



ERGP PL II (22)6 Work Programme 2023

ERGP Work Programme 2023

Introduction

The European Regulators Group for Postal Services (ERGP) was established by the European Commission (EC) Decision of 10 August 2010 (2010/C 217/07) (the Decision henceforth).

ERGP's tasks¹ are to advise and assist the 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.

According to recital 6 of the Decision preamble, ERGP serves as a body for reflection, discussion, and advice to the EC in the postal services field. It facilitates consultation, coordination, and cooperation between the independent national regulatory authorities (NRAs) and between them and the Commission, with a view to strengthening the internal market for postal services and ensuring the consistent application of the Postal Services Directive (PSD) in all MS.

The activities of the ERGP for each year are structured by the annual Work Programme (WP), which takes into account the results of a broad stakeholder consultation, in order to ensure that the work of the ERGP corresponds to the needs and the trends of the postal sector. The preparation of the ERGP Work Programme for 2023 (WP 2023) was initiated in early 2022 with an open call for input from all stakeholders calling for suggestions, specific topics or issues, and possible desired deliverables to be addressed by the ERGP in 2023. The input received has been duly considered in preparing the WP 2023.

A draft ERGP WP 2023 was submitted for public consultation from 8th of July 2022 until 8th of October 2022 and was presented in the Stakeholders' Forum on the 30th of September 2022. The work programme was approved for publication in the 23rd ERGP Plenary Meeting on 25 November 2022 in Barcelona.

The WP 2023 follows up the work initiated in 2022 and considers the medium- and long-term challenges and developments of the postal sector, such as a potential review of the regulatory framework, the Green Deal, digitalization, the changes in consumers' needs (in particular due to electronic substitution) and e-commerce. It has been adapted and developed in accordance with the provisions of the ERGP Medium Term Strategy 2023-2025 (MTS 2023-2025)².

The progressive digital transition and sustainable economy (as also addressed by the European Commission's strategies named "A Europe Fit for the Digital" Age and "The European Green Deal" have been recognised by the ERGP as the two core challenges in the postal sector for the MTS 2023-2025.

¹ Article 2 of the Decision 2010/C 217/07

² A draft of the MTS 2023-2025 was also submitted for public consultation in parallel to the Draft WP 2023.

The MTS 2023-2025 identified three main pillars that, as in the previous years, need to be developed further:

- Strategic Pillar I – Revisiting the postal sector and its regulatory framework in the light of environmental sustainability and digitalization.
- Strategic Pillar II – Promotion of a competitive single EU postal market in the context of rising e-commerce deliveries.
- Strategic Pillar III – Empowerment of end-users and ensuring a user-oriented universal service.

While continuing the activities under Strategic Pillars I, II and III, the ERGP will also work on providing proactive and forward-looking support as well as ad-hoc advice to the European Commission in line with the ERGP duties as set out in the Commission Decision. Refocusing the objectives of the future regulatory framework, as outlined in the ERGP Opinion and the ERGP Position Paper on the EC evaluation report, is essential for all actors to be able to react in the most appropriate and efficient way to the challenges of a rapidly evolving postal sector with a greenfield approach.

The European Commission's (EC) report³ on the application of the Postal Services Directive (Directive 97/67/EC as amended by Directive 2002/39/EC and 2008/6/EC) underlines the need to adapt the future framework in a way that would provide the necessary conditions for the EU postal service to continue to play its role effectively in the economy and to be coherent with, and support, EU level horizontal actions taken within the context of the EU Green Deal and the EU Digital Agenda.

In this context, the ERGP takes into consideration the impact of the development of the digital sector and the objectives of the "Green Deal" in the postal sector and it has included two deliverables covering these topics: "ERGP Report on powers of the NRAs" and "ERGP Report on practices for environmental sustainability in the postal sector". In addition to the report, a Workshop about consumers' awareness of environmental sustainability in the postal sector will be organized.

ERGP will continue the work started in 2022 and will elaborate further on the future postal universal service needs and is based on the MS current practices in terms of universal service obligations, on recent studies on users' needs, and the output of the Workshop on the future of Universal Service⁴.

³ COM(2021) 674 final.

⁴ Organized on 24/11/2022 in Barcelona.

Also, upon request from the EC in relation to the Council Decision of 26 July 2022⁵, ERGP will prepare a report that will describe and analyse the effects the modernisation/adaptation of the universal service had or is expected to have in those MS where this took place in the last decade or is currently being envisaged.

With continuous declining letter mail, in order to offer the universal service without too high financial burden, Universal Service Providers (USPs) will have to adapt to the developments of the postal sector and examine solutions and possible new ways to be cost efficient to sustain the USO. Also, it is very interesting to examine how NRAs and MS have dealt with or are planning to deal with the issue of USO sustainability.

Collection and analysis of market information will still constitute an important part of the work to be performed in 2023, continuing what has been a part of ERGP's activities in the last years, with the addition of environmental sustainability issues, and contributing to establishing the ERGP as a reference in terms of knowledge of the postal sector. Additionally, following the work initiated in 2022 on possible indicators of quality of service for e-commerce parcels, ERGP will further examine the topic.

