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GREEN PAPER

An integrated parcel delivery market for the growth of e-commerce in the EU

(Text with EEA relevance)

1. Introduction

E-commerce is widely acknowledged as a key contributor to economic growth and increasing employment levels across the European Union[1]. The Commission's Communication on e-commerce and online services[2] identifies the delivery of goods purchased online as one of the top five priorities to boost e-commerce by 2015 and its importance has been reiterated by the Council of the European Union and the European Parliament[3]. Delivery is indeed critical as it has a substantial impact on facilitating e-commerce trade and is a key element for building trust between sellers and buyers[4].

The commercial and – more broadly speaking – economic relationship between e-retailers and consumers is characterised by a series of complex logistics operations. The term "delivery" as used in this document refers to the shipment of physical goods ordered on line up to the point of final delivery when they reach the end customer. Many operators play a role in this delivery process. In this document they are referred to as 'delivery operators' and they include: carriers, postal and express operators, and other logistics providers. For the purpose of this Green Paper, parcel is defined here in the broadest sense and includes all items weighing up to 30 kg[5].

The way goods are purchased and delivered in Europe is undergoing a rapid and fundamental change. As EU consumers increasingly look for and resort to online purchases, notably across borders, there is a growing need for a delivery system that meets their expectations and works smoothly to facilitate their daily lives, thereby generating greater confidence in, and increased use of, e-commerce[6]. The performance and affordability of the delivery system is also a key driver of the sustainability of the business models of many SMEs and in particular of their ability to serve their customers. As SMEs are the driving forces of innovation and growth in

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[1] The internet economy has brought about 21% of the growth in GDP in the last five years. It also generates 2.6 jobs for every job cut and at times accounts for 25% of net employment creation (COM (2011) 942 final).

[2] "A coherent framework for building trust in the Digital Single Market for e-commerce and online services", COM (2011) 942 final.

[3] Council of the EU, Conclusions on the Digital Single Market and Governance of the Single Market, 31 May 2012; Resolution (P7_TA82010)0320) of 21 September 2010 on completing the internal market for e-commerce.

[4] 42 % of online businesses in UK prioritize improved delivery services compared to 18% for investment in faster broadband.

[5] In short, any small items and goods that can be handled by one person.

[6] 66% of all "cart abandonments" are due to delivery factors, '2011 consumer trends in multi-channel retailing', by Royal Mail.

Europe[7], improving the overall delivery system for goods ordered online in Europe can be expected to yield very significant results in terms of growth and jobs[8].

Many surveys and industry reports[9], as well as interviews with various stakeholders conducted during the preparation of this Green Paper converge and confirm the analysis of delivery services as presented in the Communication on e-commerce and online services.

Cross-border delivery is considered to be an obstacle by 57% of retailers[10], while 46.7% of consumers declare they worry about the delivery in cross-border transactions. Delivery concerns and those relating to products returns are the top two concerns of consumers in relation to online shopping[11]. Delivery failure, damaged or lost items and high delivery costs are also among the top ten concerns of consumers, contributing to low consumer confidence in cross-border e-commerce. Confident consumers will be increasingly inclined to buy on line if they are confident that their purchases will arrive in good condition, within the announced time frame, and there are easy to use return procedures in place[12].The increased availability and use of new technologies offers a new range of opportunities to improve the quality of delivery services as well as customers satisfaction. The emergence and growth of social networks has also had a significant impact on the way consumers interact with brands and buy goods on line. Innovative means of electronic communication between e-retailers, service providers and customers can contribute to more efficient and convenient delivery and return processes and higher quality perception. A better functioning e-commerce market will deliver tangible mutual benefits to consumers and SMEs, as well as all actors and industry sectors involved in e-commerce activity.

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[7] According to estimates from FTI Consulting, small retailers account for 22% of cross-border e-commerce volumes. Eurostat estimates that over a quarter of all enterprises send e-commerce orders to other EU countries: of these, 23% are small enterprises, 41% are large and 33% are medium enterprises.

[8] A study carried out by Civic Consulting estimates that the EU is missing out on the potential of e-commerce: the total welfare gains for EU consumers from a hypothetical situation where the share of e-commerce in total retailing would be 15% (instead of the 2010 level of 3.5%) is estimated to amount to 204.5 billion Euros per year or 1.7% of EU GDP.

[9] "Focus on the Future" by BCG, May 2012; IMRG; ACSEL; "Intra-community cross-border parcel delivery", FTI 2011; Set of national On line barometers by E-bay; "The evolution of the European Postal market since 1997", ITA/ WIK 2009; IPC Cross border E-commerce report 2010, Eurobarometer, "Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods", Civic 2011.

[10] Eurobarometer, Business attitude Towards cross-border sales and consumer protection, Analytical report, Flash Eurobarometer 224, July 2008, Chapter 2, section 2.1, page 21.

[11] "Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods", Civic Consulting, September 2011, pages 132, 40.

[12] A recent UK survey indicates that almost 65% of the respondents mentioned that the risk of failed delivery (due to no-one at home to receive the item) would prevent them from shopping online. Too vague timeslots and the risk that the item may not arrive on time are also a concern for about 43% of the respondents ("A study of online fulfilment requirements", IMRG UK Consumer Home Delivery Review 2012).

The importance of shipment and delivery is further amplified in the international context. As more consumers buy from Asia-Pacific and North America, and more European e-retailers seek to export to these regions, trade flows between them are rising sharply. In this context, shipping and delivery elements are even more complex, evoke an additional set of concerns and security considerations and represent a major challenge, but also a unique opportunity for the development of European e-commerce, and notably for SMEs[13].

A more appropriate design of the delivery chain for e-commerce in the EU would also have positive implications for a number of policy areas such as:

➢ *Cohesion:* making e-commerce benefits accessible to all citizens and businesses, regardless of their size, via well-functioning delivery operations across Europe.

➢ *Employment*: ensuring responsible employment conditions in the delivery sector, which operates under intense pressures to reduce costs and increase flexibility.

➢ *Innovation:* promoting the widespread use of new information technologies in delivery systems having immediate benefit for all citizens and businesses, and adapted to the new social media environment.

➢ *Environment:* promoting sustainable development and optimised delivery logistics to allow for more energy savings and an overall reduction of negative externalities.

➢ *Competitiveness of European industry:* building on the strengths of the European industry (e-retailers and delivery operators) to promote investment in a European delivery network which faces intense competition in the international environment.

