

Response to public consultation on the ERGP Work Programme 2023 and the ERGP Medium Term Strategy 2023-2025



PostEurop

Published by **POSTEUROP**
Brussels, 6 October 2022
Transparency register ID: 092682012915-24

PostEurop[°]

ABOUT POSTEUROP

POSTEUROP is the association which represents European public postal operators. It is committed to supporting and developing a sustainable and competitive European postal communication market accessible to all customers and ensuring a modern and affordable universal service. Our Members represent **2 million employees** across Europe and deliver to **800 million customers daily** through over 175,000 counters.

**Association of European
Public Postal Operators AISBL**

Boulevard Brand Whitlock 114
1200 Brussels
Belgium

T: + 32 2 761 9650

E: info@posteurop.org

posteurop.org | ©PostEurop

CONTEXT

PostEurop welcomes the opportunity to contribute to the definition of the ERGP's work programme for 2023 and the new Medium term Strategy 2023-2025 through the present consultation.

As a background for this contribution, PostEurop's Members would like to recall their previous positions and contributions to ERGP public consultations and calls for input, and its position paper on the Evaluation Report of the Postal Services Directive, which are recent and still very valid to reflect our approach towards the revision of the postal framework.

Furthermore, we would like to express our views on the deliverables planned for 2023 under the current Work programme, as well as remind our full availability and willingness to cooperate closely with ERGP at a technical level in the definition of these reports. In this regard, PostEurop welcomes ERGP's intention to establish a more active dialogue with stakeholders, including postal operators, and expects to be able to provide inputs to the planned deliverables in a constructive and timely manner.

Deliverable 1: ERGP Report on the future powers of the NRAs and the need to revise the postal regulatory framework

PostEurop shares that environmental sustainability and digitalization are key macro-trends that are impacting all sectors in the EU single Market. In order to adapt to the challenges they pose, regulatory pressure on both topics is increasing rapidly both at EU and at national levels.

Under the EU Commission's strategies A Europe Fit for the Digital Age and The EU Green Deal, many legislative initiatives concerning both digitalization and environmental sustainability have been approved, and a number of them are currently under development. Within each strategy, specific initiatives on subjects relevant to the postal sector have been developed. For instance, the Fit for 55 package and the Sustainable and Smart Mobility Strategy already include several measures regarding transport decarbonisation, energy efficiency, reporting of carbon footprint for deliveries which are of particular interest for postal operators. Moreover, the Corporate Sustainability Reporting Directive and the EU Taxonomy Regulation have already set forward quite demanding objectives in terms of reporting environmental, social and human rights matters that apply to postal operators. Besides, on the digital side, all EU institutions have made great efforts to approve the Digital Services Act and the Digital Markets Act, two key legislative initiatives reforming the EU legal framework for the digital economy and regulating the power of large digital platforms.

The aforementioned policies seek to regulate both environmental and digital topics from a horizontal perspective, with the purpose of achieving a sufficient level of harmonization among countries that allows an effective adaptation to both macro-trends. Therefore, their provisions apply to all sectors in the EU single market, the postal sector included.

Taking into account that horizontal legislation is already in place and there is no evidence of negative impacts on competition of sustainability initiatives PostEurop does not see a justified need to develop further sector-specific regulation on these subjects.

Furthermore, PostEurop believes the existing EU framework already grants a sufficient oversight and there is not a reasonable need for strengthening NRAs' powers on these subjects, nor a need to codify additional monitoring competences on environmental and digital matters within the EU postal regulatory framework. NRA's competences and their scope of intervention should remain defined at national level according to the principle of subsidiarity.

The starting point for legislation on postal services should remain the universal service and its economic sustainability which should therefore remain the core focus of the NRA's.

