

DECISION

**QUALITY OF SERVICE PARAMETERS AND PERFORMANCE TARGETS FOR THE
UNIVERSAL POSTAL SERVICE PROVISION**

2018-2020 PERIOD

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1. Introduction

Law 17/2012 of 26 April, as amended by Decree-Law 160/2013 of 19 November and by Law 16/2014 of 4 April (Postal Law), lays down the legal framework applicable to the provision of postal services under full competition, within national territory, as well as for international services to or from the national territory.

The objectives of the Postal Law (according to Article 2(1)) are to:

- a) define the conditions for the provision of postal services under full competition;
- b) ensure the efficient and sustainable provision of a universal postal service; and
- c) establish the rights and interests of users, especially of consumers.

The Postal Law lays down that, in order to achieve these objectives the following principles (among others) must be observed (Article 2(2)):

- a) to ensure the existence, availability, affordability and quality of the universal service;
- b) to ensure the economic and financial sustainability and viability of universal service provision;
- c) to ensure the protection of users in their relationship with postal service providers, particularly in the handling and resolution of complaints.

With the entry into force of the Postal Law, on 27 April 2012, postal services started to be provided under a regime of full competition in Portugal.¹

The Postal Law contains a chapter which focuses on the universal service, understood as the supply of postal services defined in the Law, of a specified quality and permanently

¹ With the exception of the siting of letter boxes on the public highway for the acceptance of postal items, the issue and sale of postage stamps bearing the words Portugal and the registered mail service used in judicial or administrative proceedings, the provision of which is reserved for CTT until 31 December 2020 (Article 57(3) of the Postal Law).

available throughout the territory, at affordable prices for all users,² aiming to meet people's communication needs and those of economic and social activities (Article 10(1)).

CTT – Correios de Portugal, S.A. (CTT) is the concessionaire of the provision of the universal postal service until 31 December 2020 (Article 57(1)).

ANACOM is responsible for setting the quality of service parameters and the performance targets for the provision of universal service for a minimum period of three years (Article 13(1) of the Postal Law).

ANACOM, therefore, by determination of 30 December 2014, set out the quality of service parameters and performance targets for the provision of the universal postal service, to be met by CTT in the 2015-2017 triennium. By determination of 13 March 2015, the performance targets for the transit time of registered mail were defined, an indicator applicable from 2016 onwards.

The purpose of this document is to establish the quality of service parameters and the performance targets to be applied in the 2018-2020 triennium.

Their establishment was preceded by a hearing (i) of the universal service provider (under Article 13(1)) and (ii) of consumer organizations (under Article 43 and Article 13(1)).

It is understood that these rules have a significant impact on the market, given that they relate to liberalized services that make up the universal service, provided by CTT, and can be a reference for other postal service providers, as well as for users of postal services, which led to the adoption of the public consultation mechanism provided for in Article 9 of the Postal Law.

2. Regulatory environment

2.1. Scope of the universal service

The universal service covers the following national and international postal service provisions (Article 12(1) of the Postal Law): a postal service for correspondence,³ books,

² Article 3(4) of the Postal Law defines a user as a natural or legal person who is the beneficiary of a postal service provision, as sender or recipient.

³ Excluding direct mail.

catalogues, newspapers and other periodicals up to 2 kg and postal parcels up to 10 kg, as well as services for registered items and insured items. It also covers the delivery within the national territory of postal parcels received from other Member States of the European Union and weighing up to 20 kg (Article 12(3)).

As a universal service provider, CTT must ensure the collection and distribution of postal items covered by the universal service at least once a day, on all working days, except in exceptional circumstances or geographical conditions previously defined by ANACOM (Article 12(4)). Distribution takes place at the addressee's domicile or, in the cases and conditions previously defined by ANACOM, in appropriate facilities (Article 12(5)).

The provision of universal service shall ensure that appropriate quality standards are met, in particular as regards delivery times, and the regularity and reliability of the service (Article 11(1)(b)).

2.2. Quality obligations of the universal service

ANACOM is responsible for setting the quality of service parameters and performance targets for universal service provision (Article 13(1) of the Postal Law) for a multi-year period of at least three years, in particular the transit times, and the regularity and reliability of services, as well as the rules on their measurement, monitoring and dissemination.

Quality of service parameters and performance targets must be compatible with the quality standards for intra-Community services and other international services (Article 13(2)).

The universal service provider must have a system for measuring the levels of quality of service actually offered, which must comply with the standards applicable to the measurement of the quality of the universal service, in particular to intra-Community services. The quality levels of the service must be measured at least once a year by an independent external body (Article 13(3)). Measurement results shall be contained in a report published at least once a year by the universal service provider (Article 13(4)).

It is ANACOM's responsibility to ensure that audits or other mechanisms to control the quality of service levels offered by the universal service provider are performed independently to guarantee their accuracy, and the results must be published at least once a year on ANACOM's website (Article 13(5)(6)).

2.3. Non-compliance with performance targets

Article 47 of the Postal Law establishes that in case of failure to meet the performance targets for the universal service provision, set out pursuant to Article 13(1), ANACOM must make arrangements to compensate users of the universal service according to the principles of proportionality, appropriateness, non-discrimination and transparency.

Failure to meet the performance targets is also a very serious administrative offence, punishable by a fine (in accordance with Article 49 of the Postal Law) and/or a contractual fine (under Base XXVII of the Bases of the universal postal service concession).

3. Use of postal services

According to the Survey on the Use of Postal Services - residential population in 2016, carried out by ANACOM and Nielsen in November 2016,⁴ "mail delivered on time" and "waiting time for service" are parameters considered relevant by residential customers for the quality of the postal service provided. These aspects, although showing average levels of satisfaction of 8.3 points (on a scale of 1 to 10, 1 corresponding to "not at all satisfied" and 10 to "very satisfied"), were those given lower levels of satisfaction by residential clients.⁵

The waiting time at postal establishments before starting to be served is reported by 37.6% of residential customers and by 44.4% of micro, small and medium enterprises as an important factor in the choice of the postal establishment that they use, according to the study on "Needs of users in accessing postal establishments and other points of access to the postal network" of May 2017, carried out by the Institute of Marketing Research (IMR) for ANACOM.⁶

Another study carried out by IMR for ANACOM on the "Needs of residential consumers of postal services" of March 2017,⁷ concludes that the criteria most valued by residential

⁴ Available at [Survey on the use of postal services 2016 - residential population](#).

⁵ In this survey, the following aspects were assessed: clarity and transparency in the information provided; customer service (knowledge of services, friendliness and ability to solve problems); waiting time for service; opening hours; location of postal establishments; number of postal establishments; mail delivered on time and mail delivered without damage.

⁶ Available at <https://www.anacom.pt/render.jsp?contentId=1413404&languageId=1>.

⁷ Available at <https://www.anacom.pt/render.jsp?contentId=1413422&languageId=1>.

customers⁸ in the sending of correspondence are, in descending order of importance, reliability/dependability of delivery, assurance of delivery to the recipient on the intended day, and the price. Followed by speed and delivery to the recipient.

The same study concludes that in the last 12 months (at the time of the study), 30.7% of the respondents (residential users) sent mail and 12.6% sent parcels, while 82.3% received mail and 27.6% received parcels.

According to the same study, 32.3% of residential users who sent correspondence in the last 12 months reported sending less correspondence than in the previous year, while 8.4% reported sending more. 13% of respondents said they had received less correspondence in the last year, while 4% indicated that they had received more. Among the reasons for the decrease in the amount of correspondence sent and received, users indicated, in particular, the use of electronic mail and mobile phones, the possibility of settling issues via the Internet or mobile apps, the loss of writing habits and the use of social networks. These are followed by delays in the services provided at post offices and postal agencies (reported by about 11% of users who reported sending fewer items and 7.6% of those who indicated receiving fewer items) and delays in delivery (mentioned by 6% and 3%, respectively). Reasons for the increase included sending small postal packages (39.5%), family members or friends having moved to other parts of the country or abroad (34.5%) and the subscription of contractual services (31%).

The main difficulties in receiving correspondence according to respondents are particularly related to the incompatibility of the schedule for receiving home deliveries, which means having to go to a post office⁹ and then waiting to be served once they get there, in addition to not being able to anticipate the delivery due to not knowing the day and/or time of distribution. The perception of mail being lost is also mentioned by 29.3% of the respondents who indicated that they received correspondence and could be leveraged by the fact that 31.2% also reported receiving correspondence meant for other citizens in their mailbox. Late receipt, with repercussions on non-compliance with obligations, is reported by 25.4%, although it is not possible to link this to the responsible postal operator or to know if it is due

⁸ By residential customers who sent mail in the 12 months prior to the study date.

⁹ That is, for registered mail items.

to delay in the transit time involving the parties involved in the process of dispatching items to the postal operator.

With regard to parcels,¹⁰ the same study indicates that the unpredictability of delivery seems to be the most relevant current difficulty, expressed both in knowing neither the delivery day (67.1%) nor the delivery time (65.9%). The schedule factor is also a relevant obstacle, given the incompatibility of schedules for home delivery (60.7%) and delays in picking items up from postal establishments (51.9%). The study also highlights the occurrence of items being lost (30.9%) and the delivery of parcels to the wrong people (26.6%). Very long delivery times are mentioned by 31.5% of residential customers.

It should also be noted that 75.4% of respondents indicated that they checked their mailbox every day to check for correspondence, while 9.7% said they did so three days a week, 7.8% four days a week, 3.3% two days a week, 1.2% once a week, 0.7% only at weekends and 1.9% said they do so less often.

The study concludes that:

- a) Generally, residential consumers are not in favour of:
 - i. Solutions that reduce current performance standards.
 - ii. Paying more to maintain current performance standards.
- b) In terms of the level of quality of service associated with sending mail, residential consumers have the following preferences:
 - i. In the evaluation of the price-quality ratio, the decision of the consumers is mainly influenced by the price linked to delivery standards. The rate of loss and the rate of compliance with the delivery standard have less impact on consumer evaluation of quality levels.
 - ii. The majority of consumers are not inclined to bear a price increase to send correspondence to continue to enjoy the current quality of service levels, and even if the rate of compliance with the delivery standard and the rate of mail

¹⁰ In general, not specifically parcels under the universal service.

loss are relevant to consumers, they prefer a poorer performance to an increase in the price of stamps.

Regarding complaints about postal services provided by CTT received by ANACOM in 2016, complaints about customer service - accessibility and conditions¹¹ - accounted for 27.1% of the total number of complaints (see Table 1), followed by complaints about distribution (distribution failures - 12.1%, failure to attempt delivery at home - 11.6%, missing items - 11.4% %, delays in delivery - 10.6% and delivery to the wrong address - 6.9%). On the whole, distribution was the service most complained about. The number of complaints received in 2016 was 30% higher than in 2015, with more complaints received in relation to above-mentioned issues, particularly customer service - accessibility and conditions (+54%) and distribution (+66%).

The number of complaints in the first half of 2017 was about the same as in the second half of 2016, with an increase in complaints about missing items, delays in delivery and acknowledgement of receipt, and a fall in the number of complaints about accessibility and conditions of access to the service, and distribution failures (in general).

Table 1 - Complaints received at ANACOM by subject

Subject	1S 2015	2S 2015	2015 Total	1S 2016	2S 2016	2016 Total	1S 2017	Var. 15/16	Var. 2S16- 1S17	Var. 1S16- 1S17
Customer service - Accessibility and conditions	774	800	1574	1033	1392	2425	1070	54%	-23%	4%
Distribution failures	272	378	650	444	634	1078	533	66%	-16%	20%
No attempt to deliver at home	434	439	873	448	591	1039	579	19%	-2%	29%
Missing item	339	446	785	431	581	1012	750	29%	29%	74%
Delay in delivery	411	488	899	514	437	951	494	6%	13%	-4%
Other/unidentified subject	287	273	560	347	417	764	596	36%	43%	72%
Delivery to the wrong address	287	343	630	262	351	613	351	-3%	0%	34%
Acknowledgement of receipt	135	191	326	231	262	493	329	51%	26%	42%
Customer service - Other/unidentified subject	181	107	288	71	159	230	106	-20%	-33%	49%
Damaged Content	91	97	188	106	113	219	107	16%	-5%	1%
Missing Content	33	26	59	30	27	57	22	-3%	-19%	-27%
Complaints book	20	19	39	16	16	32	36	-18%	125%	125%
Prices	2	8	10	2	9	11	14	10%	56%	600
Post office/agency closure and reduction of opening hours	3	1	4	3	5	8	10	100%	100%	233%
Suggestions and commendations	3	2	5	1	1	2	2	-60%	100%	100%

¹¹ It includes complaints about how and when postal services are provided (e.g. waiting times, opening hours) as well as about cleanliness, and other issues.

Total	3272	3618	6890	3939	4995	8934	4999	30%	0%	27%
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Source: ANACOM.

The largest number of complaints received in 2016, per service, concerned the distribution of items at national level (46.7% of the total), followed by complaints about national registered mail (10.2%) and national parcels (9.1%). These services also had the largest increase in complaints in 2016, compared to 2015, in absolute terms¹² (see Table 2). Note that in the first half of 2017 the number of complaints received by ANACOM increased for national registered mail (+ 36%) and fell (-7%) for the national parcel service.

Table 2 - Complaints received at ANACOM by service

Service	1S 2015	2S 2015	2015 Total	1S 2016	2S 2016	2016 Total	1S 2017	Var. 15/16	Var. 2S16- 1S17	Var. 1S16- 1S17
Postal items distribution service - National	1520	1794	3314	1890	2278	4168	2,360	26%	4%	25%
Other service/service not applicable	664	638	1302	720	938	1658	579	27%	38%	-20%
National correspondence Service - Registered mail	367	371	738	457	453	910	618	23%	36%	35%
National parcel service	245	347	592	337	476	813	445	37%	-7%	32%
Unidentified postal service	20	6	26	107	284	391	446	1404	57%	317%
Redistribution/Retention Service - National	117	157	274	150	207	357	166	30%	-20%	11%
International parcel service	108	108	216	110	122	232	133	7%	9%	21%
National Correspondence Service – Non-registered mail	74	95	169	74	105	179	98	6%	-7%	32%
Postal items distribution service - International	71	34	105	27	52	79	52	-25%	0%	93%
Postal items distribution service - Registered mail	41	24	65	30	26	56	38	-14%	46%	27%
Mailbox allocation service	18	18	36	17	17	34	35	-6%	106%	106%
National express mail service	5	2	7	4	18	22	12	214	-33%	200%
Periodical publications - National	7	9	16	11	7	18	7	13%	0%	-36%
International correspondence service - Non-registered mail	14	12	26	2	8	10	5	62	38%	150%
Redistribution/Retention Service - International	1	2	3	1	2	3	1	0%	-50%	0%
International express mail service				1	2	3	2		0%	100%
Periodical publications - International		1	1	1		1	2		0%	100%
Total	3272	3618	6890	3939	4995	8934	4999	30%	0%	27%

Source: ANACOM.

¹² Not considering complaints received regarding "other service/service not applicable" and "unidentified postal service".

According to information reported by CTT to ANACOM¹³ concerning complaints about services provided under the universal service and considering only complaints answered in 2016 on services at national level, note, in particular, complaints about distribution,¹⁴ which accounted for 27% of the complaints answered, complaints about missing items or longer than expected transit times, 15% of the total complaints, and complaints about accessibility and conditions of service provision (7%).¹⁵ Complaints answered by CTT in 2016 increased by 9% over 2015, with complaints answered about services provided at national level increasing by the same proportion.

Complaints answered on the national service in the first half of 2017 increased by 8% over the previous half year. Of these complaints, those about missing items or taking longer than expected were up 51%, while complaints about distribution decreased by 1% and complaints about accessibility and conditions of service provision decreased by 9%. Overall, that is, considering all the complaints answered by CTT (which also includes complaints about international services), in the first half of 2017 CTT responded to 21% more complaints than in the second half of 2016.

Since the end of 2016 ANACOM has been aware of several Parliamentary Questions by Members of the Assembly of the Republic, which concerned, among other things, delays in the distribution of mail, including the existence of specific situations when distribution would only occur once a week, and lengthy waiting times in certain post offices, particularly at certain times of the month.

In line with the greater number of complaints received by this Authority concerning the postal service provided by CTT, data on the quality indicators of the universal postal service monitored by ANACOM¹⁶ (see Graphs 1 to 10, where the blue line represents the performance target to be achieved by CTT, the red line is the minimum acceptable value,¹⁷

¹³ In the scope of and under Article 41(5) of the Postal Law, according to ANACOM determination of 12 December 2013.

¹⁴ This category includes complaints about when, where and how postal items were distributed, as well as about shipments distributed to the wrong address or the wrong recipients.

¹⁵ These complaints are related to aspects relating to the opening hours of postal establishments, waiting time, cleanliness of postal establishments, accessibility for people with special needs.

¹⁶ Corresponding to the quality of service indicators that CTT is required to meet annually, and which were established by ANACOM on 30 December 2014.

¹⁷ The minimum value is the value, less demanding than the performance target, below which the quality of service recorded is deemed not acceptable/satisfactory and below which a mechanism to compensate users for non-compliance with the QSI in question is triggered.

and the grey bar is the value achieved by CTT in each year) show a decline in the values achieved by CTT in 2016,¹⁸ compared to previous years (except for the transit time for newspapers and periodicals, which improved in 2016).

It should be noted that, apart from the values of intra-Community cross-border mail transit times, 2016 figures are not directly comparable with those for 2015 (and previous years), or with those of the following years, since they were obtained on the basis of a specific calculation formula for that year, which was intended to accommodate the fact that in the first nine months of 2016 CTT measured the quality of service indicators (QSI) and in the last three months of the year, this was done by a body independent of, but hired by, CTT, PricewaterhouseCoopers/AG - Assessoria de Gestão, Lda. (PwC).

