision of the universal service shall comply with the principles of (a) affordability for all users; (b) cost-orientation, with prices encouraging efficient provision; and (c) transparency and non-discrimination: (a) accessibility to all users; (b) cost orientation, and prices must encourage an efficient provision of the US; and (c) transparency and non-discrimination.

The US pricing criteria for the 2018-2020 triennium, set by ANACOM's decision of 12.07.2018, supplemented by the decision of 05.11.2018,<sup>9</sup> reaffirm the stated principles. It should be noted that these criteria are still in force, taking into account that Article 15(3) of the said criteria provides that, if CTT should remain the provider of the universal service

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<sup>9</sup> <https://www.anacom.pt/render.jsp?contentId=1463566>.

after 31.12.2020, which came to be the case,<sup>10</sup> the criteria to be followed in the formation of prices of postal services that comprise the US in 2019 and 2020 shall remain in force until ANACOM approves a new decision relating to them, within the scope and for the purposes of Article 14(3) of the Postal Law.

In this context, the parcel tariffs which are now to be analysed under the Regulation include the US price proposals which have already been subject to analysis by ANACOM under the aforementioned criteria for the formation of US prices.

In particular, the prices in force on 01.01.2021 were assessed in the context of the analysis of the US price proposals submitted by CTT in 2020<sup>11</sup> and subject to ANACOM's decisions of 21.05.2020 and 22.10.2020,<sup>12</sup> in which ANACOM concluded, inter alia, that the proposals complied with the maximum price changes allowed for that year and, overall, no situations of non-compliance with the principles of cost-orientation of prices, affordability, transparency and non-discrimination were identified.

It should also be noted that these same tariffs were also analysed by ANACOM in the context of the tariff proposal presented by CTT to be applied as of 01.04.2021 (insofar as the prices of international parcels were not changed compared to those currently in force). This Authority concluded, by decision dated 25.03.2021,<sup>13</sup> that the proposal in question complied with the price formation criteria of the postal services that make up the US, applicable to the year 2021.

It should be noted, moreover, that the tariffs in question had also been subject to analysis in the context of the price proposal submitted by CTT for 2019 (since the proposals submitted in 2020 established the maintenance of the prices previously in force), in relation to which ANACOM had already concluded that<sup>14</sup> the price formation criteria of the postal services that make up the US were met.

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<sup>10</sup> As set out in Article 35-W of Decree-Law 10-A/2020 of 13 February, as amended by Decree-Law 106-A/2020 of 30 December 2020, which extended the US Concession Agreement entered into between the Portuguese State and CTT until 31 December 2021.

<sup>11</sup> <https://www.anacom.pt/render.jsp?contentId=1538023>.

<sup>12</sup> <https://www.anacom.pt/render.jsp?contentId=1577521>.

<sup>13</sup> <https://www.anacom.pt/render.jsp?contentId=1620781>.

<sup>14</sup> Decision of 22.05.2019, available at <https://www.anacom.pt/render.jsp?contentId=1473282>.

Notwithstanding the above, it should be noted that the analyses carried out under those decisions were based, inter alia, on an overall analysis of parcel services at international level (also including destinations beyond the EU and the European Economic Area), and therefore did not take on the level of detail resulting from the application of the Regulation, which now applies.

### **2.2.2. The application of a single tariff to two or more MS**

Commission Communication COM (2018) 838 notes that uniform tariffs may be important for the protection of regional and/or social cohesion and NRAs should take into account that a gap between the specific cost of a service and its price may be justified because the price may be based on an average cost reflecting different cost structures.

Thus, the application of a uniform tariff can be considered a legitimate deviation from the principle of cost-orientation of prices and is provided for in Article 12 of the Postal Directive, constituting a common practice in the EU, insofar as most MS providers in the various MS practise some kind of price uniformity based on the geographical proximity of destinations, as highlighted in that Communication.

As regards tariffs practised by CTT, it should be noted that there are only two tariff zones for the EU Member States, Iceland, Liechtenstein and Norway, the tariffs "Zone 1" and "Zone 2", applicable depending on the destination country, as per the table below (with the tariffs applicable to "Zone 1" being lower than those applicable to "Zone 2").

**Table 2. Tariff zones applied by CTT (for EU countries, Iceland, Liechtenstein and Norway)**

Zone 1	Zone 2
Germany, Austria, Belgium, Spain, France, Netherlands, Italy, Liechtenstein, Luxembourg	Bulgaria, Cyprus, Croatia, Denmark, Czech Republic, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Latvia, Lithuania, Malta, Norway, Poland, Romania, Slovakia, Slovenia, Sweden

Source: CTT.

It should be noted that this differentiation has been applied by CTT in previous years, having already been considered within the scope of the tariff assessment under the Regulation carried out in previous years.<sup>15</sup>

In this context, the conclusions reached should be reiterated that in general the tariff zones take into account the distance to the destination, since greater distances will have

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<sup>15</sup> It should be noted, without prejudice, that for the purposes of the analyses of previous years the United Kingdom was still considered, within the scope of "Zone 2", having meanwhile ceased to belong to the EU.

implications for the costs incurred – in particular, it can be seen in the following table that the average distance from Portugal to the countries in "Zone 1" is substantially lower than that for the countries in "Zone 2", and only one of the countries in "Zone 2", Ireland, has a distance shorter (1427km) and/or closer to the average distance in "Zone 1" (1471km).<sup>16</sup>

**Table 3. Distances from Portugal to the countries of each CTT charging zone (km)**

	<b>Average distance</b>	<b>Maximum distance</b>	<b>Minimum distance</b>
Zone 1	1471	1873	273
Zone 2	2555	3630	1427

Source: ANACOM calculation.

With regard to the unit costs associated with the tariffs under analysis for postal items to each of the destinations,<sup>17</sup> it can be concluded that there is indeed a difference in the average costs for each of the tariff zones, and that the costs associated with destinations in "Zone 1" are, on average, lower than those observed for "Zone 2", as shown in the following table.

**Table 4. Estimated unit costs for parcel delivery for each tariff zone (EUR) [BCI<sup>18</sup>]**

		<b>Average unit cost</b>
1 kg track & trace parcel	Zone 1	
	Zone 2	
	Total EU/EEA	
2 kg track and trace parcel	Zone 1	
	Zone 2	
	Total EU/EEA	
5 kg track and trace parcel	Zone 1	
	Zone 2	
	Total EU/EEA	

[ECI<sup>19</sup>]

Source: CTT information.

It is therefore appropriate to conclude that the definition of only two tariff zones will generally take into account the greater or lesser distance of the destination countries, as well as the underlying costs of providing the services.<sup>20</sup>

<sup>16</sup> Based on a necessarily simplistic analysis of the simple straight-line distance between each country, according to the distance calculator available at [https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator\\_en](https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator_en).

<sup>17</sup> Costs estimated by CTT for 2020 based on data from the analytical accounting system for the 1st half of 2020, without non-recurring expenses – information not audited by ANACOM. Detailed information in the Appendix to this document.

<sup>18</sup> Beginning of confidential information.

<sup>19</sup> End of confidential information.

<sup>20</sup> Without prejudice to the possibility of variations at an individual level, since reflecting the specific costs associated with each destination would imply the existence of a greater breakdown of tariff zones or, ultimately, the definition of specific tariffs for each destination country (or even, possibly, depending on each destination operator hired by CTT to carry out distribution in the destination country).

It should also be noted that combining tariffs in just two zones has the benefit of reducing tariff complexity for service users, who can thus more easily identify the prices applicable to the services made available. It should also be stressed that, as the Regulation states in whereas 26, the application of uniform tariffs for two or more MSs could be important for protecting regional and social cohesion.

### **2.2.3. Bilateral volumes, the specific transportation or treatment costs, other relevant costs and the service quality standards**

As follows from Article 6(2)(c) of the Regulation, the criteria set out therein relate in particular to the assessment of the cost orientation of tariffs, and the possible existence of economies of scale<sup>21</sup> should be taken into account as well as other costs related in particular to terminal shares, the term used to encompass both transit dues<sup>22</sup>(applicable to mail) and the incoming land dues<sup>23</sup> (which applies to parcels) (as follows from Commission Communication COM (2018) 838).

As previously mentioned, the tariffs communicated by CTT under Article 5 of the Regulation had already been analysed by ANACOM at the time of the analysis of the compliance of the price proposals of the US with the criteria for the formation of US prices, in which context it was concluded, namely, that no situations of non-compliance with the principles of cost-orientation of prices were identified, prices being set according to costs and access to services.

It should also be noted that the evolution of average annual prices applied by CTT for international parcel delivery (for destinations included in "Zone 1" and "Zone 2") in the period 2014-2021 is not very significant, as shown in the table below. In particular, in the period 2014-2021 the average annual price variation takes values between -0.4% (5 kg parcel – "Zone 2") and 0.8% (1 kg parcel – "Zone 1"). It should also be noted that CTT's tariffs now under analysis did not undergo any changes relative to those in force in 2019 and 2020, and so the same tariffs analysed under the tariff assessment exercise in previous years were still applicable, thus representing a null variation.

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<sup>21</sup> Commission Communication COM (2018) 838 further clarifies that volumes should be measured by the number of orders for the service under assessment and for other services carried out together, which may contribute to reducing the unit cost.

<sup>22</sup> Article 29 of the UPU Convention.

<sup>23</sup> Articles 35 and 36 of the UPU Convention.

