



ERGP Work Programme 2024

Draft ERGP Work Programme 2024

Introduction

The European Regulators Group for Postal Services (ERGP) was established by the European Commission (EC) Decision of 10 August 2010 (2010/C 217/07) (the Decision henceforth).

The ERGP's tasks¹ are to advise and assist the EC on any matter within its competence and in consolidating the internal market for postal services, as well as on the consistent application in all Member States (MS) of the regulatory framework for postal services.

According to recital 6 of the Decision preamble, the ERGP serves as a body for reflection, discussion and advice to the EC in the postal services field. It facilitates consultation, coordination and cooperation between the independent national regulatory authorities (NRAs) and between them and the Commission, with a view to strengthening the internal market for postal services and ensuring the consistent application of the Postal Services Directive (PSD) in all MS.

The activities of the ERGP for each year are structured by the annual Work Programme (WP), which considers the results of a broad stakeholder consultation, in order to ensure that the work of the ERGP corresponds to the needs and the trends of the postal sector. The preparation of the ERGP Work Programme for 2024 (WP 2024) was initiated in January 2023 with an open call for input from all stakeholders calling for suggestions, specific topics or issues, and possible desired deliverables to be addressed by the ERGP in 2024. A first draft version was subsequently presented and discussed at the ERGP Contact Network I in May. The input received has been considered in preparing this draft of WP 2024.

The draft ERGP WP 2024 will be submitted for public consultation from beginning of July 2023 until early October 2023 and will be presented in the Stakeholders' Forum on the 27th of September 2023. The work programme will be presented for approval for publication in the 25rd ERGP Plenary Meeting on 24 November 2023 in Romania.

The WP 2024 follows up the work initiated in 2023 and considers the medium- and long-term challenges and developments of the postal sector, such as the necessary review of the regulatory framework, the Green Deal, digitalization, the changes in consumers' needs (in particular due to electronic substitution) and e-commerce. It has been adapted and developed in accordance with the provisions of the ERGP Medium Term Strategy 2023-2025 (MTS 2023-2025)².

The progressive digital transition and sustainable economy (as also addressed by the European Commission's strategies named "A Europe Fit for the Digital" Age and "The European Green Deal" have been recognised by the ERGP as the two core challenges in the postal sector for the MTS 2023-2025.

¹ Article 2 of the Decision 2010/C 217/07

² ERGP PL II (22) 7 ERGP Medium Term Strategy 2023-2025

The MTS 2023-2025 identified three main pillars that, as in the previous years, need to be developed further:

- Strategic Pillar I – Revisiting the postal sector and its regulatory framework in the light of environmental sustainability and digitalization.
- Strategic Pillar II – Promotion of a competitive single EU postal market in the context of rising e-commerce deliveries.
- Strategic Pillar III – Empowerment of end-users and ensuring a user-oriented universal service.

While continuing the activities under Strategic Pillars I, II and III, the ERGP will also work on providing proactive and forward-looking support as well as ad-hoc advice to the European Commission in line with the ERGP duties as set out in the Commission Decision. Refocusing the objectives of the future regulatory framework with a greenfield approach, as outlined in the ERGP Opinion³ and the ERGP Position Paper on the EC evaluation report⁴, it is essential for all actors to be able to react in the most appropriate and efficient way to the challenges of a rapidly evolving postal sector.

The European Commission's (EC) report⁵ on the application of the Postal Services Directive (Directive 97/67/EC as amended by Directive 2002/39/EC and 2008/6/EC) underlines the need to adapt the future framework in a way that would provide the necessary conditions for the EU postal service to continue to play its role effectively in the economy and to be coherent with, and support, EU level horizontal actions taken within the context of the EU Green Deal and the EU Digital Agenda. A step towards a revisited future framework was the EC Stakeholder Workshop held on 20 April 2023 on the preparation of the prospective study of the European postal sector.⁶

In this context, the ERGP will in 2024 contribute to the process towards a new regulatory framework with the deliverable "ERGP Report on the outline of the future postal regulatory framework" by making an inventory of all the aspects that need to be dealt with in the framework.

The ERGP will also attribute due priority to the important issue of environmental sustainability, continuing the work done in the past few years, with the deliverable "ERGP Report on exploring the possibilities to support environmental sustainability within the Postal Regulatory Framework" that will elaborate specifically on the potential role of NRAs.

³ ERGP PL I (19) 12 Opinion on the review of the regulatory framework

⁴ ERGP (22) 4 ERGP Position Paper on the EC report on the application of the PSD

⁵ COM(2021) 674 final.

⁶ The ERGP has provided comments on the workshop and the prospective study (ERGP (23) ERGP Comments on postal study workshop 20/4/2023).

