



ERGP work on Future of postal regulation

Postal & Delivery Conference

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ERGP Mid Term Strategy



ERGP Strategic Pillars

Pillar 1 : Promoting sustainable provision of universal postal service

- Changes in the postal market due to digitalisation, changes in consumer needs and e-commerce
- US sustainability
- Study scope of universal postal service

Pillar 2: Promoting a competitive EU postal single market

- Promote a competitive single market for letters (prices/innovation)
- Development of e-commerce (transparency & oversight)

Pillar 3: Empowering and protecting end-users

- Monitor postal market development
- Assess technical developments
- Protect consumers adequately
- Monitor the relevant indicators

ERGP Horizontal Axe : ERGP Efficiency

(beneficial for stakeholders/transparency/robust & evidence based decision/engage efficiently)

Delivering WP 2018



Deliverables

1st part
2018

- #2 USO net cost calculation and compensation
- #3 Opinion/technical assistance on Regulation on cross-border parcel delivery services

- #4 Principles of transparency, non-discrimination, proportionality established in the Postal Directive
- #8 ERGP efficiency

2nd part
2018

- #1 Developments in the postal sector and implications for regulation
- #5 Measurement and allocation of delivery costs in USO

- #6 QOS, consumer protection and complaint handling
- #7 Main postal market developments
- #8 ERGP efficiency

1st part
2019

- Recommendations to the Commission with respect to reviewing or reforming the Postal Services Directive

Timeline

Context of the project



- The postal sector has undergone substantial changes in recent years. Hence the legal framework and market realities are diverging more and more over time.
- The question then becomes relevant:
‘is the current regulatory framework still fit for purpose, i.e. up to the challenges posed by current and future developments in the market?’



Purpose of the project

The project will give:

- an overview of the main market developments and difficulties encountered by NRAs in their regulatory practice related to the PSD.

First phase deliverable: end of 2018.

- recommendations on a possible review or reform of the PSD, addressing those difficulties and identifying the characteristics of a fit-for-purpose regulation in view of the changes taking place in the sector.

Second phase deliverable: mid 2019.

First phase deliverable



‘ERGP report on developments in the postal sector and implications for regulation’.

- Overview of the main difficulties encountered by NRAs in their regulatory practice. Based on:
 - ERGP docs produced in recent years:
 - analysis of the legal and economic aspects of postal services; *and their interaction*;
 - possible illustrations/examples of limitations/difficulties experienced by NRAs in performing their regulatory tasks, resulting from the PSD.
 - Information provided by ERGP members and observers.

Second phase deliverable



‘ERGP recommendations to the European Commission with respect to reviewing or reforming the Postal Services Directive’

- Relevant aspects to consider:
 - Effects of intermodal competition from adjacent markets on postal markets and implications for regulation;
 - Convergence between postal, delivery, logistic and communications markets; impact on market boundaries and business models;
 - Effects on provision and scope of the universal service.
 - Impact of e-commerce on parcel delivery markets.
- Aim: a fit-for-purpose and future-proof regulatory framework.



Developments and trends

- Future proof, fit-for purpose regulatory framework must consider developments and trends in the market and in society.
- For example:
 - Volume decline (letters), volume increase (parcels)
 - Ongoing and increasing digitisation
 - Convergence of markets (postal, communication, delivery, logistic)
 - Sharing economy initiatives (platforms)
 - Sustainability initiatives
- Greenfield approach: what would we (need to) regulate if there was no PSD?



Thank you!