

Position Paper on ERGP Work Programme 2022





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.

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POSTEUROP'S RESPONSE TO ERGP WORK PROGRAMME 2022

Background and context

PostEurop welcomes the call for input regarding ERGP work programme 2022. This is the opportunity to make a contribution to ERGP's work and to bring out the main issues to tackle in the postal sector.

In September 2020, PostEurop contributed to the consultation on the ERGP's work programme for 2021, on the ERGP Report on Key Consumer Issues (ERGP PL I (20) 8) and the ERGP Report on Postal Definitions (ERGP PL I (20) 7).

As all this delivered input is recent and still very valid, for this new call for input regarding ERGP work programme 2022, PostEurop's Members would like to recall these positions that were already published in previous position papers and consultations¹.

In view of the above, PostEurop's members would reiterate that:

We support a regulatory framework that leaves space for subsidiarity

The Postal Directive achieved the full opening of the European postal markets in 2011 (in 2013 for some specific countries), organised around common structuring principles such as affordability, accessibility, universality, cost orientation and supervision by independent national regulatory authorities.

Postal markets have significant local and national dimensions and have been evolving differently. Although all postal operators are faced with a continuous decrease in letter mail volume, the pace of decline varies from Member State to Member State. The Postal Directive allows Member States to adapt the legislative framework to their national specificities and to determine a universal service in accordance with their social needs. For this reason, national regulators may have different powers and scope of intervention. PostEurop Members are therefore in favour of maintaining a high level of subsidiarity in postal regulations.

Member States should continue to be able to adjust their national regulatory framework, including universal service obligations, pursuant to the principle of subsidiarity. There is no "one-size-fits-all" universal service obligation and providers need the ability and flexibility to introduce innovative delivery solutions and provide services adapted to changing customer needs. However, this approach would allow each Member State to structure the obligations of its USP to fit domestic circumstances and ensure the postal services in its home market to remain financially sustainable.

Universal Service should remain the starting point for legislation on postal services

Universal Service lies at the core of the postal legislative framework and PostEurop Members believe it should remain the focus of legislation. There is no need for further sector-specific regulation. There is other legislation to regulate issues which impact the postal sector - including employment, customs, taxation, consumer rights, data protection, platforms and competition rules.

Universal service should be based on user needs and national market developments. National practices and demands are a strong influence on European postal markets and these specific circumstances can only be fully addressed through greater subsidiarity.

¹ See PostEurop Position paper on the Evaluation of the Postal Services Directive, PostEurop Manifesto and PostEurop contribution to the

ERGP's consultation on their mid-term strategy 2020-2022/work programme 2020

PostEurop Members operate in a fragile ecosystem with an ongoing structural decline in letters and fierce competition in parcels. Policy makers should carefully balance the encouragement of competition with the sustainability of the USO. A declining market is less attractive to new players. With universal service providers already weakened by the decline in the letter market, promoting competition will not create a level playing field and would be at the expense of the universal service providers and the sustainability of the service.

The USO should respect the principle of economic sustainability, how the universal service is funded is important. Where USO revenues do not or cannot cover the cost of the service, public resources should refund the universal service provider.

No justification for promoting competition through sector-specific regulation

In the European Union, the postal sector is subject to general European and national competition law and there is nothing to suggest that competition enforcement tools are not sufficient. Even in dealing with future developments, like the rise of vertically integrated platforms, new pieces of legislation like the DSA/DMA are specifically designed to address such developments and therefore adequate. Any additional application of regulation for promoting competition needs further justification. Sector-specific regulation applies only where competition law alone is seen to inadequately address proven market failure. This is usually the case in market situations characterised by an absence of effective competition, which especially might occur when undertakings control bottleneck infrastructures resulting in high and non-transitory barriers to market entry. In comparison to competition law, sector-specific regulation is more intrusive, it applies without infringement of law, regulates market behaviour and is thus an instrument of last resort. In this respect, PostEurop's Members do not see a need for sector-specific regulation either in the letter or parcel market.

The end-to-end letter sector is strongly disciplined by e-substitution, and increasingly so. In the presence of these strong competitive pressures, general competition law regime should be deemed sufficient. In these circumstances, ex-ante obligations are unnecessary to ensure the development of a competitive sector and would be detrimental to a sustainable and affordable universal service.

E-commerce delivery does not need further regulation. It works well as it is, and we should rely on market forces to provide the best solution. In line with the principle that regulatory intervention is only justified in situations of identifiable market failure, and since no market failure has been determined, there is no justification for further European regulation of the cross-border parcel delivery market. More regulation would have an adverse impact on reactivity and innovation.

The parcel delivery sector is extremely competitive with high pressure on prices and a constant drive for innovation. The rise of e-commerce and cross-border shopping has been made possible due to the significant involvement of delivery operators. PostEurop Members invested widely to seize the opportunity: increasing processing capabilities, developing up-to-date IT systems and offering customers new services and innovative solutions.

Technical standards

We believe that the main source of postal standardisation shall remain the Universal Postal Union, which ensures basic postal services worldwide. EU standards should stay voluntary and be the outcome of a test and improve the process to promote efficiency and avoid being a barrier to entry. In some cases, Postal Standards have not been implemented because they do not result in a benefit for the end customer.

Environmental and social responsibility

PostEurop Members are committed to environmental sustainability – including delivering the UN Sustainable Development Goals on resource efficiency, procurement and waste management and air quality. Our aim² is to achieve a 20% carbon emissions reduction per letter mail and per parcel by 2025, from a 2013 baseline year. PostEurop has also established a CSR Circle which promotes the exchange of good practices among its members. Every year, it publishes a [CSR brochure](#) “The Postal Sector, Leading the Way in Corporate Social Responsibility” which has a dedicated part on environmental practices shared by PostEurop Members. These practices illustrate in a very concrete way that postal operators take their responsibility seriously and are key players in the environmental transition.

We would like to emphasize again that we remain available to present these positions to ERGP and to provide further inputs to ERGP on the current challenges faced by the industry. We do believe that mutual understanding of our positions is essential in reaching the objective we both share: a well-functioning European postal market. We, therefore, hope that a more frequent exchange of ideas, knowledge and practices will be part of the ERGP’s work programme as well.

² <https://www.ipc.be/news-portal/sustainability/2020/11/25/09/45/ipc-publishes-first-online-sustainability-report>

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