

# Regulatory approaches to social & environmental sustainability

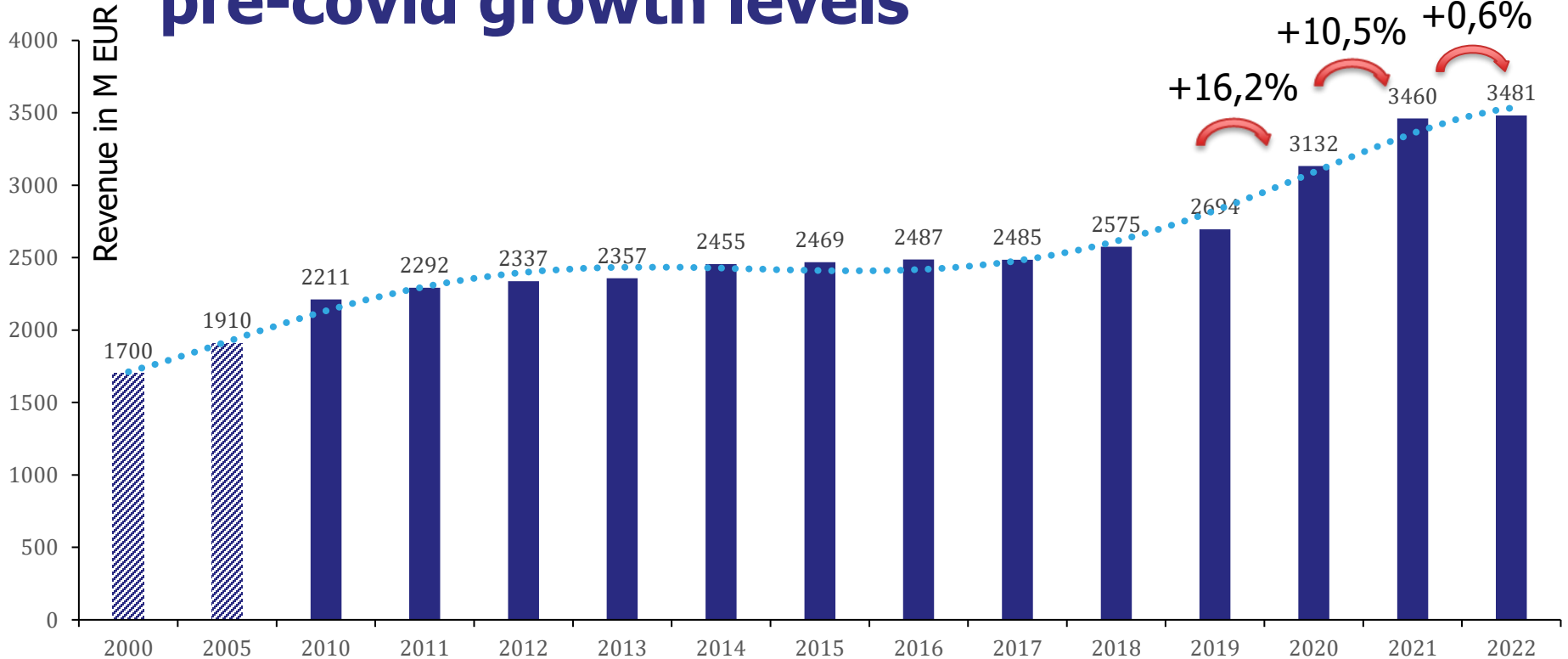
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**10TH ANNUAL COPENHAGEN ECONOMICS POSTAL & DELIVERY CONFERENCE 2024**

