



**Draft Report of the 43<sup>rd</sup> Plenary in Istanbul,  
24-26 November 2010**

**1. Welcome**

The Chairman welcomed the participants to the Plenary meeting in Istanbul. He particularly thanked the Turkish hosts for the invitation to Istanbul, the European Capital of Culture in 2010.

The Chairman then passed the floor to the Turkish PTT Director General Osman Tural. In his salutation, Mr. Tural stressed the close cooperation of his country with the EU member states aiming at a harmonisation of the relevant legislation: In Turkey, a new law will allow progressive liberalisation of the postal market in order to implement the requirements of the EU Postal Directive, the overall objective being fair and effective competition in the market of financial and postal services.

Mr. Tural emphasized the importance of CERP for the cooperation between ministries and regulators in the postal field.

A representative of the Turkish Post gave a presentation on the current state of affairs in the postal sector (Annex 1):

The new postal act foresees more transparency, an effective competition and affordable prices. The new law will foresee a reserved and a non reserved area. The weight limit is 200 gram. Literature for the blind is intended to be part of the universal service. Licences are to be granted.

A regulatory authority is to be established. The implementation shall be realised at the end of 2011. After 5 years it is intended to have full market opening.

**2. Approval of the agenda and introduction by the Chairman (Doc 1 Rev 3)**

The agenda is adopted without any discussions and further amendments.

**3. Approval of the report of the 42<sup>nd</sup> Plenary meeting in Krakow on 5-7 May 2010 (Doc 2)**

The report of the 42<sup>nd</sup> Plenary meeting in Krakow was adopted without any discussions and further amendments.

**4. Report of the Steering Group meeting on 16 September 2010 (Doc 3)**

The state of affairs concerning the creation of ERGP and the subsequent reorganisation of CERP were the major topics of this Steering Group meeting. These points will be treated separately in the course of the plenary meeting.

The Chairman particularly informed about the consultations with PostEurop in September and October 2010.

Moreover it was indicated, that there will be no change regarding the organization of the CERP Plenaries foreseen until autumn 2012.

## **5. Results of the meeting of the Contact Committee CERP/European Commission on 16 September 2010 (Doc 4)**

During the Contact Committee, the EU representative highlighted the Commission's Decision of 10 August 2010 to create a European Regulators Group Post and informed that the rules of procedure and the ERGP Work Programme are under elaboration.

The Commission stated that they do not intend to take over full competences on UPU affairs. A better coordination of European positions within the UPU decision process seems however necessary.

Concerning the future relationship between CERP and the European Commission, it was decided that the Contact Committee will be continued.

## **6. Reports of the Project Teams and Working Groups**

### Project Teams

#### **Cost Accounting and Price Regulation (Doc 6)**

During the last six months, the project team chaired by Switzerland worked via email only. The activities scheduled during the Krakow Plenary meeting (2 projects) and afterwards (2 projects) were successfully implemented.

It is intended that in the forthcoming months, the project team will initiate an overall evaluation of the cost accounting systems existing in a certain number of UPU member countries within the CEPT framework (restricted Union).

The report was adopted without further discussion.

The future work of this project team will be transferred to ERGP.

#### **Financing of the USO**

The project team chaired by Sweden had no meeting since the last Plenary because of the heavy work load in its individual member countries. New ideas in the field of regulatory accounting and price regulation of universal service will be tackled by ERGP in the near future.

#### **Consumer Issues (Document 9)**

The project team chaired by Germany developed a questionnaire on consumer issues. The 3<sup>rd</sup> Postal Directive requires that the member states shall ensure that transparent, simple and inexpensive procedures are made available by all postal providers. The objective met by the questionnaire is on the one hand to give the best possible overview on national frameworks on consumer issues in place. On the other hand it is to detect the roadmap for future work in this field showing the points of importance and interest for the different member countries.

Future activities in this field will be pursued within ERGP.

#### **Statistics**

No further work has been done by the project team chaired by France since the last Plenary meeting.

#### **National Regulatory Authorities (Doc 8)**

Following the inauguration of ERGP, it seemed appropriate to the project team chaired by the UK to cease its work since it will be covered by the ERGP work programme.

