

**Report on levels of quality of the Universal Postal Service of CTT - Correios de Portugal, S.A., with reference to the year 2009, for the purposes of paragraph 7 of article 8 and paragraph 3 of article 22 of Law No 102/99 of 26 July, as amended by Decree-Law No 116/2003 of 12 June**

Whereas:

- i) in accordance with paragraph 7 of article 8 of Law no. 102/99 of 26 July, as amended by Decree-Law No 116/2003 of 12 June, ICP - Autoridade Nacional de Comunicações (ICP-ANACOM) as the regulatory authority of the postal sector and independently from CTT - Correios de Portugal, S.A.(CTT) as universal service provider, is bound to undertake verification of the levels of quality of service actually offered, the results of which verification shall be published at least once annually in a report;
- ii) the *Convénio de Qualidade* (Quality Convention) of the Universal Postal Service, concluded on 10 July 2008 between ICP-ANACOM and CTT, pursuant, inter alia, to paragraph 5 of article 8 of said Law no. 102/99 of 26 July, established indicators of quality of service to be provided by CTT in 2009;
- iii) pursuant to paragraph 3 of article 22 of the same Law, ICP-ANACOM is bound to ensure that the universal service provider publishes information on the overall number of complaints and on the way in which these complaints were handled, together with the annual report on the verification of the levels of quality of service actually offered by CTT;
- iv) ICP-ANACOM conducted an audit of the indicators of quality of service and of the complaints system of CTT, with respect to the year 2009;
- v) this audit was performed by an entity which is independent of CTT;
- vi) note has been made of the conclusions of said audit<sup>1</sup>,

ICP-ANACOM hereby declares, for the purposes of paragraph 7 of article 8 and paragraph 3 of article 22 of Law 102/99 of 26 July 26, as amended by Decree-Law No 116/2003 of 12 June, with respect to the system of monitoring the indicators of quality of service<sup>2</sup> and the complaints system of CTT, as were in force in 2009;

- i) Subject to the limitations identified in terms of sample and notwithstanding the points of improvement of the monitoring system, the validity of the values of QSI1, QSI2, QSI3,

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<sup>1</sup> Which are the sole responsibility of the entity which conducted it and independent from the conclusions of ICP-ANACOM on the system for monitoring the indicators of quality of service and the complaints system of CTT.

<sup>2</sup> QSI1 - Transit time for Non-Priority Mail (D+3);  
QSI2 - Transit time for Priority Mail - Mainland (D+1);  
QSI3 - Transit time for Priority Mail - CAM (D+2);  
QSI4 - Priority mail not delivered within 15 working days (per one thousand letters);  
QSI5 - Priority mail not delivered within 10 working days (per one thousand letters);  
QSI6 - Transit time for Newspapers and Periodicals (D+3);  
QSI7 - Transit time for Intra-community Cross-border mail (D+3);  
QSI8 - Transit time for Intra-community Cross-border mail (D+5);  
QSI9 - Transit time for non-priority Parcels (D+3);  
QSI10 - Time queuing in postal establishments (up to 10 minutes).

QSI4, QSI5, QSI9, QSI9 and QSI10, as reported by CTT to ICP-ANACOM, is confirmed;

- ii) The values of QSI7 and QSI8 are calculated by CTT based on transit time for international mail calculated by the UNEX independent measurement system, which follows the measurement methodology set out in Standard EN 13850 - *Postal Service - Quality of service - Measurement of the transit time of end-to-end services for single piece priority mail and first class mail*. From the replication of the calculation of the values of QSI7 and QSI8, the values reported by CTT to ICP-ANACOM were validated (see Table 1);
- iii) The recalculation of the indicator "number of processes received" corresponded to the value reported by CTT to ICP-ANACOM, whereas differences of little significance were found for the values "number of processes regarding information / location of postal items given response ", "number of processes received" and "average time of response to complaints" (see Table 2).

Nevertheless, no assurance can be given as to the validity of the indicators, given that the analysed sample did not enable the auditors to verify the integral validity of the information recorded in the database, owing essentially to limitations in terms of evaluation/confirmation of data in respect of certain processes.

Following the audit, the Management Board of ICP-ANACOM made a series of determinations and recommendations with a view to improving the quality of service system and complaints system of CTT.