Belgian Institute of Postal Services and Telecommunications



# Belgian postal market returns to pre-covid growth levels



# Rising employment in Belgium and EU

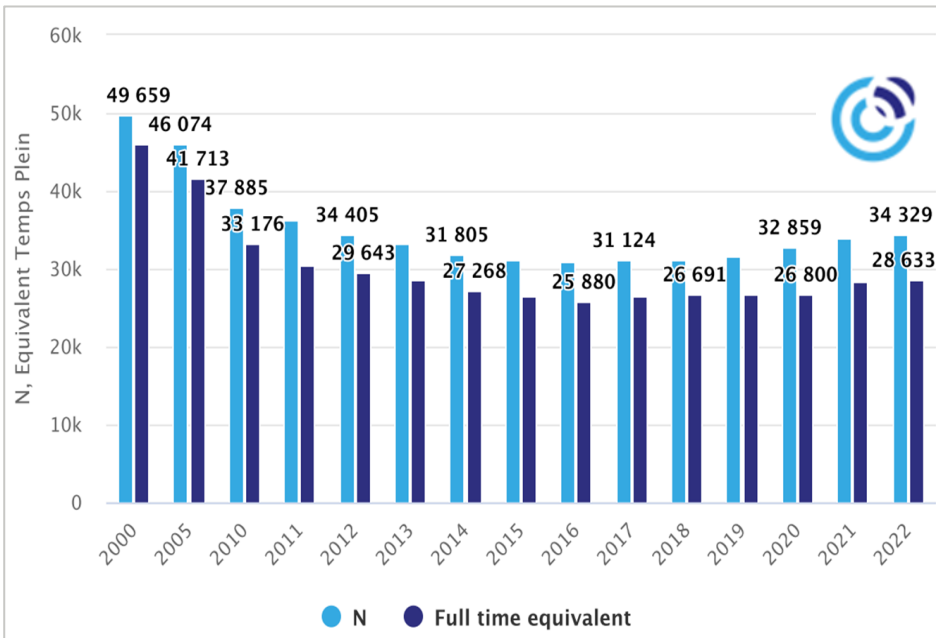
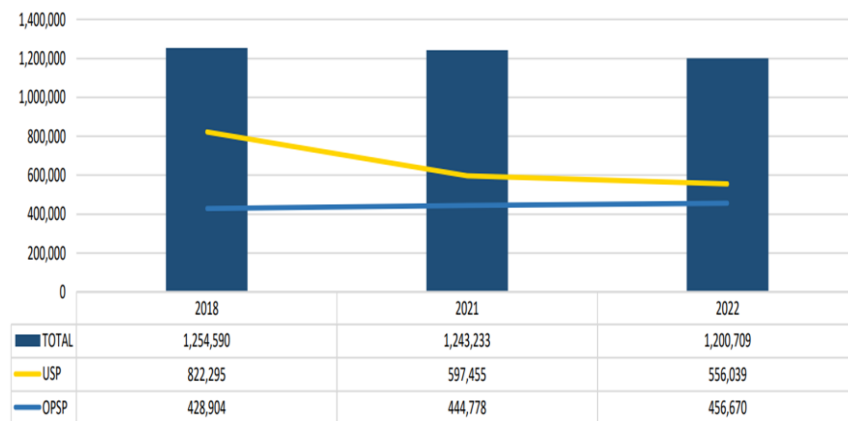


Figure 56 – Total employment by USP and other postal service providers (number of people employed): 2018, 2021 and 2022.



Various contract types deployed in the postal sector, including full-time, part-time, fixed-term, performance-related, flexible, self-employment, and subcontractors



# Environmental postal sustainability indicators

## BIPT observatory results (2022)

245 gr/CO<sub>2</sub> per parcel

~3% less emissions compared to 2021

3.6% of parcels delivered by electric/emission-free vehicles

## IPC Results

Delivery Efficiency	2018	2019	2020	2021	2022	2025 target
Letter mail (grams CO <sub>2</sub> per item)	36.3	37.4	40.9	37.8	<b>40.4</b>	28.4
Parcel (grams CO <sub>2</sub> per item)	473.7	499.9	513.4	480.6	<b>536.8</b>	432.7

2012–2022 comparison of % of alternative-fuel vehicles

	2012	2020	2021	2022
Total vehicles	524,000	601,000	630,000	<b>637,000</b>
Total alternative-fuel vehicles	65,000	134,000	149,000	<b>165,000</b>
% of alternative-fuel vehicles	12.39%	22.34%	23.64%	<b>25.94%</b>

NB: All figures rounded to nearest thousand where appropriate.

