



Commission for
Communications Regulation

Information Notice

An Post's Quality of Service Domestic single piece mail.

Quarter 1, January to March 2003

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1 Foreword

ComReg is responsible for monitoring An Post's quality of service under regulations adopted by the Minister implementing the EU Directives on postal services. TNS mrbi were appointed, following public procurement procedures, to measure An Post's quality of service, in accordance with the principles set out in the new European and Irish Standard I.S. EN 13850: 2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'.

Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small. There is another European standard for measuring the very important Bulk Mail category. Bulk mail is best described as mail, often discounted, prepared to industrial standards and includes bank statements, utility bills, direct mail advertising, etc. In principle it is quicker and easier to sort, which means lower costs.

We are publishing TNS mrbi's report on the first quarter's results in full. Only 3 out of 4 items of ordinary correspondence are delivered the next day. This will be addressed in the context of the consultation on An Post's pricing proposals which will be launched shortly.

The result is based on the new European Standard for measuring quality of service. It only measures the performance of single piece mail. In contrast the results of the quality of service monitoring published in An Post's annual reports measures the performance of all domestic mail, including Bulk Mail. Of most significance the quality of service afforded to Bulk Mail is averaged with the quality afforded to single piece mail. There are other differences as well, eg, under the new system test Mail is input at 400 sampling points, rather than the 150 input points that An Post's monitoring uses.

An Post's own systems show that around 9 out of 10 items are delivered the next day. The clear inference is that Bulk Mail, some of which is posted at a discounted price, and which is sometimes pre-sorted and in standardised formats is delivered more rapidly than the ordinary correspondence.

Following a public consultation in 2001 ComReg decided to publish quarterly progress reports. Also, following a public consultation earlier this year ComReg has required An Post to publish the target and the achievement against the target for single piece priority mail calculated in accordance with European Standard EN 13850 for the latest quarter by way of notice displayed prominently in all post offices and on the Internet.

Etain Doyle
Chairperson
Commission for Communications Regulation

2 Background

2.1 Obligation to measure and publish

The EC "Postal Directive"¹ establishes a harmonised regulatory framework for postal services throughout the European Union and for securing improvements in the Quality of Service provided. It defines a decision-making process regarding further opening of the postal market to competition. It was transposed into national law by the European Communities (Postal Services) Regulations, 2000², which have been revoked and replaced by the European Communities (Postal Services) Regulations, 2002³, ("the Postal Regulations").

For the purposes of implementing the Postal Regulations, the Commission for Communications Regulation ("ComReg") is designated with responsibility for the regulation of Universal Postal Services in Ireland.

It is required to set and publish quality of service standards in relation to the universal service, paying attention in particular to routing times and to the regularity and reliability of services. It is also required to monitor the performance levels achieved against the targets which have been set.

The measurement process shall be conducted under standardised conditions laid down by CEN⁴ and the results shall be published by the Regulator at least once a year. Where the Regulator is of the opinion that the performance levels achieved are unsatisfactory or do not meet the targets which are set and published by the Regulator, the universal service provider will be asked to take corrective action

2.2 Targets set by Regulator

In April 2001 a consultation paper was issued on the Quality of Service Standards to be achieved by An Post⁵. In September 2001 a report on the consultation was published⁶. This Report concluded that ComReg should measure the quality of

¹ Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service. OJ L 15 21.1.1998, p. 14, as amended by Directive 2002/39/EC of the European Parliament and of the Council of 10 June 2002 amending Directive 97/67/EC with regard to the further opening to competition of Community postal services OJ L 176 5.7.2002, p. 21.

² S.I. No.310 of 2000

³ S.I. No.616 of 2002

⁴ CEN/TC 331 Postal Services is responsible for making postal services standards as mandated by the European Commission

⁵ Consultation Paper "Regulation of Postal Services-Quality of Service Standards to be achieved by An Post" document ODTR 01/28 issued April 2001.

⁶ Report on Consultation "Regulation of Universal Postal Services – Quality of Service Standards to be achieved by An Post" document ODTR 01/73 issued on 20 September 2001.

service of An Post's domestic mail in accordance with the appropriate CEN Standard⁷ and that a contract should be put in place with an independent organisation for this purpose. The Report also stated that quarterly results should be published by ComReg as well as an annual result.

The following targets were set for the calendar year 2002 to be achieved by An Post for the delivery of domestic National and Local First Class letters:

National Mail (D+1)	92%
Local Mail ⁸ (D+1)	94%
All Mail (D+3)	99.5%

The quality standards for domestic mail in the State are established in relation to the time limit for routing measured from end to end⁹ for postal items of the fastest standard category according to the formula D+n, where D represents the date of deposit¹⁰ and n the number of working days which elapse between that date and that of delivery to the addressee.

In December 2002 ComReg published an interim target for 2003¹¹, and proposed to review this target during the first half of 2003, as follows:

National Mail (D+1)	94%
Local Mail ¹² (D+1)	94%
All Mail (D+3)	99.5%

2.3 Contract

ComReg requested tenders for the measurement of An Post's quality of service of domestic single piece mail using test mail items in accordance with public procurement guidelines. As a result of this process a contract was let between TNS

⁷ European and Irish Standard, I.S. EN 13850: 2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'

⁸ Local Mail is mail posted within the Greater Dublin Area or within any county council area for delivery within the same area.

