



# **Jersey Competition Regulatory Authority**

## **Consultation Document 2008-P1**

### **Jersey Post Quality of Service**

**25 June 2008**

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## 1.0 INTRODUCTION

The Postal Services (Jersey) Law 2004 (the 'Postal Law') established the Jersey Competition Regulatory Authority ('JCRA') as the authority responsible for the regulation of the postal sector in Jersey. The Postal Law came into force on 1 July 2006. Condition 15.1 of Jersey Post's licence<sup>1</sup> (the 'Licensee') allows the JCRA to determine quality of service standards which the Licensee shall achieve and comply with as the JCRA may direct from time to time.

In line with the JCRA's published 2008 Aims and Objectives, the JCRA aims to promote the interests of postal users in terms of quality, value for money, and (where possible) choice. In this document, the JCRA undertook to review Jersey Post's quality of service, to ensure that it is providing a high quality of service to postal users in Jersey.

The goal of this consultation paper is therefore to illicit views on Jersey Post's quality of service, whether the JCRA should introduce various quality of service indicators and targets, and the scope and form of those indicators and targets. The JCRA welcomes responses to this consultation paper from all interested parties.

The final submission date for comments is no later than **5PM on 29 AUGUST 2008**.

Submissions should be clearly marked '**Comments on Jersey Post: Quality of Service Consultation Paper**' and may be supplied either in hard copy or electronically, addressed (as appropriate) to:

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All comments are welcome, but it would make the task of analyzing responses easier if comments reference the relevant question numbers from this document.

The JCRA reserves the right to publish on its website any submissions to this or other consultations. Any commercially sensitive information that a stakeholder may wish to submit as part of a response should therefore be clearly marked as such. Please note that you do not need to complete all questions if you do not feel it necessary to do so.

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<sup>1</sup> This can be found at [www.jcra.je/postal](http://www.jcra.je/postal).

## 2.0 EXECUTIVE SUMMARY

The purpose of this consultation paper is to seek views from postal users on the Island about the quality of service provided by Jersey Post.

This Executive Summary provides a summary of the issues raised in this consultation paper and lists the questions to which we are seeking responses. In addition, for a more detailed analysis of the issues raised in this consultation, the background information attached hereto is divided into 12 main sections. Sections 2-5 provide the introduction and background regarding the legislative framework, including Jersey Post's duties under its licence conditions. Section 6 describes why, in the absence of competition, a performance regime is needed, whilst Section 7 describes Jersey Post's network for both incoming and outgoing mail, its size, and its interconnection with other networks. We believe this is important as it helps sets the context in which Jersey Post operates and assists in developing an understanding of what main factors in the delivery and collection processes affect quality of service. All the above provides the framework in which the Jersey Post network operates.

Section 8 describes the end-to-end quality of service ('E2E') measurement system which is the main quality of service measure used by most postal administrations in the world, including Jersey Post. Jersey Post measures its performance targets vs. actual performance in E2E by measuring delivery times and the reliability of the mail from the customers' perspective, with targets set using the J+n formula, where J is the day of posting, and 'n' is the expected day of delivery. For local-to-local collections and deliveries, Jersey Post opts for a performance target of 95% which is consistent with international benchmarks i.e. 95% of mail posted or received in that country (for international) on day 1 arrives on day 2. For the UK-Jersey route, the target is 77%; for the Jersey-UK route, it is 82%; whilst for both the Jersey-Guernsey and Guernsey-Jersey routes, it is 84%.<sup>2</sup> It is this section of the consultation paper which seeks the views of consultees as to the reasonableness of these targets.

Section 9 of the consultation paper questions whether consultees feel that Jersey Post should report on quality of service for bulk mail products and if so, what should be appropriate performance targets for such products given the price and networks they require.

Section 10 raises questions about Jersey Post's internal efficiency, such as the percentage of outgoing mail items that fail final dispatch and the percentage of incoming, or locally posted mail items that fail delivery on either the same day they arrive, or the day after they were posted. We also ask consultees as to their views on whether it is appropriate for Jersey Post to publish these results.

One of the key elements of this consultation paper is Section 11. Here we compare what quality of service indicators Jersey Post currently reports on with the reporting requirements imposed by other regulators on postal operators such as Royal Mail, Guernsey Post, Isle of Man Post and An Post (the Irish Post Office). For example, Postcomm (the UK postal regulator) requires Royal Mail to report on 15 main regulated quality of service indicators, Guernsey Post is required to report on 10 quality of service indicators, Jersey Post currently reports on just 3, whilst the Isle of Man Post and An Post (the Irish Post Office) reports on only 1 each.

We also provide some indication of the cost of measuring the existing quality of service indicators and estimate the extra costs that would be incurred for measuring additional indicators.

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<sup>2</sup> 2007 targets.

The JCRA therefore seeks the views of consultees on the number of quality of service indicators Jersey Post should be required to report on.

Section 12 considers whether compensation for certain core postal services should be offered when the quality of such services for individually posted items falls below an acceptable level. Currently, with the exception of Special Delivery items which are compensation based products, Jersey Post does not offer any compensation or accept liabilities for any delays or for late delivery, loss or damage to letters or parcels. Any compensation it does pay for the late delivery, loss or damage to letters or parcels is entirely discretionary, which for the period July-December 2007, amounted to £1,100. The Postal Law only permits compensation for items of mail that are lost or damaged, but it does not extend to delayed mail. The JCRA has undertaken an analysis of the types of compensation mandated by Royal Mail, Guernsey Post and Isle of Man Post (please refer to Table 8, section 11 for more information). The JCRA therefore seeks views on whether compensation should be payable for core postal products and if so, what is the most appropriate level of compensation which should be paid for lost or damaged items of mail.

Finally, the consultation paper asks consultees for their views on whether or not Jersey Post should publish its six monthly quality of service results.

### 3.0 SUMMARY OF QUESTIONS

Listed below are the questions the JCRA is seeking responses to. More detailed background concerning each of these questions is set out in the following sections to this consultation. Please note that the JCRA does not require you to answer all 18 questions, but we would encourage you to comment on those questions on which you might have a strong view.

