



# **The EU Postal acquis**

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**Regine Stöldt**

**Unit Postal Services, E4**

**European Commission**

**DG Internal Market and Services**



## Postal Services



**This presentation tries to cover as many aspects of the postal acquis communautaire as possible. But the slides presented cannot give a complete picture of the acquis.**



## key figures on the current EU (on average)

### 💰 EU postal revenues:

Eur 90 billions, 1% of EU GDP

### 👥 Employment:

5 millions jobs directly or closely related

### 😊 Eurobarometer survey:

82% of consumers happy with quality of service

### 📧 Where the mail flows:

B to B: 25%	B to C: 60 %
C to C: 7.5%	C to B: 7.5%

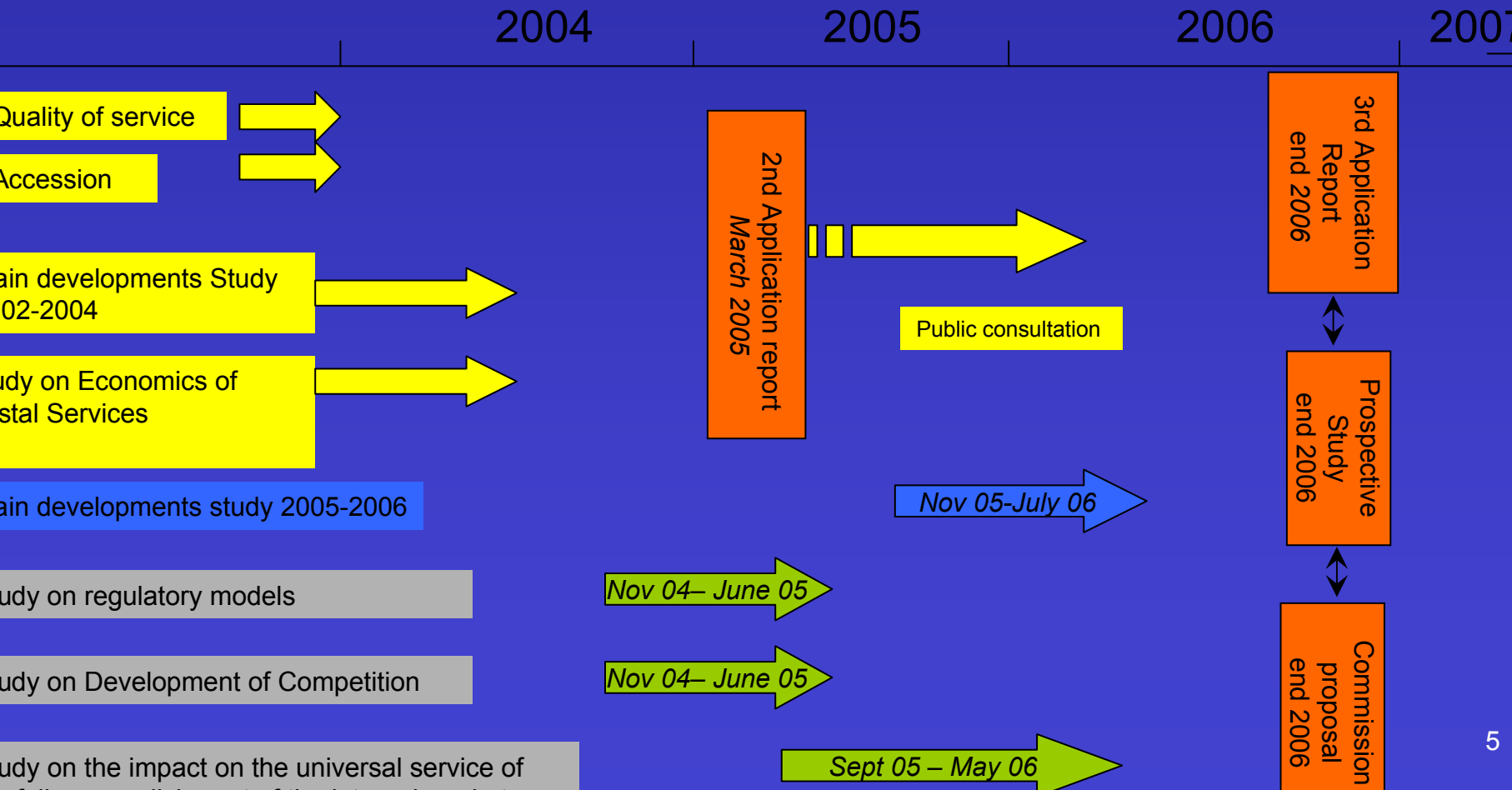


## Regulatory Timetable

- **1997:** **1<sup>st</sup> Postal Directive (97/67/EC)**  
Commission's "Notice" (98/C39/02)
- **1999:** **1<sup>st</sup> reduction of reserved area**
- **2002:**
  - **2<sup>nd</sup> Postal Directive (2002/39/EC);**
  - **1<sup>st</sup> Application Report (COM(2002) 632)**
- **2003:** **2<sup>nd</sup> reduction of reserved area**
- **2004/5:** **2<sup>nd</sup> Application Report (COM(2005) 102)**
- **2006:**
  - **3<sup>rd</sup> reduction of reserved area**
  - **« Prospective study »**
  - **3<sup>rd</sup> Application Report**
  - **Commission « Proposal »**
- **2009:** **Date for the accomplishing the Postal Internal Market**



# Deliverables and Building Blocks





# Postal Services



A more complex picture at national level...





## **A complex & divergent picture at national level:**

- **Market developments**
- **Infrastructures**
- **Geographical and societal characteristics differ significantly**
- **Different speed of market opening**
- **Different scopes of universal service**



## Postal Services

### Results of the EU postal reform

- A flexible regional model, which can be adapt to all domestic situations
  - Positive benefits: high quality of service, good level of Universal Service, highly efficient postal infrastructure
  - A sector-specific approach (post is not telecom) with basic harmonisation
  - Competition in the sector has not undermined Universal Service
  - Operator profitability has generally grown (despite some volume losses) due to greater cost efficiency, higher value added and diversification
- Reform is necessary; there is no turning back





## Postal Services



### **Universal Service: Issues to be kept in mind**

- 1. Need to adapt and to modernise vs. wishes of users;**
- 2. Attachment to old habits vs. real and future needs;**
- 3. Posts often generate strong emotions**  
