



Brussels,
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Opinion

**Title: DG GROW - Impact assessment on measures to ensure affordable high quality cross-border parcel delivery
(draft version of 01 February)***

(A) Context

One of the pillars of the Digital Single Market Strategy (DSM) is access for consumers and business to online good and services across Europe. Affordable, high-quality cross-border delivery services is an important element that can build consumer trust in cross-border online sales. A self-regulation exercise - launched in 2013 by industry as a follow-up to the Green Paper on "An integrated parcel delivery market for the growth of e-commerce in the EU" – is still ongoing and involves actions on quality and interoperability aspects like "track and trace" and faster delivery of parcels. As announced in the DSM, this impact assessment assesses the need for additional measures, taking due account of progress made, with a view to improve price transparency and enhance regulatory oversight of parcel delivery.

(B) Overall opinion: POSITIVE

The Board gives a positive opinion to the resubmitted version of the impact assessment report. Overall, the report has been revised taking into account the Board's recommendations. Among others, the purpose of the initiative has been clarified, the baseline scenario has been further developed and additional evidence has been provided to underpin the assumptions.

However, there are still a number of issues which should be further improved:

- 1. Although the analysis of EU added value has been further developed, the benefits of the foreseen proposal can still be better justified by better explaining the extent to which the intended objectives would be attained.**
- 2. The content of the options should be presented more clearly, explaining among others what data would be collected under each option and how the national regulatory authorities (NRAs) will assess in practice the affordability and cost-orientation of cross-border delivery prices.**
- 3. Impacts should be better assessed, in particular those on the competitive position of National Postal Operators (NPOs).**

(C) Main recommendations for improvements

(1) Added value: While the added value of the initiative is better justified (e.g. by removing the reference to the four principles foreseen under the Postal Service

Directive), the report can still be improved further. As the market players focus on the most profitable segments for the time being, the report should better explain why a reorientation of the delivery operators towards small e-retailers as well as sellers and buyers from more peripheral regions is not to be expected, as it already happened with the transition from B2B to B2C segments. The benefits of the foreseen proposal should be better explained by showing the extent to which the intermediate objectives would be attained and, in particular, how prices would decline.

(2) Content of the options: The content of the options should be better explained, for instance by clarifying: (a) what type of data would be collected under each option and assessed by the National Regulatory Authorities (NRA); (b) whether these data are collected for Universal Service Obligation (USO) type of products or for other products as well; (c) whether NRAs are supposed to check the affordability and cost orientation of prices the National Postal Operators (NPO) are charging to other national postal/delivery operators, or if NRAs should also check if the NPO is charging the same tariffs for last mile delivery to other NPOs from different Member States (option 3c). Moreover, the report should clarify how the national regulatory authorities (NRAs) will in practice assess the affordability and cost-orientation of cross-border delivery prices.

(3) Assessment of impacts: The report should better assess the expected impacts of the proposed options on lowering cross-border delivery prices by showing to what extent the proposed measure is expected to attain the objective of improving the affordability for vulnerable users rather than pointing out the positive impacts of "removing delivery concerns relating to price" (concept to be defined) for cross-border e-commerce. The report should discuss in more detail the likely impact on the competitive position of NPOs, in particular for services falling outside the scope of USO where NPOs compete with other delivery operators. Since most of the measures target only the NPOs, and currently the "affordability principle" under the Postal Service Directive only applies to universal services type of products, the report should explain to what extent fair competition and a level playing field for all actors on the same market is ensured, if the scope of the initiative goes beyond the universal service obligation.

(D) Procedure and presentation

The overall coherence of the report and the links between different sections have been improved, in line with the Board's recommendations. However, key assumptions for cost calculations (based on a clarification of what type of data is going to be collected – see above) together with their uncertainties and limitations should be better presented. The report should still present the rationale behind the ratings in the tables comparing the options. In order to improve readability, the market structure should be briefly presented in the beginning of the report.

(E) RSB scrutiny process

Reference number	2015/GROW/027
External expertise used	No
Date of RSB meeting	Written procedure (an earlier version of this report was submitted to the Board on 11 November 2015, for which the Board issued an opinion on 2 December 2015).