

## UNI Europa replies to consultation – ENGLISH

### Are you satisfied with the frequency of the delivery and collection of postal items in your Member State? Do you think there should be more or less deliveries and collections every week?

Current definitions of the USO in terms of high-quality, affordable services at uniform prices in the whole territory, access points density, delivery time standards (d+1) and last mile delivery must be upheld and/or maintained as defined in each national context. We call on the legislators to provide incentives to strengthen the postal networks and to find innovative products. We call for the maintenance and enhancement of the scope and quality of universal postal networks. The new regulatory framework must enable the diversification, reorganisation, and modernisation of the postal networks. The adaptation of postal activities must be enabled in a democratic manner with the full involvement of all stakeholders (workers, citizens, consumers) whilst accounting for the regional and national differences and divergences following postal markets liberalisation. In many parts of Europe, notably rural areas, postal services constitute the only means of communication and social inclusion. Postal services, which are services of general economic interest, have a crucial role in promoting social and territorial cohesion. Rather than facilitating the downsizing of the postal networks the new postal regulatory framework must guarantee good quality post offices and delivery networks whilst ensuring a level-playing field for market players that have third-party access to the networks.

### To what extent has the provision of basic postal services in your country kept up with the technological and market developments, societal development and the needs of users?

	Very much	To some extent	Not at all	I do not have an opinion
Technological developments (e.g. email)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Market developments (e.g. more use of parcels; less use of letters)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Societal development (e.g. increased urbanization, aging population)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Users' needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Without challenging the importance of letters, witnessing the continued growth of e-Commerce, parcels are of crucial importance for national economies and are a way to support SMEs' growth in the regions. The scope of the Universal Service must include parcel items and introduce a definition that covers all companies providing this service. All market players involved in the USO must contribute to its financing whilst guaranteeing the high quality of service at uniform affordable prices. Companies must not be able to cherry-pick only profitable areas. They should not be authorised to operate if they practice social dumping in a national market (online platforms that only serve their profits without contributing to social security and social protection national schemes), through instances of unfair competition. To keep up with technological, market, societal developments, and evolving user needs, the revision must uphold the postal mission of services of general economic interest to benefit the citizens and the consumers. Territorial and social cohesion promotion is central to postal services. To achieve this, market operators must compete within a regulatory level-playing field that abides by social, labour, and environmental standards and does not engage in a race-to-the-bottom in terms of wages, working conditions and profit-seeking.

**To the best of your knowledge, are the wholesale tariffs (i.e. tariffs that one postal service provider pays to another postal service provider) for cross-border services within the EU:**

	Yes	No	I do not have an opinion
<b>Cost-oriented</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
<b>Based on the quality of service</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
<b>Transparent</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
<b>Non-discriminatory</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
<b>Influenced by the costs of universal service obligations</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

UNI Europa Post & Logistics would like to posit that EU postal services remain within the remit of the international remuneration system and its rules as defined at the level of the UPU. The UPU system guarantees uniform remunerations according to developmental objectives for each country. UNI Europa Post & Logistics opposes bilateral agreements or special regional tariffs at this puts into question the universality of postal services and hampers innovation and adaptation to market trends. Postal services must remain services of general economic interest within the universal framework of the UPU. Preferential tariffs are not fair as they exclude weaker countries and undermine their postal operations' adaptation. Postal trade unions call for further transparency in tariffs for all market players especially for big customers and the negotiated tariffs for parcels emanating from e-Commerce.

**Should the principles underpinning the establishment of prices of universal postal services be defined in EU law?**

- Yes
- No
- I do not have an opinion

The principles of transparency and universality enshrined in the Postal Services Directive as postal services are Services of General Economic Interest must be upheld. It is for each country to define democratically the scope of its Universal Service Obligation as well as its financing mechanism. The European level Directive establishes the principles and mission of postal services at EU level thus guaranteeing universality and coherence within the EU postal market.

**Does tariff regulation help to make universal postal services affordable?**

- Yes, to a large extent
- Yes, to some extent
- No impact
- Not very much
- Not at all
- I do not have an opinion

Affordability of postal services in a given national territory caters for the essential social cohesion function that postal services guarantee to the citizens. Tariff regulation is necessary and contributes somewhat to the affordability of universal postal services. We witness however increases in prices of basic postal services and issues of competition for services outside the scope of the universal service. Competition in non-universal services adds pressure on overall prices, and hence wages and terms and conditions of employment in the sector. Price competition in postal services generates tension and pressure on the wages of postal workers. This in turn has negative consequences in terms of market access to different services and imposes a race to the bottom in terms of wages and conditions in the sector. The deterioration of wages and conditions in the sector is related to tariff regulation but in that sense tariff regulation does not enhance the affordability of postal services. The focus on price and the opening of the market however have largely contributed to the deterioration of the affordability indicator for universal postal services.