**The human factor: postman / clerk are human and not just a device like a telephone**  
**Post offices: „ownership“ and social functions (?)**



## General guidelines for moving ahead

- Principal policy objectives: achieving a dynamic and competitive postal market *while safeguarding a high quality Universal Service*
- Find the right balance: between achieving the policy objectives, and economic/societal/social requirements
- Obtain more common ground on a number of issues (such as price regulation, cost accounting); but:
- avoid over-regulation at EU level = as much flexibility for Member States as possible, as much harmonisation as necessary
- The achievements to date are to be safeguarded & not to be put at risk
- Monitoring developments by “frontrunners”



**The proposal that is to be made following the current Postal directive does not give a reason to postpone any planned reform in Croatia or Turkey!**



## Postal Services

### **"Postal Directive" 97/67/EC** of the European Parliament and of the Council of 15 December 1997 on **common rules for the development of the internal market of Community postal services and the improvement of quality of service**

- adopted by the Council, in accordance with the co-decision procedure, on 1 December 1997
- Official Journal L 015 , 21/01/1998 P. 0014

### **Amending Directive 2002/39/EC** of the European Parliament and of the Council with regard to the **further opening to competition** of Community postal services

- of 10 June 2002
- Official Journal L176, 05/07/2002 p.21



# Postal Services



## Current Acquis – overview

- **Art. 2 Definition**
- **Art. 3 – 6 Universal Service (US)**, Universal Service provider (USP), Universal Service Obligation (USO)
- **Art. 7 – 8 Services which can be reserved (RA)**
- **Art. 9 Licencing and Authorisations (L+A) (access to network)**
- **Art. 12 Tariff principles (TP) and transparency of accounts (ACC)**
- **Art. 16 Quality of services (QoS)**
- **Art. 20 Technical standards (TS)**
- **Art. 22 National Regulatory Authority (NRA)**
- **Notifications/Communications/Publications**



## Postal Services

### **Universal service - minimum**

- **Access/Contact points to the need of users**
- **Every working day, minimum 5 days/week**
  - One clearance/ One delivery
- **Postal items + books/catalogues/press/packages up to 2kg**  
**--- packages up to 10/20kg (incoming)**
- **National/crossborder**
- **Registered/insured**
- **UPU conventions**
- **USP rights and obligations published**
- **US: (essential) requirements, non-discrimination, continuity (excl. Force majeure)**
- **To evolve in response to the technical, economic and social environment and the need of users**



