

Basic information	
2006/0196(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Internal market of postal services Amending Directive 97/67/EC 1995/0221(COD) See also 2016/2010(INI) Subject 2.40 Free movement of services, freedom to provide 3.30.09 Postal services, parcel delivery services	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	TRAN Transport and Tourism	FERBER Markus (PPE-DE)	10/10/2007
	Former committee responsible	Former rapporteur	Appointed
	TRAN Transport and Tourism	FERBER Markus (PPE-DE)	28/11/2006
	Former committee for opinion	Former rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs	BERÈS Pervenche (PSE)	12/12/2006
	EMPL Employment and Social Affairs	HUGHES Stephen (PSE)	22/11/2006
	ITRE Industry, Research and Energy	SWOBODA Hannes (PSE)	28/11/2006
	IMCO Internal Market and Consumer Protection	HATZIDAKIS Konstantinos (PPE-DE)	19/12/2006
	REGI Regional Development	SEEBER Richard (PPE-DE)	01/02/2007
Council of the European Union	Council configuration	Meetings	Date
	Justice and Home Affairs (JHA)	2827	2007-11-08
	Transport, Telecommunications and Energy	2805	2007-06-06

	Transport, Telecommunications and Energy	2821	2007-10-01
	Transport, Telecommunications and Energy	2772	2006-12-11
European Commission	Commission DG		Commissioner
	Financial Stability, Financial Services and Capital Markets Union		MCCREEVY Charlie

Key events			
Date	Event	Reference	Summary
18/10/2006	Legislative proposal published	COM(2006)0594 	Summary
14/11/2006	Committee referral announced in Parliament, 1st reading		
11/12/2006	Debate in Council		Summary
06/06/2007	Debate in Council		Summary
18/06/2007	Vote in committee, 1st reading		Summary
27/06/2007	Committee report tabled for plenary, 1st reading	A6-0246/2007	
10/07/2007	Debate in Parliament		
11/07/2007	Decision by Parliament, 1st reading	T6-0336/2007	Summary
11/07/2007	Results of vote in Parliament		
08/11/2007	Council position published	13593/6/2007	Summary
15/11/2007	Committee referral announced in Parliament, 2nd reading		
18/12/2007	Vote in committee, 2nd reading		Summary
19/12/2007	Committee recommendation tabled for plenary, 2nd reading	A6-0505/2007	
30/01/2008	Debate in Parliament		
31/01/2008	Decision by Parliament, 2nd reading	T6-0030/2008	Summary
31/01/2008	Results of vote in Parliament		
20/02/2008	Final act signed		
20/02/2008	End of procedure in Parliament		
27/02/2008	Final act published in Official Journal		

Technical information	
Procedure reference	2006/0196(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive

Amendments and repeals	Amending Directive 97/67/EC 1995/0221(COD) See also 2016/2010(INI)
Legal basis	EC Treaty (after Amsterdam) EC 047-p2 EC Treaty (after Amsterdam) EC 095 EC Treaty (after Amsterdam) EC 055
Stage reached in procedure	Procedure completed
Committee dossier	TRAN/6/54875

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE386.309	09/03/2007	
Amendments tabled in committee		PE388.504	04/05/2007	
Committee opinion	REGI	PE384.633	07/05/2007	
Committee opinion	ITRE	PE384.562	08/05/2007	
Committee opinion	IMCO	PE384.612	11/05/2007	
Committee opinion	ECON	PE384.599	22/05/2007	
Committee report tabled for plenary, 1st reading/single reading		A6-0246/2007	27/06/2007	
Text adopted by Parliament, 1st reading/single reading		T6-0336/2007	11/07/2007	Summary
Committee draft report		PE396.541	24/10/2007	
Amendments tabled in committee		PE398.361	27/11/2007	
Committee recommendation tabled for plenary, 2nd reading		A6-0505/2007	19/12/2007	
Text adopted by Parliament, 2nd reading		T6-0030/2008	31/01/2008	Summary

Council of the EU

Document type	Reference	Date	Summary
Council statement on its position	14244/2007	05/11/2007	
Council position	13593/6/2007	08/11/2007	Summary
Draft final act	03605/2008/LEX	20/02/2008	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2006)0594 	18/10/2006	Summary
Document attached to the procedure	SEC(2006)1291 	18/10/2006	
	SEC(2006)1292		

Document attached to the procedure		18/10/2006	
Commission response to text adopted in plenary	SP(2007)4170	29/08/2007	
Commission communication on Council's position	COM(2007)0695 	09/11/2007	Summary
Follow-up document	COM(2015)0568 	17/11/2015	Summary
Follow-up document	SWD(2015)0207 	17/11/2015	Summary
Follow-up document	COM(2021)0674 	08/11/2021	
Follow-up document	SEC(2021)0388	08/11/2021	
Follow-up document	SWD(2021)0309 	08/11/2021	
Follow-up document	SWD(2021)0310 	08/11/2021	

Additional information		
Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act
Directive 2008/0006 OJ L 052 27.02.2008, p. 0003 Summary
Corrigendum to final act 32008L0006R(03) OJ L 225 28.08.2015, p. 0049

Internal market of postal services

2006/0196(COD) - 17/11/2015 - Follow-up document

This Staff Working Document accompanies the Application Report and provides **more detailed information on how the Directive has been implemented, market developments and calculations of the net cost of the Universal Service Obligation** that have been found to be consistent with the Directive.