Deliverable 2: ERGP report on its assessment of parcel services that need to be included in the universal service obligation

PostEurop acknowledges the boost of e-commerce in recent years and the strong growth in parcel flows, which has led to the establishment of many new delivery operators with different types of business models. The parcel delivery business has become increasingly important at economic and social level, and has proven to work well under the current regulatory framework, even in periods of great demand and challenging circumstances as the Covid-19 pandemic and its lockdowns.

Nowadays, the parcel delivery sector is extremely competitive and dynamic with strong pressure on prices and a constant drive for innovative solutions. Regulation currently in place for parcel delivery services has been sufficient to ensure development of the market, innovation and competition to a point where consumers can choose among many service providers, and a wide range of convenient delivery choices that cover their social needs. In this highly competitive context and without evidence of market failure, PostEurop stresses that parcel delivery does not need further sector-specific regulation and there is not a need to extend rules in the Postal Service Directive relating to parcels under the USO.

Parcels are already covered in the Universal Service Obligation (USO), guaranteeing their accessibility for all consumers with affordable, uniform prices and a minimum level of quality. The current PSD provisions are flexible enough to allow adaptation of parcels within the USO to national circumstances, while setting a minimum harmonized requirement to ensure distribution of intra-EU postal parcels (up to 20kg) in all Member States, regardless of the USO scope at national level. Consequently, we believe the extent to which parcels should be included in the USO must remain defined nationally, taking into account the level of accessibility and competitive offer for parcel services.

Deliverable 3: ERGP Report on practices for environmental sustainability in the postal sector

PostEurop welcomes that ERGP acknowledges the abundance of initiatives in the postal sector covering different aspects of environmental sustainability. Of course, PostEurop Members are fully aligned with the UN Sustainable Development Goals and with the objectives set forward by the EU Green Deal. Their green transformation started already a long time ago: in 2009, 17 members of PostEurop started participating in the Environmental Measurement and Monitoring System (EMMS), an initiative from our industry partner International Post Corporation (IPC) that included specific carbon emissions reduction targets for the sector; these targets and their scope were extended in 2019, under the name SMMS (Sustainability Measurement and Management System), and are now more ambitious and cover seven key environmental and social sustainability aspects: Climate change, Resource efficiency, Air quality, Circular economy, Sustainable procurement, Health and safety, Learning and development.

Through heavy investment over more than a decade now, PostEurop Members have adapted their business models and implemented a wide range of innovative solutions aimed at decarbonising its operations and in general, improving their environmental performance. For instance, members have implemented sustainable transport and low emissions delivery alternatives to reduce greenhouse gasses emissions as well as fostered resource efficiency and circular economy in processes. Besides, many members are also working towards raising their customers' awareness and promoting more sustainable consumption choices.

As stated above, PostEurop believes the EU legislative framework on environmental sustainability will strongly stimulate operators to adopt further measures towards enhanced environmental sustainability. Operators are already working hard to achieve decarbonisation in line with EU objectives without a need of sector-specific regulation or dedicated regulatory tools. Thus, we consider the current scenario is appropriate as it allows operators

to design and implement their sustainability strategies following innovative and dynamic approaches and, ultimately to adapt their operations without unnecessary constraints.

Nevertheless, PostEurop agrees that best-practice sharing is beneficial for operators; this is why we as an Association intend to keep giving visibility to our members' sustainability initiatives by continuing issuing our yearly CSR Brochure of Best Practices. In this sense, PostEurop remains at ERGP's disposal to provide examples of impactful initiatives undertaken by our members in order to accelerate green transformation.

Deliverable 4: ERGP Report on exploring the sustainability of the USO including possible new ways to support it

PostEurop has always maintained that the starting point for legislation on postal services should remain the universal service and its economic sustainability. PostEurop fully supports that the sustainable provision of the universal service has been considered by ERGP as a topic worthy of a deliverable in its 2023 Work Programme, in line with its mission according to the current regulatory framework. Postal services have a key role in promoting economic, social and territorial cohesion, so ensuring appropriate financing means and support from Member States is of utmost importance.

