

Free & Fair Post

NEWSLETTER



The EC Commissioner responsible for postal liberalisation, Frits Bolkestein, in a speech recently said that trying to liberalise the postal sector is like wading through syrup. I sympathise with the Commissioner. There was

hope over the summer when papers with a final date were being circulated in Brussels but the EU seems, over the past months, to have moved away from full liberalisation. Bolkestein has recently also criticised the EU Member States and very powerful corporatist interests for blocking a broad range of new laws that would improve the Internal Market. To the layman, this means that consumers due to influential self-interests are not getting the freedom of choice and opportunities they were promised by the EU leaders in Lisbon almost two years ago.

The Commissioner's frankness deserves praise but the statements also reflect a semi-capitulation on behalf of the EU. The remaining half of the battle that the Commission can, and should, fight lies outside the jurisdiction of Commissioner Bolkestein and within that of the Commission's Competition Directorate. The Commission recently stated that it "intends to remain extremely vigilant that beneficiaries of the [postal] monopoly do not exploit the monopoly resources to leverage their dominance into markets open to competition". This is encouraging to hear for users of postal services, but as always, the proof of the pudding is in the eating. Good luck Mr. Monti. Time is not on your side.

Philippe Bodson, President

Open letter on Postal Liberalisation

On 26 September, President Bodson sent an open letter to Commissioners Prodi, Monti and Bolkestein pointing out the FFPI's concerns as regards the implementation of the Lisbon agenda in the postal sector and calling for speeding up the process of liberalisation. In the letter, the FFPI also suggests some measures that it believes are necessary if the Lisbon objectives are to be met. In particular, the FFPI proposes that the Commission "highlights the severe impact that the distortions of competition rules have on the functioning of the postal sector in its report to the European Council in Barcelona and, in doing so, demonstrates the same degree of resolve to tackle the problems in the postal sector as shown with regard to the energy sector".

Enclosed with the open letter, the FFPI sent a list of pending Internal Market and competition cases elaborated by the Secretariat following contacts with the European Commission and national competition authorities. The list, which enumerates the legal cases currently under the scrutiny of the Commission, clearly demonstrates that the European postal sector is still characterised by serious distortions of the market. It requires the Commission to implement more vigorous and swift policing in this field.

The letter, which was circulated to the FFPI members, was also sent to a significant number of relevant stakeholders including member States' representatives, MEPs, sectoral organisations, etc.

Please check the FFPI website for the full text of the documents: <http://www.freefairpost.com/others/news.htm>

FFPI meets Commissioner Bolkestein and Monti

The FFPI President, Philippe Bodson, and the FFPI Secretariat, have recently met with Commissioners Bolkestein and Monti to discuss the issues addressed in the open letter "Creating an Internal Market for Postal Services at the heart of the Lisbon challenge". The FFPI has followed the release of the open letter and of the list of pending cases with several meetings with relevant stakeholders. In particular, during these meetings the FFPI stressed the importance of giving the postal sector the same attention that other similar areas receive from the EU institutions, such as the energy sector. The FFPI also encourages the European Commission to include the liberalisation of postal services among its priorities in the preparation of the EU Barcelona Summit in March 2002.

Please do not hesitate to contact us to address your specific concerns. We will ensure that they are taken on board by the Commission

A comment from Hays DX

Following the decision adopted by the Commission on 5 December to fine the Belgian postal operator La Poste for abuse of dominant position, the complainant of the case, Mr Paul Coxall Managing Director for Benelux countries of FFPI member Hays, commented on the decision as follows.

"The decision by the Commission is extremely welcome. It confirms that La Poste used abusive and illegal tactics to compete with us. It is clear that our complaint was fully justified. Using years of expertise gained from operating in other parts of the European Community, Hays DX, now has the opportunity to move forward and develop its superior document distribution services for niche markets in Belgium".

Editor contact Axel Rindborg, + 32 2 777 05 35

FFPI Secretariat, 402 Avenue de Tervuren, B-1150 Brussels, Belgium, info@freefairpost.com

The FFPI comments on the 15 October EU Council's common position

On 16 October the FFPI sent a press release to a number of EU and national media with a brief statement on the agreement reached by Member States on the Postal Directive. Please find the full text below.

Postal Compromise: Without full liberalisation – increased market distortions likely to follow.

