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OFCOM Recovering consumer advocacy costs.

The United Kingdom’s Consumer Advocacy Bodies (the “CABs”) provide free, confidential and independent advice to, and advocacy on behalf of, citizens of the United Kingdom in relation to their rights as consumers and citizens. Some of the work carried out by the CABs relates to postal services, and the cost of this work is recovered by the CABs through payment from relevant postal operators. The CABs’ costs are mostly made up of advocacy and research on behalf of consumers (“non-calls costs”), with a minority of their costs relating to providing a consumer helpline service (“calls costs”).

Under section 51 of the Postal Services Act 2011 (“the Act”), Ofcom may require all postal operators (or every postal operator of a specified description) to make payments relating to the costs of work carried out by the CABs in relation to postal services. The CABs in the UK are Citizens Advice, Citizens Advice Scotland and the General Consumer Council for Northern Ireland.

Currently, the universal service provider (“USP”), Royal Mail, is the only operator paying for the CABs’ costs. Under the new cost recovery mechanism set out in this statement, other categories of postal operators will now also be liable to contribute to these costs, in accordance with our guiding criteria of, in particular, cost reflectiveness, fairness and equity and adaptability. We have decided that, as the CABs’ costs are driven by the activities of postal operators beyond Royal Mail, these operators should also contribute to those costs.

16/01/2019
OFCOM Recovering consumer advocacy costs

UK drafts legislation giving EU hauliers ‘no-deal’ Brexit access

The UK government has drawn up draft legislation giving EU hauliers access to the UK in the event of a no-deal Brexit and which would appear to allow CEP operators to truck shipments between their hubs on both sides of the Channel ahead of final distribution, as well as permitting cross-border deliveries between shippers and customers directly.

In a statement to Parliament yesterday, transport minister Jesse Norman said the government was making preparations to allow hauliers and other businesses to continue to transport goods between the UK and the EU, once the UK has left the EU. These include preparations for leaving the EU without a withdrawal agreement.

“The legislation also provides for continued access to the UK market, after exit, for hauliers from the 27 EU member states. Over 80% of haulage between the UK and continental Europe is undertaken by EU hauliers and it is important to ensure that the UK’s supply chains are protected.”

“On its side, the European Commission has proposed legislation that would allow UK hauliers basic rights to conduct operations to, from and through the EU for a limited period of nine months after exit, if there is no deal. The Commission’s proposal will need to be agreed by the Council and European Parliament, and is being considered by both institutions urgently.”
In parallel with these measures, the minister said the UK has been considering bilateral and unilateral measures with EU member states. “France is separately progressing with a unilateral measure to provide wider access to UK hauliers in the event of no deal. There are also 22 historic bilateral agreements that would come back into effect if the UK leaves the EU without a deal.”

06/02/2019
CEP Research
To get the news, please, send an email to cerp.secretariat@fomento.es

White House, the International Postal System, and the UPU: An Economic Framework.

Due to technology, then, the “exchange of correspondence” across international borders could occur for the approximately 90 percent of American adults who use the Internet without access to the UPU’s single postal network (Anderson et al. 2018). This decreases the cost of a prospective exit from the UPU relative to a world in which services like email could not substitute for international mail’s role in facilitating the exchange of correspondence.

While the costs of exit from the UPU have decreased, the costs attributable to its remuneration system for items likely to contain goods have not. Under the status quo, for instance, foreign posts can pay prices that are a fraction of those offered to U.S. producers for the delivery of the same goods between the same two places by USPS.

If negotiations continue to fail to yield sufficient progress, the U.S. stands poised to move forward on its path towards exit from the UPU rather than continue its strategy of voice from within.

January 2019
US Council of Economic Advisers (Full report)

Case-law of the EU Court of Justice

Case C-660/17 – Opinion of Advocate General (24/01/2019).

Appeal — Failure to comply with the time limit for lodging an application before the General Court — Defence — Unusual delay in postal shipping — Article 45 of the Statute of the Court of Justice of the European Union — Existence of unforeseeable circumstances or of force majeure — Criteria of assessment)

The General Court incorrectly found that the appellant had not proved the existence of unforeseeable circumstances as referred to in the second paragraph of Article 45 of the Statute. The appellant proved the existence of unforeseeable circumstances. It not only submitted more evidence of those circumstances than was necessary but submitted all the evidence available to it in general. As regards ensuring the timely delivery of the parcel containing the application, the appellant exercised all the diligence that could reasonably be required of it. From the moment of sending the parcel, the appellant ceased to have any influence on its delivery process; from that point, any circumstances affecting the date of delivery were wholly outside the appellant’s control.
Opinion of Advocate General on this case-law has been published on 24 January 2019.

