



Press Release

The FFPI welcomes the Commission's landmark decision on the state aid case against Deutsche Post World Net.

Brussels, 19 June 2002 – The Free and Fair Post Initiative sees the decision taken today by the European Commission to order Deutsche Post World Net (DPWN) to repay € 572 million of unlawful state aid to the German Government as very good news for users of postal services in the EU. The decision sends a clear signal to postal monopolies that they cannot receive state aid that distorts competition.

"We are glad that the Commission has put the interest of the Internal Market and the consumers first by applying the state aid rules straightforwardly. Unless the Commission acts vigorously against the postal monopolies the EU's decision to gradually open the postal market for competition will be ineffective. The decision is proof of the Commission's new commitment to police the postal market effectively. Commissioner Monti has once again demonstrated that he is living up to the pledge he made when he took over the helm of DG Competition, that is to strike down at unlawful state aid", said FFPI President, Philippe Bodson.

Together with other recent Commission decisions in the postal sector, today's decision provides some useful guidelines on what is and what is not acceptable. For instance, state aid can be justified only to cover the extra cost of the universal service provision; it can however not be used to cover losses of activities carried out in competitive markets.

"I am pleased to see that the Commission is speeding up its handling of competition cases in the postal sector, thereby creating the body of case-law that so far has been missing. However, a lot still remains to be done. A more comprehensive and developed regulatory approach to the postal market is needed from the Commission if we are to achieve a real, competitive, postal market in the future", Philippe Bodson continued.

The postal monopolies have undertaken very ambitious programmes of acquisitions of companies throughout the EU. Today's decision confirms that the Commission needs to take a new look at how such acquisitions are financed.

"We encourage the postal monopolies to modernise and acquisitions are a way to achieve that. It must however be clear in each case that acquisitions are not financed by illegal state aid or excessive stamp prices. The Commission has a duty to investigate this", concluded Philippe 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 and a fair playing field in the postal sector to prevent public postal monopolies to turn into private ones.

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