European Committee for Postal Regulation

Summary №1 - (1st February 2018)

CERP Activity

52nd Plenary Meeting in Madrid. -- Six important proposals were approved by the plenary as a work plan for the future of CERP. -- WG Policy: decided to start the study of main areas to discuss on the new Postal Directive. -- WG. UPU: Reform of the UPU, Provident Scheme and reform of the Contribution System were deeply discussed. A CERP working proposal on Provident Scheme and a request to create a regulatory task force on IPP were sent to the UPU. -- Steering Group: decided to start the Task Force on the future of CERP and the Memorandum of Understanding with Pan African Postal Union (PAPU).

Member countries regulation

The Italian regulator could consider Amazon as a postal operator. -- Ofcom reviews the regulatory framework in the UK. -- Portugal- ANACOM: The regulator will sanction CTT Correios with a reduction of tariffs by fail to meet the quality objectives of the ordinary letter in 2016 -- FRANCE raises the possibility of dispensing with the delivery of letters in D + 1. -- The Czech regulator declares the tender for the provision of the service void universal postcard from 2018 -- Posten Norge calls for the reduction of the universal postal service before the cut in its financing.
CERP Activity

52nd CERP Plenary Meeting
The 52th plenary meeting was held in Madrid on 1st and 2nd of June. Two important forums took place:

- First forum, on the European Commission Proposal on Cross-border parcel delivery services shows how e-commerce has impacted the postal services and the need to adapt the postal regulation (presentations of this forum are available on the CERP Website).

- The second forum discussed the main challenges after 26th UPU Congress, especially on Reform of the UPU and Remuneration System (presentations of this forum are available on the CERP Website).

A new Steering Group was elected by the plenary for the next cycle 2017-2020:

Chairman
Mr. Germán Vázquez (Spain).

Vicechairman
Mr. Nikola Trubint (Serbia).

WG. UPU Chairwoman
Ms. Christel Fiorina (France).

WG. Policy Chairman
Mr. Andreas Hach (Austria).

The plenary also decided to approve some proposals on the future of CERP and the creation of a new Task Force with the ambitious aim of adapting CERP to the new postal environment. The whole list of the proposals approved is included at the end of this newsletter.

Working Group Policy
The 9th WG Policy Meeting was held in London on 3 and 4 of July 2017. Interesting topics were discussed as the different role of regulators and ministries along the decision making process at EU or the need to update the postal regulatory framework.

Two important decisions were taken during this meeting:

- Start working on the study of a new postal regulation (Postal Directive). A working plan was established and its first step is to define the main topics to discuss before the next working group meeting that will be held the 1st of February in Vienna.

- More active interaction with the EU Commission, especially, regarding Postal Directive Committee meetings.

Working Group UPU
The working group UPU has held four meetings since the plenary in June 2017: the first was in Bern during the Reform of the Union meeting; a teleconference on Reform of the Union and provident Scheme in July; a WG meeting in Paris in September; WG meeting in Copenhagen in October; CA plenary sessions in Bern; and a teleconference on IPP and IRP in November.

The WG has discussed about the challenges of the UPU, especially the Reform of the Union, Provident Scheme and the Reform of the Contribution system.
At the end of July 2017, the CERP was accepted as an active member in the UPU Task Force on Provident Scheme and was sent, to this UPU Task force, a CERP Document containing a working proposal, as it was decided by the Working Group during the teleconference.

In September, a proposal to create a task force on the regulatory impact of IPP was sent to UPU following the decision taken in Paris Meeting.

**Steering Group**

Three teleconferences were held by the Steering Group and the following activities have been carried out:

- Informal discussion with the EU Commission to establish a closer relationship, especially, regarding the process of discussion on a new postal regulation and a more active participation in Postal Directive Meetings.

- A Draft Strategic Document has been written and decided to start the works of the Task Force on the future of CERP on 1st of October.

- In June 2017, a letter was sent to the most important restricted union to introduce the new Steering Group and offer CERP collaboration on UPU matters. The Pan African Postal Union answered this letter proposing the signing of a Memorandum of Understanding between CERP and PAPU.

- The Chair of CERP attended the plenary meetings of the Postal Union of America, Spain and Portugal (PUASP) and Posteurop, both hold during September 2017.