- Q1. Do consultees agree that the J+1 formula should apply to the setting of quality of service targets for Jersey Post?
- Q2. Do consultees agree that the quality of service standards should be set according to the five routes as identified in Section 8? Please specify reasons if you do not agree with these categorizations?
- Q3. Do consultees agree that Jersey Post should also measure the 'tail of the mail' and that this should be set at J+3?
- Q4. Do consultees agree that a 95% target for local-to-local next day delivery is appropriate for Jersey Post?
- Q5. Do consultees agree that an 82% target for Jersey-UK-Jersey next day delivery is appropriate for Jersey Post?
- Q6. Do consultees agree that an 84% target (set in 2007) for Jersey-Guernsey for next day delivery is appropriate for Jersey Post?
- Q7. Do consultees agree that an 84% target (set in 2007) for Guernsey-Jersey for next day delivery is appropriate for Jersey Post?
- Q8. Do you believe that an internal efficiency level of 98% for incoming mail and 95% for outgoing mail is sufficient for Jersey Post? If not, please state what the internal efficiency levels should be?
- Q9. Do consultees agree that the internal efficiency of Jersey Post should be measured according to the five mail streams? If not, what do you think should be measured and how?
- Q10. Do consultees agree that a figure of J+3 of 87% is appropriate for bulk mail products?
- Q11. Do consultees agree with the JCRA that Jersey Post's quality of service for bulk mailers should be measured using live mail with data collected by Jersey Post and presented directly to affected customers? If not, why and please explain what alternatives you think are appropriate?
- Q12. The JCRA would like to seek consultees views on which of the quality of service indicators listed in Table 7 Jersey Post should report on? Please also suggest which indicators should have priority and why?
- Q13. The views of consultees are sought on the most appropriate form of compensation scheme which Jersey Post should offer for each of the services listed in Table 8.
- Q14. Do consultees agree that compensation should be paid on Articles for the Blind? If not, please state your reasons.

- Q15. Do consultees agree that no compensation scheme should be applied to bulk mail products at this time?
- Q16. Do consultees agree that Jersey Post should publish its quality of service results every six months? If not, why not and what alternative method of reporting do you suggest? What do you feel is the appropriate channel of communication with regard to “publication” of the results?

## **4.0 BACKGROUND**

### **4.1 Legislation**

The Postal Law provides the legislative basis for the regulation of postal services in Jersey. A licence is required for the conveyance of one or more letters if the consideration and delivery of the letters is the payment of no more than £1.30 per letter and the letter weighs no more than 500 grams. A licence is not required if the letters fall outside these parameters. Jersey Post is currently the only postal service provider in Jersey granted a licence which enables it to fulfill the universal service obligations ('USO').

The USO encompasses the following obligations:

- a) To provide at least one collection of mail, from each access point on six days per week;
- b) To provide at least one delivery of mail to be delivered to every address on six working days per week;
- c) To deliver mail to destinations outside of Jersey on six days per week or at such other frequency as may be agreed by the JCRA;
- d) Jersey Post shall use all reasonable endeavours to set collection times at the latest possible times to access key transport connections;
- e) To provide preferential postage rates for literature for the blind and partially sighted;
- f) To provide those postal services which the Licensee is required to provide to satisfy the USO at affordable prices and at a uniform tariff throughout the Island of Jersey;
- g) To provide services for registered and insured mail;
- h) To treat mail generated from outside the Island of Jersey no less favourably than mail generated from within the Island of Jersey in terms of delivery times, or as otherwise agreed by the JCRA; and
- i) To procure the provision, from time to time, of preferential rates in respect of Mail to addresses within the British Forces Post Office ('BFPO'), or as otherwise agreed by the JCRA.

### **4.2 Postal Schemes**

The Postal Law enables Jersey Post, as the public postal operator to make postal schemes<sup>3</sup>. The postal schemes set out to determine:

- The amount of payment of postage and other charges;
- The manner, time, place and party in respect of the payment of postage and other charges; and
- The payment of compensation for the loss of postal packets, or damage to them, in the course of their transmission by post.

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<sup>3</sup> Article 57 of the Postal Services (Jersey) Law 2004.



## **5.0 JERSEY POST'S LICENCE CONDITIONS**

Jersey Post's Licence includes Condition 15, which requires Jersey Post to develop and operate the postal facilities so as to progressively achieve standards in line with international best practice during the 15 year term of its licence. In particular, Jersey Post is to achieve and comply with established international standards and benchmarks as the JCRA may direct from time to time.

In order to meet the objectives as set out in Licence Condition 15.1, Jersey Post is required to submit to the JCRA a plan setting out the target levels it will achieve for Postal Services, together with specific quality of service information and a service monitoring plan. This is known as the Postal Development Plan.

The Postal Development Plan describes:

- How actual performance will be monitored;
- The process for the collection and analysis of suitable data; and
- The procedures for internal review and performance improvement planning by the Licensee.

Jersey Post is required to submit to the JCRA the updated Postal Development Plan on a six monthly basis. The JCRA may direct Jersey Post to update and amend this plan from time to time and Jersey Post is also obliged to comply with any Directions issued by the JCRA from time to time regarding other quality of service indicators and measurement methods for Postal Services.

The Licence therefore allows the JCRA to set a range of quality of service targets, and the Postal Development Plan provides the means by which the JCRA receives sufficient information from Jersey Post to monitor whether its performance targets are set.

## **6.0 THE NEED FOR A PERFORMANCE REGIME**

In a competitive market, consumers have a choice of service providers. They can choose the service that best meets their needs at the price they are prepared to pay. Competition therefore encourages companies to offer consumer-focused services in the most cost effective way.

Where one provider has a dominant position, as does Jersey Post, a performance regime can serve as a proxy for competition. A performance measurement system for linking quality of service targets is needed because Jersey Post could otherwise improve its financial position by reducing its quality of service. Unlike the situation in the UK, the Postal Law does not provide a mechanism that enables the JCRA to fine Jersey Post for poor performance. However the Postal Law does provide the JCRA with the ability to direct Jersey Post to provide higher levels of service where appropriate.

## **7.0 JERSEY POST'S POSTAL NETWORK**

In order to understand some of the quality of service issues which will be discussed later in this consultation paper, it is first of all important to understand the framework of how Jersey Post's postal network is constructed.

Like most postal networks, Jersey Post's operates as a 'ring' which means that for both collection and delivery within the Island, Jersey Post's postmen will visit all collection and address points in a sequential order before returning to the sorting office. Postal items are also sent between Jersey and other postal networks, mainly between the UK and Guernsey. As such this requires Jersey Post to have agreements between Royal Mail and Guernsey Post. The majority of international mail in and out of Jersey is handled by Royal Mail.

### **7.1 Incoming mail**

All first class mail from the UK arrives in Jersey by air each morning and is delivered that day. Second class mail arrives by sea and is delivered the following working day.

Jersey Post does not take control of this incoming mail destined for delivery in Jersey until it actually enters Jersey Post's network. Because Jersey is an island, weather plays a key component in determining whether or not mail will arrive on time. If the aircraft does not arrive between 05:30hrs – 06:30hrs, but arrives later that day, this will result in that day's mail missing the morning sort and therefore also missing that day's delivery. In such cases, if it arrives by the early afternoon, it will be sorted that afternoon, ready for the next morning's delivery.

