

Procedure file

Basic information	
INI - Own-initiative procedure	2005/2086(INI)
Application of the Postal Directive (Directive 97/67/EC as amended by Directive 2002/39/EC)	Procedure completed
Subject	
3.30.09 Postal services, parcel delivery services	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	TRAN Transport and Tourism	PPE-DE FERBER Markus	02/05/2005

Key events			
23/03/2005	Non-legislative basic document published	COM(2005)0102	Summary
09/06/2005	Committee referral announced in Parliament		
22/11/2005	Vote in committee		Summary
05/12/2005	Committee report tabled for plenary	A6-0390/2005	
01/02/2006	Debate in Parliament		
02/02/2006	Results of vote in Parliament		
02/02/2006	Decision by Parliament	T6-0040/2006	Summary
02/02/2006	End of procedure in Parliament		

Technical information	
Procedure reference	2005/2086(INI)
Procedure type	INI - Own-initiative procedure
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Committee dossier	TRAN/6/27988

Documentation gateway

Non-legislative basic document		COM(2005)0102	23/03/2005	EC	Summary
For information		SEC(2005)0388	23/03/2005	EC	
Amendments tabled in committee		PE362.737	23/09/2005	EP	
Committee report tabled for plenary, single reading		A6-0390/2005	05/12/2005	EP	
Text adopted by Parliament, single reading		T6-0040/2006	02/02/2006	EP	Summary
Commission response to text adopted in plenary		SP(2006)1012	09/03/2006	EC	

Application of the Postal Directive (Directive 97/67/EC as amended by Directive 2002/39/EC)

PURPOSE : to present a report from the Commission on the application of the Postal Directive (Directive 97/67/EC as amended by Directive 2002/39/EC).

CONTENT : this report is a follow-up to the first Commission Report on the Application of Postal Directive 97/67 which was submitted at the end of 2002. It confirms that, in sum, the reform of the postal sector in the EU is well on track. Though not yet completed, it has already resulted in a number of significant improvements notably as regards quality of services, improved business efficiency, and the separation of regulators from operators. The role of postal services remains vital in delivering the benefits of the Internal Market to citizens, consumers and business.

The transposition of the Community framework is now largely complete although there are still some problems which affect in particular a number of the new Member States. However, transposition is merely the first step in the process of full implementation of the Community framework. The practical implementation of some of the more complex regulatory requirements of the Postal Directive (tariff control, transparency of accounts, authorisation and licensing) still requires further efforts and attention from Member States and the Commission.

In addition, there have been significant regulatory developments in the EU, which go beyond the transposition and application of the EU regulatory framework, with some NRAs taking the lead in introducing new approaches on key issues such as price control, access pricing and licensing. The framework harmonisation nature of the Directive has thus provided possibilities for Member States to pursue distinctive paths.

Broadly speaking, the postal market has continued to move towards a one way distribution market and away from the more traditional two way communications model. If this trend continues into the future, there may be the need to review the modalities of the current universal service obligations, with a view to allow for some additional flexibility while continuing to guarantee consumer rights. This trend also highlights the potential for developing a dynamic postal market which can exploit opportunities in the wider communication market (home shopping, e-commerce, hybrid mail and value added services)

in the interest of all customers.

However, competition has yet to develop in the addressed mail market segment outside niche services, and this suggests that limited initial market opening combined with sometimes limited regulatory capacity or certainty, advantages enjoyed by incumbents, and regulatory asymmetries have all combined to deter entry.

Among these regulatory asymmetries, the different tax liabilities faced by incumbents and market entrants as regards VAT is of particular concern.

There are indications that the absence of competition has also affected the pace of the modernisation of the sector. One such indication is the differing infrastructural costs across Member States. Similarly, regulatory asymmetry and the continued protection for incumbents have affected mail market development.

