

The revision of the Postal Services Directive

UNI Europa Post & Logistics

Invest in the future of post

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 allow operational functionality. 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. 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.

Build on the existing USO to reflect parcel growth

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. Quality of service indicators need to be regulated at national level reflecting the expansive definition of the USO. UNI Europa Post & Logistics calls for the inclusion of parcels (up to 31,5 kg) in the scope of the USO as defined at national level. According to the weight it is possible to envisage having differentiated pricing mechanisms along with differentiated frequency and time of delivery. This market segment must be carefully supervised by the NRAs. The scope of the Universal Service must include parcel items and introduce a definition that covers all companies providing this service. The special case of cross-border parcel delivery must be regulated specifically to allow a level-playing field in terms of working conditions and price charges to access the postal networks. 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.

Include social and environmental standards in minimum standards

All companies providing services under the Universal Service Obligation (USO) must report in a standardised manner to the NRAs and the NRAs should uphold and safeguard social and environmental standards. The NRAs should be under the obligation to collect social figures (Number of employees, types of contractual arrangements, turnover, wage differentials), to uphold and safeguard social standards (incl. employment standards) and environmental standards for all companies providing services under the USO scope in order to avoid social dumping. 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. The new regulatory framework must impede instances of unfair competition and social dumping by upholding fair practices in terms of employment conditions, environmental performance and quality of service. All companies, including parcel companies, must apply for a license under certain conditions if they want to provide (parts) of the USO. The NRAs can be tasked to enforce the respect of social and environmental standards where they exist and must be authorised to revoke the licences if operators fail to meet the established and applicable norms.

Guarantee the sustainable financing of the USO

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.

Uphold minimum USO requirements and make liberalisation work for the postal sector!

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. UNI Europa Post & Logistics wants to posit that postal items' delivery has a price. Free delivery advertisements should not be allowed in a comprehensive regulatory framework that covers all market players within, the USO scope. Free delivery advertisements give the wrong impression and create market distortions with significant pressure on prices. This pressure on prices has immediate consequences on levels of remuneration,

working conditions and create pockets of unfair competition in postal markets that have engaged network third-party access. Third-party network access licensees should abide by national social and environmental practices and standards, and the NRAs must be made fully accountable in those supervisory functions.

Citizens should be able to make an informed choice between operators in a free market. The choice of who delivers postal items based on an informed decision based on all relevant information, needs to be encouraged. If large customers (such as e-retailers) can benefit from preferential rates, the consequences in terms of wages and working conditions in such a labour-intensive industry must be regulated and all market players must operate within a regulatory level playing field. Market liberalisation needs to be accompanied by social cohesion measures that guarantee decent wages and working conditions for all market players involved in the postal supply chain.

In revising the European postal regulatory framework, UNI Europa Post & Logistics' trade unions call for the enactment of a fully-fledged citizen right to consume postal products based on an informed choice between operators. The choice becomes informed if all market players abide by similar legal and regulatory standards, which is currently not the case. The aim is to uphold the 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 and environmental standards and does not engage in a race-to-the-bottom in terms of wages, working conditions and profit-seeking.

UNI Europa Post & Logistics affiliates would like to establish a minimum regulatory floor that takes into account the national diversities as implemented by Member States thus far. The overall Quality of Service implemented via the consolidated Postal Services Directive needs to be upheld and the review of the legislative and regulatory framework must not undermine the established national practices whilst defending the provision of a universal service.