



Press Release

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.

The Free and Fair Post Initiative (FFPI) is a unique European initiative that brings together users and competitors of the public postal operators who strongly believe in the benefit of a liberalised and more competitive postal market. Through its membership, the FFPI currently represents more than 7,1 million companies. The FFPI key objectives are to secure a final date for full liberalisation of postal services that should be in 2007 at the latest and a fair playing field in the postal sector to prevent public postal monopolies to turn into private ones.

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