

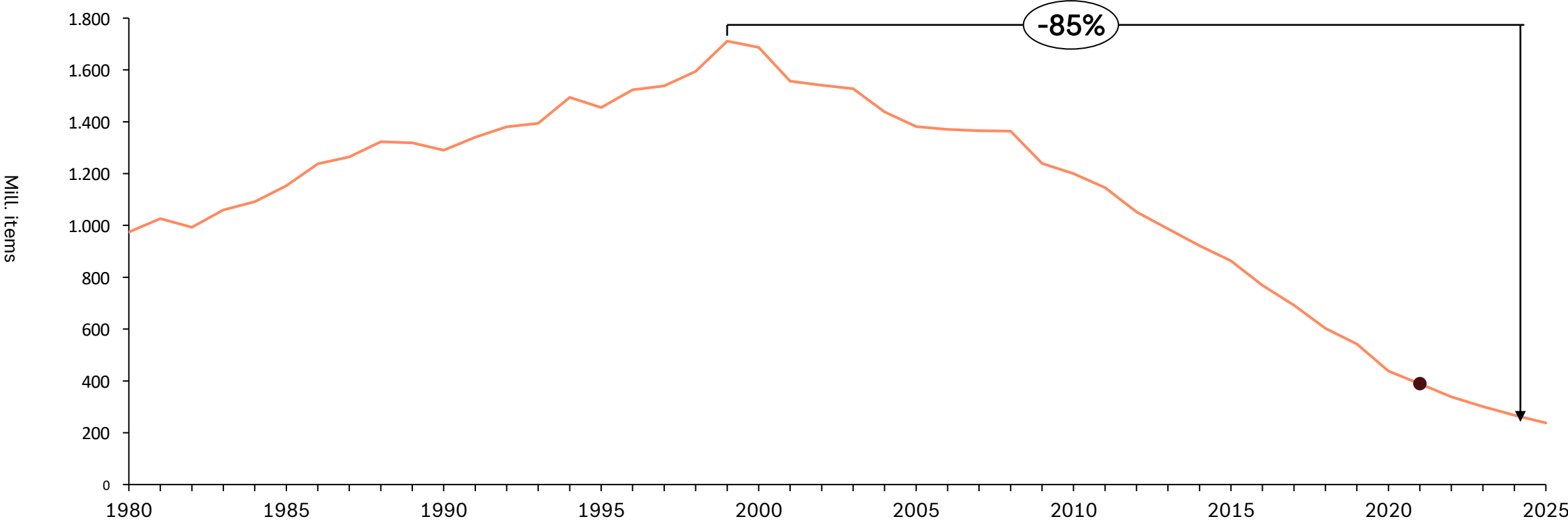


# The endgame for the USO of letter mail – the Norwegian case

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# Digitalisation drives substantial decline in letter mail volumes



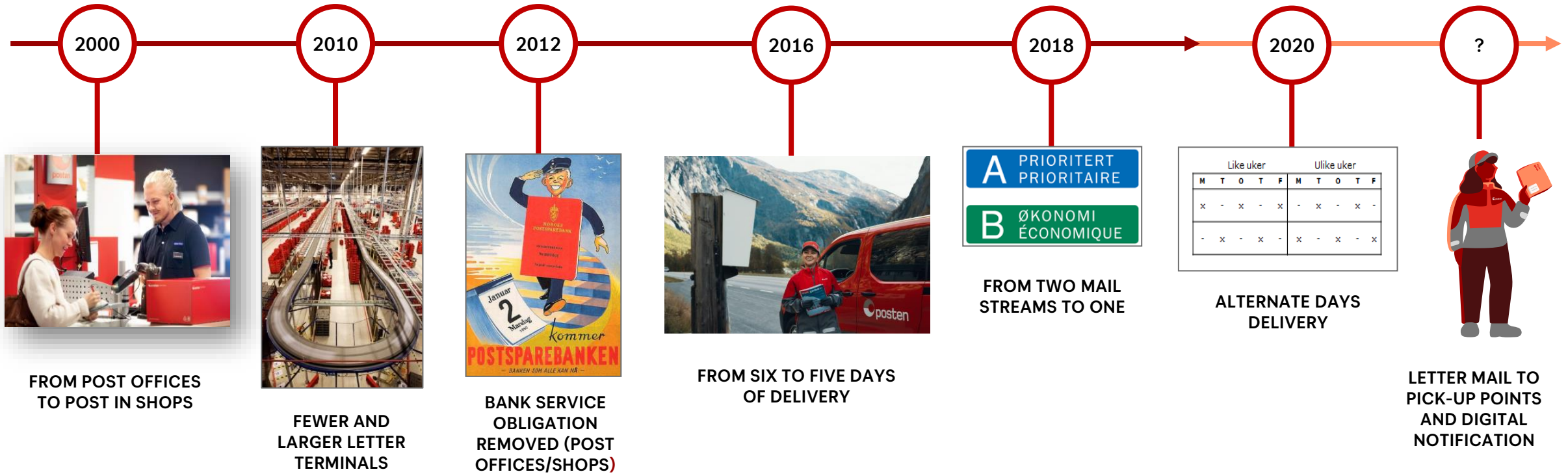
# Everything that can be digitally substituted will be substituted at some point ...

