

04Dec2002 BELGIUM: POSTAL SERVICES - PRO-LIBERALISATION LOBBY WELCOMES COMMISSION REPORT.

The European Commission's report on the state of Europe's postal services has been welcomed by the pro-liberalisation lobby, the Free and Fair Post Initiative (**FFPI**). The **FFPI**, which represents users and competitors, including more than 7.1 million companies, says there is a need for a deadline for fully liberalising the postal sector, preferably 2009. **FFPI** President Philippe Bodson says the report "puts the benefits of liberalisation for users and the European economy in such a clear light, particularly the positive impact on employment and quality of service while safeguarding the universal service obligation". But the lobby slams those Member States who have still not established truly independent postal regulators, as required by the 1997 Directive. The Commission has started infringement proceedings against France and Belgium over this issue. **FFPI** also laments the fact that "national postal incumbents are increasingly behaving as commercial operators while continuing to benefit from monopolies and state aid". It says this is detracting from Europe's competitiveness and calls for EU competition rules to be strictly enforced to ensure a level playing field. It adds that future reports should analyse in greater detail the postal sector's price structure, barriers to entering the market, and criteria for measuring the quality of the service provided (see European Report 2731, Section IV, for a summary of the Commission report).-The 1997 Postal Services Directive (67/EC) marked the first stage in the opening up of Europe's postal markets to competition. The Member States were only allowed to keep public monopolies on mail weighing less than 350g. On June 10, 2002, a new Directive (39/EC) came into force which further reduced this weight limit, from 350g to 100g in 2003 and 50g in 2006 for ordinary domestic and outgoing cross-border mail. The Member States can still reserve the incoming cross-border mail segment of the market. The net effect of the new Directive will be to increase the proportion of the letter market (the package market is already liberalised) open to competition from 3% to an estimated 23%. The Commission may propose further liberalisation in 2009, depending on a mid-term assessment of the need for it. Such a move would have to be approved by both the EU Council of Ministers and the European Parliament.-
(BB).

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