

European Commission Works to Improve Post

The Wall Street Journal Europe's editorial "No Way to Run a Post Office" (July 29) rightfully highlights concerns about the poor performance and spending behavior of the Belgian Post. It does not, however, do full justice to the efforts of the European Commission's Competition Directorate-General to control unlawful state funding for public postal operators.

For instance, a commission decision of last June that required Deutsche Post to repay €906 million for illegal use of state aid is a clear demonstration of the commission's commitment to fight public subsidies that distort competition.

On July 24, the European Court of Justice took an important state-aid decision, the Altmark case. The court deemed that compensations received by a public-service provider don't constitute state aid if four conditions are satisfied: a clear definition of the public-service obligation; compensation that is calculated in advance in an objective and transparent manner; compensation to cover all costs and allowing for reasonable profits; and fair compensation in the absence of a public-procurement procedure.

It is crucial that these principles be enforced to create a transparent and fair compensatory system. The Altmark ruling provides the Commission with new jurisprudence that should help it in com-

bating state intervention in the economy that alters competition.

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