Brussels, 16 October 2001 - The Free and Fair Post Initiative (FFPI) regrets the common position reached by Member States at the EU Telecom Council meeting on October 15 regarding liberalisation of postal services.

The same EU Member States at the Lisbon Summit last year unanimously agreed to speed up the process of opening up postal markets in the EU, as part of the necessary modernisation of the European economy. Since the postal sector is the laggard among industries when it comes to reform and market openings a clear final date was needed, even more than in other industries.

"Yesterday's compromise in the Council clearly falls short of what is needed to create the necessary dynamics to turn the postal sector into the viable industry of the future that the Lisbon European Council agreed that it wants it to become", said Philippe Bodson, President of the FFPI. "In this context, it would clearly be a mistake to hail the compromise as a victory for the Internal Market, for users and consumers", Bodson added.

In the absence of a clear final date, the FFPI believes that the number of market distortions and competition cases related to the postal sector will increase. The Council's compromise will in practice essentially allow the Member States to maintain national monopolies on significant parts of the postal market. Consequently, the risk of abuses of dominant positions, state aid etc. on behalf of the postal operators will increase. The ones who will be hurt by this are the consumers and users who will have to pay higher prices and have less choice. The FFPI recently sent an open letter to Commission President Prodi and to Commissioners Monti and Bolkestein, highlighting the very large number of unresolved competition cases in the postal sector.

« Adopting a final date for full liberalisation is the only way to create a dynamic and competitive single market in the postal sector », said Philippe Bodson. « Yesterday's Council meeting has to be regarded as a lost opportunity for the EU. The losers are users and consumers who will not benefit from the increase in quality of service and choice that liberalisation has brought in other sectors such as telecommunications. I am disappointed by the fact that the Council decided to ignore the clearly stated wish of European consumers, users, SME's, competitors etc. who have made clear their desire to have a final date at EU level », added Bodson.

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The FFPI joined the Platform for Postal Reform

In October 2001 the FFPI joined the Platform for Postal Reform, a new European initiative urging the full liberalisation of postal services.

The Platform for Postal Reform is a group of 39 organisations including postal operators, competitors, users, consumer groups, industry associations from all corners of the EU, calling for the adoption of a clear final date for full liberalisation of postal services in Europe. The Platform was set up in view of the 15 October EU Telecom Council, to call for a clear final date for the liberalisation of postal services in Europe. The decision of its 39 participants to join forces was prompted by the belief that many EU decision-makers seem to ignore that a large number of organisations and companies in Europe supports a total opening of the postal market.

An advertorial containing the logos of all participants and a common message calling for a clear final date for liberalisation was published on the European Voice of 4-10 October. A sample of the ad was handed over by representatives of the Platform to the cabinet of Commissioner Bolkestein and of Belgian Minister for Public Enterprise and Telecom, Rik Daems.

The FFPI comments the 15 October Council's outcome on Europa Journal

On 13 November, the German EU publication Europa Journal published an article reporting a comment from President Bodson on the compromise reached by Member States on the proposal for a Postal Directive at the Telecom Council of 15 October. Please find the text of the English translation below.

The Free and Fair Post Initiative (FFPI) regrets the common position reached by Member States at the EU Telecom Council meeting on October 15 on the liberalisation of postal services. Since the postal sector is the laggard among industries when it comes to reform and market openings a clear final date was needed, even more than in other industries. The compromise will not create the necessary dynamics to turn the postal sector into the viable industry of the future that the Lisbon European Council agreed that it wants it to become. It has to be regarded as a lost opportunity for the EU. In the absence of a clear final date, the FFPI believes that the number of market distortions and competition cases related to the postal sector will rise. The Council's compromise will in practice essentially allow the Member States to maintain national monopolies on significant parts of the postal market. Consequently, the risk of abuses of dominant positions, state aid etc. on behalf of the postal operators will increase. The FFPI recently sent an open letter to Commission President Prodi and to Commissioners Monti and Bolkestein, highlighting the very large number of unresolved competition cases in the postal sector.

The ones who will be hurt by this are, as always, the consumers and users who will not benefit from the increase in quality of service and choice that liberalisation brought in other sectors such as telecommunications. On the contrary, they will have to pay higher prices and have less choice.