

Draft National Policy, 2012

SALIENT FEATURES OF DRAFT NATIONAL POSTAL POLICY, 2012

1. Setting up a 'Postal Development Board' for overall development and governance of Postal Sector. Besides this, the Board will draw roadmap for unbundling of functions (operations, regulation and policy making) in postal sector over a period of time, in order to develop an organized, competitive, effective, well governed and commercial postal market in India.

2. Constitute Postal Advisory Council comprising policy makers, postal operators and other stakeholders. The council will be an advisory body for effective implementation of the policy.

3. Create, Institutional Framework for continuous data collection from all postal operators. Collected data will be used to develop postal indicators and quality measurement systems.

4. Develop minimum & fair standards and quality measurement systems for all postal operators. Govt. to support small and medium postal operators to provide quality services and encourage entrepreneurship in the sector.

5. Create 'Postal ICT and R&D Fund' to ensure adequate flow of investment into postal R&D to enhance and standardize utilization of IeT in the sector.

6. Promote Public Private Partnership for Development in the sector.

7. Government to Develop National Postal Infrastructure (transportation system, addressing database and standards, automated mail sorting, database management systems etc.) which will be sharable among all postal operators.

8. Develop Vocational training Framework for the postal sector through institutional linkages between postal and other sectors and between postal sector and educational institutions.

9. Adopting a pragmatic and equitable approach for managing the USO.

10. Transform post offices into public delivery channel for services like e-commerce, e-governance and financial inclusion. Post Offices to be identified as Primary Public Access Points (PPAP) for these services.

11. Strengthen India Post by redesigning business structures with sufficient autonomy, digitizing and connecting all post offices and establishing Post Bank of India.

12. Implement strategies to reduce the carbon footprint of the postal sector including harnessing renewable energy sources like solar, biomass and wind.

13. Attract investment to facilitate expansion of National Postal Infrastructure in rural and underserved areas.

14. Organize studies and campaigns for increasing public awareness on the developmental role of the sector.

15. Launch of Special Purpose Vehicle (SPVs) and Joint Ventures (JVs) to promote collaboration between the government and the private sector in commercial ventures.

16. Amend the Indian Post Office Act 1898 to meet the objectives of National Postal Policy 2012.

National Postal Policy 2012

Draft

Department of Posts
Ministry of Communications and Information Technology,
Government of India

Preamble

Postal services originated out of the need for conveying the written word. They evolved over the ages, and grew in scope, spread and complexity. The post, today, is a ubiquitous network which serves the world by connecting individuals and communities, promoting trade and commerce, and reaching financial services to the common man.

Despite the advent of the digital revolution, post is still the most economical and accessible among the different modes of communication available to the public. The mandate of the postal sector is three dimensional - being a channel for moving information, goods and money. This mandate makes postal services a tool of development, an enabler of commerce and a facilitator of the aspirations of the people.

The current postal environment is complex and dynamic. Based on international experience, the status and direction of the postal sector can be summarized as under:

- ♦ Declining letter mail volumes, increasing electronic substitution, and growing competition.
- ♦ Postal Administrations which concentrate on the core business of mail are struggling for survival, while those which diversified into non mail businesses like financial services and e-Commerce are successful in negotiating the changed environment.
- ♦ Postal administrations worldwide are increasing their productivity by employing state of the art technology.
- ♦ Though the principle of separation of regulator and operator is widely discussed, it is yet to find universal acceptance.
- ♦ Postal markets in emerging economies continue to be fragmented and unorganised.

- ♦ New business models are evolving from emerging economies, with increased level of resource sharing and cooperation among various service providers.

The environment, thus, poses overwhelming challenges to the postal sector. However, it has also thrown up many opportunities. Potential exists today for an overarching role for the postal sector in facilitating internet based commerce, as a trusted third party who provides a secured space for transactions. 'Cash on delivery services', fulfillment services for lightweight packets and just-in-time shipment of goods are some of the services for which demand is growing. The postal sector needs to be creative and innovative to capitalize on these opportunities.

The National Postal Administration forms the core of the postal sector. A strong and self-sufficient National Postal Administration is essential for the survival of the sector, as this alone has a countrywide distribution network, which can be leveraged for profitable partnerships involving the private sector or other government agencies.

