

## EIBF - Postal services Directive consultation

### Context

The European Commission has published an open public consultation with the aim of revising the **Postal Services Directive**, last revised in 2008. Increasing digitalisation and the growing role of e-commerce has shifted users' needs and often lead to an increase in the number of parcels being sent. Therefore, given these changes, the Commission rightly proposes an evaluation to assess whether further revision is needed.

With this in mind, this short paper seeks to point out and summarise EIBF's main arguments on postal services for the benefit of booksellers and consumers, as well as our main call for action on its revision.

### Main arguments and points for discussion

#### ➤ 1. The need for preferential tariffs on national postal delivery of books

Home or national delivery is important for booksellers and proved to be crucial during the lockdown period of the COVID-19 pandemic. In fact, the pandemic has been a catalyst for the development of this particular service.

The scope of the Postal Services Directive states that delivery tariffs must be affordable for all users, as well as being transparent and non-discriminatory. However, high national delivery costs for books severely limits the chances of fully developing the service of home delivery of books, affecting both booksellers and consumers.

Preferential tariffs and discounted fees on national book deliveries by post would enable booksellers to reach a wider population to promote culture and literature. It would also allow them to properly develop a home delivery service and, most importantly, would put them on a slightly more equal footing with large online platforms, such as Amazon, as it would increase their chances to afford and implement 24h or same-day delivery (more on this below).

Some countries already have discounts and reduced tariffs for national book delivery in place, such as Spain and Portugal.

#### ○ ***The case of Spain:***

**Correos** (Spanish national postal delivery services), through its *Postlibris Programme*, offers advantageous conditions and discounts for publishing companies, distributors and bookstores operating offline and online, so that they can send books by post to their customers. Depending on the weight of the books, different discounts are offered: *a)* for items of up to 2kg, a 25% discount will be applied on the "Books" tariff at national level and *b)* 30% discount on larger items, which fall under the scope of the "Standard Package" rate, selecting the "Delivery to Chosen Office" option.

Full information on the programme can be found [here](#) (in Spanish). More information on postal service support and solutions for the book sector [here](#).

- ***The case of Portugal***

**CTT** (Portuguese national postal delivery services) provides support for editorial mail, ie. low rates on shipping books. Through this service, publishers can send books, newspapers, periodic and non-periodical publications of a non-advertising nature to national or international territory for a reduced price.

This service can also be enjoyed by private individuals, not only by publishers, in case they need to send (only) books.

Through this scheme, in the case of books, the maximum weight allowed per objects is 5 kg. The price to deliver a regular book (300grs) is approximately 2€. Full information on the **Correio Editorial Nacional** rates and further details [here](#). For the **Correio Editorial Internacional** policy, see [here](#).

The cases of Spain and Portugal demonstrate that implementing measures such as preferential postal rates and special arrangements is possible and necessary to ensure a level playing field in bookselling. EIBF maintains that, through the Postal Services Directive, Member States should be encouraged to adopt and maintain low tariffs for the delivery of books.

- ❖ 1.1 Reduced tariffs during COVID-19 lockdown

During the first wave of COVID-19 infections and with many countries under national lockdown, in some, postal services and booksellers cooperated and agreed on lowering shipping rates in order to meet the demand for reading and support the book industry.

For instance, in Ireland, the postal services An Post made a [special posting rate](#) of €2.95 per package available to independent booksellers for posting book packages up to 10kg across the country, given the growing customer demand for reading material during national lockdown.

Now, more countries seem to be adopting similar measures. For instance, most recently, the French government [announced](#) it will cover the cost of delivery fees for independent bookshops that are sending orders to customers during confinement. Economy Minister Bruno Le Maire and Culture Minister Roselyne Bachelot wrote in a joint statement: “This package will allow bookshops to only bill their clients the legal minimum for transportation fees: €0.01.”

The demand for reading is still strong and growing. EIBF strongly calls for these measures to be extended to ensure the sustainability of the bookselling sector, who will continue to need this support in the current circumstances.

- 2. Commercial deals between large online platforms (Amazon) and postal operators

Some large online platforms, namely Amazon, are widely [rumoured](#) to have special delivery rates negotiated with postal operators due to their large size and delivery capacity, both in [Europe](#) and [across the pond](#) – rates which are kept secret. This situation essentially puts them at an advantage in easily shipping and delivering items on the same day or within 24 hours, which booksellers can simply not afford to do given the high costs.

As already highlighted above, these negotiated discounts and special deals go against the nature and scope of the Postal Services Directive, which clearly states that postal tariffs must be transparent and non-discriminatory.

➤ 3. Amazon as a postal operator

Besides negotiating special deals with postal operators, some large e-retailers have begun doing this work for themselves. In a number of countries, Amazon is increasingly carrying out the work of postal services by acting as a postal operator. This is the case in [Germany](#) and is already a reality in Spain.

○ *The case of Spain*

The Spanish competition enforcement agency, CNMC, announced the opening of proceedings relating to Amazon's "Fulfilment by Amazon" services earlier this year.

The case sought to determine whether Amazon qualified as a postal operator, which would subsequently require Amazon to submit an affidavit that includes respect for the rules that protect the rights of workers and users and for regulations involving tax or immigration matters, as well as confidentiality of postal communications.

In late September, The CNMC concluded that Amazon does, in fact, perform postal operator duties and must comply with postal sector regulations. Within one month from the publication of the CNMC's resolution, Amazon must submit the appropriate affidavit to the Ministry of Transport, Mobility and Urban Agenda (MITMA).

See CNMC resolution [here](#) and press release [here](#).

➤ 4. Impact on consumer choice

When booksellers deliver a book by post with current high shipping rates, they are forced to either re-invoice the shipping costs to customers or to assume the costs themselves. Neither option is ideal for both parties.

Charging the customer for high delivery fees, with no guarantees of faster delivery, essentially legitimises customers being tempted to purchase a book on other digital platforms for a reduced or almost inexistent delivery fee, for instance through Amazon, and at a quicker delivery notice.

This results in less consumer choice and contributes to Amazon's monopoly of the book market.

➔ **EIBF's call for action:** Based on all of the above, we call for a revision of the Postal Services Directive, which introduces provisions for further harmonisation and a more coordinated approach on a reduced or discounted tariff for postal delivery of books, in order to level the playing field and increase opportunity for small and medium sized booksellers and publishers and support the promotion of culture. This demand is especially relevant given the ongoing effects of the COVID-19 crisis across the entire book chain, which will undoubtedly be felt for years to come.