What will the “long tail” of the mail stream consist of?

- Physical items (bank cards, passports, car tags, e-commerce etc)
- Items for non-digital recipients
- Items regulated by law or other obligations



# 25 years of adapting the USO to changing market conditions - in close collaboration with the unions



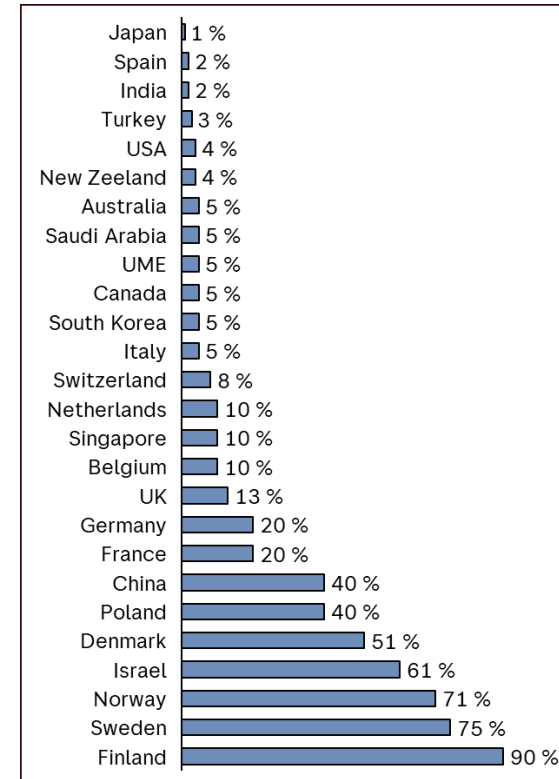
**A** PRIORITERT  
PRIORITAIRE

**B** ØKONOMI  
ÉCONOMIQUE

Like uker					Ulike uker				
M	T	O	T	F	M	T	O	T	F
x	-	x	-	x	-	x	-	x	-
-	x	-	x	-	x	-	x	-	x

Adaption of services to the users' needs and preferences

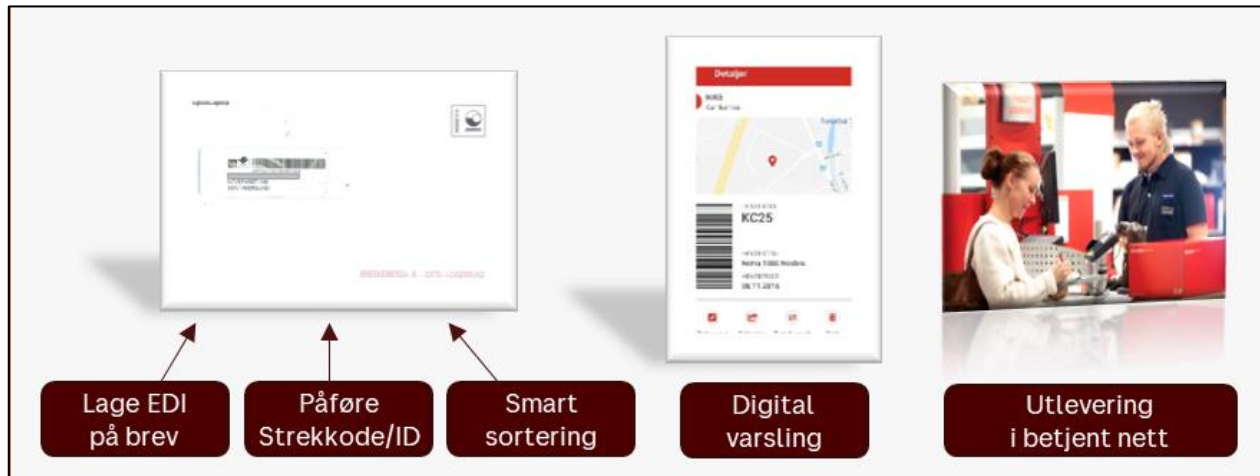
How should USPs handle a situation where there is 10-20 letters per capita per year?  
Our response is pick-up point as standard + offers to have letters delivered to the mailbox or targeted services if financed by Government



