



The proposal for a new Postal Directive- State of the discussion

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Overview

- **Postal package**
- **Key elements of the new proposal**
- **Formal aspects of the discussions**
- **Claims and arguments**



Postal proposal and accompanying documents adopted 18th October 2006

- 3rd Report on the application of the Postal Directive
 - Annex (Commission Staff Working Document)
- Commission Prospective study on the impact of full market opening on the provision of universal service
- **Commission proposal amending Directive 97/67/EC concerning the full accomplishment of the internal market for Community postal services**
 - Impact Assessment + Annex (Commission Staff WD)
- All documents are available in our website



The Commission Proposal – key elements (1)

- **Legal instrument** – a proposal for an amending Directive, subject to Parliament and Council co-decision (Article 251 EC)
- **Confirms existing Universal Service requirements** (Article 3): all MS must continue to ensure affordable universal postal services (letters, parcels and a registered service) throughout the entire territory, at affordable prices – this preserves territorial and social cohesion and meets citizen's expectations
- **Measures to ensure the Universal Service** (Article 4): provides Member States with different possibilities to ensure the provision of the universal service, e.g. designation of one or several companies subject to conditions of proportionality, non discrimination, etc, and reinforces Member States obligations to monitor the provision of the universal service



The Commission Proposal – key elements (2)

- **Financing of the universal service** (Article 7) - a flexible and non exhaustive list of financing
 - Monopolies are not longer allowed as a means to finance the universal service
 - Other financing possibilities are provided: state aids, tendering procedures, a universal service fund, subject to applicable Community rules
- **Prices** (Article 12):
 - MS may maintain uniform tariffs for consumer mail or for other public policy reasons
 - MS may offer a subsidised or free postal service to blind or partially-sighted persons



The Commission Proposal – key elements (3)

- **Separation of accounts** (Article 14): maintained, and adapted to new situation, until competition becomes effective
- **Consumer protection** (Article 19): user complaints procedures now extended to apply to all postal operators
- **Some provisions intended to limit/remove? unnecessary market entry barriers:**
 - More specific conditions for authorisation and licensing procedures (Article 9),
 - Access to some essential elements of infrastructure (Article 11a)



Formal aspects of the discussion

Council

- 11/12/06 Transport and Telecom Council under Finnish Presidency
- 1st Half 2007 German Presidency
- Council Working Group meetings
 - Two first meetings
 - open discussion
- 7/6//07 2007 TT Council



Formal aspects of the discussion

Parliament

- Main Committee: TRAN;

Associated Committees: EMPL, ECON, IMCO, ITRE

- Rapporteurs nominated and agendas decided upon for the most part
- Planning and timeframe



Formal aspects of the discussion

European Social and Economic Committee:

- Committee in charge is TEN (Transport, Energy, Networks).
- Plenary in May

Committee of the Regions:

- The CoR has appointed its rapporteur
- First exchange of views is expected end March 2007 (Commission for Economic and Social Policy), possibly a vote in Plenary end June 2007



Claims and arguments

preliminary remarks

- The loudest have not always the best arguments or the majority
- Operators vs. Member States
- Flexibility/Subsidiarity vs. „legal comfort“
- A confirmed vision based on facts vs. myths and emotions



Claims and arguments

Risk for Universal Service (remote areas/higher prices/less access points/ less quality of service) ?

- The Universal service has not been touched in the proposal
- It is up to the Member States to ensure it, but also to adapt it so as to meet the real needs of customers
- Experience todate has been good (better quality/more access points but in form of agencies, with longer opening hours, price increases not harming affordability – no acknowledgement of indirect advantages for the customer of lower transaction prices for other companies (bulk mailers)
- It is true that as far as postal reform is concerned, more time is often needed for people to accept the advantages which acruce to a wide range of postal users.



Claims and arguments

Financing of Universal Service

- Is there a real burden or perhaps an advantage for those who provide it?
- What is the main task of the financing mechanisms: Safety net or comfortable pillow?
- Burden of proof – must show a clear need
- Transparency
- Functioning of financing alternatives
 - What some claim does not work is actually widely practiced and even stipulated in various Member States legislation
- **Administrative costs of the alternatives** cannot be so different because already now there is a requirement to check that there is no overcompensation by the reserved area or other applied means of financing (...to the extent necessary, state aid rules)



Claims and arguments

Do we need more studies ?

- There have been a number of studies and also close observation of what happens in the sector (9 studies conducted by the Commission since 2002)
- There are always things that could be examined a new, but is there always added value for each new study?
- Continued monitoring of market developments



Claims and arguments

Employment

- Posts is a sector continually undergoing restructuring
- What is the purpose of the whole exercise:
 - Focus on the Customer/Efficiency
- What is the main driver? Changing structure, demand and behavior of the users /developing technology/ different strategies of the provider or market opening – employment reductions happened already with reserved areas in place
- What happened if there was no reform?
 - Really less Jobs, because of no stimulation of the markets, less product innovation, less investment

Quality of jobs:

- Where are jobs needed? Who has to work on this issue?



Claims and arguments

Possible market entry barriers

- The criteria for licensing conditions are clear
- It will finally be a question of enforcement of these criteria if any application of this possibility is misused



http://ec.europa.eu/internal_market/post/index_en.htm