This Green Paper examines how the e-commerce and delivery markets in Europe are evolving, explores what is required for the creation of a Single Market for delivery, analyses the key challenges for the different actors, and highlights the opportunities for improving the delivery process to the benefits of citizens and businesses, in particular SMEs. On the basis of the information gathered through the consultation, the Commission will identify more precisely the issues to address and draw conclusions, in Spring 2013, as to the set of actions to take for completing the single market for parcels.

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[13] Communication "Small Business, Big World — a new partnership to help SMEs seize global opportunities" COM(2011) 702 final.

2. Current market situation and perspective

2.1 The European e-commerce market and the importance of delivery

E-commerce markets in the EU are highly diversified, and at different stages of maturity, due to different consumer practices, taxation considerations, product availability, broadband access and competitive delivery markets. The trading profiles of national markets[14] also have major implications for delivery[15] while cross border delivery in Europe remains a challenge for consumers and e-retailers[16]. In addition, an efficient cross border delivery will sustain the growth potential of new market niches, thanks to the "long tail" effect[17].

The e-commerce market is evolving quickly and is increasingly demanding both in terms of innovative business solutions and consumers expectations. The delivery-related needs of the sector are increasingly diverse because of the growing number of product segments covered (such as books, DVDs, clothing, small electronic items, home electronics, furniture, household appliances) with different value, different weights and size of packages. Social networks, instant information technologies and the generalisation of mobile and handheld devices have also heightened consumer expectations of solutions based on real time information and flexible delivery options.

E-retailers are under time pressure. New concepts and ideas need to be quickly implemented. The viability and success of their business depends on the ability of the logistic sector to deliver at low cost, and in a convenient manner[18.] This applies in particular to smaller players on the e-commerce market, which neither have the bargaining power to obtain substantial discounts from delivery operators, nor the capacity to invest in a logistics network of their own. In an environment characterised by economies of scale, this risks reducing their competitiveness vis-à-vis larger e-retailers, as consumers increasingly expect "delivery for free" offers when buying online[19].

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[14] E-commerce in the Nordics 2012, Postnord.

[15] Different models are in place for cross border shipments notably via co-operation between national postal services, via direct injection into the national postal system or via other agreements with logistic operators.

[16] In the EU-27 only 9% of EU consumers and 18%[16] of EU retailers use cross-border e-commerce; 48% of consumers reported they are more confident in buying online domestically than cross-border (European Commission, Consumer Conditions Scoreboard, Consumers at home in the single market, March 2011).

[17] The total sales of products for which demand is low or whose sales volume is low can equal or exceed the market shares of best-selling products if sellers can offer a wider choice.

[18] For example, 57% of retailers consider cross-border delivery an obstacle (Flash Eurobarometer 224, July 2008). 78% of eBay sellers identify delivery costs as the main obstacle to cross-border e-commerce, 42% refer to bad quality of delivery services (FreshMinds, Crossborder trade survey in the UK, Germany and France).

[19] In a survey in the UK, free delivery was the most-cited factor by 67% of respondents for making them continuing or increase their usage of an e-retailer (Delivery Matters, 2011 Consumer Trends in multi-channel retailing _Royal Mail).

2.2 The European delivery market

The EU parcel market was estimated to be worth €42.4 billion in 2008 with the Business to Consumers segment representing 15 % of this market[20]. Over the last 5 years, and due to the growth of e-commerce, the B2C segment of the parcel and packet markets has grown rapidly. Estimates of today's volumes indicate that this segment now represents between 20 % and 40% of total volumes in more mature e-commerce markets such as the United Kingdom.

The market is traditionally divided into express and standard parcel delivery. However, these current definitions[21] do not reflect the complexities and relative importance of the different offers (standard, deferred, express or same day delivery, tracking, proof of delivery, registered) and the reality of the e-commerce sector which also refers to the use of packets (small items below 2kg).

Eurostat estimates that over a quarter of all enterprises send e-commerce orders to other EU countries. Of these, 23% are small enterprises, whilst this percentage is 41% for large and 33% for medium enterprises[22]. Those small, infrequent customers who have low volumes and therefore have limited bargaining power with operators are confronted with far fewer delivery options. According to FTI estimations, published cross-border parcel prices (for non account customers) charged by national postal operators are on average twice as high as domestic prices.

Postal networks only handle part of the parcel volumes (with very different market shares per country)[23], and only a small percentage (5 to 10 %) of these volumes is subject to the universal service obligations under which Member States need to ensure both national and cross-border basic package delivery at all points in their territory at affordable prices for all users [24]. As those obligations were agreed long before the advent of e-commerce, there were not designed with the specific objective of satisfying the current needs of this fast developing sector. The parcel division of the postal networks has been traditionally organised to move parcels between 2 to 30 kg, but without the flexibility and capacity required by the growth of on line sales[25]. In recent years, some operators have nonetheless been able to reorganise their

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[20] ITA/WIK 2009. These figures refer to 2008 and include parcel and express market. Another study from IPC indicates the value of the EU CEP market in 2008 to be €37.38 billion (excluding packets) while the B2C segment represented 26% of the total EU CEP market.

[21] In the Postal Directive (Directive 97/67/EC, as amended by Directives 2002/39/EC and 2008/6/EC), items of correspondence or documents up to 2 kg are considered as letter, goods up to 20 kg are considered to be parcels.

[22] Eurostat (Isoc_ec_ebuyn2) Fig 11.

[23] Universal Service Provider's market share varies significantly across member states: less than 10% in Member States like Bulgaria, Spain, the UK; between 10%-15% in Member States like Hungary or Italy; and more than 25% in Member States such as the Czech Republic Denmark, France, Estonia- The Evolution of the European Postal Market since 1997, ITA/ WIK 2009.

[24] See Chapter 4 for more information on the Postal Services Directive.

[25] And notably for consumers and SMEs: the lack of a low cost option for packets (below 2 kg); service features such as track and trace options exist but may be offered only in combination with higher added value features.

parcel network, or are in the process of doing so, as they face high levels of competition in this sector in their domestic market.

Express operators have built their success and infrastructure on a dedicated integrated network designed to deliver for the business to business segment by offering premium services (speed, track and trace options). Recognizing the opportunities of e-commerce growth and the lack of satisfactory solutions for e-commerce players across Europe, they are now increasingly active in the Business to Consumers segment.

Other logistics players in the field - such as consolidators, brokers, fulfilment services, third party logistics providers[26] play an increasing role to fill in the gap between the e-commerce and delivery operators in terms of innovation, flexibility, stock management, transport and return of parcels. The solutions that they offer are not yet widely known, in particular among SMEs. With more visibility they could play an increasing role in facilitating logistics operations for e-retailers in the future. By consolidating different sources of low volume, they could also be in a position to obtain more favourable terms/deals for delivery that could then be passed on to their contractors, and ultimately to consumers.

