



SCREENING CHAPTER 03
RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES

AGENDA ITEM II: POSTAL SERVICES

Country Session: The Republic of TURKEY
19 December 2005



AGENDA ITEM II/1: POSTAL SERVICES

GENERAL SYSTEM



LEGISLATION

- **Law No. 5584 on Postal Services**
- **Secondary Legislation on Postal Services**
 - ✓ **By-law on Letter Post Services**
 - ✓ **By-law on Parcel Post Services**
 - ✓ **By-law on Express Mail Services**
 - ✓ **By-law on Money Order Services**
 - ✓ **By-law on Postal Cheque Services**
 - ✓ **By-law on Information, Complaints and Compensation**
 - ✓ **By-law on Philately**
- **Law No. 4925 on Road Transport**
 - ✓ **By-law on Road Transport**



LAW No. 5584 ON POSTAL SERVICES

- **Duties of General Directorate of PTT**
- **Postal reserved area**
- **Procedures and basic principles of postal operations**
- **Exemptions**
- **Procedures and basic principles of postage rates**
- **Prohibitions**
- **Liabilities**
- **Penalties**



LAW No. 4925 ON ROAD TRANSPORT

- Private firms providing cargo services such as parcels, cases, packages not exceeding 100 kg. are authorised to operate in the sector
- There are 23 (17 national + 6 international) private firms in Turkey providing cargo and courier services



- **General Directorate of Post and Telegraph Organization (PTT), a state owned enterprise, works as regulatory and operational body affiliated to the Ministry of Transport under the Postal Law No. 5584. According to said Law sealed, unsealed letters and postcards of correspondance are subject to the postal monopoly**
- **Private firms that operate in the parcel segment of the postal sector provide services under the Law No. 4925 on Road Transport**



UNIVERSAL SERVICE PROVIDER-GENERAL DIRECTORATE OF PTT

Although universal service is not regulated with the current legislation, PTT, in effect, is the universal service provider throughout Turkey

➤ **PTT provides postal, postal financial and logistic services through**

- ✓ **81 Regional Directorates**
- ✓ **991 Main Post Offices**
- ✓ **1,935 Secondary Post Offices**
- ✓ **1,423 Agencies**

in total 4,349 offices with 29,000 personnel



PTT provides the following Domestic and International services

- Letter Post
- Parcel Post
- Express Mail Service (EMS)
- Cash-on-Delivery (COD)
- Door to door delivery service (Alo Post)
- Telegraph
- Telepost
- Money order
- Postal cheque
- Bill collection
- Payment
- Foreign exchange
- Ticket sale
- Insurance transactions



Traffic Volume (Domestic and Outgoing)

	2004 (thousands)	2005 (end of September) (thousands)
Letter Post Item	941,540	762,002
Parcel Post Item	930	633
Express Mail Item	7,994	5,574
Telegraph	3,191	2,065
Money Order	19,672	15,281
Postal Cheque Accounts	394	490



Traffic Volume (Incoming)

	2004 (thousands)	2005 (end of September) (thousands)
Letter Post Item	65,000	53,000
Parcel Post Item	114	90
Express Mail Item	107	88
Telegraph	2	2
Money Order	171	135



AUTHORISATION

There is no licensing regime defining the terms and conditions of granting, supervision and withdrawal of general authorisation and individual licences

However, Law No. 5584 authorises PTT

- **to lay down the rules for the acceptance of postal items and classifications of the post offices**
- **to establish and close the post offices**
- **to issue and sell the stamps and valuable papers**

Private parcel firms are also authorised in the parcel segment under the Law No. 4925



POSTAL RESERVED AREA

- **Unsealed and sealed letters and the postcards are within the PTT's reserved area regardless of weight limits**
- **However, private firms operate de facto in area reserved for PTT**



TARIFF PRINCIPLES AND TRANSPARENCY OF ACCOUNTS

- **The Board of PTT is authorised to determine the limits of tariffs**
- **Tariff applications for domestic postal services are not geared to cost based principles while international postal services are partly geared**
- **PTT provides services based on the single price principle throughout the country**



NATIONAL REGULATORY AUTHORITY

- **Currently a regulatory body has not been established**
- **However, preliminary studies are carried out for the establishment of a regulatory body**



QUALITY OF SERVICES

- **PTT itself sets and supervises the quality standards for its services**
- **The regulations for carrying out the postal services within the standards determined by categories of items are defined under different titles**
- **Also, the measurements of quality of services of international mail are carried out in collaboration with UPU and PostEurop at fixed periods**
- **As to the supervision of private firms, it is carried out by Ministry of Transport, Governorships and police/gendarmerie forces in accordance with the relevant articles of the by-Law on Road Transport**



COMPLAINT PROCEDURES

Issues such as

- **compensation for losses and damages**
- **right of application and period of expiry**
- **indemnity**
- **liability and non-liability**

are regulated



EXEMPTION FROM VAT

- **Postal services are not exempted from VAT**



STATE AIDS

Accordig to the Law No.5584 on Postal Services

- **Postmen and postal officials delivering the postal items are exempted from fares and related duties and taxes charged by public institutions, municipalities and their subsidiaries**



PLANNED ACTIVITIES

- **Preliminary studies are being carried out in order to restructure and improve Turkish Postal Sector legally and operationally in line with the relevant EU *acquis***



AGENDA ITEM II/2: POSTAL SECTOR

COMPETITION RULES IN POSTAL SECTOR



INTRODUCTORY REMARKS

- **Although universal service is not regulated with current Legislation, PTT, in effect, is the universal service provider throughout Turkey**
- **Currently, national regulatory authority does not exist**
- **PTT works as regulatory and operational body affiliated to the Ministry of Transport under the Postal Law No. 5584**
- **According to the Law No. 5584, sealed, unsealed letters and postcards of correspondence are subject to the postal monopoly**
- **Private firms providing cargo services such as parcels, packages not exceeding 100 kg. are authorised to operate in the sector under the Law No. 4925 on Road Transport. They also operate de facto in the area reserved for PTT**



COMPETITION RULES

- **Law on Protection of Competition No 4054 prohibits all actions, abuse of dominant position and all agreements between enterprises on the product or service market concerning the prevention, distortion and restriction of competition. Regulations regarding mergers are also included in the Law**



DOMINANT POSITION

- **PTT is in the position of a Universal Service Provider**
- **Postal services out of the reserved area are provided by the private firms without any discrimination**
- **“Access conditions” are not regulated in current legislation**



CROSS-SUBSIDISATION

- **Tariff applications for postal services of PTT are not geared to costs yet**
- **There is no separate accounting system for reserved and non-reserved services**

For this reason, it is not possible to clarify in which services cross-subsidisation is made by PTT



STATE AIDS

According to the Law No.5584 on Postal Services

- Postmen and postal officials delivering the postal items are exempted from fares and related duties and taxes charged by public institutions, municipalities and their subsidiaries