The postal market in India is governed by the Indian Post Office Act 1898. The Act entrusts the Central Government with the exclusive right to collect and deliver letters, which is implemented through the National Postal Administration. The term 'letter', however, is not defined in the Act. A large number of courier operators are present in the postal market in India. They are free to handle documents, parcels and other items of mail which -do not fall under the category. 'letter'. No authentic data exists regarding the number of such operators or the volume of mails they handle.

Entry and exit in the postal sector are free. However, there are issues related to governance, standardization and quality of service which call for institutional reforms. Such reforms are essential to allow free interplay of market forces and the consequent stabilization of the postal market. They are also required to ensure the delivery of efficient and affordable universal postal services, which is essential for the geographical and social cohesiveness of the country.

Effective governance of the postal market has proved to be a key feature of reform in advanced countries. Hence any postal sector in developing countries also requires an effective governance mechanism.

Another issue that needs attention at the policy level is the fragmented ICT environment of the postal sector, which is contributing to underutilization of resources on many fronts. The absence of organized efforts in Human Resource Development and Planning, and the non-adoption of modern practices in this area are also concerns, as they deprive the postal sector of skilled workforce.

The postal sector in India is in urgent need of legislative and institutional reforms to build the foundation for its future growth. Governance, market development, definition of universal service obligation and standardization of leT practices are important elements in this reform process.

The National Postal Policy has been developed to address the systemic challenges facing the postal sector and to enhance contribution of the sector to the national economy. It recognizes the specific needs, expectations and service requirements of governments, customers, postal operators and other stake holders. The

Government will use the Policy to provide necessary guidance and direction to the postal sector with the aim of maximizing public good.

Guiding Principles

- a) Development of an organised and well governed postal sector.
- b) Provision of Universal Postal Services countrywide.
- c) Promotion of partnerships between private and public sectors.
- d) Provision of quality services at affordable prices.
- e) Adoption of inclusive and transparent processes for policy formulation, implementation and monitoring ..

Vision

Organised and well governed postal sector, recognised as contributing to the economic and social development of the nation.

Mission

- ♦ To maximise public good by providing reliable, efficient, secure and affordable postal services
- ♦ To offer mail, courier, express, parcel, logistics, e-commerce and remittance services to the entire population of the country.
- ♦ To promote the economic and social connectivity of the people in the country.
- ♦ To foster sustainable development of the postal sector through an inclusive and transparent institutional framework, good governance and adoption of fair common standards and technological innovation.
- ♦ To promote cooperation, interaction, resource sharing and fair competition among stakeholders.
- ♦ To adopt global best practices of Human Resources Management for developing a skilled, committed and motivated workforce.

Objectives

1. Developing an organised and well governed postal sector

Better governance in the postal sector and strengthening of the universal postal service will benefit citizens, businesses and governments.

Strategies

- a. To provide efficient and effective basic postal services at affordable prices to all sections of the population over all geographies.
- b. Leverage the network, infrastructure and expertise of the National Postal Administration for the growth and development of the postal sector.

- c. Develop postal statistical indicators and include relevant postal indicators among broader infrastructure development indicators.
- d. Provide holistic support to micro, small and medium postal service providers and encourage entrepreneurship in the sector.
- e. Integrate programs for development of the postal sector with National ICT Policy Framework and National Development Plans.
- f. Promote the role of postal sector in achieving Millennium Development Goals as identified by the United Nations

2. Augmenting access to postal services

Access to postal services is critical for disseminating information, connecting individuals and communities, and facilitating trade and commerce. Appropriate and affordable technology solutions are to be adopted to augment the access.

Strategies

- a. Ensure basic postal services at affordable prices.
- b. Upgrade both capacities and capabilities of the weaker links in the postal network to improve their effectiveness.
- c. Integrate the physical network with electronic services to provide value added products and services.
- d. Implement a programme to encourage the community, the civil society and the private sector to participate in provisioning of postal services.
- e. Recognise post offices as primary public access points for Internet services, e-Government services (tax, procurement, public utilities, passports, birth certificates, driving permits, pensions, social security benefits etc.) and e-Commerce applications (online product/service ordering, delivery, payments, private utilities/services etc.)
- f. Organise campaigns for increasing public awareness on the developmental role of the sector.

3. Enhancing the quality of service.

Enhanced quality of service at affordable price is critical to the survival of the Postal Sector. Quality of service is reflected in the degree of professionalism with which postal service providers fulfil the changing needs of customers. Improving the quality of postal services calls for investments in infrastructure, adoption of ICT, and raising a well-trained and motivated workforce.

