

EACO WG 4

USO Definition -Uganda

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PRESENTATION LAY OUT

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- 2. USO Status in Uganda**
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Background

UCC was established by the Uganda Communications' Act, 2013 as the Communication sector regulator.

The mandate is to develop a modern communications sector, which includes telecommunications, broadcasting, radio communications, **postal communications**, data communication and infrastructure.

The Communications Act 2013 , designated UPL as the National Postal Operator and as such, it is responsible for USO

Universal Service Obligation in Uganda

According to the Communications Act 2013, UCC is mandated to do the following under USO;

- 1) Identification of USO provider
- 2) Define services
- 3) Specify the Quality of Service Standards
- 4) Identify Geographical Reach
- 5) Regulate Prices and ensure affordability

6) Determine and distribute a subsidy

USO Status In Uganda

The Following are the courier licence categories.

1. Inter-city Courier operator
2. Domestic Courier operator
3. Regional Courier operator
4. International Courier operator

5. National Operator UPL

Status In UG ...Cont...

USO Mandate – National Operator UPL

- Exclusivity in delivery of letter of 350gms and below
- Postage Stamps
- Pre-stamped envelopes
- Post Offices
- Private Letter Boxes

- Posting Boxes
- Use of franking Machines

USO In Ug.....cont

- 37 Licensed Operators
- Informal Players –public transporters, motorcycle riders etc
- USO burden has become heavier over the past thirty years mainly due to
 - i. the impact of privatization that ushered in competition into the postal sector

- ii. the digital revolution caused by the evolution of the internet.
- iii. reduced the demand for letter mail
- iv. social media such as WhatsApp, Twitter, Facebook and Instagram. (These together offer cheaper and quicker alternative means of communication to physical mail communication).

USO Challenges

UPL has suffered from the introduction of competition into lucrative urban postal business markets, eroding

margins originally designed to help pay for loss-making rural services.

There has been an emergency of private firms/ Couriers, offering significantly higher quality document and merchandise delivery services than UPL

Challenges ...cont...

inefficiencies in service provision,
financial deficits- failure to meet financial obligations,
costing of services and products
sustainability of the Universal Service Obligation.

Key Considerations

Developed countries are more successful with USO mainly because,

- †they have the necessary infrastructure like street names, plot numbers,
- †planned settlements and most importantly, the mail volumes are relatively high.

In most developing countries, the mail volumes are very low, there is poor/inaquate road infrastructure, minimal resources to finance the USO.

The biggest challenge is mainly because USO is not clearly defined due to most operators failure to cost it.

Key Considerations

- the relevancy and appropriateness of the USO in the context of the recent developments in the communications industry,
- value of the universal postal service and how does it contribute to economic growth and development

Key Considerations

- how digitisation has impacted on the e-commerce strategic activities of the postal operator in regard to USO

○ available or possible options for efficient and sustainable delivery of USO in urban and rural areas

Way Forward...cont...

- Identify and profile the various components that make up the cost of USO,
- Investigate the impact of the requirement on geographical reach, scope of USO products, quality of service requirements and current pricing of the USO products on the efficiency and sustainability of USO provision

Conclusion

UCC has embarked on a project to examine various aspects (including the reforms, costs, funding and competition) that affect the delivery of universal postal services as defined in the Act ; and also assess the adequacy and application of the existing USO funding mechanism with the view of recommending a viable and sustainable USO funding model for the sector.

Conclusion

At EACO Level;

We are developing **EACO Universal Postal Service & Access Guidelines** –led by Uganda

Outcomes of the guidelines include;

- Defining Universal Service Obligation (USO)
- Setting USO Targets and Parameters
- USO funding mechanisms
- Methodology to establish the cost of USO

Thank You

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