



**ERGP Report on the outcome of the public consultation on the
Draft ERGP Medium Term Strategy 2020-2022**



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1. Background

During the Plenary Meeting in Portugal on 28 June 2019, ERGP approved the draft ERGP Medium Term Strategy 2020-2022 for public consultation. The role of the public consultation is to increase transparency and to provide ERGP with valuable feedback from all interested parties.

This report summarizes stakeholders' contributions and how stakeholders' views have been taken into account by ERGP, presenting ERGP's position with regard to suggestions and proposals put forward in those responses.

The public consultation was open from 5 July to 20 September 2019 and run in parallel with the consultation on the draft ERGP Work Programme 2020.

Two written responses were received from the following stakeholders: PostEurop and Royal Mail Group. None of the contributions received is confidential. Therefore, ERGP also publishes the contributions on its website.

Stakeholders had also the opportunity to express their thoughts and opinions on the MTS during the 2nd ERGP Stakeholder Forum that was held in Brussels at 18 September 2019.

ERGP welcomes all contributions and thanks all stakeholders for their submissions.

The comments received can be summarised in the following categories.

2. MTS 2020-2022 Strategic focus areas

“In the course of pursuing the activities stemming from Strategic Pillars I, II & III, ERGP will focus on the provision of proactive and forward-looking support and advice to the European Commission in drafting a fit for purpose regulatory framework for the postal sector reflecting best regulatory practices. To ensure ERGP input will be duly taken into account, it is important to reference formal requests for ERGP input from the Commission explicitly in the legislation.”¹

¹ Draft MTS 2020–2022 (ERGP PL I (19) 7, p. 6

PostEurop proposes that the ERGP remain an advisory body to the European Commission as laid down in Commission's Decision 2010/C 217/07.

Royal Mail Group believes that the ERGP should work closely with postal operators on regulatory best practices and focus on supportive regulatory tools to help sustain the universal service across Europe. It sees no need for the ERGP to have a greater role and it should remain an advisory body, as laid down in Commission Decision 2010/C 217/07.

ERGP Response

ERGP welcomes all comments received. Practice has shown that ERGP had to respond so far to complex and forward-looking requests from the European Commission in a series of issues, from technical advice on the implementation of the cross border parcel delivery Regulation (EU) 2018/644, to an Opinion on Future Regulation. Thus, ERGP strongly believes that it should, in the coming period, focus on the provision of proactive and forward-looking support and advice to the European Commission and suggests to be referred to officially in the EU legislation for providing opinions to the European Commission.

3. MTS 2020-2022 Strategic Pillar I - Revisiting the postal sector

PostEurop does not see a need for a reorientation of the Postal Services Directive.

It agrees with ERGP that the future regulatory framework must be flexible enough to tackle particular national circumstances and allow innovative solutions for the provision of postal services.

Royal mail Group also sees no need to review the Postal Services Directive.

The same views were expressed during the Stakeholder Forum from representatives of designated operators, including the need for a regulatory framework to promote innovation.

ERGP Response

In its "Opinion on the review of the regulatory framework" (ERGP PL I (19) 12) ERGP expressed its belief that a greenfield approach is needed in establishing a new regulatory framework. ERGP notes that its opinion, reflected in the MTS 2020-2022, differs from that of the stakeholders mentioned above, but it sees no cause in the arguments brought forward to change its position in this respect.

4. MTS 2020-2022 Strategic Pillar II – Promoting a competitive EU postal single market

The ERGP draft MTS 2020-2022 identifies the promotion of competition as a major challenge and opportunity in the postal market and therefore has introduced the Strategic Pillar II “Promoting a competitive EU postal single market”

PostEurop disagrees with the MTS focus on competition and sees no justification for introducing a competition-focused sector-specific regulation regime for the postal sector. According to PostEurop, in the letter market, some Member States have end-to-end competition or in the upstream market and letter mail is mainly in fierce competition with e-substitutions across all Member States, so ex-ante obligations would not ensure the development of a competitive market or otherwise affect its competitive dynamics. Moreover, competition through sector specific regulation would – in its view – only happen at the expense of a sustainable universal service.

It also states that the parcel market is highly competitive and there is no need for further promotion of competition without proven market failure.

Royal Mail Group argues also that both the parcels and the letters sectors in the UK are highly competitive. The ERGP should not promote further competition in member states where competition is already well developed.

The same views were expressed during the Stakeholder Forum by representatives of designated operators.

ERGP Response

ERGP believes competition tools are necessary to ensure a level playing field in postal markets in transition, allowing innovative services to emerge, and to promote a fair and competitive European postal single market. Recommendation two of the “Opinion on the review of the regulatory framework” (ERGP PL I (19) 12, therefore posits the need to reorient the focus of the regulatory framework from the universal service provision to a proper functioning of the postal market and of competition. The MTS 2020-2022 consequently focusses on competition issues, but encompassing the existing focus on universal service provision and not replacing it. ERGP does not see a contradiction between the two objectives of promoting competition and safeguarding users’ interests.

5. Strategic Pillar III - Empowering end-users and ensuring a user oriented universal service

PostEurop is concerned about the lack of focus on the universal service, which it believes should be at the core of European postal policy. It considers that the promotion of a sustainable provision of the universal service (the first pillar of the ERGP's strategy in previous years) should continue to remain at the core of postal regulation.

Royal Mail Group is also disappointed to see the lack of focus on the universal service sustainability in ERGP's Medium-Term Strategy 2020-2022. It believes sustainability should remain at the core of postal regulation, at the regional, national and European level.

During the Stakeholder Forum, Universal Postal Union Director General, Mr. Bishar Hussein, stressed the importance of the Universal Service, not only in Europe but all over the world and the need to finance it.

Representatives of consumer organisations stated the need for ERGP to focus on consumer protection issues.

ERGP response

ERGP points out that a perceived feeling of lack of focus on Universal Service is unfounded since this subject is clearly and explicitly included in Strategic Pillar III. In ERGP's view however, a forward looking and fit for purpose regulation cannot be centred on or even limited to universal service provision alone. ERGP considers it very important to develop a user oriented universal service and an efficient and simple compensation mechanism for the costs of its provision.

6. Comments made during the ERGP Stakeholder Forum on 18 Sept. 2019

The draft version of the MTS was presented at the Stakeholder Forum in Brussels on 18 September 2019. Various stakeholders took the opportunity to formulate their comments on the draft MTS 2020-2022 on that occasion in an open and constructive discussion. Besides the two written comments from PostEurop and Royal Mail Group ERGP received oral comments from incumbents, express operators, alternative operators and the trade union.



ERGP response

ERGP recognises the importance of the issues raised by stakeholders and ERGP adjusted and nuanced the text without however changing the substance of the MTS 2020-2022 to address some of the formulated comments. Furthermore, ERGP added a general reference in the MTS 2020-2022 regarding a level playing field between all operators.