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MAIN POINTS

Objective of the Directive: The purpose of the Directive is to accomplish the internal postal market while simultaneously ensuring the continuation of universal postal services.

Affects: Public and private postal service providers; consumers.

CONTENT

Title

Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the **development of the internal market of Community postal services** and the improvement of quality of service

Summary

- ▶ The Directive stipulates that the Member States must **ensure** that an area-wide **universal postal service** is provided at affordable prices (Art. 3, paragraph 1).
- ▶ **The universal postal service includes a minimum range of services including:**
 - clearance, sorting, transport and delivery of **mail items up to 2 kg**, of **postal packages up to 10 kg**, as well as services for registered items and insured items. (Art. 3, paragraph 4),
 - one **clearance and one delivery** of postal items to the home every working day and **not less than five days a week** (Art. 3, paragraph 3).
- ▶ Each member state shall determine the **obligations and rights of the universal service providers** and shall publish them. The universal service providers must provide regular detailed and up-to-date information regarding the features, prices, and quality standard levels as well as general conditions of access to these services (such as access to post office boxes) (Art. 4 and 6).
- ▶ **To the extent necessary** in order to ensure the maintenance of universal service, the **services that may be reserved** by each member state for the universal service provider are as follows:
 - the clearance, transport, sorting and delivery of items of **domestic correspondence up to 350 gram** (Art. 7, paragraph 1),
 - **cross-border mail and direct mail up to 350 gram** (Art. 7, paragraph 2)
 if the price for these services is less than five times the public tariff for an item of correspondence in the first weight step of the fastest standard category.
- ▶ The European Parliament and the Council shall decide not later than 1 January 2000 on the **further gradual liberalisation** of the postal markets **with effect from 1 January 2003**, in particular with a view to the price and weight limits and cross-border and direct mail (Art.7, paragraph 3).
- ▶ Member states may oblige postal operators offering services which are part of the universal postal service to request an **authorisation**. The granting of these authorisations may be made **subject to quality regulations and universal service obligations** (Art. 9, paragraph 1 and 2).
- ▶ Member states may establish a **compensation fund** administered for the purpose of compensating universal service providers for disproportionate financial burdens related to their universal service obligations. Member states may **oblige** authorised operators **to make a financial contribution to that fund**. Only universal postal services may be financed with the revenues of the fund (Art. 9, paragraph 4).
- ▶ If necessary, the **national procedures for granting authorisations may be harmonised** EU-wide. This is to ensure that both users and universal service providers have **access to the public postal network** under conditions that are transparent and **non-discriminatory** (Art. 10 and 11).
- ▶ Member states must ensure that prices for the universal postal service are affordable and cost-oriented. Deviating from the principle of cost-orientation, **Member States may** however decide to **apply a national uniform tariff** for each of the services forming the universal postal service. This does not hinder the universal service providers to conclude individual agreements on prices with customers. All tariffs must be transparent and non-discriminatory (Art. 12).
- ▶ **Universal service providers shall keep separate accounts** within their internal accounting systems as of 10 February 2000. They shall separate between those services which are part of the reserved sector and those which are not. The accounts for the non-reserved services should clearly distinguish between services, which are part of the universal postal service and services which are not (Art. 14).

- ▶ Member states must determine **domestic quality-of-service standards** – especially regarding the routing times of deliveries. Independent performance monitoring shall be carried out yearly by external bodies. The results will be published. National regulatory authorities shall ensure that the proper corrective action is taken where necessary. The quality standards for intra-Community cross-border mail in each country are established directly in the directive: 85% of the mail must be delivered within three working days (Art. 16, 17 and Annex).
- ▶ Member states must ensure that transparent **procedures** are established for **dealing with complaints**, particularly in cases involving loss or damage of mail delivered within the sector **of universal postal service**. The customer is **entitled to reimbursement and/or compensation** (Art. 19).
- ▶ Each Member state must install an **independent national regulatory** authority for the postal sector. The national regulatory authority shall ensure compliance with the obligations arising from this directive (Art. 22).
- ▶ Member states shall transpose this directive in national law by 10 February 1999. The directive is valid until 31 December 2004 (Art. 24 and 27).

Changes to the Status quo

With directive 97/67/EC, postal services are regulated on a European level for the first time. The directive creates a comprehensive regulatory framework for the gradual and controlled opening of the internal postal market in Europe.

Subsidiarity Justification

Regarding subsidiarity, the Commission merely states that the basic principles of a regulation are to be determined at the Community level. The concrete transposition of the directive allows member states to set the single aspects of the procedure and to choose the system which is best for its situation.

Positions of the EU Institutions and Bodies

European Commission

With this directive, the Commission strives for the completion of the internal postal market. It attributes to this sector a great importance for the economy as well as for the economic and social cohesion of the Community, as postal services are important instruments for communication and commerce.

Committee of the Regions

The Committee of the Regions argues against a rapid liberalisation of cross-border mail and direct mail and supports the remaining of these services in the reserved area. The revenues from these services are necessary for the maintenance of the universal postal service.

European Economic and Social Committee

The EESC welcomes the creation of a universal service for postal services. However, the impact of liberalisation on wages and on working conditions should be studied first. In order to avoid social dumping, and if necessary, minimum standards should be aimed at.

European Parliament

The EP believes that liberalisation should be gradual and controlled. It supports the implementation of uniform national tariffs. Direct mail and all cross-border mail should be excluded from the liberalisation.

Council – “Telecommunications”

The Council endorses the gradual accomplishment of the internal postal market. It supports the plans of the Commission with the exception of a few points, such as details regarding accounting separation and procedures for authorisation of post operators.

Status of the Legislation

26 July 1995	Adoption by Commission
28 March 1996	Opinion of the European Economic and Social Committee
13 June 1996	Opinion of the Committee of the Regions
15 December 1997	Adoption by the European Parliament and Council
21 January 1998	Publication in the Official Journal
10 February 1998	Entry into force

Options for Political Influence

The Directive has been adopted and has entered into force.

Formalities

Competence:	Article 100a TEC (Internal Market), Article 57 Paragraph 2 TEC (Right of Establishment), Article 66 TEC (Services) in the version of the Maastricht Treaty
Type of Legislative Competence:	Concurrent Legislative Powers
Procedural Method:	Article 198b TEC (Co-Decision Procedure) in the version of the Maastricht Treaty