

Green light for Postal Services Directive delivers boost for Lisbon targets

One of the priority 'deliverables' of the Lisbon Agenda has been finalised by EU institutions with the adoption of the new Postal Services Directive. This Directive aims to ensure high quality postal services for EU citizens and businesses, and confirms 2010 as the date for the opening of EU postal markets.

On 31 January 2008, the European Parliament adopted the new Postal Directive and thereby completed the legal framework of the EU postal reform process. The final date for achieving full market opening is set at 31 December 2010, with the possibility for some Member States to postpone full market opening by two more years as a maximum.

The newly adopted Directive maintains the key elements of the Commission's initial proposal, in particular:

- the accomplishment of the Single Market of Community postal services via the abolition of the postal monopolies in all Member States;
- the confirmation of the scope and standard of universal postal service (i.e. permanent provision of postal

service of specified quality at all points of the territory at affordable prices for all users);

- the reinforcement of consumers' rights and upgrading of the role of national regulatory authorities; and
- a list of measures Member States may take to safeguard and finance, where necessary, the universal postal service.

Why EU Postal reform?

The reform of EU postal markets started in 1992 with a Commission Green Paper on postal services. In view of the poor quality of postal services at that time, an ambitious reform programme was launched. The Postal Directive was adopted in 1997. This created a robust regulatory framework both at EU and Member States level which guarantees citizens a universal postal service, while gradually limiting the scope of the postal monopolies (the so-called reserved area: initially mail under 350 grams, amended in 2002 to 100 grams and reduced on 1/1/2006 to 50 grams). In short, the Directive has aimed at ensuring the best possible service through a gradual opening of the market.

Postal services are essential for communication and trade and as such have an important role to play in the economic and social cohesion of the EU. They are also strategically important as part of the wider communications and distributions market.



Many key sectors, such as e-commerce, publishing, mail order, insurance, banking and advertising depend on the postal infrastructure.

The key role played by the postal sector places it at the heart of the Lisbon Agenda. President Barroso, commenting on the vote of the Parliament at second reading, said: "This demonstrates the common commitment of Parliament, the Council and the Commission to reform to meet the Lisbon goals."

EU postal reform is unique and is being closely watched by other governments, regulators and operators. It certainly acts as a role model which is based on the objectives of: improving the quality of postal service, market monitoring and independent regulation, commercial freedom and progressive market opening.

Political success for Europe

The wide political consensus to commit to postal reform was not taken for granted at the beginning of the negotiations 15 months ago. Emotional aspects of this important public service had to be taken into account. Substantial efforts were made by the Commission to clarify the key elements of the proposal and demystify side issues raised by sceptics. A strong consensus finally emerged, in line with the objectives set out in the proposal adopted by the Commission in October 2006.



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In its first reading in July 2007, the EP paved the way for the overall political compromise. Under the impulse of the Portuguese Presidency, the Council acted quickly to adopt a Common Position, which was approved by the Commission early in November 2007. The second reading of the Parliament on 31 January 2008 confirmed that there was a broad political consensus on the way forward for opening EU postal markets to full competition. Both the Slovenian Minister, Andrej Vizjak, as well as the rapporteur Markus Ferber (PPE-DE), fully supported the Commission's constructive approach during the negotiations. The rapid adop-



tion of the third Directive is a political success for Europe.

Monitoring progress within the Single Market Review framework

EU postal reform will continue to require close monitoring notably regarding the development of competition to make sure postal reform remains true to its objective. Pro-active assistance by the Commission and constructive monitoring of the postal market will take place within the framework of the Single Market Review.

Provision of a high quality universal postal service is certainly one of this key elements requiring close monitoring, notably by the national regulatory authorities which have been put in place by the reform. Other equally important aspects include making sure that the general public and businesses have access to an affordable universal service. Particular at-

ention will also be paid to cost accounting and pricing thus ensuring that tariffs are related to costs.

What next?

The final date for achieving full market opening is 31 December 2010, with the possibility for some Member States to postpone full market opening by two more years as a maximum, and a temporary reciprocity clause is included applying to those Member States that make use of the 2 year transitional period.

The Single Market for postal services will only become operational if Member States and stakeholders actually commit fully to postal reform. The Commission will assist Member States with the implementation of the Directive to secure the high quality of services that the public expect.

The national regulators are instrumental in the correct implementation of the key elements of the Directive. They have made significant efforts to raise their expertise, resources and powers at national level over the last 3-5 years. This will certainly need to go further in the future as a multiple-operators environment becomes a reality.

In an open market, the wider industry can also be expected to raise its game and contribute even more to promoting the sector, not least through innovation and the provision of new services.

The new Directive is the final step in a long reform process that has already seen large areas of EU postal markets opened to competition, with very positive results and the mission of EU postal reform will continue.

As Commissioner Charlie McCreevy said: "The viability of the sector and the high quality of universal postal services



will be strengthened for EU citizens and businesses."

Decision-makers, citizens and businesses now realise that the postal sector can no longer be viewed through its traditional image, but has become a dynamic industry at the crossroads of the communication and e-commerce sectors. There is now a unique opportunity to commit to the last step of the reform process.

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