

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	1995/0221(COD) Procedure completed
Postal services: common rules for the development of the services and improvement of quality of service  Amended by <a href="#">2000/0139(COD)</a> Amended by <a href="#">2006/0196(COD)</a>	
Subject 3.30.09 Postal services, parcel delivery services	

Key players			
<b>European Parliament</b>			
	Former committee responsible		
	<b>TRAN</b> Transport and Tourism		26/07/1994
		PSE <a href="#">SIMPSON Brian</a>	
	<b>TRAN</b> Transport and Tourism		26/07/1994
		PSE <a href="#">SIMPSON Brian</a>	
	Former committee for opinion		
<b>BUDG</b> Budgets			
<b>ECON</b> Economic and Monetary Affairs, Industrial Policy			27/11/1995
	PSE <a href="#">BILLINGHAM Angela Theodora</a>		
<b>JURI</b> Legal Affairs, Citizens' Rights			21/12/1995
	PSE <a href="#">COT Jean-Pierre</a>		
<b>Council of the European Union</b>			
Council configuration	Meeting		Date
Telecommunications	<a href="#">2054</a>		01/12/1997
Consumers	<a href="#">2038</a>		03/11/1997
<a href="#">General Affairs</a>	<a href="#">2003</a>		29/04/1997
Telecommunications	<a href="#">1941</a>		27/06/1996
Telecommunications	<a href="#">1888</a>		27/11/1995

Key events			
20/06/1994	Additional information		Summary
26/07/1995	Legislative proposal published	COM(1995)0227	Summary
27/11/1995	Resolution/conclusions adopted by Council		Summary

11/12/1995	Committee referral announced in Parliament, 1st reading		
25/03/1996	Vote in committee, 1st reading		Summary
25/03/1996	Committee report tabled for plenary, 1st reading	<a href="#">A4-0105/1996</a>	
09/05/1996	Debate in Parliament		Summary
09/05/1996	Decision by Parliament, 1st reading	T4-0215/1996	Summary
27/06/1996	Debate in Council	<a href="#">1941</a>	
31/07/1996	Modified legislative proposal published	COM(1996)0412	Summary
29/04/1997	Council position published	<a href="#">05633/1/1997</a>	Summary
29/05/1997	Committee referral announced in Parliament, 2nd reading		
04/09/1997	Vote in committee, 2nd reading		Summary
04/09/1997	Committee recommendation tabled for plenary, 2nd reading	<a href="#">A4-0271/1997</a>	
15/09/1997	Debate in Parliament		Summary
16/09/1997	Decision by Parliament, 2nd reading	T4-0427/1997	Summary
03/11/1997	Parliament's amendments rejected by Council		
06/11/1997	Formal meeting of Conciliation Committee		
06/11/1997	Final decision by Conciliation Committee		Summary
07/11/1997	Joint text approved by Conciliation Committee co-chairs	<a href="#">3627/1997</a>	
12/11/1997	Report tabled for plenary, 3rd reading	<a href="#">A4-0360/1997</a>	
19/11/1997	Decision by Parliament, 3rd reading	T4-0545/1997	Summary
01/12/1997	Decision by Council, 3rd reading		
15/12/1997	Final act signed		
15/12/1997	End of procedure in Parliament		
21/01/1998	Final act published in Official Journal		

## Technical information

Procedure reference	1995/0221(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amended by <a href="#">2000/0139(COD)</a> Amended by <a href="#">2006/0196(COD)</a>
Legal basis	EC before Amsterdam E 066; EC before Amsterdam E 057-p2; EC before Amsterdam E 100A