## **Sustainable Development**

Because of the uncertainty aroused by the announcement of the work separation between CERP and ERPG, no further work has been done by the project team chaired by Belgium. Nevertheless, the topic is of more actuality than ever. Elements of sustainability are to be taken into account in almost all aspects of postal services. This meets also a request of the European Commission. It will depend on the intentness of the CERP member countries whether sustainability will be utopia or reality.

It is proposed for the future activity to refer to more experts in this field within the framework of CERP.

## **Market Supervision (Doc 10)**

The project team chaired by Belgium organized a meeting in Stockholm. At this occasion, external presenters were invited too. Topics of their presentations were the quality of service in a liberalized market from a national (Swedish) regulatory as well as operational perspective (Sweden Post).

Moreover, the current items of importance concerning CEN standardisation, postal codes, quality of delivery services, hybrid mail and “.post” were presented and evaluated from a regulatory point of view. Details are reflected in the available documents and the presentations forwarded in Annex 2.

The future work plan foresees reports on the quality of service results 2009 to be measured by the new EN 13850 as well as on issues concerning the quality of delivery service. As the work of this project team will mainly pass over to ERGP, the plan has to be adapted subject to the creation of the ERGP Working groups and the reform of CERP.

## **Policy (Doc 7)**

The project team chaired by Norway had one meeting since the Krakow Plenary. The project team mainly focused on the current UPU activities as well as on the implementation of the 3<sup>rd</sup> Postal Directive. The project team noted that concerning the implementation of the Directive, a few countries have the national legislation in place and others are still drafting. The PT also reviewed the recent regulatory developments in the member states.

In view of the imminent ERGP, the project team agreed that regulators' and ministries' approaches are complementary. So CERP will be a forum for exchange of ideas between those parties.

A subgroup of the PT under leadership of Portugal had been very active concerning the development of the .post issue within UPU and the role of regulators in this respect (see separate item on the agenda). The project team will continue its work mainly focused on UPU matters within the CERP structure.

## **Universal Service (Doc 11)**

The project team chaired by Poland concentrated its work on the accessibility of the universal service. To this objective, a questionnaire consisting of two parts was developed. The first part treated the field of access to the premises and a second part the issue of the access points. The objective of the questionnaire is to identify market developments with their positive and their negative effects. The results of the questionnaire will be summarized in a report. The deadline for answers was the 22 November 2010 so that it was not possible to present a final report to the Plenary. The final report will be presented at the latest in May 2011.

During the debate following the presentation of the project team, it appeared that the universal service was a good example for the future split of work between ERGP and CERP. Definition, size and scope of the Universal service will remain within CERP, the application of universal service will be within the ERGP responsibility.

## Working Groups

There were no meetings of the Working Groups Policy and Application since the last plenary meeting in Krakow

### **7. State of affairs on the CERP website**

The CERP website will be transformed along the lines of the CEPT website. The transformation however depends on the development of the CEPT which is currently pending. The CERP chairman has the intention to set up a Task Force having the mandate to administer the relevant data of the website once the technical conditions are given.

### **8. Recent developments in the creation of ERGP**

The UK being actively involved in the development of the ERGP rules of procedure and working arrangements through the ERGP contact network (CN) gave a short presentation. The CN had its last meeting on the 10<sup>th</sup> of November 2010 in London. It decided on the future working groups within ERGP that would cover Regulatory Accounting, Access regulation, Cross-border issues, Net costs of USO/VAT and Monitoring of market outcomes.

The inaugural meeting of ERGP is foreseen for the 01 of December 2010.

### **9. Reorganisation of CERP**

The proposals go back to a questionnaire sent out by the CERP Chairman and encompassing the role of Working Groups, Project teams and task forces, the role and composition of the Steering Group and logistical aspects as the organisation of plenaries and the usage of languages. Details are described in Annex 3.

During the discussion it appeared that the assembly largely agreed on the proposals made by the chair. It was stressed that it is important to spread the work on more actively participating members in order to seek broader support.

The assembly approved the document and the new structure in principle. Editorial amendments have still to be done in the rules of procedure. The Plenary also shortly discussed the question whether the name of CERP should be changed.

