

**Report on the levels of quality of the universal postal service provided by CTT -  
Correios de Portugal, S.A., with reference to 2010, 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) Law no. 102/99 of 26 July, as amended by Decree-Law no. 116/2003 of 12 June, was the law in force in 2010<sup>1</sup>;
- ii) pursuant to paragraph 7 of Article 8 of Law no. 102/99, it is incumbent upon ICP - Autoridade Nacional de Comunicações (ICP-ANACOM), as the regulatory authority of the postal sector, and in a manner which is independent from CTT - Correios de Portugal, S.A. (CTT), as universal service provider, to undertake verification of the levels of quality of service actually provided, the results of which verification shall be published in a report on no less than an annual basis;
- iii) the *Convénio de Qualidade* (Quality Convention) of the Universal Postal Service of 10 July 2008, as amended on 10 September 2010, concluded between ICP-ANACOM and CTT pursuant to paragraph 5 of article 8 of Law no. 102/99, defined a set of indicators to measure the quality of service to be provided by CTT in 2010;
- iv) 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 provided by CTT;
- v) under the above regulatory framework, ICP-ANACOM conducted an audit of the indicators of quality of service and of the complaints and information requests received by CTT, with respect to the year 2010;
- vi) this audit was performed by an entity which is independent of CTT;

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<sup>1</sup> which Law remained in force until 26 April 2012, having been subsequently repealed by Law no. 17/2012 of 26 April.

vii) note was made of the conclusions of said audit <sup>2</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 to verify the indicators of quality of service<sup>3</sup> and CTT's complaints system, as in use in 2010:

A) As regards the quality of service indicators (QSI), the validity of the QSI values (see Table 1) is affirmed, notwithstanding identification by the auditors of areas requiring improvement in terms of the procedures implemented for their measurement, which however do not call into question the reliability of the results.

With regard to the values of QSI7 and QSI8, it should be noted that these are calculated by CTT based on international mail transit time as measured by the UNEX (Unipost Brand for External Quality of Service Measurement Systems) independent measurement system, which follows the measurement methodology set out in Standard EN 13850 - Measurement of the transit time of end-to-end services for single piece priority mail and first class mail. By replicating the calculation of QSI7 and QSI8, the values reported by CTT to ICP-ANACOM were validated (see Table 1);

B) As regards indicators measuring complaints and requests for information in the context of the universal service (see Tables 2 to 4), the number of information request processes answered in 2010 corresponds to the value which CTT reported to ICP-ANACOM, with minor differences found, amounting to 28 processes in the case of the number of "complaints answered in the year" and to 39 processes in the number of "processes received during the year", resulting from the inclusion in CTT's report of processes related to services outside the scope of the universal service. In the case of indicators on the average time taken to respond to complaints and requests for

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<sup>2</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>3</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, books 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 - Waiting time at postal establishments (% of waiting times up to 10 minutes)

information, both measured in calendar days, differences were ascertained of less than one calendar day between the values reported by CTT and the values verified in the audit, resulting from inconsistencies in the dates considered in the calculation.

Nevertheless, documentary analysis of complaint processes and request for information processes found some shortcomings in terms of input fields (especially as regards the dates of entry of the processes) and in the (uniform) position taken as regards the classification of process by type of request, whose impact on the indicators the auditors consider as being not relevant to the point of creating expressive distortions.

**Table 1 - Values of indicators of quality of the universal postal service, 2010**

indicators	Convénio Qualidade (Quality Convention)		Value achieved by CTT	Value determin ed in the audit
	Min Value	Target Value		
QSI1 - Transit time for Non-Priority Mail (D+3)	95.5 %	96.3 %	96.8 %	96.8 %
QSI2 - Transit time for Priority Mail - Mainland (D+1)	93.5 %	94.5 %	94.7 %	94.7 %
QSI3 - Transit time for Priority Mail - CAM (D+2)	84.0 %	87.0 %	92.1 %	92.1 %
QSI4 - Priority mail not delivered within 15 working days (per one thousand letters)	2.3 ‰	1.4 ‰	1.9 ‰	1.9 ‰
QSI5 - Priority mail not delivered within 10 working days (per one thousand letters)	2.3 ‰	1.5 ‰	1.2 ‰	1.2 ‰
QSI6 - Transit time for newspapers, books 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 %	92.2 %	92.2 %
QSI8 - Transit time for Intra-community Cross-border mail (D+5)	95.0 %	97.0 %	97.9 %	97.9 %
QSI9 - Transit time for non-priority Parcels (D+3)	90.5 %	92.0 %	93.8 %	93.8 %
QSI10 - Waiting time to receive service (% of waiting times up to 10 minutes)	75.0 %	85.0 %	89.0 %	89.0 %

QSI1 - Defined as the average percentage of letters sent between any locations of the national territory as *correio normal* (non-priority mail) as reach their destination within 3 working days of having been posted using any mail reception point, taking as reference the total amount of letters sent.