The Postal Directive has created an expectation of further market opening, which would have a positive impact on the market. As noted from the analysis above, the postal market is at a crucial stage in its development. Further steps are needed to promote actual competition in the market, while addressing the end-consumer concerns, as well as much needed innovations in order to promote continued market developments of the postal sector in the wider and quickly evolving communication market.

- Facilitate the conditions for further modernisation: the postal market is evolving quickly. The clear challenge for regulators and operators is to seize the opportunities. Postal organisations are becoming increasingly flexible in the provision of tailored services to clients.

- Respect the timetable set in the Directive: developments to date provide no evidence supporting the need for a change of the deadlines set out in the Postal Directive.

- Monitor carefully regulatory developments: on critical issues, such as market opening, universal service (quality of services, prices, accessibility from the perspective of the various stakeholders categories) the Commission will carefully monitor developments, and where appropriate take the necessary steps to ensure that Member States meet the requirements set out in the Postal Directive.

- Intensify cooperation on regulatory issues: the Commission intends to assist NRAs by working on two levels : bilateral co-operation between the services of the Commission and the NRA, and notably

with the new Member States and technical cooperation at the European level within the framework of the Postal Directive Committee in order to assist the Commission in developing appropriate benchmarking together with national regulators.

- Promote an in depth debate on the future postal policy: in addition to analysing the merits of retaining or removing the reserved area, the debate will need to address key issues such as how to best promote the postal sector, how to ensure the financing of the universal service, and what kind of postal universal service is needed in the future. It will also be necessary to assess the situation in the Member States where the reserved services have been removed, including from an end-consumer perspective.

With this in mind, the Commission is launching two studies, on the development of competition and the evolution of the regulatory model for European postal services. Towards the end of 2005, the Commission will launch the study on the impact on universal service of the full accomplishment of the postal internal market. Stakeholders will be consulted in the same manner as outlined above. Extensive debate will pave the way for the development of the future of postal sector policy.

Application of the Postal Directive (Directive 97/67/EC as amended by Directive 2002/39/EC)

The committee adopted the own-initiative report drawn up by Markus FERBER (EPP-ED, D) in response to the Commission report on the application of the Postal Directive. MEPs drew attention to a number of issues and called on the Commission to clarify the action it proposed to take in certain areas, in particular as regards universal service.

They noted that the transposition of the directive into national law had made good progress overall, although the effects of the reforms on quality, efficiency and customer-orientation had yet to be analysed in detail, and the opening up of postal services to competition had not always resulted in maintained employment levels in the postal sector. The report also pointed out that some Member States were "seriously late" in implementing the directive, particularly with regard to market opening, with the risk of an imbalance in the European postal market and the potential disadvantaging of market entrants. The Commission was asked to state what action it proposed to take to deal with this.

MEPs drew attention to the "sometimes perceptibly divergent developments" of universal service obligations in the Member States and urged the Commission to focus, in its proposed study on the impact which completion of the internal postal services market will have on universal service, on the quality of provision of such service and on its future funding. They said that, in view of the fundamental transformation which postal markets were undergoing, the definition of 'universal service' should be reassessed in the light of altered communications behaviour. The Commission was nevertheless urged to bear in mind in its study that universal services are "qualitatively high-value labour-intensive services focusing on the protection of consumers' interests", and to explore how best to guarantee the involvement of and input from postal customers and to consult the social partners concerned (chambers of commerce and industry, trade unions, etc.), businesses active in the market and local interest organisations. On the problem of funding, the committee noted that the funding models for universal service used so far in the Member States had not been very successful, and that the "tried and tested" instrument in the past had been the reserved sector. It called on the Commission to examine the possibility of differentiating the reserved sector depending on the costs associated with funding the universal service, particularly in view of geographic and demographic constraints. Lastly, the committee called on the Commission to determine whether it was possible to retain the 2009 deadline for completion of the internal market in postal services or whether other stages should be set out in the light of the study's conclusions.