### **10. Future WG and PT Chairs**

Forms will be distributed in order to present candidatures for chairing persons of the working groups.

For the purpose to indicate who is going to participate in the future, CERP members will receive forms indicating the tasks of the working groups.

Furthermore a form allowing the indication who shall receive general information and who is going to attend CERP Plenary meetings in the future will be circulated.

### **11. Preparation for the election of Chair and Vice-Chairs in 2011 - Appointment of the election committee members**

The chairman informed about the requirement to designate someone as vice chairperson who will succeed John Hearn in 2011.

The election of the Chairman and two vice Chairmen for the next CERP mandate will be prepared by a committee composed of four member countries. These are: Belgium, Ireland, Serbia and Turkey.

## **12. Recent developments in UPU – Presentation by the International Bureau**

Among the recent developments within UPU, the representative of the International Bureau stated that there was a new proposal to create an article introduced in the General Regulations in order to establish governance rules of UPU extra budgetary issues.

She highlighted the major findings from the PWC Study on the impact of new market players in the postal sector on the UPU and insisted on the necessity of strengthening the role of Restricted Unions, amongst them CEPT/CERP.

Concerning the .post project she explained that comment to the future procedure can be sent to the IB until the end of January 2011.

She also exposed the key elements of the future Doha Strategy which are free and reliable postal communication services, expertise for the postal sector, a three-dimensional network, a UPU as representative for the whole sector, sustainable development and last but not least the capacity building and international cooperation.

Moreover she announced that the next Congress will take place from 24 September till 15 October 2012 in Doha – the capital of Qatar.

## **13. State of affairs “.post”**

In his presentation, Walter Trezek, president of Docex, Austria, gave an overview of the UPU strategy in this field, which is to provide a trusted and secured international platform, regulated by the UPU members for the postal community to conduct e-services, e-commerce and e-government by integrating the physical, financial and electronic platforms.

The developed UPU standards which are limited to designated operators are now transformed into CEN technical Standards (TS) open to all postal operators.

On the CEN level, new Work Items have been created in this field which are the reverse hybrid mail standardisation, the mail switch standard for postal processing and the standardised preference data base. Details are given in Annex 4.

The declared objective is to act in concert and to avoid duplication of work. This is why, also on a CEN level responsibilities have to be clearly delimited.

During the discussion it turned out that the UPU approach for .post is very expensive. The necessary resources have to be raised by the designated operators. Without these resources, UPU will not be able to implement its plans.

## **14. European regulatory matters – Presentation by the European Commission**

In his presentation, the representative of the European Commission gave an overview over the transposition of the Directive 2008/6/EC and the correspondent market opening by the EU member states. In this context, he insisted on some selected issues as for instance the scope of the universal service, the special rights after the market opening and terminal dues.

He also exposed the motivation of the EU Commission for creating an ERGP, consisting exclusively of independent regulators, and the expectations with regard to ERGP which are above all the generation of soft law, a coherent application of the Directives and the focus on cross border regulatory issues.

Details concerning the presentation can be found in Annex 5.

**15. Forum: “What measures are necessary to ensure that transparent, non discriminatory access conditions are available to elements of postal infrastructure?”**

The discussion started after a brief introduction of the panel participants who enhanced the discussion with their contributions.

The access to the infrastructure is in fact subject to the national philosophy in the field of postal liberalisation and thus varies from country to country.

The access to the transportation network is needed by big mailers, consolidators and postal operators. For the customer, the infrastructure with regard to the distribution is of outmost importance. It also covers the access to post boxes. The system of zip codes and their creation and attribution has to be seen in this context too.

After the presentation of the different aspects, the participants came to the conclusion that unsatisfactory access can be a barrier to competition and that a fair price for the services offered is essential. Similarly it is very important that the EU member countries develop a common understanding of the relevant aspects according to EU legislation.

Concerning the access to address data bases and to their changes and administration, it appeared that commercial and operational aspects were prevailing rather than technical aspects that already offer a great range of possibilities.