**2018 Plenary Meeting**

Unfortunately, there is no country candidate to host the 2018 CERP Plenary so probably it will be held in the ECO facilities in Copenhagen during the third week of June.

Due to these circumstances the plenary will be a very operative one and the topics to discuss, among others, will be:

- Approval of the European Common Positions submitted by the WG UPU regarding UPU Extraordinary Congress

- Approval of the Memorandum of Understanding between CEPT and the Pan African Postal Union (PAPU)

- Renewal of the Memorandum of Understanding between CEPT and UPU signed in 2004.

- Working Group activity reports
The Italian regulator could consider Amazon as a postal operator.

The Italian postal regulatory authority AGCOM has issued a warning to the company of electronic commerce Amazon and its subsidiaries in the country, Amazon Italia Logistics and Amazon City Logistica, for providing postal services without having the necessary authorization.

AGCOM considers as postal activity the delivery made by its drivers, contracted as self-employed, from articles that other online merchants sell through its marketplace.

Amazon has 15 days to present claims. In case it was definitely classified as a postal company, it would have to comply with various requirements, such as providing information to the regulator about its shipment volumes or the number of its workers. Also, that decision would directly affect salaries of its personnel, which are currently within the collective agreement of the retail.

Source: CEP News, 13/12/2017

UK OFCOM – Ofcom reviews the regulatory framework in the UK.

During the WG-Policy meeting held in London on 12 July 2017, OFCOM presented the review of the regulatory framework in the UK. Two presentations are available on the CERP Website

(WG Policy Meeting Documents - 9th WG Policy meeting in London)

Portugal- ANACOM: The regulator will sanction CTT Correios with a reduction of tariffs by fail to meet the quality objectives of the ordinary letter in 2016

The Portuguese postal regulator, ANACOM, has determined that CTT Correios has not reached the minimum levels of quality of delivery of the universal postal service during the past year.

The 2015-2017 benefit plan states that only 2.3% of every 1,000 ordinary mail deliveries can be delivered within 15 working days. According to the regulatory authority, the default rate in 2016 would have exceeded 2.8%.

ANACOM has proposed a penalty, consisting of a reduction of the average price in force in 2017 for all the products included in the universal postal service (letters, postal packages and press). CTT Correios could present its allegations until the end of September. If the decision is confirmed, the rate change must be applied before 31 December.

On the otherhand, ANACOM has also paralyzed the postal operator’s plans to reduce its office network by 2020, by requiring it to maintain the same minimum density requirements over the next three years. Among other measures, CTT Correios must have an office for every 4,600 inhabitants. In each municipality, will have at least one postal establishment, which provides all services for 6 hours, every working day. In addition, 97.5% of the population will have a branch at a maximum distance of 8.5 km and 95% at 4 km. In addition, rural areas whose office is more than 10 km away, will have a mobile point of service.

Sources: CEP News, Expresso, Anacom, 27-29 / 09/2017
FRANCE raises the possibility of dispensing with the delivery of letters in D + 1.

The Superior Commission for digital and postal affairs, an advisory commission attached to the Prime Minister, has proposed to the Parliament the possibility of reducing the quality objective of correspondence delivery. This debate is motivated during the discussion on the next signing of the contract universal postal service program for the period 2018-2022 between La Poste and the Government.

The current draft of the agreement, according to the newspaper Les Echos, maintains the delivery requirement to next day. For this reason, parliamentarians have asked the Executive to reconsider the survival of urgent deliveries of mail, due to the decrease in volumes and existence of other channels that allow fast, secure communications and confidential.

However, the postal operator has defended its maintenance, stressing that there is a high demand for this service. Currently, one third of all correspondence is distributed the next day, while the rest is distributed in D + 2 (the "green" letter), according to La Poste.

This proposal has been, however, rejected. On one hand, La Poste and the government were not willing to do so. On the other hand, a vast majority of citizens who answered the public consultation led in summer 2017, expressed their attachment to the offer D+1 (78 % considered this offer useful – 34 % - or very useful – 44 %).

January 2018

The Czech regulator declares the tender for the provision of the service void universal postcard from 2018

The postal regulatory authority of the Czech Republic, CTU, has not selected any company in the tender recently held for the provision of the postal service universal during the period 2018-2022. This body has explained that the only participant who has attended, Ceska Posta (current supplier until the end of year) continue to provide this basic service.