Bad weather can result in the aircraft being delayed which often means that the mail will miss that day's delivery. Also, technical problems with the aircraft or with ground transportation to Bournemouth Airport also have an effect in determining when final deliveries are made. Such delays are generally outside of Jersey Post's direct control. For the 8 month period August 2007-March 2008, bad weather resulted in incoming mail being postponed until the following day on no less than 10 occasions, whilst technical problems with the aircraft resulted in there being 14 occasions where the incoming mail has missed that day's deliveries. If, for example, a flight fails, the result is an automatic quality of service failure of 100% of the first class mail from the UK due for delivery in Jersey that day, and in the case of outward mail, 100% of mail due for delivery in the UK the next day.

Second class mail arrives normally by sea on the overnight ship from Portsmouth and will arrive in Jersey in 13 metre trailers in the morning. As trailers of this size are not allowed to drive on Island roads (except within the confines of St Helier Harbour), this mail is transshipped into smaller 8 metre trailers to be taken to Rue Des Pres for sorting in the afternoon and delivery the next day. The second class sea mail is not as affected to the same extent as delays to the incoming aircraft. If the ship is a few hours late, normally the mail will still be able to be transshipped and transported to Rue des Pres for sorting that afternoon and delivery the next day.

Again, bad weather can result in the ship being delayed, which in turn can mean that the mail will miss being sorted and can result in a 2 day delay until it is finally delivered to the customer. This happens on average 3 to 4 times per year.

Another factor, which may affect quality of service, is the fact that the transport of mail via the air routes is outside Jersey Post's direct control. For example, the operational responsibility of the aircraft is with the airline, the ground handling operation in Jersey is managed by an independent

company. Lack of overall control and the possibility of poor communication further increases the risks of failure.

## **7.2 Outgoing mail**

Outgoing air mail for next day delivery in the UK is dispatched from Jersey by air in the evening. This then connects with the Royal Mail network where the mail is then forwarded to Mail Centres (of which there are 69 across the UK) for inward and outward sorting and then to delivery offices (1,400 across the UK) for next day delivery.

If the outbound air mail cannot leave the Island on time (e.g. bad weather), then the outbound mail will not be able to enter the Royal Mail network that night for delivery the next day.

Due to the all weather roll-on, roll-off ship, outgoing bulk surface traffic tends to suffer from few disruptions due to bad weather. 8 metre trailers are consolidated onto 13 metre trailers at Jersey Post Logistics (Queen Elizabeth Harbour) for dispatch on the evening sailing for arrival in Portsmouth the next day. The items are then transported by road to the Royal Mail Network.

The JCRA believes that having a sound understanding of the flow of mail in and out of Jersey Post's network and the impact of any delays caused by bad weather, technical issues with the aircraft or ship or any other factor (e.g. industrial action or interception of mail by customs officers) it is important to understand when setting quality of service targets later in section 8 of this consultation paper.

## **7.3 Description of Jersey Post's collection and delivery network**

Jersey Post has 110 delivery routes; 49 rural, 49 semi-urban and 12 in St Helier.

On the collection side, Jersey Post has 170 post boxes, 20 sub-post offices and 2 post offices, namely Broad Street and Rue des Pres.

## **7.4 Interconnection with other networks**

The vast majority of the 86 million items of mail handled by Jersey Post each year interconnects with the Royal Mail network. Almost 92% of mail leaving Jersey is destined for the UK, with a large proportion of all incoming mail to Jersey being posted in the UK.

Apart from a small amount of mail going to Guernsey, all mail to international destinations outside the UK also passes through Royal Mail's network. The same applies to incoming mail from international destinations. Therefore, Royal Mail's network is extremely important to postal users in Jersey.

## **8.0 INTRODUCTION TO QUALITY OF SERVICE**

Jersey Post measures performance of targets vs. actual performance in two main distinct areas, namely:

- End-to-end quality of service; and
- Internal efficiency

This consultation paper aims to discuss each of these in turn and make recommendations to improve the quality of service that customers of Jersey Post's postal services receive. In addition, the JCRA discusses other key performance indicators with recommendations for their inclusion in the Postal Development Plan.

### **8.1 End-to-end quality of service**

Quality of service with respect to postal services has many different aspects and can be measured in a number of different ways. Usually quality of service relates to the time taken to deliver certain mail items (in terms of a percentage of the mail to arrive within so many days) and minimizing losses of and delays to mail items.

Jersey Post uses End-to-End ('E2E') quality targets to measure its quality of service. E2E quality measures are used by most European postal organizations.

Quality is currently measured and reported on by Research International ('RI'), an independent company commissioned by Jersey Post who measure the quality of service of the first class mail stream only to and from the UK. RI is the same company used by Royal Mail to measure their quality of service.

RI recruit and administer a network of people in Jersey, Guernsey and the UK to send and receive test mail items. One full time, permanent member of staff is employed specifically to manage all of the issues associated with quality of service measurement, reporting and developing improvement programmes to assist in achieving the published targets. Part of the responsibility of this role is managing the relationship with RI together with ensuring the sampling and the quality of results is up to expectation. This role also monitors internal and external network performance and is accountable for producing the reporting that supplies the E2E quality of service results that are included in the six monthly Postal Development Plan.

A number of activities occur on a daily basis to ensure that Jersey Post actually achieves its E2E targets.

This includes:

- Achieving internal efficiency (clearing the floor, ensuring all that is due for dispatch or delivery on that day has been duly dealt with);
- Relationship management with Royal Mail;
- Relationship management with Guernsey Post;
- Internal process improvements; and
- Implementation of technology:
  - putting in place web-based systems that allows Jersey Post and Guernsey Post to share daily control data much more effectively;

- o investigating and building a business case to implement Radio Frequency Identification (RFID) technology that to make E2E test results available in almost real time; and
- o assisting in diagnosing internal process and external network failures.

Measuring quality of service can be a complex process. It is impractical and would be impossible to measure the performance of every single item of mail. However, too small a sample size will produce unrepresentative results. Jersey Post adopts a weighted average approach, which ensures an appropriate statistical level of confidence in the E2E results. Jersey Post opts for a confidence level of 95%.<sup>4</sup>

It is important to note that the reported performance is indicative based on a number of samples using panelists. Problems can occur in sampling, so Jersey Post setting a 95% confidence level does not imply that it leaves behind 5% of mail volumes daily i.e. this would imply leaving 5,000 items of mail at the post office on a daily basis which it does not.

The E2E measurement system is reliant on the efficiency of a group of panelists who post and receive test items at the required time on the required day indicated by RI, and provide data directly back to RI on the times and dates the test items are received.