Thus, taking into account that in that year these two systems of measurement of the quality of service levels were used, ANACOM, by determination of 2 March 2017,¹⁹ determined that *“(QSI 1, 2, 3, 4, 5, 6, 9 and 11) and the waiting time (QSI10) must correspond to the weighted average of the value of the first three quarters of 2016 (the period during which the CTT system was in force) and the value of the last quarter of 2016 (the period during which the independent system is in force), the first being weighted by the 9/12 factor and the second by the 3/12 factor, that is, the first being weighted by the period of time since the beginning of the year and up to the day preceding the date when the independent system started, and, the second being weighted by the period of time, up to the end of the year, during which the independent system was in force”*.

Notwithstanding, even if only the information obtained by CTT's measurement system was used to calculate the values of 2016,²⁰ i.e. by calculating the 2016 figures using the same methodology as that used in 2015, the conclusions on the evolution of the QSI values would still be similar, i.e. a deterioration of the values achieved by CTT in 2016 (with the exception of the transit time for newspapers and periodicals, which improved).²¹

¹⁸ 2016 values not yet audited.

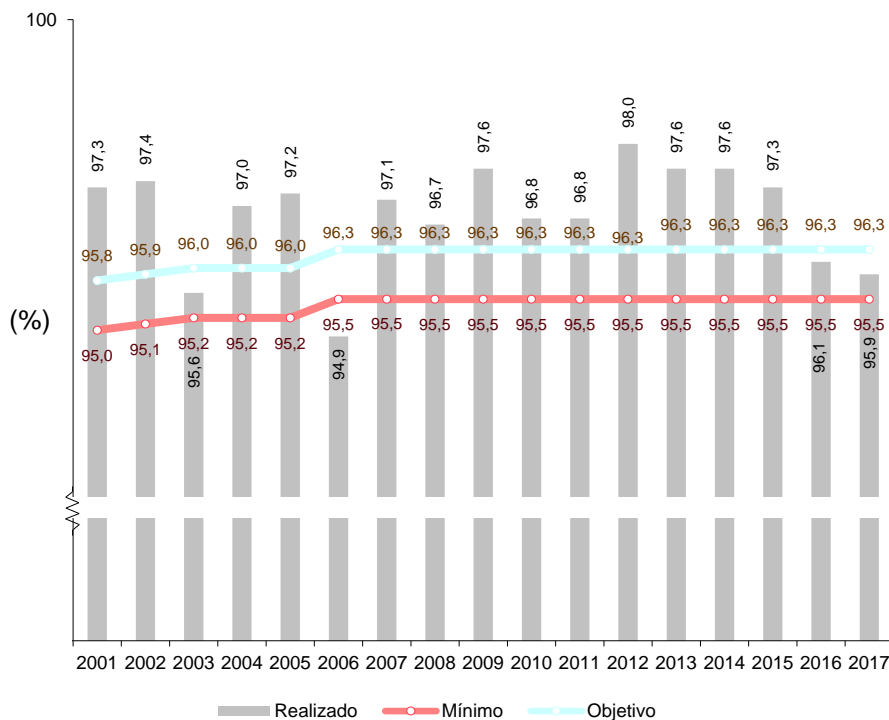
¹⁹ Available at <https://www.anacom.pt/render.jsp?contentId=1406720&languageId=1>.

²⁰ Information for the full one-year period (1 January 2016 to 31 December 2016), which CTT sent to ANACOM, at the latter's request.

²¹ For some QSIs, there was also a change in the calculation methodology in 2015 compared to previous years. This change stems from the consideration of the test items sent in the year in question when the test items distributed in the year in question were previously considered. However, this methodological change does not result in significant variations in the values of the QSI in question.

Data for 2017²² show a deterioration of the values compared to 2016, with the exception of four indicators.

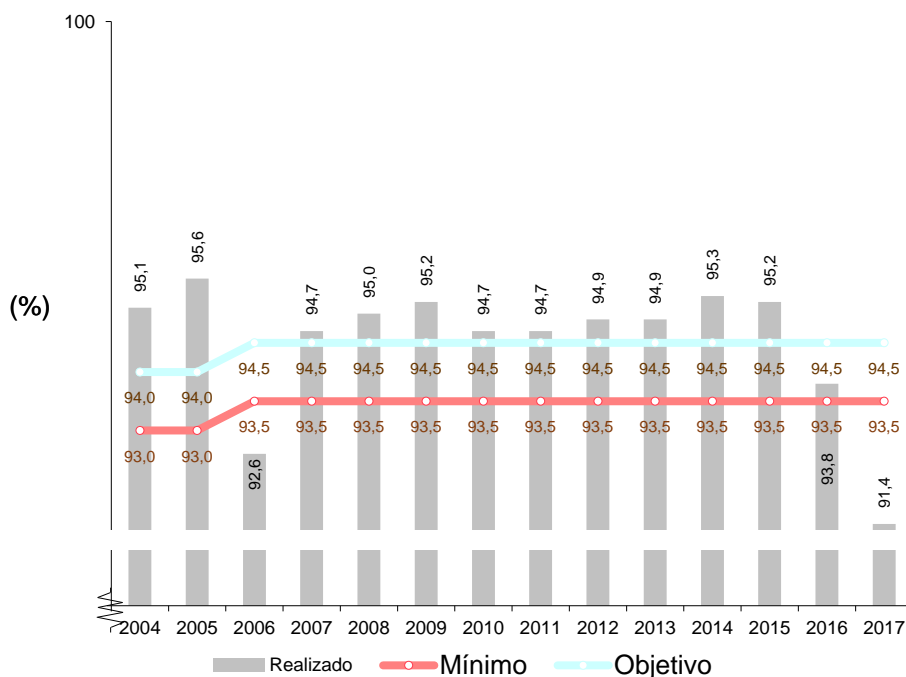
Graph 1 - Transit time for standard mail (D+3)



Source: CTT. The values since 2001 are presented. In 2015, 2016 and 2017 the calculation methodology has undergone changes, so caution is advised when comparing them with previous values.

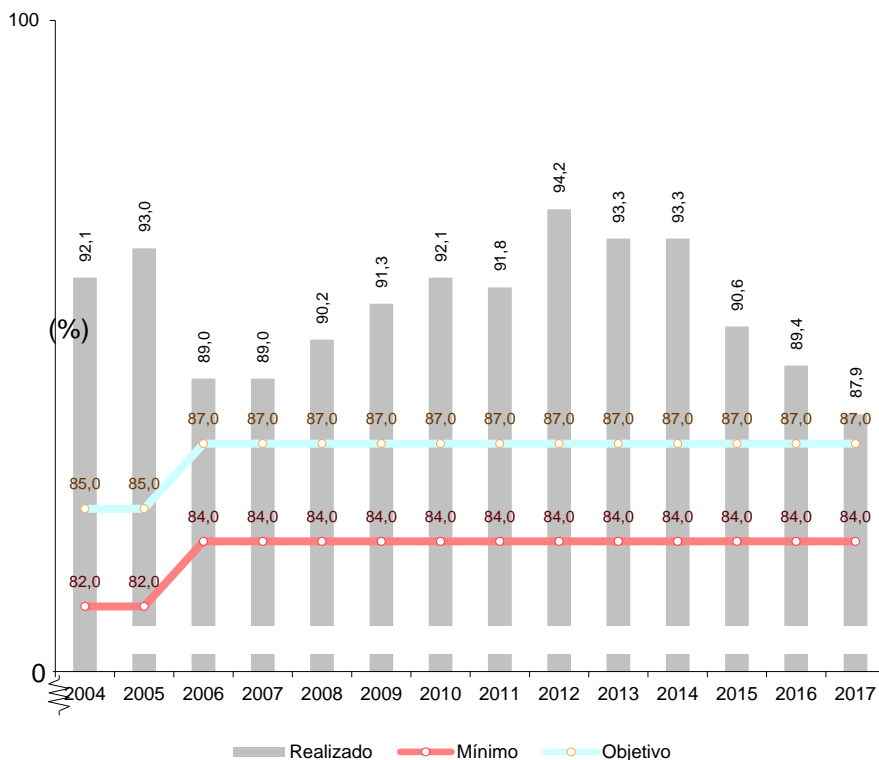
²² Obtained with the PwC measuring system. Values not yet audited.

Graph 2 - Transit time for priority mail - Mainland (D+1)



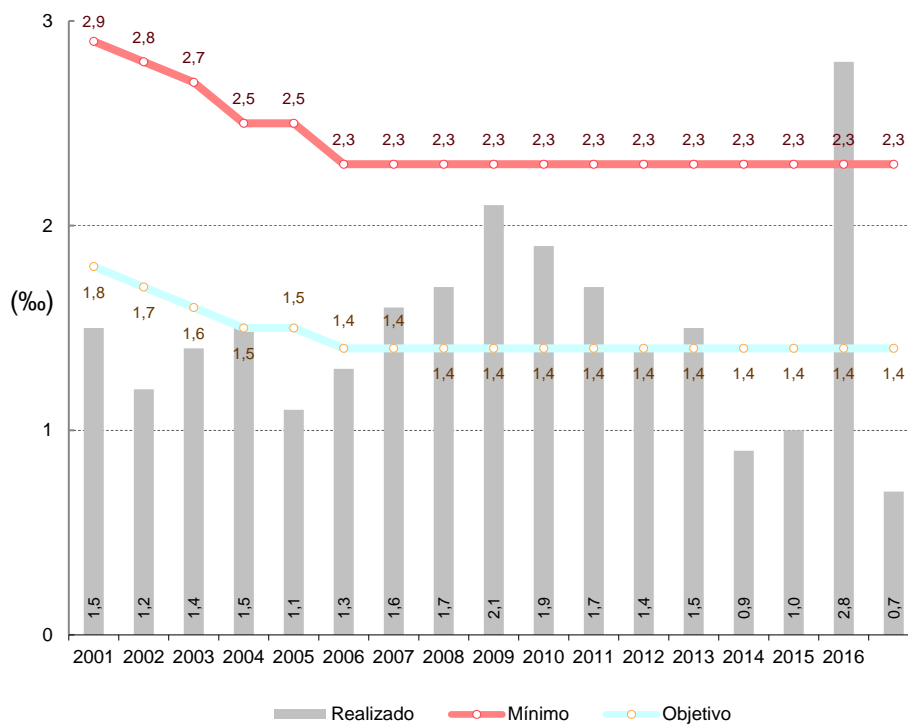
Source: CTT. Indicator in use since 2004. In 2015, 2016 and 2017 the calculation methodology was changed, so caution is advised when comparing these values with previous ones.

Graph 3 - Transit time for priority mail - MAM (D+2)



Source: CTT. Indicator in use since 2004. In 2015, 2016 and 2017 the calculation methodology has undergone changes, so caution is advised when comparing these values with previous ones.

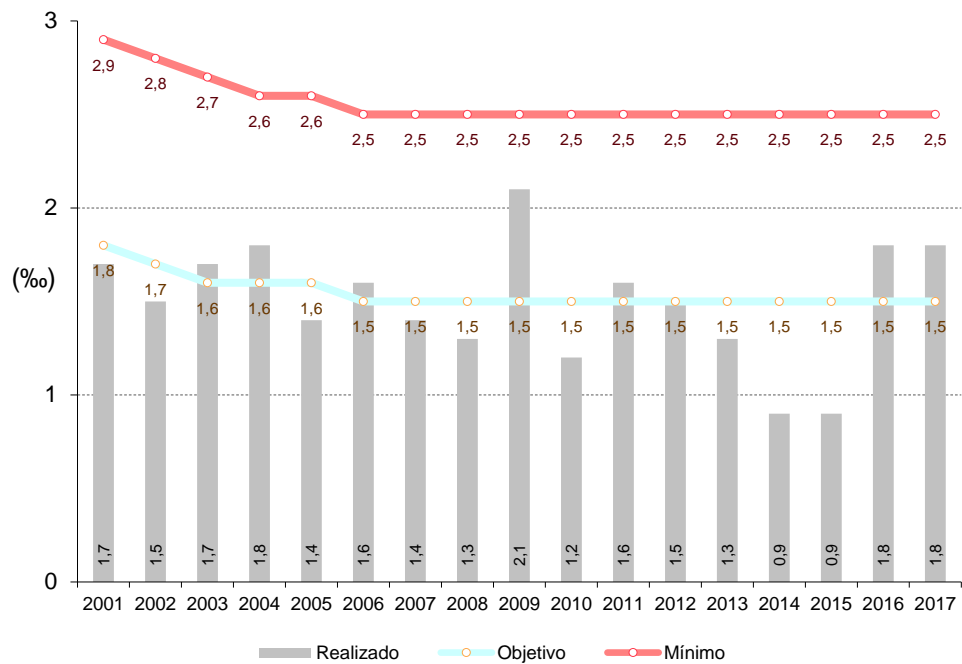
Graph 4 - Standard mail not delivered within 15 working days*



Source: CTT. The values achieved since 2001 are presented.

* The lower the value, the better the quality. In 2007, in 2016 and in 2017, the calculation formula has changed, so caution is advised when comparing these values with previous ones.

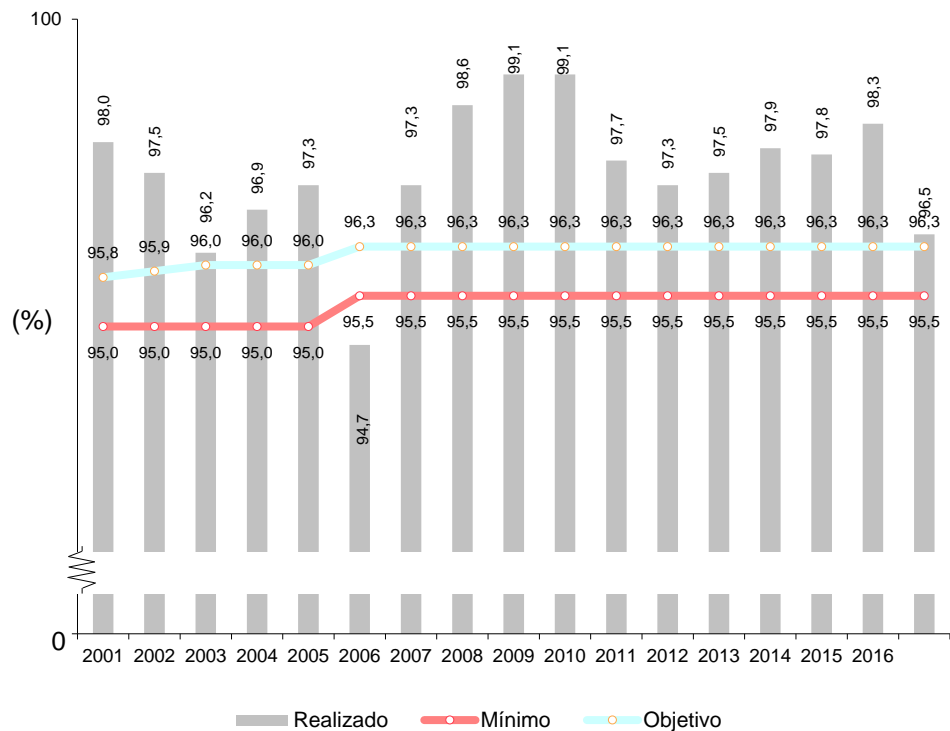
Graph 5 - Priority mail not delivered within 10 working days*



Source: CTT. The values achieved since 2001 are presented.

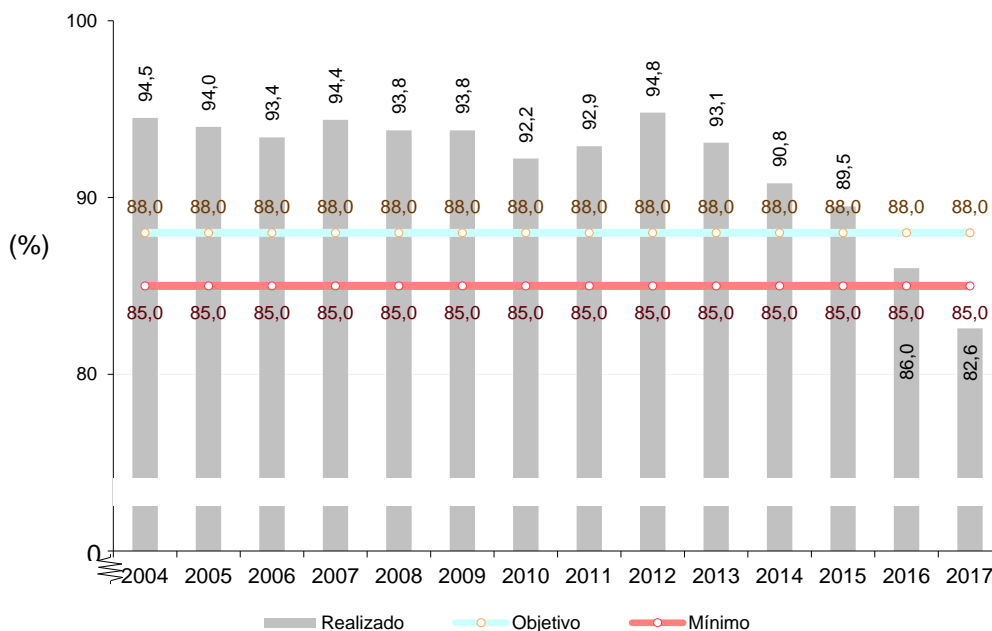
* The lower the value, the better the quality. In 2007, 2016 and 2017 the calculation formula has changed, so caution is advised when comparing these values with previous ones.