Strategies

- a. Set up and enforce minimum and fair standards in the postal sector, in line with global trends and documented best practises.

- b. Develop quality measurement systems applicable to all postal operators.
- c. Utilise ICT in the provisioning of postal services, especially in areas like automation of mail processing, and adopt modern practices like data and address management systems and digital stamping.
- d. Enhance mail security by sharing knowledge, experience and best practices with National Postal Administrations of other countries and adopting statutes to enforce appropriate governance standards.
- e. Develop a modern transportation network to support countrywide conveyance and delivery of mail.
- f. Enhanced cooperation with Universal Postal Union, APPU, SAPU and other similar bodies for evolving common global and regional approaches for improving postal services.

4. Developing postal and supporting infrastructure

Postal infrastructure consists of elements like distribution networks, PIN code based address system, mail access points, automated mail sorting systems and data management systems. Supporting physical infrastructure on the other hand includes roads, electricity, and general utilities. Service quality and cost of operations are directly related to the state of postal and its supporting infrastructure.

Strategies

- a. Define National Postal Infrastructure and recognise it as essential Public Infrastructure.
- b. Enable National Postal Administration through legal and institutional framework to create National Postal Infrastructure.
- c. Take steps to attract investment to facilitate expansion of National Postal Infrastructure in rural and underserved areas.
- d. Identify National Postal Administration as the repository of all postal addresses and support it with required legal provisions.
- e. Define addressing standards. Promote usage of PIN Codes.
- f. Formulate guidelines for infrastructure sharing and partnerships.
- g. Implement strategies to reduce the carbon footprint of the postal sector, including harnessing renewable energy sources like solar, biomass and wind.

5. Promoting the use of ICT in provisioning of postal services

ICT offers immense opportunities to the postal sector to reduce cost, improve efficiency and enhance quality of service. Some of the common areas of ICT deployment in postal sector are automation of mail processing, mail coding, tracking of mail and ERP solutions. Interoperability and standardization are two critical requirements that need to be met while developing and deploying ICT solutions in the postal sector.

Strategies

- a. Identify and analyse the emerging technologies and business models to help the postal sector achieve sustainability in the growing digital and mobile economies .
- b. Promote, stimulate and support the development of customised ICT applications for the postal sector.
- c. Minimize usage of paper and paper products in postal sector by promoting the use of relevant ICT solutions.
- d. Create centres of excellence for training, research and development of postal ICT products.
- e. Create and maintain an open forum for consultation and dialogue on matters of ICT in the postal sector.
- f. Create a "Postal ICT and R&D Fund" to ensure adequate flow of investment into postal R&D to enhance utilisation of ICT in the postal sector.

6. Promoting utilisation of postal services to deliver national programmes and e-services.

The addition of ICT capabilities to its traditional strengths of last mile reach and trust of the masses will make the postal network the ideal choice to deliver e-governance and e-commerce. The e-service solutions will improve the speed and efficiency of service delivery to the citizens and institutions. The National Postal Administration is the ideal implementation partner for government agencies in growth and poverty reduction programmes.

Strategies

- a. Identify challenges in public administration for which solutions can be evolved by utilising the postal system and develop adequate postal solutions to cope with them.
- b. Promote cooperation and synergy between government and private sector entities through the route of Public Private Partnerships for achieving national goals and public welfare.
- c. Transform post offices into public delivery channel for services like e-Commerce, e-Governance and financial inclusion programmes that involve a huge customer-base.
- d. Develop appropriate National Address Database Systems and applications using Geographic Information Systems (GIS) to support the delivery of e-Services.
- e. Provide a wide range of e-enabled value added products and services.

7. Developing a framework for Human Resource Development and Planning

Being a labour intensive sector, the quality of manpower in the postal sector is the key determinant of the quality of the services it offers. Untrained and unskilled manpower not only increases the cost of operations but also affects quality of service.

Strategies

- a. Develop vocational training programmes through institutional linkages between the postal and other sectors and between the postal sector and educational institutions.
- b. Introduce specialised training courses for postal managers.
- c. Develop compliance mechanism for implementation of relevant government regulations relating to employee benefits and workplace practices.
- d. Create centres of excellence with public private partnership for Research and Development.
- e. Encourage alignment of job qualifications and recruitment processes with the requirements of the sector.
- f. Empower each employee with essential IT capabilities in areas of functional relevance

8. Promoting competition in the provision of postal services

Fair competition leads to consumer satisfaction through lower prices, more choice and better quality of service. Efforts are therefore required to promote competition in the provision of postal services so as to maximize benefits to customers, particularly those in rural and inaccessible areas.