Stage reached in procedure	Procedure completed
Committee dossier	CODE/4/09478

## Documentation gateway

Legislative proposal	<a href="#">COM(1995)0227</a> <a href="#">OJ C 322 02.12.1995, p. 0022</a>	26/07/1995	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0105/1996</a> <a href="#">OJ C 141 13.05.1996, p. 0006</a>	25/03/1996	EP	
Economic and Social Committee: opinion, report	<a href="#">CES0419/1996</a> <a href="#">OJ C 174 17.06.1996, p. 0041</a>	28/03/1996	ESC	Summary
Text adopted by Parliament, 1st reading/single reading	T4-0215/1996 <a href="#">OJ C 152 27.05.1996, p. 0012-0020</a>	09/05/1996	EP	Summary
Committee of the Regions: opinion	<a href="#">CDR0422/1995</a> <a href="#">OJ C 337 11.11.1996, p. 0028</a>	12/06/1996	CofR	
Modified legislative proposal	<a href="#">COM(1996)0412</a> <a href="#">OJ C 300 10.10.1996, p. 0022</a>	31/07/1996	EC	Summary
Council position	<a href="#">05633/1/1997</a> <a href="#">OJ C 188 19.06.1997, p. 0009</a>	29/04/1997	CSL	Summary
Commission communication on Council's position	SEC(1997)0821	06/05/1997	EC	Summary
Committee recommendation tabled for plenary, 2nd reading	<a href="#">A4-0271/1997</a> <a href="#">OJ C 304 06.10.1997, p. 0007</a>	04/09/1997	EP	
Text adopted by Parliament, 2nd reading	T4-0427/1997 <a href="#">OJ C 304 06.10.1997, p. 0024-0034</a>	16/09/1997	EP	Summary
Commission opinion on Parliament's position at 2nd reading	COM(1997)0532	20/10/1997	EC	Summary
Joint text approved by Conciliation Committee co-chairs	<a href="#">3627/1997</a>	07/11/1997	CSL/EP	
Report tabled for plenary by Parliament delegation to Conciliation Committee, 3rd reading	<a href="#">A4-0360/1997</a> <a href="#">OJ C 371 08.12.1997, p. 0004</a>	12/11/1997	EP	
Text adopted by Parliament, 3rd reading	T4-0545/1997 <a href="#">OJ C 371 08.12.1997, p. 0044-0057</a>	19/11/1997	EP	Summary
Follow-up document	<a href="#">COM(2002)0632</a>	25/11/2002	EC	Summary

## Additional information

European Commission	<a href="#">EUR-Lex</a>
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## Final act

<a href="#">Directive 1997/67</a> <a href="#">OJ L 015 21.01.1998, p. 0014</a> Summary
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PREVIOUS COMMUNITY LEGISLATION: this would be the first time that the Community has legislated on the subject (barring a 1979 Commission recommendation seeking to bring the intra-Community tariff for standard mail into line with the Member States' domestic tariffs). However, the Commission has produced a Green Paper (published on 11 June 1992) setting out the key discussion points (main legislative options) and a communication to Parliament and the Council (published on 2 June 1993) summarizing the debate prompted by the Green Paper and proposing guidelines. PREVIOUS STATEMENTS OF THE EP'S VIEWS: a) in a resolution of 22 January 1993 (adopted on the basis of the report by Mr Simpson on behalf of the Committee on Transport and Tourism) the EP endorsed the underlying principles of the Green Paper, in particular the concepts of universal and reserved service but maintained, on the other hand, that mailshots (addressed advertising mail) and cross-border mail should not be liberalized, but rather should remain in the reserved sector. The EP insisted that the Commission should not invoke Article 90(3) of the Treaty in order to issue its own Directive on the reserved service; b) in a resolution adopted on 25 June 1993 the EP called for the two aspects of the subject, the universal service and the reserved service, to be covered in a single Directive based solely on Article 100a of the Treaty (the demand was repeated in a resolution adopted on 29 October 1993). SITUATION IN THE MEMBER STATES: the proposed components of the universal service are apparently supported by the Member States, although Germany, the Netherlands, and, to a lesser extent, the United Kingdom are in favour of pruning down the service. The vast majority of Member States, however, do not wish mailshots and cross-border mail to be excluded from the reserved sector: only the Netherlands is calling for their exclusion, whereas Germany and the United Kingdom are adopting a wait-and-see attitude. DOCUMENTS AND SOURCES: Commission Green Paper on the development of the single market for postal services (11 June 1992); - Guidelines for the development of Community postal services (Commission communication of 2 June 1993 to the Council and Parliament); - Report of the Committee on Transport and Tourism; - EP resolution of 22 January 1993 on the Green Paper; - EP resolution of 25 June 1993 on the single market for postal services.