Some niche players are emerging. These are the operators who have designed specific solutions for a particular product segment (for example, dedicated shipment and delivery services for clothes ordered on line). In addition, more recently some **leading e-retailers** are also becoming increasingly involved in logistic and delivery, and are expanding their logistic services to include smaller e-retailers.

Parcel kiosks (automated lockers where parcels are deposited for the consumer to pick up using a special code) are being tested by operators in different countries and their generalised use will depend on whether consumers find them sufficiently convenient and if sufficient volumes are delivered in this manner.

Relay points (network of shops supported by a technological platform where consumers can collect their parcels) have been used historically for the distance selling segment. Those networks have been upgraded with new information systems and form an alternative to more costly home delivery services. Their success depends on local preferences and historical practices but there are indications that they form a viable and promising alternative for e-commerce delivery.

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[26] Third party logistics provide assistance to customers for outsourced services for part, or all of their logistics (such as, pick and pack, warehousing, documentation, labelling procedures and distribution). Online brokers and parcel consolidators offer discounts on single shipments by integrators, or national operators.

2.3 The interconnection between e-commerce and delivery markets

Delivery operators recognize the opportunities presented by e-commerce. Creating new delivery models for the Business to Consumers segment may require significant investment and an extensive re-design of their operations. However, operations become complex[27] when the goal is to reach all points in the territory against a background of volumes that are inconsistent and hard to predict.

Additional choices for final delivery, such as office delivery or at a neighbour's residence are being offered, with better information and choice progressively being introduced, thus allowing consumers to decide where and when they want to receive parcels. Also some new business models are now emerging which offer better services for return products.

Nevertheless, these new solutions are slow to emerge and are still often accompanied by costly added value features which are not always required. There is a demand for individualised small packets, with simple tracking solutions[28] and affordable price[29] which is currently not being met.

From an operational point of view, delivery services are complex and subject to many constraints. Traditional parcel services (with basic features, and high cross border charges) or high added value express operations (historically designed for the Business to Business segment) are not yet adapted to the specific needs created by the e-commerce world. Interconnection between postal operators in cross border delivery is improving, notably through the European Parcel Group[30]. However, only a part of the flows are going through this channel, and no alternative is offered for tracked packet services or non-priority parcels.

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[27] Volumes estimations and capacity planning, time schedules where volumes, routes as well as consumer expectations have to be taken into account.

[28] A survey by IRMG for their UK Consumer Home Delivery Review 2012, showed that 85% of the respondents listed access to online tracking information as the single most important way to make deliveries more convenient ("IRMG UK Consumer Home Delivery Review 2012 – a study of online fulfilment requirements"). In a 2011 survey on European e-commerce conducted by Accenture for the European Retail Round Table, supply chain and delivery issues are identified as a barrier to market entry by 34% of the respondents, while 42% of the respondents indicated shipping infrastructure problems (European Cross-border E-commerce – the challenge of achieving profitable growth", Accenture January 2012).

[29] FTI (2011); Civic Consulting (2011); Mystery Shopping Evaluation of Cross-Border e-commerce in the EU (2009).

[30] Postal operators delivering their priority parcel products through the European Parcel Group's integrated delivery network benefit from a track-and-trace system and an automated customer service system linking each postal operator's call centres.

In effect, two different worlds co-exist side by side, one is driven by marketing (e-commerce) while the other (logistics) is driven by a series of operational demands. Both have different business timeframes, different backgrounds, different usage of IT systems and solutions and different performance indicators for their businesses. Both e-commerce and delivery markets are therefore confronted with major and fundamental challenges: the e-commerce model has not yet fully stabilised while the logistic sector has yet to fully adapt to the requirements and demands of e-commerce. In such a rapidly changing environment, investment choices and decisions are difficult to make.

3. Key challenges for the different actors

3.1 Consumer experience and expectations

Consumers want more convenient deliveries: more delivery options with the ability to decide their preferred one, better advance information on the delivery process, easier return procedures and user friendly services using new technologies to anticipate delivery (smart phones, tablets, SMS alert)[31]. They expect more transparency with respect to the conditions under which their orders are shipped and most notably when packages are delayed, damaged or lost. At the same time, they expect transparency with regard to the clarity and comparability of prices as well as the level of competition.

As a receiver of goods, the consumer's decision to buy is heavily influenced by the availability of free – or low cost – delivery (and return). Consumers also look increasingly to other national markets, but the complexity of and lack of transparency in cross border delivery is a major hurdle. As a sender of parcels, and notably when they return the goods ordered, consumers represent a relatively captive market, and high cost delivery is mentioned as one of the main reasons for their dissatisfaction with on line shopping[32]. Overall, the price factor remains the most dominant driver when it comes to choosing a cross border delivery service option[33].

Convenience varies between national markets and type of products delivered. Surveys of consumer preferences show that convenience aspects may relate to the entire delivery process.

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[31] A number of surveys have been undertaken to identify the needs of consumers vis-à-vis the delivery of goods ordered on line. For example, "Home delivery in the UK 2011" by Snow Valley, IPC Cross border E-commerce report 2010; IRMG (2012), CIVIC (2011).

[32] A study on consumer experiences with online shopping shows that the majority of problems consumers experience when buying goods concern delivery: long delivery times (28% of consumers reporting a problem), damaged product delivered (20%), non-delivery (17%), wrong product delivered (14%), and delivery costs or final price was higher than displayed on website (7%).

[33] IPC Cross border e-commerce report.

For example, a survey in the UK identified six main areas of customer preferences: flexible delivery options, affordable delivery charges, flexibility on where the order can be delivered, effective communication about their delivery, fast fulfilment and a good doorstep experience[34]. In particular, the provision of real time information is becoming increasingly important, notably for the younger generation[35]. They want to be in control of their delivery, and expect to be offered tracking and texting (i.e. SMS alert) solutions[36].

3.2 Challenges faced by e-retailers when delivering goods to their customers

E-retailers want to respond to the needs and expectations of consumers, with simple, transparent, reliable shipping services[37]. They are acutely aware of the fact that consumer feedback is heavily conditioned by the delivery experience which in turn has a direct impact on their brand name and image.

They need more options, which a more competitive delivery market (i.e. one with more actors providing different offers and alternative delivery options) should be in a position to offer them. They may have specific delivery needs for particular products (e.g. medicines, fresh products, or high value goods). Yet even in the most competitive markets, the gap between marketing driven e-commerce offers and operation-driven logistics processes still persists.

The logistics part is critical to the sustainability of the business of e-retailers, and notably SMEs. The availability of affordable and efficient delivery solutions is particularly relevant for those SMEs and micro-companies that operate from remote areas or peripheral regions.