**Table 5 Evolution of CTT's annual average prices for international parcels (1kg, 2kg and 5kg) to "Zone 1" and "Zone 2" destinations (euros)**

Weight	Destination	2014	2015	2016	2017	2018	2019	2020	2021	Average annual variation 2014-2021	Variation 2020-2021
1kg	Zone 1	23.11	23.60	23.65	23.65	24.18	24.35	24.35	24.35	0.8%	0.0%
	Zone 2	27.37	27.76	27.80	27.80	28.44	28.65	28.65	28.65	0.7%	0.0%
2kg	Zone 1	25.70	26.20	26.25	26.25	26.85	27.05	27.05	27.05	0.7%	0.0%
	Zone 2	31.37	31.44	31.45	31.45	32.16	32.40	32.40	32.40	0.5%	0.0%
5kg	Zone 1	33.73	33.06	33.01	33.00	33.75	34.00	34.00	34.00	0.1%	0.0%
	Zone 2	43.82	41.46	41.27	41.25	42.19	42.50	42.50	42.50	-0.4%	0.0%

Source: CTT.

In this context, the table below presents a summary of the unit values (costs and margins) estimated by CTT for 2020, and the respective comparison with 2019, for the tariffs under analysis.

**Table 6. Estimated costs and unit margins for parcel delivery for each tariff zone (2019 and 2020) [BCI].**

		Average Unit Cost		Average Unit Margin				
		Euros		Euros		(%)		Variation 2019-2020
		2019	2020	2019	2020	2019	2020	(p.p.)
1kg track & trace parcel	Zone 1							
	Zone 2							
	Total EU/EEA							
2kg track & trace parcel	Zone 1							
	Zone 2							
	Total EU/EEA							
5kg track & trace parcel	Zone 1							
	Zone 2							
	Total EU/EEA							

[ECI]

Note: (a) Information for 2019 for the 5 kg parcel for Zone 1 is not available as this tariff was not analysed in the previous year. Consequently, it was also not possible to determine the figures for the EU/EEA Total.

Average unit costs include air transport costs, delivery costs in the destination country and other costs (which include acceptance, handling and transport costs in the national territory and other structural costs, including capital costs). Estimates assuming a distribution of parcels by weight ranges identical for all MSs considered.

Source: CTT information (communications of 24.05.2021 and 11.06.2020), Assessment of single-piece cross-border parcel tariffs (2020) and ANACOM calculation.

As shown in the table above, in unit terms, and for each of the types of delivery under consideration, positive margins ranging from [BCI] [ECI]% to [BCI] [ECI]% are estimated for 1 kg track & trace parcels in "Zone 1" and 5 kg track & trace parcels in "Zone 1" respectively.

The margins estimated for 2020 represent a decrease relative to those estimated for 2019, noting, in any case, that the changes observed in the margins do not exceed -2 percentage points (p.p.).

In this context, and as already mentioned above, it should be noted that the tariffs practised by CTT did not change between the two years under assessment, whereby the decrease observed in margins is essentially due to the evolution observed in average costs, which

include air transport costs, distribution costs in the destination country and other costs related, namely, to acceptance costs, handling and transport costs within the national territory, structure costs (of CTT) and cost of capital. Analysing the estimates presented by CTT<sup>24</sup> as summarised in the table below, it can be seen that the main variations observed result from the increase in the [BCI] [ECI] component.

**Table 7. Estimated unit costs for parcel delivery for each tariff zone (EUR) - 2019 and 2020 [BCI].**

		2019			2020			Variation 2019-2020		
		Air transport and distribution costs in the destination country	Remaining costs	Total costs	Air transport and distribution costs in the destination country	Remaining costs	Total costs	Air transport and distribution costs in the destination country	Remaining costs	Total costs
1kg track & trace parcel	Zone 1									
	Zone 2									
	Total EU/EEA									
2kg track & trace parcel	Zone 1									
	Zone 2									
	Total EU/EEA									
5kg track & trace parcel	Zone 1									
	Zone 2									
	Total EU/EEA									

[ECI]

Note: (a) Information for 2019 for the 5kg order for Zone 1 is not available as this tariff was not analysed in the previous year. Consequently, it was not possible to determine the values for the EU/EEA Total either. Source: CTT information, Assessment of cross-border single-piece parcel tariffs (2020) and ANACOM calculation.

The increase in the [BCI] [ECI] component results mainly from the increase in [BCI] [ECI] <sup>25</sup>costs and [BCI] FIC costs, with variations of approximately [BCI] [ECI] % and [BCI] [ECI] %, respectively, despite the decrease in [BCI] [ECI] costs of approximately [BCI] [ECI].

It should also be noted that in the context of the presentation of its price proposal, within the scope of the US, for 2021, subject to ANACOM's decision of 25.03.2021, CTT estimated an increase in overall costs associated with international parcels of approximately [BCI] [ECI]%. Notwithstanding the fact that this is a more comprehensive service than the types of items associated with the tariffs under analysis, insofar as they relate to all international destinations and the weights go up to 10 kg, it is reasonable to admit that a similar development may occur in 2021 in the margins associated with the postal items under analysis. Therefore, assuming a variation like that indicated for estimating the specific costs

<sup>24</sup> It should be noted that the CAS results do not allow for the identification of the specific costs associated with the products under analysis, thus the information presented by CTT is the best possible estimate.

<sup>25</sup> Information not visible in Table 7.

for 2021, the margins associated with the postal items under review would be slightly lower, ranging from [BCI] [ECI]% to [BCI] [ECI]%, related to sending 1 kg track & trace parcels to “Zone 1” and 5 kg track & trace parcels to “Zone 1”, respectively

As regards the volumes associated to the postal items in question, it should be noted that no information broken down by weight step is available, as indicated by CTT in its communication of 24.05.2021. Nevertheless, CTT did say that the total traffic shipped to “Zone 1” and “Zone 2” countries was, in 2020, [BCI] [ECI] items (with [BCI] [ECI]% of that traffic directed to “Zone 1” countries and [BCI] [ECI]% to “Zone 2” countries), a volume that will amount to an overvaluation of the traffic corresponding to the items specified in the Annex to the Regulation, which will necessarily be lower. It should be noted, without prejudice, that the value now presented by CTT amounts to an increase of approximately [BCI] [ECI] % in relation to the total volume indicated during the course of the previous year's exercise ([BCI] [ECI] objects). It is concluded, however, that the increase in traffic did not allow the overall increases in costs to be offset, resulting in the increase in unit costs referred to above.

Keeping the above in mind, especially the ANACOM decisions referred to earlier, under which the conformity of CTT's tariffs with, in particular, the principles of cost-orientation of prices and affordability of prices has already been assessed, and in which it was concluded that there are no situations of non-compliance with the stated principles, and given the limitations associated with specific information on costs incurred by the postal items under analysis, it is understood that it cannot be concluded, based on the available information, that the CTT tariffs now under analysis are excessive.

#### **2.2.4. The national and other relevant tariffs of comparable parcel delivery services in the originating MS and the destination MS**

According to Commission Communication COM (2018) 838, the comparable products will primarily be those conforming with the services provided within the US in the destination MS, bearing in mind, however, that different principles may be used to set the corresponding tariffs (without prejudice to the fact that the postal services tariffs forming part of the US must respect the principles contained in Article 12 of the Postal Directive).

It is also indicated that the tariffs to be analysed may be compared with the sum of the national tariff of the universal service provider in the originating MS and the national tariff of the universal service provider in the destination MS.

It should also be noted that comparison with tariffs for other single-piece items sent by competitors of the USPs may also be carried out, and the NRA should take into consideration product-specific information (e.g. insurance/liability, speed of delivery, guaranteed or average travel time, territorial coverage) to ensure that the services are replaceable under market conditions.

It is further noted that the Commission's communication itself indicates that, in general, single-piece item tariffs depend to a large extent on service quality and other product characteristics and that therefore different product characteristics can be expected to result in price differences.

#### 2.2.4.1. Comparable tariffs applied under the US in the destination MS

The following tables present the comparison of the CTT tariffs under analysis with the tariffs applied by the USPs in other MSs, for postal items sent to Portugal. The first table groups the information for the countries belonging to "Zone 1" and the second table groups the countries belonging to "Zone 2".

**Table 8. Comparison between the tariffs practised by CTT (Zone 1) and the tariffs practised by PSUs in other MSs, for postal items to Portugal (euros)**

AT	1kg track & trace parcel			2kg track & trace parcel			5kg track & trace parcel		
	Postal items from PT to another MS	Postal items from other MSs to PT	Difference CTT price / Price of USP in other MSs	Postal items from PT to another MS	Postal items from other MSs to PT	Difference CTT price / price of USP in other MSs	Postal items from PT to another MS	Postal items from other MSs to PT	Difference CTT price / price of USP in other MSs
AT	24.35	13.93	75%	27.05	13.93	94%	34.00	19.28	76%
BE	24.35	32.80	-26%	27.05	32.80	-18%	34.00	32.80	4%
DE	24.35	-	-	27.05	-	-	34.00	-	-
ES	24.35	32.05	-24%	27.05	35.60	-24%	34.00	46.25	-26%
FR	24.35	15.95	53%	27.05	18.05	50%	34.00	23.10	47%
IT	24.35	25.33	-4%	27.05	30.00	-10%	34.00	36.00	-6%
LU	24.35	-	-	27.05	-	-	34.00	-	-
NL	24.35	18.50	32%	27.05	18.50	46%	34.00	25.00	36%
Average	24.35	23.09	5%	27.05	24.81	9%	34.00	30.41	12%
Median	24.35	21.92	11%	27.05	24.25	12%	34.00	28.90	18%

Note: The table presents data for EU countries only. Data for Iceland, Liechtenstein and Norway are not shown as information on these countries is not available on the Parcel platform.

