

COMMISSION OF THE EUROPEAN COMMUNITIES

C(79) 549 final

Brussels, 29 May 1979

COMMISSION RECOMMENDATION

of 29 May 1979

on the application of inland postal rates to certain mail between
Member States

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1. The postal services play an important role in economic life and contribute to the promotion of the harmonious development of economic activities in the countries of the Community.

Furthermore, everything connected with postal rates has considerable repercussions on the public at large.
2. With a view, therefore, to making the merger of national economies a more practical reality in terms of postal services, some Member States apply inland postal rates in their relations with one another in the case of letters not exceeding 20 grams and postcards.
3. The extension of this measure to all the Member States does not give rise to serious financial or technical problems. Once the principle is adopted, this measure could enter into force, at national level, when there is an general adjustment in postal rates.
4. It would have a significant political impact from the point of view of increasing public awareness of the process of building Europe and would illustrate one of the Community's tasks, which is to "promote ... closer relations between the States belonging to it."
5. For these reasons, and pursuant to the second indent of Article 155 of the EEC Treaty, the Commission recommends that the Member States apply inland postal rates to intra-Community mail in the case of letters of the first weight step and postcards.

Done at Brussels, 29 May 1979

For the Commission

Etienne DAVIGNON

Member of the Commission

Study on:
the application of inland postal rates
to mail for Member States

1. At the meeting of the "Council and the Representatives of the Governments of the Member States meeting within the Council" on 15 December 1977 (Posts and Telecommunications), the Ministers requested the Commission to study the application of the inland postal rate to mail for Member States in all its aspects, with particular emphasis on the financial and technical aspects. They also took formal note of the delegations' agreement that the disparity between inland rates and overseas rates applicable to mail for other Member States should not be widened, pending completion of this study.
2. Since then, Germany, France and Italy have increased or intend to increase their postal rates. To avoid widening the disparity between the inland rate and the rate applicable to mail for the new Member States, France and Germany have created or intend to create, on a unilateral basis, a special rate for letters of the first weight step which have Denmark, Ireland and the United Kingdom as their destination; in the case of postcards, they apply or intend to apply the inland rate to mail for all the Member States.
3. The agreement reached at the meeting of December 1977 thus achieved a certain effect and for that reason the Commission is in a position to submit this document to the Council without there having been any widening of the disparity between inland postal rates and rates applicable to mail for the three new Member States, except in Italy. However, Italy seems to be prepared to create an intermediate rate if the inland rate cannot rapidly be applied to mail for all the Member States.
4. The consequences of such a measure will be tackled from the financial, technical and political angles taking into account the replies (annexed to this document) of the national authorities to a questionnaire from the Commission.

To be sure, the application of a single postal rate to inland mail and to mail for Member States has direct financial consequences. Table III.1, which is annexed to this document, shows the loss in revenue which such a measure would entail.

This loss of revenue is not very significant and can thus be offset by relatively small increases in postal rates: even on the basis of the most pessimistic estimates, it would be unnecessary to increase the inland rate by more than 1.5 % in any Member State to offset the loss. The increase would be even smaller if it were also spread over international rates.

The financial obstacle can therefore be overcome quite easily when national postal rates are increased.

5. From the technical point of view, most delegations considered that the application of the inland rate to mail for Member States did not create any technical problems. It should be noted that this view was taken by those Member States which are already applying this measure and have therefore already put it to the test.

Denmark and the United Kingdom, however, fear the complications which would ensue as a result of such a measure. It would oblige them to transfer the other Member States from the international rate to the inland rate for letters of the first weight step and postcards. The experience of some Member States shows that the members of the public concerned and post office employees have not encountered any real problems in adapting to the new situation.

However, the United Kingdom faces an additional problem. The first weight step for inland mail and for letters addressed to the Republic of Ireland is of 60 grams, whereas in the case of international mail, as in all other Member States, the first weight step is of 20 grams and the second is of 50 grams. The cause of the problem is therefore the disparity in weight steps between inland and international mail.

The most straightforward solution is clearly to treat mail for other Member States in exactly the same manner as inland mail as regards both the rate and the definition of the first weight step.

Another solution would be to create a special category for the Member States, characterised by the international weight step (20 grams) and the inland rate. The German and French example, where a special category of rates has been or will be created for Denmark, Ireland and the United Kingdom, demonstrates that such a solution is quite feasible.

6. From the political point of view, the run-up, which is about to begin, to the election of the European Parliament by universal suffrage would be especially appropriate for the adoption of such a measure. With such a tangible example, and one affecting many citizens, Europe would no longer seem just a word but would become a reality. This measure would come entirely within the scope of the Community's task to "promote closer relations between the States belonging to it."

