



Commission for  
**Communications Regulation**

Media Release - 15 December 2006

## **An Post makes application for an interim price increase**

The Commission for Communications Regulation (ComReg) has today launched a public consultation following An Post's recent application for an interim price increase in the price of the basic stamp.

ComReg is the National Regulatory Authority for the postal sector in Ireland and its prior approval is required for postal rate changes in the reserved area.

If approved, prices for domestic standard letters (up to 50g) would increase to 55c; however, prices for mail in the 50-100g category (for example, a typical large letter) would decrease from 60c to 55c. In addition, business customers using An Post's Ceadúnas (Permit) services or meter franking machines would also receive a discount of 1c per item. The effective date of any interim price increase, if approved, would be 1<sup>st</sup> March 2007.

ComReg recently issued a revised Accounting Direction to An Post, under which all future applications for price increases can be objectively assessed. However, An Post point out that, by 1<sup>st</sup> March 2007, it will be 42 months since prices for An Post's reserved "letter" products were last increased.

An Post outlines in its application that it has, or will, absorb significant cost increases during the period from August 2003 to May 2007 (including wage increases of 18.9% under National Wage Agreements) and that it will have to meet further cost increases over the next 12 months including wages, energy and fuel costs; hence, its requirement for a price increase.

Overall, and on the basis of An Post's application, it is estimated that the weighted price increase proposed for all 'letter' products is 9.6% based on the prices concurred with in August 2003. This compares with a movement in the Consumer Price Index (CPI) of 10.3% over the 42 months ending November 2006.

Full details of the An Post proposals are contained in our consultation paper 06/67 which is available at [www.comreg.ie](http://www.comreg.ie)

**ENDS**

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## **Note to Editors**

### Reserved Area

From 1 January 2006 the postal services “reserved” to An Post as the designated Universal Service Provider are confined to items of domestic correspondence and incoming cross-border correspondence weighing 50g or less, providing the price is less than two and a half times the domestic public tariff for an item of correspondence in the first weight step of the fastest standard category i.e. €1.20 (at current prices).