



Department of Social and Family Affairs

Mary Coughlan TD Minister for Social and Family Affairs disputes EU Commission position concerning post offices contract

Mary Coughlan TD the Minister for Social and Family Affairs is disputing a European Commission reasoned opinion concerning the payment of social welfare through post offices.

The dispute centres on the Government's decision to renew the current contract with An Post for a three-year period from January 2000 for the delivery of social welfare payments.

"I have taken legal advice in relation to this ongoing matter and I have now issued a letter disputing the European Commission's reasoned opinion.

"Post offices around the country have provided a valuable service in paying hundreds of thousands of social welfare payments every week to clients of my Department. The Government is fully committed to supporting the network of rural post offices and I can assure people that my Department will continue to enable payments through the post office network" said Minister Mary Coughlan.

An Post has provided payment delivery services to the Department of Social and Family Affairs for many years. These arrangements were formalised in 1992, and were renewed in 1996 to run to the end of 1999. At that stage complaints were made to the European Commission under EU and procurement law.

The complaint relating to competition law has been closed by the Commission on the basis that there are no implications for the Department of Social and Family Affairs.

The Commission's findings in relation to the procurement complaint were notified to the Department in June last year saying that the Department was not complying with its obligations under EU procurement legislation and principles. That finding was rebutted in August following legal advice to the Government.

The EU Commission responded last December with a "reasoned opinion" and acknowledged that the Department's contract with An Post falls within the terms of an EU Council Directive which recognises that the only obligation on the Department is the prohibition of discriminatory technical specifications and the sending of the result of the award process to the EU official publications office.

"This acknowledgement in the Commission's reasoned opinion has been a key argument put forward by my Department since proceedings began," said Minister Coughlan.

"Should the EU Commission not accept the response rejecting their opinion which was forwarded to them today, it is possible that the matter may be brought before the European Court of Justice for a final and binding decision – that may be the case and I will maintain my position," said Minister Coughlan.

ENDS

20th February 2003