



Commission for
Communications Regulation

Information Notice

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

Quarter 1, January to March 2006

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1 Foreword

The Commission for Communications Regulation (ComReg) is the sole organisation responsible for monitoring An Post's quality of service performance. ComReg is also responsible for setting and publishing quality of service standards. ComReg appointed TNS mrbi for a further three year term from 1 January 2006 to measure¹ the quality of service afforded by An Post to single piece mail² items posted and delivered within the Republic of Ireland.

ComReg is now publishing TNS mrbi's report of the first quarter performance from January to March 2006 inclusive. Performance results show that **74%** of nationwide single piece mail items were delivered the next working day after posting between January and March 2006. This represents a decline of 2% over the same period in 2005 and falls well short of the quality of service target set by ComReg of **94%**.

The report highlights some variation in results between the different mail flows³. Mail posted outside of Dublin for delivery to addresses in Dublin County received a much poorer level of service than mail posted outside of Dublin for delivery within county of posting – 71% compared with 80%, or indeed mail posted in Dublin for local delivery - 76%.

The report also highlights a decline in performance of mail posted nationwide for delivery anywhere in the country within three days of posting (96%, compared with 98% for the first two quarters of 2005). This is the third consecutive quarter in which performance of mail posted nationwide for delivery anywhere in the country within three days of posting did not perform beyond 96%. However, where next day delivery of mail posted and delivered in Dublin receives a poorer quality of service performance than mail posted outside of Dublin for local delivery, there is a slightly better chance that Dublin mail will receive delivery within three days of posting (97%) compared with mail for local delivery outside of Dublin (96%). The target set requires that 99.5% of all mail posted should be delivered within three working days.

ComReg continues to be concerned with the quality of service being afforded to postal consumers, and in the disimprovements recorded in the past three quarters, particularly in light of An Post's public commitment to quality of service improvement. ComReg is currently awaiting an update from An Post in relation to the implementation of its *Quality of Service Improvement Programme* approved by the Board of An Post last year; and which An Post claims is specifically geared towards the achievement of the Quality of Service targets set by ComReg. The speedy implementation of this programme must ultimately be for the benefit of

¹ Measurement is in accordance with the principles set out in 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'. CEN (European Standards Institute) Technical Committee 331 is responsible for postal services standardisation. It receives its mandate from the European Commission. EN 13850 has mandatory application throughout the EU.

² Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small.

³ Mail flows measured include (1) mail posted in Dublin (City and County) for delivery nationwide and in Dublin County and (2) mail posted outside Dublin County for delivery nationwide, locally (ie within the same County of posting) and in Dublin County.

business and residential consumers who demand a high quality and dependable postal service; something which is not currently being delivered.

Mike Byrne
Commissioner

2 Commentary on Results

ComReg is designated with responsibility for the regulation of Universal Postal Services in Ireland. It is the sole organisation statutorily 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. It has commissioned TNS mrbi to measure performance, in accordance with the European and Irish Standard, I.S. EN 13850: 2002⁴ on its behalf. In line with the Standard, ComReg's monitor focuses exclusively on single piece priority mail⁵.

This is the first interim report of 2006 on An Post's quality of service for single piece priority mail. ComReg will continue to monitor and publish interim reports for each quarter of 2006, together with aggregated year to date reports, and ComReg will also publish an annual report for 2006.

2.1 National Mail for Delivery Next Day Nationwide (D⁶+1)

National Mail refers to all mail posted and delivered within the Republic of Ireland regardless of its origination or destination address. The following table shows results for Quarter 1 of 2006 (January to March inclusive) for next working day delivery (D+1) of single piece priority national mail as reported by TNS mrbi:

Table 1: Results for National Mail Next Day (D+1) delivery

National Mail (D+1)	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Full year Jan - Dec
		Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	
2006	94%	74%	na	na	na	na
2005	94%	76%	78%	74%	63%	73%
2004	94%	70%	70%	78%	67%	72%
2003	94%	73%	71%	76%	67%	71%

