

EUROPEAN COMMISSION

PUBLIC CONSULTATION ON POSTAL SERVICES

ANSWER FROM UNI EUROPA POSTAL

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Q1: In relation to the scope of the universal service

As stated in the 1997 and 2002 directives and broadly agreed by almost all interested parties the universal service as defined in these directives is a cornerstone in the European postal policy and in our opinion this definition is appropriate both in its scope and as a regulatory framework for member states. UNI Postal strongly support the present definition of the universal postal service, which guarantee all postal customers good quality basic postal services at any point in their territory at affordable prices. The conditions for providing the universal postal service defined broadly within its scope should be harmonised throughout Europe and should guarantee that there is easy access to send and/or receive mail of any kind weighing up to 20 kilos, which is in accordance with the conventions and regulations of the Universal Postal Union (UPU). From a citizen's point of view many polls have shown that the broad public finds that postal services play an important role in economic, social and territorial cohesion and that uniform tariffs is the guarantee for affordable prices as well as not many could imagine systems, whereas you pay more or less due to where you live or are situated within the territory. UNI Postal is of the same opinion and we also believe that the EU postal policy should be in line with the other objectives of the Community; one of which is to ensure sustainable development based on well-balanced economic growth and stable prices, a social market economy with major competitive strength aiming at full employment, social progress and a high level of environmental protection and improvement of the environment, combat of social exclusion and discrimination, promotion of social justice and protection, and promotion of economic, social and territorial cohesion, including the Lisbon objectives concerning employment, sustainability, etc. In these respects we find that the universal postal service as defined above is indispensable.

Q2: Are the current universal postal obligation still appropriate ?

Answer: YES.

Should universal postal service obligations be applied uniformly ?
Answer: YES.

Q3: Is a reserved area necessary to maintain a universal service ?

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It is evident that to guarantee the provision of the universal service obligation the financing of the obligation must be guaranteed. So far the obligation has been guaranteed by a reserved services area which gradually have been reduced. UNI Postal believe that a reserved services area sufficient enough to guarantee the financing of the universal postal service has worked. We also believe that an assessment of the economic, social and employment impact of the reduction in effect as of 1.1.2006 is necessary, before any new liberalisation process commences. All assessments made through Commission studies build on data up to the years 2002 - 2003. So not even the liberalisation step as of 1.1.2003 has been properly assessed yet and UNI Postal has earlier contested several reports' conclusions, not least on employment, where we made available our own findings to the consultants showing a complete opposite result to their findings. No other funding method has so far proved to work. We would be open to alternative funding methods, however the question of the funding of the universal service obligation must be resolved and mechanisms be put in place, before further liberalisation.

Q4: Should a common methodology for assessing the cost of universal service be determined?

The cost of the universal service should be defined as the difference between the profit made without obligations and the profit/deficit made with the obligations. A common definition would be desirable. Circumstances in member states vary, however, and there should be left space in the regulatory framework (definition) for special national characteristics such as geographical density, demographics and other national imposed obligations, i.e. VAT. National regulators should determine the implementation of a possible common definition.

Q5: Universal Service provision - Safeguard mechanisms

In the absence of a reserved services area, we find it difficult to imagine how the financing of the universal service obligation can be maintained. In a fully liberalized market there is a risk of competitors cream-scimming selected profitable services endangering the financial viability of the universal service provider.

A safeguard mechanism against cream-scimming should then be invented. We do not believe that a fund to which competitors should/could contribute would resolve this problem. The few experimental cases, we know us, shows difficulties with such a fund and it could even work out counter-productive, depending on how calculation mechanisms are decided.

Q6. Quality of service

UNI Postal realises that it is essential that all national post offices set high standards for the services provided and monitor their application. Measures taken towards a D+1 domestic service obligation we would welcome.

Q7. Consumer protection

EU harmonisation of complaint and redresses procedures that would guarantee a minimum of consumer protection in all EU member states would be welcomed.

Q8: Standardisation

Standardisation should continue as a tool to ease processes wherever it is useful. Subsidiarity is though required so that certain national characteristics can be taken into account.

Q9: Authorisation and licensing

UNI Postal is of the opinion that there may be a need to widen the conditions for the possible use of licenses based on assessments made on the experiences so far within this area.

Q10: Independence, role and responsibilities of NRAs

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The directive should define the major responsibilities of the national regulator: ensuring the regulation of the universal service obligation, quality and security requirements.

Q11. Setting up of a European group of regulators

We do not see the need for such a European Group.

Q12. Financing of NRAs

We believe that this should be the obligation of the national government to determine.

Q13. Downstream access

The Directive(s) do not contain provisions on downstream access. UNI Postal is of the opinion that there should not be a provision either in the future. In fact,

we are against proposals which would impose downstream access on the postal operator.

Q14. Access to postal infrastructures

We believe that it is the responsibility of the member state and/or its national regulator to define the means required for competitors to carry out their postal business, depending on the special nature of the national postal market.

Q15, Q16, Q17 Cost accounting and price controls

We refer to the universal postal service definition on affordable prices. Application of a uniform tariff should largely be to member states' discretion.

Q18. Market opening and economic and social impacts

Economic growth in the postal sector is not depending on full market opening. Postal traffic is stagnating these years and there will not be much growth in the short run. Seen in this light some re-thinking about plans for full market opening should be considered.

Employment has decreased in recent years contrary to what some Commission studies try to imply. The number of jobs is likely to decline in the coming years. A full opening of the market we assess will worsen this trend.

Q19.

We have difficulties in finding any positive social impact which could result from a full market opening. Negative impacts we have described in our answers to previous questions.

Q21

UNI Europa Postal is the European organisation for Postal trade unions. We have affiliated member organisations in all 25 EU countries counting for more than 1 million postal employees. We are the EU social partner to Posteurop within the EU postal social dialogue committee.

On behalf of UNI Europa Postal