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OBJECTIVES: - To guarantee the provision of a high-quality universal postal service within the Community on a permanent basis, which is affordable and accessible to everyone, and whose financing is assured in the long term; - To harmonize the conditions under which postal services are provided and eliminate legal and technical barriers to cross-border trade, with a view to establishing the single market. SUBSTANCE: The proposal for a directive from the European Parliament and Council provides for the following measures: \* Respect for the universal service: - Member States shall ensure that users have the right to a universal service corresponding to the provision of high-quality postal services, at affordable prices, throughout the territory of the Union; - the postal services which come under the universal service are subject to obligations of transparency, equality of access and non-discrimination in respect of: the quality of the service, the tariff principles and the transparency of accounts; the conditions of access to the universal service provider's network; the characteristics of the universal service (collection and distribution frequency, contact points, etc.); \* Improving the quality of the services: - the setting of standards by Member States for national services and, at Community level, for intra-Community cross-border services; - performance checks to be carried out by independent bodies, which are not associated with the universal service providers, in accordance with harmonized procedures; - annual publication of results. \* Definition of harmonized criteria for services which are likely to be reserved for universal service providers: - Two criteria are retained for defining the scope of the services reserved for domestic mail: . a weight limit to be applied to domestic mail of less than 350 g; . a price limit calculated as follows: five times the public tariff for a standard item of correspondence in each Member State (normally a letter weighing 20 g); - Outgoing cross-border mail, which is in fact already liberalized in most Member States, will be excluded from the reservable services; - Incoming mailshots and cross-border mail may continue to be reserved up until 31 December 2000, insofar as this reservation is necessary for the financial stability of the universal service provider. The Commission will decide on or before 30 June 1998 whether it is necessary to maintain incoming mailshots and cross-border mail in the reserved sector beyond 31 December 2000, by taking account of developments in this sector; - A general review of the size of the reserved sector will be undertaken at the latest before the first half of 2000. \* Harmonization of technical standards: the directive provides for a procedure which will allow harmonized standards to be drawn up and adopted on the basis of mandates which have been given to the European Committee for Standardization; \* Separation of the functions of operation and regulation: the directive requires all Member States to set up an independent national regulatory authority for postal operators. Universal service providers are required to keep transparent accounts and to draw up separate accounts for services which are open to competition and for reserved services. ?

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The Council held a policy debate on the proposal for a directive, concentrating on two central issues: the definition of a universal postal service and the delimitation of the reserved sector. It also discussed the draft communication. At the close of its discussions the Council adopted the following conclusions: ?The Council reiterates that in its Resolution of 7 February 1994 it invited the Commission to propose, before 1 July 1994, the measures necessary for the realisation of the objectives identified, with a view to implementing without delay a Community policy on postal services, and in particular measures relating to universal service, services that can be reserved, and standardisation. It notes that on 26 July 1995 the Commission accordingly adopted an overall approach consisting of the abovementioned draft communication and a proposal for a directive based on Article 100a, providing for a harmonised framework for the postal sector. The Council hopes to arrive at an agreed common position under the auspices of the Italian Presidency. It observes that the communication envisaged by the Commission is not in itself binding but is a document in which it announces the guidelines it intends to follow in applying the Treaty's competition rules to the postal sector. It therefore requests the Commission to take the utmost account of the Council's comments, especially on the need to ensure, for the sake of transparency and legal certainty, that: - the definitions and concepts used in the communication, in the proposal for a directive or in other relevant Community provisions are consistent with one another; - the notice is published in the Official Journal at the same time as the Directive and in any case before the end of 1996. It emphasises that these conclusions are without prejudice to the positions of the Member States on the form and content of the Commission communication?.

