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Our Ref : DW/JDD 74000

8th May 2009

Mr Paul Hamilton
Jersey Competition Regulatory Authority
Second Floor
1-9 Salisbury House
Union Street
St Helier
Jersey JE2 3RF

RECEIVED
12 MAY 2009

Dear Mr Hamilton

**COMMUNICATION WORKERS' COMMENTS – JERSEY COMPETITION
REGULATORY AUTHORITY (JCRA) POSTAL – LIBERALISATION JERSEY
CLASS 1 LICENCE APPLICATION**

The Communication Workers' Union recently considered your consultation document regarding the above.

In the attached document the CWU has attempted to set out our views and comments regarding the issue of regulation and competition within Jersey, whilst recognising the need to comment formally on the Citipost application for a class one Operators Postal Licence.

The Union is very clear in its view that the opening up of the Jersey Postal market to further levels of competition will not benefit the current and future consumers of the postal services provided. In fact, the Union believes that in the long term competition and the deregulation of the postal market will lead to a constriction of the service, with the eventual result being the undermining of the Universal Service and the standards that are aligned to it.

In closing, the Union is quite prepared to expand upon any of the point that we have detailed in our document.

Yours sincerely

Lionel Sampson Senior Policy Advisor
on behalf of Dave Ward
Deputy General Secretary (P)

David O'Connor Branch Secretary Jersey CWU

**COMMUNICATION WORKERS' COMMENTS –
JERSEY COMPETITION REGULATORY AUTHORITY (JCRA)
POSTAL – LIBERALISATION JERSEY
CLASS 1 LICENCE APPLICATION**

The CWU welcomes the opportunity to submit our views and comments in response to the consultation process currently being carried out by Jersey Competition Regulatory Authority (JCRA) in connection with the Citipost DSA Limited's application for a class one Postal Operators Licence. The Union would wish to make it very clear that we have not attempted to respond to each question posed by the JCRA but have drafted a submission covering the general views, comments and principle points that we would wish to be considered, both in respect of this particular consultation exercise and the wider issue of competition.

The Communication Workers' Union (CWU) represents some 250,000 employees in Postal / Telecoms and other related industries. As a Trade Union we have developed relationships with a Government, industrial groups and regulatory bodies across those industries. These relationships have allowed the Union to exercise and develop our thinking and input on a range of issues associated with Postal Liberalisation and the introduction of competition into a regulated environment.

As a Union we hold a very strong belief that the introduction of competition and liberalisation should and must remain subordinate to the important requirement of maintaining a viable and open to all universal service. The Union has real concerns with any regulatory body whose approach is based on a policy of open competition ahead of this principle. Therefore, the Union believes that liberalisation and the continual issuing of licence, unless the universal postal service is underpinned, will threaten the long term commercial viability of Jersey Post and in turn the level and quality of service that is provided to the customers within the island.

Adding weight to our argument, the Union believes the current economic climate and the affects of the "credit crunch" are clear warning signs that the future management of competition and the issuing of licences within Jersey must be balanced against the principle of underpinning and ensuring that the right level of support is provided which enables Jersey Post and its employees to continue to deliver the universal service.

The CWU cannot and will not support a regulatory philosophy that's based on the only way to ensure the provision of a good and sound postal service within the island is by opening the market up, liberalising the market place, allowing in competition against the background of a misguided view that this will somehow delivery first class quality of service at a low cost and that all customers and users of the mail service provided within the island will be somehow better off. Evidence from around Europe and the UK clearly indicates that this is not the case. To quote the recent interim report published by Sir Richard Hooper "there have been no significant benefits from liberalisation for smaller businesses and domestic customers.

At this point in time it is important that a JCRA takes stock of the current situation that exists in Jersey. In examining the current business and economic infrastructure of the island we believe that the regulator needs to extend their remit and thinking beyond the narrow promotion of competition and liberalisation. The JCRA must widen its

overall remit so that it includes the important issues surrounding a social dimension to its application of competition and liberalisation. As the regulatory body for the island of Jersey it is also important that proper account is given to the future needs of those employed in the industry whilst promoting and considering the wider social and environmental objectives.

Therefore to summarise our position as a Trade Union we have vast knowledge of the communication industry and we have a very strongly held view that good, sound and accessible service to both the domestic and commercial community within the island needs to be underpinned by the natural monopoly that Jersey Post holds and is encapsulated within the remit to provide the universal service.

We make no apology as a Trade Union for making this observation and statement. The issuing of a further class 1 operators licence is not necessary and will not, in our opinion, add any real value to the services which are provided across the island. We would therefore like to record our objection to the issuing of this licence and are prepared, as a Trade Union, to meet representatives of the JCRA to expand upon the views and comments of the Union in regards to this matter.

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