



## ERGP Work Programme 2019

## 1 Introduction

The European Regulators Group for Postal Services (ERGP) was established by EC Decision of 10 August 2010 (2010/C 217/07) and its main tasks, as outlined in Article 2 of that Decision, are to advise and assist the European Commission (EC) on any matter within its competence and in consolidating the internal market for postal services, as well as on the consistent application in all Member-States (MS) of the regulatory framework for postal services.

ERGP thus serves as a body for reflection, discussion and provision of advice to the EC, facilitating consultation, coordination and cooperation among National Regulatory Authorities (NRAs) and between NRAs and the EC.

The activities of ERGP for each year follow the annual Work Programme (WP), which is drafted by the ERGP Chair in cooperation with the EC and reflects the results of a broad consultation of all stakeholders, in order to guarantee that the work to be developed by ERGP responds to the needs and characteristics of the postal sector. In this respect, the preparation of the WP for 2019 was initiated in early 2018 with an open call for input from all stakeholders regarding the main areas, specific topics or issues to be addressed by ERGP in 2019. After this initial involvement with stakeholders, the draft ERGP WP was also submitted to public consultation with interested parties before its approval for publication.

Current issues with a possible significant impact on the postal sector are considered in the WP for 2019. In particular, the implementation of Regulation 2018/644 on cross border parcel delivery, of 18 April 2018, will be taken into account in the work that ERGP will develop during 2019, following up on the activities that ERGP has already developed in previous years, in order to contribute to a harmonized implementation and facilitate NRAs activities in this context. The review of the Postal Services Directive<sup>1</sup>, expected to be initiated during 2019, will also significantly influence ERGP's work. Collection and analysis of information regarding the market itself will also constitute an important part of the work to be developed in 2019, continuing what has been a part of ERGP's activities in the last years and contributing to establishing ERGP as a reference in terms of statistical knowledge of the postal sector. Allowing a broad view of the markets' development, contributing to a better understanding of the sector and to a greater awareness of its trends and developments is therefore in the focus of ERGP work in 2019.

ERGP will also define its Medium Term Strategy (MTS) for the period 2020-2022, identifying the developments of the sector in the medium term and the core areas of attention for ERGP's work in that reference period, which will be of particular relevance for the work to be developed.

As a horizontal issue, the WP for 2019 will also take into account the need to continue the work that has been developed by ERGP in recent years regarding the increased effectiveness and efficiency of ERGP, looking to consolidate and optimize the use of available resources, an issue which is also addressed in the MTS for 2017-2019.

The WP for 2019 is developed taking into account the three Strategic Pillars of the ERGP MTS 2017-2019, which derive from the Postal Services Directive:

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<sup>1</sup> Directive 97/67/EC, amended by Directive 2002/39/EC and Directive 2008/6/EC.



- Pillar 1: Promoting sustainable provision of a universal postal service;
- Pillar 2: Promoting a competitive EU postal single market; and
- Pillar 3: Empowering and protecting end-users.

Most of the outputs defined in ERGP's WP for 2019 have a relevance to all the pillars. In the following section an explanation of the objectives for each work subject is presented together with the related deliverable(s).

The implementing of the WP for 2019 will be entrusted to ERGP sub-Groups (WGs). Each WG, composed of experts from NRAs, members or observers, will address specific topics, analyzing the relevant issues and preparing, *inter alia*, reports for discussion and adoption by ERGP. A Task Force will also be set up to draft the Medium-Term Strategy 2020-2022.

## 2 ERGP work in 2019

### 2.1 Review of the regulatory framework for postal services

#### Background

The ERGP WP for 2018 included the elaboration of the *“Report on developments in the postal sector and implications for regulation”*, which identified the main trends and developments of the market and the difficulties that the Postal Services Directive poses to regulatory practice. A public consultation on this report will start in late 2018, after which the final report will be approved and published in early 2019.