There was consensus that a sector specific regulation in this field was not necessary and that it is covered by existing regulations. According to the discussants, the objective should be to harmonize the ends amongst the EU member states but not the means. Soft laws (best practices, guidelines) could be helpful. This might be also an aspect of the future CERP work.

Transparent and non discriminatory access requires faire price conditions. The question was asked whether the price regulation should be done ex ante or ex post. Here, two opinions were hold: There were defenders of an ex post price regulation because deadlines in this field are very narrow and decisions have to be taken in a timely manner. Others argued that only ex ante procedures were valid. Infringement procedures would take at least two years which would equal a situation without any market opening.

**16. General discussion on future topics to be discussed in the CERP WGs**

In order to reposition CERP for its future tasks, a presentation was made by the Chairman of COM ITU, the CERP sister organisation under the umbrella of CEPT. This presentation is attached in Annex 6.

It appeared that a lot of the tasks could be titled “damage control” and concerns a lot of organisational aspects.

The most important responsibilities are the preparation of European proposals for ITU meetings and the presentation of European proposals.

It is also very important to keep contact with all stakeholder organisations, to develop and maintain an up to date work programme and to report regularly on the state of affairs.

It appeared that many parallels can be drawn between the two CEPT organisations. For CERP the following aspects and principles are considered to be important:  
The steering Group assumes coordination work but does not defend positions outside CERP. It is important to think outside the own box, i.e. to have more intensive contacts with the Restricted Unions. The elaboration of valid background papers may be more helpful than the presentation of documents.

During the discussions on this topic, particularly in the intervention of the CERP Vice Chairman from Switzerland, it became clear that a fundamental reflection on the future of CERP has to be done. It has to be clearly marked out which are the fields of activity, who has the responsibility for the objectives to be realised and who is working in order to fulfil these objectives.

#### **17. Exchange of information between regulators/Ministries**

**UK:** The postal services bill will be passing parliament at the end of 2010: The bill enables the transposition of Royal Mail into a shareholder company and abolishes Postcomm. The regulatory functions of Postcomm will pass over to OFCOM. All regulatory decisions taken up to now can be found on the website.

**Lithuania:** The implementation of the new postal Act has been postponed. The new version encompassing two amendments is currently presented in Parliament.

**Spain:** The National Postal Sector Commission, as the independent Spanish postal regulator, began the effective exercise of their competences last October, following the appointment of its president and the other four member of its Council by the Cabinet in July.

**Germany:** The designated operator of Germany will no longer accept imported insured letters as of January 2011. The designated operator intends - if insured letters are received after that date - to forward them to the recipient but handle them as registered mail. The German regulator is currently examining possible impacts of this process.

**Belarus:** Belarus is step by step making progress in the direction of liberalisation of postal services. However the adoption of the Postal Act has been postponed until the end of 2012.

**PostEurop:** The parting Chairman of the PostEurop management board, Mr. Damien, thanks CERP for the possibility of participation in its meetings. Mr. Forceville will take over his activities. Because PostEurop in the IPC context is permanently confronted with similar questions as CERP - as not all IPC members are also members of the EU - it is all the more necessary to guarantee a transfer of information and know how within the two organisations and also between these organisations for the benefit of the member countries and postal customers.

#### **18. Programme of Plenaries**

The next spring plenary will take place in Dublin, Ireland on the 19<sup>th</sup> and 20<sup>th</sup> of May 2011 after the UPU POC meeting 2011.

The autumn plenary 2011 will take place in Montreux (Switzerland) on the 27<sup>th</sup> and 28<sup>th</sup> of October 2011 before the UPU CA meeting.

The spring plenary 2012 will take place in May in Serbia. The Ministry of Communication of Serbia will inform all CERP members in due time.

The autumn plenary 2012 will be organised by Cyprus having also the EU presidency at that time.

#### **19. AOB**

It was decided to distribute an up to date list of participants to the Istanbul Plenary.

The UPU representative indicated that Swaziland is looking for support from regulators in order to organise a regulatory system in the postal field. UPU is looking for cooperation with CERP. Interested candidates are invited to communicate their interest to the CERP Secretariat within the next two weeks (Lithuania and Germany applied for).

31 January 2011

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