Despite declaring this contest void, CTU has affirmed that the universal postal service it will continue to be provided starting in 2018, without specifying whether it will call a new tender. With that end, has initiated a procedure for Ceska Posta (current supplier until the end of year) continue to provide this basic service.

For its part, the Czech Executive has announced that it will analyze this fact, since it considers that the regulator's procedure has not been adequate. This controversy is added to the debate in recent years on the most appropriate mechanism of compensation for provision of universal service in the Czech Republic

Sources: CEP News. Esmerk Eastern European News 08-14/11/2017

Posten Norge calls for the reduction of the universal postal service before the cut in its financing.

The Norwegian post has raised the possibility for the Government to reduce the universal postal service in order to adapt to the citizens and maintain their financial viability. The reason argued is the accused decline in postal volumes in recent years. Thus, the operator predicts that in 2019 each household will receive only three shipments of average per week (there are currently four).

In addition, the Executive has recently announced that it will reduce to 165 million crowns (17.6 million euros) the compensation for the provision of this service for five days of the week. However, Pasten Norge estimates that its cost in 2017 will be 75.1 millions of euros. In 2016, the amount contributed by this concept was 29.1 million euros.

Sources: CEP News. Esmerk rJorv..egran News. 16/10/2017
Annex 1. Proposals on the future of CERP approved by the 52nd Plenary Meeting

First Proposal - Creation of a Task Force with the aim of:

- Review the Mission Statement of CERP, and its Working Groups, to clearly identify what are the areas of competence and main objectives, and propose possible modifications to the 2018 plenary meeting.

- Update the “Rules of Procedure” and “Working methods” with the aim of adapting the structure, decision-making process and types of decisions to the mission and objectives of CERP, and propose possible modifications to the 2018 plenary meeting.

Second proposal: WG - Policy Group should consider incorporating to its works the following recommendations:

- Establish a Project Team to analyze the most relevant aspects for a future revision of the Postal Directive.

- Hold, at least, two annual meetings (physically or remotely) to prepare the topics that are going to be discussed at the Postal Directive Committee meeting. The European Commission should be conferred with the WG Policy, in advance of such meetings, to share the topics that are going to be discussed in the Postal Directive Committee meeting.

- Incorporate the topic “Current works of ERGP” to each meeting of the WG Policy. The plenary meeting agrees to recommend dealing.

Third proposal: WG - UPU Group should consider incorporating to its works the following recommendations:

- Identify the issues which will be discussed in Ethiopia during the extraordinary Congress of UPU and consider the creation of specific Project Teams for each one of them with the aim of presenting a proposal of European Common Position at the plenary in 2018.

- Foster a deeper coordination with Posteurop identifying a list of subjects of common interest.

Fourth proposal: The Steering Committee will assume the functions and objectives of the Task Force of Communication, especially the following:

- Update the information on the CERP website.

- Update and publish the list of members and observers.

- Promote the use of teleconferences and forums in which members of the different working groups could exchange working documents and points of view.

Fifth proposal: CERP plenary: How could the CERP member’s participation be increased?

- In the UPU Congress years, the plenary will be held one or two months before the Congress to facilitate the adoption of “European common positions”.

- Give the opportunity to all the members to contribute in advance to the elaboration of the agenda.

- Ensure the contact list members and observers is updated and includes all CERP members by right.

- Provide information to all CERP Administrations on an annual basis about the role, mission and activities of CERP.
Sixth proposal: Presidency: Instruct the Chairmanship of the CERP to

- Take action to increase the number of countries to participate in CERP meetings.
- Reestablish the Contact Committee meetings (physically or remotely) with European Commission and other stakeholders.
- At the request of the Chair of the UPU group, to hold informal meetings with all CERP members during the UPU CA sessions or Congress if there are relevant topics.
- Establish formal contacts with other Restricted Union.
- Establish formal contact with ERGP with the aim of, through correspondent working groups, exchange information, discuss the regulatory EU proposals and provide opinions of non EU CERP members.

The Newsletter has been made by the CERP Secretariat and approved by the Steering Group. All CERP member countries are requested to send news or suggestions on topics to be published to the following address cerp@fomento.es.