



Union Network International
8-10 Av. Reverdil
1260 Nyon
Switzerland

Tel: (+41 22) 365 21 00
Fax: (+41 22) 365 21 21
contact@union-network.org
www.uniglobalunion.org

President:
Joe Hansen
UFCW, USA and Canada

General Secretary:
Philip J. Jennings

Mr Charlie McCreevy
EU-Commissioner
Internal Market & Services
European Commission
200, rue de La Loi
B – 1040 Brussels

Nyon, 7 April 2008

Dear Commissioner McCreevy,

We have read in the press that you have criticised the minimum wage in the postal sector that has been adopted in Germany. You are quoted as having said that "... an unduly high minimum wage hinders competition ..."

We believe this doesn't relate to the facts. UNI's German affiliate ver.di negotiated an industry-wide minimum wage for German postal workers of between 8 to 9.80 euros an hour. The minimum wage for the postal sector has now been declared legally binding and the relevant legislation has been adopted. No fewer than 84% of the members of the German Bundestag approved the proposal.

The average wage earned by a postman at the leading German operator, Deutsche Post AG, is 16.80 euros per hour for a 38.5 hour working week. In addition, they are entitled to a Christmas bonus, a holiday allowance, contractual holiday entitlement, contributions to the company pension scheme and social security contributions. In the light of this, it cannot be argued that the minimum wage is unduly high. Employees of Deutsche Post's competitors work much longer weekly hours, they have significantly lower holiday entitlements, and they do not get any Christmas bonus, holiday allowance or contributions to the company pension scheme.

We call upon you to respect the position of the European Parliament which when developing the future postal services directive decided that there will have to be much greater focus to social issues than was the case in the original Commission draft.

For example, the amendment adopted by the EP for a new postal services directive allows Member States a considerable degree of freedom to adopt social measures for the letter post market. Licenses which are tied to compliance with social provisions, industry-wide minimum wages and other instruments lie in the power of national governments. The text of the directive approved by the EP also requires Member States to ensure the strict application of labour regulations to all postal service suppliers. An EP resolution also says that the regulations and competence of Member States in the area of labour and social law must not be affected by the postal services directive.

Moreover, the Portuguese Presidency presented a compromise proposal to the Council of Ministers in which it is stated that the fact that the directive has no impact on the competence of Member States to regulate labour conditions in the postal sector should not lead to a situation of unfair competition. Such considerations are to be given a much higher priority in the run-up to full market liberalisation.

- 2 -

Some Member States have already adopted legal or contractual instruments to prevent wage dumping in general, and price undercutting in particular in the letter post sector. Based on our experience regarding trends in employment conditions in a competitive market, and the possibilities given to Member States under the new version of the postal services directive to prevent wage dumping, a number of trade unions affiliated to UNI are demanding that their governments implement the appropriate measures to prevent, or at least attenuate, the negative effects on employment conditions resulting from full market liberalisation. Such instruments also include a minimum wage for the postal sector. We are extremely surprised that EU Commissioners are now making statements that are clearly contrary to a decision of the European Parliament.

We are seriously concerned that you can claim that social regulations are an impediment to competition and must be eliminated. This statement which suggests you favour a business model based on wage and social dumping is unacceptable to the affiliates of UNI Post & Logistics.

Yours sincerely,



Neil Andersen
Head of Department
UNI Post & Logistics Global Union



Rolf Büttner
President
UNI Post & Logistics World Committee

