

Postal services: Commission proposes full market opening by 2009

The European Commission has put forward a proposal to open EU postal markets fully to competition by 2009, in line with the agreed target date set out in the current Postal Directive. On the basis of extensive research, the Commission believes that this is the best way to maintain universal service while further improving quality and choice for EU consumers and businesses. Full market opening will mean that national operators will no longer have a monopoly on mail below a certain weight (currently a maximum of 50 grams), known as the 'reserved area'. Member States will be allowed a flexible choice of means to finance universal service provision or the possibility to share out the universal service obligation between operators. The proposal provides further clarification on how this can be achieved. The proposed 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.

Internal Market and Services Commissioner Charlie McCreevy said: *"I firmly believe that completing the Internal Market for postal services is vital for securing further improvements and for sustaining the progress and results achieved to date. In preparing the proposal, we have put consumer and user needs first. With full market opening in 2009, we can look forward to more innovation, better services and improved cost-efficiency. Without it, EU postal markets will be increasingly unable to meet the challenges of the communications revolution. Market opening plays a crucial role in the long term viability of the sector and the employment it generates."*

Maintaining universal service

The proposal maintains the current obligations on Member States to ensure a high-quality universal service comprising at least one delivery and collection five days a week for every EU citizen. It will also further reinforce consumer protection and increase the role of national regulatory authorities. The obligation to ensure affordability of postal services is maintained in the proposal, as is the possibility for Member States to impose a uniform tariff for single piece tariff items such as consumer mail. In the event that remaining net costs of providing universal service need to be covered, Member States will be able to choose from a range of options, including, for example, state aids, public procurement, compensation funds and cost sharing. It will be for Member States to decide which model best suits their needs.

Benefits of full market opening

With the removal of reserved areas, users of postal services can expect the services available to them to develop and further improve. Universal service providers will be motivated to become more reliable and efficient and to further increase their customer focus in the light of potential competition from new market entrants. Full market opening will also directly foster the creation of new jobs in new postal companies, and, indirectly, in the industries dependent on the postal sector.

Background

Postal Services in the EU are covered by the 1997 Postal Directive (97/67/EC). This created a regulatory framework which guarantees citizens a universal service, while gradually limiting the scope of the reserved area (initially mail under 350 grams, amended in 2002 to 100 grams and reduced on 1/1/2006 to 50 grams). The Directive aimed at ensuring the best possible service through a gradual opening of the market, with a final target set for full opening in 2009. It included a requirement that the Commission should provide periodic reports on its implementation, and, before the end of 2006, confirm whether the 2009 date remained appropriate. The Commission is now proposing, by means of a further amending Directive, that the date should be confirmed. A number of Member States have already opened up their market to full competition or have firm plans to do so before the 2009 target date.

More detailed questions and answers are available in the associated **FAQs**. ([MEMO/06/383](#))

The proposal, its supporting studies and the latest implementation report are available at:

http://ec.europa.eu/internal_market/post/index_en.htm