**If the provision of universal postal services risks financial losses being made how should it be financed?**

- By consumers (sufficiently high prices);
- By competing postal operators (a contribution from competitors of the universal service postal operator);
- By the state (State-aid to the universal service provider)
- Other

State subsidies for the provision of universal postal services are an adequate manner to finance the Universal Service Obligation (USO) as it constitutes a service of general economic interest and hence holds an essential public mission. State subsidies for postal services must not be viewed as market disruptions impeaching competition. State subsidies for a public service are democratic and legitimised by the people’s willingness to cater for the essential postal service in their country. Irrespective of whether they generate financial losses, the financing mechanisms of the USO must be under full democratic control and meet the citizens’ interests in a given territory.

**How has the financial compensation mechanism put in place to safeguard the provision of the universal postal services in your country evolved over the past 10 years in terms of:**

at least 4 answered row(s)

	Positively	Not all	at	Negatively	I do not have an opinion
<b>Transparency</b>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input checked="" type="radio"/>
<b>Non-discrimination</b>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input checked="" type="radio"/>
<b>Proportionality</b>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input checked="" type="radio"/>
<b>Application of objective and verifiable criteria</b>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	

The new regulatory framework for postal services must guarantee the sustainable financing of the USO in a shrinking market without profit orientation. We call on the legislators to review the current system of postal compensatory funds as it does not function properly if the USO is defined in a narrow manner (only letters). The current mechanisms do not ensure an adequate compensation and actually generate market distortions by not effectively guaranteeing a high quality USO at uniform affordable prices (it is suggested to move away from the VAT exemption towards a 0% VAT rate on USO products).

It is to be defined who bears that cost, but e-retailers and large senders should contribute to the net USO cost even if it means entrusting additional standards in terms of minimum wages and environmental footprint. Competitors who only cover parts of the USO, including logistics and parcel delivery companies, must pay a certain access price to use the network. All market players involved in the USO must contribute to its financing whilst guaranteeing the high quality of service at uniform affordable prices. Companies must not be able to cherry-pick only profitable areas. They should not be authorised to operate if they practice social dumping in a national market (online platforms that only serve their profits without contributing to social security and social protection national schemes), through instances of unfair competition.

**The definitions used to set the scope of the Postal Services Directive date back to 2008 or earlier. How do the definitions impact your activity?**

	Positively	Neutral	Negatively	I do not have an opinion
Postal services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Postal item	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Postal service provider	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Universal Service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
User, sender	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Without challenging the importance of letters, witnessing the continued growth of e-Commerce, parcels are of crucial importance for national economies and are a way to support SMEs' growth in the regions. We call on the legislators to enact a full citizen right to regular and affordable parcel delivery at uniform prices in a national territory, to send and receive parcels. This implies strong market regulation that guarantees good working conditions, decent wages, and a high quality of service. Social dumping cannot be promoted through regulatory uncertainty (what is within or outside the scope of the USO? who compensates for the maintenance of the networks?) and problems of definitions. We call on the legislators to provide incentives to strengthen the postal networks and to find innovative products. We call for the maintenance and enhancement of the scope and quality of universal postal networks. Rather than facilitating the downsizing of the postal networks the new postal regulatory framework must guarantee good quality post offices and delivery networks whilst ensuring a level-playing field for market players that have third-party access to the networks. Operational costs for accessible postal networks' segments must be valued fairly and the designated universal service providers must be compensated to enable a sustainable maintenance of the postal networks into the future.

**Can you provide an estimate of the main costs incurred by any of these?**

Postal liberalisation coupled with digitalisation has had an overall negative impact on working conditions. Universal Service Providers (USPs) adapted to competition. They diversified their offerings to compete with parcel operators. In parcels, competition is based essentially on the cost of labour. USPs' diversification led to the deterioration of working conditions and employment losses. USPs adapted to competition by becoming cheaper, more efficient, and more flexible. This was achieved through restructuring and rationalisation; outsourcing, franchising, and new subsidiaries; investments in new technologies; downsizing of the postal network; and new forms of employment (more precarious forms). E-retailers and large senders of parcels should contribute to the net USO cost even

if it means entrusting additional standards in terms of minimum wages and environmental footprint. Wage dumping and subcontracting in parcel delivery must be tackled to ensure a living wage and decent working conditions for all workers. Postal operators save costs in their operations by using outsourcing and precarious forms of employment and in turn increase societal costs. Precarious workers do not earn a living wage and therefore need state support to compensate the wage losses. These must be considered when estimating costs for postal services as services of general economic interest with a public mission of social cohesion.

