

In EU, mail must get through (but how?)

National monopolies on letters could end

By James Kanter

PARIS: Could it be the end of musty lobbies and interminable lines just to mail a letter?

European Union regulators told governments across the region Wednesday that they must scrap their monopoly on delivering letters by 2009, a move that would open up a far wider variety of ways for people to send things.

"We can look forward to more innovation, better services and improved cost-efficiency," said Charlie McCreevy, the EU commissioner for the internal market. "Without it, EU postal markets will be increasingly unable to meet the challenges of the communications revolution."

EU diktats are often the bane of governments, which want to retain the freedom to run their economies as they please. But two efforts to open up competition show how EU rules increasingly have an impact on local infrastructure and the way the EU's 450 million citizens do their daily chores, like mailing a letter, or driving from one city to another.

The EU on Wednesday ordered Italy to drop its restrictions on the takeover

of the toll-road operator Autostrade by a Spanish company. (Page 10)

If those EU efforts lead to improvements, projects to open up other vital sectors, like electricity, across the region to greater market forces could gain momentum. But if they result in steep price increases or slipshod service, that could stoke the impression among some that Brussels is forcing too much competition, too fast.

The EU is asking national operators like La Poste of France to give up monopolies on delivering mail weighing less than 50 grams, or 1.8 ounces.

The measures also would remove price controls on bulk mail and open up new opportunities for companies like Deutsche Post, which has aggressively expanded abroad in recent years, as well as express mail operators like United Parcel Service, based in Atlanta, the largest package-delivery business in the world.

But Massimo Sarmi, the chief executive of Poste Italiane, said that the EU still had to be more precise about how national operators would be paid for delivering letters if people bought services and stamps elsewhere.

Poste Italiane has about 150,000 em-

ployees, including 44,000 letter carriers.

"It's not so obvious that the costs foreseen will be paid in time by the government," Sarmi warned by telephone. "I don't want to be the weak point in the triangle between the EU and the government."

Sarmi said Italy's geography differed from many northern countries, like the Netherlands, making delivery more complicated.

He said that express companies would be unlikely to take an interest in delivering mail in remote and sparsely settled parts of the country.

The European Commission, the executive arm of the EU, insisted that the prospects of better service appeared to be good, and hinted that opening up postal handling to competition could mean the end of poor service and long waits at the post office in some countries.

Britain, Sweden and Finland have already opened their markets in full, while Germany and the Netherlands

Nell'Unione europea, la posta deve arrivare a destinazione, ma come? (ac)

L'Unione europea ha avvertito i suoi stati membri che a partire dal 2009 devono essere abbattuti i loro monopoli sulla consegna postale, un'iniziativa che aprirà questo mercato ad una grande varietà di modalità di spedizione. Massimo Sarmi, amministratore delegato di Poste Italiane, ha affermato che l'UE dovrebbe essere più precisa sulle modalità in cui gli operatori nazionali verranno pagati per la consegna postale se i cittadini acquisteranno servizi e francobolli da altri operatori. Poste Italiane impiega 150 mila persone, tra cui 44 mila postini. Sarmi ha dichiarato che non è così ovvio che i costi previsti vengano pagati in tempo dal governo e ha sottolineato che non intende essere il punto debole nel triangolo tra l'UE e il governo. Sarmi ha aggiunto che le caratteristiche geografiche dell'Italia sono diverse da molti Paesi del nord, come l'Olanda, e ciò rende il servizio di consegna molto complicato. Infatti, ha concluso Massimo Sarmi, è improbabile che i corrieri espressi abbiano interesse nel consegnare la posta nelle più remote e distanti parti d'Italia,



have also made significant progress.

The moves put Europe in step with developments in Japan, where the former prime minister, Junichiro Koizumi, drove the privatization of Japan Post. The moves also make the United States, where the post office remains a quasi-monopoly seem oddly out of step.

New competitors in Europe could improve on existing state-controlled post offices by providing tailored services, more outlets in convenient locations open for longer hours, electronic services to track mail, and services for home shopping delivery, the commission said.

The EU also confirmed that protection for national operators would be scrapped by 2009, but that governments could still finance a so-called universal service across all of a country by giving public money to operators, or by sharing the responsibility among other operators.

National postal operators have long benefited from monopolies on letter deliveries, helping them keep branch offices open and pay their workers. Work-

**Rules from Brussels
affect the lives of 450
million citizens.**

ers, particularly in France, are wary of job cuts. There also are doubts among Belgian, Cypriot, Greek, Hungarian, Italian, Luxembourg, Maltese, Polish and Spanish postal services operators.

The future of postal services also is an emotive issue because the loss of local services would hit elderly people and rural dwellers particularly hard.

The commission said postal services might be farmed out to franchisees in some areas but that daily postal delivery, post boxes and post offices would continue to be provided.

EU officials say post offices already have cut back staff because people are using the Internet to send e-mail messages instead of posting letters, and because newer express mail companies have taken a greater proportion of deliveries.

Prices have been rising in recent years along with increasing fuel and transport costs.

Markets for delivering mail heavier than 50 grams are already open to competition as a result of previous EU initiatives.

The EU acknowledged that sending complaints when there was more than one operator could be confusing. But it said national postal regulators should be able to monitor the situation.

The new measure still requires the approval of EU governments and the European Parliament, which is likely to face fierce lobbying in coming months. But so far, would-be competitors and groups representing heavy mail users are delighted.

Philippe Bodson, the president of the Free and Fair Post Initiative, a group in Brussels that includes UPS among its members, praised EU regulators for brushing aside "protectionist calls for pushing back the deadline once more."

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