



CICRA media release

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CICRA consults on postal quality of service

The Channel Islands Competition and Regulatory Authorities (CICRA) have launched its first pan-Channel Islands consultation on the measure of the quality of postal services in Guernsey and Jersey with the aim of implementing a joint approach to regulating the services.

The consultation, launched after discussions with both Jersey Post Limited (JP) and Guernsey Post Limited (GPL) explains and describes the proposed quality of service measures for the postal sector and the targets CICRA proposes to set for JP and GPL.

CICRA Chief Executive Andrew Riseley said the implementation of quality of service measurements and targets were beneficial as they helped focus postal operators' management on their duty to postal customers and spurred them to greater efficiency.

"Quality measures should be controllable by the postal operator concerned while being relevant to customers, measureable and independently-measured and enforceable," Mr Riseley said.

"CICRA also wants the measures to be comparable and this is why we are proposing to use the same measures in Jersey and Guernsey."

CICRA has proposed targets which are similar to the targets agreed with JP in 2008 and with GPL in 2007 and which are comparable to the targets set by other postal regulators. "Individual customers and small businesses have very little choice outside the standard

postal service with courier and express companies being largely too expensive for this type of mail,” Mr Riseley said.

“Without quality of service regulation monopoly postal operators could reduce their service and their costs to maximise profits in the same way as they have incentives to increase prices when unchecked.

“Customers also need an external, trustworthy, independent source of information to be able to assess the service they purchase and JP and GPL need comparable information to encourage them to sharpen their operational and customer-facing activities.”

Mr Riseley said JP and GPL had an obligation to provide the same service at the same price throughout their jurisdictions and, without checks on quality of service, there was a risk that the postal operations could provide services that vary too much in quality.

Under the measures set, JP and GPL would be expected to deliver 95% of all local mail within one working day for both standard and recorded mail. For mail delivered within three working days the target proposed is 99% for standard and 100% for recorded/signed-for mail.

The targets proposed for the Channel Islands’ operators for local mail to be delivered the working day after posting fall between those in the Isle of Man (98%), Northern Ireland (93%), Ireland (94%) and in Great Britain (93%).

For mail between Jersey and Guernsey CICRA is proposing a next working day target of 82% on standard, and 95% on recorded/signed-for mail. The targets are 97% and 100% respectively for mail to be delivered between the islands within three working days.

Mr Riseley said CICRA did not believe bulk mailers needed the same regulatory protection as they are able to negotiate special arrangements with postal suppliers and could have some choice between suppliers and, possibly, between jurisdictions.

For mail to and from the UK, JP and GPL would be set a target of 82% (standard) and 95% (recorded) for mail delivered the following working day and, within three working days, the targets are 97% and 100%, respectively.

“The proposal is for quality regulation by means of a common set of performance measures which would provide fully comparable results,” Mr Riseley said.

“This approach enables management, regulators and customers to compare the performance of each postal operator against the other by providing a fair benchmark and it

provides a useful stimulus to each operator to improve its performance as if they were in competition with one another.”

Interested parties are invited to submit comments on the consultation to CICRA; the regulator plans to issue its decision in August, with the new measurement regime to become operational from September 2012 in order to collect data for a few typical months in 2012. In February 2013, the first joint quality of service reports would be published in Guernsey and Jersey.

All interested parties should direct their submissions in writing or email to the regulator in their jurisdiction – the Guernsey Competition and Regulatory Authority and the Jersey Competition Regulatory Authority.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive Designate, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority (formerly the Office of Utility Regulation), Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@bicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the **Jersey Competition Regulatory Authority** and the **Guernsey Competition and Regulatory Authority** (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under the Competition (Enabling Provisions) (Guernsey) Law, 2009 and the Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which will also be responsible for the introduction, administration and enforcement of the Guernsey competition law if it is introduced, as expected, later in 2012.

By working together, and sharing resources and expertise between the islands, CICRA's aim is to ensure that consumers receive the best value, choice and access to high quality services.