Overall, the Staff Working Document finds that the two core aims of European postal policy have broadly been achieved, these being:

- a minimum range of services of specified quality at affordable prices for all users; and
- market opening with fair conditions of competition.

Concerns about the cross-border parcel market persist.

The [2012 Communication on e-commerce and online services](#) identified the delivery of goods purchased online as one of the five main priorities to boost e-commerce. Following this, a [Green Paper consultation](#) entitled 'An integrated parcel delivery market for the growth of e-commerce in the EU' sought further details of the problems in the market and possible solutions to address them. Cross-border delivery was considered to be an obstacle by 57% of retailers and almost half of consumers worried about the delivery element of cross border transactions.

The [2013 Roadmap](#) set out a series of actions to improve the availability, affordability and accessibility of cross-border parcel delivery services. Because the parcel services provided by universal service providers have developed primarily for their domestic market, **systems and operating practices were often incompatible**. This resulted, for example, in the need to re-label items on arrival in a different Member State and a lack of cross-border track and trace services. The **'Interconnect' programme developed by universal service providers** is comprised of five areas: (i) flexible delivery options; (ii) easy and seamless return solutions; (iii) track and trace capability for lightweight products; (iv) improved customer services and (v) harmonised labelling. The Commission is monitoring the extent to which these new products and services meet customer needs, following the expiry of the 18-month deadline in June 2015 envisaged by the Roadmap. **It will include an assessment of progress** in the forthcoming impact assessment for the cross-border parcel initiative that forms part of the Digital Single Market Strategy.

Net Cost of the Universal Service Obligation

The Postal Services Directive recognised that the external financing of the residual net costs of the universal service may still be necessary for some Member States. An Annex to this document sets out different approaches to **calculate the net costs** of the Postal Universal Service Obligation that have been found to be consistent with Annex I of the Postal Services Directive.

The estimated cost of the universal service in western Member States has been estimated to be around **5% of the overall cost** of the universal service obligation, whereas in the eastern Member States it is thought to be much higher and **in the region of 30% to 70%**. There is also some evidence the net cost is **increasing over time, particularly given falling mail volumes**.

Several Member States have deemed the universal service obligation to be an **unfair burden**. Some Member States (including Italy and Poland) compensate the universal service provider through public funds and others have established a compensation fund, although a further 18 have authorised the use of a compensation fund. Concerns have been raised that **the establishment of a compensation fund could create a barrier to entry**, and developments in this respect will need to be closely monitored.

The document concludes that **ongoing close monitoring of the overall postal market and the effects of the regulatory framework are needed**. This is particularly important in view of the impact, on the universal service obligation, of the decline in letter volumes and the growing number of parcels, and in order to be able to respond, if necessary, to changes in the technical, economic and social environment, and to the needs of users. This is all the more the case given the fundamental need to ensure the sustainability of the sector and its contribution to society.

Internal market of postal services

2006/0196(COD) - 17/11/2015 - Follow-up document

The Commission presents a report on the application of the Third Postal Services Directive (Directive 97/67/EC as amended by Directive 2002/39/EC and 2008/6/EC) and the main developments that have taken place in the postal market.

To recall, the Third Postal Services Directive introduced the legal basis for the accomplishment of the internal market for postal services by providing the last legislative step in the process of gradual market opening. It set a deadline for full market opening of:

- **31 December 2010 for 16 Member States** (Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Slovenia, Spain, Sweden, UK) and;
- **31 December 2012 for the remaining 11 Member States** (Cyprus, Czech Republic, Greece, Hungary, Latvia, Lithuania, Luxembourg, Malta, Poland, Romania and Slovakia).

The main observations in the report are as follows;

1) Affordable and reliable parcel delivery services are crucial to help realise the potential of the Digital Single Market.

- Postal services continue to play a vital role across the European Union, although the nature of that role is changing as new technologies are **driving both e-substitution** and an increasing volume of online purchases.
- The ability to send letters and parcels to arrive within a specified time at a definite price to all parts of the European Union remains a fundamental contributor to social, economic and territorial cohesion and the development of the single market.

2) Enhanced oversight of the parcel market is required.

- National Regulatory Authorities continue to fulfil a crucial role underpinning and overseeing the application of and ensuring compliance with the Postal Services Directive in Member States. The European Regulators Group for Postal Services (ERGP), established in 2010, has improved consultation, coordination and cooperation among the National Regulatory Authorities at the European level.
- Given the decline in letter volumes and growing number of parcels driven by e-commerce sales, stronger regulatory oversight of and more comprehensive data on the parcel market is needed to gain a full and accurate picture of the overall postal and parcel markets and to develop the full potential of the Digital Single Market.

3) An affordable and reliable universal service is provided for letters.