Source: Parcel Platform and ANACOM calculation.

**Table 9. Comparison between the tariffs practised by CTT (Zone 2) and the tariffs practised by US providers in other MSs, for postal items to Portugal (euros)**

AT	1kg track & trace parcel			2kg track & trace parcel			5kg track & trace parcel		
	Postal items from PT to another MS	Postal items from other MS to PT	Difference CTT price / Price of USP in other MSs	postal items from PT to another MS	Postal items from other MS to PT	Difference CTT price / Price of USP in other MSs	Postal items from PT to another MS	Postal items from other MS to PT	Difference CTT price / Price of USP in other MSs
BG	28.65	-	-	32.40	-	-	42.50	-	-
CY	28.65	16.48	74%	32.40	19.98	62%	42.50	28.98	47%
CZ	28.65	17.83	61%	32.40	19.90	63%	42.50	26.11	63%
DK	28.65	20.43	40%	32.40	29.57	10%	42.50	29.57	44%
EE	28.65	16.90	70%	32.40	19.10	70%	42.50	28.40	50%
FI	28.65	21.90	31%	32.40	21.90	48%	42.50	21.90	94%
GR	28.65	22.50	27%	32.40	27.50	18%	42.50	42.50	0%
HR	28.65	11.89	141%	32.40	15.85	104%	42.50	21.80	95%
HU	28.65	32.84	-13%	32.40	33.95	-5%	42.50	43.33	-2%
IE	28.65	-	-	32.40	-	-	42.50	-	-
LT	28.65	17.23	66%	32.40	20.05	62%	42.50	28.51	49%
LV	28.65	-	-	32.40	-	-	42.50	-	-
MT	28.65	11.32	153%	32.40	13.64	138%	42.50	20.60	106%
PL	28.65	12.04	138%	32.40	13.33	143%	42.50	14.41	195%
RO	28.65	10.98	161%	32.40	14.14	129%	42.50	23.63	80%
IF	28.65	27.20	5%	32.40	30.22	7%	42.50	30.22	41%
SI	28.65	13.67	110%	32.40	13.67	137%	42.50	20.48	108%
SK	28.65	17.00	69%	32.40	19.00	71%	42.50	26.50	60%
Average	28.65	18.01	59%	32.40	20.79	56%	42.50	27.13	57%
Median	28.65	17.00	69%	32.40	19.90	63%	42.50	26.50	60%

Note: The table presents data for EU countries only. Data for Iceland, Liechtenstein and Norway are not shown as information on these countries is not available on the Parcel platform.

Source: Parcel Platform and ANACOM calculation.

These tables show a significant variability of the difference in the CTT tariffs under analysis vis-à-vis the tariffs charged by the USPs of the destination MS, for postal items sent to Portugal, with CTT's tariffs being lower in some cases and higher in others, which is the case for both "Zone 1" and "Zone 2" destinations. In this regard, it should be noted that the difference between the CTT tariffs and the tariffs of the MS belonging to "Zone 1" amount to average differences of 5%, 9% and 12% for sending 1 kg, 2 kg and 5 kg packages, respectively, while the difference between CTT's tariffs and the tariffs of the MS belonging to "Zone 2" correspond to average differences of 59%, 56% and 57% for sending 1 kg, 2 kg and 5 kg packages, respectively.

The following table summarises information on the evolution of these differences vis-à-vis the previous year and shows that, in general, the variations observed for "Zone 1" do not represent a significant change, in terms of both average and median, whereas for "Zone 2" there is an increase in the differences of CTT tariffs vis-à-vis the tariffs charged by the providers of other MS.

**Table 10. Summary of the comparison between the tariffs practised by CTT (Zone 1 and Zone 2) and the tariffs practised by US providers in other MSs, for postal items to Portugal**

	Zone 1				Zone 2			
	Difference to Average Zone 1 to PT		Difference from Median Zone 1 for PT		Difference from Zone 2 Mean for EN		Difference from Median Zone 2 for PT	
	2020 financial year	Financial year 2021	2020 financial year	Financial year 2021	2020 financial year	Financial year 2021	2020 financial year	Financial year 2021
1kg track & trace parcel	7%	5%	11%	11%	51%	59%	68%	69%
2kg track & trace parcel	10%	9%	12%	12%	47%	56%	62%	63%
5kg track & trace parcel	14%	12%	18%	18%	44%	57%	56%	60%

Source: Parcel Platform, Assessment of cross-border single-piece parcel tariffs (2020) and ANACOM calculation.

As regards this progression from 2020 to 2021, it should be noted that in the case of CTT there was no change in the tariffs practised. In particular, and in view of the tariff assessment carried out in the previous year, it is essentially clear that the variations observed for "Zone 2", compared to 2020, are particularly due to: (i) the decrease in the tariffs practised by Denmark, Finland, Poland and Romania, for 1 kg, 2 kg and 5 kg parcels; (ii) the decrease in the tariffs practised by Greece for 1 kg and 2 kg parcels; (iii) the lack of reporting by Ireland, which in 2020 showed a higher tariff than CTT for all parcels analysed, consequently influencing the difference of "Zone 2" tariffs.<sup>26</sup>

It should also be noted that the observed differences, taking into account the destination MS, could result from several factors, namely: (i) the existence of only two tariff zones, which implies a lower adherence to specific costs, offset by being easier use for users; (ii) the characteristics of each product under analysis, which can significantly influence the price, and it could be that higher tariffs result from the inclusion of additional services or from better service quality, which can contribute positively to the end user experience; (iii) the geographical location and transport infrastructure available in the country, it being relevant here that Portugal is a peripheral country with some limitations in terms of transport infrastructure, compared with other more central Member States, which may have implications for costs incurred; and, (iv) the cost structure of each US provider, which will necessarily reflect the characteristics of the environment in which they operate and even the development of their own networks and infrastructure.

<sup>26</sup> It should also be noted that the exit of the United Kingdom from the EU has also had an impact on the calculations, as in the previous year the United Kingdom was still considered part of the "Zone 2" destinations. Given that it is no longer part of the EU, and in order to ensure the comparability of the data presented, the information for 2020 was revised so as to exclude the United Kingdom, and the values now presented may therefore not coincide with those presented in the previous year's analysis.

In addition, it should also be noted that the regulatory framework applicable in each MS may also significantly influence the value of the tariffs applied. Although these tariffs must respect the principles set out in Article 12 of the Postal Directive, their values may be defined, in some MSs, with special attention to ensure their affordability, and it cannot be ignored that at least some of the analysed tariffs could have a value below the costs incurred by the respective provider. It is therefore to be expected that the tariffs in question have been set according to principles that will necessarily reflect the nature of the MS in which they apply, and this might have no parallel in any other MS.

In view of the foregoing, therefore, it is not possible to conclude unequivocally for postal items to Portugal, based on a comparison between the tariffs applied by CTT and those applied under the US in the destination MS, that CTT's tariffs are excessive.

Without prejudice, and with ANACOM's understanding that the tariffs in question should not harm either the interests of private users or the development of the national economy, particularly with respect to the role of exporting companies (which may be at a competitive disadvantage compared to other economic agents in other countries that can access lower tariffs for sending parcels of up to 5 kg), ANACOM considers that it should continue to monitor the prices charged by CTT for the abovementioned items, with a view to ensuring that such effects are minimised.

#### **2.2.4.2. The sum of the national tariff of the US provider in the originating MS and the national tariff of the US provider in the destination MS**

The tables below compare CTT's tariffs for each type of item under analysis with the sum of the domestic tariffs applied by US providers in the originating MS, i.e., the sum of the tariffs applied by CTT in the domestic service, with the domestic tariff in the destination MS.

The first table groups the information for countries belonging to "Zone 1" and the second table groups the countries belonging to "Zone 2".

**Table 11. Comparison between tariffs charged by CTT (Zone 1) and the sum of national tariffs charged by US providers in the originating and destination MS (euros)**

AT	DOMESTIC PRICES EN + DOMESTIC PRICES DESTINATION								
	1kg track & trace parcel			2kg track & trace parcel			5kg track & trace parcel		
	Postal items from PT to another MS	Domestic price CTT + Domestic price in each MS	Difference in CTT prices for postal items to another MS from the sum of domestic prices	Postal items from PT to another MS	Domestic price CTT + Domestic price in each MS	Difference in CTT prices for postal items to another MS from the sum of domestic prices	Postal items from PT to another MS	Domestic price CTT + Domestic price in each MS	Difference in CTT prices for postal items to another MS from the sum of domestic prices
AT	24.35	12.91	88.6%	27.05	12.91	109.5%	34.00	18.31	85.7%
BE	24.35	13.80	76.4%	27.05	13.80	96.0%	34.00	15.20	123.7%
DE	24.35	-	-	27.05	-	-	34.00	-	-
ES	24.35	20.75	17.3%	27.05	22.40	20.8%	34.00	27.85	22.1%
FR	24.35	16.09	51.3%	27.05	17.25	56.8%	34.00	23.60	44.1%
IT	24.35	17.10	42.4%	27.05	17.10	58.2%	34.00	18.50	83.8%
LU	24.35	-	-	27.05	-	-	34.00	-	-
NL	24.35	15.35	58.6%	27.05	15.35	76.2%	34.00	16.75	103.0%
Average	24.35	16.00	52.2%	27.05	16.47	64.3%	34.00	20.04	69.7%
Median	24.35	15.72	54.9%	27.05	16.23	66.7%	34.00	18.41	84.7%

Notes:

1. The table presents data for EU countries only. Data for Iceland, Liechtenstein and Norway are not shown as information on these countries is not available on the Parcel platform.