Graph 6 – Transit time for newspapers and periodicals (D+3)



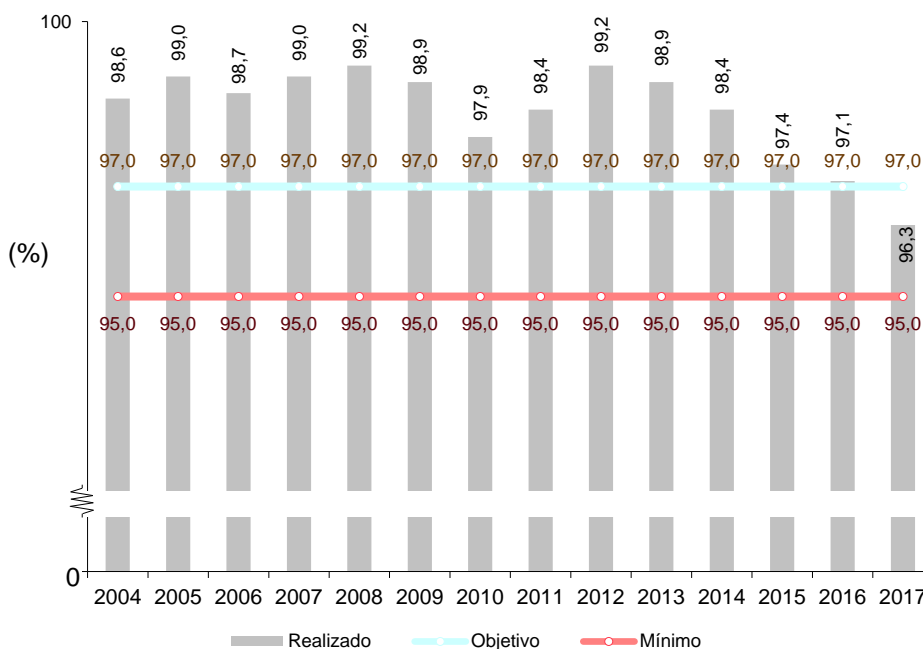
Source: CTT. In 2015, 2016 and 2017 the calculation methodology has undergone changes, so caution is advised when comparing these values with previous ones.

Graph 7 - Transit time for intra-Community cross-border mail (D+3)



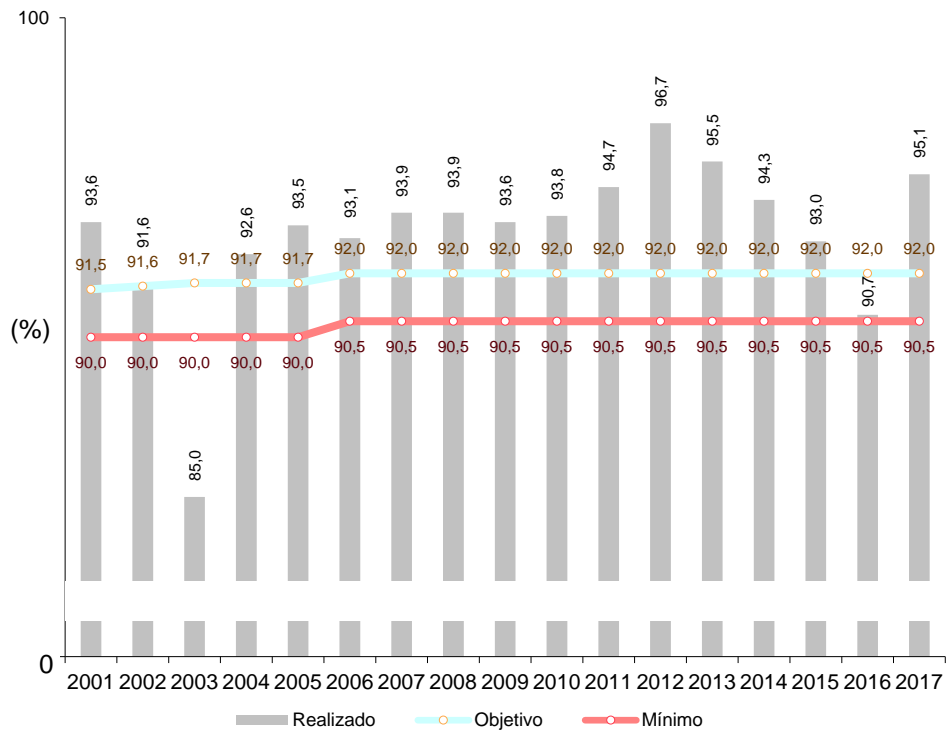
Source: CTT. Indicator used since 2004. The QSI calculation methodology was changed in 2008 and 2009, so as of 2009 the value is not directly comparable with previous years. Until 2007, the QSI value was calculated on the basis of the 12-month calendar year. In 2008 the value of QSI was calculated based on the last 12 months ending in October 2008. From 2009 onwards, it has been calculated based on the values of the last 4 quarters ending in September of each year.

Graph 8 - Transit time for intra-Community cross-border mail (D+5)



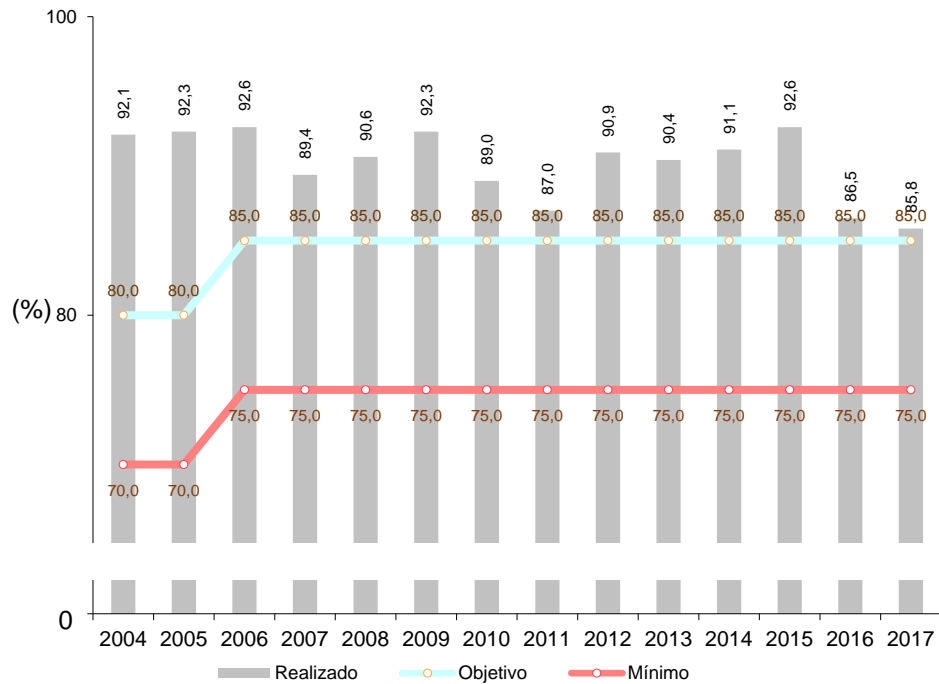
Source: CTT. Indicator existing since 2004. The QSI calculation methodology was changed in 2008 and 2009, so its value as of 2009 is not directly comparable with previous years. Until 2007, the QSI value was calculated on the basis of the 12-month calendar year. In 2008 the value of QSI was calculated based on the last 12 months ending in October 2008. From 2009 onwards, it has been calculated based on the values of the last 4 quarters ending in September of each year.

Graph 9 - Transit time for the standard parcels (D+3)



Source: CTT. In 2015, 2016 and 2017 the calculation methodology has undergone changes, so caution is advised when comparing these values with previous ones.

Graph 10 - Waiting time at post establishment (% of cases up to 10 minutes)

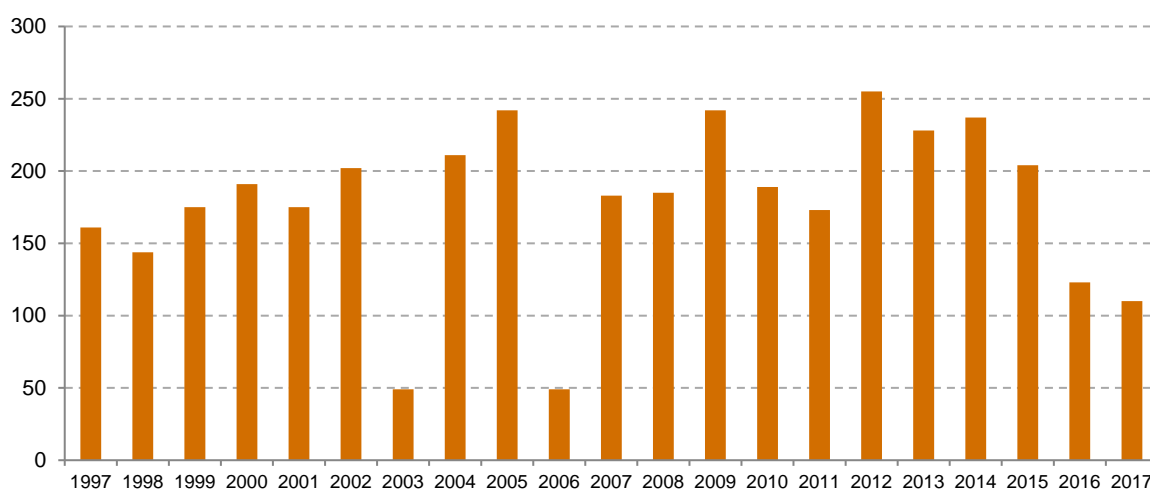


Source: CTT. In 2016 and 2017 the calculation methodology has undergone changes, so caution is advised when comparing these values with previous ones.

In 2016, the year when it started to be used, the transit time indicator for registered mail achieved the value of 92% delivered within 1 working day (up to D+1) at national level, and in 2017 it reached 92.6%, surpassing in both years the target value of 91%.

The value of the overall quality of service indicator (OI), which depends on the values of the other individual QSIs, has exceeded 100, except in 2003 and 2006 (Graph 11).

Graph 11 - Trend of the OI



Note: As the OI value results from the individual QSI values, the OI trend values should be compared with care, considering changes in the QSIs defined for each year and in the methodology for calculating them.

4. Quality of service parameters and indicators to be defined

4.1. Current quality of service parameters and indicators

Table 3 presents the quality of service indicators (QSI) currently used,²³ which are related to the following quality of service parameters (QSP):

- a) transit times (including missing items or substantial delays²⁴): QSI1 to QSI9 and QSI11;
- b) waiting time at postal establishments: QSI10.

²³ Defined in the aforementioned ANACOM determination of 30 December 2014, valid for the 2015-2017 period.

²⁴ Missing items and substantial delays.

Table 3 - QSIs and their quality targets, defined in the determination of 30 December 2014

SERVICE QUALITY INDICATORS (QSIs)		Amount	
		Minimum	Target
QSI1	Transit time for standard mail (D+3)	95,5%	96,3%
QSI2	Transit time for priority mail - Mainland (D+1)	93,5%	94,5%
QSI3	Transit time for priority mail - MAM (D+2)	84,0%	87,0%
QSI4	Standard mail not delivered within 15 working days (per thousand letters)	2,3‰	1,4‰
QSI5	Priority mail not delivered within 10 working days (per thousand letters)	2,5‰	1,5‰
QSI6	Transit time for newspapers and periodicals (D+3)	95,5%	96,3%
QSI7	Transit time for intra-Community cross-border mail (D+3)	85,0%	88,0%
QSI8	Transit time for intra-Community cross-border mail (D+5)	95,0%	97,0%
QSI9	Transit time for standard parcels (D+3)	90,5%	92,0%
QSI10	Waiting time at post establishments (% of cases up to 10 minutes)	75,0%	85,0%
QSI11	Transit time for registered mail (D+1)	89,0%	91,0%

Notes: D+X, means delivery up to X working day(s) after deposit of items at mail reception point.

It can be considered that in general the services provided by CTT, within the scope of the universal service, are covered by these QSIs, given that:

- a) the QSI for waiting time covers the provision of all postal services;
- b) the QSIs related to transit times cover the majority of services provided by CTT in the scope of the universal service:
 - i. national standard mail, national priority mail, national registered mail and cross-border mail, for correspondence;
 - ii. newspapers and periodicals, at national level;
 - iii. parcels, at national level.

ANACOM determination of 30 December 2014 also defined an overall quality of service indicator (OI), calculated as a function of the quality of service levels reached by CTT for each of the said QSIs.

In view of the characteristics of the postal services that make up the universal service, ANACOM considers that it is important to continue to define indicators related to transit times and waiting time.

At the European level, in 2016 all Member States and also Iceland, Norway, Macedonia, Serbia and Switzerland also applied regulatory targets for transit times, with Belgium, Bulgaria, Portugal and Slovakia also applying regulatory targets for the waiting time at post establishments (Table 4).

Table 4 - Regulatory targets (2015)

Countries	Transit time	Missing items and substantial delays *	Waiting time
Austria	Yes		
Belgium	Yes		Yes
Bulgaria	Yes		Yes
Croatia	Yes		
Cyprus	Yes		
Czech Republic	Yes		
Denmark	Yes		
Estonia	Yes		
Finland	Yes		
France	Yes		
Germany	Yes		
Greece	Yes		
Hungary	Yes	Yes	
Ireland	Yes		
Iceland	Yes		
Italy	Yes		
Latvia	Yes		
Lithuania	Yes		
Luxembourg	Yes		
Malta	Yes	Yes	
The Netherlands	Yes		
Norway	Yes		
Poland	Yes		
Portugal	Yes	Yes	Yes
Macedonia	Yes		
Romania	Yes		
Serbia	Yes		
Slovakia	Yes		Yes
Slovenia	Yes		
Spain	Yes		
Sweden	Yes		
Switzerland	Yes		
United Kingdom	Yes		
Total Yes	33	3	4

Source: ERGP (17) 35 - Report on the quality of service, consumer protection and complaint handling - an analysis of trends (available at http://ec.europa.eu/growth/sectors/postal-services/ergp_en).

* Note: it should be noted that these indicators may not, in fact, correspond exactly to substantial delays and/or missing items, as set in Portugal and in the technical standard of measurement developed by the European Committee for Standardization, which may for example correspond to transit times of 3 to 5 working days.

Similarly, at the level of services, as described below, it is considered that quality of service indicators relating to parcels, mail (standard mail, priority mail and registered mail) and newspapers and periodicals should continue to be set.

Parcels:

Under the universal postal service, CTT offers the standard parcels service.

In this context, it is considered that performance obligations for this service should continue to be established within the scope and for the purpose of Article 13(1) of the Postal Law, especially since the available data indicate that CTT will continue to be the only company to provide this service under the universal service.

It should be noted that at the European level in 2016, in addition to Portugal, 21 other countries set quality of service indicators for the transit time of parcels,²⁵ in a group of 33 countries (see Table 5).

Newspapers and periodicals:

It is understood that performance obligations should also continue to be defined for the transit time for newspapers and periodicals service, which is one of the aspects of the universal postal service in Portugal, and given that CTT continues to have a significant market share in the provision of this service.

At the European level, apart from Portugal, only Malta has defined indicators for the transit time for newspapers and/or periodicals (see Table 5). However, in Malta the measurement is not carried out independently for these items, it is included in the measurement of the transit time of priority mail and/or bulk mail. There are also countries where there is no specific offer for newspapers and periodicals (e.g. Hungary), which generally apply the offer and tariff conditions that are used for mailing correspondence, and for that reason may be included in the evaluation of the quality of service of the latter.

Correspondence:

Regarding correspondence, performance targets are currently set for standard mail, priority mail and registered mail.

These are the mail services most commonly used by residential customers, according to the available data (in particular, the traffic data per service reported by CTT to ANACOM, as well as the aforementioned Survey on the Use of Postal Services and the study on the

²⁵ Source: ERGP Report (17) 35.

needs of consumers of postal services). They are also the most used by business customers, according to statistical information and the analytical accounting system reported by CTT to ANACOM.

Thus, it is deemed appropriate to continue to set performance targets for these services.

At the European level, in 2016, 31 of the 33 countries considered (including Portugal) set performance targets for the transit time for the national priority mail service, which corresponds to the priority (“blue”) mail provided by CTT (see Table 5).

Of these 33 countries, 19 (including Portugal) have also set performance targets for the transit time for the non-priority mail service at the national level, which corresponds to the standard mail service in Portugal (see Table 5). In those countries which did not set those targets, this was most often because the universal service provider does not offer a non-priority service.

Portugal and a further 13 countries have set performance targets for the transit time, at national level, for a registered (mail) service. In the case of Portugal, as from 2016.

It is not considered necessary to set specific performance targets for prepaid (“green”) mail, given that, despite a slight increase in prepaid mail traffic,²⁶ when it comes to mail, this service is the least used by customers (representing less than (SCI)²⁷ (ECI)%²⁸ of universal service traffic).²⁹

²⁶ According to the Consolidated Results of CTT for the first half of 2017, page 6 (<http://web3.cmvm.pt/SDI/emitentes/docs/FR65361.pdf>).

²⁷ Start of confidential information.

²⁸ End of confidential information.

²⁹ See also, Survey on the Use of Postal Services, 2016.

Table 5 - Regulatory targets defined for the transit time parameter (2016)

Countries	Priority mail	Non-priority mail	Registered mail	Bulk mail	Newspapers and Periodicals	Parcels
Austria	Yes	No	Yes	No	No	Yes
Belgium	Yes	Yes	Yes	No	No	Yes
Bulgaria	Yes	Yes	No	No	No	Yes
Croatia	Yes	Yes	No	No	No	No
Cyprus	Yes	No	No	No	No	No
Czech Republic	Yes	No	No	No	No	No
Denmark	b)	Yes	No	No	No	Yes
Estonia	Yes	No	No	No	No	No
Finland	Yes ^{c)}	Yes ^{c)}	No	No	No	No
France	Yes	Yes	Yes	No	No	Yes
Germany	Yes	No	Yes	No	No	Yes
Greece	Yes	No	No	No	No	No
Hungary	Yes	Yes	Yes	Yes	No	Yes
Ireland	Yes	No	Yes	Yes	No	No
Italy	Yes	Yes	Yes	Yes	No	Yes
Latvia	Yes	Yes	Yes	No	No	Yes
Lithuania	Yes	Yes	Yes	No	No	Yes
Luxembourg	Yes	No	Yes	Yes	No	No
Malta	Yes	No	Yes	Yes	Yes ^{a)}	Yes
Netherlands	Yes	No	No	No	No	No
Norway	Yes	Yes	No	No	No	Yes
Poland	Yes	Yes	No	No	No	Yes
Portugal	Yes	Yes	Yes	No	Yes	Yes
Macedonia	No	Yes	No	No	No	Yes
Romania	Yes	No	No	No	No	Yes
Slovakia	Yes	Yes	Yes	No	No	Yes
Slovenia	Yes	No	No	No	No	Yes
Spain	Yes	No	No	Yes	No	Yes
Sweden	Yes	No	No	No	No	No
Switzerland	Yes	Yes	No	No	No	Yes
Serbia	Yes	Yes	No	No	No	Yes
Iceland	Yes	Yes	No	No	No	No
United Kingdom	Yes	Yes	Yes	No	No	Yes
Total Yes	31	19	14	6	2^{a)}	22

Source: ERGP Report (17) 35 and ANACOM.

a) The measurement of the transit time for newspapers and periodicals is not carried out separately, being included in the measurement of the transit time of priority mail and/or bulk mail.

b) Not applicable as of 7 July 2016.

c) According to the amendment to the law, published on 2 November 2017, the universal service provider is now obliged to distribute 50% of the items within D+4 and 97% up to D+5.