The rapid development of parcel delivery services, e.g. through parcel locker networks, changes aspects of the parcel delivery market. The deliverable “ERGP Report on access to the infrastructure for delivery of parcels” will investigate whether there are any competition problems emerging from issues related to access to the infrastructure for parcel delivery and, if so, investigate what remedies could be appropriate to solve such problems.

Collection and analysis of market information will still constitute an important part of the work to be performed in 2024, continuing what has been a part of ERGP’s activities for a long period of time, and contributing to establishing the ERGP as a reference in terms of knowledge of the postal sector. Consequently, the recurring deliverables “ERGP Report on core postal indicators” and “ERGP Report on Quality of Service, consumer protection and complaints handling” will be published.

As end-user prices tends to be rising for some postal products the topic of affordable prices becomes more to the fore. The deliverable “ERGP Report on the regulation of end-user pricing, including the obligation to secure affordable pricing and tariffs and the criteria for assessing affordability and unreasonably high prices” will chart current practices among NRAs and aims to find recommendations on best practices in this field.

Another important topic in the area of consumer protection regards vulnerable users. The “ERGP Report on the needs of postal services for vulnerable users” will analyse how the needs of persons with special needs of postal services, and public authorities’ communication with such users, best could be met and identify best practices in the area. ERGP will also organize a public workshop on the subject of protection of vulnerable users.

The ERGP will carry on enhancing the engagement with stakeholders in the course of pursuing the activities of the WP 2024. In addition, the ERGP will continue its efforts to stress its position on the importance and urgency of the revision of the Regulatory Framework.

ERGP Work Programme 2024

The ERGP WP 2024 is organised based on the three Strategic Pillars of ERGP MTS 2023-2025. A short explanation of the objectives is given for each work subject. It should be noted that most of the deliverables defined in the ERGP's WP 2024 are relevant to more than one of the pillars.

Strategic Pillar I - Revisiting the postal sector and its regulatory framework in the light of environmental sustainability and digitalization

The future regulatory framework in light of environmental sustainability and digitalization

The ERGP considers it fundamental to assess the need to adapt the current regulatory framework, taking into account the effect of digitalization, while reconciling user needs, user protection and a more sustainable way of providing services. Moreover, as indicated by the EC,⁷ it is possible that the European/EU process of revising the Postal Directive/postal regulatory framework will be launched during 2024 and the ERGP strives to ensure full support for this process in a proactive way.

Deliverable # 1

ERGP Report on the outline of the future postal regulatory framework

The report will analyse in detail and make an inventory of all the aspects that need to be dealt with in a revised regulatory framework that is fit for the future. The idea is to provide a "skeleton"/outline of the new Postal Directive (or other type of regulation that is fit for purpose). Therefore, the report will draw upon previous analysis carried out by ERGP in previous years' reports, and from these, as well as of outcomes from the 2023 ERGP PL I Workshop on the future regulatory framework and of supplementary analysis, draw up the outline of the new regulation for a framework that is up to date and future proof. The report will clearly provide ERGP's reasons for the outlined framework. The report will also examine the possible consequences particularly in terms of legal certainty and competition in the event of a postponement of the postal framework review. Fundamental aspects of the report are the scope and boundaries of the postal regulatory framework (including crucial postal definitions, e.g., of "postal service"), the scope of the universal service and how obligations to provide the universal service should be determined.

Adoption: Plenary II

⁷ As stated by representatives of EC on the 20 April 2023 postal study workshop, a revision could be launched by the end of 2024 after the EC prospective study is completed.

Environmental sustainability in the postal sector

The ERGP attributes due priority to the important issue of environmental sustainability. The last few years have been marked by the exponential development of parcel delivery services. This phenomenon has accelerated following the measures linked to the Covid pandemic. Despite the beneficial aspects of this evolution, the development of e-commerce can generate a considerable impact on our environment. The transport sector is the only economic sector in Europe for which greenhouse gases have not decreased between 1990 and 2020. The increase in CO₂ and fine particle emissions has a recognized negative impact on public health. The latest figures available attest to a particularly worrying development. Indeed, it appears from the study by Copenhagen Economics devoted to the main developments in the postal sector between 2017 and 2021, carried out in 2022 at the request of the European Commission, that the CO₂ emissions generated by domestic delivery activities in the European Union increased by 5% between 2013 and 2020, to reach 5.5 million tonnes in 2020. Thus, CO₂ emissions generated by parcel delivery activities, which had been falling for years, have risen sharply since 2017⁸. This observation means that the existing tools are insufficient.

