

POSTAL SERVICES: COMMISSION PURSUES BELGIUM FOR NOT APPLYING DIRECTIVE

The European Commission announced on July 30 it had sent a "reasoned opinion" or pre-Court warning to Belgium to properly implement the EU Directive on postal services (97/67/EC). In particular, the Commission wants Belgium to ensure its national postal regulator is fully independent from the public postal operators. If Belgium does not heed the warning within two months, the Commission may decide to refer the case to the European Court of Justice. The Commission is also examining the independence of the postal regulators in France, Greece, Italy and Spain.

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The Commission insists that regulatory independence is vital to ensure undistorted competition in the liberalised market. In Belgium, the national minister plays a role in the national postal operator, *La Poste*, as well as acting as a regulator of the postal sector. The Commission considers that this creates a potential conflict of interest for the minister. But it stresses that Member States are still entitled to define the statute of their national postal regulatory authorities. And the EU must remain neutral as regards preference for public or private property ownership in the Member States, as article 295 of the EU Treaty stipulates.

Directive 97/67/EC set common rules for developing an internal market in Europe's postal

services. The deadline for implementation was February 9, 1999. It guarantees universal postal services within the EU. This is defined as national and cross-border postal items up to 2 kilograms, packages up to 10 or 20 kilograms, and registered and insured items. The Directive provides for Member States to use a licence system to impose universal service obligations on postal operators. The latter may be compensated for any losses incurred from these obligations through a compensation fund to which they would all contribute. The Commission in May 2000 tabled a draft Directive to open up a further 20% (currently, only about 3% of the market is liberalised) of the postal market to competition. The European Parliament and the EU Council of Ministers are currently discussing this proposal.

Reaction. The pro-liberalisation *Free and Fair Post Initiative (FFPI)*, which brings together both postal users and competitors, welcomed the Commission's warning to the Belgian authorities. FFPI President, **Philippe Bodson**, called it "a step in the right direction" adding that "the Commission should policing the market in a scrupulous and rigorous way".