Table 1 - Values of quality indicators for the universal postal service, year 2009

Indicators	Convénio Qualidade (Quality Convention)		CTT Value	Calculate d value as per audit
	Minimu m Value	Target Value		
QSI1 - Transit time for Non-Priority Mail (D+3)	95.5 %	96.3 %	97.6 %	97.6 %
QSI2 - Transit time for Priority Mail - Mainland (D+1)	93.5 %	94.5 %	95.2 %	95.2 %
QSI3 - Transit time for Priority Mail - CAM (D+2)	84.0 %	87.0 %	91.3 %	91.3 %
QSI4 - Priority mail not delivered within 15 working days (per one thousand letters)	2.3‰	1.4‰	2.1‰	2.1‰
QSI5 - Priority mail not delivered within 10 working days (per one thousand letters)	2.3‰	1.5‰	2.1‰	2.1‰
QSI6 - Transit time for Newspapers and Periodicals (D+3);	95.5 %	96.3 %	99.1 %	99.1 %
QSI7 - Transit time for Intra-community Cross-border mail (D+3)	85.0 %	88.0 %	93.8 %	93.8 %
QSI8 - Transit time for Intra-community Cross-border mail (D+5)	95.0 %	97.0 %	98.9 %	98.9 %
QSI9 - Transit time for non-priority Parcels (D+3)	90.5 %	92.0 %	93.6 %	93.6 %
QSI10 - Waiting time to receive service (% of waiting times up to 10 minutes)	75.0 %	85.0 %	92.3 %	92.3 %

QSI1 - Defined as the average rate of letters sent to any location of the national territory as non-priority mail, that reach their destination within 3 working days of having been posted in any mail receiving point, taking as reference the total amount of letters conveyed.

QSI2- Defined as the average rate of letters sent to any location of the Mainland as priority mail that reach their destination within 1 working day of having been posted in any mail receiving point, taking as reference the total letters conveyed.

QSI3 - Defined as the average percentage of letters exchanged between any point on the mainland and the Azores and Madeira (and vice versa) or between them, called CAM flows, in the form sent priority mail, which reach their destination up to 2 business days after being deposited in the receiving mail, based on the total of letters conveyed.

QSI4 - Defined as the number of letters sent to any location of the national territory, as non-priority mail, which are not returned and which do not reach their destination within 15 days of having been posted in any mail receiving point, per one thousand letters conveyed.

QSI5 - Defined as the number of letters sent to any location of the National territory, as priority mail, which are not returned and which do not reach the destination within 10 working days of having been posted in any mail receiving point, per one thousand letters conveyed.

QSI6 - Defined as the average percentage of objects representing the category of newspapers and periodicals sent to any location of the National territory, which reach their destination within 3 working days of having been posted in any mail receiving point, taking as reference the total amount of objects conveyed.

QSI7 - Defined as the average percentage of intra-community cross-border letters, sent to and from Portugal as international priority mail, which reach their destination within 3 working days of having been posted in any mail receiving point, taking as reference the total amount of letters conveyed. The annual value of IQS7 refers to the period of twelve months ending in September of the year to which it relates and corresponds to the weighted average of the last quarter of the previous calendar year and the value of the first three quarters of the year to which it relates. The weighting used must be 3/12 for the first value and 9/12 for the second.

QSI8 - Defined as the average percentage of intra-community cross-border letters, sent to and from Portugal as international priority mail, which reach their destination within 5 working days of having been posted in any mail receiving point, taking as reference the total amount of letters conveyed. The annual value of IQS8 refers to the period of twelve months ending in September of the year to which it relates and corresponds to the weighted average of the last quarter of the previous calendar year and the value of the first three quarters of the year to which it relates. The weighting used must be 3/12 for the first value and 9/12 for the second.

QSI9 -Defined as the average percentage of parcels sent to any location in the National territory, as non-priority parcels, which reach their destination postal establishments within 3 working days of having been posted in any mail receiving point, taking as reference the total amount of parcels conveyed.

QSI10 - Defined as the average percentage of people served at different front-desk points, namely, post offices, postal agencies and post office outlets, the waiting time of which does not exceed ten minutes. The waiting time is measured from the moment the customer starts waiting in a queue to be served until he/she is actually served, for the period front-desk points are opened, and concerns the provision of services under the Convention.

Table 2 - Values of indicators on complaints and requests for information, 2009

Indicators	CTT Value	Value determined in the audit	Difference (%)
Number of processes received (a)	66 635	66 635	0.00 %
No. of processes regarding information/location of postal items given response (b)	47 530	47 551	0.04 %
Number of processes received (b)	18 797	18 811	0.07 %
Average time of response to complaints (in calendar days) (c)	16.6	16.3	- 1.81 %

(a) Date of receipt by CTT between 01.01.2009 and 31.12.2009.

(B) Classification made based on the final problem identified in each case.

(c) From the date of receipt by CTT until the date on which final response is given to the customer in the period between 01.01.2009 and 31.12.2009.