2. As reported by CTT on the Parcel platform, CTT domestic price is €8.10 for 1kg and 2kg parcels and €9.50 for 5kg parcels.

Source: Parcel Platform and ANACOM calculation

**Table 12. Comparison between tariffs charged by CTT (Zone 2) and the sum of national tariffs charged by SU providers in the originating and destination MS (euros)**

AT	DOMESTIC PRICES EN + DOMESTIC PRICES DESTINATION								
	1kg track & trace parcel			2kg track & trace parcel			5kg track & trace parcel		
	Postal items from PT to another MS	Domestic price CTT + Domestic price in each MS	Difference in CTT prices for postal items to another MS from the sum of domestic prices	Postal items from PT to another MS	Domestic price CTT + Domestic price in each MS	Difference in CTT prices for postal items to another MS from the sum of domestic prices	Postal items from PT to another MS	Domestic price CTT + Domestic price in each MS	Difference in CTT prices for postal items to another MS from the sum of domestic prices
BG	28.65	-	-	32.40	-	-	42.50	-	-
CY	28.65	12.28	133.3%	32.40	12.58	157.6%	42.50	14.88	185.6%
CZ	28.65	13.05	119.5%	32.40	13.05	148.3%	42.50	14.45	194.1%
DK	28.65	16.16	77.3%	32.40	16.70	94.0%	42.50	18.64	128.0%
EE	28.65	13.33	114.9%	32.40	13.66	137.2%	42.50	16.05	164.8%
FI	28.65	12.86	122.8%	32.40	12.86	151.9%	42.50	14.26	198.0%
GR	28.65	11.10	158.1%	32.40	11.60	179.3%	42.50	16.00	165.6%
HR	28.65	11.40	151.3%	32.40	11.40	184.2%	42.50	13.46	215.8%
HU	28.65	12.89	122.3%	32.40	12.89	151.4%	42.50	14.92	184.9%
IE	28.65	-	-	32.40	-	-	42.50	-	-
LT	28.65	10.64	169.3%	32.40	10.78	200.6%	42.50	12.60	237.3%
LV	28.65	-	-	32.40	-	-	42.50	-	-
MT	28.65	17.10	67.5%	32.40	17.10	89.5%	42.50	18.50	129.7%
PL	28.65	10.90	162.8%	32.40	11.33	186.0%	42.50	12.14	250.1%
RO	28.65	9.47	202.5%	32.40	9.57	238.6%	42.50	11.28	276.8%
IF	28.65	20.04	43.0%	32.40	20.04	61.7%	42.50	24.08	76.5%
SI	28.65	12.50	129.2%	32.40	12.50	159.2%	42.50	14.18	199.7%
SK	28.65	12.00	138.8%	32.40	12.00	170.0%	42.50	13.40	217.2%
Average	28.65	13.05	119.6%	32.40	13.20	145.4%	42.50	15.26	178.6%
Median	28.65	12.50	129.2%	32.40	12.58	157.6%	42.50	14.45	194.1%

Notes:

1. The table presents data for EU countries only. Data for Iceland, Liechtenstein and Norway are not shown as information on these countries is not available on the Parcel platform.

2. As reported by CTT on the Parcel platform, CTT domestic price is €8.10 for 1kg and 2kg parcels and €9.50 for 5kg parcels.

Source: Parcel Platform and ANACOM calculation.

As in the previous tariff assessment exercise in the context of the Regulation, the comparison between the tariffs applied by CTT for cross-border parcel postal items and the sum of the domestic tariffs applied by the US providers in the originating MS and destination

MS justifies the conclusion that there is a significant variability between the results linked to each destination MS, with all the differences being positive.

This result was expected, especially given that although the sum of national tariffs can be used as an approximation of the costs associated with some steps of the process associated with international postal items, it does not allow the due consideration of costs associated with transport between the originating MS and the destination MS. In addition, it should be noted that: (i) the existence of only two tariff zones necessarily implies that tariffs do not fully reflect the characteristics associated with specific destinations, characteristics that may be reflected in domestic prices; and (ii) national tariffs may be subject to different regulatory requirements under the principles set forth in article 12 of the Postal Directive, and therefore their adequacy as a point of comparison with tariffs practised in other MS is not guaranteed.

On this last point, it is important to highlight the possibility, mentioned earlier, that the prices charged at the domestic level may not fully reflect the costs incurred, due to service accessibility concerns. It should be noted, in particular, that the domestic prices charged by CTT for the parcel service within the US consist of negative margins estimated at [BCI] [ECI]% for 2020 and [BCI] [ECI]% for 2021,<sup>27</sup> and the domestic tariffs charged by the USPs of other MSs may reflect a similar situation.

Therefore, based on the criterion analysed it is not possible to unequivocally conclude that the tariffs used by CTT for cross-border postal items are excessive. Indeed, the limitations noted as to the comparability of the tariffs in question should be highlighted since they significantly affect the relevance of the analysis of this element (comparison of the sum of the domestic tariff of the universal service provider in the originating MS with the domestic tariff of the universal service provider in the destination MS) and the conclusions that may be drawn from it.

#### **2.2.4.3. Rates charged by USP's competitors in the country of origin**

The comparisons presented above reveal some limitations that result from the framework to which the tariffs are subject in each originating MS, as mentioned in previous sections of this document.

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<sup>27</sup> According to CTT estimates presented under the 2021 tariff proposal in a communication dated 17.02.2021.

In this respect, it is also deemed useful to carry out a comparative analysis between the tariffs practised by CTT for the items under analysis and the tariffs practised by its competitors in Portugal. However, it should also be noted that the framework applicable to tariffs subject to the US obligation does not apply to prices practised by providers other than the USP.<sup>28</sup>

Therefore, the tariffs of parcel delivery service providers that submitted information within the scope of the Regulation are analysed below, for each of the categories of items under analysis, in comparison with the tariffs applied by CTT. The following tables present the result of the comparison for 1 kg, 2 kg and 5 kg track & trace parcels destined for MSs in "Zone 1".

**Table 13. Comparison between the tariffs practised by CTT (Zone 1) and the tariffs practised by other providers in Portugal, 1kg track & trace parcel (euros)**

Destination	Track & trace order of 1 kg (Zone 1)													
	CTT	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
AT	24.35	41.10	-	28.63	19.0	20.79	20.83	19.67	45.00	24.45	27.44	22.64	-11.24%	7.55%
BE	24.35	41.10	-	28.63	19.0	20.96	15.75	23.34	42.50	17.45	26.09	22.15	-6.68%	9.93%
DE	24.35	41.10	-	28.63	13.9	18.09	15.75	19.67	45.00	17.45	24.96	18.88	-2.43%	28.97%
ES	24.35	-	7.85	6.90	11.3	14.85	11.66	19.67	39.50	11.45	15.40	11.56	58.08%	110.73%
FR	24.35	41.10	-	28.63	16.3	19.53	12.73	19.67	45.00	17.45	25.06	19.60	-2.84%	24.23%
IT	24.35	41.10	-	28.63	19.4	27.50	15.75	19.67	45.00	17.45	26.81	23.59	-9.18%	3.24%
LI	24.35	56.85	-	55.63	23.5	32.07	42.01	47.25	67.50	-	46.41	47.25	-47.53%	-48.47%
LU	24.35	41.10	-	28.63	19.0	20.52	15.75	23.34	42.50	17.45	26.04	21.93	-6.48%	11.04%
NL	24.35	41.10	-	28.63	19.0	20.52	15.75	23.34	42.50	17.45	26.04	21.93	-6.48%	11.04%
Average	24.35	43.07	7.85	29.22	17.8	21.65	18.44	23.96	46.06	17.58	27.14	23.28	-10.27%	4.60%

Source: Parcel Platform and ANACOM calculation.

**Table 14. Comparison between the tariffs practised by CTT (Zone 1) and the tariffs practised by other providers in Portugal, 2kg track & trace parcel (euros)**

Destination	Track & trace order of 2 kg (Zone 1)													
	CTT	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
AT	27.05	65.28	-	28.63	21.43	18.90	21.57	-	55.50	24.45	33.68	24.45	-19.69%	10.63%
BE	27.05	65.28	-	28.63	21.43	20.96	17.50	-	53.00	17.45	32.04	21.43	-15.56%	26.22%
DE	27.05	65.28	-	28.63	16.27	18.09	17.50	-	55.50	17.45	31.25	18.09	-13.43%	49.53%
ES	27.05	-	8.25	6.90	12.14	16.17	11.66	-	49.50	11.45	16.58	11.66	63.13%	131.99%
FR	27.05	65.28	-	28.63	18.74	19.53	13.93	-	55.50	17.45	31.29	19.53	-13.56%	38.50%
IT	27.05	65.28	-	28.63	23.13	27.50	17.50	-	55.50	17.45	33.57	27.50	-19.42%	-1.64%
LI	27.05	80.14	-	67.96	26.05	38.37	63.21	-	86.50	-	60.37	65.59	-55.19%	-58.76%
LU	27.05	65.28	-	28.63	21.43	20.52	17.50	-	53.00	17.45	31.97	21.43	-15.40%	26.22%
NL	27.05	65.28	-	28.63	21.43	20.52	17.50	-	53.00	17.45	31.97	21.43	-15.40%	26.22%
Average	27.05	67.14	8.25	30.59	20.23	22.28	21.99	-	57.44	17.58	33.64	25.68	-19.58%	5.34%

Source: Parcel Platform and ANACOM calculation.