Following on this work, in 2019 ERGP will draft an Opinion about the review of the regulatory postal framework, reflecting the main results of the referred report and providing recommendations to the EC as how a new regulatory framework for the postal sector should reflect the evolution of the sector.

#### Legal framework

Postal Services Directive

#### Substantive focus

Taking into account the *“Report on developments in the postal sector and implications for regulation”*, ERGP will draft an Opinion on the review of the regulatory framework for postal services. The Opinion will address all relevant regulatory aspects, presenting recommendations in the perspective of reviewing or reforming the Postal Services Directive, identifying the characteristics of a fit-for-purpose and future-proof regulation that adapts to the changes that are taking place or will take place in the foreseeable future in the postal sector. In this sense, it will address a broad set of issues relevant to regulatory activity, such as the scope of the sector, definitions, the concept of universal service, access to the postal networks, tariff regulation, quality of service, consumer protection and governance.

In particular, and in view of the need for a future-proof regulatory framework, the Opinion should elaborate on the context and background of the postal sector, identifying the main barriers, developments and challenges for the future of the sector, including expected technological and regulatory developments, changing market conditions and shifting consumer needs. The impact of the development of e-commerce on market definition will also be examined distinguishing between the letter mail and the parcel market.

A particular focus should be the present definition of universal service and on how it should evolve in the context of a rapidly changing sector, as well as the relation of the universal service with the development of competition, namely the impact of the market based funding mechanism.

The Opinion will look into the need to ensure high quality services at affordable prices and a high-level consumer protection, at the same time safeguarding the interests of vulnerable user groups.

Furthermore, the Opinion should also address the harmonization of the postal definitions, contributing to the design of future-proof concepts in order to foster a clearer framework for the sector.

#### **Deliverable #1**

ERGP report on developments in the postal sector and implications for regulation - final report after public consultation  
*Adoption 1<sup>st</sup> Quarter 2019*

#### **Deliverable #2**

ERGP Opinion on the review of the regulatory framework for postal services  
*Adoption Plenary I*

## **2.2 Implementation of the tariff regulation principles in Member States**

### **Background**

Tariffs are one of the main regulatory and commercial tools that have a direct impact on the postal market and can shape the future of the postal sector.

There could be significant differences in the regulation between services within and outside the universal services obligation as well as significant differences in the competitiveness of the markets in which those services are provided. Cross-subsidization is an important concern in ensuring the competition in the market is not distorted.

### **Legal framework**

Article 12 and 14 of the Postal Services Directive

### **Substantive focus**

The report will investigate cross-subsidization practices, taking into account that the designated USP/the incumbent provides several services through the same network (postal and non-postal; within the universal service obligations (USO) and non-USO; letters, parcels, unaddressed etc.). The report will also take into account the evolution of regulatory financial reporting and other tools and methodologies that can be used for the analysis and prevention of unfair practices.

Particular cases of cross-subsidization practices analyzed by NRAs will be described and will also be identified the methods and tools used by the NRAs in order to prevent cross-subsidies from adversely affecting competition.

#### **Deliverable #3**

Report on cross-subsidization practices  
*Adoption Plenary II 2019*

## 2.3 Cross border parcels delivery

### Background

ERGP will continue to monitor the implementation of the Regulation 2018/644 on cross border parcel delivery of 18 April 2018, given its relevance for the development of the postal sector. In particular, the Regulation provides a solid legal basis for the provision of information to NRAs (article 4 of the regulation) and new data on parcel delivery can be used for regulatory purposes.

Also, ERGP will continue to contribute to a harmonized implementation of the assessment of cross-border single-piece parcel tariffs (article 6 of the regulation), also taking into account the EC's guidelines on the methodology to be used in assessing the cross-border tariffs.

The work to be carried out in this area will contribute to an evaluation of the implementation of Regulation 2018/644, which can be used as input to the EC in the framework of the review procedure of the Regulation 2018/644 defined in article 11, as well as on the review of the regulatory framework for postal services.