CERP Data Base

Case C-265/17 – Judgment of the Court (16/01/2019).

Appeal — Merger control — Acquisition of TNT Express by UPS — Commission Decision declaring a concentration to be incompatible with the internal market and the functioning of the EEA Agreement — Econometric model developed by the Commission — Failure to disclose amendments made to the econometric model — Infringement of the rights of the defence

By its appeal, the European Commission asks the Court to set aside the judgment of the General Court of the European Union of 7 March 2017, United Parcel Service v Commission (T-194/13, EU:T:2017:144; ‘the judgment under appeal’), by which that court annulled Commission Decision C(2013) 431 of 30 January 2013 declaring a concentration incompatible with the internal market and the functioning of the EEA Agreement (Case COMP/M.6570 — UPS v TNT Express; ‘the decision at issue’).

Judgement of the Court on this case-law has been published on 16 January 2019.

CERP Data Base

CERP activity

CERP-PAPU technical cooperation project.

A letter from Mr. Younouss Djibrine, PAPU Secretary-General, was received requesting CERP cooperation for the Project of the creation of an “African Postal Directive” financed by PAPU.

This letter was the result of the meeting held in Madrid between Mr. Younouss and Mr. Germán Vázquez in the framework to strengthen the cooperation between both UPU restricted unions.

Mr. Nikola Trubint, CERP Vice-chairman, has started the negotiations with PAPU in order to present a CERP proposal in June. All CERP members interested in participating in the project are invited to contact Mr. Nikola.

During the project, several missions to African countries should be developed.

22/01/2019
CERP News

WG UPU Web conference on 15 January 2019

On 15 January a web conference was held on the remuneration system among 17 CERP member countries.
A presentation was made by Norway in order to provide information to prepare the CA C2 session which was held on Friday 25.

The participants expressed different opinions about the five scenarios which are being considered at UPU working groups. A group of countries expressed their preference for scenarios 4 and 5, and another group expressed their opinion that it is necessary to know the results of the different studies which are being carried out to have a position.

All countries agree it is important to work for the United States does not withdraw from UPU but, at the same time, some members considered necessary to think about which would be the UPU without the US.

**CA C3 Task force on Future Strategy Web-Conference.**

On January 17th, the UPU Strategic Task Force held its first web conference in order to work on a new UPU strategy for the period 2021-2024.

CERP is a member, as observer, of this UPU group and its Vice-Chair, Mr Nikola Trubint, participated in the web conference as the representative of CERP.

**EU and International Organizations**


Marginal changes to the Directive may to some extent solve these difficulties, but this would disregard that market characteristics and dynamics and the social context of the regulatory framework have changed drastically.

A more fundamental, market oriented greenfield approach could therefore also be considered, in which the goals and underlying concepts of the Directive can be re-examined and, where appropriate, reaffirmed.

The possibility of regulatory intervention on behalf of a proper and equitable functioning of the market and competition is also highly relevant for the parcels market. An often-heard argument is that the parcels market is already sufficiently competitive. Nevertheless, there is a need to have instruments in place in order to maintain, or even further foster, these levels of competition, or to address specific cases that may require regulatory intervention.
Latest UPU figures signal potential for growth.

The UPU’s long-term analysis has shown that GDP growth has accelerated at a faster pace than growth in postal revenues, with average postal revenue growth marked at 2 percent per year and GDP growth at an average of 3.4 percent. The phenomenon – known as “postal–GDP decoupling” – has been a cause of concern for the postal sector for several years.

Emerging models

Though there is no uniform model for revenue segmentation, the UPU’s figures show three emerging business models.

- The Africa, Arab and Asia-Pacific regions have demonstrated a trend of diversification beyond parcels and logistics, toward financial and other services.

- On the other hand, industrialized countries and Latin America are moving toward diversification into parcels and logistics while maintaining letter post as their core business.

- Eastern Europe and the Commonwealth of Independent States have increased their reliance on letter post driven by e-commerce–related small packets.

Surprising market

While digitization has led to the decline in the letters business, it seems to have created a surprising boom in philately. The Internet has made it easier for stamp collectors to find what they are looking for and has connected Posts to a global philatelic market.

Though philatelic products represent only a small portion of revenue for most Posts worldwide, data collected by the UPU since 2004 shows that philatelic revenues have continued to grow, representing 1.8 billion SDR (2.5 billion USD) of global postal revenues reported by designated operators in 2016.

23/01/2019
UPU News