In 2023, the ERGP will continue the work on the implementation of Regulation 2018/644 on cross-border parcel delivery. The delivery services are of high importance to users, as has been reconfirmed during the Covid-19 pandemic crisis.

The ERGP will carry on enhancing the engagement with stakeholders in the course of pursuing the activities of the WP 2023. In addition, the ERGP will continue its efforts to stress its position on the importance and urgency of the revision of the Regulatory Framework.

⁵ Council Decision (EU) 2022/1327.

ERGP Work Programme 2023

The ERGP WP 2023 is organised based on the three Strategic Pillars of ERGP MTS 2023-2025. A short explanation of the objectives is given for each work subject. It is worth noting that most of the deliverables defined in the ERGP's WP 2023 have a relevance to more than one of the pillars.

Strategic Pillar I - Revisiting the postal sector and its regulatory framework in the light of environmental sustainability and digitalization

The future regulatory framework in light of environmental sustainability and digitalization

The ERGP considers it fundamental to assess the need to adapt the current regulatory framework, considering the effect of digitalization, while reconciling user needs, user protection and a more sustainable way of providing services.

It is also relevant to analyse the regulatory framework and the role of regulators in the near future, taking into account that there is a need to have further competencies, particularly given the growing concerns that have been identified by the EC with regard to the impact of the development of the digital sector and the objectives of the "Green Deal" in the postal sector. As noted in various ERGP documents, although these concerns seem to fall under regulatory remits, in some cases the regulatory/legal framework that may allow them to act is not clearly defined.

Deliverable # 1

ERGP Report on the powers of the NRAs

The report will examine in detail the current powers of the NRAs and if they are still fit for wider objectives. Therefore, the report will look into the powers of the NRAs from the perspective of the environmental sustainability and the digitalization in the postal sector, in order to identify possible limits to this intervention and the need to establish a legal framework that assigns specific competencies to NRAs in these fields. It will also provide recommendations about possible ways to adapt the postal regulatory framework in order to ensure the appropriate powers for the NRAs in the future.

Adoption: Plenary II

Universal Service Obligation (USO)

The EC believes in its last PSD application report cited above that maintaining a minimum level of affordable universal postal service for letter mail, available to all European citizens, remains justified. At the same time, the EC recognises that there may be a case for reassessing what products and services need to be included in the USO and how they should be regulated. The ERGP agrees in general with the EC's observations regarding the USO and believes that it is useful to evaluate in detail the USO taking into account the users' needs.

Deliverable # 2

Report on the future needs of the USO

This report continues the work started in 2022. It will elaborate further on the future postal universal service needs and is based on the Member States current practices in terms of universal service obligations, on recent studies on users' needs, and the output of the Workshop on the future of Universal Service. It will consider the recent and foreseeable market dynamics including the competitive offerings of parcel delivery service providers and the changes in consumers' needs, with a focus in assessing the impact of e-commerce on the universal service remit. It will evidence the diversity of the MS' circumstances, as well as the needs of particularly vulnerable groups. Furthermore, the report might include recommendations to follow-up on the reaction of the EC to Council Decision of 26 July 2022.

Adoption: Plenary I

Deliverable # 3

Report on the effects of modernisation/adaptations of the universal service

Following a request from the EC, this report will describe and analyse the effects the modernisation/adaptation of the universal service had or is expected to have in those MS where this took place in the last decade or is currently being envisaged. Particularly the effects on the user satisfaction, both consumer and business, employment (in qualitative and quantitative terms) and cost/financial sustainability will be evaluated. The impacts on administrative costs should also be highlighted. If available, data on environmental impacts will be assessed. This would contribute to the work the EC is doing in order to provide a forward-looking and prospective study on the situation of the internal market of the Union postal service.

Adoption: Plenary II

Environmental sustainability in the postal sector

The ERGP attributes the due priority to the important issue of environmental sustainability. In 2021, ERGP approved the report on the impact of the EU Green Deal on the postal sector⁶ and in 2022 it is working on a report on Environmental Sustainability in the Postal Sector. The initial findings of the above reports indicate that there is an abundance of initiatives in the postal sector in many MS that focus on different aspects of environmental sustainability. These are ranging from public initiatives, partnerships between public and private market actors and market driven private initiatives.

Deliverable # 4

ERGP Report on practices for environmental sustainability in the postal sector

The report will collect, categorize, and analyse activities observed by NRAs and other relevant players in order to get a more complete picture of the initiatives that could serve as examples of good or best practices and be considered for implementation by other MS.

Therefore, the report will focus on examples of good practices/regulatory tools used by NRAs to further stimulate environmental sustainability in the postal sector.

Adoption: Plenary II

In addition to the report, a Workshop about consumers' awareness of environmental sustainability in the postal sector will be organised.

Strategic Pillar II - Promotion of a competitive single EU postal market in the context of rising e-commerce deliveries.

