



**European Federation of Public Service Unions  
Press Release – 11 December 2003**

***“Did Commission get it wrong?  
New package addresses failures of Internal Market for electricity and gas”***

The European Commission adopted a package of measures to address the failures of the internal market for electricity and gas on 9 December 2003.

The proposals for Directives are a clear signal that liberalised energy markets do not deliver a reliable and continuous service. Government and regulatory oversight remains essential. Governments will have to ensure reserve capacity and investments in the networks, something the energy companies will not provide out of good will, and for which they have no incentive in a competitive market. The proposals are a vindication of EPSU's criticisms and policies. The market-opening has been rushed through for ideological reasons with little regard as to the middle and long-term effects on citizens and business.

EPSU disagrees with Commissioner De Palacio that the current situation is due to the fact that the necessary investment is held up in interminable disputes on planning issues. The current situation of lack of investment in networks and in production is due to the fact that companies see no advantages in investing in a liberalized market. EPSU is concerned about the costs of these policies. Domestic users should not shoulder these additional costs disproportionately. They have already seen few advantages of market opening.

"This package is an attempt by the European Commission to patch up the failure of the internal market. It still does not go to the heart of the problem which is the conflict between the commercial interests and the public interest. According to the BFE (Swiss Energy Ministry) this is the root cause of the Italian black-out. The public interest should dominate in the electricity sector. It is shameless that Europe's politicians do not take the blame for their actions and keep on seeking scape-goats", says Jan Willem Goudriaan, EPSU Deputy General Secretary.

EPSU welcomes the draft Directive on Energy Services. The demand side is to be addressed, energy efficiency improved and energy consumption reduced. "It is somewhat cynical however, that the public sector is called upon to deliver most of the savings and set the example, while the Commission and Member States are constantly arguing that the role of the public sector can and should be reduced and their tasks left to the market. But markets are not the vehicle to deliver what is in the public interest" adds the EPSU Deputy General Secretary.

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*The European Federation of Public Service Unions is the largest federation affiliated to the ETUC and represents 10 million workers providing services to the public in health and social care, local, regional and central government, and utilities in energy, water and waste.*

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