- All Member States, with the exception of Germany, have formally designated the incumbent national postal operator as the "universal service provider". In Germany, the historical national postal operator acts as the universal service provider.
- The vast majority of domestic letters are delivered the next working day (providing they are sent using a next day service, rather than a deliberately slower and cheaper alternative) and intra-EU mail delivery continues to exceed the quality standards specified in the Directive.

- Between 2012 and 2013 tariffs for a 20-gram letter increased on average by about 5.6%. However this had no significant impact on the affordability of this service for EU citizens. All Member States ensure that all providers of postal services have a transparent, simple and inexpensive procedure for dealing with complaints from users, and most universal service providers have a system of compensation.

4) Need for accurate and comparable information about net cost of universal service.

- In the event that the provision of the universal service in a Member State results in a net cost that creates an unfair burden on the universal service provider, the Postal Services Directive sets out ways in which the 'net cost' of the universal service obligation that represent an unfair financial burden for the designated universal service provider(s) can be compensated. However, in order to provide funding and ensure it is compatible with rules on State aid, the costs have to be calculated in a comparable fashion.

5) Slow development of competition for letter post and anti-competitive behaviour.

- Despite full market opening across the EU by 2013, competition in the letter markets has been slow to develop in most Member States and universal service providers have retained majority markets shares in Member States. Of the fifteen Member States that fully opened their markets before 2011, eight had over 5% competition in the letters market (by volume) by 2013.
- Where competition in the letters market has developed, it is more widespread for end-to-end delivery provided by operators who created their own distribution network to deliver directly to recipients themselves.
- In several Member States, National Competition Authorities have condemned the provider of the universal service for anti-competitive behaviour in form of an abuse of a dominant position. Cases include illegal rebates to business customers, margin squeeze and predatory pricing.
- Market entry and development of competition may also be discouraged through some regulatory practices, such as the imposition of license conditions for new entrants.

6) Decline in the number of letters being sent and increase in e-substitution.

- The number of letters sent using universal services providers in the EU has declined from an estimated 107.6 billion in 2008 to 85.5 billion in 2013. The decline rate rose to 4.85% between 2012 and 2013 (in terms of volume) for the EU28. Member States with more mature markets for letters have experienced the greatest decline, and this is expected to continue.
- Even if the decline in letter volume in less developed postal markets is lower in relative terms it is nevertheless likely to have a significant impact, given the smaller economies of scale than in the more mature markets.

7) Parcels are a growth area but consumers and e-retailers complain about the quality and cost of cross-border delivery services.

- Estimates of the size of the European parcel market suggest values of EUR 60 billion for the combined European courier, parcel and express markets in 2010; EUR 47 billion in 2011 (including shipments up to 2,500kg); 28 EUR 37 billion for the parcel and express market in 2011; and EUR 53.5 billion in 2014. The number of parcels per capita does however differ greatly between Member States.
- Competition appears to have developed to a greater extent in the parcel market than in the letter market and 'express' operators such as UPS, DHL, TNT and FedEx are increasingly developing their business to consumer (B2C) services.
- Concerns do, however, persist about the affordability, accessibility and availability of cross-border parcel delivery services: the absence of delivery features (e.g. track-and-trace information), poor price transparency and high prices are repeatedly amongst the main complaints from both consumers and e-retailers.
- The Commission launched a public consultation to help identify solutions to improve cross-border parcel delivery and will **launch measures in the first half of 2016** to improve price transparency and regulatory oversight of cross-border parcel delivery.

8) Decline in employment by universal service providers and more varied working conditions.

- Figures show a fall in the total number of staff employed by universal service providers of about 250,000 between 2008 and 2013. Employment by universal services providers decreased at an average rate of 4.4% in the 28 Member States between 2012 and 2013.
- In many instances modernisation has been managed in a socially responsible way together with the trade union and early retirements and voluntary departures have been used to minimise the number of compulsory redundancies.
- There have, however, been significant increases in the proportion of part-time employees in some Member States and overall there is a trend towards more flexible forms of employment contracts.

In conclusion, the Commission considers that the postal market continues to evolve rapidly and **ongoing close monitoring** and further analysis of the overall postal market, and the effects of the regulatory framework, are needed. It will **publish statistics annually from 2016** to provide regular updates on developments in the letter and parcel markets in the European Union.

Internal market of postal services

2006/0196(COD) - 11/07/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament voted, by a large majority, for the remaining postal service monopolies in EU Member States to expire by 31 December 2010, two years later than the 1 January 2009 proposed by the European Commission. With 512 votes in favour, 156 against and 18 abstentions, MEPs backed the compromise, proposed by postal services rapporteur Markus **FERBER** (EPP-ED, DE). This means that postal services should be opened up to competition by 2011, but subject to strict conditions.

