

McCreevy to confirm 2009 deadline for postal markets

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INTERNAL Market Commissioner Charlie McCreevy will confirm 2009 as the deadline for member states to open up their national postal markets when he unveils proposals for an internal market in postal services next week (18 October). But his plans are being criticised for lacking the legislative force needed to ensure that member states dismantle the privileged position of existing national monopolies.

Champions of greater market opening welcome McCreevy's adherence to the 2009 deadline, set four years ago in the second postal directive. They had feared that the Commission might backtrack on its promises under pressure from member states such as France and Italy, which are keen to protect their national services' monopolies. The Commission calls for protected markets, the so-called reserved areas applying to items of mail weighing less than 50 grammes, to be scrapped but does not go much further.

Postal companies which want to compete with current national monopoly services say that the draft proposals are sketchy on how effective market liberalisation will be achieved. Valeria Fagone, secretary-general of the Free and Fair Post Initiative, which represents such companies, said: "It appears that the Commission's upcoming proposal might leave a number of important issues for member states to decide upon. You can put a final date, but it's not just by eliminating the reserved area that competition will kick in."

The main fear of companies seeking entry to protected markets is that regulators in thrall to powerful national champions will not take measures to open postal networks. Assets such as post offices, letter-



Demonstrators in The Hague, the Netherlands, protest yesterday (11 October) at the offices of the Dutch Christian Party (CDA) against discussions about the 1915-17 massacres of Armenians by the Ottomans. The CDA and the opposition PvdA labour party dropped three candidates of Turkish origin from their list of candidates for the 22 November parliamentary elections because they would not recognise the First World War massacre of Armenians as a genocide. Turkish groups in the Netherlands warned that voters of Turkish origin would boycott the elections/EPA-BELGA

boxes, sorting offices and postmen are cherished by national monopolies.

"I'm not sure companies would share the same network. It's a competitive advantage, so why would you give that up?" said Marc Pouw, secretary-general of PostEurop, which represents companies such as France's La Poste.

The proposal's provisions on downstream access to sorting and delivery infrastructure are unlikely to secure the opening of networks, say critics. The draft states that "decisions on mandatory downstream access could still be taken at member state level, taking into account relevant economic and competitive factors". In a section entitled "access to the essential means of the postal

infrastructure", the Commission authorises regulators, but does not compel them, to broker agreement among operators on terms of access.

Critics believe that countries like France could take advantage of the scope provided by McCreevy's proposals to resist opening up their market for new players. With presidential and parliamentary elections coming up next year, the government of Dominique de Villepin is unlikely to embark upon tough reforms that could cause job losses. The nature of services offered by La Poste, including specialised pension services, make special measures such as loan guarantees necessary, said one French diplomat.

Incumbents worried about the effects of liberalisation are unlikely to

be placated by the Commission's proposal to make new market entrants contribute to a compensation fund for operators meeting universal service obligations, an idea described as "ridiculous" by PostEurop's Pouw. "On what basis will they pay? On the basis of revenue?" he asked. "Why would they [incumbents] pay into a fund compensating [for] their own services?"

Fearing that member states may mount barriers to competition, Fagone said: "The ambition of the Commission should not be lowered by the positions of some operators or member states to slow down the process once again. This would be of great disappointment for users and new operators and would be a failure for the achievement of an in-