In a very competitive environment, pressure on prices is a key determinant of who gains market share. SMEs looking for revenue earning opportunities across borders are heavily dependent on an integrated European delivery system which has yet to emerge. They are looking for growth in other national markets but are confronted with higher costs, greater complexity and a lack of transparency when it comes to cross border shipment[38]. Large sellers are far better placed to negotiate tariffs and conditions with delivery operators.

Both large and small e-retailers need more flexibility from delivery services in general, and notably in terms of carriers' capacity and level of technological innovation. E-retailers have a specific challenge during peak periods such as before Christmas where carriers' capacity may not be sufficient to meet demand. This is a major issue for growth and sales, due to the importance of this period for annual turnover.

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[34] The 2011 online retail delivery report, Snow Valley.

[35] Consumer Focus.

[36] More and more UK consumers would like to receive a text to confirm information on delivery status: 80% of online shoppers say they like to receive updates at every stage of the delivery, Delivery matters, 2011.

[37] IPC Cross border E-commerce report 2010.

[38] Top 2 barriers to cross border shipping in France are the high cost of shipping (78%) and poor shipping services (42%), compared to 28% for lack of demand, or 12% for cultural differences (eBay report).

E-retailers increasingly want to be in control of the shipment/delivery process, and are entering into partnerships with delivery operators. Whether they choose to keep the management of logistics operations in house or sub contract it, they still need far more information and transparency from their delivery service providers. They also need more commonly agreed performance indicators for their shipments to help adapt their business models to real time needs (management of stocks, payment, returns).

Further development of their businesses is hindered by the absence of a delivery network structured around their specific needs (as opposed to a mere adaptation of the historical parcel or express logistic models). More integration is needed to avail of growth opportunities. Better sharing of information and more flexible solutions to respond to their marketing offers would greatly improve their operations.

3.3 Challenges faced by delivery operators

Delivery operators are all those actors who play a part in the shipment of goods ordered on line up to the final delivery to the consumer and include e.g. carriers, parcel and logistics operators, other logistics services providers, postal and express operators for the Business to Consumers segment. The logistics sector traditionally operates with low profit margins within a high fixed cost structure. Delivery operators are under enormous pressure from big e-retailers (large senders) to negotiate low tariffs.

On the other hand, delivery operators need sustainable tariffs in the long term to be able to cope with the high fixed costs of their network[39]. The negotiated price regimes granted to large senders cannot be extended to senders with low volumes, let alone to individual consumers.

Delivery operators are increasingly confronted with the demands of e-retailers to offer, within a very short period of time, new services and options, at low cost. However, they need time to adapt their logistics operations which are complex and subject to many external constraints. The degree of flexibility which is expected from them (and their workforce) is also very demanding.

Moreover, the lack of integration between the electronic communication systems of enterprises along the transport and logistics chain is a key stumbling block, notably for smaller shippers, and seriously limits their choices regarding the available transport and logistics choices. Increased interoperability could speed-up information exchange, ease consolidation of transport needs, parcel delivery and invoicing, facilitate co-modal transport and reduce administrative and IT implementation costs[40].

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[39] Including the costs for renewing the fleet in order to keep it updated to meet environmental standards.

[40] As in the demonstration action DiSCwise, (http://www.discwise.eu/).

4. The adequacy of the current regulatory and institutional framework

The delivery sector is subject to a variety of rules and regulations which have an effect on the way shipping and delivery can be arranged. The most relevant ones are described and assessed below:

- **The Postal Directive**[41]**:** The provisions of the Postal Directive are focused on guaranteeing a (basic) universal postal service. Most of its provisions are only applicable to the small part of the parcel market which falls under the universal service obligation (around 10% of parcel volumes)[42].

  The rules concerning the provision of a (minimum) quality standard, principles concerning costs and prices, price regulation, and information and data collection, are directly and in most cases exclusively linked to the universal services obligation (USO).

  A few provisions – notably Article 19 on complaint procedures - allow for additional regulatory measures concerning parcel delivery outside the scope of the USO. Those provisions could in theory be appropriate for addressing concerns relating to quality of service. However, most of the problems which have been identified (inappropriate delivery times, lack of pick up/collection services, track-and-trace options and return procedures; lack of clarity concerning liability in cases of loss, theft, damage or delay and lack of transparency/information on services), would not be covered. In conclusion, the current regulatory framework for postal services is not designed to address the needs of consumers who buy online.

- **The consumer protection framework**: Further improvements with regard to quality of service and consumer protection (notably in the area of online shopping) are to be expected following the full application of national rules implementing the Consumer Rights Directive (CRD) by 13 June 2014. Several provisions of the CRD will increase information and transparency, such as (a) the elimination of hidden charges and greater price transparency for distance and off-premises contracts;(b) a longer period for the right of withdrawal (14 days); (c) better refund rights (e.g. reimbursement of delivery costs where applicable); (d) the possibility for the consumer to use a model withdrawal form (where contact details and returning address have to be clearly specified); (e) clear information requirements concerning the costs of return of the purchased item in case of a withdrawal.

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[41] Directive 97/67/EC, as amended by Directives 2002/39/EC and 2008/6/EC.

[42] Only 36% of the parcel market is held by universal service providers; and of those 36% only a small amount fall under the universal service obligations. The minimum requirements in the Postal Directive entail the provision of over the counter or basic parcel services. Minimum universal service obligations are spelled out in article 3 of the Directive but Member States can go beyond these requirements.

The CRD will also have an impact on parcel delivery services, because these services, specifically with regard to the delivery of items to consumers, form part of the distance and off-premises contracts covered by the CRD. The CRD, once implemented, has the potential to increase consumer confidence in cross-border purchases. It does not, however, address concerns about parcel delivery prices; nor does the CRD provide a basis for clarifying the potential liability of delivery operators or for additional quality features (track-and-trace options, pick up/collection services, etc.) which online consumers might expect.

The proposal for a Regulation on a Common European Sales Law (CESL)[43] establishes a self-standing uniform set of contract rules applicable in cross-border B2C and B2B contracts. It contains rules on delivery of goods and digital contents, in particular for sales contracts which involve the carriage of goods by a carrier. These rules would only apply when the Common European Sales Law is chosen by the parties. Like the Consumer Rights Directive, a future CESL will not address parcel delivery concerns relating to excessive prices or certain quality features.

The new Commission proposal for alternative dispute resolution[44] (ADR) for consumer disputes aim to further improve consumer protection in terms of dispute resolution. Existing provisions on consumer protection dealing with (postal) parcel delivery (Article 19 of the Postal Services Directive) will be further enhanced by the ADR legislation[45].