The independent measurement system reported that An Post delivered **74%** of all single piece mail within one working day of posting between January and March 2006. This represents a decline of 2% over the same period in 2005

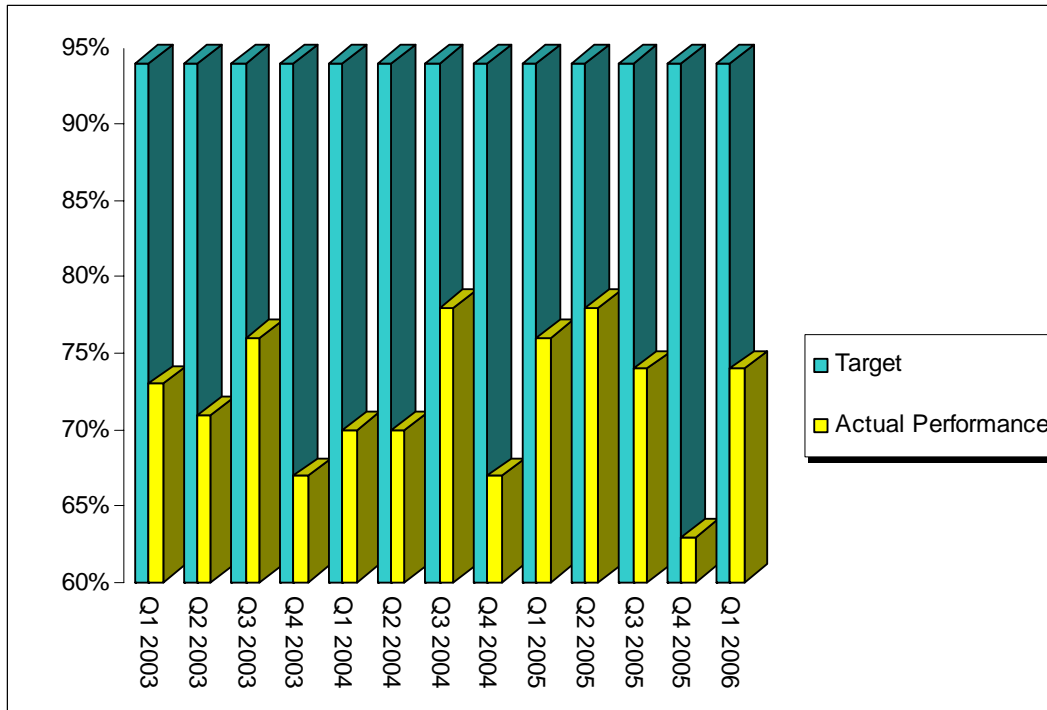
Figure 1 below shows that this result falls well short of the target set by ComReg of **94%** for the period January to March 2006.

⁴ Postal Services – Quality of Service – Measurement of transit time of end-to-end services for single piece priority mail and first class mail

⁵ Single piece mail is the ordinary day to day correspondence posted by individuals and businesses, big and small

⁶ D represents the date of deposit

Figure 1: National Mail Next Day (D+1) Delivery Performance



Traditionally Quarter 1 performance tends to be the second best performing quarter of the year. However this result is of some concern to ComReg given that this is the third quarter in succession in which performance has not stretched beyond 74% next day delivery and compares with a result of 76% for the corresponding quarter in 2005.

2.2 Local Mail for Delivery next working day in County of Posting (D+1)

Local Mail refers to mail that is delivered within the same county of posting. The results for Quarter 1 2006 for next working day delivery (D+1) of priority single piece local mail are reported by TNS mrbi as follows:

Table 2: Results for Local Mail Next Working Day (D+1) Delivery

	Year	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Full year
			Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
All local mail (D+1)	<u>2006</u>	94%	78%	na	na	na	na
	2005	94%	79%	81%	78%	67%	76%
Local Mail Posted in Dublin (D+1)	<u>2006</u>	94%	76%	na	na	na	na
	2005	94%	78%	79%	77%	70%	76%
Local Mail Posted outside Dublin (D+1)	<u>2006</u>	94%	80%	na	na	na	na
	2005	94%	80%	84%	79%	64%	76%

The target for local mail to be processed and delivered on the next working day is 94% (the same target as for National Mail). The results for Quarter 1 2006 shows that mail for local delivery continues to receive a better service than other mail (78% as compared with an average of 74% for national mail).