**What do you think will be the effect of the COVID-19 pandemic on the current trends in the postal market?**

	Will accelerate	Will continue at the same pace	Will decelerate	Will reverse completely	Will reverse to a certain extent	I do not have an opinion
* Decline in letter volumes due to electronic communications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Decline in direct mail (addressed publicity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Growth in domestic e-commerce-related parcels	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Growth in cross-border e-commerce-related parcels	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The Covid-19 outbreak has reinforced the importance of parcel delivery as an essential service. Parcel market growth is expected to continue, even accelerate in coming years as more people than ever shop online. The Covid-19 pandemic has intensified this trend. The Covid-19 pandemic has shown how essential and vital it is to have access to parcel delivery and be able to order online within the single market. It has also reasserted the importance of having access to letters and administrative documents delivery. We call on the legislators to enact a full citizen right to regular and affordable parcel and letter delivery at uniform prices in a national territory, to send and receive parcels and letters. This implies strong market regulation that guarantees good working conditions, decent wages, and a high quality of service. The universal service provider must be staffed by well-trained employees on permanent and full-time contracts or it risks jeopardizing the continuity of the USO during times of crisis, as well as all the important social and financial services provided by the post to the population. A well-financed, state-backed postal service is key to building resilience. Postal unions recommend regulated full-time and direct employment in the sector and strong social dialogue to drive resilience and protection of occupational health and safety forward.

**Have the provisions of the Postal Services Directive been sufficiently flexible to allow the postal sector to adjust in response to the COVID-19 pandemic?**

- Yes
- No

**Leave blank**

**Has the Postal Services Directive led to any unintended effect, positive or negative?**

The postal environment is very different now than it was 15 years ago. In addition to technological developments and changing consumer demands, the introduction of competition in the postal market has put pressure on jobs and terms and conditions of employment for postal workers. Average salaries have decreased, employment levels have fallen, and work-related stress has risen. These changes have been driven by artificially injected competition and a shift towards profit orientation and shareholder structures in a service which was supposed to be public and universal for all citizens. While postal companies are still the second biggest employers, many postmen and women today are living at minimum-wage levels and often under precarious working conditions. Postal services have played a crucial role in the political and economic development of the EU. Postal services ensure communication, social cohesion, and political participation. The European Commission and other stakeholders, however, are currently pushing for a one-sided and unsuitable regulatory response: to reduce the scope and obligations of postal services and to destroy the principle of a universal service and the original mission of general economic interest in all our countries and regions. This approach not only entails turning away from further European integration, but it will also lead to the loss of reliable postal services which are vital to social cohesion and a productive economy.

**Do you agree that the opening of the postal market to new providers has effectively contributed to:**

	Yes	In part	Not all	at I do not have an opinion
<b>expanding the overall size of the postal markets?</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
<b>maintaining sustainable and quality employment within universal service providers?</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
<b>facilitating the creation of new jobs in alternative providers?</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please explain

Liberalisation seeks to introduce competition by abolishing monopolies and removing reserved areas. But after 10 years of full postal liberalisation, the only conclusion we can draw is that there is no competition in the postal sector! Only 4.2% of the letter market in Europe is open to competition. Competition in the postal sector is limited to profitable areas like unaddressed advertising and bulk mail. This is what we call "cherry picking". Competition steals the money generated by the profitable services provided by universal service providers which they need so as to finance services in less profitable areas! In a shrinking letter market, companies must provide other services in order to survive. In order to be competitive in the growing parcel sector, postal companies use low labour-cost models, employment cuts, freeze wages, reduced pay and create new job categories. Not all developments can be blamed on liberalisation, but liberalisation does make it harder to adapt and attenuate some of the consequences. Also, the decline in letter volumes, high restructuring and modernisation costs and privatisation have contributed to the situation we face today. Data available on new jobs at alternative providers does not inform on the quality of these new jobs. Part-time and precarious working conditions in the sector are not positive consequences of market opening.