- **Competition law:** Prices of parcel delivery outside the universal service are not subject to sector-specific regulation, but are subject to competition law. Articles 101 and 102 of the TFEU are directly applicable. In the intra-EU cross-border parcel market, EU competition law (here: Article 102 TFEU) would for example be violated if a dominant (cross-border) parcel delivery operator would engage in predatory commercial behaviour in order to prevent entry to the cross-border parcel market.

  Article 101 TFEU prohibits any agreement between undertakings which may affect trade between Member States and which has as its object or effect the prevention, restriction or distortion of competition within the internal market.

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[43] COM (2011) 635final 11.10.2011.

[44] Commission proposal for a Directive of the European Parliament and of the Council on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR), COM(2011) 793 final adopted on 29 November 2011.

[45] Article 19 of the Postal Directive calls upon Member States to encourage the development of independent out-of-court schemes for the resolution of disputes.

- Within certain limits, the delivery sector is also subject to the provisions of the **Services Directive**[46] and respective national implementing measures. The following two aspects deserve special emphasis in the context of e-commerce and related delivery:

    o In its Article 20, paragraph 2, the Services Directive contains a prohibition of discrimination in the general conditions of access to a service on the basis of the place of residence of the recipient. It thus seeks to facilitate the delivery of services on a cross-border basis. On 8 June 2012, the Commission services issued guidance on the application of this obligation of non-discrimination by national authorities[47]. This should result in enhanced transparency on the application of delivery restrictions (in advance of the obligation laid down in Article 8 of the European Consumer Rights Directive) and reduce consumer frustrations when being denied a supply on grounds of residence. The guidance also clarifies that the argument by a business that there are no options for delivery can rarely be invoked as a legitimate reason to refuse supply of a purchased good to a given Member State because of the existence of basic universal postal services.

    o Article 22 of the Services Directive, which relates to information requirements for service providers, aims to ensure that particular information is always provided in an easily accessible manner to the service recipients (e.g. name and contact details of the provider; general terms and conditions; price of the service).

- **Transport** and logistics-related issues at EU and international level are covered by a number of rules, notably in the context of the completion of an internal market for transport, environmental (e.g. de-carbonisation of the supply chain, reducing air pollution from motor vehicles) and security issues. Key policy initiatives are set out in the Commission's White Paper "Roadmap to a Single European Transport Area" and the upcoming e-freight initiative[48].

- **Other relevant rules** that may affect the sector include those dealing with issues such as urban planning, market surveillance, VAT, working conditions, and, in the case of external trade, customs, security and other international issues:

    o Urban planning: Recently many Member States have started to introduce specific rules on traffic in city centres (or even beyond these areas) in order to, for example, reduce air pollution as part of their broader policy on better air

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[46] Directive 2006/123/EC.

[47] http://ec.europa.eu/internal_market/services/docs/servicesdir/implementation/report/SWD_2012_146_en.pdf.

[48] EC-White Paper: Roadmap to a Single European Transport Area, COM(2011) 144 final and the e-Freight initiative: http://ec.europa.eu/governance/impact/planned_ia/docs/2013_move_001_e_freight.pdf.

quality[49] or to preserve their cultural heritage. Such national rules may affect the business solutions of delivery operators who need to adjust their collection and delivery times to time-slots available or even to ensure delivery by other means (e.g. bikes) as urban traffic may be prohibited at certain times.

o Market surveillance for products: the delivery sector is also subject to market surveillance provisions[50]. They apply irrespective of the distribution channel, including distance and electronic selling, and make provision for controls of products entering the EU market by customs and market surveillance authorities. For example, where the market surveillance authorities find that a product entering the EU through a delivery operator does not comply with EU legislation, the authorities must take appropriate action, which may, if necessary, include prohibiting the product's being placed on the market. This has a direct impact on the delivery operator which may have to return the products or which, in some cases, may find themselves in a situation in which the products are destroyed by market surveillance authorities.

o VAT: National VAT rules and rates may have an influence on purchasers and on the choice of delivery services. If a delivery service is part of public postal services, it will be VAT exempt, if not, users of such services (may) have to bear VAT costs[51]. VAT rates for delivery services also vary across Member States. This may have an impact on intra-EU trade flows.

o Working conditions: Delivery sector is traditionally regarded as a labour intensive one, where the largest share of costs relates to the final mile delivery itself. In view of this, many "pay for the delivery service" solutions have developed in the delivery sector (e.g. fixed charge for delivery; pay per piece delivered), depending also on the applicable regulatory framework[52].

o Customs and other international issues: There is variety of other rules resulting from either international trade agreements or EU law, which may have an impact on cross-border delivery solutions, including intra-EU flows. For

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[49] For example, Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe, OJ L 152, 11 June 2008 provides for a regulatory framework in relation to air quality objectives in the EU.

[50] As laid down in Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93 and Directive 2001/95/EC on general product safety.

[51] More on the scope of VAT exemption in the postal sector: see the preliminary ruling of the CJEU in case C-357/07, The Queen, on the application of TNT Post UK Ltd v The Commissioners for Her Majesty's Revenue and Customs, ECR [2009] I – 03025, paragraphs 36 – 40.

[52] For example, point 19 of Article 2 of the Postal Services Directive identifies compliance with the terms and conditions of employment as one of the possible essential requirements for the postal service providers when applying for the authorization.

example, delivery operators exporting to and importing from third countries are subject to customs procedures and security requirements that result from international agreements (e.g. rules of the Universal Postal Union (UPU); rules of ICAO) or from the EU law (e.g. Community Customs Code[53]; Regulation 2320/2002 on air aviation security).

o Furthermore, national postal operators are subject to specific rules of the Universal Postal Union.

Questions: the regulatory and institutional framework for the EU parcel delivery market

1) For the purpose of this Green Paper, 'parcel' is defined in the broadest sense and includes all items weighing up to 30 kg. Are there particular elements which in you view are of crucial relevance for the qualification as 'parcel' in the context of the ambition to achieve a more integrated, well-performing parcel delivery market in the EU[54]?

2) Is, and if so to what extent, the existing framework an obstacle to the creation of a truly integrated European parcel delivery market that meets the needs and expectations of e-retailers, consumers and workers in the sector?

3) What are the top three challenges posed by the regulatory framework? What could be done to help you respond, in the short and long term, to these challenges?

4) Do you consider there are regulatory gaps or a need for additional measures/regulation? If so, please specify.