Turning to other issues, the report urged the Commission to continue to take "appropriate account" of standardisation in the postal sector in the interests of consumer protection and in the light of the completion of the internal market. The question of licensing authorisation procedures should also be addressed to ensure that these did not result in new barriers to market access or lead to price distortions. Other recommendations included finding a solution to the differences in VAT levied on services in the postal sector.

Application of the Postal Directive (Directive 97/67/EC as amended by Directive 2002/39/EC)

The European Parliament adopted a resolution based on the own-initiative report drawn up Markus FERBER (EPP-ED, D) in response to the Commission report on the application of the Postal Directive. The resolution was adopted by 554 votes to 64. Parliament pointed out that postal services are of major economic importance and generated income in 2002 of some EUR 88 billion, or around 0.9% of the GDP of the EU. It is estimated that more than 5 million jobs are directly dependent on or linked to the postal sector.

Parliament noted that the transposition of the Postal Directive into national law had made good progress overall. However, the effects of the reforms on quality, efficiency and customer-orientation in the postal sector have yet to be analysed in detail and the opening up of postal services to competition has not always resulted in maintained employment levels in the postal sector. Furthermore, the implementation of the Postal Directive is seriously late in a number of Member States, particularly as regards opening up of the market, entailing a risk of imbalance in the European postal market and the potential disadvantaging of market entrants. Parliament called on the Commission, in its report, to state what action it proposes to take in consequence.

Parliament went on to state that, considering the fundamental transformation postal markets are undergoing, the definition of 'universal service' must be reassessed in the light of altered communications behaviour. It noted, however, that universal services are qualitatively high-value, labour-intensive services focussing on the protection of consumers' interests. It called on the Commission to take account of this fact in the research framework for its prospective study. The Commission must explore how best to guarantee the involvement of postal customers and consult the social partners affected, businesses active in the market and local interest organisations.

On the question of funding, Parliament noted that the funding models for universal service used so far in the Member States have not been very successful and that the tried and tested funding instrument for universal services in the past has been the reserved sector. The Commission is asked to look in detail, in its prospective study, at whether the development of the universal service, the retention of which remains relevant in economic and social terms, and greater flexibility in the regulatory framework can have a positive influence on resolving the problem of funding universal services.

Parliament also asked the Commission to do the following:

- in view of the sometimes perceptibly divergent developments in universal service obligations in the Member States, to concentrate in particular, when drawing up its prospective study, on the quality of provision of the universal service and on its future funding and to propose, in the context of this study, a definition, the scope and appropriate financing of the universal service;
- to determine whether it is possible to keep to the 2009 deadline for completion of the internal market in postal services or whether other stages should be defined in the light of the conclusions of the study;
- to pay particular attention in future studies to the impact on geographic coverage and development of networks resulting from future stages in the opening-up of postal services to competition, particularly as regards conditions of access for the EU's most disadvantaged or isolated

populations;

- since the adoption of service standards developed by CEN is essential to guaranteeing transparency, reliability and quality in the postal market, to give priority to progress in this area;
- to evaluate the impact of business models where competitors have successfully entered the market without the need for regulated network access, and to assess the appropriateness of a European framework for network access conditions in order to ensure equality of access;
- to promote dialogue with and among the regulatory authorities and the Member States and encourage benchmarking, so that the task of the authorities can be confined to checking the transposition of the regulations;
- to study authorisation procedures, with particular reference to clarifying the operational scope, the approval process and the mandatory conditions;
- to investigate the question of how the pension liabilities of the public postal operators are being dealt with in order to avoid a disturbance of the market in a liberalised environment;
- on the matter of differences in VAT treatment on the postal market, to submit proposals on how to achieve the necessary legal certainty and non-discrimination among operators when it is revising Directive 77/388/EEC as regards value added tax on services provided in the postal sector;
- to ensure that penalties under administrative law for breaches of national postal laws are not disproportionately severe and do not jeopardise the operation of the postal market; calls therefore on the Commission, in drafting its prospective study, to collect data on current or planned national penalties in all Member States.