

PRESS RELEASE



Brussels,
July 27, 2006

9 European Postal Service Providers jointly call for caution in the 2009 reform of postal services

Following the publication of the PWC study on the “Impact on Universal Service of the Full Market Accomplishment of the Postal Internal Market in 2009”, the postal operators of Belgium, Cyprus, France, Greece, Italy, Hungary, Luxembourg, Poland and Spain, which account for over 50% of the Community population, express their concern about the study outcomes and plead on the European Commission for a balanced approach when drawing up future postal legislation

At the beginning of this month of July, the European Commission published a study undertaken at its request by PriceWaterhouseCoopers (PWC) in order to assess, in each member State, the impact on the universal postal provision of a full liberalisation in 2009.

As stated by the postal Directive 2002/39/EC, based on the conclusions of this study, the Commission shall submit by 31 December 2006 “a report to the European Parliament and the Council accompanied by a proposal confirming, if appropriate, the date of 2009 for the full accomplishment of the postal internal market or determining any other step in the light of the study’s conclusions”.

The PWC survey states that the opening of the market will have a significant impact on the operator providing the universal service as well as on the universal postal service itself in most of the member states. This impact varies according to the particular situation in each country. Hence, the study concludes that these member States need to implement specific flanking measures in order to guarantee the sustainability of the universal service in a liberalised environment.

These measures can be divided into three categories:

- The first one concerns gains in efficiency and productivity, which are supposed to compensate the impact of liberalisation. In addition to the measures of good management already being implemented, they include a reduction of the post

offices network as well as aligning labour costs of the incumbent operator with those of its competitors.

- The second would be to reduce the universal service provision itself, in order to reduce its cost and to increase prices for small users.
- And finally, the third would consist of direct State subsidies.

The signatories of this press release see these flanking measures as either detrimental for the majority of the users, or inoperable or simply no flanking measures. No proof is given of their efficiency or of the fact that they will allow to meet the objectives.

These measures do not guarantee the financing of the universal service and harm the scope, the quality and the accessibility of the services currently offered to the citizens of the Union.

Still, the Commission is very much concerned about the economic and social harm which will be at stake if the universal service provision fails, as recital 3 of the 2002 Directive states: *“Article 16 of the Treaty highlights the place occupied by services of general economic interest in the shared values of the Union as well as their role in promoting social and territorial cohesion. It goes on to state that care should be taken that such services operate on the basis of principles and conditions which enable them to fulfil their missions”.*

The study gives no clear answer as to the economic impact of a reduction in the scope of the universal service, in particular for the small and medium-sized companies nor does it address the social and societal impact.

Finally, the study does not meet the explicit request by the European Parliament in February 2006 to determine appropriate financing of the universal service.

The signatories call for caution when drawing up the 3rd Postal Directive.

First, truly efficient measures for financing the universal postal service need to be identified. Second, they should be implemented before removing the only one which, up to now, has shown to be efficient when appropriately defined : a restricted reserved area.

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