

Fulmine Group

Contribution and comments on [ERGP Draft Work Programme 2019 - ERGP PL \(18\) 21](#)

1. Review of the regulatory framework for postal services

For sustaining the Universal Service (US) in rapidly evolving postal markets a revision of the Postal Directive is compellingly needed.

Required changes firstly relate to a better harmonization of the US definition across Member States (MS), able to effectively protect users in the new digital environment, including the fast growing e-commerce.

For protecting general users in both mail and parcel markets the US should be limited to single piece items sent by customers at postal counters or inserted in mailboxes (C2C and priced C2B).

Although the legal definition of the US is a MS's task, the new directive is expected to fix some basic concepts in order to avoid unwanted market distortions as well as anticompetitive practice arising from the inclusion in the US of bulk mail and parcels.

For single piece US products price regulation and quality of service as well as VAT exemption should be maintained, in some cases made more flexible for adapting to market reality (users increasingly ask for better reliability and certainty rather than speed), differentiation of time of delivery by a more detailed area definition (rural vs Extra urban, review of Metropolitan areas) and SLA vs Quality criteria. Poste Italiane has defined its new delivery model based on Drop Density by area (see financial day on PI website).

Promoting and fostering e-commerce requires to give up useless and updated regulations.

The directive is outdated regarding the legal definition of B2C parcels suitable for e-commerce, today showing very different characteristics with respect to mail, particularly in their value chain.

While in mail the traditional, unique and integrated clearance-sorting-transport-delivery chain still applies, for e-commerce parcels the value chain is disrupted and recombined because of the presence of the selling platform, that intermediates and coordinates the transaction. E-commerce markets are in fact multi-sided, where efficient prices charged, including delivery prices, may often diverge from marginal costs, and final customers even ignore the true price charged for delivery. Market evolution shows that parcels up to 2 kg. (small parcels, the most dynamic segment) can be effectively delivered by using (and appropriately adjusting) the mail postal network already in place, while for heavier parcels a dedicated network is required. A new regulation is expected to promote this integration, while creating a legal framework for defining relevant markets in parcels (as express vs. deferred, simple T&T vs signature of the addressee, mail vs parcels that should not overlap). Also US parcels may play a vital role in e-commerce especially in cross-border parcels, but this should not create prejudices to competition.

2. Access to the postal network

In declining mail markets delivery networks are increasingly unsaturated, and appropriate and clear regulations are required for maintaining a healthy competition. The new directive is expected to reinforce the principle of network access, by explicitly stating that a postal provider holding a dominant position in a certain mail market should grant access to competitors for deliveries, as well to some postal infrastructures as PO boxes within Post Offices and dedicated boxes in rural areas. This issue mainly relates to mail, while for parcels in the EU it is not.

3. Quality of Service

As stated before set the expectations, reviewing how to measure it.

Vulnerable one protection on US as defined before (only single letters).

Avoid confusion on receivers about responsibility. If I receive a bill/Parcel is because I have a contract with a Business, this is not US and any compliant has to be managed by the parties and us, as Postal Operators, have to respond to our customer (the Sender).

4. Increase ERGP transparency and efficiency

It was really interesting the Stakeholder Forum, we suggest to improve our (stakeholder) involvement through more direct communications.

Only publishing on the website your activities is not enough, we, as small operators, don't have a dedicated structure to visit it daily.

We suggest to build up a maintain an updated distribution list and send us mails and also a monthly(?) newsletter.

We are eager to send you our contributions.