**Do you consider that the Postal Services Directive provides the necessary level of flexibility to meet the particular circumstances and needs in your Member State?**

- Yes
- No
- I do not have an opinion

**To what extent are the measures set out by the Postal Services Directive in line with the following EU policies?**

	To a large extent	To some extent	Neutral	Rather not	Not at all	I do not know
* Taxation policies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Customs regulations	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Competition framework	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Consumer rights framework	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Labour and social policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Environmental regulations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Trade policies and agreements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Transport policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Regional cohesion policies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* The Digital Single Market Strategy and subsequent policies – i.e. e-commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please explain

We call on the legislators to provide incentives to strengthen the postal networks and to find innovative products. We call for the maintenance and enhancement of the scope and quality of universal postal networks. Rather than facilitating the downsizing of the postal networks the new postal regulatory framework must guarantee good quality post offices and delivery networks whilst ensuring a level-playing field for market players that have third-party access to the networks. To support a harmonised regulatory approach in parcel delivery and e-Commerce expansion, the Regulation must uphold the postal mission of services of general economic interest to benefit the citizens and the consumers. To achieve this, market operators must compete within a regulatory level-playing field that abides by social, labour, and environmental standards and does not engage in a race-to-the-bottom in terms of wages, working conditions and profit-seeking. Postal unions call for regulatory coherence and harmonisation between the parcels market and the postal market. In cross-border parcel delivery, the revision must bring forward same reporting obligations for all market players (parcel delivery companies, postal operators, e-Commerce players, online platforms). The revision should clarify definitions and promote decent jobs and working conditions in the postal sector to avoid instances of unfair competition and social dumping.

**To what extent has the postal sector developed in an environmentally sustainable manner and to what extent does it contribute to the fight against climate change?**

	To a large extent	To some extent	Not at all	I do not know
* Developed in an environmentally sustainable manner	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Contributes to the fight against climate change	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Parcel delivery has an environmental cost. UNI Europa Post & Logistics favours further interoperability between parcel operators to have a positive effect on carbon emissions. Combined delivery between different operators should be promoted along with an electrification obligation of the fleets. Information on environmental effects of delivery operators should be available to consumers, especially when they order goods online. Parcel return policies of large e-retailers should also be considered. The European Green Deal endeavours in that sense ought to be reflected in the information obligations of e-retailers regarding the environmental footprint of parcel delivery operations. All companies providing services under the USO must report in a standardised manner to the NRAs and the NRAs should uphold and safeguard social and environmental standards. This means the NRAs need more social and environmental responsibility, more financial and personal capacity and accountability in enforcing corrective mechanisms in case of non-respect of established standards and national legislation. Postal liberalisation increased green gas emissions as more competing operators deliver to the same address. Low-cost business models and outsourcing with precarious employment conditions also undermine financial incentives provided for greener vehicles.

**In light of the changes in users' needs and the market, do you believe the Postal Services Directive is still fit for purpose?**

- Yes, absolutely
- Yes, but it needs adjustments
- No, it needs to be significantly changed
- No, it is not necessary anymore
- Other

Postal markets have been subject to massive disruption. Our trade unions are calling for the development of a high quality European postal system that promotes social and territorial cohesion and responds to the needs and expectations of citizens. The e-commerce market has a strong impact on our postal activities. It is therefore more important than ever for us to work closely with all of the e-commerce players in order to define new standards in the processing and distribution of parcels and to combat all forms of economic and social dumping in Europe. All companies operating in the sector, including logistics companies using the network, must comply with social and environmental standards which are demanded by more and more Europeans, and in particular by the younger generation. European Directives (including those that define the scope of the Universal Service as well as those covering e-commerce) must establish harmonised and inclusive standards applicable to all actors who are at the service of citizens and consumers and serve intra-European and international trade, ensuring the dignity of employees, the well-being of citizens, and the preservation of resources. The Postal Services Directive is still fit for purpose, but its definitions and interpretations must be adapted. The USO scope must be enlarged to cover all competitors in the sector and enact minimum employment and environmental standards to avoid social dumping in the provision of postal services.



**If relevant, you can provide comments other than those covered by the previous questions.**

Our unique network with 1.87 million workers and post offices in almost all EU countries needs secure financing to adapt and be developed further. Each national government should support the network and seek to guarantee a sustainable financing basis to ensure social cohesion and appropriate citizen services where needed. Moreover, parcels and letters delivery have a price. Consumers must be able to make an informed choice over which provider to choose if there is competition. Currently this is not the case and the consumer cannot make an informed choice as there are no enforceable rights for receivers and senders hold dominant market positions. The growth of e-Commerce and cross-border online sales needs to be leveraged by the postal operators to obtain a secure financing basis for our postal networks. The European Commission and other stakeholders, however, are currently pushing for a one-sided and unsuitable regulatory response: to reduce the scope and obligations of postal services and to destroy the principle of a universal service and the original mission of general economic interest in all our countries and regions. They propose to leave the decision over minimum services and minimum quality requirements to national governments. This approach not only entails turning away from further European integration, but it will also lead to the loss of reliable postal services which are vital to social cohesion and a productive economy.

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