

JCRA Media Release

8 April 2009

JCRA Consults on Potential Further Postal Liberalisation in Jersey

The Jersey Competition Regulatory Authority (“JCRA”) is today launching a major consultation on potential further postal market liberalisation in Jersey, under the Postal Services (Jersey) Law 2004 (the “Law”). This consultation has been necessitated by an application the JCRA has recently received from Citipost DSA Ltd (“Citipost”) for a Class 1 Postal Operator’s Licence to convey mail on behalf of Jersey-based fulfilment companies to addresses in the UK.

Under the Law, a postal licence is required where a postal operator wishes to convey mail that costs less than £1.30 to post and which is less than 500 grams. Most of the products sold by fulfilment companies fall into this category, as they include low-weight items such as CD’s, DVD’s, memory cards, and printer cartridges. The JCRA must determine whether or not the issuance of a licence to Citipost would be consistent with the considerations set out in the Law, which include the satisfaction of demand for postal services, the promotion of competition, the promotion of efficiency, and the overall economic interests of Jersey. A key consideration is the potential effect, if any, that the grant of this licence would have on the ability of Jersey Post (“JP”) to provide the current Universal Service Obligation (“USO”) in Jersey. The purpose of this consultation is to inform the JCRA’s assessment of this application under the Law.

To date, the JCRA has granted three licences to provide postal services under the Law: to JP, Regency Holdings Limited (“Regency”) and Hi-Speed Freight Services Limited (“Hi-Speed”). The current licence application differs from these other matters, however, for whereas JP, Regency and Hi-Speed all provided postal services in Jersey prior to the Law coming into effect, Citipost would represent a potentially major new provider of postal services to fulfilment companies in Jersey, if the JCRA were to grant it a licence. Currently, JP is the only licensed operator providing postal services to Jersey-based fulfilment companies.

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The JCRA's Executive Director, Chuck Webb, states:

“Citipost’s licence application presents, perhaps, the most complex issue the JCRA has faced to date under Jersey’s Postal Law – the potential for increased competition for the provision of postal services to Jersey’s important fulfilment sector, and the potential effect this would have on JP’s continuing ability to provide its USO in postal services. The JCRA must consider these issues carefully, and the consultation we are launching today is a key part of this process. We hope for the widest possible response, in particular from postal users, providers of postal services in Jersey, and Jersey-based fulfilment companies.”

The Consultation Paper is available on the JCRA's website, www.jcra.je. The closing date for comments is 22 May 2009. All enquiries to the JCRA should be directed to the Executive Director, Chuck Webb, on +44 (0)1534 514990.

Notes:

- Citipost DSA Ltd is part of the Citipost group, a UK-based privately owned operator that is a global specialist mail distributor. It employs over 400 people across 22 sites globally and offers a wide range of services including local and international, parcel delivery, express and economy mail services.
- The USO currently provided by JP in Jersey includes the daily collection of mail and delivery to all addresses in Jersey (in addition to other services) at a uniform tariff.
- The JCRA is an independent authority established by the States of Jersey to enforce Jersey's competition law and regulate its telecommunication and postal sectors. In each of these areas, the JCRA's primary mission is to promote consumer welfare through efforts that encourage lower prices and greater choice and innovation in the goods and services available in Jersey. The JCRA is recognized internationally as a leading voice in the application of competition law and policy in small economies.

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