

JCRA Media Release

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JCRA Consults on Jersey Post's 5 day service proposal

The Jersey Competition Regulatory Authority ("JCRA") is consulting on Jersey Post's request to allow it to reduce collections and deliveries from six days to five days a week. Jersey Post's request follows a recent review of the Universal Service Obligation ('USO') by the Economic Development Department and a subsequent request from Jersey Post to amend its postal licence. Currently the USO requires Jersey Post to carry out deliveries and collections on a minimum of five days per week; Jersey Post's current licence from the JCRA specifies a six day service.

"The provision of a minimum standard of postal services is a key expectation of consumers as the recent review by the Minister for Economic Development demonstrated. Setting this minimum service at the correct level is vitally important to ensure the sustainability and affordability of the postal service," said John Curran Executive Director of the JCRA. "Following the review of the USO earlier this year, Jersey Post has now requested that its licence condition be amended to allow it to provide a minimum of a five day a week service."

The request from Jersey Post comes at a time when there is a significant year on year decline in mail volumes. Since 2004, underlying mail volumes are estimated to have declined by an average of about 4% per year and more rapid declines are forecast in the coming years. In 2009 alone, the decrease was 14%. This is driven by combination of the growth in on-line services, the take-up of alternative communications technologies and the shift off-island by business customers of certain mailing services.

"The challenges facing the Jersey postal market are not unique. Most countries have now opted for a USO of five days a week. It is important that the JCRA ensures that the regulatory framework is such that it supports the provision of an efficiently provided postal service, whilst still ensuring that all postal customers receive a postal service of a sufficiently high quality at an affordable price," said John Curran. "This proposal ensures

the USO as set out by the Minister for Economic Development is provided in an increasingly competitive market.

A copy of the JCRA's consultation is available on the JCRA's website (www.jcra.je) or may be obtained from the JCRA's offices at 2nd Floor Salisbury House, 1-9 Union Street, St Helier, Jersey JE2 3RF. The deadline for comments is 28 January 2011.

All enquiries to the JCRA should be directed to the Executive Director, John Curran, on +44 (0)1534 514990.

About the JCRA

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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