



Businesses continue to have a choice between postal operator

The Netherlands Authority for Consumers and Markets (ACM) is of the opinion that Dutch postal operator PostNL must continue to give access to its sorting and delivery network consisting of drop-off locations, sorting centers, and mail carriers. As a result, businesses that send out mail for next-day delivery continue to have a choice as to what postal operator handles their mail. Thanks to competition in the postal market, these businesses benefit from lower prices with improved and customized service. These are the conclusions in the 'Draft market analysis decision on the postal sector.'

Why does ACM take this decision?

ACM wishes to protect and promote healthy competition in the postal market. By doing so, ACM defends the interests of businesses. After all, businesses still send out large volumes of mail, much more than do consumers. Businesses send out approximately 95 percent of all mail in the Netherlands. However, communication is increasingly done using digital media. As a result, the market for business mail has decreased considerably in the past few years. That does not alter the fact that businesses do have an interest in having the ability to choose between postal operators. For it leads to better service at lower prices, which ultimately benefits consumers too.

1/2

What market is concerned?

In this decision, ACM analyzes the market for business mail. Business mail concerns the transport of mail from businesses. Postal operators pick up mail from businesses, or businesses drop off their mail themselves at drop-off locations of postal operators.

With a market share of 80 to 90 percent, PostNL is by far the largest postal operator for business mail. PostNL offers businesses across the Netherlands a complete range of postal services, such as next-day delivery and two-day or three-day delivery. Sandd is the only other postal operator that delivers business mail in the entire country. However, Sandd's range of services, with delivery only twice a week, is more limited. Various smaller postal operators do deliver five days a week, but these only operate in specific regions in the Netherlands. These smaller market participants are referred to in the decision as regional postal operators. For delivery outside their own regions, regional postal operators rely on PostNL's network for nation-wide, next-day delivery.

What does the decision entail?

ACM offers regional postal operators the opportunity to have their business mail delivered the next day outside of their own regions too. ACM does so by imposing obligations on PostNL to deliver this mail from competitors. PostNL is not allowed to discriminate against mail of its competitors' customers in favour of mail of its own customers.

ACM has established that PostNL has a dominant position in the market for business mail. For some businesses, PostNL is the only postal operator with which they are able to do business. Sandd and regional postal operators are alternatives, but regional postal operators are dependent on PostNL in order to be able to serve their business customers.

With this decision, ACM makes sure that regional postal operators are assured that they have access to PostNL's drop-off locations, sorting centers, and mail carriers under reasonable



conditions. As a result, businesses are able to choose between PostNL and a regional postal operator for next-day delivery of their mail.

What is the status of this decision?

The 'Draft market analysis decision on the postal market' (*Ontwerpbesluit marktanalyse postsector*) has not been finalized yet. Anyone whose interests are concerned may submit their comments and opinions to ACM no later than January 30, 2015. On the basis of these comments and opinions, ACM will decide whether or not any changes should be made to the decision. The decision will then enter into force in spring 2015.

Is ACM authorized to do this?

On January 1, 2014, the Dutch Postal Act was amended in order to protect and promote competition in the postal market. As a result of an amendment to the Dutch Postal Act, ACM was given the power to impose obligations on postal operators that have significant market power, so that other market participants have a fair chance to compete. Before it imposes any obligations, ACM analyzes the postal market first. The results of that analysis combined with the imposed obligations make up the market analysis decision. As before, PostNL is still required under the Dutch Postal Act to give other postal operators access to its network under conditions and against tariffs that are non-discriminatory and transparent. However, with its new power, ACM is able to react to market developments faster and better, and is able to solve potential market problems. The rule on non-discrimination and transparency in the Dutch Postal Act can then eventually be repealed.