



**Media Release- February 9 2007**

### **An Post to revise postage rates**

The Commission for Communications Regulation (ComReg) has today, following a public consultation, concurred with An Post's application for an interim increase in the price of the basic stamp from 1st March next.

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. While prices for domestic standard letters (up to 50g) will now be 55c, prices for mail in the 50-100g category (for example, a typical large letter) will fall from 60c to 55c. In addition, business customers using An Post's Ceadúnas (Permit) services or meter franking machines will receive a discount of 1c per item, thereby paying no more than 54c for a basic letter.

An Post outlined in its application that it has absorbed significant cost increases including wage increases of 18.9% under National Wage Agreements, since August 2003, when the price of posting a basic letter was last increased. These cost increases are clearly significant given the nature of the postal service. Other companies have been faced with similar cost increases, and as a result consumer prices generally have increased by almost 11% over the period August 2003 to December 2006. An Post estimates that its price proposals will increase postage costs by slightly less than consumer prices generally.

ComReg recently issued a revised Accounting Direction to An Post, under which all future applications for price increases will be assessed. An Post has committed to produce and submit accounting data based on these new processes and procedures later in 2007, and to review its pricing in the light of that detailed information.

ComReg has ex-ante powers only to control the price of services which are 'reserved' to An Post. The price increases for these products which ComReg has concurred with today are less than the rate of inflation. Also by limiting the increase for the products which are most sensitive to price ComReg is acting to protect the provision of the universal service.

Full details of the An Post proposals are contained in our response to consultation paper 07/10 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. €1.375 (at revised rates).