The report also highlights some variation in results between the various mail flows⁷. Of particular note is the performance of mail posted outside of Dublin for delivery in county of posting (80%).

2.3 Next Working Day Delivery of Mail Posted to Dublin (D+1)

The following table shows the quality of service afforded to mail posted anywhere in the Republic of Ireland for delivery within Dublin, mail posted in Dublin for local delivery and mail posted outside of Dublin for delivery in Dublin.

Table 3: Results for Mail Delivered to Dublin for Next Working Day (D+1)

	Year	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Full year
			Jan -Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
National mail (D+1)	<u>2006</u>	94%	74%	na	na	na	na
	2005	94%	76%	78%	74%	66%	73%
Mail Posted in Dublin (D+1)	<u>2006</u>	94%	76%	na	na	na	na
	2005	94%	78%	79%	77%	70%	76%
Mail Posted outside Dublin (D+1)	<u>2006</u>	94%	71%	na	na	na	na
	2005	94%	72%	77%	69%	57%	68%

The target for this reporting stream is 94% (the same target as for National Mail).

Of most significance from TNS mrbi's report is the fact that mail posted outside of Dublin for delivery to addresses in Dublin County received a much poorer level of service than mail posted outside of Dublin for local delivery – 71% compared with 80%, or indeed mail posted in Dublin for local delivery - 76%, see also Table 2

⁷ Mail flows measured include (1) mail posted in Dublin (City and County) for delivery nationwide and in Dublin County and (2) mail posted outside Dublin County for delivery nationwide, locally (ie within the same County of posting) and in Dublin County.

above. This trend was also highlighted in the annual report for 2005⁸. Not for the first time, this clearly suggests that difficulties arise once mail arrives from provincial locations for processing at the Dublin Mail Centre. This viewpoint is further supported by the fact that overall next day delivery performance for local mail during the first quarter of 2006 (78%) is brought down by Dublin local mail performance (76%) - see Table 2 above.

It should be noted also that the performance of Dublin addressed mail on the whole has declined over the same period in 2005. Despite this mail posted in Dublin for Dublin delivery is receiving a consistently better service compared with mail posted outside of Dublin for Dublin delivery. Again, this would suggest that difficulties arise once mail arrives from provincial locations for processing at the Dublin Mails Centre.

2.4 National Mail delivered within three days (D+3)

The results for Quarter 1 2006 for delivery of single piece priority mail posted nationwide for delivery nationwide within three working days (D+3) are reported by TNS mrbi as follows:

Table 4: Results for National Mail Delivery within Three working days (D +3)

All national mail (D+3)	Target Set	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Annual Jan - Dec
		Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	
2006	99.5%	96%	na	na	na	na
2005	99.50%	98%	98%	96%	96%	97%

The purpose of this measure is to ensure that if there is a failure to provide the desired level of next day delivery then it is corrected as quickly as possible thereafter. The target set requires that 99.5% of all mail posted should be processed and delivered within three working days of posting.

TNS mrbi's report shows that 96% of all mail was delivered within three working days of posting for Quarter 1 2006. This represents a 2% decline in performance over the first quarter of 2005 and moreover, it falls short of the 99.5% target set for delivery of mail within 3 days of posting. It must be noted that this is the third consecutive quarter in which performance of mail posted nationwide for delivery anywhere in the country within three days of posting did not perform better than 96%. However, it is worth noting that where next day delivery of mail posted and delivered in Dublin receives a poorer quality of service performance than mail posted outside of Dublin for local delivery, there is a slightly better chance that Dublin mail will receive delivery within three days of posting (97%) compared with the standard for local mail posted outside of Dublin for delivery within three days of posting (96%).