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5. Towards a truly integrated EU parcel delivery market

Based on an analysis of the existing regulatory and institutional framework, the following chapters will focus on three main issues that are considered instrumental in creating an integrated EU parcel delivery market that provides both e-retailers and their customers with the delivery solutions that they need:

- Convenience: Greater convenience and transparency for consumers[55].

- Costs: More cost effective delivery solutions notably cross border.

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[53] Regulation (EEC) No 2913/92 of the Council of 12 October 1992 establishing the Community Customs Code, OJ L 302, 19.10.1992.

[54] Please note that your replies to the subsequent questions should at any rate be based on the definition as set out in the Green Paper.

[55] 47% of consumers indicate that the lack of delivery convenience may prevent them from shopping online (Consumer Focus research on consumer needs, November 2010).

- Interoperability: A greater level of interoperability between operators along the delivery chain, and better coordination between e-retailers and delivery operators.

In the following sections, different aspects of these three objectives are being tested in order to best identify possible solutions towards improving the current situation. In addition, consideration is given to evaluating the extent to which efficient markets might be able to deliver desired results, or whether changes to the current supervisory or regulatory framework might have to be envisaged.

5.1 Improving consumer experience and convenience

5.1.1 *Increase transparency*

When shopping on line, one would expect customers to be provided with more information about possible delivery options, their associated prices and service levels, and the practical modalities of delivery (i.e. time and place of delivery)[56].

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[56] In addition to the requirements in EU consumer legislation that oblige traders to provide clear and transparent information to consumers, notably their rights to withdraw from distance contracts.

During and after the delivery process, customers should be able to share their judgement on the actual quality of the delivery services received. More transparent information about the actual performance of deliveries, especially for cross-border purchases, can serve several purposes. First and foremost, it will allow consumers to make more informed choices for their subsequent purchases, choosing – where this is possible – the delivery option that they most trust and that are best suited to their needs. Second, enhanced transparency will also create an incentive for delivery operators to further improve their performance. Third, opening up this delivery "black box" will also help change customer perception of actual delivery performance in cases where such perception has been erroneous or unrealistic.

Different options are being tested to increase transparency with respect to delivery performance for packets and parcels.

Questions: improving consumer experience and convenience- more transparency

5) Information on delivery options and modalities

a)   Which information[57] should be made available to consumers on the e-retailer's website (name and contact details of the delivery operator(s), the delivery price, the time and place of delivery, information about complaint handling, track and trace options, return options)?

b)   Taking into account the risk of information overload, what could be done to provide consumers at the right moment with clear, transparent and comparable information on delivery?

6) Information on the quality/performance of delivery

a)   **Performance indicators** relate, for instance, to the speed of delivery, the geographic coverage of the delivery operator, delays, damaged or lost items. How can such performance-related information be measured and gathered? Would publishing the results of such performance indicators create added value for consumers? Is there a need to develop standards to monitor such performance levels?

b)   Would **trust labels** (e.g. a certificate given by an industry association that the delivery process of an operator can be trusted as they meet requirements based on best practice) offer a more efficient way to increase consumers' confidence?

c)   Would **ISO certification** of a quality process aiming at efficient delivery be an appropriate tool to increase consumers' confidence?

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[57] In addition to the information requirements in the EU consumer legislation and the Services and the E-commerce Directives (2006/123/EC and 2000/31/EC).

7) Independent supervision:

Who should take the lead to monitor performance: an industry organisation, an independent body, a regulator?

5.1.2   *Providing better service and more safeguards to consumers*

While consumers attach importance to the delivery of their parcels, they do not necessarily know much about the type of delivery operator providing delivery services. What matters most to them is, to whom they can turn when they have questions about delivery and who will give them quick answers and accurate information. This is particularly relevant in cross-border situations, which usually involve several delivery operators.

The existing regulatory framework only covers part of the delivery needs of consumers buying on line. The EU Postal Services Directive was not designed for the e-commerce environment, and postal operators are only one of the numerous actors in parcel delivery. The Consumer Rights Directive provides for many safeguards for consumers buying on line such as the notification of price, delivery delays and return process. Specific issues with delivery may remain a concern for consumers and more specific safeguards may be needed.

The current universal postal service only provides a 'safety net' for occasional senders of parcels. Some stakeholders have argued that the growth of e-commerce in the B2C segment and the importance of a convenient last mile delivery might require a new definition (of universal service) which needs to be more closely aligned with on-line consumer expectations. Such a "new" universal service should meet the demands of consumers in terms of a minimum level of convenience – notably in terms of information on the delivery process and options for returning items – and meet the demands of e-retailers in terms of tracking and affordability of their marketing offer. It is argued that, when consumers want features that go beyond such minimum quality standards; markets would offer alternative options and services to meet those more advanced needs.

> **Questions: increasing consumer experience and convenience – better services and more safeguards**
>
> **8) Possible need and scope of a universal delivery service for parcels:**
>
> a)   Is there a need for a new universal service obligation to address the ubiquity, affordability and quality of parcel delivery services?
>
> b)   If so, what could be the main characteristics of this 'new' universal service (in terms of service levels, convenience and affordability)?
>
> c)   From a delivery operator perspective, do you think a universal (parcel) service would be feasible in terms of cost/profitability? If so, at what level?
>
> d)   What would be the best tools to implement such a concept (e.g. guidelines; revision of the Postal Directive; new regulatory instrument with enhanced powers of the national regulatory authorities)?
>
> **9) Improving consumer experience**
>
> a)   Taking into account the existing set of consumer rights, how could consumer concerns and complaints about delivery be addressed most effectively[58]?
>
> b)   Do you have any concerns about liability regimes[59] in the event of lost or damaged parcels? What could be done to improve the situation?
>
> c)   Could the e-commerce industry and delivery operators come up with more proactive solutions to better respond to consumers? What actions could be taken quickly to improve the situation in the short term? Which medium to long term solutions could be envisaged?

5.2 More cost effective and competitive delivery solutions

Consumers and e-retailers consider generally current price levels to be too high. By contrast, operators argue that they already work with low margins and that sustainable prices are necessary to ensure their long-term economic viability.

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[58] See Article 19 of the Postal Service Directive establishing transparent complaint procedures, mediation services and alternative dispute resolution systems.

[59] On the specific subject of multimodal liability, the Commission is awaiting the outcome of the ratification process of the Rotterdam Rules by Member States.

5.2.1 *Controlling costs*

As outlined above, prices for cross-border parcels are considered too high in particular for senders of small volumes. This section explores options that might enhance the cost efficiency of delivery services, which would allow for cost reductions to be passed on to the users of these services.