## Postal Services



### Services which may be reserved - maximum

- As from 1/01/2006: 50g +  $\geq 2\frac{1}{2}$  X first weight step of the fastest category
  - Addressed domestic items of correspondence (no books catalogues, newspapers, periodicals)
  - Incoming cross-border correspondence
  - Direct mail ( see definition of directive!) (domestic and cross border) *may continue* to be reserved
  - Cross-border outgoing mail *may continue* to be reserved within price and weight limit – special reasons necessary to justify

## To the extent necessary to finance the Universal service

- Not reservable:
  - Document exchange
  - New services
  - Self provision



## Postal Services

### Licencing and Authorisations

- See following slide





# Postal Services

<p><b>Area outside the Universal service</b>  <b>Art. 9.1.</b>          Member States may introduce <b>general authorisations</b>  <b>To the extent necessary in order to guarantee compliance with the <u>essential requirements</u></b>  <b>General authorisation: Art. 2.14.</b> any permission setting out rights and obligations          - ...which does <b>not</b> require ...an <b>explicit decision</b> from the national regulatory authority... <b>before</b> exercising the rights....</p>		
<p><b>Minimum Universal Service Area</b>  <b>Art. 9.2.</b>          Member States may introduce <b>authorisations incl. individual licences</b> to the extent necessary in order to guarantee compliance with the <u>essential requirements</u> and to safeguard the Universal Service  <b>Individual licence: Art. 2.14.</b> any permission setting out rights and obligations          - ...which is <b>granted</b>...where the undertaking is <b>not entitled to exercise</b> the rights...<b>until</b> it has received the <b>decision</b> .... from the national regulatory authority.          - <b>where appropriate:</b> subject to Universal Service obligations          - <b>if necessary:</b> requirements of quality, availability and performance          - <b>be made subject</b> ...not to infringe the exclusive or special rights of the Universal Service provider</p>		
<p><b>Maximum “reservable” area</b>          Price and weight limits of the directive as amended</p>		



## Licencing and Authorisations

### Both procedures (Art. 9.3.)

- Transparent, non-discriminatory, proportionate and based on objective criteria
- Reasons for refusing ... must be communicated
- Appeal procedure
- a compensation fund for Universal service may be introduced, but only suppliers working inside of the Universal service area may be obliged to contribute (Art. 9.4)
- **Essential requirements:** Art. 2.19. general non-economic reasons like
  - confidentiality of correspondence ( information transmitted or privacy)
  - security of the network (as regards...dangerous goods)
    - where justified:
      - data protection
      - environmental protection
      - regional planning



## **Compensation Fund** (if introduced)

- **USO as unfair financial burden**
- **Independent (from beneficiary) administration of the fund**
- **Transparency, non-discrimination at establishment and level of financial contribution**
- **Non USO-providers to contribute?**



## Tariff principles and transparency of accounts

- **US tariff principles:**
  - Affordable, all users access
  - Geared to costs – uniform tariff allowed
  - Transparent and non-discriminatory
- **Special tariffs ( business/ bulk mail or consolidators):**
  - Tariffs and conditions:
    - Transparent and non-discriminatory
    - Avoided costs
    - Available to private under same conditions



## Cross-subsidisation

- RA > US only, if strictly necessary to fulfill USO

## Terminal dues (TD)

- Member States (MS) to encourage US-providers to arrange agreements on TD with following principles
  - Fixed in relation to costs of incoming cross-border mail
  - Levels of remuneration related to quality
  - Transparent and non-discriminatory
- Example of compatible regime: REIMS II



## Accounting principles for USP

- **Separate accounts for at least:**
  - **Reserved services**
  - **Non-reserved services**
    - Part of US
    - Not part of US
  - **Consistently applied and objectively justifiable cost accounting principle**
  - **Other accounting system compatible with Art.14.2 approved by NRA and Commission informed**



## Accounting principles for USP

- **Cost allocation**
  - (a) **Directly assignable – to be assigned**
  - (b) **if not possible:**
    - (i) **on base of direct analyse of origin of cost**
    - (ii) **if not possible: by indirect linkage to another cost category or group of cost category for which it is possible; based on comparable cost structures**
    - (iii) **if neither direct or indirect measures can be found: general allocator ratio of (i) and (ii) together to reserved and other services**



## **Accounting principles for USP**

- **NRA responsible that above mentioned principles are verified by an competent body, independent of USP/s**
- **MS to publish statement concerning compliance**
- **Publication of financial accounts following EC and national legislation**





