

Bosnia and Herzegovina**Issues and background**

Express operators currently face problems when operating in Bosnia and Herzegovina as well as at regional level within the Federation of Bosnia and Herzegovina (the regional entity within Bosnia and Herzegovina):

1. The authorities at the level of Bosnia and Herzegovina have introduced a postal bill which raises serious concerns for our industry. Our principal concerns are as follows:

- Law distinguishes between universal/reserved and non-reserved but all non-reserved services (including express) to apply for a license and to provide services in the whole territory. This last requirement is new and potentially harmful. Normally such a condition only applies to universal postal service.

- The license conditions (procedure + fees) will be defined by a regulator/agency formed by the Council of Ministers at level of Bosnia and Herzegovina. The leading positions in the regulator/agency are fulfilled by former employees (the board members) of three state owned postal operators. Therefore, the independence of the regulator has become questionable. There is also a risk that the high annual license fee and percentage based fee will increase to levels as previously requested (i.e. annually EUR 25000 + 0.6% of turnover) although the levels have recently been changed to 5.000 EUR (annually) for the license and 1.500 EUR as issuing administration fee

2. Within the Federation of Bosnia and Herzegovina (regional entity), the Federation's Inspector for Telecommunications has claimed that express operators were violating the reserved area by shipping parcels under 10 kg and letters under 1kg. A decision was communicated to this effect in May 2008, forbidding EEA members from offering these "reserved services" without a licence. EEA members subsequently appealed this decision at administrative level in Bosnia.

Recent developments:

At national level, after the bylaw that determines the requirements and necessary documents needed for application have been issued by the regulator/agency (mid May), express operators have been forced to apply for a license by mid July or face closure of their operations.

EEA members applied for a license under protest and indicated the Law on Foreign Investments in Bosnia (which aims to protect investors with regard to legislation adopted after the investment was made) should be respected.

There is also a new draft of postal bill in the parliamentary procedure, which aims to define reserved services as letters up to 0,25 kg and parcels up to 5 kg. EEA members can offer express services provided the price is 2,5 times the price of fastest delivery service for basic weight provided by public postal operators (state owned). It remains unclear whether EEA members can provide services under 0,25 and 5 kg for letters and parcels respectively and what "the fastest delivery service and basic weight are". The licensing requirement remains unchanged.

At regional level (within the Federation of Bosnia and Herzegovina), after express operators appealed at administrative level following decision of Federation's Inspector for Telecommunications from May 2008, there has been no further developments so far.

Next steps

At national level, EEA members will continue to comply with licensing requirements but oppose these requirements in principal.

At regional level (within the Federation of Bosnia and Herzegovina), pending further development after appeal at administrative level, next steps will be taken accordingly.

Contact details:

EEA Secretariat:
Cecilia Kindstrand
ckindstrand@apcworldwide.com
+32 (0)2 645 98 11

EEA Bosnia Herzegovina Contact:

Edin Emso
Edin.Emso@dhl.com
+385 1 6651 101
+387 33 774 000