The main amendments adopted by Parliament are as follows:

- it is appropriate to establish the end of 2010 as the final date for the removal of exclusive rights in the postal sector (as opposed to 2009 which as the date proposed by the Commission). The total opening up of the market means that national operators will no longer have the monopoly on mail weighing less than 50g which was until now their "reserved area";
- to the extent that it is necessary for ensuring the maintenance of universal service, new Member States or Member States with a particularly difficult topography, especially those with a huge number of islands, may continue, until 31 December 2012, to reserve services to universal service providers (s) within certain strict limits and conditions;
- a 'reciprocity clause' is included, aimed at preventing distortions of competition until then, by preventing postal operators in countries that maintain a reserved area from entering markets that have already been fully opened;
- a Member State may impose conditions on the supply of postal services for general non-economic reasons such as the confidentiality of correspondence, security of the network as regards the transport of dangerous goods and respect for the terms and conditions of employment and social security schemes, laid down by law, regulation or administrative provision and/or by collective agreement negotiated between national partners and, where justified, data protection, environmental protection and regional planning.;
- prices must be affordable and must be such that all users, independent of geographical location, and, in light of specific national conditions, have access to the services provided. Member States shall publish the rules and criteria for ensuring affordability at national level. National regulatory authorities shall monitor all price changes and shall publish regular reports. Member States shall ensure the provision of a free postal service for the use of blind and partially sighted persons. In addition, the most vulnerable customers (individuals and SMEs) should be highlighted;
- in order to protect the interests of postal users in the event of theft or loss of, or damage to postal items, Member States should introduce a system of reimbursement and/or compensation;
- the question of accounting (new version of Article 14) is of crucial importance, since imprecise accounting can easily lead to distortions of the market. An amendment has been tabled seeking to define more precisely the allocation of common costs (costs which cannot be allocated directly to a particular service or product). A further amendment seeks to guarantee the application of Article 14 even when no other universal service providers have been appointed, since even where there is only one provider, distorted accounting by this provider could effectively act as a barrier to market access;
- further complex of issues related to accounting is that of cross-subsidy. On this topic, two amendments have been tabled to recitals. The first seeks to make clear that the monitoring of cross-subsidy falls within the Commission's sphere of competence and the other seeks to achieve a clear allocation of common costs on the basis of their origin in order to avoid cross-subsidy;
- clear rules on competition law and state aids are another important element in an operational postal market. Two amendments have been tabled which urge the Commission to provide interpretative communications on these matters;
- every four years, on the first occasion no later than 31 December 2011, the Commission shall submit a report to the European Parliament and the Council on the application of this Directive, including the appropriate information about developments in the sector, particularly concerning economic, social, employment patterns and technological aspects, as well as about quality of service;
- the Commission shall provide assistance to the Member States on the implementation of this Directive, including guidance on the calculation of any net cost before 1 January 2009. Member States shall present to the Commission their financing plans and may present studies;
- another important complex issue relates to the status and rights of workers in the postal sector. To that end, a new has been included clarifying the Member States' options for regulating the conditions of employment;
- it is important that rural and remote areas will not be negatively affected by significant changes brought by an open postal market. Mail must be collected and delivered to these areas without interruption ;
- in order to meet competition, cope with new consumer requirements and secure new sources of funding, postal service providers may diversify their activities by providing electronic business services or other information society services;
- the Parliament states that this Directive does not affect the terms and conditions of employment, including maximum work periods and minimum rest periods, minimum paid annual holidays, minimum rates of pay as well as health, safety and hygiene at work, which Member States apply in compliance with Community law, nor does it affect relations between social partners, including the right to negotiate and conclude collective agreements, the right to strike and to take industrial action in accordance with national law and practices which respect Community law, nor does it apply to services provided by temporary work agencies.

Internal market of postal services

2006/0196(COD) - 08/11/2007 - Council position

The Council adopted its common position with a view to the adoption of a Directive of the European Parliament and of the Council amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services.

At 1st reading, the European Parliament adopted 64 amendments to the Commission proposal. The common position reflects changes to the Commission proposal by incorporating a considerable number of amendments (20 in total, 9 partially and 16 in principle).

The common position is largely and extensively based on the European Parliament's opinion at 1st reading and reflects the overall balance achieved at the informal negotiations between the European Parliament, the Council and the Commission with a view to concluding an early agreement at the stage of second reading in the European Parliament. The fundamental modification to the Commission's original proposal regards the final date for Full Market Opening. It sets the end of 2010 as the final date for the amending Directive's implementation that is the full accomplishment of the postal services internal market. An implementation delay until 31 December 2012 is provided under strict conditions for certain Member States (Czech Republic, Greece, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Poland, Romania, Slovakia) which seeks to meet particular difficulties with regard to the postal sector reform process.

These elements led to a number of other substantial changes to the original proposal which can be summarised as follows:

Rationale and Scope: the common position confirms the ultimate goals and the rationale of the Community postal policy and highlights the positive role of postal services as services of general economic interest as well as their contribution to the objectives of social, economic and territorial cohesion in the EU. It mainly clarifies the Directive's scope with regard to the universal service provision, by considering its financing under conditions that guarantee its permanent provision as a key objective of postal reform. This acknowledgment is enshrined in the text and can be used as a guiding principle for the implementation of the amending Directive.

