

UNI Europa's Post & Logistics position paper on the Commission's proposal for a Regulation of cross-border parcel delivery

Brussels, 2 February 2017

UNI Europa Post & Logistics supports the European Commission's efforts to encourage affordable, high-quality cross-border parcel delivery services. In a context of a liberalised postal market and dramatic declines in letter mail volume, it is our hope that the growing demand for parcel services can lead to an increase in quality employment in European delivery markets and contribute to the commercial success of responsible employers in the sector.

Ultimately, European post and logistics workers want to provide a quality service of high-value to their customers and to the general public, while working in an environment which respects their dignity and rights to decent social and employment standards.

Context of the regulation

The Commission has identified key obstacles in completing the single market in cross-border parcel delivery services: high prices, inefficiencies in the market, lack of transparency, excessive cost of small shipments, and lack of inter-operability between different operators. While UNI Europa Post & Logistics supports efforts to create a single digital market adapted to the needs of e-retailers and customers, planned changes must not come at the expense of social, employment and environmental standards.

Postal liberalisation and the ensuing diversification in postal operators' service provision have had significant and negative consequences for employment and working conditions of those in the sector. The parcel segment is expected to be a leader for growth in the broader sector. It is important that regulation of this market not contribute to continued decline in social and employment conditions.

The parcel delivery market involves the universal service providers and Pan-European integrators, and other, smaller operators. Large e-retailers can, to a great degree, determine the activities and tariffs negotiated when tendering business to delivery providers. In a competitive market, these operators increasingly rely on flexible employment models to reduce cost - fewer and fewer couriers work with permanent contracts on a full-time basis. To meet consumer demand, competition is largely driven by cost and the degree of delivery flexibility.

This inevitably affects costs and conditions of labour. As delivery service contracts are further subcontracted, the downward pressure on wages, working conditions and the employment relationship is further exacerbated. Despite calls for fair working conditions in the larger Post & Logistics sector, the Commission has not acted to create a level-playing field. It fails to address market fragmentation between the USPs and competitors.

Comments on the regulation

To achieve a single market in cross-border parcel delivery for all operators it is necessary to involve social partners to devise a regulatory framework focusing on the universal service obligation and its sustainability or establish a framework (with supervisory functions of national regulators) which guarantees a level-playing field for all operators and consideration of social impacts.

There cannot be completion of a single market in cross-border parcel delivery without a minimum regulatory framework addressing market failures and unfair competition. A minimum regulatory framework should apply consistently to all operators. It should include a strong social dimension with shared responsibility throughout the entire e-commerce delivery chain. The social dimension should apply to all market operators, guarantee broad and effective European social dialogue, ensure appropriate vocational training, guarantee decent pay and fair working conditions and impede insecure and undeclared work, particularly prevalent in outsourced 'last mile' operations.

Other aspects could benefit from a consistent regulatory framework: interoperability guarantees, price transparency (reflecting actual costs of deliveries with pay levels and environmental impacts), choice of delivery operators, accessibility and affordability of service provision, price calculation, and a common definition of expected service quality.

Article 3

UNI Europa Post & Logistics supports the information requirements for all parcel delivery service providers. In adopting the implementing act covering the basic information requirements, UNI Europa Post & Logistics would request the expertise of the dedicated Social Dialogue Committee for Postal services, in addition to the ERPG's, to ensure that instances of irregular employment models (outsourcing and sub-contracting) are included in the reporting requirements.

Article 4

UNI Europa Post & Logistics as a general principle supports price transparency. However, applying the regulation only to USPs defies the objective of price transparency for consumers. In that sense, UNI Europa Post & Logistics is not opposed to price transparency requirements for all parcel delivery operators if it enables consumer comparison of delivery options.

UNI Europa Post & Logistics would like to stress the need for a proportional assessment of that measure as it places the USPs in a disproportionately burdensome obligation of reporting whilst having to offer unequivocal access to third party providers when the latter do not have to bear the costs of the USO.

Article 5

UNI Europa finds the affordability assessment in Article 5 to be a disproportionate and unnecessary burden on universal service providers. The real impact of the affordability test will be to drive down tariffs among USPs, where social and employment conditions are typically best, towards the low levels of the worst employers in the sector. Taken to its logical conclusion, this regulatory pressure will drive down rates to such a point where revenues can no longer support safe, decent employment, or high-quality service.

Any test regarding affordability should be applied across the market and not only to USPs. This test must necessarily include a consideration of local conditions and an assessment that contract tenders and single-piece tariffs are sufficient to ensure safe working conditions and decent employment standards as well as appropriate margin.