⁹ End-to-end routing is measured from the access point to the network to the point of delivery to the addressee.

¹⁰ the date of deposit to be taken into account shall be the same day as that on which the item is deposited, provided that deposit occurs before the latest collection time notified from the access point to the network in question. When deposit takes place after this time limit, the date of deposit to be taken into consideration will be that of the collection on the following working day.

¹¹ Quality of Service Standards for An Post – setting an Interim Target for 2003, D19/02, Document 02/119

¹² Local Mail is mail posted within the Greater Dublin Area or within any county council area for delivery within the same area.

MRBI and ComReg last August 2002. The duration of the contract is three years 'live' measurement from 1 January 2003. The intervening period from August to December 2002 was spent running pilot tests and ensuring that the sample frame was reflective of the available information about An Post's 'real mail flows'.

2.4 Distinction between measurement systems

An Post

At the outset it is important to state that An Post is measuring something very different to what ComReg has contracted to do. An Post is measuring quality of service of all its mail for next day delivery. All mail includes 'Bulk Mail' as well as single piece mail. Bulk mail is best described as mail, often discounted, prepared to industrial standard and includes bank statements, utility bills, direct mail advertising, etc. There is a separate CEN standard now available which can be used to measure the quality of service afforded to such mail. Bulk Mail comprises of approximately 50% of An Post's total mail volumes. The characteristics associated with Bulk Mail tend to lean towards cleaner and more sorting friendly mail. An Post quality of service performance results currently show that on average over the calendar year 90% of all mail, bulk and single piece combined, is delivered the next working day.

ComReg

On the other hand TNS mrbi, on behalf of ComReg, measures An Post's quality of service in accordance with the principles set out in the new European and Irish Standard I.S. EN 13850: 2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'. Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small. The measurement does not take into account the service afforded to bulk mail.

There are other differences as well. Test Mail is input at 400 sampling points, rather than 150 input points used by An Post, and because the sample mirrors the characteristics of actual "single-piece" mail there is a higher weighting for mail posted in counties outside of Dublin.

It is therefore important to understand that even though the results from the two measurement systems might look quite different they are not necessarily incompatible.

The report submitted by TNS mrbi is published in full in the following section.

3 TNS mrbi report

R E P O R T

**REPUBLIC OF IRELAND
QUALITY OF POSTAL
SERVICE MONITOR
INTERIM REPORT
ITEMS POSTED ON OR
BETWEEN
1st JANUARY & 31st MARCH,
2003**

Prepared For

Commission for Communications Regulation



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TNS mrbi/6307/03

INTRODUCTION

TNS mrbi has been commissioned by ComReg to monitor the quality of postal service in the Republic of Ireland, according to the European and Irish Standard, I.S. EN 13850: 2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'. For monitoring purposes, the universe of post is defined as all single piece priority mail and first class mail posted and delivered in the Republic of Ireland. Monitoring is conducted via a nationwide panel of more than 400 homes and business premises posting and receiving mail on a continuous basis.

This report presents the findings for items posted between 1st January and 31st March, 2003.

This is the first quality of service report to be issued by TNS mrbi. Reports will be issued on a quarterly and annual basis.

TNS mrbi is an independent provider of business information. TNS mrbi is a fully owned subsidiary of TNS plc.

**NEXT DAY DELIVERY: ITEMS POSTED ON OR BETWEEN 1ST
JANUARY & 31ST MARCH, 2003**

		DELIVERY		
		Anywhere	Local (delivery within county of posting)	Dublin County
POSTING	Anywhere	73% (+/- 1.40%)	76% (+/- 1.95%)	71% (+/- 1.85%)
	Dublin county	70% (+/- 2.15%)	72% (+/- 2.55%)	72% (+/- 2.55%)
	Outside Dublin county	75% (+/- 1.85%)	79% (+/- 3.30%)	69% (+/- 2.70%)

1. *() figures in brackets relate to accuracy levels at 95% confidence*
2. *Total number of effective observations – 6030*
3. *Dublin County consists of the administrative areas of the Dublin City Council, Fingal County Council, South Dublin County Council and Dun Laoghaire – Rathdown County Council.*

METHODOLOGY

The method of monitoring is in full accordance with European and Irish Standard, I.S. EN 13850: 2002, 'Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail'.

Calculation Of Transit Time

Transit times are calculated according to a five-day working calculation rule; whereby Saturday's, Sunday's and public holidays are subtracted.

Sample Design

The sample design corresponds with the most accurate and up-to-date estimates of real mail flow and discriminant characteristics available to An Post. The sample employs strict proportionality across all key characteristics. Discriminant characteristics are defined as:

- Method of posting
- Method of addressing
- Envelope colour
- Envelope size
- Method of payment
- Day of week of posting

Regional mail flows are quota controlled with weighting used to restore proportionality.

Geographical Distribution

Stratified random sampling is employed to achieve the required panel geographical distribution. All addresses are verified with panellists for accuracy and completeness.

Calculation Of Results

Accuracy of the transit time is assessed by calculating the variance of the estimator and the design factor, taking into account:

- number of points of induction and receiving
- correlation of test items

PROJECT TEAM

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