Kilde: Duddle, Posten

Out of home delivery for B2C parcels (2019/2020)

# Norwegian customers are familiar with picking up parcels at pick-up points – letters to pick-up points will have the same attributes and be a viable long-term solution for handling of mail



1. **Digital notification** of letters to be delivered and letters ready for pick-up.
2. Pick-up points can serve as a **secure, personal delivery** of mail.
3. It will be possible to **collect mail for a household collectively** (family function) and possibility to select pick-up point of preference.
4. **Short lead-time of delivery**
5. Can/will be perceived as a **convenient/better service for many user groups** (digital notification and pick-up at nearest pick-up point)
6. For user groups that require **home delivery this will require a government financed weekly service** (typically elderly, none-digital vulnerable groups, rural areas or others as specified by the government)

# Transformation of the letter mail business must be seen in the context of aging population and preparedness for crisis

## USO changes

Mail delivery to mailbox (home)?



?

Mail delivery to pick-up points?



## Social value by new means?

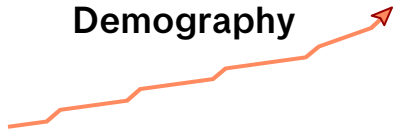
Doorstep service to elderly



# There are major societal challenges ahead for most countries - the postal network could be a vital enabler for solving parts of this

**1 000 000**

Demography



How can we help people manage their own lives in their own homes for as long as possible?

**600 000**

Non-digital

How can we reach and interact with non-digital inhabitants?



Rural services are costly – which synergies can be derived?



Robust national preparedness and crisis management through a nationwide last-mile network



# The last mile network – how can USPs create value by more targeted societal services to vulnerable citizens?

- Doorstep service - personal delivery of mail (to the doorstep) for elderly people
- Communication channel;
  - efficient way of reaching those who are hard to reach
  - two-way information?
  - recruiting for volunteer work (on behalf of the municipality)
- Micro relationships are important
  - safety, loneliness, inclusion in society



# The Norwegian government appointed primo 2024 an expert committee to advise on future postal policies, including the USO



- Final report published 16<sup>th</sup> December 2024
- Public consultation until 17<sup>th</sup> March 2025
- Any changes to USO will require a parliamentary resolution.

## • Key Principles:

1. Sending and receiving mail is a fundamental right.
2. Norway should have a national postal network that ensures preparedness.
3. Postal services should be adapted to societal development and future needs.

## • Key Recommendations:

- The universal service should ensure equitable access for all residents.
- Postal points (i.e. pick-up points) should serve as central hubs for all postal activities – both sending and receiving letters and parcels.
- Letters should generally be delivered to serviced postal points, with the option of choosing mailbox delivery once a week (financed by the state).
- USO-parcels should be delivered to serviced postal points.
- Newspapers should be delivered to mailboxes at least three days a week.
- Posten's doorstep service should be contracted by the local municipalities rather than the state.
- Further investigation is needed to determine whether competitive tendering of USO-services is the optimal solution for efficient use of resources.

# Posten's reply to the committee's recommendations

## Transforming the USO

### Letters to mailbox?



?

### Letters to pick-up points?




## New public services?

### Door step service to elderly?



- Posten supports the committee's view that mail delivery to pick-up points is a forward-looking and good solution for many users even today. This solution is also commercially sustainable for Posten without state funding.
- At the same time, there are some user groups who still need and should be able to receive mail to their mailboxes, especially non-digital and elderly. Broader societal considerations suggest maintaining a nationwide mail delivery network.
- We suggest that mailbox delivery once a week (funded by the state) should be the standard, with the option to choose pick-up points five days a week. A voluntary transition to pick-up points will ensure better acceptance of this solution over time.
- To maintain the postal network's preparedness as letter mail volume decrease, we propose adding other services to the network. A state-financed nationwide doorstep service for the elderly will add value to the network.
- Posten subscribes to the committee's assessment that the market for parcel delivery is competitive and innovative. Thus, further evaluation or regulation is not needed.



**Thank you for your attention**