**Difficult estimate of the overall environmental impact of the postal sector: public figures can be broader (e-commerce/transport) or reduced (e.g. USPs only)**



# Regulatory approaches

## Situation

## Assessment

## (Level of) regulation

Monopolies vs  
Destructive competition

Market analysis

Impose direct obligations in  
the legislation or regulation

Negative vs positive  
externalities

Cost-benefit analysis

Risk-based regulation,  
harm-reduction approach

Imperfect and/or  
asymmetric information

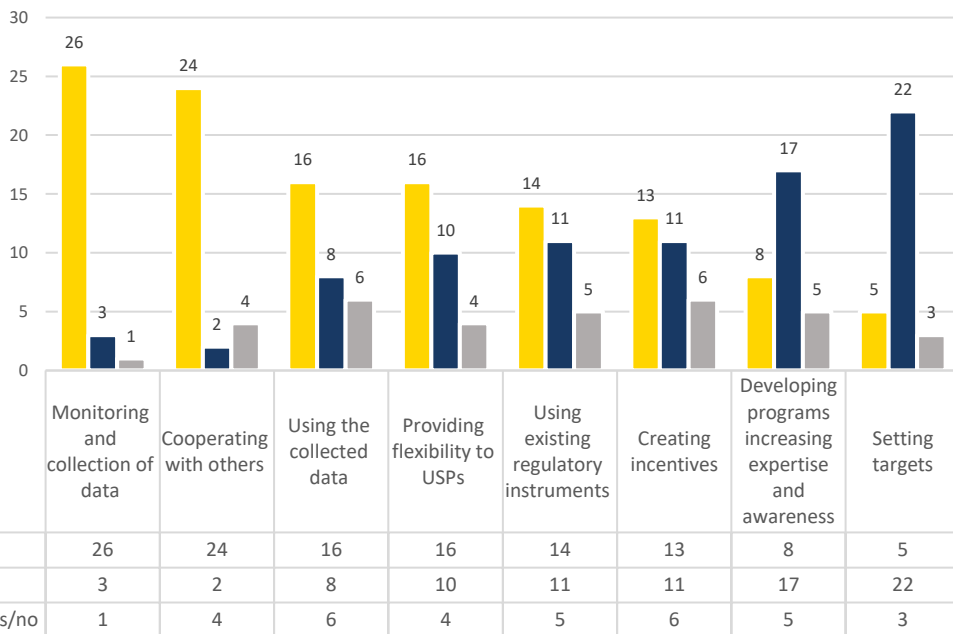
Awareness and  
sensitivity measurement

Obligation to provide  
information - stimulate  
transparency

## Role of NRAs towards operators regarding environmental sustainability



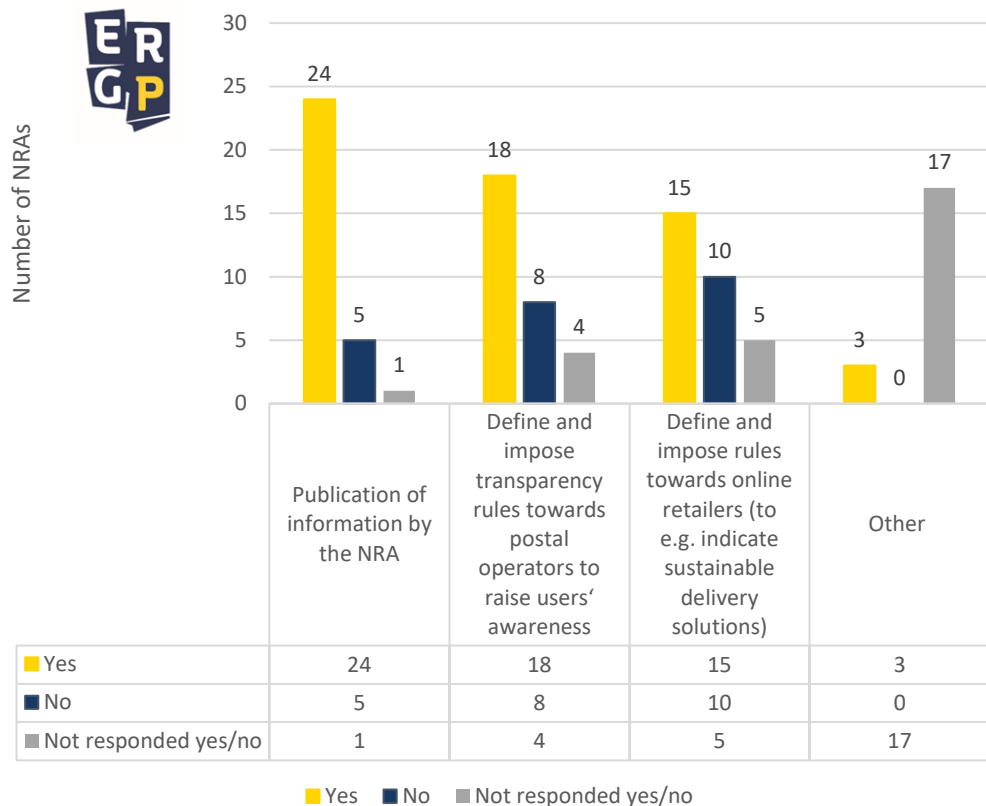
Potential competences/actions - NRAs views



■ Yes ■ No ■ Did not answer yes/no

Graph shows which **competences** and measures NRAs regard as important for current and future frameworks:




- NRAs highlight the competence of to **monitor data and cooperating** with others as the most important
- NRAs are divided on whether USPs should adjust their **USO** obligations for **sustainability reasons**
- Competences regarding sustainability **with lower importance** from NRAs' perspective are **setting targets**



- While most of the NRAs have not yet taken specific action to raise awareness towards users, there is a general belief among **NRAs they have a role to play in this field.**
- A very large majority of NRAs are positive towards specific actions towards users, such as the **publication of information** by NRAs, and the definition and imposition of rules towards operators and e-retailers.
- 18 out of 30 NRAs indicate that **transparency rules** towards operators may be imposed to raise users' awareness.
- While seen as relevant, actions **towards e-retailers** mostly don't fall in the scope of NRAs competences.




# Some national postal legislations are currently being amended to respond to environmental concerns, by adjusting delivery times and delivery methods and/or by imposing reporting obligations on ecological indicators



 <span data-bbox="247 205 463 231">Greece / Lithuania</span>	 <span data-bbox="917 205 1020 231">Belgium</span>	 <span data-bbox="1526 205 1638 231">Germany</span>
