

14Feb2001 EU: POSTAL SERVICES - PRO-LIBERALISATION CAMP URGES MEMBER STATES TO HONOUR COMMITMENTS.

The pro-liberalisation Free and Fair Post Initiative (FFPI) on 8 February urged Member States to reaffirm their commitment to postal liberalisation at the Stockholm European Council on 23 and 24 March. The priority for FFPI is that the Member States agree on a final date for full liberalisation, at the latest 2007 - something over which many are dragging their heels. Meanwhile, the Swedish EU Presidency is treading extremely cautiously with this political hot potato. It is unlikely to be discussed at Ministerial level until the Telecommunications Council on 27/28 June.

In the synthesis report to be submitted to the Stockholm Council that it adopted on 7 February, the European Commission included postal liberalisation as one of its ten priorities for action. The FFPI, which is supported by European retail and employer associations representing 7.1 million companies, welcomed the Commission's report. The report is meant as a reminder to the Member States of the commitments they undertook at the March 2000 Lisbon Council.

As well as demanding a final date, FFPI President Philippe Bodson maintained the acceleration of postal liberalisation must be accompanied by a more efficient and effective competition policy. He said the Commission needed "to find the strength to oppose limited national interests in order to put consumers first". And public postal operators, he warned, "cannot stay isolated in their ivory towers".

The Commission and FFPI are attempting to put the liberalisation train back on track after the slight derailling it underwent during the French EU Presidency. Firstly, the European Parliament on 14 December 2000 gave a resounding No in its first reading of the Commission's proposal for a Directive. Then, at the 22 December Telecommunications Council, Member States failed to reach a common position despite the intense efforts of the French Presidency.

Contrary to what many observers expected, pro-liberalisation Sweden has not seized the opportunity of its EU Presidency to secure rapid political agreement on the Commission proposal. Talks, even on the more technical aspects to be thrashed out at Council working group level, have not yet begun. The Swedes have not included the issue on the agenda of the 4/5 April Telecommunications Council, which leaves only the 27/28 June Telecommunications Council - the last of its Presidency.

The pro-liberalisation side has been much slower in rallying the troops than their counterparts, the public postal operators, acknowledges an FFPI spokesman. However, it believes the future Belgian Presidency of the Council of Ministers is best poised to make a favourable breakthrough. It believes that the setting of a deadline for full liberalisation, more than the 50G/150G letter-weight issue, is crucial to continuing the process. Equally vital is recruiting to the pro-liberalisation side, Member States such as the Austria, Belgium, the UK and Ireland, who do not fall clearly into either camp. Such a shift could break the deadlock caused by the Nordic-Germanic/Greco-Latin polarisation, where both sides form blocking minorities. German delay.

In another, related, development, German Economics Minister, Werner Muller, announced on 9 February that his Government was postponing indefinitely its plan to fully liberalise the German postal sector in 2003. Minister Muller had vented his frustration in recent months about other Member States' unwillingness to open up their postal markets to competition, thereby creating an uneven playing field. -On 30 May 2000, the European Commission tabled a draft Directive to further open up the postal sector to competition. The proposal would require Member States, by 1 January 2003, to reduce weight-limits on letters and direct mail (addressed advertising material or so-called "junk mail") from 350g to 50g. In tandem with this, Member States would have to reduce price limits from five times the standard tariff to 2.5 times. The proposal also provides for a full opening up to competition of outward cross-border mail and express mail services. The Commission did not propose specific liberalising measures for inward cross-border mail. On the basis of new proposals to be tabled before 2005, the Commission may decide to fully open the sector to competition in 2007.-.

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