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Further liberalisation of postal services in the European Union may be at stake after the Committee on Transport and Tourism's rejection of essential parts of the Commission proposal. By adopting a number of compromise amendments, the Committee set out the lines for a clear and regulatory framework governing the activity of the postal services and the means which should ensure the maintenance of an efficient and affordable universal service. It also adopted amendments tabled by rapporteur, other land Committee members by the EP Committees on EMAC, Social Affairs, Legal Affairs and Budgetary Control. This led to a considerable modification of the Commission's proposal. The rapporteur considers the proposed Directive as a step forward for the development of the Single Market for postal services which, in the version adopted by the EP, fully complies with the coherence and legal security requirements as well as the necessity to guarantee the economic viability, the quality and efficiency of the postal services as well as the conditions for a liberalised and open market. By adopting Mr SIMPSON's compromise amendment no 3, the Committee took on board a definition of harmonization of those postal services to be reserved, which goes much further than the Commission's proposal. Therefore, the most important Article 8 was considerably amended. Paragraph 1 of Article 8 now reads as follows: In order to ensure the maintenance of the universal service and the economic viability of the operator responsible for providing it, the services which can be reserved to the universal service provider(s) in each Member State are the collection, sorting, transport and delivery of items of domestic correspondence, including the direct mail, whose price is less than 5 times the public tariff for an item of correspondence in the first weight step, provided they weigh less than 350 gr. In the case of the free postal services for blind and partially sighted persons, exceptions to the weight and price restrictions shall be permitted. In paragraph 2, the Commission had proposed that the distribution of incoming cross-border mail and direct mail may continue to be reserved until 31 December 2000 and that the Commission will decide on 30 June 1998 at the latest, as to the appropriateness of maintaining the reservation of these services after 31 December 2000. No, said the Committee, and agreed on the following definition of this paragraph: The distribution of cross-border mail within the same limits of tariff and weight can continue to be reserved until five years after the coming into force of this directive. Four years after the entry into force of this directive at the latest, the Commission will present a proposal for a directive in this area. It will take into account the further measures required to maintain an equal level of service for all members of the public and good social conditions for employees. After the vote, a Commission representative could not inform the Committee if the amended proposal will be accepted. It became clear, that Member States like Sweden and the Netherlands, where the postal services are liberalised already, will not be affected by yesterday's vote.

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The Committee is pleased that the Commission has decided to postpone adoption of the Notice so that its implementation coincides with the entry into force of the Directive, and that the Commission has submitted it for an Opinion. The ESC thinks it particularly necessary that the content and terminology of the Directive and the Notice should match. The ESC welcomes the creation of a universal service at affordable prices for all European citizens, and expects this to lead to higher quality standards which will benefit all users, consumers and firms. At the same time, the Committee feels that the Commission should pay constant attention to the social effects. These particularly include the effects of extensive liberalisation of the postal services on income and working conditions in the sector. Before any further moves towards liberalisation there should therefore be a thorough investigation into the effects on wages and working conditions. This investigation should include a look at the danger of social dumping or a massive upsurge in the number of "bad jobs", and also point out possibilities of protecting or improving minimum social standards for employed persons at European level. The Committee asks the Commission to begin or carry out the necessary steps here in close consultation with the Economic and Social Committee and the Joint Committee for the Postal Services. Should adoption of the Directive be delayed, the ESC advocates a four-year time limit for the trial period and the scheduled interim review and decision. The Committee trusts that the ESC will also be consulted before the decision is taken.?

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The rapporteur, Mr SIMPSON (PSE, UK), focused mainly on the social role of the postal services, pointing out that this was the reason why it was essential to provide a postal service for all users, no matter whether they lived in the outlying regions or in the major cities. With a view to ensuring the proper functioning of the universal service, it was necessary to identify those services that had to be maintained in the reserved sector. Fearing that the proposal in question would have disastrous consequences for the more remote regions, the rapporteur expressed his opposition to the privatisation of this sector, since people were anxious to protect the public postal service. In his address Commissioner Bangemann pointed out that the Commission was not against the public service. For the Commission, the introduction of competition was not an objective in itself but rather a means for improving the quality of the service provided. With this in mind, the Commission planned to adopt a prudent approach that would follow a middle line between harmonisation and deregulation in order to achieve a state of controlled liberalisation. He concluded by citing the examples of Sweden and Finland, where deregulation had helped improve the quality of the public service.

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In adopting, by 257 votes to 34 with 19 abstentions, the report by Mr Brian SIMPSON (PSE, UK) on the proposal for a Directive on common rules for the development of Community postal services and the improvement of quality of service, the European Parliament expressed the view that a balance must be struck between the obligations of universal service providers and the specific or exclusive rights granted to such providers with a view to financing their obligations. A universal service should be regarded as a public service; it was necessary to ensure that, outside the reserved sector, there was fair competition among universal service providers and between them and other operators. Taking the view that the liberalization of direct mail and incoming cross-border mail would harm the ability of postal administrations to maintain traffic volumes and therefore services and employment, the report amended Article 8 of the Commission proposal substantially. The report expressed the view (contrary to that of the Commission) that in order to ensure the maintenance of universal service and the economic viability of the operator responsible for providing it, direct mail could be reserved to the universal service providers in each Member State. Similarly, it

