
Implementation of the new EU regulation on cross border parcel delivery services: Demands towards the EU member states

Resolution of the Trade Council 'Post & Telecom'

On 18 April, 2018, the European Parliament and the Council of the European Union enacted a new Regulation on cross-border parcel delivery services.

It is now the national legislators and authorities in the EU Member States which need to implement the contents of the regulation. The objective of the Regulation is, according to the European Commission, the strengthening of cross-border online trade through the creation of a higher degree of price transparency in parcel deliveries as well as, consequently, an improved consumer protection and protection of small businesses.

In its provisions, the Regulation obliges all suppliers of cross-border parcel delivery services -only very small businesses are excluded- to communicate their rates for specific cross-border consignments (of items) on an annual basis to the competent national regulatory authorities. These rates should be forwarded to the European Commission, which shall publish them on a website which it will operate itself. Furthermore, the competent regulatory authorities shall undertake appropriateness assessments with regard to the prices with which they have been supplied, after having compared them with other data. These assessments should then be passed on to the European Commission, which shall make it available online to the public.

The Trade Council 'Post & Telecom' of CESI is critical about the absence of any socio-political aspects in the new Regulation, although this was called for in communications with the responsible parties. Given the frequently precarious working conditions in parcel delivery services, this is unacceptable. More competition in the sector worsens existing social problems.

The Trade Council Post & Telecom is convinced that cross-border parcel delivery services are not improved just by lower prices (postage costs), but rather by an adequate quality (reliability) of the service.

Often, it is those parcel delivery services which offer very low prices which also pay their workers very low wages and offer them unfavourable working conditions or else have services generated through (bogus) self-employed subcontractors. Typically, working conditions in subcontractors are especially bad.

Bad working conditions and low pay are therefore not only socially reprehensible; they also drastically lower the quality of the services offered to the customer.

It follows, then, that it is not necessarily in the interests of consumer protection if customers can send a consignment at lowest price only for the consignment in question not to reach its destination at all or else to arrive with some delay or in a damaged state.

In Article 3, the new Regulation contains a general flexibility clause which grants the EU Member States the possibility to maintain or introduce *“additional necessary and proportionate measures in order to achieve better cross-border parcel delivery services.”* There is a further specific flexibility clause on the transmission of information in Article 4 paragraph 5.

In the context of these flexibility clauses the Trade Council Post & Telecom urges the legislators of the EU Member States –also in the interests of a better consumer protection- to include the following in the national laws on cross-border parcel delivery services:

1. Relating to Article 4 paragraph 3 of the new Regulation

Every provider of a parcel delivery service should be obliged to communicate to the competent national regulatory authority the average hourly wage it pays its workers, broken down into delivery workers, parcel distribution staff and administration personnel. Furthermore, parcel delivery service providers should be obliged to communicate to the national regulatory authority how high the share of its own employees in the field of delivery services is in relation to that in subcontractors called upon to help deliver the service. As an important indicator for work organisation, each parcel delivery service should also be obliged to communicate its transported parcel volumes.

2. Relating to Article 4 Paragraphs 6 and 7

People working for a parcel delivery service provider’s subcontractors should be obliged to be included by the national regulatory authorities in the calculations of the threshold of 50 people. This would ensure that companies have a duty to pass on information even when they mainly or exclusively provide their services via subcontractors.

3. *Relating to Article 6 Paragraph 2*

The national government authorities should as a matter of urgency be obliged to take into account the aspects of 'average hourly wage' and 'relationship of own employees to subcontractors'. The higher the paid hourly wage offered by a parcel delivery service provider and the more people employed, the more appropriate it is for the national regulatory authority to evaluate higher rates.

4. *Relating to Article 6 paragraph 8*

The national regulatory authority should be obliged to pass non-confidential copies of its evaluations of rates on to the European Commission and make it available to the public in a timely manner on its own website.

5. *Relating to Article 8 paragraph 1*

The national regulatory authority should be obliged to impose fines on parcel delivery service providers in cases where they fail to fulfil their legal responsibilities to provide information or provide insufficient information. These fines should be calculated according to parcel delivery services turnovers.