



## European Federation of Public Service Unions (EPSU)

Press Communication

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# Energy Package is PR exercise to justify higher energy bills and disguise failure of liberalization

## Energy Workers 5-point critique of EU energy strategy

(10 January 2007, Brussels) The European Federation of Public Service Unions rapid response to the EU Energy Strategy as released by the European Commission today:

### 1. *On the internal market*

“This package is a Public Relations exercise to prepare Europe’s citizens for increases in electricity and gas bills. Even with higher prices there is no guarantee that the companies will invest in networks, in power stations and in staff. The lack of investment will lead to deterioration of quality and security and ultimately to *more* blackouts and result in a serious step backwards for Europe’s competitiveness. **We need cooperation, not the Commission’s promotion of wasteful competition in the electricity and gas sector.** The costs of introducing competition are higher than the benefits. Industry and citizens are asked to foot the bill.

### 2. *On the social dimension and poverty*

The Commission does not put forward any plans to build the social dimension of its energy policy and does not address growing energy poverty, employment, social dialogue and skills.

### 3. *On Security of Supply*

EPSU welcomes the efforts of the European Commission for energy dialogues with the countries that deliver fuels to the EU. However, the dialogues should be more transparent, involve a broader range of stakeholders and respect the *fundamental values* of the European Union. Europe needs a long-term approach in these sectors. The internal market makes that very difficult and is not the adequate response to the dangers of interruption of supplies.

### 4. *On the Strategic Energy Review*

EPSU is in favour of a comprehensive energy review that includes a social dimension. This proposed energy review misses the test. It does not indicate how new investments materialize and does not consider the employment dimension.

### 5. *On new powers for European regulators and the democratic deficit*

EPSU advocates a role for **advisory councils** as part of the regulators. EPSU notes that according to the Commission’s own data, the majority of Europe’s citizens do not believe the EU Commission should have more competencies in the energy area ([http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_258\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_258_en.pdf)).

EPSU notes this is the **4th time** the Commission is addressing liberalization in 10 years time. It comes shortly after the 1996 1<sup>st</sup> liberalisation directive, the 2<sup>nd</sup> attempt being the security of supply directive (responding to the Italian, Swedish and other European blackouts and the



North American blackout) and the 3<sup>rd</sup>, the 2003 liberalisation directive fully opening markets in July 2007. Many stakeholders including EPSU agree that the internal market is not delivering the results expected. Prices are not lower, there is neither massive new investment nor advances in public services. The Commission's response to the problems is to give Europe more of the same medicine that has caused the problems. The Commission continues to ignore the fundamental social, physical, geographic and social characteristics of electricity and gas that makes competition for these services inappropriate.

- EPSU is organizing a strategy meeting of trade unions on ownership unbundling to counter any ill-advised plans, **19 January**. Plans for mobilization against such plans will be considered.
- EPSU will be organizing a large European energy conference to discuss with its affiliated unions and representatives of the trade unions in Europe small and large energy companies how best to respond to the challenges of European energy policy, **1-2 March 2007**.

See here for further details and the EPSU critique on the internal market: <http://www.epsu.org/a/1465>

For EPSU's position on the Green Paper: <http://www.epsu.org/a/2596>

For more information, please contact Jan Willem Goudriaan or EPSU Press Officer Brian Synnott, + 32 2 2501080 or by email [epsu@epsu.org](mailto:epsu@epsu.org)

**“EPSU is the European Federation of Public Service Unions.** It is the largest federation of the ETUC and comprises 8 million public service workers from over 200 Public Service Unions in 37 countries. We organise workers in health and social services, local and national administration, energy, water and waste. We are the recognised European social partner organisation in each of these sectors. EPSU is committed to building a European Union that promotes democratically accountable public services of the highest quality, within and beyond it's borders. For more information on EPSU and our work please go to: [www.epsu.org](http://www.epsu.org)”