



CICRA media release

14 February 2013

CICRA proposes changes to postal regulation saving £245,000

CICRA (the Channel Islands Competition and Regulatory Authorities) is today launching a consultation proposing changes to the way in which the postal industry is regulated which, if implemented, would save the industry £245,000 a year in licence fees alone.

The consultation recommends a scaled back regulatory approach, including the removal of price controls on Guernsey Post Limited (GPL) and Jersey Post (JP). CICRA is asking interested parties to provide their views on the way postal services in the Channel Islands should be regulated in the future.

CICRA chief executive, Andrew Riseley, said the recommended changes to postal regulation would reduce the licence fees charged to GPL from £180,000 to £90,000 and JP from £245,000 to £90,000. In addition, 'lighter-touch' regulation would decrease the internal costs incurred by postal operators in regulatory compliance.

He said: "We are extremely keen to hear how people think the postal industry should be regulated.

"It is well known that the postal operators in the Channel Islands are experiencing significant changes in their market, with businesses and domestic consumers moving away from post to various electronic communications and bulk mail volumes down due to the loss of Low Value Consignment Relief.

"These substantial changes mean CICRA believes it is an appropriate time to consider the purpose and scope of postal regulation."

CICRA is recommending that, along with the abolition of price control regulation, the regulator would focus its activities on GPL and JP's quality of service (with regularly published performance indicators), their compliance with licence conditions, and the application of the universal service obligation (USO) in both islands.

The consultation can be viewed on the postal section of CICRA's website:

<http://www.cicra.gg/post/index.aspx>. Those wishing to respond are asked to provide their views in writing to CICRA at Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or 2nd Floor, Salisbury House, 1-9 Union Street, St Helier, Jersey JE2 3RF or by email to info@cicra.gg.

All comments on the consultation should be clearly marked "Future Regulation of Postal Sector – Consultation" and should be lodged with CICRA by Friday, 29 March 2013.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority, 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@cicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (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 Guernsey 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 is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.