



Appendix 3

Draft Postal Licences – Explanatory Notes on Licence Conditions

**Consultation Document
2004/6
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CONDITION	HEADING	PURPOSE
Part I	Establishment and Enforcement	
1	Definitions & Interpretation	Sets out the meanings attributed to certain terms used throughout the licence document.
2	Scope of the Licence	Establishes to whom the licence is issued, the nature of the licence, the requirements with regard to the control of the Licensee and obligations with respect to any changes in control of the Licensee that may take place.
3	Licence fee	Requires the Licensee to pay a fee for the licence.
4	Provision of Information	This condition sets out some detail on how information required by the JCRA may be obtained and obliges the Licensee to comply with requests and provide all relevant information and assistance to obtain information. This is a crucial condition as the information requested will enable the JCRA to make determinations in the best interest of users and the market as a whole.
5	Compliance	States that the Licensee must comply with any and all directions issued by the JCRA or as set down in Law.
6	Modification	The licence should be viewed as a living document and changes may be required to be made to it over the term of the licence to take account of developments in the market. This condition provides for such modifications and the Postal Services (Jersey) Law 2004 sets out in more specific detail the process to be followed in making modifications.
7	Enforcement and Revocation	This clause provides for the JCRA to revoke the licence in accordance with the process and procedures set out in the Postal Services (Jersey) Law 2004, and for the Licensee's obligations with respect to the provision of service to its customers at the time that any such revocation takes place.
8	Exceptions and Limitations	While it is assumed that the Licensee will at all times make every endeavour to comply with its licence and any directions given to it by the JCRA, if such compliance is prevented by force majeure, the Licensee must inform the JCRA, set out the impact on its duty to comply with the Licence and set out how it intends to rectify the situation. The JCRA will consider such matters on a case by case basis.
9	Matters of Interest of Jersey	Requires the Licensee to take all reasonable steps to prevent its postal facilities from being used to harm the interests of Jersey.
10	Term and Renewal	Provides for the length of validity of the licence and for the Licensee to seek renewal of the licence. The term of the licence is 15 years for a Class 2 licence and 10 years for a Class 1 licence.
11	Misuse of Data	Requires the licensee to handle information received in a manner that does not benefit it or any associated companies or in a manner that is anti-competitive towards other operators.

Part II Public Service Conditions		
12	Universal Service Obligation (USO)	Requires the Licensee to provide and to comply with any direction from the JCRA with regard to this condition as may be issued from time to time. It also deals with the establishment of a fund to meet the cost of providing the universal service should that be considered necessary.
13	Postal Schemes	Allows the Licensee to make Postal Schemes setting out its charges and terms and conditions in respect of postal services.
14	Protecting the Integrity of The Mail	Requires the Licensee to introduce measures to reduce the risk of theft, loss, damage or interference of Mail.
15	Development of Postal Facilities and Services	Requires the Licensee to achieve quality service standards that are in line with best international best practice.
16	Consumer Protection	Requires the licensee to publish certain information with regard to its services and conditions, the manner in which it will deal with customer complaints, the publication of a Consumer Code for the resolution of disputes and complaints. It also requires licensees to prepare a draft statement on its minimum service levels for customers.

Part III General Conditions Relating to the Provision of Postal Services		
17	International Obligations	Requires the Licensee to comply with international obligations of the Bailiwick of Jersey.
18	Access to Land	Entitles the licensee to the powers and rights set out in the Postal Services (Jersey) Law 2004, subject to compliance with other relevant laws and codes within The Bailiwick of Jersey, e.g. planning laws.
19	Cessation of Services	Provides for the manner in which a licensee may cease service and the steps required of it in doing so. This is designed to ensure continuity of supply for the licensee's customers.
20	Price Regulated Services	This condition requires the licensee to publish details of new services or prices, discounts on services or special offers and submit information relating to the proposal to the JCRA. The purpose of this is to ensure that any such changes/introductions are compliant with the requirement to be transparent, non-discriminatory and cost-justified.
21	Fair Competition	Requires the Licensee not, where it is in a dominant position, to do or omit to do any thing which would be an abuse of that dominant position under Article 16 of the Competition (Jersey) Law 200-.
22	Separate Accounts	To aid the JCRA in ensuring compliance with other conditions, the ability of the licensee to show that there is no below cost and/or cross subsidisation of any element of the business will be paramount. Keeping separate accounts for different activities is essential to calculate this.