# Postal Services



## Quality of services

- **MS: lay down standards for national mail**
  - Compatible with intra-community cross-border principles
    - annex Directive 97/67
  - To notify QoS-standards to Commission
- **NRA: to ensure independent performance monitoring (national mail) according to the following principles**
  - At least once a year/ external bodies without links to USPs/with standardised conditions
  - At least once a year reports to be published
  - Results must be justified
  - NRA to ensure corrective action also in case of EU-cross-border QoS
  - NRA to notify Commission on intracommunity crossborder QoS objectives set by Directive's annex



## Consumer protection

- MS to have transparent, simple and inexpensive procedures for user complaints (e.g. loss, theft, damage, noncompliance with QoS standards)
- Fair/prompt with system of reimbursement and /or compensation where warranted
- Users (individually acting or representing users- where permitted by national law- ) possibility of complaint at competent national authority
- MS to ensure that USP publish report of number of complaints and how these are dealt with



## Technical standards

- NRA to ensure that USPs refer to the standards published in the Official Journal (see Art. 6 user information)
- Standards so far: <http://europa.eu.int/eur-lex/lex/JOHtml.do?uri=OJ:C:2005:030:SOM:FR:HTML>



## National Regulatory Authority

- MS to designate one or more NRA for the postal sector
  - Legally separate from +
  - Operationally independent of
    - The postal operators (particularly public companies)
  - To inform Commission which NRAs they have designated
- NRA tasks:
  - ensuring compliance with obligations arising from this directive, to establish controls and specific procedures (i.e. RA)



## Postal Directive Committee

Task of Commission to organise



## **International**

**UPU: Communication from the Commission to the Council The Universal Postal Union Congress 2004**

### **WTO/GATS**

#### **Basic documents**

- **Revised offer**
- **Classification/scheduling guidelines/reference paper**

**Recommandation: in case of intended changes on commitments to seek contact with DG TRADE on such issues**



# Postal Services

## Statistics

- Postal statistics were collected on a regular basis until 2003 by EU-Commission
- Increasing demand for postal statistics from stakeholders
- CERP established a statistical Ad Hoc group to re-vitalise postal statistics (March 2005)
- CERP plenary adopted a recommendation to support the collection of postal statistics (3 July 2005)
- 21 Sep 2005: The statistical data collection was launched
- 15 Nov 2005: Questionnaires to be send from NRA's to respondents
- 16 Jan 2006: Respondents to return completed questionnaires to NRA's
- Communication to Commission to bring into force laws, regulations, and there reference to Directive



## **VAT/Customs**

**Council Directive amending Directive 77/388/EEC as regards value added tax on services provided in the postal sector, 05/05/03**

## **Customs**

**work underway to ensure that Customs rules are broadly similar for public and private operators**





## **Social issues**

### **Social Dialogue Committee**



## Other issues

- Public procurement
- Services
- Services of General interest
- Transport
- Competition (see presentation of DG COMP)



# Postal Services



## List of Notifications/Communications/Publications

- 3.3. Exceptions to US( clearance /delivery) „communicated“ to Commission
- 4./2.1./3. Steps to guarantee US, USP
- 7.1. Definition (significant number of addressees) of direct mail to be published
- 14.4. other accounting system (Commission to be informed)
- 14.5. MS to publish statement concerning compliance with accounting principles
- 14.6 NRA: to keep available adequate level of detailed information on cost accounting systems by USP in order to submit to Commission on request
- 14.7. UPS on request to make detailed information on accounting to NRA and Commission (in confidence)
- 14.8. no RA, no compensation fund, no state aid: information of Commission not to apply the transparency of accounts
- 15. publication of USP-financial accounts following EC and national legislation for commercial undertakings after independent auditing
- 17. To notify quality standards to Commission
- 17./16. NRA: yearly QoS reporting
- 18. NRA to notify Commission on intracommunity crossborder QoS objectives set by Directive's annexe
- 19. MS to ensure that USP publish report of number and how it was dealt with complaints
- 22. MS to inform Commission which NRAs they have designated



## **Contacts**

DG MARKT, Postal services unit, E4,  
Av. Cortenbergh 100, 4th floor, (C 100 4)  
1000 Brussels

### **Web site:**

[http://europa.eu.int/comm/internal\\_market/post/index\\_en.htm](http://europa.eu.int/comm/internal_market/post/index_en.htm)

**Head of Unit, Dr. Jörg Reinbothe**

[Markt-E4@cec.eu.int](mailto:Markt-E4@cec.eu.int)

### **Enlargement issues:**

**Regine Stöldt**

[Regine.stoeldt@cec.eu.int](mailto:Regine.stoeldt@cec.eu.int), Phone: +32 2 299 42 44