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## **Postal Services: Call for Action**

*Check Against Delivery*  
*Seul le texte prononcé fait foi*  
*Es gilt das gesprochene Wort*

Dinner-debate on the Third Postal Directive at the FFPI (Free and Fair Post Initiative)

**Strasbourg, 23 May 2007**

Mr Bodson, Honourable Members, Ladies and Gentlemen,

I would like to thank you for inviting me here this evening.

Postal reform – despite some critics - enjoys widespread support. The Free and Fair Post Initiative is evidence of that.

We are all familiar with the rather vocal opposition to opening up the market to full competition. But support to finalize the postal reform as planned over the last decade, continues to grow.

Opponents overplay their cards. Scare tactics do not work. A closer look at the arguments they put forward to avoid or delay market opening shows that ultimately they add up to nothing more than protectionism. This is beginning to show.

Decision makers and consumers alike understand that behind the vested interests for protection of very comfortable positions, there is a communications revolution taking place.

I continue to be struck by the fact that many postal operators see other postal operators as their main threat. The truth of the matter is that the real threat is not coming from other postal operators. The threat facing postal operators that fail to adapt are the new means of communication. No reserved area can protect them from this. The only option is to reform and to adapt, to turn the threat into an opportunity and to reinvent postal services, not only to maintain the current levels of service and quality, but to far exceed them.

During recent months some incumbents have portrayed themselves as the unique voice of the postal world. They have painted a gloomy picture of declining markets, of job losses of lowering standards. Monopolists also seem to believe that they also have a monopoly on the social and emotional dimensions or values of the sector. I believe more in the values of a dynamic sector that will raise efficiency and innovation and provide sustainable jobs than in protectionism. Let's face the facts, - protectionism simply does not work.

Opponents of reform like to create fears. They warn us that terrible predators will invade and destroy universal service in 2009 as soon as markets are opened.

Well, the first thing I want to say in response to that view is, I certainly expect competition to give incumbents a real run for their money. This challenge is necessary to raise reliability and innovation. Secondly, the incumbents are well placed to react to competition, they all have considerable advantages linked to their infrastructure, size and brand name. Thirdly, as you know, you can't just present yourself as a postal operator. It requires a significant amount of investments, experience, and a network infrastructure to become a reliable and trusted postal partner that will have the capacity to deliver the quality that the customers want.

I know very well that decisions to restructure can be difficult and painful in the short term. But the mid and long term benefits are beyond dispute. Politically the easy option is always to postpone a difficult decision and to hope that the problem will disappear. In a way, applying this to the postal sector will indeed let the problem disappear as in the end there will be no postal sector and no postal jobs left to protect. If we want the post and postmen to thrive, the decision is unavoidable and it does not get any easier by delaying it. Countries that plead for more time are setting back their operators rather than arming them for what is to come.

Denying the positive effects of competition to the sector is depriving consumers of innovation, it is depriving customers from choice and quality, it is foregoing the benefits of growth, and it ultimately amounts to depriving workers in the sector of their job.

2009 is not going to bring the chaos and tragedy that some would like to make us believe. To the contrary, market opening in 2009 would introduce controlled and regulated competition that will bring new ideas, new business models and new services. It is not a question of dividing up the cake differently, it is a question of growing the cake so there is more to be had for everyone.

We have thought long and hard about how best to prepare for this imminent last step of the EU postal reform. Numerous studies and consultations have taken place over the last 15 years. Our proposals do not come out of the blue, but are well prepared - we build on solid ground. All of my political career I have been open to discussion and dialogue. I combine strong beliefs with pragmatism. I value serious debate and take on board serious arguments. I can not, however, take the call for more studies as serious. All dimensions of the matter have been studied at length. All studies point in the same direction, namely that open and competitive markets are the only viable option for the postal sector.

The time is now ripe to give EU citizens and businesses the choice they are entitled to. I attach the highest importance to a high quality universal service and sustainable jobs. Consumers will be the main beneficiaries of the Directive. This has been the guiding principle of our work. I will not compromise on that.

The advantages of a Single Market for postal services for both business and consumers are beyond dispute. We must move forward. Good progress has been made both in Parliament and in the Council towards fine-tuning the Commission's proposal. I hear a lot of speculation about the date. I hear that Member States that joined the EU recently should be given more time. Ironically this argument is made most by countries that were among the original six. It is therefore heartening to hear many of the newer Member States saying they do not want more time. They want to embrace competition and the benefits it brings. The Commission's position on the question of the date is well known. We have proposed to stick to the date already agreed. Studies demonstrate this was appropriate. I am yet to hear a compelling reason why the date should be changed.

The discussions in the coming weeks are crucial. I expect Parliament and Council to prove their commitment to reform and to the achievements of the single market. The Free and Fair Post Initiative represents an impressive amount of stakeholders that suffer the most from the prevailing protectionism. I invite you to carry out your message forcefully and with vigour. The case you are making is very strong. You do not need to convince each other. You do not need to convince me. You need to convince the great many people that have an open mind but that are hearing too many of the unsubstantiated horror stories from incumbents that want to be protected from competition.

Thank you for your attention.