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**COMMISSION STAFF WORKING DOCUMENT**  
**EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT**

*Accompanying the document*

**Proposal for a Regulation of the European Parliament and of the Council  
on cross-border parcel delivery services**

{COM(2016) 285 final}  
{SWD(2016) 166 final}

## Executive Summary Sheet

### Impact assessment on cross-border parcel delivery

#### A. Need for action

##### Why? What is the problem being addressed?

High prices for cross-border delivery for e-retailers and consumers, in particular in remote areas and for SMEs, are an obstacle to cross border e-commerce. The high prices are caused by relatively high barriers to market entry, which may limit the development of competition with wide geographic coverage, and by the low volumes of small sender which reduce their bargaining power, leading to higher prices and fewer delivery options on offer for small e-retailers and individuals. Furthermore, the limited mandate of many national regulatory authorities (NRAs) to monitor the cross-border parcel market results in a lack of information needed to identify possible market failures or other regulatory concerns. Retailers and consumers also lack information about the range of delivery options available to them. Differences in the scope of the universal service obligation between Member States means that the Postal Services Directive (97/67/EC)<sup>1</sup> alone is not sufficient to ensure affordable prices for the services used for e-commerce.

##### What is this initiative expected to achieve?

The objectives are to make regulatory oversight more effective; to enhance transparency concerning the availability and price of different cross-border delivery services; and to encourage competition. This should reduce the cross-border parcel prices paid by individual consumers and smaller e-retailers, particularly in remote areas. The quality of cross-border delivery services is being addressed separately.

##### What is the value added of action at the EU level?

In the absence of a concerted approach at the EU level, action at the national level alone is unlikely to address the cross-border issues identified above. The different approaches or interpretations of the current regulatory framework (in particular the Postal Services Directive) have led to an uneven level playing field for delivery operators acting in different Member States and unequal levels of protection for SMEs and citizens trying to benefit from the (digital) single market. Individual Member States cannot effectively address obstacles to the internal market, as trans-European delivery networks are covered by several jurisdictions.

#### B. Solutions

##### What legislative and non-legislative policy options have been considered? Is there a preferred choice or not? Why?

Different options for price transparency and regulatory powers have been examined. The preferred choice is:

- (1) Enhanced transparency by publishing prices of selected products of different cross-border delivery service providers on a dedicated section on the Commission's EUROPA website and requiring NRAs to assess their affordability.

- (2) Improving regulatory oversight by clarifying all parcel delivery operators (above a certain size) are required to submit a basic set of statistical data to NRAs.

- (3) Encouraging competition, by requiring third party access to the cross-border networks and multilateral price agreements of national postal operators (NPOs).

Other options considered and rejected included increasing the transparency of individually negotiated prices and/ or the prices paid by e-retailers to delivery operator, and advance notification (to regulators) of price changes.

A self-standing Regulation allows a swift implementation of targeted and directly applicable rules, reducing fragmentation. Uniform rules would give legal certainty to all operators on the market. Non-legislative measures, for example the 2013 Roadmap for Completing the Single Market for Parcel Delivery<sup>2</sup> have not improved affordability or regulatory oversight to date. Given the rapid changes in some parts of the market and limited market knowledge, price regulation is not proposed.

##### Who supports which option?

Retailers and consumers support measures that reduce prices. NPOs are against regulatory intervention, believing markets are competitive. The express industry wants harmonisation of regulatory frameworks, yet criticises more oversight by NRAs. NRAs acknowledge the current lack of market data, but caution against new ex-ante powers. The European Parliament has called for a balanced and well targeted measure. Member States do not want price regulation.

#### C. Impacts of the preferred option

##### What are the benefits of the preferred option (if any, otherwise main ones)?

<sup>1</sup> As amended by Directives 2002/39/EC and 2008/6/EC

<sup>2</sup> COM(2013) 886 final

Improved market knowledge for NRAs will give them better market oversight and enable them to monitor market developments.. The price website and NRAs' affordability assessments will highlight (too) high prices, and create pressure for more reasonable prices to be offered. This would benefit small e-retailers and consumers in particular. Delivery operators would benefit from an increase in demand for cross-border delivery services. Access to multilateral agreements will help delivery operators enter the market and reduce NPOs' costs.

**What are the costs of the preferred option (if any, otherwise main ones)?**

The estimated cost is under €500 000 (€221 000 for regulators, €20,000 for national postal operators and €170,000 for other delivery operators), based on the EU standard cost model and the Commission's statistical experience.

**How will businesses, SMEs and micro-enterprises be affected?**

The proposal should reduce delivery prices so smaller e-retailers can sell more. Delivery operators with fewer than 50 employees and who are only established in one Member State would be exempted from the requirement to provide data to NRAs.

**Will there be significant impacts on national budgets and administrations?**

Member States may face additional costs if NRAs are funded through national budgets and require additional resources.

**Will there be other significant impacts?**

No. Delivery operators from third countries willing to offer services in the EU would need to comply with the same rules.

**D. Follow up**

**When will the policy be reviewed?**

A report two years after adoption will review the Regulation and include progress on other initiatives to complete the single market for parcel delivery.