<sup>28</sup> In addition, it should also be noted that any differences may also be due to the characteristics of the offers in question.

**Table 15. Comparison between the tariffs charged by CTT (Zone 1) and the tariffs charged by other providers in Portugal, 5kg track & trace parcel (euros)**

Destination	Track & trace order of 5 kg (Zone 1)													
	CTT	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
AT	34.00	115.78	-	35.24	23.93	28.26	27.02	-	84.50	24.45	48.45	28.26	-29.83%	20.31%
BE	34.00	115.78	-	35.24	23.93	28.26	21.79	-	74.00	17.45	45.21	28.26	-24.79%	20.31%
DE	34.00	115.78	-	35.24	18.65	25.19	21.79	-	84.50	17.45	45.51	25.19	-25.30%	34.97%
ES	34.00	-	9.32	9.44	13.39	17.60	11.66	-	57.50	11.45	18.62	11.66	82.57%	191.60%
FR	34.00	115.78	-	35.24	21.18	28.26	17.54	-	84.50	17.45	45.71	28.26	-25.61%	20.31%
IT	34.00	115.78	-	35.24	27.01	37.34	21.79	-	84.50	17.45	48.44	35.24	-29.82%	-3.52%
LI	34.00	139.15	-	107.33	28.67	57.21	68.33	-	120.50	-	86.87	87.83	-60.86%	-61.29%
LU	34.00	115.78	-	35.24	23.93	28.26	21.79	-	74.00	17.45	45.21	28.26	-24.79%	20.31%
NL	34.00	115.78	-	35.24	23.93	28.26	21.79	-	74.00	17.45	45.21	28.26	-24.79%	20.31%
Average	34.00	118.70	9.32	40.38	22.74	30.96	25.94	-	82.00	15.62	43.21	31.30	-21.75%	1.59%

Source: Parcel Platform and ANACOM calculation.

In light of the above, it is noted that, in general, the tariffs of the other providers are characterised by a greater tariff breakdown according to the destination MS, which, as previously mentioned, can allow a more specific consideration of the characteristics associated with the postal items for each destination. It should also be noted that some providers do not send to all the MSs included in "Zone 1".

These factors could contribute to the fact that the tariffs practised by some providers are lower than those practised by CTT, but this does not ensure the suitability of the comparison made. The greater tariff unbundling in particular allows some providers to practise lower prices for some specific destinations (e.g., Spain), which significantly influences the average calculated for their tariffs for the whole of "Zone 1".

Nevertheless, based on the analysis of the tables above it is possible to conclude that, overall, the tariffs charged by CTT are lower than the average tariffs charged by its competitors for the group of MS in "Zone 1", with differences of -10.27%, -19.58% and -21.75%, respectively for sending 1 kg, 2 kg, and 5 kg parcels with track & trace.

Analysing the median tariff for "Zone 1", given its greater robustness to assess situations with significant data variability, one may conclude that CTT's prices reflect an alignment with the median prices for the various destinations charged by the other service providers, given that the deviation, although positive, is not very significant, standing at 4.60%, 5.34% and 1.59% for sending 1 kg, 2 kg and 5 kg track & trace parcels, respectively. It should also be noted that in the previous tariff evaluation exercise these differences were negative,<sup>29</sup> and for the 1 kg parcel postal items this change was essentially due to the decrease in the

<sup>29</sup> In 2020, the difference in CTT's tariffs compared to the average of providers in Portugal, for 1kg, 2kg, and 5kg parcel postal items with track & trace was -7.4%, -11.7% and -14.7%, respectively.

tariffs charged by Logista,<sup>30</sup> while for the 2 kg and 5 kg parcel postal items it was due to the decrease in the tariffs of UPS, TNT and Logista.<sup>31</sup>

The tables below show the Logistic comparison for track & trace parcels weighing 1 kg, 2 kg and 5 kg, destined for MSs in "Zone 2".

**Table 16. Comparison between the tariffs practised by CTT (Zone 2) and the tariffs practised by other providers in Portugal, 1kg track & trace parcel (euros)**

	Track & trace order of 1 kg (Zone 2)													
	CTT	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
BG	28.65	48.82	-	97.55	23.53	34.87	34.62	47.25	67.5	24.45	47.32	41.06	-39.46%	-30.22%
CY	28.65	74.33	-	97.55	83.39	56.19	34.62	47.25	95.5	39.45	66.04	65.26	-56.61%	-56.10%
CZ	28.65	48.82	-	28.63	19.01	18.32	34.62	47.25	67.5	24.45	36.08	31.63	-20.58%	-9.41%
DK	28.65	41.1	-	32.3	39.44	21.83	20.83	19.67	45	24.45	30.58	28.38	-6.30%	0.97%
EE	28.65	48.82	-	32.3	23.53	25.91	34.62	47.25	67.5	24.45	38.05	33.46	-24.70%	-14.38%
FI	28.65	56.85	-	32.3	39.44	34.87	34.62	47.25	67.5	24.45	42.16	37.16	-32.04%	-22.89%
GR	28.65	56.85	-	28.63	23.53	39.05	34.62	47.25	67.5	24.45	40.24	36.84	-28.79%	-22.22%
HR	28.65	48.82	-	97.55	19.01	28.11	34.62	47.25	67.5	24.45	45.91	40.94	-37.60%	-30.01%
HU	28.65	48.82	-	28.63	19.01	20.79	34.62	47.25	67.5	24.45	36.38	31.63	-21.26%	-9.41%
IE	28.65	41.1	-	28.63	23.53	25.91	34.62	19.67	45	24.45	30.36	27.27	-5.64%	5.06%
IS	28.65	48.82	-	32.3	89.02	86.46	42.01	56.45	95.5	-	64.37	56.45	-55.49%	-49.25%
LT	28.65	48.82	-	32.3	23.53	21.83	34.62	79.44	67.5	24.45	41.56	33.46	-31.07%	-14.38%
LV	28.65	48.82	-	32.3	23.53	25.91	34.62	56.45	67.5	24.45	39.20	33.46	-26.91%	-14.38%
MT	28.65	74.33	-	32.3	83.39	56.19	34.62	47.25	95.5	39.45	57.88	51.72	-50.50%	-44.61%
NO	28.65	56.85	-	32.3	76.66	34.87	42.01	19.67	67.5	28.45	44.79	38.44	-36.03%	-25.47%
PL	28.65	48.82	-	32.3	19.01	18.32	34.62	47.25	45	24.45	33.72	33.46	-15.04%	-14.38%
RO	28.65	48.82	-	97.55	19.01	34.87	34.62	47.25	67.5	24.45	46.76	41.06	-38.73%	-30.22%
IF	28.65	41.1	-	32.3	39.44	25.91	34.62	19.67	45	24.45	32.81	33.46	-12.68%	-14.38%
SI	28.65	48.82	-	28.63	19.01	21.83	34.62	47.25	67.5	24.45	36.51	31.63	-21.54%	-9.41%
SK	28.65	48.82	-	28.63	19.01	21.83	34.62	47.25	67.5	24.45	36.51	31.63	-21.54%	-9.41%
Average	28,65	51,42	-	44,25	36,25	32,69	34,67	44,26	67,20	26,24	42,36	37,92	-32,37%	-24,44%

Source: Parcel Platform and ANACOM calculation.

<sup>30</sup> The average tariff charged by Logista, for all destinations in "Zone 1" decreased from 2020 to 2021 by approximately -36.4%, with no significant changes in the other providers' tariffs.

<sup>31</sup> The average tariffs for all "Zone 1" destinations for UPS, TNT and Logista postal items of 2 kg and 5 kg parcels, decreased from 2020 to 2021 between 20.4% and 30.4% (2 kg parcel) and between 18.7% and 37.62% (5 kg parcel), with no significant changes in the tariffs of the other providers.