Cost structures vary considerably between operators, as geographical and individual factors (such as density, volumes, timing constraints) may differ. Published tariffs are typically based on average weight, insurance levels and speed, but these do not necessarily match actual costs incurred by operators[60]. B2C delivery, notably for packets, is considered costly by delivery operators. Solutions envisaged to ensure the success of the first delivery attempt (such as more up-to-date address database, pre-information on delivery) can reduce extra costs. A different design of delivery operations (such as relay points or parcel kiosks) may also have the potential to limit the costs of delivery.

Increased consolidation of small volumes, notably from SMEs, also offers the potential for overall cost reduction. More synergies between operators would generate increased efficiency in a market driven by economies of scale. In the cross border context, they would also enhance the fluidity of parcel flows.

Questions: more cost effective and competitive delivery solutions- controlling costs

10) Different options could be envisaged to control costs:

a)   Are there any outstanding examples of, or best practices for alternative delivery solutions allowing for a reduction of costs?

b)   Are there any outstanding examples of best practices to increase efficiency[61]?

c)   What type of technology can or could reduce the cost of delivery?

d)   What could be done, in your view, to remove or alleviate current regulatory constraints without putting the attainment of their underlying objectives at risk[62]?

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[60] For cost allocation purposes, "weight, insurance levels and speed" are not necessarily cost drivers which are associated with all postal activities (collection, transport, sorting and delivery). Additionally, the allocation of common costs to the various postal products usually involves the use of a general allocator (such as EPMU – Equally proportionate mark-up price), where the different cost attributes such as weight are not directly relevant. This means that this cost calculation based on the above mentioned cost allocation principles does not necessarily yield the same result as using weight, or other single attributes, as a proxy for cost.

[61] E.g. an increased level of harmonisation of delivery process, efficiency gains, consolidation and sharing facilities at local logistic hubs. See also e-Freight initiative: http://ec.europa.eu/governance/impact/planned_ia/docs/2013_move_001_e_freight.pdf.

[62] See Chapter 4 on the current regulatory framework.

5.2.2 Competitive but sustainable prices

The need for sustainable tariffs

Parcel operators are concerned by potential increases in costs which might have to be reflected in higher prices to customers. At the same time, consumers are getting used to "free shipping" offers, as a result of which they might underestimate the true operational and societal costs linked to delivery operations.

Large e-retailers are able to negotiate tariffs because of their volumes. The pressure on margins of operators may be significant, whilst these operators need to make new investments to adapt their operations to the demands of e-commerce.

The notion of "sustainability" of prices in this section refers to prices that would reflect the true costs of the underlying service arising both to service providers (i.e. ensuring their long-term profitability) and to society at large (e.g. in environmental and social terms) – on the assumption, however, that national and cross-border delivery markets are sufficiently competitive and hence efficient.

Questions: competitive but sustainable prices – sustainability and transparency of tariffs

11) Sustainability of tariffs:

a)   Do you think that the current level of tariffs charged to consumers for home delivery is sustainable in the medium and long term? If not, what should be done to mitigate this?

b)   Should the actual cost of delivery incurred by e-retailers be made more transparent to consumers? If so why?

c)   Should the true costs of delivery to the society at large be made more transparent? If so why? And how?

More competitive delivery markets

Consumers often perceive the choice of delivery solutions to be very limited due to the lack of transparency of the market, and the actual state – or perceived state – of competition on the market. In some cases, the relevant delivery markets may be dominated by a small number of operators whose behaviour prevents e-retailers and consumers from reaping the full benefits of truly competitive markets.

Specific ex ante regulatory solutions could be envisaged to the benefit of consumers by making delivery markets competitive on a sustainable basis.

Questions: competitive but sustainable prices - more competitive delivery markets

12) Level of competition in delivery markets:

a)   In which markets, or market segments would more competition be essential?

b)   Publishing price comparisons would provide more clarity to consumers and SMEs. How could this be done? What would be the pro and cons?

13) Oversight and regulation:

Ex ante regulatory measures (such as transparency obligations, obligations to provide access to delivery networks, and obligation for tariffs to be cost oriented, etc.) imposed on delivery operators with significant market power can lead to more competitive markets.

a)   Which would be the relevant markets to consider in this respect?

b)   What are the specificities of cross-border operations which could justify cost constraints? Please specify.

c)   Should the regulator have more information on cost accounting data of operators to better assess the cost-price structure of packets and parcels?

d)   Should regulators and/or competition authorities play a more active role in overseeing the national markets or market segments concerned?

More competitive prices for cross border delivery services

Prices for cross border services are a particular concern for consumers and e-retailers, notably SMEs. Tariffs vary significantly[63], even for orders containing the same range of goods and sent to the same destination. Hence there is a need to identify solutions to limit the impact on delivery prices of crossing border and to close the existing gap between the domestic and the cross-border price, where it is not objectively justified.

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[63] FTI, CIVIC (2011), Eurobarometer, Accenture "European cross border e-commerce" (2011), YouGov Psychonomics "Mystery Shopping Evaluation of Cross-Border e-commerce in the EU" (2009). YouGov Psychonomics reports that the delivery price charged by e-commerce and distant vendors to consumers is on average twice as high for cross-border than for domestic deliveries: the average cost of shipping for domestic offers was €8 whereas for cross-border it was €16.

> **Questions: competitive but sustainable prices - more competitive prices for cross border delivery services**
>
> **14) How can more competitive and transparent cross-border tariffs be ensured?**
>
> a)   Should it be left to market forces to provide the tariff levels and levels of transparency that are demanded by e-retailers and consumers?
>
> b)   Would more regulatory supervision contribute to achieving sustainable prices for consumers?
>
> c)   Do you think that applying some type of price cap for single piece cross border packets and parcels would be a feasible and effective option to address the needs of e-retailers and consumers? What would be the impact of such a price cap on market offer and competition?

5.3 Improving interoperability along the delivery chain

More transparency and better partnerships are required in order to address the need of e-retailers, to better understand what constitutes best logistic and delivery practices and to effectively communicate the delivery options that are available to consumers. Successful partnership within and between these two sectors will be decisive for the future of e-commerce.

5.3.1 *Investment to increase the use of technology*

A more generalised use of tracking could empower clients, enabling them to dictate the place and time of delivery. This would improve the success rate of first delivery attempts and thus bring down costs. At the same time, e-retailers would obtain appropriate and pertinent information, and would thereby be in a position to better manage stocks, optimize refund and return processes and simplify administration processes.

> **Questions: improving interoperability - investing in technology**
>
> **15) Levels of investment required:**
>
> a)   To what extent is it possible to evaluate, both at micro and macro level, the approximate cost of a generalised track and trace system for parcels? Which would be the most relevant parameters to take into account?
>
> b)   What specific pilot projects for delivery of e-commerce products could be promoted, possibly within broader programmes aimed at fostering investment in information and communication technologies[64]?