### Legal framework

Regulation 2018/644 on cross border parcel delivery

### Substantive focus

The work to be developed will identify and present the main points regarding the exercise of provision of information by all parcel delivery service providers, as established by article 4 of the Regulation 2018/644 on cross border parcel delivery. This report will provide an overview of the experiences of NRAs and providers with the provision of information, with a focus in terms of the difficulties faced and how these have been tackled.

Furthermore, there should also be a focus on the available information regarding the implementation of article 6 of the Regulation 2018/644, in particular regarding the experiences of NRAs in applying the EC guidelines, regarding the methodology to be used in respect of the assessment of the cross-border single-piece parcel tariffs. The outcome of this work will also allow identifying if alterations in the EC's guidance are necessary and provide input in this regard.

#### Deliverable #4

Report on the provision of information of parcel delivery services (article 4 of Regulation 2018/644)  
*Adoption 1<sup>st</sup> Quarter 2020*

#### Deliverable #5

Report on the assessment of cross-border single-piece parcel tariffs (article 6 of the Regulation 2018/644)  
*Adoption 1<sup>st</sup> Quarter 2020*

## **2.4 Access to the postal network**

### **Background**

Following the work developed by ERGP in previous years regarding access regulation, it is important that ERGP continues to analyze aspects associated with access to the postal network, going into more detail in some specific areas and complementing the work previously developed.

In this sense, it is relevant to take into account the impact of the changes in postal volumes and the evolution of users' needs on the development of postal networks, in particular the fact that postal networks have been built to deal with large volumes of traditional postal traffic and have now to deal with decreasing volumes of traffic in letter post market and new user needs. These market developments and the increased relevance of the parcel market may have influenced the development of postal operator's networks and led to the introduction of innovative ways to address users' needs by postal operators. The implications of these practices on the access by alternative operators and on regulation are also relevant in the context of analyzing market development.

### **Legal framework**

Articles 11, 11a and 12 of the Postal Services Directive

### **Substantive focus**

The report will build on work developed in previous years, in which access regulation practices in the Member States, including rules for price determination, the application of special tariffs, the scope of the services to which access to the USP's network is permitted and the quality of service were summarized, as well as the application of the principles of transparency, non-discrimination and proportionality.

This report should analyze the evolution of postal networks in the context of a transition from letter mail to parcels and identify ways in which operators have been reacting to market developments (namely in terms of altering their networks). Furthermore, it will analyse if and how this evolution has affected access by alternative operators to infrastructures used for delivery of parcels to end users.

Therefore, the focus of the report should be on the infrastructure related to the parcel market (for example, parcel lockers) and access practices in this regard, given its relevance in recent developments in the postal sector. An overview of how this infrastructure is being used and developed by postal operators and the benefits to operators (e.g. efficiency gains), as well as to users, should also be addressed. The presentation of specific cases should be considered in order to gain a broader understanding of the development of infrastructure related to the parcel market and access practices in this regard.

Moreover, the existence of legal restrictions that limit access practices may also be analysed.

The policy/regulatory response to the developments on the infrastructure related to parcel market by postal operators should also be addressed in this report.

**Deliverable #6**

Report on the development of postal networks and access practices regarding infrastructure related to the parcel market

*Adoption Plenary I*

## 2.5 Quality of service, consumer protection and complaints handling

### Background

Ensuring the protection and empowerment of both individual and business postal end-users is an important postal regulatory objective. This includes ensuring the availability of postal services for consumers, with a particular focus on the protection of the more vulnerable ones.

A task of the national regulatory authorities is to monitor the quality of service in order to guarantee a postal service of specified quality and to ensure that transparent, simple and inexpensive procedures are available to users, particularly in cases involving loss, theft, damage or non-compliance with service quality standards. Furthermore, NRAs should monitor the evolution of the postal market by collecting specific information in order to ensure the provision of the universal service, with a focus on consumer protection and complaints handling.