Spain and Serbia indicated that they did not differentiate between priority mail and non-priority mail. In the Czech Republic, Ireland, Malta, Austria, Germany, Luxembourg, the Netherlands and Slovenia there is no non-priority service within the universal service. Spain measures the transit time for bulk mail and priority mail together. Hungary does not separate the service of newspapers and periodicals from the mail service. Serbia has target values for the transit time of parcels, but these are not measured.

The performance targets to be set, referred to above, only cover the national service, since this represents the majority of postal traffic.

In addition, it is considered that quality indicators should continue to be defined for international (correspondence) services to the Member States, which, in the ANACOM determination of 30 December 2014, correspond to QSI7 (Transit time for intra-Community cross-border mail within D+3) and QSI8 (Transit time for intra-Community cross-border mail within D+5).

At the European level, 23 countries have set regulatory targets for cross-border (mail) shipments - see Table 6. The vast majority of countries adopted the value established in the Postal Directive (85% for shipments delivered within D+3 and 97% within D+5). Portugal, Belgium, Malta, France and Iceland have set more stringent targets than those set out in the Postal Directive.

However, considering that the values achieved depend not only on CTT but also on other service providers in other countries, the primary objective of the indicators for intra-Community cross-border mail is monitoring quality levels in shipments with origin or destination in Portugal; they are not relevant for the purpose of applying the user compensation mechanism, provided for in Chapter 7, to be activated if the stipulated performance targets are not met.

In view of the deterioration of these levels, ANACOM will intervene, within the framework of its tasks and powers.

Table 6 - Regulatory targets defined for cross-border mail (2016)

	D+1	D+3	D+5
Austria	-	85%	97%
Belgium	93%	-	-
Bulgaria	-	85%	97%
Croatia	-	85%	97%
Cyprus	-	85%	97%
Finland (a)	-	85% (d)	97%
France	-	90%	97%
Germany	-	85%	97%
Greece	-	85%	97%
Hungary	-	85%	97%
Iceland	-	90%	97%
Ireland	-	85%	97%
Italy	-	85%	97%
Lithuania	-	85%	97%
Luxembourg	-	85%	97%
Malta	95%	-	-
Norway	-	85%	97%
Portugal	-	88%	97%
Romania	-	85%	97%
Serbia	-	85%	97%
Slovenia	-	85%	97%
Spain (b)	-	85%	97%
United Kingdom	-	85%	-
Total	2	21	20

Source: ERGP Report (17) 35 and ANACOM.

Notes: (a) Finland: according to amendment to the law, published on 2 November 2017, the universal service provider became obliged to distribute 50% of intra-Community cross-border shipments within D+3 and 97% within D+5. (b) Spain - results available only for each bilateral flow (country to country).

4.2. New quality of service parameters and indicators

The quality of service indicators that have been defined by ANACOM apply, with very few exceptions,³⁰ to the entire national territory, and the targets imposed should be ensured by CTT, in average terms, throughout the territory and throughout the year.

This situation allows the quality of service achieved by CTT for the service standards offered for the various services (e.g., delivery within D+1 for priority mail, delivery within D+3 for standard mail) not to be uniform throughout the entire national territory. ANACOM

³⁰ The exceptions are the QSIs related to the transit time of the blue/priority mail, which apply to the Mainland, on the one hand, and the MAM flows, on the other.

acknowledges, as already mentioned, that a number of complaints have been made about delays in the distribution of postal items in certain areas of or places in the national territory, regardless of whether, in average annual terms, CTT meets the performance targets which it is obliged to ensure.

According to the available information, the United Kingdom sets quality objectives to be met by geographical areas, but only for priority deliveries (with delivery standard within D+1), with uniform quality in all geographical areas, although lower than the average for the territory. In practical terms, this means accepting that the quality of service is not uniform throughout the territory, instead, a minimum limit is set for the quality of service admissible in each region of destination.³¹

The other Member States, or some of them, choose to define another obligation. This is in parallel with the obligation to deliver a certain percentage of the items within the service standard applying to the service in question, which can be called an obligation concerning the "speed" of service delivery. Here, this is referred to as "reliability", which aims to prevent the remaining part of postal items that are not delivered within the service speed standard from being delivered too far beyond that, that is, it aims to limit the occurrence of what can be termed "worst cases" or substantial delays. In practice, this means establishing and combining two transit time objectives, in which the "reliability" will necessarily have a coverage that is close to 100%, and closer to 100% the higher the value of the difference between the reference time of the obligation relating to "reliability" and the reference time of the "speed" obligation.

To clarify the above, Tables 7 to 10 show the performance targets set in several European countries, for type of service,³² which, except in the United Kingdom, apply in average terms to the national territory of each country.

³¹ The performance target imposed is 93.0% of priority items delivered within D+1 at national level and 91.5% delivered in each defined geographical area (based on postal codes in the UK). The latter obligation does not apply to three geographical areas. It should be noted that the English regulator (Ofcom) did not impose specific limits on the maximum price change allowed for this service (with delivery standard D+1), contrary to what it imposed on the non-priority service, whose average annual price change is capped.

³² The information is based on data from 32 countries.

The information in Table 7 shows that 22 countries out of a total of 32 have set targets for "speed" and "reliability" for priority national mail. Among these, it is noted that:

- a) 9³³ have set a "reliability" target for a transit time by adding two extra days to the transit time representing the "speed" of the service standard;³⁴
- b) 9 countries³⁵ have set a "reliability" target for a transit time by adding one extra day to the transit time representing the "speed" of the service standard;
- c) 4 countries³⁶ have set "reliability" targets for transit times of one and two extra days added to the "speed" transit time;
- d) 1 (Austria) sets targets for transit times of one and three extra days added to the "speed" transit time.

³³ Cyprus, Greece, France, Hungary, Ireland, Lithuania, Norway, Sweden and Spain.

³⁴ For example, in France a performance target for the D+1 standard and another for the D+3 standard have been defined.

³⁵ Austria, Belgium, Bulgaria, Germany, Croatia, Luxembourg, Romania, Serbia and Slovakia. Only countries that have defined a target for D+1 are considered.

³⁶ Malta, Poland, Serbia and Slovenia.

Table 7 - Performance targets for priority national mail (2016)

Country	Up to D+1	Up to D+2	Up to D+3	Up to D+4	Up to D+5
Switzerland	97%				
Slovenia	95%	99.5%	100%		
Malta	95%	98%	99%		
Austria	95%	98%		100%	
Netherlands	95%				
Portugal	94.5% (Mainland flows)	87% (MAM flows)			
Ireland	94%		99.5%		
Slovakia	93%	99%			
Belgium	93%	97%			
Denmark**					93%
United Kingdom	93%				
Czech Republic	92%				
Cyprus	90%		97%		
Hungary	90%		97%		
Estonia	90%				
Latvia	90%				
Greece	87%		98%		
Romania	85%	97%			
Croatia	85%	95%			
France	85%		99%		
Lithuania	85%		97%		
Norway	85%		97%		
Sweden	85%		97%		
Iceland	85%				
Bulgaria	80%	95%			
Germany	80%	95%			
Italy*	80%*	80%*	80%*	98%*	
Finland***	80%				
Poland	82%	90%	94%		
Serbia	80%	85%	90%		
Luxembourg	-	85%	99%		
Spain			93%		99%

Source: ERGP Report (17) 35 and ANACOM.

* Italy: In Italy, the service standard D+1, D+2 and D+3 corresponds to the service standard "speed", depending on the regions of origin and destination of the shipments. The D+4 standard corresponds to what is here called "reliability", and an average of 98% of shipments will have to be delivered in the national territory within D+4.

** Denmark: applicable as of 1 July 2016; until 30 June 2016, the obligation was 93% within D+1.

*** Finland: according to amendment to the law, published on 2 November 2017, the quality obligation (above) was replaced by one where the universal service provider became obliged to distribute 50% of the shipments within D+4 and 97% within D+5.

The information in Table 8 shows that 10 countries out of a total of 18 have set targets for "speed" and "reliability" for non-priority national mail. Among these, it is noted that:

- a) 2 countries whose "speed" target is D+3³⁷ have set a "reliability" target of D+5;
- b) of the 7 countries whose "speed" target is D+2, the "reliability" target of two is D+3,³⁸ for three it is D+4³⁹ and for one (Serbia) it is D+2, D+3 and D+5;
- c) 7⁴⁰ have set a "reliability" target for a transit time corresponding to two extra days added to the transit time corresponding to the "speed" of the service standard;
- d) 2⁴¹ countries have set a "reliability" target for a transit time corresponding to one extra day added to the transit time of the "speed" of the service standard.

Table 8 - Performance targets for non-priority national mail (2016)

Country	Up to D+1	Up to D+2	Up to D+3	Up to D+4	Up to D+5	Up to D+6
United Kingdom			98.5%			
Finland**		95%	98%			
Latvia			98%			
Belgium		95%				
Switzerland			97%			
Portugal			96.3%			
Serbia		80%	85%		90%	
Bulgaria		80%	95%			
Croatia			95%			
France		93.75%		99%		
Slovakia		93%		99%		
Lithuania		85%		97%		
Hungary			85%		97%	
Iceland			85%			
Poland			85%		97%	
Denmark*					93	
Italy				90%		98%
Norway				85%		97%

Source: ERGP Report (17) 35 and ANACOM.

³⁷ Hungary and Poland

³⁸ Finland and Bulgaria.

³⁹ France, Slovakia and Lithuania.

⁴⁰ France, Slovakia, Lithuania, Hungary, Poland, Italy and Norway.

⁴¹ Finland and Bulgaria.

* Denmark: From 1 July 2016, target is 93% up to D+5; until 30 June.2016, target was 93% up to D+4.

** Finland: according to amendment to the law, published on 2 November 2017, the quality obligation (above) has been replaced by one where the universal service provider is obliged to distribute 50% of the shipments within D+4 and 97% within D+5.

According to Table 9, nine countries set targets for "speed" and "reliability" for national registered mail. Among these:

- a) 5 defined a "reliability" objective for a transit time corresponding to two extra days added to the transit time corresponding to the "speed" of the service standard;⁴²
- b) 3 countries have set a "reliability" target for a transit time corresponding to one extra day added to the transit time corresponding to the "speed" of the service standard;⁴³
- c) 1 (Malta) set targets for D+1, D+2 and D+3.

Table 9 - Performance targets for national registered mail (2016)

Country	D+1	D+2	D+3	D+4	D+5	D+6
United Kingdom	99%					
Malta	98%	99%	99%			
Austria	95%	98%		100%		
Belgium	95%					
Portugal (a)	91%					
Lithuania	85%		97%			
Germany	80%	95%				
France		95%		99%		
Slovakia		93%		99%		
Luxembourg		85%	99%			
Hungary (b)			85%		97%	
Italy				90%		98%

Source: ERGP Report (17) 35 and ANACOM.

(a) From 2016.

(b) Applicable only to "official" shipments.

The information in Table 10 shows that 14 countries out of a total of 21 have set targets for "speed" and "reliability" for the parcels service. Among these, it is noted that:

⁴² Lithuania (D+1 and D+3), France and Slovakia (D+2 and D+4), Hungary (D+3 and D+5) and Italy (D+4 and D+ 6).

⁴³ Austria (D+1, D+2 and D+4), Germany (D+1 and D+2) and Luxembourg (D+2 and D+3).

- a) 5⁴⁴ countries have set a "reliability" target for a transit time corresponding to one extra day added to the transit time corresponding to the "speed" of the service standard;
- b) 6⁴⁵ defined a "reliability" target for a transit time corresponding to two extra days added to the transit time corresponding to the "speed" of the service standard;
- c) Malta has set targets of D+1, D+2 and D+3;
- d) Austria has set a "reliability" target for a three-day transit time in addition to the transit time corresponding to the "speed" of the service standard;
- e) Serbia set targets for D+2, D+3 and D+5.

Table 10 - Performance targets for parcels (2016)

Country	D+1	D+2	D+3	D+4	D+5	D+6
Malta	98%	99%	99%			
Belgium	95%					
Switzerland	95%	95%				
Denmark	93%					
Serbia (a)		80%	90%		95%	
Bulgaria	80%	95%				
Slovakia (a)		93%		99%		
Poland	80%		90%			
Hungary		85%	95%			
Slovenia		80%	95%			
Portugal			92%			
Austria		90%			100%	
France		90%		98.5%		
Romania (a)		85%		97%		
Germany (a)		80%				
Spain			80%		95%	
Macedonia (a)		70%	75%		80%	
Latvia				98%		
Lithuania				97%		
Italy				90%		
Norway				85%		97%

⁴⁴ Bulgaria, Hungary, Slovenia, Slovakia and Switzerland.

⁴⁵ Slovakia, Spain, France, Norway, Poland and Romania.

Source: ERGP Report (17) 35.

(a) Countries with stipulated targets but where measurement was not performed.

In view of the above, whereas:

- a) the current performance obligations imposed on CTT, which affect the service standard ("speed"), although corresponding to quality values to be guaranteed in average terms in the national territory, nevertheless constitute a restriction on disruption and on the provision by the said provider of levels of service quality below a certain threshold;⁴⁶
- b) the current performance obligations do not, however, appropriately limit the occurrence of cases in which the rest of the postal items that are not distributed within the defined service standard are distributed within significantly longer transit times;
- c) the imposition of performance obligations that affect the service standard ("speed"), in place today, supplemented by the imposition of obligations on the quality of service that affect the rest of the postal items that are not distributed within that period, is a measure that will limit situations in which the transit time of a proportion of the shipments is very significant, allowing the quality of service to improve not only in national average terms but also in specific geographical areas of the country;
- d) the objective of improving the quality of service in both national average terms and in specific geographical areas of the country can be better achieved by simultaneously imposing more stringent performance targets for some of the current QSIs,

ANACOM considers that:

- A. New quality indicators must be created for the transit time of the postal items; these must limit the occurrence of situations of significantly longer transit times than the service standard ("speed") featuring the service in question, with performance targets very close to 100% being set for these new indicators, in particular, 99.9% for new indicators for priority mail, registered mail and newspapers and periodicals issued daily

⁴⁶ Checking quality levels below the defined average threshold may entail the application of compensatory measures to users, and other sanctions, where applicable.

or weekly, and 99.7% for the other services (standard mail, standard bulk mail, standard parcels and newspapers and periodicals issued more frequently than weekly), considering that the latter satisfy specific needs requiring lower priority/speed in the delivery of shipments.

As is the case in most countries that apply two performance targets to the same service, it is considered that the new quality indicators should be defined for D+X+2 transit times, with D+X being the service standard ("speed") of the service concerned. Thus, by way of example, a new quality of service indicator is set for the transit time of standard mail in D+5, thus limiting transit times for deliveries that are not delivered within the respective service standard (D+3).

- B. More demanding performance targets than those currently defined should be set for some of the current QSIs, which will improve the quality of service not only in national average terms but also in the specific geographical areas of the country, which will be done (in subsequent sub-chapters) either through a higher requirement for performance targets or through the elimination of the minimum values for the QSI, which in the latter case also simplifies the applicable rules, these now being to only set performance targets.

For each QSI, ANACOM has been defining not only the performance target to be achieved annually, but also a minimum value, necessarily lower than that which represents the minimum acceptable value below which it is considered that there is non-compliance with the QSI, and which gives rise to the activation of the compensation mechanism for users.

In addition, it performs an overall assessment of the level of quality of service reached, by defining an overall indicator that considers the performance levels of all QSIs; where there are situations of QSIs that are below their performance target but above the said minimum value, there will be no activation of the compensation mechanism for users for non-compliance with the Overall Quality Indicator if other QSIs are above their target values, to some extent offsetting the QSIs that are below the target value.

ANACOM considers that the elimination of the minimum value associated with each QSI will help to ensure that the performance target defined for each QSI is observed,

since non-compliance with the performance target cannot be offset by an overall service indicator.

ANACOM will not fail, however, when verifying the level of achievement of the performance target of each QSI, to evaluate the impact of the sampling error associated with the estimation of the QSI value observed.

It follows from the foregoing that it is no longer necessary to continue to define an overall quality of service indicator since failure to meet the performance target of any QSI can no longer be offset by better performance levels recorded for other QSIs.

- C. Nor is it necessary, in view of the measures described in A and B, to define or impose performance targets by geographical area (except for the specific situation of the Autonomous Regions) for the current quality of service indicators related to the ("speed") standard, since those measures will limit the possibility of significant discrepancies between the quality recorded in each region and the national average.
- D. Targets for the new QSIs, which are defined also taking the historical values of CTT in recent years into account (and are set in most cases to levels already attained by CTT or very close to those levels), are still set at high levels. The aims are to ensure a better quality of the universal postal service, to encourage continued investment in the postal network assigned to the universal postal service concession, and ensuring the economic and financial sustainability of the universal postal service.