ANNEX

Study on financial and technical aspects of
the application of the inland postal rate
to letters not exceeding twenty grams and
to postcards sent to another Member State

This questionnaire only concerns letters in the first weight bracket and postcards.

I. Rates

1. Rates on 1 March 1978 for letters

	<u>a) inland</u>	<u>b) international</u>
Belgium	8 BFR	14 BFR
Denmark	1,2 DKR	1,5 DKR
Germany	50 Pf.	70 Pf.
France	1 FF	1,40 FF
Ireland		
Italy	170 LIT	200 LIT (1.7.1978: 220 LIT)
Luxembourg	6 LFR	12 LFR
Netherlands	0,55 HFL	0,75 HFL
United Kingdom	1st class 9p. 2nd class 7p. up to 60 g.	10 1/2 p. up to 20 g

2. Rate on 1 March 1978 for postcards

	a) <u>inland</u>	b) <u>international</u>
Belgium	6 BFR	10 BFR
Denmark	1 DKR	1,20 DKR
Germany	40 Pf.	50 Pf.
France	0,80 FF	1 FF
Ireland		
Italy	120 LIT	130 LIT (1.7.1978: 150 LIT)
Luxembourg	5 LFR	8 LFR
Netherlands	0,40 HFL	0,50 HFL
United Kingdom	1st class 9p. 2nd class 7p.	8p.

3. Do you plan to increase inland rates before the end of 1979?

Belgium: For inland rates envisaged for the end of 1979.

Denmark: 1st April 1979.

Germany: 1st January 1979. For Letters: 60 Pf. (inland), 90 Pf. (international), 80 Pf. (Denmark, Ireland, United Kingdom).
For postcards: 50 Pf. (Ireland), 60 Pf. (international).

France: see IV.

Ireland:

Italy: Yes

Luxembourg Not probable till end of 1979.

Netherlands: Nothing decided till the end of 1979.

United Kingdom: Definitely not until the end of 1978.
No forecast for 1979.

4. Application of Article 19 of Lausanne Universal Postal Convention (1974). Under Article 19 the rates for letters not exceeding twenty grams and postcards are 50 and 35 gold centimes respectively. These charges may, however, be increased by 70 % (100 % in special circumstances) or reduced by 50 %.

a) What increase or reduction is currently applied?

Belgium	increase 70 %
Denmark	increase for letters ca. 21 % increase for postcards ca. 38 %
Germany	increase for letters 56 % increase for postcards 59 %
France	increase 85 %
Ireland	
Italy	increase for letters 20 % (1st July 1978: 25 %) increase for postcards 15 % (1st July 1978: 25 %)
Luxembourg	increase 47 %
Netherlands	increase 34 %
United Kingdom	28 February 1978: increase letters 3 % postcards 12 % 16 June 1978: decrease letters 2.5 % increase postcards 6 %

b) Do you plan to change this rate before 1981 when, following the review in 1979, the new Universal Postal Convention comes into force?

Belgium	Yes
Denmark	30 % for letters, not for postcards
Germany	Yes. 100 % for letters, 91 % for postcards (from 1st January 1979)
France	May be envisaged for 1981 up to the authorized maximum.
Ireland	
Italy	Yes
Luxembourg	No
Netherlands	Nothing decided yet.
United Kingdom	See I.3

II. Volume of mail

1. Ratio of letters and cards (L C) for all international destinations to inland L C, expressed as a percentage

Belgium	7,37 %	
Denmark	2,9 %	
Germany	6,1 %	
France	5,8 %	
Ireland		
Italy	12 %	
Luxembourg	46,8 %	
Netherlands	4,3 %	
United Kingdom	Up to 20 g 3,5 % 20 - 50 g 3,2 %	) Since UK inland and overseas first rate steps do not coincide, the effects of extending the proposed changes to items weighing up to UKs second overseas weight step of 50 g was considered.

2. L C for other Member States as a percentage of all outgoing international L C

Belgium	70,26 %	
Denmark	60 %	
Germany	30,8 %	
France	40,9 %	
Ireland		
Italy	47 %	
Luxembourg	65,8 %	
Netherlands	51 %	
United Kingdom	Up to 20 g 29 % 20 - 50 g 29,1 %	) (see above)

3. Ratio of LC for Member States to inland LC, expressed as a percentage

Belgium	3,02 %	
Denmark	1,7 %	
Germany	1,9 %	
France	2,37 %	
Ireland		
Italy	6,5 %	
Luxembourg	30,8 %	
Netherlands	2,2 %	
United Kingdom	Up to 20 g 1 %) 20 - 50 g 1,1 %)	(see page 9)