<p>In <b>Greece</b> new secondary legislation was issued on 14 March 2024 (titled "<i>Regulation of General and Individual Licenses and conditions providing postal services.</i>" which i.a.:</p> <ul style="list-style-type: none"> <li>recognizes and defines Automated Mail Boxes and Unmanned Aircraft Systems as elements of the holder's postal network;</li> <li>certifies the performance in Automated Post Office Boxes (the assurance of opening the safe after submission by the user to the provider's system or a unique code or PIN).</li> </ul> <p>In <b>Lithuania</b>, initiated amendments to the Postal Act:</p> <ul style="list-style-type: none"> <li>include the obligation of postal service providers to provide information to the RRT about the managed postal network and the environmental sustainability practices;</li> <li>include proposals to make it possible for postal service providers to use parcellockers operated by another postal service provider;</li> <li>establish that parcel lockers are part of the elements of the postal network.</li> </ul>	<p>In <b>Belgium</b> an amendment to the Postal Law (OJ 9 March 2024):</p> <ul style="list-style-type: none"> <li>defines parcellockers;</li> <li>includes parcellockers as element of postal infrastructure;</li> <li>prescribes access to the postal infrastructure can be requested based on environmental sustainability objectives;</li> <li>obliges postal operators to make use of private parcelboxes (if any) when delivering parcels at homes.</li> </ul> <p>A Royal Decree (OJ 29 December 2023) regarding sustainability imposes providers of parcel delivery services with <math>\geq 250</math> workers to communicate to users and the BIPT on <b>7 environmental indicators</b>.</p> <p>A Royal Decree of 14 March 2022 relaxed the <b>delivery targets</b> for inbound cross border single piece mail to D+3 (95%) and D+4 (97%).</p>	<p>The <b>new German postal law</b> (intended to enter into force on 1 January 2025):</p> <ul style="list-style-type: none"> <li>would no longer set targets for D+1 and D+2 but require 95% of letters to arrive in D+3 and 99% of letters in D+4. (Under current rules, 80% of letters must arrive within one day (D+1) and 95% of letters in D+2.</li> <li>would contribute to environmental sustainability because Deutsche Post would no longer need national air transport to fulfil the USO transit time targets.</li> </ul> <p>On the 28<sup>th</sup> of March 2024 Deutsche Post DHL already ended its air mail transport service within Germany, citing economic and ecological imperatives:</p> <ul style="list-style-type: none"> <li>In the future, letters will only be transported across Germany by road, which thus intends to save "<i>more than 80% of the quantity of CO<sub>2</sub></i>" produced during air transport.</li> <li>For decades, DHL relied on flights because it had legal delivery deadlines to respect. The legislative reform in progress plans to ease the current obligation to deliver letters the day after they are sent.</li> </ul>