Since 2021, ERGP has approved a number of reports on Environmental Sustainability in the Postal Sector. The initial findings of the above reports indicate a potential need for legal competences in the field of sustainability for NRAs to be embedded in the European postal legislative framework. The previous reports have also highlighted the abundance of initiatives in the postal sector in many MS that focus on different aspects of environmental sustainability. These are ranging from public initiatives, partnerships between public and private market actors and market driven private initiatives. It follows that measures must be taken to limit the environmental impact of parcel delivery⁹. An initial non-regulatory approach may involve improving the information provided to postal users, in order to raise their awareness, enable them to make more informed choices and opt for more environmentally sustainable services that meet their needs. It is essential to provide users with more precise information on the overall impact of emissions, in order to allow them to opt for less polluting services, when this

⁸ Copenhagen Economics, Main developments in the postal sector (2017 and 2021), Volume 1, 2022, p.287

⁹ Copenhagen Economics, Main developments in the postal sector (2017 and 2021), Volume 1, 2022, p.306

meets their needs¹⁰. The authorities should have accurate and up-to-date information on the issue of information to postal users.

It is also desirable to develop measures to coordinate existing initiatives and enhance their visibility and transparency. Indeed, many operators have already developed initiatives concerning sustainability, but the environmental impact is calculated by each operator according to its own method, without possible verification. Authorities and regulators are currently unable to accurately determine the real environmental impact of parcel delivery activities. An adaptation of the skills of regulators is necessary to implement a harmonized approach to the issue (ERGP, Report on environmental sustainability in the postal sector, 2022, p.46).

Deliverable # 2

ERGP Report on exploring the possibilities to support environmental sustainability within the Postal Regulatory Framework

Building upon previous ERGP reports on environmental sustainability, this report will elaborate on what regulatory competences and measures are required to enable NRAs to pursue a uniform and harmonized approach in developing the NRAs' role in the field of environmental sustainability.

The report will analyse the adequacy of instruments available to NRAs regarding environmental sustainability that may be considered for inclusion in a revised European regulatory framework to ensure that horizontal environmental objectives can be met in the postal sector. The report will examine the regulatory possibilities to extend NRAs' powers in this field and formulate recommendations to enhance the regulatory environment to encourage postal sector players to contribute.

The report will elaborate on how NRAs can incentivize sustainability practices and how to improve the provision of information to users. The report will also analyse how inter-agency collaboration among various governmental bodies may be needed and provide examples of successful stakeholder engagement to improve environmental sustainability in the postal sector.

Adoption: Plenary II

¹⁰ Report of the Belgian Central Council of the Economy, Towards a logistics of the 'e-commerce and a sustainable last miles, April 19, 2021, p.25

Strategic Pillar II - Promotion of a competitive single EU postal market in the context of rising e-commerce deliveries.

Promoting competition

The intense development of the parcel market has driven a lot of innovation in delivery. One example is the vastly increased use of delivery to parcel lockers. The parcel locker networks are operated in different ways, some are open for all parcel delivery service providers, while others are restricted to a certain provider. . However, as parcel lockers are far from the only option for parcel delivery, in order for the analysis to be relevant and complete, the whole picture of the infrastructure for delivery of parcels needs to be addressed.

Deliverable # 3

ERGP Report on access to the infrastructure for delivery of parcels

The report will conduct a literature review of existing publications on this topic and afterwards investigate whether there are any competition problems emerging from issues related to access to the infrastructure for parcel delivery, for example the use of parcel lockers, other postal infrastructure receptacles in buildings and delivery in convenience points/postal outlets. The report will investigate if there are any potential regulatory measures that could solve such problems. For example, as universal service providers establish their own parcel locker networks, often with restricted access, the report will analyse if there is a need for access regulation to such networks as well as the feasibility and other financial and operational factors. The role of “white label” parcel locker providers will also be analysed as they only provide access to their own parcel lockers and not necessarily are considered postal providers in the current regulatory framework

Adoption: Plenary I

As volumes on letter mail products decrease, evidence from several countries suggest that prices tend to go up to cover increased unit costs. With higher price levels, and also taking the general inflation in recent times in many countries into account, it is likely that end-user pricing and the affordability of prices become an even more relevant concern for NRAs.

Deliverable # 4

ERGP Report on the regulation of end-user pricing, including the obligation to secure affordable pricing and tariffs and the criteria for assessing affordability and unreasonably high prices

The report will investigate which practices for assessing if prices/tariffs are affordable have been used by NRAs and assess whether best practices and/or recommendations on criteria for assessing affordability can be established. Moreover, as the EU parcel regulation contains the end-user protection concept of unreasonably high prices, related to the same objectives as the concept of affordable prices, the report will assess the usefulness of having more than one concept in the sector regulation with similar objectives. The work will in the latter aspect

take its starting point in the conclusions of the 2022 ERGP report Analysis of Article 6 of the Regulation (EU) 2018/644. Furthermore, the report will take it into account the relation between the concepts of affordable and unreasonably high prices to the (potentially conflicting) regulatory concept of cost-oriented prices.

Adoption: Plenary I

It is essential for NRAs, in order to ensure an effective performance of their regulatory duties and promotion of competition, to have accurate and comparable information about the postal market and its developments.