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[64] Competitiveness and Innovation Framework Programme, Digital Convergence Operational Programme, or other initiatives to develop specific technologies, such as, the use of Radio Frequency Identification Data.

5.3.2   Enhanced partnerships between e-retailers and delivery operators

Operators tend to focus on their big clients with large volumes and have less incentive to invest in marketing their services to smaller shippers, although they would in principle have the potential to increase their business. Also, e-retailers are not always aware of possible alternative solutions and available offers.

Questions: improving interoperability - enhanced partnerships

16) Partnerships and cooperation:

a)   Is better co-operation between e-retailers and delivery operators likely to increase the interoperability of operations? If yes, what specifically could retailers and operators do to build new or improve existing partnerships?

b)   Should contingency capacities be jointly developed to deal with peak periods? If yes, how could this be done?

c)   Would you need the services of facilitators and third party logistics providers? How can those –new or existing- services develop, become better known and more visible?

5.3.3   Interconnected networks and platforms

E-retailers depend on the completion of the Single market for the delivery of e-commerce purchases. The lack of integration and the inability to transfer data between different information systems is a major hurdle to cross-border trade[65], and significant investments will be needed to adapt current systems.

However, when postal operators shipping goods internationally were put under pressure by airlines and customs authorities to meet higher security standards after the identification of significant security risks, they were successful in finding solutions to exchange the required data. A similar effort may be necessary to ensure that e-commerce needs are addressed in a joined up fashion with e-retailers.

The Commission services have already launched a number of demonstration actions aiming to improve the competitiveness of the transport and logistics sector in Europe, through the smart use of information technologies and connect, in particular smaller enterprises to digital transport and logistics value chains[66].

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[65] On the one hand, there are differences between domestic and cross-border IT platforms, which may even differ for those delivery operators which have a cross-border presence in the EU. On the other hand, there is information which could be shared between e-retailers and delivery operators so as to improve capacity planning on both sides. For example, e-retailers have the data regarding the products bought online and know when and how much will be put in the delivery pipeline. As for returns, it could be useful for e-retailers to be informed about the volume and time of returns in real-time, which would allow for proactive customer care and for effective stock management.

[66] The DiSCwise project (http://www.discwise.eu/), funded by DG ENTR, aims to get stakeholders more connected, by assisting their integration into efficient co-modal supply chains. It allows transport & logistics

> **Questions**: **improving interoperability - interconnection**
>
> **17) Better interconnection:**
>
> a) Could logistics platforms[67] for groups of operators better meet the needs of e-retailers? If yes, how?
>
> b) Could an industry task force[68] contribute to promoting innovation and increasing the use of new technologies to facilitate greater level of interconnection? If so, how?
>
> c) Should the processes used to return goods (both domestically and cross border) be improved? If so, how?
>
> d) Are interoperability requirements and the promotion of new technologies difficult for SMEs operating in the delivery chain? What actions could help mitigate such difficulties?
>
> e) What are (if any) the main three actions which could improve interoperability across EU borders for moving goods ordered on line[69]? What could be done to improve the situation in the short term, what initiatives could be taken in the medium to long term? Also what needs to be done to improve interoperability at the international level?

6. Governance for an integrated European parcel delivery market

The future landscape of European e-commerce will be shaped notably by the delivery capacities and networks which will be put in place in the near future. These changes and their impact on the e-commerce sector need to be monitored, and efforts to promote an efficient and sustainable European delivery environment for e-commerce orders should be co-ordinated.

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service users and providers, in particular SMEs, to more easily participate in transport planning and execution, making use of sustainable transport alternatives.

[67] Ideally, those platforms would streamline delivery for e-commerce, integrate logistic services with shared information systems, improve coordination, and use a common or agreed carrier for delivery (limiting environmental impact and facilitate handling of returns and management of stocks).

[68] An example of such a task force was the former US Mailing Industry Task Force which was created in the 90's and brought together senior technology officers from key industry stakeholders to find innovative and intelligent solutions to better deliver mail.

[69] Currently about 30% of online shoppers in the UK indicate they buy goods from foreign websites (also outside Europe). The intra -EU average for on line cross border is at around 10 %. Against that background, the importance of agreeing on European and international standards and ensuring a higher degree of connectivity becomes clear, notably for SMEs and consumers who are disproportionally affected.

Some actors already have platforms for co-ordination, for example the European Parcel Group[70] which brings together incumbent postal operators. As for regulators, the European Regulators Group for Postal services[71] aims at facilitating coordination and cooperation between independent national regulatory authorities with a view to ensuring the consistent application of the Postal Services Directive. Currently their activities and roles do not cover the full range of e-commerce activity. New fora could play a role in building a single European delivery market for e-commerce.

More focused cooperation, supervision and enforcement is needed to push the coordination of efforts to promote the delivery sector for e-commerce. This will add to the momentum to facilitate improved delivery of e-commerce goods.

Questions: governance

18) Are there areas which could be effectively tackled by the industry to address the issues identified in this Green Paper? How could this be promoted[72]? How to involve both e-commerce and delivery industry associations?

19) How should current governance aspects of standardisation and interoperability[73] be addressed? Is there a need to increase involvement of representatives of e-commerce, notably SMEs, and consumers?

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7. Follow up and next steps:

All interested parties are invited to submit their views in response to the above questions. Contributions should be sent at the latest by 15 February 2013 to the following addresses:

markt-delivery@ec.europa.eu

or

European Commission

DG Internal Market and Services

On line services unit

Rue de la Loi 200

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[70] See footnote 17.

[71] Commission Decision 2010/C217/07.

[72] For example, the promotion of best practices, partnership agreements, codes of conduct; standards for electronic data transfers, labels, address databases; developing a European delivery label.

[73] At present, standardisation issues are dealt with in the CEN Technical Committee for postal services, and interoperability issues among some postal operators are handled by the European Parcel Group.

1049 Brussels

Contributions do not need to cover all questions raised in this Green Paper. Accordingly, please indicate clearly the questions to which your contribution relates. If possible, please give specific arguments for or against the options and approaches presented in the paper. In your contribution, you are also invited to give views on whether there are any other aspects/issues that need to be addressed to achieve an integrated parcel delivery market in the European Union.

Contributions will be published on the website of DG Internal Market and Services. The responses received will be available in the Commission website unless confidentiality is specifically requested.

As a follow up to this Green Paper and on the basis of the responses received, the Commission will identify, in spring 2013, the set of actions to be taken to complete the single market for parcels.