Definitions: the newly inserted term "postal service provider" and its distinction with the "universal service provider", as well as the re-definition of "user", are pivotal and seek to clarify the roles and responsibilities of each of these in a full market opening context. In addition, the common position identifies the key elements qualifying the "services falling within the scope of the universal service" in accordance with the European Court of Justice relevant case law and includes in the list of "essential requirements" (which can induce a Member State to impose conditions on the supply of postal services), respect for the terms and conditions of employment as well as social security provisions, in accordance with Community and national law.

Universal service provision: the common position is based on the principle that universal service provision is a key element for the accomplishment of the postal services' internal market and plays a paramount role in terms of social and territorial cohesion. Against this background, the text aims at strengthening the existing Directive's provisions and safeguarding its swift implementation in the new context of full market opening. It permits Member States a certain flexibility in the designation and operation of the (a) universal service provider(s), whilst on the other hand, ensuring a periodic review of their conformity with the statutory principles set out in the Directive as well as a sufficient period for return on investments.

Furthermore, it makes clear that (a) universal service provider(s) shall provide sufficiently detailed and up-to-date information regarding the particular features of the universal service offered, including the general conditions of access to these services, as well as to prices and quality standard levels. Finally, the common position excludes from the amending Directive's scope the national provisions governing the expropriation conditions for organising the universal service provision and acknowledges that the continuing supply of certain free services for blind and partially-sighted persons introduced by the Member States should not be curtailed.

Financing of universal services: the common position, based on the principles enshrined in the Commission's proposal, devotes particular attention to the means of guaranteeing the universal service financing. The Council agrees in general on the means proposed by the Commission, as they are fully in line with the subsidiarity principle and devote attention to national market conditions. Member States may choose an appropriate enabling measure for that purpose, depending on the specific national market characteristics. In order to meet concerns expressed by some Member States with regard to the net cost calculation and to ensure guidance on the basis of an indicative common methodology, the common position introduced a new Annex to the Directive. This is largely inspired by Annex IV to the Universal Service Directive.

Conditions governing the provision of postal services and the access to the networks: the common position sets out further detailed conditions governing the provision of postal services and the access to the networks with the dual aim of providing legal certainty for (a) universal service provider (s) and other postal service provider(s), as well as avoiding these being used as concealed barriers to new market entrants. The overall objective is the proper functioning of postal markets and the complementary functioning of different postal networks. The Directive's provisions are without prejudice to the right of Member States to adopt measures to ensure access to the postal network under the conditions of transparency, proportionality and non-discrimination. The common position includes, where appropriate, among the conditions for granting authorisations, the possible financial contribution to the national regulatory authority operational costs and the respect of working conditions established by national legislation. Clarification is also provided as regards the exclusion of a "double" imposition (for the same elements of universal service or parts of the national territory) of universal service obligations and, at the same time, of financial contributions to a sharing mechanism (compensation fund).

Employment and social security provisions: the common position includes in the list of "essential requirements", respect for the terms and conditions of employment as well as social security provisions, in accordance with Community and national law. Furthermore, social considerations are addressed in the provisions regarding the conditions for granting authorisations, whereby it may, where appropriate, be made subject to or impose the respect of working conditions laid down by national legislation.

Tariff principles and transparency of accounts (accounting separation): the common position accepts the basic innovations contained in the Commission proposal with regard to the different tariff principles for universal service provision (cost-orientation principle, notwithstanding a certain degree of tariff flexibility under specific conditions). Furthermore, it allows Member States to maintain or introduce the provision of a free postal service for the use of blind and partially-sighted persons. The / a universal service provider(s) is/are obliged to keep separate accounts in order to clearly distinguish between universal services and other services which are not part of it. Specific provisions allow Member States to apply the transparency rules to the universal service provider designated before the FMO final date, as long as no other universal service provider(s) have been designated.

National regulatory authorities and information provision: the common position leaves no doubt about the form of co-operation between the national regulatory authorities, thereby excluding the establishment of new bodies or structures at European level. National regulatory authorities are focused on postal markets monitoring, including by appropriate information provision by all market players. The general principles governing the information provision and the respect for confidentiality rules are adequately addressed in the text.

The Commission's assistance in the Directive's implementation: the Commission assumes enhanced responsibilities in the new FMO environment, as it is entrusted with the general task of providing assistance during the new Directive's implementation, including on the calculation of any universal

service net cost and on evaluating, on a regular basis, all relevant developments, particularly concerning economic, social, employment patterns and technological aspects, as well as in quality of service.

Final date(s) for Full Market Opening: with regard to the final date(s) for the accomplishment of the Community postal services internal market, the Council took into serious consideration the approach enshrined in the relevant European Parliament amendments. The European Parliament considered that the Commission's proposed final date of 1 January 2009 was not proven appropriate and suggested therefore a Full Market Opening of the postal sector from 31 December 2010. In addition, it proposed that Member States that acceded to the EU after the entry into force of Directive 2002/39/EC or Member States with a small population and limited geographical size, or Member States with a particularly difficult topography, especially those with a considerable number of islands, may continue, until 31 December 2012, to reserve services to (a) universal service provider(s) within certain limits and conditions. The common position lists a number of Member States which have explicitly requested a maximal implementation delay till 31 December 2012 at the latest. Such a notification shall be addressed to the Commission, without impeding them from terminating it at an earlier stage. For those Member States wishing to apply the above implementation delay, a reciprocity clause towards Member States that opened up their postal markets completely shall apply for a limited time-period.