QSI2 - Defined as the average percentage of letters sent between any locations of the Mainland as *correio azul* (priority mail) as reach their destination within 1 working day of having been posted using any mail reception point, taking as reference the total letters sent.

QSI3 - Defined as the average percentage of letters sent between any locations on the Portuguese Mainland and the Azores and Madeira (and vice versa) or between them, called CAM flows, sent as *correio azul* (priority mail), as reach their destination up to 2 business days after being posted using any mail reception point, based on the total of letters sent.

QSI4 - Defined as the number of letters sent between any locations of the national territory, as *correio normal* (non-priority mail), which are not returned and which do not reach their destination within 15 days of having been posted using any mail reception point, per one thousand letters sent.

QSI5 - Defined as the number of letters between any locations of the national territory, as *correio azul* (priority mail), which are not returned and which do not reach the destination within 10 working days of having been posted using any mail reception point, per one thousand letters sent.

QSI6 - Defined as the average percentage of objects representing the category of newspapers and periodicals sent between any locations of the national territory, as reach their destination within 3 working days of having been posted using any mail reception point, taking as reference the total amount of objects sent.

QSI7 - Defined as the average percentage of intra-community cross-border letters, sent to and from Portugal as international priority mail, as reach their destination within 3 working days of having been posted using any mail reception point, taking as reference the total of letters sent. The annual value of QSI7 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, as reach their destination within 5 working days of having been posted using any mail reception point, taking as reference the total of letters sent. The annual value of QSI8 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, as reach their destination postal establishments within 3 working days of having been posted using any mail reception point, taking as reference the total amount of parcels sent.

QSI10 - Defined as the average percentage of people served at different types of customer service outlets, including post offices, postal agencies and external post office outlets, with a waiting time that 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, and refers to the provision of services covered by the present Convention.

**Table 2 - Values of indicators on complaints answered in 2010, in the context of the universal service**

Category	Complaints								
	Answered in year (a)			Answered during the year that gave rise to compensation payment			Average response time (calendar days) - (b)		
	CTT	Auditor	Difference (%)	CTT	Auditor	Difference (%)	CTT	Auditor	Difference (%)
National	36 317	36 289	-0.08%	1 583	1 582	-0.06%	6.8	7.2	5.56%
International	16 602	16 602	0.00%	8 173	8 174	0.01%	35.2	36	2.22%
Total	52 919	52 891	-0.05%	9 756	9 756	0.00%	15.7	16.2	3.09%

Notes:

(a) Classification performed based on the final problem identified in each case.

(b) From their reception by CTT to the date final response to the customer in the period between 01.01.2010 and 31.12.2010.

**Table 3 - Values of indicators on information requests answered in 2010 in the context of the universal service**

Category	Information requests					
	Answered in year (a)			Average response time (calendar days) - (b)		
	CTT	Auditor	Difference (%)	CTT	Auditor	Difference (%)
National	6 271	6 271	0.00%	6.9	7.2	4.17%
International	13 626	13 626	0.00%	25.8	26.3	1.90%
Total	19 897	19 897	0.00%	19.9	20.3	1.97%

Notes:

(a) Classification performed based on the final problem identified in each process.

(b) From their date of reception by CTT to the date final response to the customer in the period between 01.01.2010 and 31.12.2010.

**Table 4 - Values of indicators on complaints and requests for information received in 2010, in the context of the universal service**

Category	Processes received during the year - (c)		
	CTT	Auditor	Difference (%)
National	42 521	42 482	-0.09%
International	29 462	29 462	0.00%
Total	71 983	71 944	-0.05%

Notes:

(C) Date of reception by CTT between 01.01.2010 and 31.12.2010.