considered that the distribution of cross-border mail could continue to be reserved until five years after the entry into force of the Directive (whereas the Commission had set a deadline of 31 December 2000), after which the Commission was called upon to present a proposal on the subject. Unlike the Commission, the report also expressed the view that special services, such as express mail, and new services could likewise form part of the universal service. The report also observed that any form of harmonization must take account of the Community objectives of economic and social cohesion and ought therefore to ensure the uninterrupted provision of the universal service in the most remote or least advantaged regions. It therefore stressed the need to offer an identical service to all users (and not only those whose circumstances were similar). The principle of universal service accordingly required a uniform national tariff. Lastly, as increasing competition on the postal market was likely to increase the need for social protection of workers, the report stated that the restructuring resulting from the application of the Directive must give priority to the preservation of existing jobs and to safeguarding the social protection of employees.?

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The amended proposal for a Directive on common rules for the development of the internal market of Community postal services incorporates, in full or in part, 16 of the 58 amendments adopted by Parliament at first reading. The Commission accepted those amendments which: - emphasize the importance of creating an internal market for postal services within the Community; - reaffirm the need for a wide consultation of interested parties in the postal sector; - increase transparency and ensure the effective provision of relevant information to the public; - refer to the possibility for Member States to integrate the 12-star symbol of the EU into their postage stamps and the need to explore the possibilities for introducing Euro-denominated postage stamps; - make clear that the process of liberalization should not curtail the right of Member States to make provision for services for blind and partially sighted persons; - clarify the text in a manner consistent with the aims of the Directive; - extend the period allowed for implementation of the Directive; - are consistent with other Community legislation. The amendments not incorporated in the amended proposal essentially concern the following points: - reserved services and the timetable for liberalization; - declaration and authorization procedures; - quality of service; - terminal dues; - social and employment issues; - case law of the Court of Justice. ?

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In general, the common position of the Council accepts the objective and scope proposed by the Commission for the Directive. As far as the central provisions concerning the development of the reserved sector are concerned, the Council, largely following the line of the European Parliament, opts for a more cautious stance than that proposed by the Commission. The Council has made a number of amendments to the proposal which, in conjunction with the amendments by the European Parliament which it has accepted (23 altogether), improve the Directive with regard to the following points: - Definitions: on the basis of the proceedings of the European Committee on Postal Regulation (CERP), which in turn were based on the definitions used by the Universal Postal Union, a number of definitions are amended to bring them into line with best practice. Other definitions, such as those of 'essential requirements' and 'authorizations', are added; - Scope of the universal service: the common position takes account of differing national situations by introducing greater flexibility in comparison with the Commission proposal, particularly in the following respects: .granting national regulatory authorities (NRA) discretion to decide on exceptions to frequency and to door-to-door deliveries; .the fixing of a weight limit of 10 kg for postal packages, but allowing Member States to increase it to 20 kg on the understanding that the delivery of such packages should also be provided for in intra-Community dealings; .the requirement for Member States to ensure that universal service provision meets certain essential requirements, and the right of Member States to take measures with regard to questions of public interest recognized by the Treaty; - Harmonization of services which may be reserved, and timetable for liberalization: the common position provides for: in so far as necessary in order to maintain the universal service, the option to reserve cross-border mail and direct mail. The European Parliament and the Council are to decide by 01/01/2000 (on the basis of a Commission proposal to be submitted before the end of 1998) on the further gradual and controlled liberalization of the postal market, particularly to liberalize direct mail and cross-border mail and to review prices and weight limits with effect from 01/01/2003. The common position indicates that price and weight limits for services which may be reserved must also apply to express mail, but that document exchange may not be reserved. It further stipulates that Member States may organize the registered mail service used in the course of judicial or administrative procedures; - Conditions concerning the provision of non-reserved services: the common position stipulates that only general authorizations may be used for non-reserved services which do not form part of the universal service, while authorizations taking the form of individual licences may be used for non-reserved services which fall within the scope of the universal service; - Tariff principles and transparency of accounts: the common position goes further than the Commission proposal, particularly with regard to the principles with which agreements on terminal dues concluded by universal service providers must comply. It also includes more detailed provisions on cost accounting with the aim of monitoring the development of the various postal services provided by the universal service provider. It does not require separation of the balance-sheet and profit-and-loss account for reserved and non-reserved services respectively (as proposed by the Commission); - Quality of services: the common position does not set specific minimum quality standards for national mail. It sets the following minimum quality standards for intra-Community cross-border services: D+3 for 85% of items and D+5 for 97% of items. These objectives are to be reviewed under the regulatory committee procedure. National regulatory authorities may grant exceptions from the quality standards, after informing the Commission. They are required to take corrective measures if monitoring of performance levels shows that quality standards are not respected, in the case either of national or of intra-Community cross-border services. With regard to the introduction of a system of reimbursement and/or compensation to settle disputes, the common position allows the Member States a measure of flexibility, calling on them to provide for such a system where warranted. The amendments accepted by the Commission but not incorporated in the common position particularly included: - the issuing of stamps denominated in euro; - derogation from universal service requirements in exceptional geographical conditions; - the initial minimum service quality requirement for domestic mail; - the reference to a monitoring centre to assist the Commission and the requirement that the Commission include in its report on the application of the Directive the opinions delivered by the parties concerned. ?