Internal market of postal services

2006/0196(COD) - 20/02/2008 - Final act

PURPOSE: to open EU postal markets fully to competition by 2010.

LEGISLATIVE ACT : Directive 2008/6/EC of the European Parliament and of the Council amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services

CONTENT : this Directive **aims** to:

- achieve an internal market for postal services through the removal of exclusive and special rights in the postal sector (the abolition of the reserved area) and the setting of the full market opening timetable;
- safeguard a common level of universal services for users in all EU countries, and offer a list of measures Member States may take to safeguard and finance, if necessary, the universal service;
- set harmonised principles for the regulation of postal services in an open market environment, with the aim of reducing other obstacles to internal market functioning.

Accordingly, the Directive **establishes common rules** concerning:

- the conditions governing the provision of postal services,
- the provision of a universal postal service within the Community,
- the financing of universal services under conditions that guarantee the permanent provision of such services,
- tariff principles and transparency of accounts for universal service provision,
- the setting of quality standards for universal service provision and the setting-up of a system to ensure compliance with those standards,
- the harmonisation of technical standards,
- the creation of independent national regulatory authorities.

The main points are as follows:

Dates for market opening: the deadline for market opening is 31 December 2010. In this way, operators and regulators in countries that are lagging behind in the liberalisation process will have more time to adjust. The 12 Member States that acceded in 2004 or later, as well as Member States with a particularly difficult topography, have an additional two years to open the market (31 December 2012). The Member States concerned are Czech Republic, Greece, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Poland, Romania, and Slovakia.

Reciprocity: in order to avoid market distortion and unfair competition, those Member States having opened their markets should be able to refuse authorisation to operators still being protected by a national monopoly (reserved area) in another Member State.

Guaranteed universal service: the universal service must continue to be provided to the full extent, i.e. comprising at least one delivery and collection five days a week for every EU citizen. Moreover, it is important to maintain well-functioning postal networks with a sufficient number of access points in rural, remote or sparsely populated regions in order to satisfy the universal service obligation.

Social considerations should, in general, be taken into account in the process of market opening. In particular, Member States should be able to reflect working conditions in their authorisation procedures. Member States will have the right to impose conditions on the supply of postal services for non-economic reasons, such as compliance with employment conditions and social security schemes laid down by law and/or by collective agreement negotiated between national social partners.

Financing: where a Member State determines that the universal service obligations entail a net cost, it will draw up a financing plan and notify the Commission. The Commission shall provide assistance to the Member States on the implementation of this Directive, including on the calculation of any net cost of the universal service. The terms are laid down in Annex I to the Directive ("Guidance on calculating the net cost, if any, of universal service").

Role of national regulatory authorities: in accordance with the principle of separation of regulatory and operational functions, Member States must guarantee the independence of the national regulatory authorities, thereby ensuring the impartiality of their decisions. Member States that retain ownership or control of postal service providers shall ensure effective structural separation of the regulatory functions from activities associated with ownership or control. National regulatory authorities must be provided with all necessary resources, in terms of staffing, expertise and financial means,

for the performance of their tasks. They have as a particular task ensuring compliance with the obligations arising from the Directive, in particular by establishing procedures to ensure the provision of the universal service. They may also be charged with ensuring compliance with competition rules in the postal sector. They must work in close collaboration.

Report: every four years, on the first occasion no later than 31 December 2013, the Commission shall submit a report on the application of the Directive, including appropriate information on developments in the sector, particularly concerning economic, social, employment patterns and technological aspects, as well as on quality of service.

TRANSPOSITION: 31/12/2010.

ENTRY INTO FORCE: 27/02/2008.

Internal market of postal services

2006/0196(COD) - 01/10/2007

The Council reached a political agreement on the proposal for a Directive of the European Parliament and of the Council amending Directive 97/67/EC concerning the full accomplishment of the internal market of Community postal services.

Taking into account the European Parliament first-reading opinion, which was adopted on 11 July 2007, and on the basis of previous deliberations, the Portuguese Presidency submitted to the Council preparatory bodies a compromise proposal, which was examined at several meetings.

The text agreed by Ministers provides for full market opening of postal services by 31 December 2010 at the latest. In addition, the text provides for the possibility for some Member states (which are identified in the proposal), to postpone the implementation of the Directive by two years, subject to prior notification to the Commission. It also clarifies criteria and the grounds under which some Member States could benefit from such a postponement.

Furthermore, the draft Directive comprises a reciprocity clause, under which Member States that open up their postal markets completely may, for a limited period (from 1 January 2011 until 31 December 2012) refuse to grant authorisation to postal operators operating in a Member State, which maintains the reserved area until the end of 2012.