4.3. QSP - Transit times in postal items

4.3.1. Standard mail

In view of the above, in relation to the standard mail service, in addition to the current QSI which imposes the percentage of standard mail items to be delivered up to 3 working days (i.e. up to D+3), a new indicator is introduced which sets a new target to be achieved within D+5.

Regarding the performance target for the current standard mail delivered within D+3, it should be noted that the values found for this QSI in 2016 and 2017 are the lowest recorded since 2007 (see Chart 1). Coinciding with this poor performance, as already mentioned, in

2016 there was an increase in the number of complaints about the postal service provided by CTT, particularly distribution.

However, in the case of standard mail, the current quality target (delivery within D+3 in 96.3% of cases) is regarded as an adequate level of quality, taking into account the necessary balance between the provision of a universal service and the cost of providing it, while keeping Portugal one of the European countries with a higher target level (see Table 8).

The target set for the new QSI is that 99.7% of standard mail items should be delivered within 5 working days, which limits to 0.3% the percentage of shipments that can have a longer transit time.

With the definition of this new obligation, it is considered unnecessary to continue to define the QSI for standard mail not delivered within 15 working days, for which the target is 1.4‰ (i.e. that 99.86% of items are delivered within 15 working days). However, it should be noted that the calculation methodology of indicators relating to the standard mail transit time will include missing items.

Table 11 summarizes the QSIs and their performance targets to be met by CTT.

Table 11 - Quality of service indicators for standard mail

	Quality of service indicators	Target
Current QSI1	Transit time for standard mail (D+3) Defined as the average percentage of letters sent to any point in the national territory as standard mail that reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of letters sent.	96.3% up to D+3
NEW	Transit time for standard mail (D+5) Defined as the average percentage of letters sent to any point in the national territory as standard mail that reach their destination within 5 working days of being deposited at a mail reception point, based on the total amount of letters sent.	99.7% up to D+5

4.3.2. Priority mail

With regard to priority mail, and taking into account the principles set out above:

- a) the current QSI for the percentage of shipments on the Mainland delivered within D+1 is retained, and a new one is defined for which a target of 99.9% delivered within D+3 is set;
- b) the current QSI for the percentage of shipments with origin or destination in the Autonomous Regions (MAM flows) delivered within D+2 is retained, and a new QSI, whose target is 99.9% delivered within D+4, is introduced.

With the definition of these new QSIs, and like the solution recommended for standard mail, it is considered unnecessary to continue to define the QSI for priority mail not delivered within 10 working days, which is 1.5‰ (i.e. that 99.85% of the shipments made are delivered within 10 business days). However, it should be noted that the calculation methodology of indicators relating to the transit time for priority mail will include missing items.

Regarding the performance targets of the current QSIs:

Transit time for priority mail - Mainland (D+1) (current QSI2)

The current target value is 94.5%.

The value recorded for this QSI in 2016 is the lowest since 2007, even failing to reach its target (see Chart 2), while the value recorded in 2017 is the lowest since this QSI has been in place (that is, since 2004), even failing to reach its minimum value. Coinciding with this worsening performance, as already mentioned, in 2016 there was an increase in the number of complaints about the postal service provided by CTT, particularly distribution.

It is considered, however, that as in the case of standard mail, the current quality target (noting that the minimum value has now been removed) represents an appropriate quality level taking into account the necessary balance between the provision of a universal service and the cost of providing it. Portugal is still one of the European countries with a higher target level (see Table 7), while eliminating the minimum value and defining the new QSI, setting 99.9% of items to be delivered within 3 working days, will make it possible, to a great

extent, to tackle the anomalous distribution in certain geographical areas that may be the source of the complaints received about postal distribution.

Transit time for priority mail - MAM (D+2) (current QSI3)

The current target value is 87.0%.

After a recent period in which there were annual values above 93% for this QSI (2012 to 2014 - Graph 3) and even above 91% (2009 to 2011), since 2015 this QSI has posted values between 87.9% and 91%, still exceeding the target value of 87.0%

In this specific case, aiming at a greater convergence between the quality of service in the Autonomous Regions and the quality of service on the Mainland, it is considered that the target value of this QSI should be raised, its value being set at 90.0%, a figure very close to that for 2015 and above that for 2016 and 2017, representing an increase of 3 percentage points compared to the current target.

Table 12 summarizes the QSIs and their performance targets to be met by CTT.

Table 12 - Quality of service indicators for priority mail

	Quality of service indicators	Target
Current QSI2	Transit time for priority mail - Mainland (D+1) Defined as the average percentage of letters sent to any point on the Mainland as priority mail that reach their destination within 1 working day of being deposited at a mail reception point, based on the total amount of letters sent.	94.5% up to D+1
Current QSI3	Transit time for priority mail - MAM (D+2) Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, as priority mail, that reach their destination within 2 working days of being deposited at a mail reception point, based on the total amount of letters sent.	90.0% up to D+2 (current target is 87.0%)
NEW	Transit time for priority mail - Mainland (D+3) Defined as the average percentage of letters sent to any point on the Mainland as priority mail that reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of letters sent.	99.9% up to D+3
NEW	Transit time for priority mail - MAM (D+4) Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, as priority mail, that reach their destination within 4 working days of being deposited at a mail reception point, based on the total amount of letters sent.	99.9% up to D+4

4.3.3. Newspapers and periodicals

Regarding the editorial/newspapers and periodicals mail service at the national level, the delivery standard published by CTT for this service is the one shown in Table 13.⁴⁷

Table 13 – Service standards for the newspapers and periodicals service

	The Mainland	Islands
Daily and weekly publications	1 business day	2 business days
Publications with other periodicities	3 business days	3 business days

Source: CTT.

Currently, there is a QSI that defines the overall performance target of 96.3% (the same as for standard mail, within the same period) for the percentage of these deliveries that reach their destination within 3 business days. This QSI has achieved annual values of 96.5% or higher (Graph 6). Regarding the measurement of this QSI, shipments with different frequency (such as daily, weekly, biweekly and monthly) are considered.

⁴⁷ Indicative delivery standard, released by CTT in www.ctt.pt (consultation carried out on 8 November 2017 and 9 July 2018).

It is important to ensure that newspapers and periodicals are delivered to the addressees on weekly basis or more frequently (e.g. daily and weekly) in order to meet the needs of users (senders and recipients). In this context, an indicator is defined for the transit time for newspapers and periodicals, published weekly or more frequently. As with priority mail, it sets the percentage of this type of newspaper distributed within one day on the Mainland, and within 2 business days, for the MAM flows. For these new QSIs, given the priority nature of their distribution, the same performance targets as for priority mail are also set.

At the same time, an indicator is defined for shipments made less frequently than weekly (for example, publications issued fortnightly and monthly), with the same target set for standard mail (96.3% delivered within 3 working days, in national average terms).

By analogy with standard mail and priority mail, and by applying the same principles that are being followed for this service, too, quality indicators are defined that establish that a value very close to 100% of the shipments must be delivered by a deadline, adopting the same performance targets and deadlines as for priority mail in the case of daily and weekly newspapers and periodicals, and for standard mail in the case of newspaper and periodicals with delivered less frequently.

In view of the above, the following QSIs are defined for the editorial/newspapers and periodicals mail service.

Table 14 - QSIs applicable to editorial mail/newspapers and periodicals, with weekly or more frequent delivery (e.g. daily)

	Quality of service indicators	Target
NEW	<p>Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+1)</p> <p>Defined as the average percentage of items within the newspapers and periodicals category, published weekly or more frequently, sent to any point on the Mainland, which reach their destination within 1 working day of being deposited at a mail reception point, based on the total amount of items sent.</p>	94.5% up to D+1
NEW	<p>Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+3)</p> <p>Defined as the average percentage of items within the newspapers and periodicals category, published weekly or more frequently, sent to any point on the Mainland, which reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of items sent.</p>	99.9% up to D+3
NEW	<p>Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+2)</p> <p>Defined as the average percentage of items covered by the newspapers and periodicals category, published weekly or more frequently, sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, that reach their destination within 2 working days of being deposited at a mail reception point, based on the total amount of items sent.</p>	90.0% up to D+2
NEW	<p>Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+4)</p> <p>Defined as the average percentage of items covered by the newspapers and periodicals category, published weekly or more frequently, sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, that reach their destination within 4 working days of being deposited at a mail reception point, based on the total amount of items sent.</p>	99.9% up to D+4

Table 15 - QSIs applicable to editorial mail/newspapers and periodicals, published less frequently than weekly (e.g. monthly)

	Quality of service indicators	Target
NEW	<p>Transit time for newspapers and periodicals published less frequently than weekly (D+3)</p> <p>Defined as the average percentage of items covered by the newspapers and periodicals category, published less frequently than weekly, sent to any point in the national territory, that reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of items sent.</p>	96.3% up to D+3
NEW	<p>Transit time for newspapers and periodicals published less frequently than weekly (D+5)</p> <p>Defined as the average percentage of items covered by the newspapers and periodicals category, published less frequently than weekly, sent to any point in the national territory, that reach their destination within 5 working days of being deposited at a mail reception point, based on the total amount of items sent.</p>	99.7% up to D+5

4.3.4. Postal parcels

By applying the same principles, in the case of the parcel service that is part of the universal service:

- a) the current QSI relating to the percentage of parcel shipments delivered within D+3 is retained;
- b) a new QSI is defined, with a target of 99.7% delivered within D+5.

The current target for the percentage of parcels delivered within 3 business days is 92.0%.

Since 2005, values for this QSI have been higher than its target and above 93.0% (Graph 9), with values above 94.0% between 2011 and 2014. The value recorded by this QSI in 2016 is the lowest since 2004, failing to reach its target value.

As already mentioned, in 2016 there was an increase in the number of complaints about the postal service provided by CTT, particularly distribution. Specifically in relation to the national parcels service, complaints received by ANACOM in 2016 was 37% higher than in 2015 (Table 2). Data for the first half of 2017 show an increase in the number of complaints received by ANACOM (+32%) compared to the same period of 2016, for national parcels.

Data from 2017 show an improvement in the figure found for this QSI, achieving a value well above the current target and close to the target that is set for standard mail, which is 96.3% within D+3, as seen previously.

In the specific case of this service, it is considered that the increasing importance of parcel shipments (in general) and the objective of continuing to ensure adequate levels of quality of service require that higher levels of quality of service than those currently set be considered. In this context, a target value of 96.3% is set for this QSI for a period of D+3. That is to say, it adopts for this service, whose standard of service is D+3 at national level, as in the case of standard mail, the same target value that is set for standard mail (and for the newspaper and periodicals shipments, with higher frequency than weekly, which also follows the same D+3 service standard).

The new QSI and its target (99.7% delivered within D+5) set for parcel shipments is also the same as that set for standard mail and for shipments of newspaper and periodicals published less frequently than weekly.

Taking the above into account, the following QSI is defined for the postal parcels service at the national level, provided by CTT under the universal service.

Table 16 - Quality of service indicators for parcels

	Quality of service indicators	Target
Current QSI9	Transit time for standard parcels (D+3) Defined as the average percentage of postal parcels sent to any point in the national territory as standard parcels, which reach their destination postal establishment within 3 working days of being deposited at a mail reception point, based on the total amount of postal parcels sent.	96.3% up to D+3 (current target is 92.0%)
NEW	Transit time for standard parcels (D+5) Defined as the average percentage of postal parcels sent to any point in the national territory as standard parcels, which reach their destination postal establishment within 5 working days of being deposited at a mail reception point, based on the total amount of postal parcels sent.	99.7% up to D+5

4.3.5. Registered mail

ANACOM defined, in the decisions of 30 December 2014 and 13 March 2015, a QSI (current QSI11) regarding the transit time for registered mail, applied since 2016, which establishes the objective of 91%, in each year, for national registered letters to reach their destination within 1 working day, in national average terms.

In the aforementioned determination of 30 December 2014, ANACOM further determined that CTT should disclose the values of the transit time for registered mail, for the service standard within D+2, for the shipments related to MAM flows.

Considering the monitoring of the values of the transit times carried out by ANACOM since then on national registered mail, with information detailed for the Mainland and Autonomous Regions, the QSI to apply to national registered mail is redefined, splitting it into two indicators identical to those to be applied to priority mail, that is to say:

- a) one QSI applicable to shipments with origin and destination on the Mainland, with a service standard within D+1; and
- b) another QSI applicable to shipments with origin or destination in the Autonomous Regions (MAM flows), with a service standard within D+2;
- c) the same target values set for priority mail are also set for these new QSIs.

Likewise, the following new indicators are established:

- a) a QSI concerning the percentage of deliveries on the Mainland delivered within D+3, whose target is 99.9%;
- b) a QSI concerning the percentage of deliveries with origin or destination in the Autonomous Regions (MAM flows) delivered with D+4, whose target is also 99.9%.

In view of the above, for the registered mail service, the QSIs in Table 17 are defined.

Table 17 - Quality of service indicators for registered mail

	Quality of service indicators	Target
NEW	<p>Transit time for registered mail - Mainland (D+1)</p> <p>Defined as the average percentage of letters sent to any point on the Mainland as registered mail and that reach their destination (delivery at the address of the addressee, or, if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 1 working day of being deposited at any mail reception point, based on the total amount of registered letters sent as registered mail</p>	94.5% up to D+1
NEW	<p>Transit time for registered mail - MAM (D+2)</p> <p>Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, sent as registered mail and that reach their destination (delivery at the address of the addressee, or if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 2 working days of being deposited at any mail reception point, based on the total amount of registered letters sent as registered mail.</p>	90.0% up to D+2
NEW	<p>Transit time for registered mail - Mainland (D+3)</p> <p>Defined as the average percentage of letters sent to any point on the Mainland as registered mail and that reach their destination (delivery at the address of the addressee, or, if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 3 working days of being deposited at any mail reception point, based on the total amount of registered letters sent as registered mail</p>	99.9% up to D+3
NEW	<p>Transit time for registered mail - MAM (D+4)</p> <p>Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, sent as registered mail and that reach their destination (delivery at the address of the addressee, or if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 4 working days of being deposited at any mail reception point, based on the total amount of registered letters sent as registered mail.</p>	99.9% up to D+4

It should be noted that, in relation to registered mail originating in and destined for the Mainland, delivered within a period of D+1, in average terms the figures recorded quarterly (from the first quarter of 2016 until the fourth quarter of 2017) stood between 89% and 96%, with the target being now set at 94.5%.

In the case of shipments of MAM flows (items originating from or destined for at least one of the Autonomous Regions), on average the percentage of registered mail delivered within 2 working days increased from an average annual value in 2016 of 70.8 to 83.6% in 2017, with a target value of 90.0% now being set.

As already mentioned, when setting the performance parameters and targets to be in force in the 2015-2017 period, ANACOM determined that CTT should publish the transit time values recorded for registered mail, for the service standard within D+2, for the shipments related to the MAM flows. In view of the redefinition of registered mail QSIs, with the definition of specific QSIs for the flows with the Autonomous Regions, it is not necessary to keep that disclosure obligation, with the disclosure of the amounts required by the new QSI deemed sufficient.

4.3.6. Bulk mail

Specific indicators are also defined for CTT's retail supply of standard bulk mail, subject to special prices under Article 14a of the Postal Law, applied by CTT, specifically, to bulk mail senders.

In this context, QSI and performance targets set are the same as those for standard (not bulk) mail.

Table 18 - Quality of service indicators for bulk mail (special prices)

	Quality of service indicators	Target
NEW	Transit time of in standard bulk mail (D+3) Defined as the average percentage of letters sent to any point in the national territory as standard bulk mail subject to special tariffs, that reach their destination within 3 working days of being deposited at any mail reception point, based on the total amount of letters sent.	96.3% up to D+3
NEW	Transit time for standard bulk mail (D+5) Defined as the average percentage of letters sent to any point in the national territory as standard bulk mail subject to special tariffs, that reach their destination within 3 working days of being deposited at any mail reception point, based on the total amount of letters sent.	99.7% up to D+5

4.3.7. Intra-Community cross-border mail

Currently, the performance targets for the transit time for intra-Community cross-border mail are:

- a) 88.0% delivered within D+3;
- b) 97.0% delivered within D+5.

The currently applicable QSIs are retained, with the introduction of a difference relating to the calculation period for QSIs, as described below.

Up to and including 2007, the annual value of each QSI was calculated based on the amounts calculated in the calendar year, from January to December.

Given that the annual values were calculated, as at present, on the basis of data supplied by the UNEX measurement system (*Unipost Brand for External Quality of Service Measurement Systems*), implemented by the International Post Corporation (IPC), the final determination of its annual value generally occurred later than the calculation of the remaining QSIs, which should then be made by January of the following calendar year.

In order to obtain the annual value of these QSIs by the end of January of the following year, the calculation formula was modified to consider a period of 12 months ending, initially in October of the year in question and, as of 2009, ending in September, as it does currently. That is, at present, the annual value of these QSIs does not correspond to the value for the calendar year, but to a value that considers the value recorded in the 4th quarter of the previous year and the value for the first three quarters of the year.

However, under the determination of 30 December 2014, which established the QSIs currently in force, CTT started to report the annual values of the QSIs up to 15 March of the following year.

In parallel, the values of the intra-Community cross-border mail transit times for the 4th quarter of the previous year have been reported by CTT to ANACOM by the end of March.

It is thus considered that it is possible, and it makes sense, that the annual value of the QSI of the transit time for intra-Community cross-border mail corresponds to the value for the calendar year.

To this end, the date of reporting the annual values of the QSIs to ANACOM is changed, and will be until the end of March, which corresponds to postponing the report by just two weeks relative to the current deadline.