All of this data is analyzed by RI and the cumulative percentage results are forwarded to Jersey Post, providing data to calculate actual performance against targets. The data is also provided at a detailed operational level, which is used to interrogate and improve performance across various transport routes, which go to make up the overall mails pipeline.

All of the panelist's details are confidential and not made available to Jersey Post at any time.

Jersey Post's focus is on the E2E delivery times and the reliability of the mail from the customers' perspective, with targets set using the J+n formula (where J is the day of posting, and 'n' the expected day of delivery), which is measured using the test mail. This measure is considered by Jersey Post to be the most significant to the majority of Jersey Post's customers and is also the standard industry measure.

For Jersey Post, as the measurements are based on first class mail flows, with networks designed to provide a next day delivery (on a working day), the actual target is 'J+1' (next day delivery).

There is a problem however in measuring the precise time of 'J' and 'n' from the postal users' perspective and Jersey Post's perspective. From the customers' point of view, 'J' will normally represent the time at which he/she deposits the mail item within a collection box. However, as Jersey Post will not be aware that this item is posted until it is collected by a postal worker, it is difficult for the postal operation to distinguish how long different mail items have been waiting in the box for collection. From the postal operator's perspective, 'J' is given as the time the mail is collected, and this is common practice amongst most postal operators.

Similarly, when considering 'n', most customers would normally regard this as the time he or she receives the mail at the relevant postal address. Jersey Post would normally only be able to measure 'n' as the time the mail leaves the Rue des Pres sorting office.

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<sup>4</sup> The planned sample size per calendar month for the survey is for 480 test items posted and delivered within the Island, which includes 200 items in each direction between Jersey and the United Kingdom and 100 test items in each direction between Jersey and Guernsey.

<b>Q1. Do consultees agree that the J+1 formula should apply to the setting of quality of service targets for Jersey Post?</b>
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## **8.2 Setting of targets for letters mail and 2006/2007 results**

### **8.2.1 Proposed quality and efficiency targets**

In August 2006, Jersey Post submitted to the JCRA plans setting out the recommended target levels it would strive to achieve for postal services<sup>5</sup>.

Jersey Post categorizes its quality of service targets for the delivery of mail items according to origination and destination and also according to those which are most heavily used by Jersey Post. These are as follows:

- Local-local
- Jersey-UK
- UK- Jersey
- Jersey-Guernsey
- Guernsey-Jersey

The JCRA is aware that Jersey Post has made efforts to ensure that Jersey-UK mail enters the Royal Mail network as efficiently as possible with the minimum of delay. The JCRA is also aware that Jersey Post works towards the minimum of delays for inbound mail.

In contrast, Postcomm, the UK postal regulator has set 12 quality of service targets for Royal Mail which relates to the type of mail class used rather than the route, i.e. J+1 for retail first class, retail second class mail, bulk first class, bulk second class etc. (See Table 7 for further details). Due to the fact that Jersey Post does not offer different classes of mail, and given that Jersey's mail profile is much different from the UK, the JCRA believes that setting performance targets by following the UK example on a per product basis is not wholly appropriate. For this reason, the JCRA recommends that the main quality of service standards should be set according to the five different routes as identified above. However as discussed below, the JCRA proposes that targets similar to those set by Postcomm for Royal Mail's should be established for products such as standard parcels, European international delivery and special delivery. It should be noted that Postcomm not only sets standards for Royal Mail against the type of mail used, but they also set separate standards for "intra", "neighbouring" and "distant" postcode areas which is similar to the existing route based indicators that Jersey Post report on i.e. local to Local (JE to JE); Jersey to Guernsey (JE to GY) and Jersey to UK (JE to all UK Postcode areas).

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<sup>5</sup> Report to JCRA on Achievements Against Developments and Monitoring Plan for the period July 2006-December 2006.

**Q2. Do consultees agree that the quality of service standards should be set according to the five routes as identified above? Please specify reasons if you do not agree with these categorizations.**

### 8.2.2 Tail of the Mail

The remaining 5% is often referred to as the ‘tail of the mail’.

In applying the J+n concept to the above data, if J+1 is set at 95% for local to local mail for example, the JCRA believes that targets should also be set for the 5% of the mail which arrives after J+1. This is often referred to as the ‘tail of the mail’ and is currently set at J+4 i.e. all mail is delivered 4 days after the date of posting. However, the JCRA believes it might be appropriate for J+3 to be set meaning that the remaining mail must arrive within 3 days. This is consistent with Royal Mail, Guernsey Post and An Post.

**Q3. Do consultees agree that Jersey Post should also measure the ‘tail of the mail’ and that this should be set at J+3?**

### 8.2.3 Proposed targets

Under Condition 15.2 of Jersey Post’s licence, the company has a duty to report to the JCRA on a 6 monthly basis how its actual performance compares to its targets. Jersey Post submitted its most recent performance and development plan to the JCRA which covered the period ending December 2007. Performance data has been collected as far back as 2002 and the results are summarized as below:

**Table 1 – Jersey Post’s actual E2E performance 2002-2007**

Area	Jersey Post’s Target (J+1)	Actual Performance Achieved					
	2007	2002	2003	2004	2005	2006	2007
Local-Local	95	90.0	93.0	94.0	93.2	93.2	94.2
UK-Jersey	77	64.4	66.2	63.9	74.2	74.2	78.2
Jersey-UK	82	51.5	45.7	71.9	78.7	78.7	73.5
Jersey-Guernsey	84	32.8	36.8	75.9	78.5	78.5	76.4
Guernsey-Jersey	84	54.9	59.1	72.9	77.8	77.8	88.5

As can be seen, during the past 6 years, the trend has been for an upward improvement in performance across all 5 routes. However, although Jersey Post has only satisfied two of its targets in 2007, it should be noted that part of the reason for this is due to the fact that Industrial Action in the UK during 2007 impacted on Jersey Post’s ability to maintain any levels of quality between Jersey and the UK.

The JCRA believes that delivery times should be the first quality of service indicator for which targets should be set. Therefore detailed below is information on each of the five areas, with proposals on how each of the targets should be set.

## 8.2.4 Local-local

Local-to-local mail represents mail posted in Jersey for end delivery in Jersey. Volumes are approximately 12.2 million items per annum, which represents 33% of the mail delivered by Jersey Post. It is the only mails pipeline for which Jersey Post has overall control of the process from start to finish, and as such has a direct impact on the level of quality achieved with the ability to identify problems and initiate remedial action when necessary. Jersey Post has in 2006 initiated a number of improvement activities, which has resulted in quality improving from 93% to 94% next day delivery. This compares to 94% of Royal Mail's first class mail arriving the next day (target 93%)<sup>6</sup>; Guernsey Post of 93% (target 95% set by the OUR)<sup>7</sup>; An Post of 74% (target 94% set by Comreg, the Irish Postal Regulator)<sup>8</sup>. In Europe, under the REIMS II Terminal Dues Agreement, each of the Member States is committed to deliver 95% of all incoming letter mail the day after its receipt in the relevant Member State.<sup>9</sup> Please refer to Appendix 1 on how each Member State has performed against its target for 2005, noting in particular that only 8 of the 21 postal authorities satisfied the J+1 target of 95%.