The draft Directive also includes a provision that the Commission will provide assistance to Member States on the implementation of the Directive, including on the calculation of any net cost of the universal service. A new annex on guidance for calculating the net cost, if any, of universal service was agreed to be introduced in the Directive.

The Council's common position will be adopted at a forthcoming meeting. It will be sent to the European Parliament for its second reading in the framework of the co-decision procedure.

Internal market of postal services

2006/0196(COD) - 09/11/2007 - Commission communication on Council's position

The Commission supports the common position adopted by qualified majority. The amendments made by the common position, which in this regard follow the relevant EP amendments made in the first reading, concern in particular the final date for the implementation of the amending Directive (31 December 2010), the possibility for some Member States to postpone full market opening by two more years as a maximum and the inclusion of a temporary reciprocity clause applying to those Member States that make use of the latter transitional period. Furthermore, and also taking over a substantive element of the EP first reading, the common position inserts a new Annex I to the Directive ("Guidance on calculating the net cost, if any, of universal service").

EP amendments relating to Recital 27 are reflected in a statement by the Commission which, on substance, reflects the Acquis. The Commission confirms that in accordance with Recital 18 of Directive 97/67/EC and the consistent case law of the European Court of Justice (e.g. Case C-320/91 [Corbeau]), express and courier services constitute specific services that are characterised by being essentially different from universal postal services.

In another statement, the Commission recalls its position concerning the creation by Member States of correlation tables linking the transposition measures taken by the Member States with the directive, in the interest of citizens, Better Regulation and transparency and to assist the examination of the conformity of national rules with Community provisions.

In this instance, the Commission does not stand in the way of an agreement at Council with a view to the successful conclusion of the inter-institutional procedure on this file. However, it expects this horizontal matter to be considered jointly by the institutions.

Internal market of postal services

2006/0196(COD) - 11/12/2006

Following a presentation by the Commission of its proposal for a Directive amending the current postal Directive 97/67/EC concerning the full accomplishment of the internal market of Community postal services, adopted on 18 October 2006, the Council held a preliminary exchange of views on the basis of the Presidency report.

In broad terms, the objectives of the proposal are to achieve an internal market for postal services through the removal of exclusive and special rights in the postal sector and the confirmation of the market opening timetable laid out in the current Directive, safeguard a common level of universal services for all users in all EU countries and set harmonised principles for postal services regulation in an open market environment, with the aim of reducing other obstacles to internal market functioning.

The exchange of views was intended to provide a basis for a swift and constructive legislative process and help to identify those main issues to which the Council preparatory bodies need to pay attention when they will have more substantial deliberations on the proposal.

Internal market of postal services

2006/0196(COD) - 06/06/2007

The Council took note of a progress report on a proposal for a Directive amending the current postal Directive 97/67/EC concerning the full accomplishment of the internal market of Community postal services.

The report prepared by the German Presidency takes stock of the significant progress achieved so far on key issues such as the common objective of safeguarding a high-quality universal service, the principles for the designation of universal services providers, the rules for granting authorisations to postal service providers, the provision of information about the universal service, access to postal infrastructure and services, tariff principles and transparency of accounts and ensuring complaints procedures for users and postal service providers. In addition, it identifies the main outstanding issues that will need to be addressed in the coming months under the Portuguese Presidency.

The technical work within the Council preparatory bodies will be pursued in the context of the forthcoming inter-institutional deliberations with the European Parliament (co-decision).

Internal market of postal services

2006/0196(COD) - 18/10/2006 - Legislative proposal

PURPOSE: to open EU postal markets fully to competition by 2009, in line with the agreed target date set out in the current Postal Directive.

PROPOSED ACT: Directive of the European Parliament and of the Council.

CONTEXT: Postal Services in the EU are covered by the 1997 Postal Directive (97/67/EC). This created a regulatory framework which guarantees citizens a universal service, while gradually limiting the scope of the reserved area (initially mail under 350 grams, amended in 2002 to 100 grams and reduced on 1/1/2006 to 50 grams). The Directive aimed at ensuring the best possible service through a gradual opening of the market, with a final target set for full opening in 2009. It included a requirement that the Commission should provide periodic reports on its implementation, and, before the end of 2006, confirm whether the 2009 date remained appropriate. The Commission is now proposing, by means of a further amending Directive, that the date should be confirmed. A number of Member States have already opened up their market to full competition or have firm plans to do so before the 2009 target date.

CONTENT: the present proposal is based on the conclusions of the Prospective Study on the impact on universal service of the full accomplishment of the postal internal market in 2009, as required by the Postal Directive, an Impact Assessment Report and a Report on the application of the Postal Directive which includes a thorough review of the sector.

The main elements of the proposed Directive are as follows:

Maintaining universal service

The proposal maintains the current obligations on Member States to ensure a high-quality universal service comprising at least one delivery and collection five days a week for every EU citizen. It will also further reinforce consumer protection and increase the role of national regulatory authorities. The obligation to ensure affordability of postal services is maintained in the proposal, as is the possibility for Member States to impose a uniform tariff for single piece tariff items such as consumer mail. In the event that remaining net costs of providing universal service need to be covered, Member States will be able to choose from a range of options, including, for example, state aids, public procurement, compensation funds and cost sharing. It will be for Member States to decide which model best suits their needs.