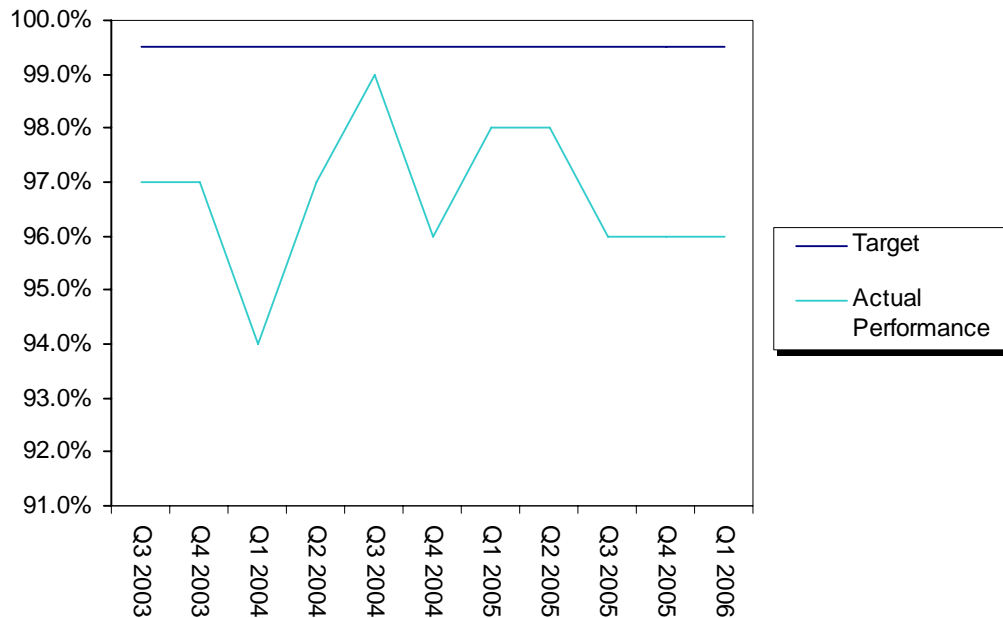
From closer examination of the TNS mrbi report (see Annex for First Quarter 2006 results), the only flow that performed less well than 96% delivery within three days of posting in Quarter 1 2006 was mail posted outside of Dublin County for delivery

⁸ See ComReg 06/19 – An Post's Quality of Service Domestic Single piece mail – Annual Report – January to December 2005

within Dublin (95%), mirroring the findings of the D+1 monitor and suggesting that difficulties may be arising at the Dublin Mail Centre.

The overall trend for National Mail Delivery within three working days (D +3) is illustrated in figure 3:

Figure 3: National Mail Delivery within Three working days (D +3) delivery performance



2.5 Action Underway

ComReg continues to be concerned with the quality of service being afforded to postal consumers, and in the disimprovements recorded in the past three quarters, particularly in light of An Post's public commitment to quality of service improvement.

ComReg believes that quality of service is a fundamental issue, one that is essential to any business success. An Post has committed to achieving the 94% quality of service target for next day delivery and ComReg is currently awaiting an update from An Post in relation to the implementation of its *Quality of Service Improvement Programme* approved by the Board of An Post last year, at which time the issue of declining performance over the last three Quarters of measurement will be raised.. The speedy implementation of this programme must ultimately be for the benefit of business and residential consumers who demand a high quality and dependable postal service.

ComReg will also monitor the effects on quality, if any, as An Post implements it's redesigned Collection & Delivery working arrangements, the implementation of which ComReg understands is now underway.

The first quarter report 2006 as submitted by TNS mrbi is published in full as an annex to this document.

Annex - TNS mrbi Report – First Quarter 2006 – 06/25a