**Table 2 – Jersey Post's actual E2E performance for 2002-2007**

Area	Measure	Actual Performance						Targets		
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Local-local	E2E	90.0%	93.0%	94.0%	93.2%	94.7%	94.2%	95%	95%	95%

Compared to the UK, Guernsey, Isle of Man and Ireland, the JCRA believes that there is still scope for some slight improvement over its recent performance and therefore the target of 95% (J+1) for the period 2008-2010 would appear to be a reasonable one.

**Q4. Do consultees agree that a 95% target for local-to-local next day delivery is appropriate for Jersey Post?**

## 8.2.5 Jersey-UK-Jersey

The Jersey-UK mail route represents mail posted in Jersey for end delivery to an address in the United Kingdom. Jersey-UK volumes of first class mail are approximately 9.7 million items per annum (excluding bulk mail order and bulk letter mailings).

For this part of the mail pipeline, Jersey Post only has direct control over the collection, sorting and dispatch of the items up to the point of handover at Jersey Airport to the security screening and ground handling agents.

It is important to note the nature of different forms of postal transportation for Jersey Post compared to other European operators, its high dependence on air links for the main volume of its posted and delivered mail (excluding bulk export mail order packets and bulk letter mailings) to and from the UK and the impact this can have on quality. As mentioned earlier, if a flight fails, the result is an automatic quality of service failure of 100% of the first class mail due to be delivered in the UK the next day. Further, the fact that control is with a third party i.e. in this case, operational control of the UK-Jersey-UK transport routes is with the airline, handling is with airport handlers and Royal Mail

<sup>6</sup> Royal Mail quality of service standards (as set out in its licence) Annex to condition 4.

<sup>7</sup> Reviewing Guernsey Post's Quality of Service Targets Document No: OUR 05/10 March 2005

<sup>8</sup> An Post Annual Report 2006.

<sup>9</sup> Directive 97/67/EC.



is responsible for contractual matters with the airline, then these factors add another dimension to the reliability of the service.

Jersey Post has implemented a number of initiatives in an attempt to improve the efficiency of the flows to the UK. These include:

- Agreeing with Royal Mail a full operational specification which sets out the network interfaces, agreed quality of service targets and mechanisms to review and improve performance against agreed targets.
- To provide the latest possible posting times for customers in Jersey to achieve the best possible level of next day delivery.
- Improved contractual and operational arrangements with security screening and ground handling agents at Jersey Airport.

**Table 3 – Jersey Post’s Jersey-UK E2E performance 2002-2007**

Area	Measure	Actual Performance						Targets		
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Jersey-UK	E2E	51.5%	45.7%	71.9%	80%	81%	73.5%	82%	82%	82%

Given the above information in Table 3, the JCRA wishes to seek consultees’ views on whether Jersey Post’s target of 82% is sufficient for mail traffic between Jersey and the UK.

The UK-Jersey mail route represents mail posted in the UK for end delivery to an address in Jersey. UK to Jersey volumes of first class mail are approximately 13.5 million items per annum. In addition Jersey Post also receives and delivers approximately 10.4 million items per annum of 2<sup>nd</sup> class and other bulk discounted mail. These volumes of mail from the UK represent approximately 66% of the total mail delivered on-Island by Jersey Post.

Jersey Post has only direct control over part of the overall pipeline which is from handover at Jersey Airport. As stated above, Jersey Post has recently worked with Royal Mail to establish E2E quality of service targets, as none of the quality targets and associated regulatory obligations have been set by Postcomm for mail flows between the UK and Channel Islands.

In 2007, Jersey Post achieved a J+1 result of 78.2%, with some months e.g. September achieving a J+1 result of 85.3%. However during the period of Royal Mail industrial action in October, the performance dropped to 54.5% for next day delivery.

Jersey Post has agreed with Royal Mail the minimum performance standard of 83% for first class mail to and from the UK, which forms part of the Commercial Agreement between Royal Mail and Jersey Post.

The 2002-2007 UK-Jersey results are summarized below.

**Table 4 – Jersey Post’s UK-Jersey E2E performance 2002-2007**

Area	Measure	Actual Performance						Targets		
		2002	2003	2004	2005	2006	2007	2008	2009	2010
UK-Jersey	E2E	51.5%	45.7%	71.9%	78.7%	84%	78.2%	82%	82%	82%

A suitable comparator for the performance targets of UK-Jersey mail is mail conveyed between the UK to Guernsey, UK to Isle of Man and UK to Belfast. These island destinations share similar logistical difficulties to Jersey as most of the mail depends on incoming and outgoing aircraft which are more susceptible to poor weather. This compares to moving mail by rail and road networks for example, which are generally less susceptible to such disruptions by weather.

The J+1 results for 2007 are summarized below and as can be seen, the 2008-2010 target of 82% for J+1 for UK-Jersey would appear to compare favourably.

**Table 5 – 2007 results for J+1 UK-Jersey; UK-Guernsey; UK-Isle of Man and UK-Belfast**

	J+1 2007 actual results
UK - Jersey	82.0%
UK - Guernsey	81.0%
UK - Isle of Man	72.0%
UK - Belfast	68.8%

**Q5. Do consultees agree that an 82% target for Jersey-UK-Jersey for next day delivery is appropriate for Jersey Post?**

### 8.2.7 Jersey-Guernsey-Jersey

The Jersey-Guernsey route represents mail posted in Jersey for end delivery to an address in Guernsey and the Bailiwick, which includes the other Channel Islands of Alderney, Sark, Herm and Brechou.

Mail to and from Guernsey is transported between the islands during the day utilizing a local airline with dispatches timed to connect with latest collection times and a next day delivery in Guernsey.

Because of the relatively small volumes of mail sent between the islands, in measuring the quality of service, sample sizes also tend to be very small and as a consequence are prone to sometimes erratic results when failures of only one or two test items occur. To address this issue, Jersey Post is working with Guernsey Post and Research International to establish the most robust methodology, at a reasonable cost, to endeavour to ensure results are representative of actual service levels achieved.

However Jersey Post is forecasting the following targets for the period 2007-2010.