Other measures included in the proposal

- **Authorisation and licensing:** Member States may continue to use authorisation and individual licenses whenever justified and proportionate to the objective pursued, subject to the provisions of Article 9 of the Postal Directive. However, as highlighted by the third Commission Report on the Application of the Postal Directive, further harmonisation of the conditions that may be introduced and the principles applicable to those conditions and procedures appears to be necessary so as to reduce unjustified barriers to the provision of services in the internal market.

- **Access to key postal infrastructure and services:** drawing on the experience of some Member States, this proposal introduces a new Article in order to require Member States to assess whether, in a multi-operator environment, a number of elements of the postal infrastructure or services: may be indispensable for or greatly facilitate the provision of services by operators willing to compete with universal service provider(s); and/or benefit users and consumers by reducing the number of items which are wrongly addressed or cannot be returned to its sender.

- **Control of fair competition:** in a fully competitive environment, Member States must conduct the delicate exercise of providing sufficient freedom to universal service providers to adapt to competition and at the same time, ensure adequate monitoring of the behaviour of the likely dominant operator in order to safeguard effective competition. Because this exercise will require an assessment of the market conditions, institutional arrangements and oversight capacities of every Member State, it is appropriate to leave Member States the freedom to decide the precise regulatory mechanisms for the control of the incumbent operator, while maintaining a necessary minimum common ground. This justifies, on the one hand, the deletion of the requirement imposed on Member States to monitor cross subsidies through sector specific rules and, on the other, the maintenance of the rules on transparency of accounts.

- **Reinforcing consumer protection:** this proposal provides to extend the application of minimum principles concerning complaint procedures beyond universal service provider(s). Consumer interests are also further protected through: 1) the enhanced inter-operability between operators resulting from access to certain elements of infrastructure and services, as provided for in the proposed new Article 11a, as further explained above; 2) the requirement for cooperation between national regulatory authorities and consumer protection bodies included in the proposed amendment to Article 22, second paragraph; 3) the clarification of the role and powers of national regulatory authorities to monitor and supervise the universal service in Article 22, third paragraph, and Article 22a, first paragraph. Finally, given the importance of postal services for blind and partially sighted persons as consumers of postal services, it is proposed to confirm that the process of market opening should not curtail the continuing supply of certain free services for blind and partially sighted persons introduced by the Member States in accordance with applicable international obligations established in the framework of the Universal Postal Union.

- **National regulatory authorities:** in order to improve the effective functioning of those bodies, this proposal provides for the following amendments: i) structural separation of the regulatory functions from activities associated with ownership or control in an operator; ii) transparency in the allocation of regulatory functions and cooperation between national bodies exercising regulatory functions; iii) confirmation of the right to appeal against decisions made by national regulatory authorities and of their temporary standing; iv) enhanced cooperation between EU national regulatory authorities.

- **Provision of information to national Regulatory authorities:** this proposal provides for the introduction of a new Article to empower national regulatory authorities to collect information whenever proportionate and justified, including for statistical purposes.

- **Review and reporting on the application of the Postal Directive:** this proposal provides for the retention of regular monitoring and reporting on the application of the Directive. Drawing on past experience, it is proposed to amend Article 23 to extend the reporting period from two to three years.

Internal market of postal services

2006/0196(COD) - 31/01/2008 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a resolution based on the report drafted by Markus **FERBER** (EPP-ED, DE), approving without amendment the Council's common position regarding the adoption of a directive amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services. The Council incorporated in its common position all the main aspects of the Parliament's position in first reading. To recapitulate, the key points of the European Parliament's first reading were as follows:

Dates for market opening: the deadline for market opening should be set for 31 December 2010. In this way, operators and regulators in countries that are lagging behind in the liberalisation process will have more time to adjust. The 12 Member States that acceded in 2004 or later, as well as Member States with a particularly difficult topography, would have an additional two years to open the market (31 December 2012).

Reciprocity: in order to avoid market distortion and unfair competition, those Member States having opened their markets should be able to refuse authorisation to operators still being protected by a national monopoly (reserved area) in another Member State .

Guaranteed universal service: the universal service must continue to be provided to the full extent, i.e. comprising at least one delivery and collection five days a week for every EU citizen. Moreover, it is important to maintain well-functioning postal networks with a sufficient number of access points in rural, remote or sparsely populated regions in order to satisfy the universal service obligation.

Social considerations should, in general, be taken into account in the process of market opening. In particular, Member States should be able to reflect working conditions in their authorisation procedures. Member States must also have the right to impose conditions on the supply of postal services for non-economic reasons, such as compliance with employment conditions and social security schemes laid down by law and/or by collective agreement negotiated between national social partners.

Financing: where a Member State determines that the universal service obligations entail a net cost, it should draw up a financing plan and notify the Commission. The Commission should provide guidance on the calculation of net costs.