

JERSEY COMPETITION REGULATORY AUTHORITY

INITIAL NOTICE OF THE PROPOSED RENEWAL OF AN INTERIM CLASS I POSTAL OPERATOR'S LICENCE TO HI-SPEED FREIGHT SERVICES LIMITED

Under Article 24 of Postal Services (Jersey) Law 2004

The Jersey Competition Regulatory Authority ('JCRA') in exercise of its powers under Article 15 of the Postal Services (Jersey) Law 2004 ('the Law') proposes to renew the grant of the Interim Class I Postal Operators Licence originally granted to Hi-Speed Freight Services Limited ('Hi-Speed') on 19 December 2008. Hi-Speed currently provides postal services in Jersey under the Law pursuant to its licence granted on 19 December 2008, which is scheduled to expire on 18 December 2010. The proposed renewed grant of Hi-Speed's licence would permit Hi-Speed to continue to provide its postal services, under the same terms and conditions as are in its current licence. The only change that the JCRA is proposing to make is to increase the licence's Financial Limitation slightly from its current level of £300,000 to a revised level of £310,000, to account for changes in RPI-X that have occurred in Jersey since the licence was initially granted.¹

The JCRA proposes grant Hi-Speed a renewed interim licence for a three year term, which would conclude on 31 December 2013. At that time, the JCRA would intend to review the restrictions contained in the licence (including the Financial Limitation), and the term of the licence, in light of market developments.

The JCRA has preliminarily concluded, subject to the representations and objections it receives to this Initial Notice that the renewed grant of Hi-Speed's Interim Licence would be consistent with the considerations listed in Article 8 of the Law. Specifically, under its current Interim Licence Hi-Speed is satisfying demand for postal services in Jersey. Moreover, during the term of Hi-Speed's current Interim Licence, Jersey Post Limited has been able to satisfy demand in Jersey for postal services under the Universal Service Obligation. Given the very limited nature of Hi-Speed's postal business falling under the Interim Licence, the JCRA has no grounds to conclude that the conditions described in the preceding two sentences would not continue during the renewal licence term.

The proposed renewed Interim Licence would take effect on 19 December 2010, unless the JCRA receives representations or objections about the proposal prior to 8 October 2010, in which case the effective date will be specified in any Final Notice issued by the JCRA under Article 24(5) of the Law.

¹ The Financial Limit was originally set in December 2008 at £150,000 and was increased to £300,000 in August 2009.

A copy of the draft Licence is available for inspection between the hours of 9:00 am and 5:00 pm Monday to Friday at the offices of the JCRA (address provided below). A copy also is available on the JCRA's website, www.jcra.je.

Any written representations or objections in respect of the proposal to grant this Licence may be made by **midnight on 8 October 2010** to the JCRA at:

Jersey Competition Regulatory Authority
2nd Floor, Salisbury House,
1-9 Union Street,
St Helier, Jersey, JE2 3RF

Or by e mail to p.hamilton@jcra.je or by fax to +44(0) 1534 514991

6 September 2010

By Order of the Board of the JCRA