**Table 6 – Jersey Post’s Jersey-Guernsey-Jersey E2E performance 2002-2007**

Area	Measure	Actual Performance						Targets		
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Jersey-Guernsey	E2E	32.8	36.8	75.9	78.5	78.1	76.3	84	84	84
Guernsey-Jersey	E2E	54.9	59.1	72.9	77.8	85.0	88.6	84	84	84

The JCRA notes that in 2007, 76.4% of post was delivered the next day between Jersey and Guernsey, whilst from Guernsey to Jersey, for the same period, 88.5% of mail was delivered the next day.

**Q6. Do consultees agree that an 84% target (set in 2007) for Jersey-Guernsey for next day delivery is appropriate for Jersey Post?**

**Q7. Do consultees agree that an 84% target (set in 2007) for Guernsey-Jersey for next day delivery is appropriate for Jersey Post?**

### 8.3 Internal efficiency

Recognizing the fact that a high proportion of Jersey Post's mail service is reliant on the input of other operators (namely Royal Mail and Guernsey Post), the JCRA proposes that it is necessary to have an additional indicator, which measures the performance of Jersey Post's own operations.

In its Postal Development Plan, Jersey Post has also identified the importance of assessing its own internal efficiency. As such, Jersey Post has developed two key internal measures to support the improvement of quality. These are:

Jersey-UK: This measure covers all collected mail dispatched according to schedule and it is measured by the percentage of items failing dispatch.

UK-Jersey: This measure includes all inward mail arriving before the latest acceptance time to be sent on delivery the same day, measured by the percentage of items still on hand after deliveries have left.

For outward mail, i.e. Jersey to UK, mail flow items are recorded at the following points:

A	Total of all items received from post boxes, Post Offices and large posters
B	Items failing primary sort
C	Items failing secondary sort
D	Items failing mechanical sort
E	Special delivery items failing dispatch

This will allow a simple calculation of  $A-(B+C+D+E)$  to give the number of failed items which can be presented as a percentage.

For incoming mail, i.e. UK-Jersey, Jersey Post has been recording items as follows:

A	Total number of items due for delivery that day. This includes mail received by air, surface and local traffic
B	Items failing on primary sort
C	Items failing on secondary sort
D	Items failing on mechanical sort
E	Items failing on the preparation frames
F	Special delivery items failing delivery

This will allow a simple calculation of  $A-(B+C+D+E+F)$  to give the number of failed items which can be presented as a percentage.

In 2007, 6% of all incoming mail received from post boxes, post offices and large posters failed dispatch on the day it was collected, whilst in the same year 2% of all incoming mail failed delivery on the same day as it arrived in the Island. This compares for example to a 6% incoming efficiency in 1994. The 2008-2010 targets for outgoing dispatch are to achieve a 95% dispatch rate i.e. 5% of all mail fails dispatch on the same day as it arrives at Jersey Post's sorting centre.

**Q8. Do you believe that an internal efficiency level of 98% for incoming mail and 95% for outgoing mail is sufficient for Jersey Post? If not, please state what the internal efficiency levels should be?**

Notwithstanding the above, the JCRA proposes that rather than measuring just outgoing and incoming mail efficiencies, internal efficiency should be tracked in more detail according to the five main mail streams as identified in section 8 above:

- Local - local
- Jersey - UK
- UK - Jersey
- Jersey - Guernsey
- Guernsey – Jersey

**Q9. Do consultees agree that the internal efficiency of Jersey Post should be measured according to the five measured routes? If not, what do you think should be measured and how?**

## **9.0 BULK MAIL**

Bulk packet mailers offer a special service where they post large numbers of items one way from Jersey to other destinations, predominantly the UK. The minimum amount of items posted per bulk packet mailing depends on the weight of the item. For example, for bulk posting packet priority – by sea to the UK, other Channel Islands and Isle of Man, the number of items ranges from 5,000 items (for items whose maximum weight is 750 grams) to 200 items for larger 10 kg packets. There are other volume/weight combinations which Jersey Post also offers and the details of these may be downloaded from the Jersey Post website<sup>10</sup>.

In 2005, the total number of bulk and fulfillment mail items was almost 3 times as much as standard letter mail leaving the Island and over 90% of all bulk mail is destined for the UK. The mail is transported by sea rather than air.

Although Jersey Post does not currently report on bulk mail performance targets, it is currently considering introducing such targets and has in the past two years been trialing with establishing performance measurement systems. With respect to monitoring the delivery times of bulk mail, Jersey Post currently monitors this using live mail as it is a more controllable set of mail. This is done with the direct participation of one or two bulk mailer customers who work with Jersey Post to undertake specific sampling of live mail. Data is collected by Jersey Post and reported directly to the bulk mail customers.

The JCRA believes it is sensible to continue with this sampling regime as it is the most appropriate and cost effective way of monitoring the quality of this service. Any measure of bulk mail performance targets should be to the UK only.

<sup>10</sup> <http://www.jerseypost.com/upload/BusinessPricing01-04-08.pdf>

In January and February 2008, the indicative results from this sampling showed that Jersey Post achieved a J+3 result of 93%. However, based on what Royal Mail feels that their network can bear<sup>11</sup>, a target of 87% has been agreed between Jersey Post and Royal Mail.

The quality of service measures proposed for these services are J+3 for the majority of the mail and J+5 for the tail of the mail.

**Q10. Do consultees agree that a figure of J+3 of 87% is appropriate for bulk mail products?**

**Q11. Do consultees agree with the JCRA that Jersey Post’s quality of service for bulk mailers should be measured using live mail with data collected by Jersey Post and presented directly to affected customers? If not, why not and please explain what alternatives you think are appropriate?**

## 10.0 COMPARISON OF JERSEY POST’S QUALITY OF SERVICE INDICATORS WITH OTHER POSTAL OPERATORS

Different postal regulators impose various degrees of reporting requirements on their respective universal service providers.

Table 7 below lists the various quality of service indicators for which Royal Mail, Guernsey Post, Isle of Man Post and An Post are required to report. This information is compared with what Jersey Post currently reports on to the JCRA.

As can be seen, Postcomm requires Royal Mail to report on 12 main regulated quality of service indicators; Guernsey Post is required by its regulator to report on 10 quality of service indicators; Jersey Post currently reports on just 3, whilst Isle of Man Post and An Post report on only 1 each.

The JCRA therefore seeks the views of consultees on whether Jersey Post should be required to report on quality of service indicators such as; post office queuing times, standard parcels, bulk mail, international European deliveries, percentage of collection points served each day, and percentage of items delivered correctly.