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Council's common position required the Member States and the Commission to demonstrate flexibility in order to reach a compromise, especially on the question of the timetable for deregulation which has allowed the gradual adoption of the directive. The amendments introduced by the Council, in conjunction with the amendments proposed by the European Parliament, improve the text of the proposed directive or translate the compromise which the Commission has agreed to make in that they maintain the elements needed in order to establish a harmonized framework for Community postal services. The Commission regretted that the Council had insisted on introducing a type IIIa regulatory committee procedure, rather than the advisory committee procedure which it had proposed, for a directive under Article 100 A of the EC Treaty.?

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The Committee will recommend approval of Council's common position on the liberalisation of the postal services in the EU. After a 5 year's political debate, rapporteur Brian SIMPSON (PES, UK) said that Council had taken most of Parliament's concerns into account. In his draft recommendation for second reading, the rapporteur stresses the importance of this common position as it fully incorporates the main political views of the Parliament. The common position is based on a more gradual approach for the achievement of the liberalisation of the market of postal services: - in order to reconcile the opening-up of the postal markets with the aim of protecting these markets from the negative effects of a sudden and uncontrolled liberalisation, the public postal operators must have a reserved sector large enough to guarantee that this aim is possible; - this reserved area includes direct and cross-border mail, whereas the universal service comprises packages up to 10 kg, which could be extended to 20 kg by the public authorities. This constitutes a sufficiently strong area for the provisions of service in the public sector. ?

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The rapporteur welcomed the fact that the directive provided for a large enough reserved area and recalled that the real objective of liberalisation had to be to improve the services provided. As for the common position, Mr Simpson stated that a number of technical improvements had been made but added that a solution was still needed to one outstanding issue, namely terminal dues. Commissioner Bangemann also welcomed the fact that the liberalisation principle had been accepted and that a timetable had been decided. He was keen to continue the work so that, within the framework of reasonable deregulation, the postal service would become an important part of the information society.

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In adopting the recommendation by Mr Brian SIMPSON (PSE, RU), Parliament approved the Council's common position on postal services, in so far as it met all of Parliament's concerns and incorporated its main requests. The common position, was, in fact, based on a gradual approach in liberalizing the market in postal services, as proposed by Parliament. The following were incorporated: - in order to reconcile the opening-up of the postal markets with the aim of protecting these markets from the negative effects of a sudden and uncontrolled liberalization, the public postal operators should ensure that the area reserved was sufficiently large; - the reserved area included direct mail and cross-border mail, whereas the universal service comprises packages up to 10 kg (which could be extended to 20 kg by the public authorities); - all further legislation should be based on Article 100a of the EC Treaty, which guaranteed not only the full participation of Parliament in the process but also that this liberalization would be based on the rule of law and would not be an automatic process. In addition to some technical changes, Parliament also requested the following: - that each Member State ensured that the level of service was guaranteed and that the Commission be notified of the measures taken to satisfy this condition, with particular regard to the identity of the designated postal operator(s) responsible for providing universal service; - that exceptions be permitted to the weight and price limits in favour of blind and partially-sighted persons; - that the application of a uniform tariff did not exclude the right of the universal service provider(s) to conclude individual agreements on prices with customers; - closer consideration of the distribution costs incurred by the universal service provider in the country of destination. ?