In view of the above, the following QSIs are defined for intra-Community cross-border mail:

Table 19 - Quality of service indicators for intra-Community cross-border mail

	Quality of service indicators	Target
Current QSI7	Transit time for intra-Community cross-border mail (D+3) Defined as the average percentage of intra-Community cross-border letters sent to and from Portugal as international first class mail, which	88.0% up to D+3

	reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of letters sent.	
Current QSI8	Transit time for intra-Community cross-border mail (D+5) Defined as the average percentage of intra-Community cross-border letters sent to and from Portugal as international first class mail, which reach their destination within 5 working days of being deposited at a mail reception point, based on the total amount of letters sent.	97.0% up to D+5

The remaining methodology for the calculation of these QSIs remains, as currently, namely:

For the calculation of these QSIs, the quality levels of the forwarding and reception flows, weighted by the proportion of the traffic of each of the flows in the total traffic of intra-Community cross-border letters sent to and from Portugal as international first class mail according to the following calculation methodology:

$$QSI7 = E_{D+3} * e + R_{D+3} * (1-e)$$

$$QSI8 = E_{D+5} * e + R_{D+5} * (1-e)$$

where:

E_{D+3} : average percentage of intra-Community cross-border letters sent from Portugal as international first class mail, which reach their destination within 3 working days of being deposited at any mail reception point, based on the total amount of letters sent;

R_{D+3} : average percentage of intra-Community cross-border letters received in Portugal as international first class mail, which reach their destination within 3 working days of being deposited at any mail reception point, based on the total amount of letters sent;

E_{D+5} : average percentage of intra-Community cross-border letters sent from Portugal as international first class mail, which reach their destination within 5 working days of being deposited at any mail reception point, based on the total amount of letters sent;

R_{D+5} : average percentage of intra-Community cross-border letters received in Portugal as international first class mail, which reach their destination within 5 working days of being deposited at any mail reception point, based on the total amount of letters sent;

- e: proportion of intra-Community cross-border letter traffic sent from Portugal as international first class mail in the total of traffic of intra-Community cross-border letters sent to and from Portugal as international first class mail, both (traffics) in the calendar year preceding that for which the indicator is being calculated.

4.4. QSP - Waiting time at postal establishments

As mentioned above, it is currently defined that the percentage of waiting situations up to 10 minutes in postal establishments should not be less than 85.0% in national average terms.

ANACOM has been aware of complaints regarding situations of significant waiting time at some postal establishments in the country. The quality of service measurement data also reflect a degradation of the quality offered in 2016 and 2017, compared to previous years, still meeting the target value nonetheless (Graph 10).

In an analogy with the indicators for transit times, it is important to limit situations where the waiting time is 10 minutes or longer.

Therefore, it is considered appropriate, on the one hand, to redefine the current performance target to make it more demanding (in addition to eliminating the minimum value), and on the other hand, to define a new target that limits the occurrence of longer waiting times. It is considered that these two changes will contribute to better guarantee the provision of the universal service, with better quality.

For the current QSI for the waiting time and postal establishments, it is intended that the percentage of situations with waiting time up to 10 minutes be 90.0%. As shown in Graph 10, in 2015 the value of the QSI was 92.6%. It is also noted that, with some exceptions, since 2004 the value recorded for this QSI has exceeded 90%. In 2016 (a year in which there was an increase in complaints received regarding customer service, particularly about waiting times) the value of the QSI was 86.5%, i.e. lower than the 90.0% that are now defined, the same having happened with the value for 2017.

In addition, a new QSI is defined, regarding the Waiting time up to 30 minutes, and the target of 99.5% is set for it, which, in view of the available data, is more demanding than what CTT accomplished in 2016 and is in line with that achieved in 2015 (in both cases, for the same time of 30 minutes).

In this sense, the following QSIs are defined in relation to waiting time for service at postal establishments.

Table 20 - Quality of service indicators for waiting time

	Quality of service indicators	Target
Current QSI10	<p>Waiting time at postal establishments (% of cases <10 minutes)</p> <p>Defined as the average percentage of customer service operations provided in the various types of postal establishments (post offices and agencies), for which the waiting time does not exceed ten minutes. The waiting time is measured from the moment customers join a queue until they are actually served, over the whole period when post offices and agencies are open.</p>	90.0% (current target is 85.0%)
NEW	<p>Waiting time at postal establishments (% of cases <30 minutes)</p> <p>Defined as the average percentage of customer service operations provided in the various types of postal establishments (post offices and agencies), for which the waiting time does not exceed thirty minutes. The waiting time is measured from the moment customers join a queue until they are actually served, over the whole period when post offices and agencies are open.</p>	99.5%

5. Entry into force

As a result of what is discussed in Chapter 4, a summary of the quality of service parameters, quality of service indicators and performance targets associated with the provision of the universal postal service, to be ensured by CTT, is presented below in a simplified form. They will enter into force on 1 January 2019, as 2018 is still running.

The QSI and performance targets that were in force in 2017, which are listed in Table 21, and which result from ANACOM's determinations of 30 December 2014 and of 13 March 2015, remain temporarily in force until 31 December 2018.

Table 21- QSIs and their quality targets, in force until 31 December 2018

QUALITY OF SERVICE INDICATORS (QSI)		Minimum	Target
QSI1	Transit time for standard mail (D+3)	95.5 %	96.3%
QSI2	Transit time for priority mail - Mainland (D+1)	93.5%	94.5%
QSI3	Transit time for priority mail - MAM (D+2)	84.0%	87.0%
QSI4	Standard mail not delivered within 15 working days (per one thousand letters)	2,3‰	1,4‰
QSI5	Priority mail not delivered within 10 working days (per one thousand letters)	2,5‰	1,5‰
QSI6	Transit time for newspapers and periodicals (D+3)	95.5 %	96.3%
QSI7	Transit time for intra-Community cross-border mail (D+3)	85.0%	88.0%
QSI8	Transit time for intra-Community cross-border mail (D+5)	95.0%	97.0%
QSI9	Transit time for standard parcels (D+3)	90.5%	92.0%
QSI10	Waiting time at post establishments (% of cases up to 10 minutes)	75%	85.0%
QSI11	Transit time for registered mail (D+1)	89.0%	91.0%

R.I. - Relative importance of each QSI.

D+X, means delivery up to X working day(s) after deposit of the shipments at the mail reception point.

Table 22 summarizes the QSIs to be applied as of 1 January 2019.

Table 22 - Quality of service parameters and performance targets, in force as of 1 January 2019

QSP – TRANSIT TIME OF POSTAL ITEMS	
Quality of service indicators	Target
Transit time for standard mail (D+3)	96.3% up to D+3
Transit time for standard mail (D+5)	99.7% up to D+5
Transit time for priority mail - Mainland (D+1)	94.5% up to D+1
Transit time for priority mail - MAM (D+2)	90.0% up to D+2
Transit time for priority mail - Mainland (D+3)	99.9% up to D+3
Transit time for priority mail - MAM (D+4)	99.9% up to D+4
Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+1)	94.5% up to D+1
Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+3)	99.9% up to D+3
Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+2)	90.0% up to D+2
Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+4)	99.9% up to D+4
Transit time for newspapers and periodicals published less frequently than weekly (D+3)	96.3% up to D+3
Transit time for newspapers and periodicals published less frequently than weekly (D+5)	99.7% up to D+5
Transit time for standard parcels (D+3)	96.3% up to D+3
Transit time for standard parcels (D+5)	99.7% up to D+5
Transit time for registered mail - Mainland (D+1)	94.5% up to D+1
Transit time for registered mail - MAM (D+2)	90.0% up to D+2
Transit time for registered mail - Mainland (D+3)	99.9% up to D+3
Transit time for registered mail - MAM (D+4)	99.9% up to D+4
Transit time for standard bulk mail (D+3)	96.3% up to D+3
Transit time for standard bulk mail (D+5)	99.7% up to D+5
Transit time for intra-Community cross-border mail (D+3)	88.0% up to D+3
Transit time for in intra-Community cross-border mail (D+5)	97.0% up to D+5
QSP - WAITING TIME AT POSTAL ESTABLISHMENTS	
Quality of service indicators	Goal
Waiting time at postal establishments (% of cases <10 minutes)	90.0%
Waiting time at postal establishments (% of cases <30 minutes)	99.5%

6. Measurement methods

According to Article 13(3) of the Postal Law, universal service providers must have a system that measures the levels of quality of service actually offered, which must comply with the standards applicable to the measurement of the quality of the universal service, in particular to intra-Community services, and must measure the quality of service levels at least once a year through an independent external body.

Extensive work on standardisation has been developed in this area, in particular by the European Committee for Standardization (CEN). CEN has produced and developed standards relating to postal services, notably concerning the measurement of the quality of service, within the framework of specific mandates deriving from the Postal Directive (Directive 97/67/EC, as amended by Directive 2008/6/EC) and which have been conferred by the European Commission.

In this context, where applicable, QSI measurement continues to follow the relevant published standards.

In view of the currently applicable measurement methods, determined by ANACOM on 30 December 2014, the following standards will be updated in the QSI measurement regarding the transit time for standard mail and the QSI regarding the transit time for newspapers and periodicals, as a result of being updated by CEN.

Thus:

- a) to measure the transit time for standard mail (D+3), the standard EN 14508 is maintained, and the 2016 version is used;
- b) to measure the transit time for newspapers and periodicals, standard EN 14534, now taking into account the 2016 version (with the correction that was introduced in 2017), remains in force.

In the measurement of the new QSI the same methodology/standard applies as that which applies to the QSI currently applicable to the same service.⁴⁸

If it is possible for CTT to implement the aforementioned new versions already to the current QSIs, which are applicable in 2018, this will be accepted by ANACOM, so that for 2018 the application of any version of those standards will be accepted.

EN 14534, in its 2016 version (with the correction that was introduced in 2017) will be applied to the new QSI applicable to standard bulk mail.

⁴⁸ For example, EN 13850:2012 for the measurement of the QSI relative to the transit time of the priority mail on the Mainland (D+1) applies. EN 13850:2012 also applies to the new QSI concerning the transit time for priority mail on the Mainland (D+3).

Regarding the transit time for standard parcels and the transit time for registered mail, their measurement will be carried out based on the *track & trace* information of each shipment (information that allows the tracking and location of the item in the postal network), thus resorting to the information of the universe of the actual shipments of the products in question, abandoning the use of test mail sent from dispatching panellists to recipient panellists .

The measurement is carried out by an independent body external to CTT, which uses the *track & trace* data of each shipment for its calculation. To this end, CTT should maintain a system to record the *track & trace* data of each standard mail and registered mail shipment which is the subject of the QSIs in question, including a database with the *track & trace* information obtained from that system, while CTT will ensure the integrity/inviolability of the data contained in that system and database and that they are not open to arbitrary changes of records, as well as ensuring access of the independent body external to CTT to the information and the system, under terms this body deems appropriate. ANACOM will promote an audit or other control mechanism to the database and *track & trace* system, as well as to the accuracy of the measurement, under the terms and for the purpose of Article 13(5) of the Postal Law.

The measurement of the transit time for standard parcels is carried out taking into account the date and time of the following events: date and time of acceptance of the standard parcel; date and time when it is available at the destination postal establishment for delivery to the recipient (that is, the date from which the recipient can actually pick up the parcel). The transit time of each shipment corresponds to the time that elapses between its acceptance and the date on which the recipient can actually pick it up the parcel at the destination postal establishment.

The measurement of transit time for registered mail is carried out taking into account the date and time of the following events: date and time of acceptance of the registered shipment; the date on which it reaches its destination (delivery at the address of the addressee, or if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice). The transit time of each item is the time elapsed between its acceptance and its delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver it at the address of the addressee, with the issuance of a delivery advice.

When a standard is updated, its application for the purpose of QSI measurement will require a prior decision from ANACOM, once the prior procedures have been fulfilled.

7. Non-compliance with performance targets

7.1. Impact on universal service prices

Failure to comply with the performance targets set out in this Decision shall give rise to the application by ANACOM of compensation mechanisms for universal service users (Article 47 of the Postal Law).

The universal service consists, among other things, in offering a set of services of specified quality at affordable prices. It is therefore considered that, in principle, non-compliance with the performance targets established for universal service provision should continue to be reflected in universal service prices.

In this context, it is understood that non-compliance with performance targets should have an impact on price variations allowed for the universal service, under the criteria defined by ANACOM in Article 14(3) of the Postal Law.

It follows that the failure to meet the performance targets implies a deduction in the price variation allowed for the basket of correspondence, parcel and periodicals services, which it is considered should remain limited, as has been the practice, to a maximum value of 1 percentage point, which, compared to the annual revenues of these services, may represent an annual loss of (SCI) (ECI) millions of euros.

It is also understood that ANACOM may continue to accept the application of alternative measures, proposed by CTT, with an estimated financial impact similar to that which would result from the reduction of prices, in exceptional situations duly justified by CTT associated with operational difficulties in the implementation of the price reduction.

Given the length of time required to determine the annual quality of service figures for a given year, that which cannot be finalized in the year itself since the annual values of quality levels are only known in the course of the following calendar year,⁴⁹ to which is added, in particular, the period of time necessary for its analysis by ANACOM, for the preparation of

⁴⁹ In accordance with this Decision, at the end of March of the following year.

the corresponding draft decision, subject to the prior hearing of CTT (under the terms of the Code of Administrative Procedure), the subsequent analysis of the prior hearing of CTT and the preparation of the final decision, in case of non-compliance with the performance targets, the application of the compensation mechanism can only be initiated at the best, during the year following the year of non-compliance.⁵⁰

Thus, for example, in case of non-compliance with quality levels in 2018, the application of the compensation mechanism can only start in 2019.

In view of the foregoing, it is considered that the compensation mechanism to be applied, in case of non-compliance with the quality of service levels, should be able to be applied from the year following the non-compliance, and may also start later, even in the second year following the non-compliance, depending on the time it takes to determine the QSI values for each year.

In any case, so that the compensation measure that will be implemented does not last too long, it can only be effective for a limited period of time, which is set at a maximum of 12 months from when it is first applied.

For example, in case of non-compliance with the performance targets in a given year n , it being possible that the application of the compensation mechanism would commence on 1 July of the following year (year $n+1$), ANACOM's decision could require that it be fully applied by the end of year $n+1$ (i.e. for a period of 6 months) or until the end of June of the year $n+2$ (for a period of 12 months), and in any case the overall value of the compensation measure would be the same (in the first case, a price reduction of 6 months would be implemented corresponding to the price reduction which would, in the second case, be implemented in the course of 12 months; in this example the price reduction implemented in the case of the 6 months would be twice the price reduction implemented in the case of the 12 months, so that the price reductions were equivalent). Another possibility, allowed by the rules laid down in this decision, would be to apply the penalty mechanism from the

⁵⁰ Under the rules for the application of the compensation mechanism which have been defined over time, this mechanism applies (only and exclusively) in the year following the non-compliance. Under these rules, the application of the compensation mechanism for non-compliance with quality levels in 2003 began in June 2004, the compensation measure for non-compliance with quality of service levels in 2006 began in September 2007, while that the compensation measure for non-compliance with QSI4 in 2016 began in November 2017.

beginning of the year $n+2$, for a maximum period of 12 months, that is until the end of that year.

Given that CTT is the universal service provider until the end of the year 2020, in the event of non-compliance with the quality of service levels for the 2018 to 2020 period the compensation mechanism can only apply from the year 2021, if CTT continues to be the universal service provider after that year. Otherwise, other penalties provided by law shall apply.

7.2. Impact on universal service prices - standard bulk mail

In the specific case of the new QSIs for bulk mail, subject to the special prices referred in Article 14a of the Postal Law, non-compliance with their target values shall be deemed to result in a reduction in the prices of that service.

In this case, since maximum price variations for these services do not apply, the compensation measure will correspond to a reduction of prices in force, up to a maximum of 0.5%.

The maximum price reduction to be applied for the non-compliance with each of the two QSIs is 0.25%, so that the maximum price deduction for non-compliance of the two QSIs is 0.5 p.p.

The maximum price reduction for non-compliance with each QSI (0.5 p.p.) applies to QSI values recorded with negative deviations from the performance target of 2 p.p. or higher. Thus, in the case of QSI of D+3, where the performance target is 96.3%, the maximum price reduction applies if the value achieved by the QSI is 94.3% or lower. In the case of the QSI for D+5, where the performance target is 99.7%, that maximum reduction applies to QSI values of 97.7% or less.

In cases where the value achieved by each of the QSIs stands between the respective performance target and the value from which the maximum price reduction applies, ANACOM will define the penalty to be applied, which will follow a rule of proportionality between the performance target and the negative deviation between that target and the value achieved.

ANACOM will determine, when the non-compliance is established, the moment from which the price reduction will apply, and its duration, in any case taking into account, with the necessary adaptations, the estimated timing and duration of the application of the penalty mechanism provided for in the previous sub-chapter.

7.3. Contribution of each QSI to the determination of the applicable penalty

The provisions of this subchapter do not apply to QSIs for bulk mail as the aspects covered here have already been covered for these QSIs in the previous subchapter.

It is considered that when the value of a QSI (relative to the QSP of transit time for postal items or to the QSP of waiting time at the postal establishments) in a given year is less than the target value, there must be room for the activation of the compensation mechanism.

ANACOM will not fail, however, to evaluate the impact of the sampling error associated with the estimation of the QSI value observed, during the verification of the level of achievement of each QSI performance target.

An exception applies in the case of non-compliance with QSIs for intra-Community cross-border mail, which, as mentioned above, does not give rise to the activation of the defined compensation mechanism.

As it is no longer possible for the level of achievement of any QSI to compensate for performance levels of QSIs that do not meet the stated performance target, it is no longer necessary to continue to define an Overall Quality of Service Indicator (OI).

The penalty to be applied for non-compliance with each QSI corresponds to a fraction of the applicable maximum penalty value (1 p.p.), fraction which:

- depends on the importance of each service, measured by the average service weights in terms of traffic and revenues;
- cannot be less than 0.04 p.p., thus guaranteeing a minimum penalty amount to be applied.

The penalty to be applied for non-compliance with each QSI corresponds to the product of the maximum penalty (1 p.p.) by the importance attributed to each QSI.

Table 23 shows the importance (absolute and relative) of each service, in terms of traffic and revenues.

Table 23 - Relative importance of postal services (2017)

POSTAL SERVICE	Traffic (number of items)	Weight on traffic	2016 Revenue (Euro)	Weight on revenues	Average traffic and revenue weights
National standard mail	(SCI)				
National priority mail					
National editorial mail					
Normal standard parcel					
National registered mail					ECI
Total postal services		100.0%		100.0%	100%

Source: Data reported by CTT (2016), without considering bulk mail.