We would like to recall that an appropriate level of flexibility must be ensured for Member States to adapt their national regulation of universal services to domestic circumstances. There is no "one-size-fits-all" universal service obligation and operators need the ability and flexibility to introduce innovative delivery solutions and provide services adapted to changing customer needs.

In this sense, Members are constantly adapting to developments in the sector and applying measures to improve cost-efficiency and reduce the USO burden as much as possible, including some of the alternatives suggested by ERGP such as digitization of processes, delivery network optimisation or deployment of parcel lockers. Nevertheless, we would like to stress that the availability of diverse and convenient delivery alternatives must match customers' needs and expectations, while ensuring that postal services remain accessible to all citizens. In this regard, we consider any proposed solution aimed at reducing USO costs shall be carefully assessed in the light of country-specific circumstances, so as not to hinder innovation in the sector or imply poorer service quality for consumers, which would negatively affect their satisfaction and therefore, be undesirable.

Deliverable 5: ERGP Report on core postal indicator

We very much appreciate the work the ERGP is doing each year in reporting on core postal indicators. As a sector, we also find these ERGP reports very useful. However, we do believe that these reports should remain focused on core indicators, being the core activities in delivering the USO. Thus, PostEurop believes there is no need to enhance NRA's data collection powers regarding e-commerce deliveries.

On the proposal for ERGP to collect environmental sustainability indicators, PostEurop believes there is no need for ERGP to set indicators or introduce new regular reporting obligations at EU level, as postal operators are already subject to environmental reporting obligations, including under the EU Taxonomy and the Corporate sustainability reporting Directive. Both regulations already require postal operators to report extensively on environmental sustainability and measures to improve environmental efficiency.

Therefore, we consider sufficient data is already publicly available from many different sources and thus, reporting additional indicators to NRA's would result in a disproportionate burden for operators, also in comparison with other operators with alternative business models that could escape these reporting obligations if they apply only to postal operators.

Deliverable 6: ERGP Report on the updated evaluation of the application and implementation of the Cross Border Parcel Regulation

PostEurop shares the conclusion of the EU Commission's report on the application and implementation of the Cross-border Parcel Delivery Regulation that after two years of being in force, there is no need for any amendments of the Regulation. Regarding this deliverable, PostEurop would like to highlight that the obligations under the Regulation have been fulfilled by the parcel delivery service providers, NRAs and Member States and currently no significant problems in data collection and regulatory oversight have been identified.

Tariffs for cross-border parcel services have not been found excessive, but affordable for consumers and businesses; this is further demonstrated by the lack of regulatory measures taken by NRA's after assessing parcel tariffs following the obligations set by the Regulation. Given that the Regulation has only been in place for a short period of time, PostEurop believes it is too early to consider revising it.

Deliverable 7: ERGP Report on Quality of Service, consumer protection and complaints handling

PostEurop is aware that during 2022, the ERGP is conducting an internal feasibility analysis on possible indicators of quality of service for e-commerce parcels. As stated before, PostEurop believes e-commerce parcels are already subject to a highly competitive environment and does not find a reasonable need for NRA's to monitor quality of service for these types of shipments which do not fall under USO.

Also here, we would be very happy to share and discuss best practices with the ERGP on how postal operators currently deal with these types of issues.

CONCLUSIONS

PostEurop remains available to discuss all of the mentioned issues with ERGP in order to further substantiate our positions.

For more information, please contact:

Ms Elena Fernández

Chair of PostEurop European Union
Affairs Committee
Correos Group

E: elena.fernandez@correos.com
T: +34 9 15 96 30 34

Mr Denis Joram

Chair of PostEurop Postal Directive
Working Group
Le Groupe La Poste

E: denis.joram@laposte.fr
T: +33 1 55 44 02 01

POSTEUROP contact:

**Association of European
Public Postal Operators AISBL**

Boulevard Brand Whitlock 114
1200 Brussels
Belgium

E: info@posteurop.org

T: + 32 2 761 9650