**Table 17. Comparison between the tariffs practised by CTT (Zone 2) and the tariffs practised by other providers in Portugal, 2kg track & trace parcel (euros)**

	Track & trace order of 2 kg (Zone 2)													
	CTT	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
BG	32.40	74.15	-	127.96	26.05	34.87	48.02	-	86.50	24.45	60.29	48.02	-46.26%	-32.53%
CY	32.40	106.82	-	127.96	104.63	76.72	48.02	-	117.50	39.45	88.73	104.63	-63.48%	-69.03%
CZ	32.40	74.15	-	28.63	21.43	18.32	48.02	-	86.50	24.45	43.07	28.63	-24.78%	13.17%
DK	32.40	65.28	-	32.30	42.33	21.83	21.57	-	55.50	24.45	37.61	32.30	-13.85%	0.31%
EE	32.40	74.15	-	32.30	26.05	25.91	48.02	-	86.50	24.45	45.34	32.30	-28.54%	0.31%
FI	32.40	80.14	-	32.30	42.33	34.87	48.02	-	86.50	24.45	49.80	42.33	-34.94%	-23.46%
GR	32.40	80.14	-	28.63	26.05	39.05	48.02	-	86.50	24.45	47.55	39.05	-31.86%	-17.03%
HR	32.40	74.15	-	127.96	21.43	28.11	48.02	-	86.50	24.45	58.66	48.02	-44.77%	-32.53%
HU	32.40	74.15	-	28.63	21.43	20.79	48.02	-	86.50	24.45	43.42	28.63	-25.39%	13.17%
IE	32.40	65.28	-	28.63	26.05	25.91	48.02	-	55.50	24.45	39.12	28.63	-17.18%	13.17%
IS	32.40	74.15	-	32.30	109.81	86.46	63.21	-	117.50	-	80.57	80.31	-59.79%	-59.65%
LT	32.40	74.15	-	32.30	26.05	21.83	48.02	-	86.50	24.45	44.76	32.30	-27.61%	0.31%
LV	32.40	74.15	-	32.30	26.05	25.91	48.02	-	86.50	24.45	45.34	32.30	-28.54%	0.31%
MT	32.40	106.82	-	32.30	104.63	76.72	48.02	-	117.50	39.45	75.06	76.72	-56.84%	-57.77%
NO	32.40	80.14	-	32.30	94.71	34.87	58.03	-	86.50	28.45	59.29	58.03	-45.35%	-44.17%
PL	32.40	74.15	-	32.30	21.43	18.32	48.02	-	55.50	24.45	39.17	32.30	-17.28%	0.31%
RO	32.40	74.15	-	127.96	21.43	34.87	48.02	-	86.50	24.45	59.63	48.02	-45.66%	-32.53%
IF	32.40	65.28	-	32.30	42.33	25.91	48.02	-	55.50	24.45	41.97	42.33	-22.80%	-23.46%
SI	32.40	74.15	-	28.63	21.43	21.83	48.02	-	86.50	24.45	43.57	28.63	-25.64%	13.17%
SK	32.40	74.15	-	28.63	21.43	21.83	48.02	-	86.50	24.45	43.57	28.63	-25.64%	13.17%
Average	32.40	76.99	-	50.33	42.35	34.75	47.96	-	84.95	26.24	52.33	44.61	-38.08%	-27.36%

Source: Parcel Platform and ANACOM calculation.

**Table 18. Comparison between the tariffs practised by CTT (Zone 2) and the tariffs practised by other providers in Portugal, 5kg track & trace parcel (euros)**

	Track & trace order of 5 kg (Zone 2)													
	CTT	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
BG	42.5	128.41	-	217.5	28.67	50.6	76.87	-	120.5	24.45	92.43	76.87	-54.02%	-44.71%
CY	42.5	164.66	-	217.5	159.63	131.82	88.28	-	178.5	39.45	139.98	159.63	-69.64%	-73.38%
CZ	42.5	128.41	-	35.24	23.93	27.61	53	-	120.5	24.45	59.02	35.24	-27.99%	20.60%
DK	42.5	115.78	-	41.05	45.32	31.56	27.02	-	84.5	24.45	52.81	41.05	-19.52%	3.53%
EE	42.5	128.41	-	41.05	28.67	37.34	53	-	120.5	24.45	61.92	41.05	-31.36%	3.53%
FI	42.5	139.15	-	41.05	45.32	50.6	62.59	-	120.5	24.45	69.09	50.60	-38.49%	-16.01%
GR	42.5	139.15	-	35.24	28.67	56.1	53	-	120.5	24.45	65.30	53.00	-34.92%	-19.81%
HR	42.5	128.41	-	217.5	23.93	40.64	76.87	-	120.5	24.45	90.33	76.87	-52.95%	-44.71%
HU	42.5	128.41	-	35.24	23.93	31.56	53	-	120.5	24.45	59.58	35.24	-28.67%	20.60%
IE	42.5	115.78	-	35.24	28.67	39.71	53	-	84.5	24.45	54.48	39.71	-21.99%	7.03%
IS	42.5	128.41	-	41.05	162.33	109.23	126.78	-	163.5	-	121.88	127.60	-65.13%	-66.69%
LT	42.5	128.41	-	41.05	28.67	31.56	53	-	120.5	24.45	61.09	41.05	-30.43%	3.53%
LV	42.5	128.41	-	41.05	28.67	37.34	53	-	120.5	24.45	61.92	41.05	-31.36%	3.53%
MT	42.5	164.66	-	41.05	159.63	131.82	88.28	-	163.5	39.45	112.63	131.82	-62.26%	-67.76%
NO	42.5	139.15	-	41.05	145.46	52.8	62.59	-	120.5	28.45	84.29	62.59	-49.58%	-32.10%
PL	42.5	128.41	-	41.05	23.93	26.72	53	-	84.5	24.45	54.58	41.05	-22.13%	3.53%
RO	42.5	128.41	-	217.5	23.93	50.6	76.87	-	120.5	24.45	91.75	76.87	-53.68%	-44.71%
IF	42.5	115.78	-	41.05	45.32	38.44	62.59	-	84.5	24.45	58.88	45.32	-27.81%	-6.22%
SI	42.5	128.41	-	35.24	23.93	31.56	53	-	120.5	24.45	59.58	35.24	-28.67%	20.60%
SK	42.5	128.41	-	35.24	23.93	31.56	53	-	120.5	24.45	59.58	35.24	-28.67%	20.60%
Average	42.50	131.75	-	74.60	55.13	51.96	63.94	-	120.50	26.24	75.56	62.35	-43.75%	-31.84%

Source: Parcel Platform and ANACOM calculation.

In view of the information presented, it is possible to conclude that, similarly to what has already been indicated for the MSs in "Zone 1", in general, the other active providers have tariffs with a greater breakdown at the level of the destination MS, compared to CTT's tariff structure.

Notwithstanding the considerations already presented above in relation to the adequacy of the comparisons in question, it is noted that in average terms the tariffs applied by CTT are lower by -32.37%, -38.08% and -43.75% in comparison with the average tariffs applied by other providers, for the "Zone 2" MSs, for sending, respectively, 1 kg, 2 kg, and 5 kg parcels with track & trace.

If we consider the median of the tariffs charged, the conclusions do not change significantly, and it can also be concluded that CTT's prices are, in general, lower than those of the other service providers. The difference in the prices charged by CTT in relation to the average of the median prices of the other service providers in Portugal for "Zone 2", stood at -24.44%, -27.36% and -31.84% for sending, respectively, 1 kg, 2 kg, and 5 kg parcels with track & trace.

The following table summarises the evolution of the differences between CTT's tariffs and the tariffs of other service providers in Portugal, for 1 kg, 2 kg, and 5 kg parcels sent to "Zone 1" and "Zone 2", with track & trace.

**Table 19. Summary of the comparison between the tariffs practised by CTT (Zone 1 and 2) and the tariffs practised by other providers in Portugal, parcel with track & trace of 1kg, 2kg and 5kg (euros)**

	Zone 1				Zone 2			
	CTT Difference / Average PDSP (without CTT) in PT		CTT Difference / PDSP median (without CTT) in PT		CTT Difference / Average PDSP (without CTT) in PT		CTT Difference / PDSP median (without CTT) in PT	
	2020 Financial year	2021 Financial year	2020 Financial year	2021 Financial year	2020 Financial year	2021 Financial year	2020 Financial year	2021 Financial year
1kg track & trace parcel	-5.37%	-10.27%	-7.39%	4.60%	-29.94%	-32.37%	-22.97%	-24.44%
2kg track & trace parcel	-28.29%	-19.58%	-11.68%	5.34%	-33.34%	-38.08%	-18.60%	-27.36%
5kg track & trace parcel	-36.74%	-21.75%	-14.68%	1.59%	-39.71%	-43.75%	-24.57%	-31.84%

Source: Parcel Platform, Assessment of cross-border single-piece parcel tariffs (2020) and ANACOM calculation.

The table above shows that, in general, there was an increase in the differences between the tariffs charged by CTT and the average tariffs charged by the providers operating in Portugal, with the exception of the differences observed in relation to the sending of 2 kg and 5 kg packages with track & trace to "Zone 1", where there was a decrease. It should be noted, however, that in all cases CTT's average rates are lower than the average rates charged by the other providers in Portugal.

In addition to the analysis presented, it should also be noted how cross-border tariffs relate to the national tariffs of each provider.<sup>32</sup> The following table summarises the results of this analysis.

**Table 20. Deviations of the average cross-border tariffs from the domestic tariffs of each provider**

	CTT	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
<b>1kg track &amp; trace parcel</b>														
Difference in the average Zone 1 tariff from the PT tariff	200.6%	-	2.5%	464.0%	109.8%	131.5%	115.7%	445.7%	170.8%	68.2%	188.5%	123.6%	6.42%	62.29%
Difference in the average Zone 2 tariff from the PT tariff	253.7%	-	-	754.2%	326.0%	249.7%	305.5%	908.3%	295.1%	151.1%	427.1%	305.5%	-40.60%	-16.95%
<b>2kg track &amp; trace parcel</b>														
Difference in the average Zone 1 tariff from the PT tariff	234.0%	-	2.6%	490.5%	127.3%	98.6%	157.1%	-	237.7%	68.2%	168.9%	127.3%	38.55%	83.81%
Difference in the average Zone 2 tariff from the PT tariff	300.0%	-	-	871.6%	375.9%	209.7%	460.9%	-	399.4%	151.1%	411.4%	387.6%	-27.08%	-22.61%
<b>5kg track &amp; trace parcel</b>														
Difference in the average Zone 1 tariff from the PT tariff	257.9%	-	3.1%	398.6%	143.2%	175.9%	203.4%	-	382.1%	49.5%	193.7%	175.9%	33.15%	46.58%
Difference in the average Zone 2 tariff from the PT tariff	347.4%	-	-	821.0%	489.6%	363.1%	647.8%	-	608.4%	151.1%	513.5%	549.0%	-32.35%	-36.73%

Source: Parcel Platform and ANACOM calculation.