4. Percentage breakdown of all LC to and from other Member States into outgoing traffic and incoming traffic

	<u>Denmark</u>	<u>Germany</u>	<u>France</u>	<u>Ireland</u>	<u>Italy</u>	<u>Luxembourg</u>	<u>Netherlands</u>	(*)
Belgium	4,65	(	22,0	(	(	37,1	19,5	15,8
Denmark	(	(	1,3	(	(	0,3	1,7	1,3
Germany	45,7	36,25	23,0	(	(	27,5	46,6	53,2
France	9,64	7,79	(	(	44,5	20,0	11,9	7,9
Ireland	0,78	0,65	0,95	(	(	0,2	0,5	0,5
Italy	4,3	4,46	16,25	(	(	3,8	4,5	4,4
Luxembourg	0,61	0,61	2,0	(	(	7,8	0,7	2,3
Netherlands	8,57	9,47	7,0	(	(	3,3	14,6	14,6
UK	25,77	37,26	27,5	(	(	5,4		

(*) Belgium and United Kingdom: no figures available

III. Application of the inland rate to mail for other Member States after enlargement of the Community

1. Estimated cost of the proposed measure

Belgium	+ 70 Mio. BFR ca. 1.741.225 U.C.E.
Denmark	ca. 3 Mio. DKR ca. 425.523 U.C.E.
Germany	23,9 Mio. DM (6,3 Mio. DM for Denmark, Ireland and United Kingdom) ca. 9.375.968 U.C.E.
France	16 Mio. FF ca. 2.808.525 U.C.E.
Ireland	
Italy	5.244 Mio. LIT (382 Mio. LIT for Denmark, Ireland and United Kingdom) ca. 4.840.809 U.C.E.
Luxembourg	1,6 Mio. LFR ca. 39.800 U.C.E.
Netherlands	+ 1 Mio. HFL. ca. 360.817 U.C.E.
United Kingdom	up to 20 g 1 Mio. UKL ca. 1.499.556 U.C.E. 20 - 50 g 2 Mio. UKL ca. 2.999.112 U.C.E.

2. Estimated percentage increase in the inland rate required to cover the cost

Belgium	+ 1,5 %
Denmark	At least 1 %
Germany	0,0 %
France	0,35 %
Ireland	
Italy	1,5 %
Luxembourg	1 %
Netherlands	less than 0,2 %
United Kingdom	up to 20 g 0,16 % 20 - 50 g 0,33 %

3. Estimated percentage increase in the international rate required to cover the cost

Belgium	+ 14 %
Denmark	13 %
Germany	0,0 %
France	3,8 %
Ireland	
Italy	9 %
Luxembourg	1 %
Netherlands	+ 2 %
United Kingdom	up to 20 g 4,3 % 20 - 50 g 6,8 %

4. Apart from the financial aspects, does the application of the inland rate raise any technical problems?

Belgium	No
Denmark	Complicated for all parties concerned
Germany	No
France	No
Ireland	
Italy	No
Luxembourg	No
Netherlands	No
United Kingdom	Confusion because of the different first weight step for inland and international destinations.

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5. By when, and subject to what conditions, could you accept the application of the inland rate to mail for all other Member States?

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|----------------|--|
| Belgium | Because of the financial situation, it is difficult to give a date. In any case it should be done on a reciprocal basis. |
| Denmark | On a reciprocal basis. Should be introduced in the course of a general augmentation. |
| Germany | Immediately on a reciprocal basis. |
| France | Because of the financial situation, not possible in the near future. Should be done on a reciprocal basis. |
| Ireland | |
| Italy | Immediately on a reciprocal basis. |
| Luxembourg | On a reciprocal basis. |
| Netherlands | On a reciprocal basis. |
| United Kingdom | Not possible to answer, since it must either result in a loss of revenue or a compensatory increase in the rates charged for other services. |

IV. If the inland rate is not applied to this mail in the near future, what recommendations would you make to help achieve this objective?

- Belgium The present rate to Denmark, Ireland and the United Kingdom should not be increased until the internal rate has reached the same level.
- Denmark The outcome of the Commission's study should be awaited.
- Germany To achieve this goal, bilateral negotiations.
- France A special rate of 1,50 FF for letters to Denmark, Great Britain and Ireland (1,40 FF normal inland rate) exists already, for post cards it is 1,00 FF to all Member States.
- Ireland
- Italy Creation of a middle rate to give to post-users a stronger sense of belonging to the same Community.
- Luxembourg No answer
- Netherlands The proposals envisaged up to now seem to be the only possible ones. No other recommendations.
- United Kingdom Awaits the outcome of the Commission's study before considering alternatives or partial steps. Internal letter rates are already lower - or at least only marginally higher - than the internal rates in most other Member States.