Some adjustments are made, firstly given the need to assign a relative importance (RI) to the QSIs for the waiting time at postal establishments.

If there is non-compliance with more than one QSI, the applicable penalty corresponds to the sum of the relative amounts of the QSI concerned, up to a limit of 1 p.p.

It should be noted that the sum of the relative importance of the QSIs amounts to more than 100%, being 200%, which is the result of avoiding that the definition of a larger number of QSI has the counterpart of the definition of small relative importance figures, with almost no impact on prices in case of activation of the compensation mechanism.

Table 24 sets the relative importance (RI) of each QSI.

Table 24 - Relative importance of QSIs

QSP – TRANSIT TIME OF POSTAL ITEMS	
Quality of service indicators	RI (%)
Transit time for standard mail (D+3)	27
Transit time for standard mail (D+5)	27
Transit time for priority mail - Mainland (D+1)	10
Transit time for priority mail - MAM (D+2)	4
Transit time for priority mail - Mainland (D+3)	10
Transit time for priority mail - MAM (D+4)	4
Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+1)	8
Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+3)	8
Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+2)	4
Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+4)	4
Transit time for newspapers and periodicals published less frequently than weekly (D+3)	8
Transit time for newspapers and periodicals published less frequently than weekly (D+5)	8
Transit time for standard parcels (D+3)	5
Transit time for standard parcels (D+5)	5
Transit time for registered mail - Mainland (D+1)	20
Transit time for registered mail - MAM (D+2)	4
Transit time for registered mail - Mainland (D+3)	20
Transit time for registered mail - MAM (D+4)	4
QSP - WAITING TIME AT POSTAL ESTABLISHMENTS	
Quality of service indicators	
Waiting time at postal stations (% of cases <10 minutes)	10
Waiting time at postal stations (% of cases <30 minutes)	10

7.4. Studies by ANACOM

Considering that ANACOM may carry out its own studies on the values of transit times of postal services or on the waiting time at postal establishments, in parallel and autonomously to the measurement of the levels of quality of service determined in this decision, this possibility is specifically provided for in the provisions of the rules regarding the quality of service parameters and performance targets.

8. Cases of force majeure

It is considered that, should a *force majeure* or phenomenon event take place during a given period, whose triggering and development are clearly beyond the control of CTT and which

have an impact on the quality of service performance, the latter may request, for the purpose of QSI calculation, the deduction of inputs for the periods of time and geographic flows concerned. ANACOM shall decide whether or not to consider the request mentioned in the previous paragraph.

Force majeure or phenomena events referred to in the previous paragraph are deemed to be events attributable to third parties or natural, unforeseeable or unavoidable events that are triggered, develop, and produce effects regardless of CTT's will and ability to control them. They include war, subversion, epidemics, cyclones, earthquakes, fire, lightning, floods, general strikes and any other similar events that can impair normal conditions of clearance, sorting, transport and distribution of postal items.

Internal labour disturbances of CTT are not considered to be situations of force majeure or phenomena referred in the preceding paragraphs.

CTT's internal work disruptions are not deemed to be *force majeure* or phenomenon events to which the preceding paragraphs relates.

9. Disclosure to ANACOM

In order to allow the monitoring of the values achieved by CTT throughout the year, it is considered that ANACOM should receive quarterly information on the values reached for each QSI, in each quarter and in each month of that quarter. From the second quarter, inclusively, they should also report the total value for the year.⁵¹

The report of the values of the last quarter of the year is carried out simultaneously with the annual values of the indicators. It should also be noted that ANACOM may publish on its website the quarterly information provided by CTT on the values reached in that period, under the provisions of Article 53(1)(d) of the Postal Law.

In addition, the report to ANACOM must also contain the information broken down by Mainland, Autonomous Region of the Azores, Autonomous Region of Madeira and MAM,

⁵¹ That is, the report of the values of the second quarter of the year should also report the value of the QSI corresponding to the total for the first 6 months of the year. The report of the values of the 3rd quarter should also contain the value of the QSI corresponding to the accumulated index of the first 9 months of the year.

for all QSIs (except for intra-Community cross-border mail), in order to allow the monitoring of values recorded in these regions.

In ANACOM determination of 30 December 2014, taking into account that the measurement of the QSIs is carried out by an external entity independent of CTT, which has to remit the values calculated to CTT so that they can report them to ANACOM, it was defined that the reporting of the annual values to the regulator is made until March 15 (or the next working day if it is not a working day).

The reporting of the annual values of the QSI can be carried out until the end of March (or the next working day if it is not a working day), in order to allow the reporting of the QSI values of the transit time for intra-Community cross-border mail, which are now calculated on the basis of the figures for the 12 months of the calendar year.

On the other hand, taking into account that the measurement of QSI is carried out by body(ies) independent of CTT, the obligation is introduced for CTT to inform ANACOM of the procedure for selecting the entity or entities in charge of the measurement, as well as on other relevant facts which occur in relation to that procedure and during the period of performance of the service contract.

The selection by CTT of an independent external body to measure the levels of quality of service does not affect:

- the reporting to ANACOM by that body of the results of the measurement of service quality levels, which should be done at the same time as that same information is sent to CTT;
- the possibility of ANACOM, whenever justified, requesting directly from that body the information deemed necessary to monitor and assess the levels of performance of CTT in the light of the targets set out herein;
- the possibility of ANACOM intervening in setting the technical specifications and tender specifications for the selection of the body or bodies in entrusted with the measurement.

The reporting to ANACOM, by the body that carries out the measurement, of the results thereof and the possibility of ANACOM requesting directly from that body the information

deemed necessary to monitor and assess the performance levels of CTT in view of the defined targets, also aims, in addition to carrying out the duties of monitoring and supervising the activity of CTT, to allow ANACOM to request, directly to the aforementioned body, all the information deemed necessary on the measurement system, including information which, given its nature, could jeopardize the independence of the system if it was came to be known by CTT (if, for example, the request for that information and the reply were made through CTT).

The possibility for ANACOM to intervene in the definition of the specifications and tender specifications for the selection of the body or bodies in charge of the measurement, aims to ensure, as much as possible and in a timely manner, that the measurement that is to be carried out is in accordance with the Postal Law and with that set out by ANACOM under the Postal Law, instead of only being verified *ex post*.

10. Disclosure to users

As regards information to be provided to users, it is deemed that:

- a) CTT must publish, specifically on its website and in postal establishments (post offices and agencies), the QSI values recorded for the previous calendar year and their target values (Target). This information is published by the end of April.
- b) The same information should also be made available to users in CTT's customer services, on request.

The CTT shall inform ANACOM of the website address mentioned in paragraph a), which may be disclosed by ANACOM to users.

11. Decision

As such, taking into account:

- a) that, by decision of 11 January 2018, the Board of Directors of ANACOM approved the Draft Decision on the quality of service parameters and performance targets for

the universal service provision, to be in force for the 2018-2020 period, which was submitted to:

- i. a hearing of CTT - Correios de Portugal, SA, pursuant to Articles 121 ff of the Code of Administrative Procedure;
 - ii. a hearing of consumer organizations, under Article 43 of the Postal Law; and
 - iii. a public consultation procedure, pursuant to Article 9 of the Postal Law;
- b) the contributions received in the framework of the referred procedures, the analysis of which is laid down in the "Report of the prior hearing of CTT, the hearing of consumer organizations and the public consultation on the DD concerning quality of service parameters and performance targets for the universal postal service provision, for the 2018-2010 period";

in the exercise of the tasks and powers conferred to ANACOM under Article 8(1)(h)(i) and Article 9(1)(a)(f), all of its Articles of Association, approved Decree-Law 39/2015 of 16 March, in pursuit and compliance with the objectives and principles laid down in Article 2(1)(b)(c) and Article 2(2)(a)(b) of the Postal Law, in compliance with the provisions of Article 13(1) and under Article 45(1), both of the same law, the Board of Directors of ANACOM, in the exercise of the powers conferred by Article 26(1)(b) of the Articles of Association of ANACOM, hereby determines:

1. To approve the "Report of the prior hearing of CTT, the hearing of consumer organizations and the public consultation on the DD concerning quality of service parameters and performance targets for the universal postal service provision, for the 2018-2010 period".
2. To approve the quality of service parameters and performance targets for the provision of the universal service, in the **Appendix**, to be in force for the 2018 to 2020 triennium.

**APPENDIX - Quality of service parameters and performance targets for the
universal postal service provision**

**QUALITY OF SERVICE PARAMETERS AND PERFORMANCE TARGETS FOR THE UNIVERSAL
POSTAL SERVICE PROVISION**

Section I - Scope

Article 1

Object and scope

This document sets out the quality of service parameters (QSPs) and the performance targets for the provision of the universal postal service, which CTT - Correios de Portugal, SA (CTT), as the concessionaire of the provision of the universal postal service, must meet.

Article 2

Definitions

For the purpose of this document, the definitions contained in Law 17/2012 of 26 April, as amended by Decree-Law 160/2013 of 19 November, and by Law 16/2014 of 4 April (Postal Law), and in the Bases of the universal postal service concession, approved by Decree-Law 448/99 of 4 November, amended and republished in an annex to said Decree-Law 160/2013, shall apply.

Section II - QSPs and performance targets to be implemented in 2018

Article 3

QSPs and performance targets to be implemented in 2018

In 2018, ANACOM's determinations of 30 December 2014 and 13 March 2015 apply. These set out the QSPs and the performance targets for the provision of the universal postal service for the 2015-2017 triennium, and CTT is obliged to comply with them.

**Section III - QSPs and performance targets to be implemented as from 1 January
2019**

Article 4

QSPs and performance targets to apply as of 1 January 2019

From 2019, inclusive, the following articles relating to QSPs and performance targets for the provision of the universal postal service to be provided by CTT from that year shall apply.

Article 5

**QSPs relating to transit times of postal items and waiting time at postal
establishments**

- 1 - The QSPs for transit times of postal items and waiting times at postal establishments, their quality of service indicators (QSIs), performance targets and measurement methods are those laid down in Appendix 1.
- 2 - The QSPs, the related QSIs, performance targets and measurement methods mentioned in paragraph 1 can be amended or inserted by the Autoridade Nacional de Comunicações (ANACOM):
 - a) according to developments in the area of standardisation, specifically where standards and other reference documents (technical specifications and technical reports) are published by the European Committee for Standardization in the context of postal services;
 - b) as a result of audits and other mechanisms for controlling the quality of service levels provided by CTT, carried out by ANACOM under Article 13(5) of the Postal Law.

Article 6

Measurement

- 1 - The QSPs and related QSIs mentioned in the previous article shall be measured by an external body independent of CTT.

- 2 - CTT must inform ANACOM, within five working days of the occurrence of any of the following events regarding the procedure for contracting the independent external body for the measurement of the QSPs and related QSIs:
 - a) launch of the procedure, submitting a copy of the procedure documents followed;
 - b) the award decision;
 - c) signing of the service provision agreement with the contracting authority, sending a copy of the signed contract;
 - d) changes to the existing contract.
- 3 - CTT must inform ANACOM when applicable and as soon as possible of the occurrence of other relevant events in the context of contracting and executing the services mentioned in paragraphs 1 and 2, in particular if the service agreement is terminated by any of the parties, and the dates of the effect of said termination.
- 4 - The selection by CTT of an independent external body to measure the levels of quality of service does not affect:
 - a) the reporting to ANACOM by that body of the results of the measurement of service quality levels, which should be done at the same time as that same information is sent to CTT;
 - b) the possibility of ANACOM, whenever justified, requesting directly from that body the information deemed necessary to monitor and assess the levels of performance of CTT in the light of the targets set out herein;
 - c) the possibility of ANACOM intervening in setting the technical specifications and tender specifications for the selection of the body or bodies entrusted with the measurement, for which CTT must inform ANACOM 30 working days in advance.

Article 7

Deductions for the purpose of calculating QSIs

- 1 - Should a *force majeure* or phenomenon event take place, whose triggering and development are clearly beyond the control of CTT and which have an impact on the quality of service performance of CTT, the latter may request, for the purpose of QSI

calculation, the deduction of inputs for the periods of time and geographic flows concerned.

- 2 - *Force majeure* or phenomena events referred to in the previous paragraph are deemed to be events attributable to third parties or natural, unforeseeable or unavoidable events that are triggered, develop, and produce effects regardless of CTT's will and ability to control them. They include war, subversion, epidemics, cyclones, earthquakes, fire, lightning, floods, general strikes and any other similar events that can impair normal conditions of clearance, sorting, transport and distribution of postal items.
- 3 - CTT's internal work disruptions are not deemed to be *force majeure* or phenomenon events to which paragraphs 1 and 2 refer.
- 4 - The request to activate the deduction specified in paragraph 1 must be submitted in writing by CTT, duly substantiated, within 60 days of the date on which the events or phenomena took place.
- 5 - The decision as to whether to grant the request mentioned in the preceding paragraph is incumbent upon ANACOM and it must be notified to CTT within 30 days of the date of receipt thereof. A rejection of such a request must be duly substantiated. Regardless of the request for deduction, CTT undertakes to seek the best possible alternatives for the duration of the situations mentioned in paragraphs 1 and 2.

Article 8

Information to ANACOM

- 1 - CTT will send to ANACOM, by the last working day of the month following the end of each quarter of the calendar year, a report with information on the levels of quality registered in that quarter, in each month of that quarter and for the year as a whole, for each QSI set out in Appendix 1, except in the case of values for the last quarter of the year, to which the following paragraph applies.
- 2 - CTT must send the report with information on annual levels of quality registered in the year and the report with information on levels of quality registered in the last quarter of the year to ANACOM by 31 March, or the next working day if that date is not a working day, of the following year.

- 3 - CTT will also send to ANACOM, together with the information specified in paragraphs 1 and 2, information on the quality levels obtained, broken down by Mainland, the Azores, Madeira and MAM (includes flows to and from the Autonomous Regions of the Azores and Madeira) for all the QSIs in Appendix 1, except that for intra-Community cross-border mail.
- 4 - CTT will also send the following to ANACOM, together with the information referred in paragraph 2:
 - a) the additional information on each QSI defined in Appendix 1;
 - b) a copy in electronic format of the databases supporting the calculation of the values of each QSI.
- 5 - The information provided to users under Article 9(1), must accompany the information sent by CTT under paragraph 2 of this article.
- 6 - The information gathered under this article, except for that collected under paragraph 4(b), can be disclosed by ANACOM, pursuant to the provisions of Article 53(1) of the Postal Law.⁵²
- 7 - The independent external body that measures service quality levels reports the results of the measurement of said quality levels quarterly to ANACOM, at the same time as it sends this same information to CTT.

Article 9

Information to users

- 1 - CTT will publish, by the end of April of the following calendar year, on a specific address of the CTT website, and in postal establishments, the values actually confirmed for each QSI defined in Appendix 1, in the previous calendar year, and the respective performance targets.

⁵² Regarding the provisions in this Article 8, see the provisions in Article 45(2) of the Postal Law and the determination of the Board of Directors of ANACOM of 2 February 2012 on the confidentiality of information provided to the regulator by companies providing postal services.

- 2 - The information referred in paragraph 1 shall be made available on request to users at CTT's customer services.

Article 10
Studies by ANACOM

- 1 - ANACOM may carry out its own studies on the levels of quality of service achieved by CTT, which can cover one or more QSIs, and, for each QSI, the entire field of study or parts thereof, and any calendar year or parts thereof.
- 2 - CTT will provide the statistical information necessary for the proper conduct of such studies, when requested by ANACOM.
- 3 - In the event of discrepancies between the quality of service level values established by ANACOM and those resulting from the measurement performed by the body chosen pursuant to Article 6, such discrepancies must be examined to identify their cause.

Section III - Common provisions

Article 11
Compensation mechanism

- 1 - Failure to meet the performance targets for the QSIs defined in Appendix 1 will give rise to the application of the compensation mechanism set out in Appendix 2.
- 2 - The compensation mechanism referred to in paragraph 1 can be applied from the year following the non-compliance, inclusive, and takes effect within a maximum period of 12 months from the date of its application.
- 3 - Non-compliance situations that result from the application of paragraph 1 shall be confirmed by ANACOM, after hearing CTT.
- 4 - The compensation mechanisms mentioned in paragraph 1 do not affect other penalties provided for by law.

Article 12
Duration

- 1 - The QSPs, QSIs and related performance targets set out in this document will apply between 1 January 2018 and 31 December 2020.

- 2 - The compensation mechanism set out in Article 11 can be applied from 2019 onwards, inclusive, once the quality levels for 2018 have been assessed.
- 3 - Without prejudice to the penalties provided for, the compensation mechanism established in the previous article can only be applied from 2021 if CTT continues to be a provider of the universal postal service.
- 4 - If CTT remains as a provider of the universal postal service after 31 December 2020, the QSPs and the performance targets relating to the provision of the universal postal service applicable in 2019 and 2020 shall remain in force until ANACOM approves a new decision that refers to them, within the scope and for the purpose of Article 13(1) of the Postal Law.

APPENDIX 1

Universal postal service quality of service parameters (QSPs) concerning transit times of postal items and waiting time at postal establishments, applicable from 2019

QSP - Transit time of postal items

No.	Description	RI	Target
QSI1	Transit time for standard mail (D+3)	27	96.3

1. Defined as the average percentage of letters sent to any point in the national territory as standard mail that reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: Standard EN 14508:2016, on the measurement of the transit time of end-to-end services for single piece non-priority mail. Missing items are included in the calculation of the QSI value.
5. CTT will report to ANACOM the information specified in point 9 of EN 14508:2016, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI2	Transit time for standard mail (D+5)	27	99.7

1. Defined as the average percentage of letters sent to any point in the national territory as standard mail that reach their destination within 5 working days of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: Standard EN 14508:2016, on the measurement of the transit time of end-to-end services for single piece non-priority mail. Missing items are included in the calculation of the QSI value.

