



## COMITÉ DES CONNÉTABLES

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Our ref: KPV/srdeg

Jersey Competition Regulatory Authority (fao Paul Hamilton)  
2<sup>nd</sup> floor Salisbury House  
1-9 Union Street  
St Helier  
JE2 3RF

Dear Sir,

### **Postal size-based pricing consultation**

Jersey Post has issued a paper to consult on size based postal pricing to be introduced on 8 May 2010. Whilst recognising Jersey Post's need to review the basis of pricing and introduce alternatives, particularly in line with other companies such as Royal Mail, we have a number of comments and objections to make as follows:

#### 1. Lead-in time:

The proposed start date of 8 May 2010 gives customers little time to review their own postal arrangements to ensure unnecessary additional costs are not incurred as a result of the change, particularly the significant increased cost for C4 envelopes.

The Connétables each year have to give account to their ratepayers for expenses incurred and to outline the next year's budget; rate increases are kept to a minimum as many ratepayers are experiencing financial difficulties and even redundancy in the current economic situation. Parishes always seek the most cost effective solutions and a number will therefore have bulk purchased stationery stocks for this year including C4 size envelopes as this has, to date, been most cost effective compared to the additional cost (staff time etc) of folding correspondence to fit C5 envelopes. C4 envelopes will now cost up to 23 pence per item more (from 37p to 60p for priority stamp up to 100g); one Parish alone has a stock of 10,000 C4 envelopes for this year's mailings and the additional cost if posted after 8 May will be £2,300.

A number of Parishes also produce newsletters/magazines which are posted to households; the production cost is finely balanced against income from advertising and the early start date gives little time to renegotiate advertising rates to ensure the publication breaks-even. This will again hit the Parish budget and consequently the Parish rate levied to raise the income required to cover expenditure.

We consider that either the start date should be delayed to enable businesses to use up existing stocks and move to C5 size envelopes, where appropriate, or Jersey Post should grant the parishes a special dispensation from the increase until, say, October 2010 so that current stocks can be used at no extra postage cost.

2. Priority and standard options for Jersey mail:

Jersey Post currently offers next day delivery for local mail – all local mail is therefore treated the same and requires no sorting. The introduction of a standard (95% delivered within 3 days) and priority (next day delivery) service will require Jersey Post to sort all local mail into 2 categories before sorting for delivery. Surely this will add to the workload rather than streamline the process and will result in mail being deliberately delayed? Although the consultation paper, at 4.11.2., says “*following feedback from its customers, who have indicated that they would like a choice in service levels available to them ...*” we consider the standard/priority options to be absurd.

3. Consultation with stationery suppliers

We query whether stationery suppliers have been specifically consulted on the proposed change – such suppliers will purchase in bulk based on annual purchases and may be left with significant stocks which are not required as businesses review postage arrangements to minimise costs.

4. Consultation paper – inaccuracy:

We note in the consultation paper, examples are given in section 6.1.2. of the current and proposed postage rates for C4 letters. Please note that the ‘priority’ stamp and account prices are misleading (last 2 lines of the table); the current prices have weight limits of up to 100g; 101-200g and 201-300g whereas the table shows a rate for weights of 101-250g. The table in the consultation paper reads:

		Weight g	Jersey		UK, IOM & Other CIs	
			Current	Proposed	Current	Proposed
<b>Priority</b>	Stamp	101-250	97p	90p	£1.33	96p
	Account	101-250	94p	86p	£1.29	91p

Retaining the weight limit of 250g (the current prices are actually for up to 300g) the table should read:

		Weight g	Jersey		UK, IOM & Other CIs	
			Current	Proposed	Current	Proposed
<b>Priority</b>	Stamp	101-200	62p	90p	89p	96p
	Account	101-200	60p	86p	86p	91p
	Stamp	201-250	97p	90p	£1.33	96p
	Account	201-250	94p	86p	£1.29	91p

We trust these comments will assist the JCRA as it considers Jersey Post’s proposal.

Yours faithfully,



K P Vibert  
Chairman.