The table above shows, for the categories of items under analysis, that the ratio between cross-border tariffs and domestic tariffs that result from CTT's tariffs, compared to the

<sup>32</sup> It should be noted that some providers do not make an offer available for the postal items under consideration within the national territory.

average of all other providers, results in a positive difference for items in "Zone 1", with differences between 6.42% (1 kg parcels) and 38.55% (2 kg parcels), while the differences in "Zone 2" are negative, ranging between -27.08% (2 kg parcels) and -40.60% (1 kg parcels).

If one considers the median of tariffs charged, one can conclude that the ratio between national and cross-border tariffs charged by CTT maintains the same trend, i.e. it is higher than the median of other providers for items sent to "Zone 1" [with differences varying between 46.58% and 83.81% for parcels with tracking & tracing (track & trace) of 5 kg and 2 kg respectively] and lower than the median ratio of other providers for items sent to "Zone 2" [with differences varying between -16.95% and -36.73% for track & trace postal items of 1 kg and 5 kg respectively].

It should also be noted that there are some providers whose ratio is significantly lower than that resulting from CTT tariffs. In this context, the specific case of CEPII is notable, where the domestic price differs little from cross-border postal items, although it only sends items to Spain, as shown in the previous tables.

It should be noted that, as regards the results with ratios lower than those of CTT, this does not necessarily imply a misalignment of CTT's cross-border tariffs, and could simply reflect the existence of higher domestic prices, as evidenced in the following table, where it can be seen that CTT's domestic tariff is lower than the average of the other providers. If the median is considered, CTT's tariffs are still lower (although with less significant differences) for the tariffs related to 1 kg and 2 kg items and, although a positive deviation is observed in 5 kg items (1.60%), it is not significant, showing an alignment of CTT's tariff with the other providers.

**Table 21. Domestic tariffs of each provider**

	ZIP CODE	CEP II	CTT EXPRESSO	DHL	DPD	LOGIST	TCI	TNT	UPS	Average without CTT	Median without CTT	Difference in CTT from the Average	Difference in CTT from the Median
1kg track & trace parcel	-	7.66	5.18	8.51	9.35	8.55	4.39	17.01	10.45	8.89	8.53	-8.86%	-5.04%
2kg track & trace parcel	-	8.04	5.18	8.90	11.22	8.55	-	17.01	10.45	9.91	8.90	-18.24%	-8.99%
5kg track & trace parcel	-	9.04	8.10	9.35	11.22	8.55	-	17.01	10.45	10.53	9.35	-9.79%	1.60%

Source: Parcel Platform and ANACOM calculation.

In light of the above, without prejudice to situations having been identified in which some providers apply lower tariffs than CTT for the categories of postal items under analysis and highlighting, in general, the greater level of homogeneity of the tariffs applied by CTT, resulting from having defined only two tariff zones, it is understood that, based on this information, it cannot be concluded that the tariffs used by CTT for parcel postal items for the EU, Iceland, Liechtenstein and Norway are excessive.

### **2.2.5. The likely impact of cross-border charges on individual users and small and medium-sized enterprises (SMEs), in particular those in remote or sparsely populated areas, and on users with disabilities or reduced mobility**

Article 6(2) of the Regulation states that this factor should be taken into account only where possible and where it does not impose a disproportionate burden. Commission Communication COM (2018) 838 further clarifies that the impact referred to above should be assessed from the user's perspective and should not be purely hypothetical, i.e., there should be reasons (e.g., studies) that confirm that users deemed vulnerable are actually affected by the tariffs in question.

Since there are no known studies that specifically address this issue, this factor is not considered in this analysis and it is considered, without prejudice, that it does not significantly limit the conclusions obtained.

### **2.2.6. Abuses of dominant market position**

Article 6(3) of the Regulation provides that the NRA may also take into account, where it deems necessary, abuses of market dominance established in accordance with the applicable law. Commission Notice (2018) 838 further clarifies that in this regard cases may be taken into account where the Competition Authority has in the past determined that the

US provider has abused its dominant market position by forwarding cross-border postal items.

It is noted that no cases of abuse of dominant position as described in Commission Notice (2018) 838 have been identified to date in this context, and no evidence that the CTT tariffs under analysis are excessive arises from this.

### **3. Conclusion**

Based on the analysis carried out, the following conclusions are drawn:

- The tariffs identified by applying the pre-assessment filtering system identified in Commission Communication COM/2018/838 as being objectively necessary to assess are part of the basket of prices analysed by ANACOM under the US price formation criteria for the 2018-2020 triennium, set by ANACOM's decision of 12.07.2018, supplemented by the decision of 05.11.2018. Indeed, these tariffs have already been subject to analysis by ANACOM under the Postal Law and the referred criteria (specifically, under ANACOM's decisions of 22.05.2019, 21.05.2020, 22.10.2020 and 25.03.2021), with the conclusion being reached that no situations of non-compliance with the principles of cost-orientation of prices, accessibility for all users, transparency, and non-discrimination were identified.
- Most of the tariffs identified correspond to the same tariffs that had been identified in previous tariff assessment exercises under the Regulation, apart from the tariffs associated with the sending of 5 kg track & trace parcels to "Zone 1", which have now been identified for the first time. It should also be noted that the tariffs under review have not changed since April 2018, remaining constant throughout the period of application of the Regulation.
- CTT applies only two tariff zones for EU Member States, "Zone 1" and "Zone 2". This differentiation has been applied by CTT in previous years and it generally reflects the average distances to destinations and the differences in average costs associated with postal items for each of the tariff zones. This practice is legitimized by the Postal Directive and the Regulation, and may have the benefit of resulting in a less complex tariff for service users, as well as being important to protect regional and social cohesion.

- Taking into account the available information, the estimated unit margins for each type of postal item under analysis are positive, ranging from [BCI] [ECI] % to [BCI] [ECI] %. These margins represent a decrease relative to those estimated in the tariff assessment exercise carried out in the previous year, with variations between -0.2 p.p. and -2.0 p.p.. This decrease essentially results from the increase in the [BCI] [ECI] cost component, which results from the increase in [BCI] [ECI] costs and [BCI] [ECI] costs. It should also be noted that for 2021 CTT estimates an increase in the overall costs for international parcels of approximately [BCI] [ECI] %. Although this concerns a more comprehensive service than the types of items associated with the tariffs under analysis, it may still be reflected in the value of margins in 2021, especially since the tariffs introduced by CTT on 01.04.2021 did not introduce changes in the tariffs under analysis.
- The volume of parcel postal items within the US to MSs in "Zone 1" and "Zone 2" increased by about [BCI] [ECI] % in 2020, but still remains small in absolute value, which is even more remarkable if we consider postal items to individual countries. However, in view of the available information, it is not possible to conclude as to the potential effect of the volumes on the existence or not of economies of scale and their impact on the costs incurred.
- There is a significant variability in the deviations observed between the CTT tariffs analysed and those applied in accordance with the US in the destination MS for postal items sent to Portugal. It should be noted, however, that this situation should be assessed taking into account the existence of only two charging zones, the geographical location (more peripheral) of Portugal, the possible weaker development of available infrastructure and possible specificities in each MS. Nonetheless, it is understood that the prices charged by CTT for the items in question should continue to be monitored to ensure that the postal service needs of private users and economic activities are satisfied.
- The comparison of the tariffs under analysis with the sum of national tariffs applied by CTT and by the universal service provider in the destination MS shows a significant variability of the observed differences and that the CTT tariffs are, in general, higher than the said sum. However, this result should also take into account the factors mentioned in the previous section, as well as the fact that the sum of

national tariffs does not allow a suitable consideration of costs associated with transport to the destination MS. Indeed, the situation in Portugal itself is characterised by a negative margin associated with the price of domestic parcels in the universal service, a situation that can also occur in other MSs.

- It should also be noted that the analysis carried out allowed for the conclusion that CTT's national tariff is in general lower than the average of the tariffs practised in the national market by the other service providers, and that these conclusions would not change significantly if the median were considered instead of the average.
- As regards the comparisons made, they have a significant limitation which relates to the lack of information regarding the comparability of the specific characteristics of each product, such as speed of delivery, size of items, or territorial coverage. It is noted in this respect that the Commission's own Notice indicates that, in general, single-piece postal item tariffs depend to a large extent on quality of service and other product characteristics. In this regard, it should be noted that the specific information on the characteristics associated with each tariff reported by each US provider in each MS in the context of the PARCEL platform does not provide detail on the associated characteristics, thus precluding this type of analysis.
- There are no known cases of abuse of dominant market position by the USP in the dispatch of cross-border postal items, as determined by the Competition Authority.

In view of the above and taking into account the available information, it is concluded that, regarding CTT's cross-border tariffs for the delivery of track & trace parcels of 1 kg, 2 kg and 5 kg [to all destinations reported under Article 5 of the Regulation (EU Member States, Iceland, Liechtenstein and Norway) - corresponding to the "Zone 1" and "Zone 2" tariffs of CTT's international parcel tariffs], based on the available information, there is not sufficient evidence to conclude that these tariffs are excessively high.

Without prejudice to the foregoing, ANACOM will continue to monitor the prices charged by CTT for the abovementioned items, particularly in the context of the assessment of tariff proposals to be submitted by the USP and taking into account, in particular, updated data on the costs associated with the items in question, and other relevant data that may become available.