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In submitting the present opinion, the European Commission amends its proposal for a directive in order to incorporate the 5 amendments adopted by the European Parliament at second reading: - the amendment clarifies the wording on terminal dues; - amendment 2 deletes the clause which provides for special derogations (at the discretion of the national regulatory authorities) from the principle of the home delivery of mail imposed by the universal service; it also requires that derogations from the requirements of the universal service (apart from geographical circumstances and conditions which are considered to be exceptional by the national regulatory authorities) be notified to the Commission and to all national regulatory authorities; - amendment 3 provides that the Commission be kept more widely informed of the measures taken by each Member State to meet the obligation of providing the universal postal service; this serves to improve clarity and transparency; - amendment 4 specifies that derogations from the weight limits for the reserved sector may be granted as far as the free postal service to blind and partially-sighted persons is concerned, on the understanding that the current arrangements for this type of service in the Member States may be maintained; - amendment 5 concerns the right of universal service providers to negotiate individual agreements with their customers. ?

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The EP Delegation to the Conciliation Committee recommends the House to approve - without a debate - the joint text on the directive on common rules for the development of Community postal services and the improvement of quality of service (rapporteur : Brian SIMPSON, PSE,UK). The president in Office of the Council had indicated that only 2 amendments presented minor difficulties concerning substance and form. The Conciliation Committee confirmed the following modifications: - harmonization of the translation of the french word "domicile" at article 3(3) second indent; - technical adaptation to article 2(13) and article 5(1). Rapporteur SIMPSON is satisfied with this outcome and therefore recommends approval

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In adopting the report by Mr Brian SIMPSON (PSE, UK), the European Parliament has approved the joint draft on common rules for the development of the internal market of Community postal services and improving the quality of service. ?

## Postal services: common rules for the development of the services and improvement of quality of service

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**OBJECTIVE:** to establish an internal market in the postal sector and guarantee the maintenance of a universal service of good quality. **COMMUNITY MEASURE:** European Parliament and Council Directive 97/67/EC on common rules for the development of the internal market of Community postal services and improving the quality of service. **CONTENT:** the directive relates to the following: 1) the provision of a universal postal service within the Community: the Member States are to ensure that users have the right to a universal service corresponding to the provision of high-quality postal services on a permanent basis, and at affordable prices, throughout the territory of the Union. The provider of the service must guarantee at minimum that post is collected and distributed every working day and not less than five days per week. The universal service comprises at minimum the collection, sorting, transport and delivery of postal items up to 2 kg in weight and packages up to 10 kg in weight, together with the provision of a registered mail service. Member States have the right to increase the limit for packages to 20 kg, it being understood that the universal service for such packages must be provided for in intra-Community dealings. The users must regularly receive accurate and updated information on the characteristics of the universal service being provided. 2) criteria defining the services likely to be reserved to providers of the universal service and the conditions governing the provision of non-reserved services: Two criteria are retained for defining the scope of services reserved for domestic mail: - a weight limit to be applied to domestic mail of less than 350 g.; - a price limit calculated as follows : five times the public tariff for a standard item of correspondence in each Member State (normally a letter weighing 20 g.). The directive provides, insofar as it is necessary to maintain a universal service, for the possibility of reserving cross-border mail and mailshots. The European Parliament and the Council are to decide, by 1 January 2000 at the latest (on the basis of a Commission proposal to be presented before the end of 1998), on how the progressive and controlled liberalisation of the postal services sector is to be pursued, primarily with a view to the liberalisation of mailshots and cross-border mail, as well as to a re-examination of weight and price limits, with effect from 1 January 2003. Exchanges of documents are not likely to be reserved. The directive stipulates that only general authorisations may be used for non-reserved services which do not form part of the universal service, while authorisations taking the form of individual licences may be used for non-reserved services which fall within the scope of the universal service. 3) tariff principles and the transparency of accounts for the provision of the universal service: the directive requires that prices shall be reasonable and based on costs and that tariffs shall be transparent and non-discriminatory. Universal service providers shall, in their balance sheets, keep separate accounts at least for each of the services included in the reserved sector, on one hand, and for non-reserved services, on the other. 4) the setting of quality standards for the provision of the universal service and the introduction of a system designed to ensure that these standards are adhered to: as far as intra-Community mail is concerned, 85% of standard items must be delivered within three working days of posting and 97% within five days. The directive provides for the quality control of the service by independent bodies at least one a year. The national regulatory authorities may grant exceptions from the quality standards, after having informed the Commission of this. The former are required to take corrective measures if monitoring of performance levels reveals that quality standards are not being respected, in the case either of national or of intra-Community cross-border services. The Member States may provide for the introduction of a system of reimbursement and/or compensation within the scope of the regulations on the settlement of disputes, but only when this is warranted. 5) the creation of independent national regulatory authorities: each Member State appoints one or several national regulatory authorities for the postal sector, which are to be legally distinct from and independent of the operators of the postal services. The Commission is to be notified of these authorities. The Commission shall, by 31 December 2000 at the latest, submit a report on the application of the directive, accompanied if necessary by proposals. **ENTRY INTO FORCE:** 10/02/1998 **DEADLINE FOR TRANSPOSITION:** 10/02/1999. ?