**Table 7 – Comparison of quality of service indicators set for each postal operator**

	Product	Jersey Post	Royal Mail	Guernsey Post	Isle of Man Post	An Post	Performance target description
1	Standard letters	*	* 1 <sup>st</sup> & 2 <sup>nd</sup> class	*	*	*	J+1 (delivery within one working day), J+3 (delivery within three working days)
2	Bulk mail		* 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> class	*			To monitor and record the performance of the bulk mail service
3	Standard parcels		*	*			To monitor and record

<sup>11</sup> E.g. Some larger bulk packet items are unable to be posted through a letter box, hence quality of service will suffer in such situations

	Product	Jersey Post	Royal Mail	Guernsey Post	Isle of Man Post	An Post	Performance target description
							the performance of the standard parcels service
4	International European delivery		*	*			To monitor and record the performance of next day deliveries
5	Special Delivery (next day)		*				To monitor and record the percentage of next day special deliveries
6	Postcode area target % (delivered)		*				To monitor and record the percentage of postcode area targets
7	% of collection points served each day		*				To monitor and record the percentage of collection points served each day
8	% of items delivered correctly		*	*			To monitor and record the misdelivery of correctly addressed mail.
9	Completion of Delivery Rounds			*			To monitor and record the completion of delivery rounds by a certain time each day
10	Queuing times at Post Office counters		*				Percentage of people queuing for less than 5 minutes at Post Office Counters
11	Complaints handling	*		*			To measure the number of complaints per 1,000 delivery points
12		*					To resolve complaints within 10 days
13	Clearing of post boxes			*			To monitor and record the clearing of post boxes in accordance with advertised collection times
14	Private boxes			*			To monitor and record the opening of private boxes each day
15	Redirection of mail			*			To monitor and record the number of complaints regarding the redirection of mail
16	Outward mail	*					Percentage of mail which fails dispatch
17	Inward mail	*					Percentage of mail still on hand after deliveries have left

## 10.1 Cost of measuring quality

There is a cost to Jersey Post of measuring their current levels of quality of service.

Measuring additional indicators highlighted in Table 7 above may in some instance incur extra costs. Jersey Post has assessed that with regards to bulk mail, standard parcels and international European delivery, the extra costs from outside suppliers would increase the current annual running costs by at least 50%. In addition, Jersey Post would also incur some extra one-off set-up costs. For bulk mail, as all of the mail originates from major clients, it would require their agreement to carry out this testing, possibly including some financial incentives to offset any costs they might incur in taking part.

To enable quality measurements for special delivery to take place, Jersey Post confirm that figures for this quality are available, however the reporting systems will need some internal development time to make them operational, however the extra cost of providing this information will be minimal.

To monitor and record the percentage of postcode area targets, Jersey Post believe that this data can be gained from existing results from Research International and Royal Mail for 1st Class letters.

To monitor and record the percentage of collection points served each day, Jersey Post believe that this data should be available from existing operational data relating to standard posting boxes, meter mail posting boxes, sub-post office clearance, large business collections and valued-add timed collections. Therefore there is no additional cost.

Regarding the recording of misdeliveries of correctly addressed mail, although the number of customer complaints regarding mis-delivery of mail is available from Jersey Post's Customer Services complaint handling system, Jersey Post are of the opinion that to ascertain how many items were actually mis-delivered items would be more difficult to estimate as not every mis-delivered item is reported. Whilst some receivers might simply put the item into the correct box, others may return them. Another question is whether this purely relates to 1st Class mail or whether it should be studied over all the mails streams, in which case the sampling system would need to be more extensive. Jersey Post believe it is not feasible to estimate the cost of implementing this sampling without carrying out exploratory work.

Concerning the monitoring and recording the completion of delivery rounds by a certain time each day, Jersey Post is able to measure this without additional cost as the return time for each delivery round is already recorded manually daily and could be made available for reporting.

With regards to measuring queuing times at post office counters, queuing times are currently monitored at the Broad Street post office only and can be reported on. However if this needs to be reported across the whole sub-office network, further development work would be required.

In relation to monitoring and recording the clearing of post boxes in accordance with advertised collection times, Jersey Post confirm that internal testing is already in place which is undertaken on a sampling basis. However, Jersey Post intends to introduce a more complete record of daily box clearances by introducing a new system involving bar codes and bar code scanners.

To monitor and record the opening of private boxes each day, the time that mail is available at private boxes can be obtained from existing operation data at no extra cost.

Regarding the monitoring of the number of complaints on redirections, Jersey Post confirm that existing Customer Services capability allows these complaints to be monitored and reported on and therefore there would be no additional cost incurred.

In summary, Jersey Post estimate that to report on implementing measures for standard parcels, international European delivery and bulk mail would increase annual running costs by about 50% plus there would be certain one-off set-up costs. However, for the remaining 9 measures, the costs of collection are fairly minimal as most are already recorded but not published.

**Q12. The JCRA would like to seek consultees views on which of the quality of service indicators listed in Table 7 you feel Jersey Post should report on? Please also suggest which indicators should have priority and why?**

## **11.0 COMPENSATION**

### **11.1 Jersey legislation**

The Postal Services Law enables Jersey Post to make schemes specifying any of the charges and other terms and conditions that apply to postal services provided by the public postal operator. Included in the schemes, Jersey Post may make provision for the payment of compensation for the loss of postal packets, or damage to them, in the course of their transmission. The Postal Law sets forth no obligation for Jersey Post to pay compensation in the event of a delay.

### **11.2 Compensation payments made**

Under Jersey Post's Letters and Parcels Postal Schemes<sup>12</sup>, Jersey Post does not offer any compensation or accept liability for any delays or for late delivery, loss or damage to letters or parcels. The exception is Special Delivery mail that is lost. Here the compensation level varies from £500 to £2,500 which depends on the amount of compensation. In the second half of 2007, Jersey Post paid out £7,500 in compensation for 46 special delivery claims. According to Jersey Post, the majority of these claims were as a result of failure within the Royal Mail network.

Although compensation is not offered for any other products, Jersey Post will on certain occasions make discretionary goodwill payments for loss, damage or delay of items. In the second half of 2007, the total amount of these claims was approximately £1,100.

In assessing whether Jersey Post's current level of compensation is appropriate, the JCRA has undertaken a review of other compensation schemes offered by neighbouring jurisdictions such as Guernsey, the UK, Ireland and Isle of Man. These are summarized below:

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<sup>12</sup> Issued 1 July 2006.