# **ANNEXES**

**Annex 1 - List of Acronyms**

**Annex 2 - Abbreviations of countries**

**Annex 3 - List of operators**

## Annex 1 - List of Acronyms

NRA	National Regulatory Authorities
EC	European Commission
MS	Member State
SME	Small and medium enterprise
PDSP	Postal delivery service provider
USP	Universal service provider
EU	European Union
US	Universal Service

## Annex 2 - Abbreviations of countries

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czechia
DE	Germany
DK	Denmark
EE	Estonia
ES	Spain
FI	Finland
FR	France
GR	Greece
HR	Croatia
HU	Hungary
IE	Ireland
IS	Iceland
IT	Italy
LI	Liechtenstein
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	Netherlands
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia

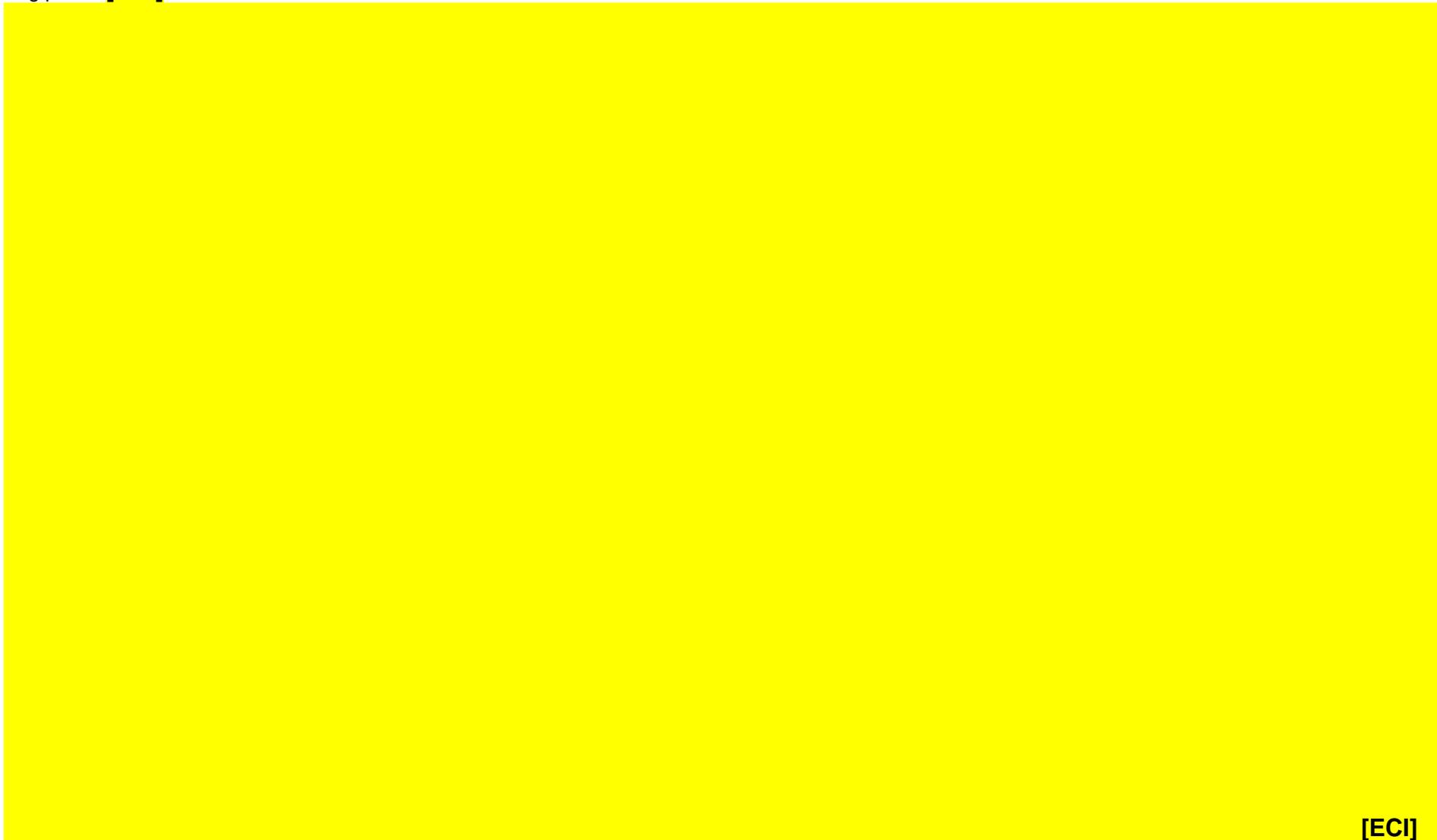
### Annex 3 - List of operators

ZIP CODE	CEP - Correos Express Portugal, S.A.
CEP II	CEP II - Correos Express Portugal, S.A.
CTT	CTT - Correios de Portugal, S.A.
CTT Express	CTT Expresso - Serviços Postais e de Logística, S.A.
DHL	DHL Express Portugal, Lda.
DPD	DPD Portugal - Transporte Expresso, S.A.
Logist	Logista - Transportes, Transitários e Pharma, Unipessoal, Lda.
TCI	TCI - Transporte Courier International, Lda.
TNT	TNT Express Worldwide (Portugal), Transitários, Transporte e Serviços
UPS	UPS of Portugal Transportes Internacionais de Mercadorias Sociedade

# **APPENDIX**

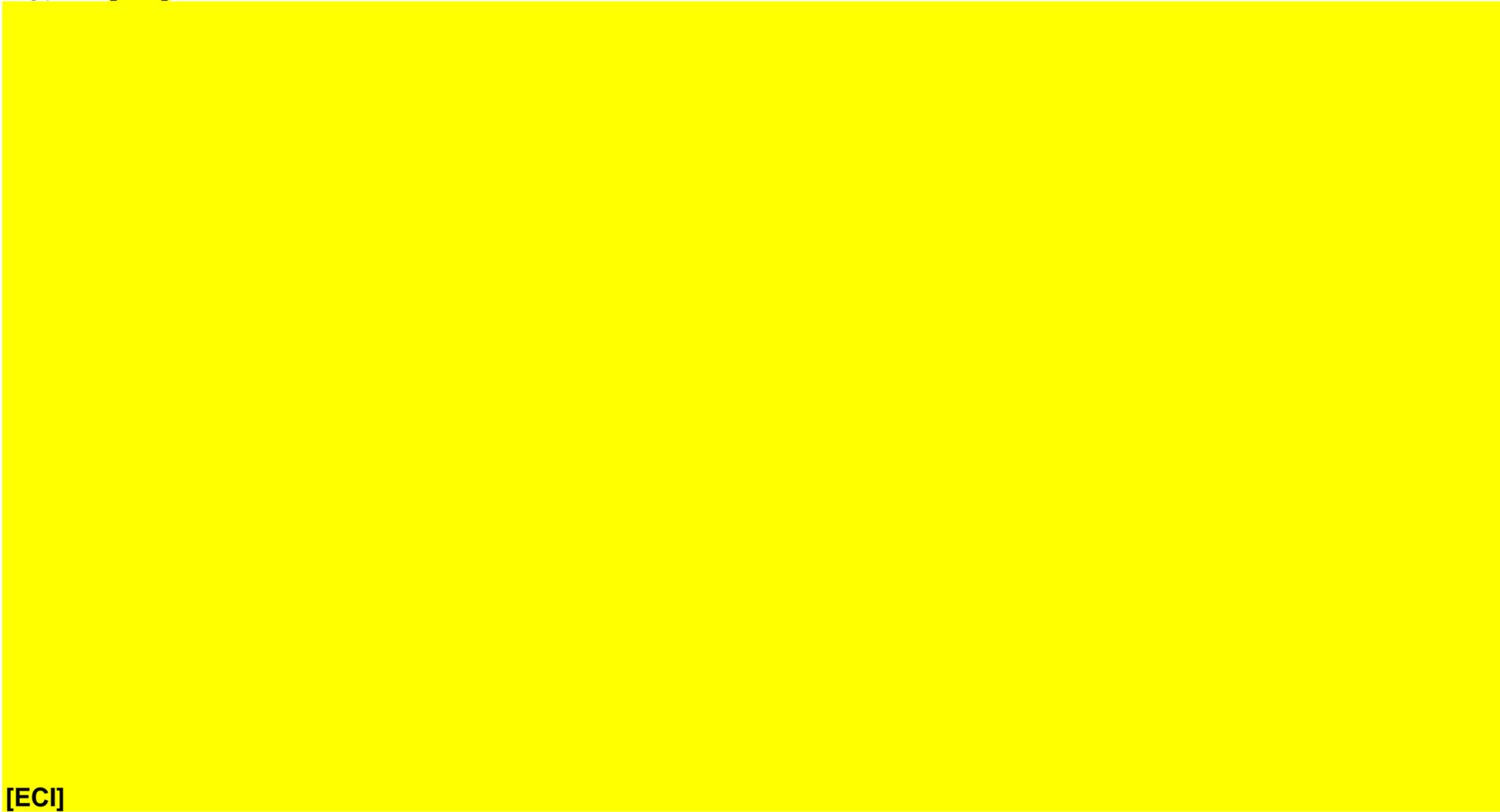
**Information forwarded by CTT in a communication dated 24.05.2021**

1kg parcel **[BCI]**



**[ECI]**

2kg parcel **[BCI]**



**[ECI]**

5kg parcel **[BCI]**



**FIC]**