Promoting competition

It appears that the benefits to consumers of some items in the universal postal service have been declining, while at the same time universal service provision has become increasingly costly. With continuous declining letter mail, and to sustain the universal service without a disproportionately high financial burden, USPs in the EU will have to adapt to the developments of the postal sector, by introducing new technology and be more cost efficient. NRAs and MS have examined and taken various measures and initiatives towards this direction.

Deliverable # 5

ERGP Report on exploring the sustainability of the USO.

⁶ ERGP (21) 27 Report on Green Deal Impact on Postal Sector.

The report will examine solutions adopted by USPs and possible new ways that have been adopted to be more cost efficient in order to sustain the USO, as well as other actions (such as incentivising the development of shared parcel lockers networks and the better utilization of parcel lockers, implementing more flexible alternative solutions for postal establishments (for example, mobile Post Offices), a better utilization of their network and digitization of their processes and digital solutions). It will also examine how NRAs and MS have dealt with or are planning to deal with this issue.

Adoption: Plenary I

Monitoring of the main market developments

It is essential for NRAs, in order to ensure an effective performance of their regulatory duties and promotion of competition, to have accurate and comparable information about the postal market and its developments.

Deliverable # 6

ERGP Report on core postal indicators

This recurring report describes the main conclusions on trends and evolution of the European postal market, based on the collected data. The core indicators include prices, market structure indicators, volumes, revenues, employment, and postal network infrastructure investments as well as environmental sustainability indicators such as the number of returned items, greenhouse gas emissions and energy use. It will also focus on aspects of the emergence of new trends in the market in terms of e-commerce.

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

In addition, following the work initiated in 2022 on possible indicators of quality of service for e-commerce parcels, ERGP will further examine the topic.

Adoption: Plenary II

Implementation of cross-border parcel delivery regulation

Regulation (EU) 2018/644 on cross-border parcel delivery services was one of the key priorities of the ERGP in the last years. In 2023, the ERGP will continue its engagement to contribute to its harmonized implementation. According to Art. 11 of the Regulation, every three years the EC shall submit an evaluation report on the application and implementation of the Regulation. The next such report is due by November 2024.

The ERGP work to be carried out in 2023 will constitute an early input to this EC's second evaluation report. The work will primarily concentrate on concluding, from several years' perspective, the contribution of the Regulation to the enhancement of cross-border parcel

delivery services, in terms of increased affordability, as well as whether the transparency of cross-border tariffs has been improving since its implementation.

There will also be an update of the analysis of NRAs' difficulties and challenges in applying the Regulation, including a quantitative analysis of the administrative consequences. The work will address already identified issues in the findings of the previous ERGP Reports (e.g. relevant data that could be collected to ensure a better comparability of products and tariffs, in particular, delivery time and QoS), as well as take up key questions from the EC's first implementation report from 2021.

Deliverable # 7

ERGP Report on the application and implementation of the Cross-Border Parcel Regulation

The Report will constitute an input for the EC's second evaluation report according to Article 11 of the Regulation (EU) 2018/644.

Adoption: Plenary I

Strategic Pillar III - Empowering end-users and ensuring user-oriented Universal Service

Consumer issues and quality of service

Empowering both individual and business end-users is one of the most important regulatory objectives. It is essential to guarantee the inclusion of all consumers in the expanding digital economy. The 'communication' need of the consumers is satisfied with a particular emphasis on the protection of the more vulnerable ones. The universal postal service obligation is required for this relevant matter. The delivery services are of high importance to users as has been reconfirmed during the Covid-19 pandemic crisis. The ERGP will look closely at the availability of these services to all consumers, including the SMEs.

A task of the NRAs is to monitor the QoS in order to guarantee a postal service of specified quality and to ensure that transparent, simple and inexpensive complaint procedures are available to users, particularly in cases involving loss, theft, damage or non-compliance with service quality standards.

Deliverable # 8

ERGP Report on Quality of Service, consumer protection and complaints handling

This report represents the continuation of the work done during the last few years, presenting main conclusions on QoS, consumer protection and complaints handling. It will focus on the impact of e-commerce developments on QoS, consumer protection and complaints handling, and how postal providers are ready to meet the expectations of the users' needs. It will also report on specific country cases, if relevant.

Adoption: Plenary II

Other ERGP activities

Enhancing engagement with stakeholders

The ERGP will continue enhancing the engagement with stakeholders in the course of pursuing the activities of the ERGP WP 2023. Specifically, the ERGP will communicate on a regular basis to the stakeholders all the relevant decisions, documents and actions, and will organize, with the participation of the stakeholders, a forum and workshop on important postal issues. In addition, during 2023, the ERGP will continue its efforts to stress its position on the importance of the urgent revision of the Regulatory Framework. This will involve greater interaction and communication at the European institutions level.

Stakeholders Forum

The ERGP Stakeholders Forum can act as a platform for the ERGP in engaging with stakeholders and is organised with the main objective of having an exchange of views with stakeholders on issues relevant for the postal sector.

The ERGP Stakeholders Forum 2023 will be held in Brussels as most of the associations who are active on the European level have an office or are frequently present in this city. The 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. The ERGP Stakeholders Forum will be organised as a one-day event in September 2023.