5. CTT will report to ANACOM the information specified in point 9 of EN 14508:2016, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI3	Transit time for priority mail - Mainland (D+1)	10	94.5

1. Defined as the average percentage of letters sent to any point on the Mainland as priority mail that reach their destination within 1 working day of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: Standard EN 13850:2012, on the measurement of the transit time of end-to-end services for single piece priority mail. Missing items are included in the calculation of the QSI value.
5. CTT will report to ANACOM the information specified in point 7.4 of standard EN 13850:2012, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI4	Transit time for priority mail - Mainland (D+3)	10	99.9

1. Defined as the average percentage of letters sent to any point on the Mainland as priority mail that reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: Standard EN 13850:2012, on the measurement of the transit time of end-to-end services for single piece priority mail. Missing items are included in the calculation of the QSI value.
5. CTT will report to ANACOM the information specified in point 7.4 of standard EN 13850:2012, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
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QSI5	Transit time for priority mail - MAM (D+2)	4	90.0
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1. Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, as priority mail, that reach their destination within 2 working days of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: Standard EN 13850:2012, on the measurement of the transit time of end-to-end services for single piece priority mail. Missing items are included in the calculation of the QSI value.
5. CTT will report to ANACOM the information specified in point 7.4 of standard EN 13850:2012, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI6	Transit time for priority mail - MAM (D+4)	4	99.9

1. Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, as priority mail, that reach their destination within 4 working days of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: Standard EN 13850:2012, on the measurement of the transit time of end-to-end services for single piece priority mail. Missing items are included in the calculation of the QSI value.
5. CTT will report to ANACOM the information specified in point 7.4 of standard EN 13850:2012, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI7	Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+1)	8	94.5

1. Defined as the average percentage of items within the newspapers and periodicals category, published weekly or more frequently, sent to any point on the Mainland, which reach their destination within 1 working day of being deposited at a mail reception point, based on the total amount of items sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail, should be taken into consideration for calculating the QSI.
4. CTT will report to ANACOM the information specified in point 7 of standard EN 14534:2016, together with the reporting of the annual values of the QSIs mentioned in Article 8.

No.	Description	RI	Target
QSI8	Transit time for newspapers and periodicals published weekly or more frequently - Mainland (D+3)	8	99.9

1. Defined as the average percentage of items covered by the newspapers and periodicals category, published weekly or more frequently, sent to any point on the Mainland, which reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of items sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail, should be taken into consideration for the calculation of the QSI.
4. CTT will report to ANACOM the information referred in point 7 of standard EN 14534:2016, together with the reporting of the annual values of the QSI referred in Article 8.

No.	Description	RI	Target
QSI9	Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+2)	4	90.0

1. Defined as the average percentage of items covered by the newspapers and periodicals category, published weekly or more frequently, sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, that reach their destination within 2 working days of being deposited at a mail reception point, based on the total amount of items sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail, should be taken into consideration for calculating the QSI.
5. CTT will report to ANACOM the information referred in point 7 of standard EN 14534:2016, together with the reporting of the annual values of the QSI referred in Article 8.

No.	Description	RI	Target
QSI10	Transit time for newspapers and periodicals published weekly or more frequently - MAM (D+4)	4	99.9

1. Defined as the average percentage of items covered by the newspapers and periodicals category, published weekly or more frequently, sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, that reach their destination within 4 working days of being deposited at a mail reception point, based on the total amount of items sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.

4. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail, should be taken into consideration for calculating the QSI.
5. CTT will report to ANACOM the information specified in point 7 of EN 14534:2016, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI11	Transit time for newspapers and periodicals published less frequently than weekly (D+3)	8	96.3

1. Defined as the average percentage of items covered by the newspapers and periodicals category, published less frequently than weekly, sent to any point in the national territory, that reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of items sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail, should be taken into consideration for calculating the QSI.
4. CTT will report to ANACOM the information specified in point 7 of standard EN 14534:2016, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI12	Transit time for newspapers and periodicals published less frequently than weekly (D+5)	8	99.7

1. Defined as the average percentage of items covered by the newspapers and periodicals category, published less frequently than weekly, sent to any point in the national territory, that reach their destination within 5 working days of being deposited at a mail reception point, based on the total amount of items sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail, should be taken into consideration for calculating the QSI.

4. CTT will report to ANACOM the information specified in point 7 of standard EN 14534:2016, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI13	Transit time for intra-Community cross-border mail (D+3)	Not applicable	88.0

1. Defined as the average percentage of intra-Community cross-border letters sent to and from Portugal as international first class mail, which reach their destination within 3 working days of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Its calculation takes into consideration the quality levels of the forwarding and reception flows, weighted by the proportion of traffic of each flow in the total of intra-Community cross-border letter traffic, sent to and from Portugal as first class international mail, according to the following calculation methodology:

$QSI10 = E_{D+3} * e + R_{D+3} * (1-e)$, where:

E_{D+3} : average percentage of intra-Community cross-border letters sent from Portugal as international first class mail, which reach their destination within 3 working days of being deposited at any mail reception point, based on the total amount of letters sent;

R_{D+3} : average percentage of intra-Community cross-border letters, received in Portugal as international first class mail, which reach their destination within 3 working days of being deposited at any mail reception point, based on the total amount of letters sent;

e : proportion of intra-Community cross-border letter traffic sent from Portugal as international first class mail in the total of traffic of intra-Community cross-border letters sent to and from Portugal as international first class mail, both (traffics) in the calendar year preceding that for which the indicator is being calculated.

4. Calculations for this indicator do not take bulk mail into consideration

5. Calculation method: Standard EN 13850:2012, on the measurement of the transit time of end-to-end services for single piece priority mail. All, and only, (incoming and outgoing) flows between Portugal and the other European Union Member States must be taken into consideration, the transit time of which is measured, in the calculation period, by the quality monitoring system implemented by the International Post Corporation (IPC).
6. CTT will report to ANACOM the information specified in point 7.4 of standard EN 13850:2012, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI14	Transit time for intra-Community cross-border mail (D+5)	Not applicable	97.0

1. Defined as the average percentage of intra-Community cross-border letters sent to and from Portugal as international first class mail, which reach their destination within 5 working days of being deposited at a mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Its calculation takes into consideration the levels of quality of the forwarding and reception flows, weighted by the proportion of traffic of each flow in the total of intra-Community cross-border letter traffic, sent to and from Portugal as first class international mail, according to the following calculation methodology:

$QSI11 = E_{D+5} * e + R_{D+5} * (1-e)$, where:

E_{D+5} : average percentage of intra-Community cross-border letters sent from Portugal as international first class mail, which reach their destination within 5 working days of being deposited at any mail reception point, based on the total amount of letters sent;

R_{D+5} : average percentage of intra-Community cross-border letters received in Portugal as international first class mail, which reach their destination within 5 working days of being deposited at any mail reception point, based on the total amount of letters sent;

e : proportion of intra-Community cross-border letter traffic sent from Portugal as international first class mail in the total of traffic of intra-Community cross-border

letters sent to and from Portugal as international first class mail, both (traffics) in the calendar year preceding that for which the indicator is being calculated.

4. Calculations for this indicator do not take bulk mail into consideration
5. Calculation method: Standard EN 13850:2012, on the measurement of the transit time of end-to-end services for single piece priority mail. All, and only, (incoming and outgoing) flows between Portugal and the other European Union Member States must be taken into consideration, the transit time of which is measured, in the calculation period, by the quality monitoring system implemented by the IPC.
6. CTT will report to ANACOM the information specified in point 7.4 of standard EN 13850:2012, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI15	Transit time for standard parcels (D+3)	5	96.3

1. Defined as the average percentage of postal parcels sent to any point in the national territory as standard parcels, which reach their destination postal establishment within 3 working days of being deposited at a mail reception point, based on the total amount of postal parcels sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: the QSI is calculated using the *track & trace* information of all the actual standard parcels sent, for which the date and time of the following events must have been recorded: deposit/clearance; the date when it is available at the destination postal establishment for delivery to the recipient (that is, the date from which the recipient can actually pick up the parcel). The transit time of each parcel is the time elapsed between its acceptance and the date on which the recipient can actually pick it up at the destination postal establishment.
5. CTT will report to ANACOM the information on the value of the QSI, the cumulative percentage of items distributed within D+1 to D+10, and the total number of standard parcels considered, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI16	Transit time for standard parcels (D+5)	5	99.7

1. Defined as the average percentage of postal parcels sent to any point in the national territory, as standard parcels, which reach their destination postal establishment within 5 working days of being deposited at a mail reception point, based on the total amount of postal parcels sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: the QSI is calculated using the *track & trace* information of all the actual standard parcels sent, for which the date and time of the following events must have been recorded: deposit/clearance; the date when it is available at the destination postal establishment for delivery to the recipient (that is, the date from which the recipient can actually pick up the parcel). The transit time of each parcel is the time elapsed between its acceptance and the date on which the recipient can actually pick it up the parcel at the destination postal establishment.
5. CTT will report to ANACOM the information on the value of the QSI, the cumulative percentage of items distributed within D+1 to D+10, and the total number of standard parcels considered, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI17	Transit time for registered mail - Mainland (D+1)	20	94.5

1. Defined as the average percentage of letters sent to any point on the Mainland as registered mail and that reach their destination (delivery at the address of the addressee, or, if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 1 working day of being deposited at any mail reception point, based on the total amount of letters sent as registered mail.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.

4. Calculation method: the QSI is calculated using the *track & trace* information of all the actual mail items sent as registered mail, for which the date and time of the following events must have been recorded: deposit/clearance; the date on which it reaches its destination (delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice). The transit time of each item is the time elapsed between its acceptance and its delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver it at the address of the addressee, with the issuance of a delivery advice.
5. CTT will report to ANACOM the information on the value of the QSI, the cumulative percentage of items distributed within D+1 to D+10, and the total number of registered mail items considered, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI18	Transit time for registered mail - Mainland (D+3)	20	99.9

1. Defined as the average percentage of letters sent to any point on the Mainland as registered mail and that reach their destination (delivery at the address of the addressee, or if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 3 working days of being deposited at any mail reception point, based on the total amount of letters sent as registered mail.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: the QSI is calculated using the *track & trace* information of all the actual mail items sent as registered mail, for which the date and time of the following events must have been recorded: deposit/clearance; the date on which it reaches its destination (delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice). The transit time of each item is the time elapsed between its acceptance and its delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver it at the address of the addressee, with the issuance of a delivery advice.

5. CTT will report to ANACOM the information on the value of the QSI, the cumulative percentage of items distributed within D+1 to D+10, and the total number of registered mail items considered, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI19	Transit time for registered mail - MAM (D+2)	4	90.0

1. Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, sent as registered mail and that reach their destination (delivery at the address of the addressee, or if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 2 working days of being deposited at any mail reception point, based on the total amount of registered letters sent as registered mail.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: the calculation of the QSI is carried out using the *track & trace* information of all the actual mail items sent as registered mail, for which the date and time of the following events must have been recorded: deposit/clearance; the date on which it reaches its destination (delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice). The transit time of each item is the time elapsed between its acceptance and its delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver it at the address of the addressee, with the issuance of a delivery advice.
5. CTT will report to ANACOM the information on the value of the QSI, the cumulative percentage of items distributed within D+1 to D+10, and the total number of registered mail items considered, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI20	Transit time for registered mail - MAM (D+4)	4	99.9

1. Defined as the average percentage of letters sent from any point on the Mainland to the Autonomous Regions of the Azores and Madeira (and vice-versa) or between the latter, referred to as MAM flows, sent as registered mail and that reach their destination (delivery at the address of the addressee, or, if delivery is not possible, on the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice) within 4 working days of being deposited at any mail reception point, based on the total amount of registered letters sent as registered mail.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculations for this indicator do not take bulk mail into consideration.
4. Calculation method: the QSI is calculated using the *track & trace* information of all the actual mail items sent as registered mail, for which the date and time of the following events must have been recorded: deposit/clearance; the date on which it reaches its destination (delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver the item at the address of the addressee, with the issuance of a delivery advice). The transit time of each item is the time elapsed between its acceptance and its delivery at the address of the addressee, or, if delivery is not possible, the date of the first attempt to deliver it at the address of the addressee, with the issuance of a delivery advice.
5. CTT will report to ANACOM the information on the value of the QSI, the cumulative percentage of items distributed within D+1 to D+10, and the total number of registered mail items considered, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI21	Transit time for standard bulk mail (D+3)	Not applicable	96.3

1. Defined as the average percentage of letters sent to any point in the national territory as standard bulk mail subject to special tariffs (under Article 14a of the Postal Law), that reach their destination within 3 working day of being deposited at any mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.

3. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail.
4. CTT will report to ANACOM the information specified in point 7 of EN 14534:2016, together with the reporting of the annual values of the QSI mentioned in Article 8.

No.	Description	RI	Target
QSI22	Transit time for standard bulk mail (D+5)	Not applicable	99.7

1. Defined as the average percentage of letters sent to any point in the national territory as standard bulk mail subject to special tariffs (under Article 14a of the Postal Law), that reach their destination within 5 working days of being deposited at any mail reception point, based on the total amount of letters sent.
2. Calculations for this indicator take into account items sent in the reference calendar year.
3. Calculation method: Standard EN 14534:2016, amended by EN 14534:2016/AC:2017, on the measurement of the transit time of end-to-end services for bulk mail.
4. CTT will report to ANACOM the information specified in point 7 of EN 14534:2016, together with the reporting of the annual values of the QSI mentioned in Article 8.

QSP - Waiting time at postal establishments

No.	Description	RI	Target
QSI23	Waiting time at postal establishments (% of cases <10 minutes)	10	90.0

1. Defined as the average percentage of customer service operations provided in the various types of postal establishments (post offices and agencies), for which the waiting time does not exceed ten minutes. The waiting time is measured from the moment customers join a queue until they are actually served, over the whole period when post offices and agencies are open.
2. Waiting times must be measured based on a sample of observations over the year, that is representative of the frequency and distribution of customer service provision (demand) at postal establishments over the day and the week, and representative of the geographic distribution and types of postal establishments.

3. CTT will report to ANACOM, together with the reporting of the annual values of the QSI mentioned in Article 8, the following information: i) sample size; ii) accuracy level of the results (e.g. confidence level and margin of error) and iii) description of calculation formula.

No.	Description	RI	Target
QSI24	Waiting time at postal establishments (% of cases <30 minutes)	10	99.5

1. Defined as the average percentage of customer service operations provided in the various types of postal establishments (post offices and agencies), for which the waiting time does not exceed 30 minutes. The waiting time is measured from the moment customers join a queue until they are actually served, over the whole period when post offices and agencies are open.
2. Waiting times must be measured based on a sample of observations over the year, that is representative of the frequency and distribution of customer service provision (demand) at postal establishments over the day and the week, and representative of the geographic distribution and types of postal establishments.
3. CTT will report to ANACOM, together with the reporting of the annual values of the QSI mentioned in Article 8, the following information: i) sample size; ii) accuracy level of the results (e.g. confidence level and margin of error) and iii) description of calculation formula.

APPENDIX 2

COMPENSATION MECHANISM, AS PROVIDED FOR IN ARTICLE 11

1. The compensation to be applied for failure to comply with the performance targets of the QSIs set out in Appendix 1 (except for QSIs for intra-Community cross-border mail and QSIs for standard bulk mail) is equal to a deduction of up to 1 percentage point from the maximum price change for the correspondence, editorial mail and parcel delivery basket of services that comprise the universal service, allowed for the years following that in which the non-compliance occurs, and shall benefit all users of such services.
2. The compensation mentioned in paragraph 1 can remain in force for a maximum period of 12 months from the start date of its implementation.
3. The maximum price variation for the services that make up the universal service referred to in paragraph 1, is equal to the change defined in ANACOM's determination under Article 14(3) of the Postal Law.
4. The deduction is calculated as follows:
 - 4.1. Deduction concerning failure to comply with each QSI

Where any QSI lies below its target value, the deduction is calculated as the product between the QSI's relative importance (RI) and the maximum deduction.
 - 4.2. Total applicable deduction

The total deduction is determined by the sum of the RIs of the QSIs that are below the respective target. In any case, the maximum deduction to be applied is 1 p.p.
5. In exceptional situations duly substantiated by CTT, related to operational difficulties in implementing price reductions, as an alternative to the compensation referred to in paragraph 1, CTT may request ANACOM to award financial compensation for the benefit of users. The specific forms of this compensation, to be applied within the framework of the services comprising the universal service, require the prior approval of ANACOM, bearing in mind the principles of universality, and the financial value should be at least equivalent to the reduction of revenues that would result from awarding the compensation referred to in paragraph 1.

6. The request referred to in paragraph 5 must be submitted by CTT, in writing and duly substantiated, within 15 working days of ANACOM's determination, or equivalent measure from ANACOM, concerning the application of the compensation mechanism for failure to comply with levels of quality of service, unless another deadline is set by ANACOM. In addition to the proposal for specific forms of financial compensation, CTT's request must be accompanied by a proposal for the award of the compensation described in paragraph 1.
7. The decision on whether or not to consider the request mentioned in paragraphs 5 and 6 is incumbent upon ANACOM, and must be notified to CTT, duly substantiated, within 30 working days of its receipt.
8. In the case of QSIs for standard bulk mail, the compensation to be awarded is equal to the deduction of up to 0.5% from the prices of standard bulk mail subject to special tariffs in the national service.
9. The maximum price deduction for the non-compliance of each of the QSIs for standard bulk mail is 0.25%. This maximum deduction for the non-compliance of each QSI for standard bulk mail applies to amounts achieved for each QSI with negative deviations from the performance target of 2 p.p. or more.
10. In cases where the value of each QSI for standard bulk mail is between the respective performance target and the value from which the maximum price deduction applies, the penalty to be applied shall follow a rule of proportionality between the performance target and the negative deviation between that target and the achieved value.
11. The provision in paragraph 2, adapted as necessary, applies when the compensation mechanism for non-compliance of the QSIs for bulk mail shall apply.