**Table 8 – Compensation schemes made by Royal Mail, Guernsey Post and Isle of Man Post**

	<b>ROYAL MAIL</b>	<b>GUERNSEY POST</b>	<b>ISLE OF MAN POST</b>
<b>LETTERS</b>	1st class mail		
	No intrinsic value - where a claimant cannot provide proof of posting, compensation will be 6 x 1 <sup>st</sup> class letter stamps for first time claimants for loss, damage or delay.	Lost - compensation up to £29 intra Bailiwick or £34 for the UK + postage. Subject to proof of posting and cost of item.	Lost - compensation up to 100 times the cost of a stamp for the minimum weight and depending on contents. Subject to proof of posting.
	Items having an intrinsic value - customers will be able to claim a minimum of 6 x 1 <sup>st</sup> class stamps plus compensation for actual loss up to a maximum value of the item or 100 x 1 <sup>st</sup> class letter stamp at the first weight step (equivalent to £32), whichever is the lower. Proof of posting with Royal Mail and proof of value is required.	Damaged - compensation can be awarded except for postal flowers where no compensation is payable. Up to £29 intra-Bailiwick or £34 for the UK, subject to proof of the cost of the item	Damaged - compensation up to 100 times the cost of a stamp for the minimum weight and depending on contents. Subject to proof of posting.
			Delayed - No compensation available.
<b>REDIRECTIONS</b>	Eligible for compensation for delay.		
<b>ARTICLES FOR THE BLIND</b>	Eligible for compensation for loss, damage and delay.		
<b>PARCELS</b>	Lost, damaged and delayed - Up to £34 compensation is included in the postage price. Up to £500 additional compensation.	Lost & Damaged - Up to £500 awarded + postage subject to level of insurance purchased, proof of posting and cost of item. (Standard product only provides £29 intra-Bailiwick or £34 insurance for the UK and £150 for international).	Lost & damaged - Standard local Compensation up to 100 times the cost of a stamp for the minimum weight and depending on contents. UK - Up to £150 + postage cost with no insurance purchased. International incl. CI - Up to £150 + postage cost with no insurance purchased. BFPO/HM Forces - £20 + postage cost with no insurance purchased.
		Delayed - no compensation available.	Delayed - no compensation available.

**Q13. The views of consultees are sought on the most appropriate form of compensation scheme which Jersey Post should offer for each of the services listed in Table 8 above.**

### **11.3 Compensation for Articles for the Blind**

The Articles for the Blind Service is provided free of charge to blind or partially sighted people and is a service provided in connection with the universal service. Jersey Post does not currently pay any compensation to users of the Articles for the Blind Service. In accordance with Postcomm's recent proposals, the JCRA recommends that users of such services should be able to claim compensation under exactly the same terms as 'normal' postal items because Jersey Post has the same responsibility to deliver Articles for the Blind in a timely fashion, to the correct address and undamaged. Research by Royal Mail of the type of items posted under this service shows that these items often have a high intrinsic value and are of significant importance to the recipient of the service. Therefore, the JCRA proposes to include these items in the compensation schemes for loss and damage. In proposing this recommendation, the JCRA notes the consideration set forth in Article 8(2)(f) of the Postal law, to have regard to any special needs of persons who are disabled.

**Q14. Do consultees agree that compensation should be paid on Articles for the Blind? If not, please state your reasons.**

### **11.4 Should compensation be payable on bulk mail items?**

In the JCRA's Price Control Final Notice and Determination of 22 November 2007, the JCRA determined that because there was evidence of competition from other jurisdictions in the bulk and fulfillment markets, it was not necessary to apply a price control regime for such services as there were already sufficient competitive pressures to deter Jersey Post from pricing excessively. However, the JCRA did state that if there was evidence of excessive pricing for these products, the JCRA would not rule out applying a price control at some later stage.

For similar reasons as above, the JCRA is of the view that due to the fact that bulk mail products appear subject to competition from other jurisdictions, it is not appropriate to apply a regulated bulk mail compensation scheme.

The same approach has recently been advised by Postcomm in respect to bulk mail products offered by Royal Mail whilst in Guernsey, specific contracts are in place between Guernsey Post and its bulk mail customers which address quality of service issues.

In the event that the JCRA considers that the bulk and fulfillment mail market is uncompetitive, which would be evidenced by market failure (e.g. excessive prices<sup>13</sup>), the JCRA reserves the right to apply a compensation scheme should such a situation occur.

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<sup>13</sup> An excessive price is a price charged by a dominant undertaking "if it has no reasonable relation to the economic value of the product supplied. (Case 27/76 United Brands v. Commission [1978] ECR 207, [1978] 1 CMLR 429

**Q15. Do consultees agree that no compensation scheme should be applied to bulk mail products at this time?**

## **12.0 PUBLISHING OF RESULTS**

Jersey Post's licence states that the results of Jersey Post's quality of service monitoring are supplied to the JCRA in a form specified by the JCRA and that the JCRA may require publication of such information as it considers appropriate.

Condition 15.6 of Jersey Post's licence requires Jersey Post to produce the Postal Development Plan on a six monthly basis. The JCRA therefore proposes that Jersey Post should publish these results every six months in a format to be approved by the JCRA. Any amendments to these requirements will be solely at the discretion of the JCRA and will, in part, be dependent on Jersey Post's performance.

**Q16. Do consultees agree that Jersey Post should publish its quality of service results every six months? If not, why not and what alternative method of reporting do you suggest? What do you feel is the appropriate channel of communication with regard to "publication" of the results?**

## **13.0 CONCLUSION**

The issues outlined in this paper are aimed to facilitate a comprehensive debate about the quality of service that Jersey Post will be required to provide. In particular, the JCRA seeks consultees views on whether Jersey Post should be reporting on extra quality of service indicators, and whether compensation should be paid for lost and damaged items of mail.

The JCRA has a duty under the Postal Law to ensure that Jersey Post delivers the best postal service possible within its available resources and it is the task of the JCRA to ensure that this key objective is achieved.

The JCRA therefore welcomes comments from all consultees to help the Authority develop its policies to achieve this aim.

## Appendix 1

### International Benchmarks

#### European quality of service targets and performance 2005<sup>14</sup>

Country	Target (J+1) 2005	Performance (J+1) 2005
Austria	95.8%	95.0%
Bulgaria	78.0%	86.0%
Czech Republic	90.0%	96.0%
Denmark	93.0%	93.9%
Finland	85.0%	94.8%
France	80.0%	79.1%
Germany	80.0%	96.0%
Greece	82.0%	62.9%
Ireland	94.0%	71.0%
Italy	88.0%	99.0%
Hungary	85.0%	89.7%
Latvia	80.0%	62.4%
Liechtenstein	97.0%	97.0%
Lithuania	72.8%	85.0%
Luxembourg	95.0%	97.8%
Netherlands	95.0%	96.1%
Norway	85.0%	86.7%
Poland	82.0%	93.3%
Slovakia	96.0%	94.3%
Sweden	85.0%	95.7%
UK	92.5%	90.1%

<sup>14</sup> The information was collected in May 2006 by Postcomm and represents the responses received from some CERP member countries.