Deliverable # 5

ERGP Report on core postal indicators

This recurring report describes the main conclusions on trends and evolution of the European postal market, based on the collected data. The core indicators include prices, market structure indicators, volumes, revenues, employment and postal network infrastructure investments as well as environmental sustainability indicators. It will also focus on aspects of the emergence of new trends in the market in terms of e-commerce.

Cooperation with the EC regarding the data collection process is also expected to continue with a view to ensuring consistency of the data collected and aiming at further streamlining and simplifying the data collection process.

Adoption: Plenary II

Strategic Pillar III - Empowering end-users and ensuring user-oriented Universal Service

Consumer issues and quality of service

Empowering both individual and business end-users is one of the most important regulatory objectives. It is essential to guarantee the inclusion of all consumers in the expanding digital economy. The 'communication' need of the consumers is satisfied with a particular emphasis on the protection of the more vulnerable ones. The universal postal service obligation is often regarded as a tool for handling this relevant matter, even though it is necessary to evaluate if other special measures better can solve this issue. The delivery services are of high importance to users as has been reconfirmed during the Covid-19 pandemic crisis. The ERGP will look closely at the availability of these services to all consumers, including the SMEs.

A task of the NRAs is to monitor the QoS in order to guarantee a postal service of specified quality and to ensure that transparent, simple and inexpensive complaint procedures are

available to users, particularly in cases involving loss, theft, damage or non-compliance with service quality standards.

Deliverable # 6

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

This report represents the continuation of the work done during the last few years, presenting main conclusions on QoS, consumer protection and complaints handling. It will focus on the impact of e-commerce developments on QoS, consumer protection and complaints handling, and how postal providers are ready to meet the expectations of the users' needs. It will also report on specific country cases, if relevant.

Adoption: Plenary II

A user-oriented Universal Service

As has been observed in member states with a high degree of digitalisation postal services becomes less important as means of communication for many citizens, thus reducing the dependence on the universal service. However, less digitally included citizens and other vulnerable users still will have a high dependence on particularly letter mail services.

Deliverable # 7

ERGP Report on the needs of postal services for vulnerable users

The report will analyse how the needs of persons with special needs of postal services and public authorities' communication with such users best could be met and identify best practices in this area. Vulnerable persons include e.g. digitally excluded citizens, people with different types of disabilities, old age, and/or citizens in rural areas. As many citizens become less dependent on letter mail services, indicating that the general requirements of the universal letter mail services could be reduced, vulnerable user groups still will have a high dependence on these services. The report will analyse how this gap in needs can best be met – by the universal service requirements or by specific measures directed at the vulnerable user groups. A vital input for this report will be an ERGP workshop on protection of the most vulnerable users (see further below).

Adoption: Plenary II

Other ERGP activities

Enhancing engagement with stakeholders

The ERGP will continue enhancing the engagement with stakeholders in the course of pursuing the activities of the ERGP WP 2024. Specifically, the ERGP will communicate on a regular basis to the stakeholders all the relevant decisions, documents and actions, and will organize, with the participation of the stakeholders, a forum and workshop on important postal issues. In addition, during 2024, the ERGP will continue its efforts to stress its position on the importance of the urgent revision of the Regulatory Framework. This will involve greater interaction and communication at the European institutions level.

External workshop on protection of the most vulnerable users

ERGP will in an external workshop, in connection with Plenary I 2024, bring together the NRAs (to share their best practices), associations of users with special needs, postal service providers, manufacturers (anticipating relevant technological developments) and decision-makers in the sphere of public policies to address the issue of how to best protect the most vulnerable users.

Stakeholders Forum

The ERGP Stakeholders Forum can act as a platform for the ERGP in engaging with stakeholders and is organised with the main objective of having an exchange of views with stakeholders on issues relevant for the postal sector.

The ERGP Stakeholders Forum 2024 will be held in Brussels as most of the associations who are active on the European level have an office or are frequently present in this city. The ERGP will also promote the participation of national operators and consumer associations, as well as market participants and regulators from other regions of the world]. The ERGP Stakeholders Forum will be organised as a one-day event in September 2024.

Task force for following and contributing to the EC the prospective study of the European Postal Sector

On April 20, 2023, the European Commission organised a workshop with stakeholders to present the outline of the prospective study of the European postal sector that the Commission is preparing. The study will assess the possible evolutions of the postal sector in the wake of recent crises and long-term structural trends and the possible effects of changes to the EU regulatory framework. ERGP deems this study to be of vital importance for laying out the grounds for a new EU postal regulatory framework and will consequently closely follow the development of the study as well as contributing to the study with ERGP's expertise. A task force will be established to fulfil these tasks in an effective way. After the



study is finalised the task force could, if feasible, prepare an internal ERGP report on the study's results.