## The increasingly blurred lines between traditional postal services and other delivery activities are impacting working conditions, as different regulations and minimum standards apply to the different market segments and parts of the value chain

 <b>Italy &amp; Spain</b>	 <b>Belgium</b>	 <b>Germany</b>
<p>The <b>Italian NRA AGCOM</b> imposed new requirements related to labour conditions on parcel delivery operators, more specifically:</p> <ul style="list-style-type: none"> <li>▪ To send a declaration of compliance with working conditions for all people involved in supplying parcel delivery services (i.e. including subcontractors) to the NRA every six months.</li> <li>▪ To submit all standard contract forms used for personnel (including subcontractors) to the NRA and provide any updates every six months.</li> </ul> <p>The <b>Spanish law</b> requires :</p> <ul style="list-style-type: none"> <li>▪ A statement of responsibility must be presented prior to the start of activity and shall expressly declare the company complies with horizontally legal labour requirements.</li> </ul>	<p>The <b>new Belgian Postal law</b> obliges parcel delivery operators :</p> <ul style="list-style-type: none"> <li>▪ To pay workers to deliver parcels a <b>minimum compensation</b>.</li> <li>▪ To use an <b>electronic time registration</b> platform to calculate their delivery work hours.</li> <li>▪ To appoint a coordinator, with the responsibility to inform workers of their rights and to ensures that operators fulfil their obligations.</li> <li>▪ <b>To notify to the Belgian NRA (BIPT)</b> and communicate certain information to BIPT</li> </ul>	<p>The <b>new draft German postal law</b> is intended to improve labour conditions, in particular through rules on <b>the supervision of subcontractors</b>:</p> <ul style="list-style-type: none"> <li>▪ Parcels weighing between 10 and 20 kg must in future be <b>labelled</b> to warn employees. Parcels weighing more than 20 kg may only be delivered by a single person, if the service provider provides “suitable technical means” for the delivery.</li> <li>▪ An operator who contracts a subcontractor with the provision of parcel services must <b>audit the subcontractor annually with regard to compliance with labour and social law</b> requirements. The violation of this provision may lead to the operator’s deregistration by BNetzA.</li> </ul>



# Conclusions

- Positive growth of the postal market fueled by e-commerce can be accompanied by negative externalities
- Indications of precarization in labour conditions: move to more part-time and temporary work, via subcontracting and outsourcing.
- Need for objective underlying complete market figures regarding environmental sustainability to shape the regulatory future.
- Regulatory design to be based on the least interventionist measures, escalating to necessary level(s) to achieve policy goals.
- Regulators charged for monitoring, data collection and enforcement
- Numerous recent national sector-specific legislations intervene directly to limit or control (postal?) externalities

Thank you