

ERGP REPORT ON DEVELOPMENTS IN THE POSTAL SECTOR AND IMPLICATIONS FOR REGULATION

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The Report

- Is the PSD fit-for-purpose & futureproof?
- Which trends and developments affect the postal sector?
- What are the regulatory implications?
- What are the elements of a new regulatory framework?
- Conclusions and observations
- Public Consultation

Trends and developments

- Technology and digitisation
 - Changing (postal) users' behaviour and leading to:
 - Steep decline in letter mail (e-substitution);
 - Growth in parcel delivery (e-commerce);
 - Changing business practice:
 - Re-dimensioning of networks;
 - Diversification of activities;
 - New business models, innovative services;
 - Vertical integration (on-line platforms in delivery);
 - Market becoming more receiver oriented.
- Convergence of markets, products and services
 - Postal & transport, hybrid-mail, express
- Environmental aspects and effects
- Demographics
 - Aging population in EU;
 - Population in rural/remote areas
- Labour conditions
 - Use of temporary employees and subcontractors

Regulatory implications

- Reconsider concepts and definitions;
- Competences for NRAs on monitoring and data collection;
- Promoting competition:
 - In letter mail segment?
 - Access regulation?
 - On infrastructure/on services ?
 - In parcels segment?
 - Sufficiently competitive?
 - Ensure a level playing field?
- Sustainability of a universal service:
 - Modifications in quality and scope?
 - Affordability;
 - Net cost calculation/compensation;
 - Vulnerable users and targeted solutions.

Elements for a new framework

- Fit for purpose & Future proof:
 - Prospective analysis of the nature/implications of trends and developments;
 - Determine objectives of regulation:
 - Effective competition; users' interests; inclusivity?
 - What is “postal”, “postal market”?
 - What market segments need regulation and how?
 - Clear concepts/ definitions
 - Designs of universal/basic services;
 - Ability to adapt/flexibility;
- Greenfield approach?

Conclusions and observations

- Fundamental changes in markets and society;
- PSD needs upgrade or overhaul;
- Market-oriented greenfield approach vs rule-based approach;
- Competition remains valid objective;
- Universal service needs new solutions;
- Flexibility is essential element;
- Need for a clear and consistent vocabulary;
- Role and function ERGP.

Public Consultation

- Main comments

Next step

- ERGP Opinion on the review of the regulatory framework for postal services.

Thank you for your
attention.