Assessing the challenges stemming from the technological change in the provision of postal services and the implications for market dynamics that may require adjustments to adequately safeguard consumers' interests are also key points for the regulators.

### Legal framework

Articles 3, 16, 17, 18, 19 and 20 of the Postal Services Directive.

### Substantive focus

This report represents the continuing of the work that has been developed during the last few years, presenting main conclusions on quality of service, consumer protection and complaints handling. It will also report on specific country cases if they are relevant. New quality of service indicators may be used to evaluate the provision of high-quality and comparable postal services throughout the national territories with a view to determine whether consumers living in different parts of the country have access to the same levels of quality of service. It will also be analyzed whether service provided to end-users by non-USPs is in line with that provided by the USP in terms of quality of service, provided information is available.

As Member States rely on different methods to guarantee the quality and reliability of quality of service measurement, the most common difficulties faced by NRAs associated with quality of service measurement and the ways in which they have been trying to deal with them will be identified, in order to identify best practices. In particular, the report should look into how measurement reliability is ensured and into the selection process of specific entities to develop these measurements, as well as other aspects related to measurement of quality of service.



The subject of transparency of information provided to end-users and the rights for users in their relation with the provider of the service will also be taken into account in the report, identifying the usual practices adopted by NRAs (and by providers) with a view to disclose information about the postal service (and, more particularly, about the universal service). Additionally, data regarding compensations that providers must offer users in case of service failures could also be collected.

#### **Deliverable #7**

Report on quality of service, consumer protection and complaints handling  
*Adoption in Plenary II*

## **2.6 Monitoring of the main market developments**

### **Background**

Given the pace of change and the impact in the regulatory decisions, understanding market dynamics and therefore the monitoring of the evolution of the market is of utmost importance for NRAs and for ERGP.

More specifically, having accurate and comparable information about the postal market and its developments is essential for NRAs to ensure that they perform their regulatory duties. The supervision of the postal market developments is key in the context of full market opening and to guarantee that this opening benefits all users, both consumers and businesses. Monitoring the European postal market is also fundamental to guarantee the twofold regulatory objectives of protecting end-users and promoting competition as outlined in the legal postal framework.

NRAs should ensure compliance with the obligations arising from the Postal Services Directive, in particular by establishing monitoring and regulatory procedures to guarantee the provision of the universal service (Article 22, 2). The Postal Services Directive also foresees that NRAs should monitor the evolution of the postal market by collecting specific information in order to perform their regulatory tasks.

The Postal Services Directive gives NRAs the power to request information from postal service providers in order to carry out their tasks (article 22a), to ensure conformity with the provisions or decisions made in accordance with the Postal Services Directive and for clearly defined statistical purposes. Moreover, it is also stated that, upon request, NRAs shall provide the EC with appropriate and relevant information necessary for it to carry out its tasks under the Postal Services Directive.

ERGP has also been collaborating with the EC regarding the data collection of postal indicators, which is important in order to guarantee data comparability.

### **Legal framework**

Article 22 and 22a of the Postal Services Directive.

### **Substantive focus**

This report will describe the main conclusions on trends and evolution of the European postal market, based on the collected data. The core indicators include, namely, prices, market structure indicators, volumes, revenues, employment and postal network. It will also report specific country cases if they are relevant. It will focus on aspects of emergence of new trends in the market in terms of e-commerce and new solutions of delivery, for example parcel lockers.

This report should also provide an overview of how new technologies are being used by postal operators (e.g. track and trace management, routing optimization, drones). In particular, the effect of these new technologies in reaching areas with low population density, isolated or distant could be analysed. The main goal will be to collect data, through the NRAs, on the use of these practices by postal operators, while also presenting specific cases to gain a broader understanding of how the postal sector is evolving.