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This report is to meet the requirement of the 97/67/EC Directive ("Postal Directive") that the Commission shall submit a report to the European Parliament and the Council on the application of this Directive, including the appropriate information about developments in the sector, particularly concerning economic, social, employment and technological aspects, as well as about quality of service. In this context, the Commission has undertaken its own review of the transposition of the Postal Directive in the Member States and has launched a number of studies to look more deeply into several aspects of the transposition and application of the Postal Directive. The first conclusion of the report is that all Member States have modified their primary legislation, and secondary legislation and detailed regulations are well under way for completion. Overall, apart from some conformity issues identified in some Member States, the regulatory framework set by the Postal Directive can be considered as implemented in the Member States. Member States have largely adapted the Community framework to national requirements and this has had a number of positive impacts : a significant regulatory impact; enhanced Community harmonisation; improved

quality of service; increased the pace of postal reform; provided incentives for greater efficiency and customer focus by postal operators; allowed for a move towards the internal market in postal services; established Independent National Regulators in Member States. However, there are some areas where the Postal Directive had little or no impact. For example: the Postal Directive implementation by Member States has not so much increased the universal service obligations as entrenched existing obligations, and the existing regulatory framework and provisions for consumer protection were often in accordance with the principles of the Postal Directive. Further, the Postal Directive may not have moved as quickly towards the internal market as could have been safely achieved and this may have had a number of negative impacts. For example, the Postal Directive did not foster efficiency improvements e.g. by benchmarking or competitive tendering and the EU is still relatively inefficient compared to the USA. The Postal Directive only introduced limited competition and it did not prevent competition issues from developing. A regulatory framework that did not allow appropriate market development would not only distort the sector, and provide perverse incentives for players, but it would also spread this distortion to other sectors. In this context the Postal Directive was indispensable to unlock the barriers to market development. Its achievements, a basic harmonisation of the Community regulatory framework and a limited market opening, were essential pre-requisites to existing and future market developments. Further, the clear direction set by the Postal Directive towards the full accomplishment of the internal market provided the signal for organisational change in the postal sector. Given the current situation- the safeguarding of the provision of a universal service across Member States in the short term, and the new measures in the new Postal Directive 2002/39 extending this safeguarding- there are no recommendations for a further update of the Community regulatory framework at this stage. However, this is not to say that the Postal Directive has set in place a regulatory framework fully in tune with the needs of the developing market. Distortions remain, where reservation and dominant position is abused. Instances which have led to a number of competition cases. Further, there remain issues of regulatory independence in some Member States, and it could be argued that a varied national regulation has not encouraged all the USPs to become efficient. In any case, it is clear that efficiency in postal service provision remains variable. The Commission calls for the Member States to "ensure effective independence, adequate capacity and effectiveness of the (competition and) regulatory authorities", in particular in the postal sector. Finally, the Commission calls for the Member States to prepare the implementation of the European standards currently being developed by the CEN, particularly with regard to quality of service measurement methods, which will help to ensure that quality of service monitoring and performance are further improved for the benefit of all customers.?