

PostEurop position paper on the Commission's proposal for a Regulation of cross-border parcel delivery

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PostEurop follows the legislative process on the Commission's Draft Regulation on cross-border parcel delivery services closely. The Council adopted a general approach on 9th June, while the European Parliament's Transport and Tourism Committee (TRAN) rejected its draft report as a whole in the vote on 11th July.

PostEurop welcomed TRAN's compromise amendments on article 4 deleting the requirement to provide terminal dues and article 6 removing provisions on third party access. We were pleased to see these two compromises received support from a majority, even if the report itself was rejected. PostEurop would therefore appreciate it if MEPs retained the compromises on articles 4 and 6 in line with the Council's general approach. However, PostEurop believes it is time for TRAN to go back to the drawing board when it comes to article 5 on the affordability assessment.

When it comes to **article 4**, the posts have a history of price transparency but are opposed to providing the regulator with their terminal rates. There is no justification for unconditionally requiring the posts to provide their regulator with their terminal rates, the payments they charge each other for final delivery. Under no circumstances should these be shared with other regulators because they are highly confidential and commercially sensitive.

On **article 6**, PostEurop does not see any justification for a sector-specific provision on third party access to its members' multilateral agreements. In a free market like the delivery market, agreements and access to agreements are and should be part of normal commercial negotiations. No market failure has been demonstrated. Furthermore, general competition law already provides for access to multilateral agreements under certain conditions.

In contrast, as for **article 5**, the amendments tabled show hugely divergent views which were also reflected in the tight vote on the compromise amendment (23 in favour, 21 against, abstentions not made public). There were divergences not only on which companies' prices should be assessed and the services that should be involved, but also the procedures and criteria and even the objective of assessing cross-border tariffs. In this situation, PostEurop questions whether merging highly divergent and potentially contradictory concepts will hinder rather than help the sector given the inevitable inconsistencies and legal uncertainties that will result.

Given the huge divergences, PostEurop would therefore like to invite TRAN to consider whether it would be better to delete Article 5. The affordability assessment involves significant resources and costs for universal service providers as well as national authorities. It also undermines the posts' pricing strategies, thereby restricting their ability to compete in what is a highly competitive market. Moreover, the provision of universal services including affordable cross-border parcel delivery services is guaranteed in the Postal Services Directive. Decisions to introduce changes to the existing framework would be better left to the up-coming review of the Postal Services Directive. The study on the development of cross-border e-commerce through efficient parcel delivery to be launched by the Commission and sponsored by the European Parliament later this year will help to prepare this.

If Article 5 is maintained, PostEurop would appreciate it if TRAN could agree on a consistent text that codifies the existing framework of the Postal Services Directive. The added value would be to clearly allocate the competence to assess only tariffs on universal service products to the national regulatory authority. In respect of the principle of Better Regulation and in order to avoid red tape, assessments should be conducted only if the national regulatory authority, based on its market knowledge, deems an assessment necessary. Finally, only non-confidential versions of assessments should be shared with the Commission and other national regulatory authorities in order to protect the information contained within.

This position paper is supported by the following Public Postal Operators:

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PostEurop is the association which represents the interest of 52 European public postal operators. Committed to supporting and developing a sustainable and competitive European postal market accessible to all customers and ensuring a modern and affordable universal service, PostEurop promotes cooperation and innovation bringing added value to the European postal industry. Its members represent 2.0 million employees across Europe and serve to 800 million customers daily through over 175,000 counters. PostEurop is also an officially recognised Restricted Union of the Universal Postal Union (UPU).