Strategies

- a. Create a market responsive and well governed postal sector that aspires to maximize customer satisfaction.
- b. Develop a governance and legislative system that promotes fair competition in the postal market and offers customers ample choice.
- c. Spell out modalities for forming Special Purpose Vehicles (SPV) and Joint Ventures (JV) that would promote collaboration between the government and private sector in commercial ventures.
- d. Promote adoption of ethical practices in the postal sector and consider adopting internationally recognized standards in this area.

9. Develop an institutional and governance framework.

Appropriate and responsive governance and institutional framework acts as the foundation for the development of the postal sector. Rapid advances in information technology as well as the convergence of technologies and delivery platforms offer tremendous opportunities for the development of the postal sector. The backing of a robust governance and statutory framework will enable the postal sector to capitalise on these opportunities.

Strategies

- a. Set up a 'Postal Development Board' for overall development and governance of Postal Sector. Besides this, the Board will draw roadmap for unbundling of functions (operations, regulation and policy making) in postal sector over a period of time, in order to develop an organized, competitive, effective, well governed and commercial postal market in India.

The Postal Development Board will be chaired by Secretary (Posts) and will have Secretary (Deity), Secretary (Commerce), Secretary (Economic Affairs) and two members from Postal Services Board as full time members and part time members from other stakeholder bodies and Ministries.

- b. Amend the Indian Post Office Act 1898 to meet the objectives of National Postal Policy.
- c. Constitute Postal Advisory Council comprising policy makers, postal operators, and other stakeholders. The council will be an advisory body for effective implementation of the policy.
- d. Create institutional framework for continuous data collection from all . postal operators.
- e. Adopt a pragmatic and equitable approach for managing the USO.
- f. Equip Department of Posts to handle legislative issues in matters relating to exchange of goods through postal and courier network and deal with international trade negotiations in WTO, GATS and other multilateral and bilateral negotiations relating to the sector.

10. Strengthen the National Postal Administration

The National Postal Administration plays a critical role in the postal sector by ensuring uninterrupted Universal Postal Services and providing affordable postal and financial services to the less privileged sections of the population. It operates in a complex environment of government control and competition with private players. Strengthening the National Postal Administration and transforming it into a reliable and trusted business partner in the national economy is essential to maximize public good.

Strategies

- a. Redesigning the business structure on modern lines with the twin objectives of scaling up traditional silos of business like mail, parcel, banking and insurance and capitalising on emerging opportunities in areas like e-commerce, mobile-based services, e-governance, express and logistics and financial retail services. The restructured business silos to be given functional autonomy, wherever required.
- b. Operationalize all post offices into a fully converged digital network.
- c. Redesign Human Resource policies (recruitment rules, reward and recognition schemes, apprentice and internship programmes, specialized training programmes etc.) to achieve the objectives of National Postal Policy.

- d. Creating a business environment that will enable and encourage all stake holders of the sector to cooperate for mutual benefit.
- e. Establish Post Bank of India as the dominant vehicle of financial inclusion.

11. Financing of postal sector

Effective implementation of objectives and strategies forming part of the policy calls for adequate financing through the following:

Strategies

- a) Create an environment for attracting international and domestic investments.
- b) Endeavour to place postal sector projects within the ambit of consideration of entities that provide project financing.
- c) Provide a stable fiscal regime to stimulate investment and make . services more affordable.

12. Policy Implementation

Department of Posts, in consultation with stakeholders, may develop a monitoring and evaluation framework for the National Postal Policy. A mechanism may be evolved to monitor the impact of the Policy in terms of achieving the objectives.

- a. Establish a comprehensive Monitoring and Evaluation framework for the implementation of the postal policy.

13. Conclusion

An efficient postal sector is a force multiplier in the economy, promoting communication and commerce, and maximising public good. In the information age, the postal sector is ideally placed to bridge the Digital Divide. The National Postal Policy aims to facilitate the emergence of a robust, organised and well governed postal sector in India. The Policy aims at developing and deploying a participatory and transparent framework for policy formulation, implementation, monitoring and evaluation for the postal sector.