Cooperation with the EC regarding the data collection process is also expected to continue with a view to ensure consistency of the data collected and aiming at further streamlining and simplifying the data collection process.

#### **Deliverable #8**

Report on postal core indicators  
*Adoption in Plenary II*

## **3 Horizontal issues**

### **3.1 ERGP Medium-Term Strategy 2020-2022**

#### **Background**

ERGP should approve every 3 years a MTS, which identifies the developments of the sector in the medium run and the ERGP priorities that are to be developed in each annual work programme. The first MTS covered the period 2017-2019 and was drafted taking into consideration the positions of the stakeholders expressed during a public consultation period. Having reached the final year of this MTS, it is necessary to elaborate a new MTS for the forthcoming period of 3 years (2020-2022).

#### **Substantive focus**

The MTS will identify the core areas of focus for ERGP's work between 2020 and 2022, taking into account the developments of the postal sector and the changes in consumers' needs, in particular due to electronic substitution and e-commerce.

The MTS should identify the main strategic pillars for ERGP's activities, ensuring that these respond to the needs of the postal sector and enhancing transparency and predictability of the ERGP's work, while also reflecting the policy and regulatory principles applicable to the postal sector.

**Deliverable #9**

ERGP Medium-Term Strategy 2020-2022  
*Adoption for public consultation Plenary I*  
*Adoption of final document in Plenary II*

**3.2 Increase ERGP transparency and efficiency****Background**

ERGP will continue to improve the efficiency and transparency of its working methods, namely improving ERGP internal communication and enhancing engagement with relevant stakeholders and international organizations.

**Substantive focus**

ERGP will continue to develop actions to improve its internal organization. Following on the work already developed in previous years with a view to foster ERGP's efficiency as a whole, specific actions will be developed in 2019 with the objective of improving the internal structure with a more efficient use of resources.

ERGP will also take measures to facilitate the sharing of information among NRAs and, consequently, to contribute to an enhanced dissemination of information which will be a valuable tool for NRAs. In this sense, the possibility of establishment of a data-sharing platform will be analyzed, with the objective of creating a repository of the data collected by the WGs, which will then be accessible to every NRA through ERGP's internal website. ERGP will identify different possibilities of establishing this data sharing platform, describing options, costs, resources and a plan of action for its implementation.

ERGP will also take actions to improve its external communication. In this sense, the strengthening of contacts with stakeholders and with the European institutions and the improvement of the ERGP external website are key aspects. ERGP will communicate regularly to the stakeholders all the relevant decisions, documents and actions.

ERGP will continue cooperating with international organizations, looking to exchange best practices and regulatory expertise, to make ERGP more aware of its counterparts' positions and to better understand the impact that non-EU markets have on the EU postal market and the challenges in terms of competition and regulatory activity.

**Deliverable #10**

Report on data sharing (internal report)  
*Adoption Plenary I*

### **3.3 Stakeholders Forum**

#### **Background**

ERGP organises, once a year, a Stakeholders Forum with the main objective of having a dialogue with stakeholders on strategic issues relevant for the postal sector outside formal consultations. A particular point to be discussed will be the ERGP WP for the forthcoming year.

The ERGP Stakeholders Forum is an important communication tool to be used by ERGP as a way to engage with stakeholders, ensuring that ERGP's work remains relevant to the market in general, and also to promote ERGP's work. The ERGP Stakeholders Forum allows for dialogue with stakeholders, thus supplementing the feedback received from current regular written public consultations applied in the process of preparing ERGP documents.

#### **Substantive focus**

The ERGP Stakeholders Forum will be held in Brussels as most of the associations active on the European level have an office in Brussels or are frequently present in this city. ERGP will also promote the participation of national operators and consumer associations, as well as market participants and regulators from other regions of the world.

In order to have fruitful discussions on issues of strategic relevance, the ERGP Stakeholders Forum should address participants at executive level.

The ERGP Stakeholder Forum will be organised as a one-day event in September 2019.