



An Coimisiún um
Rialáil Cumarsáide
Commission for
Communications Regulation

Postal Strategy Statement 2024 - 2026

Submissions to Consultation

Submissions to Consultation

Reference: ComReg 23/111s

Date: 04/12/2023

An Coimisiún um Rialáil Cumarsáide
Commission for Communications Regulation

1 Lárcheantar na nDugaí, Sráid na nGildeanna, BÁC 1, Éire, D01 E4X0.
One Dockland Central, Guild Street, Dublin 1, Ireland, D01 E4X0.
Teil | Tel +353 1 804 9600 Suíomh | Web www.comreg.ie

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1 Age Friendly Ireland

2023

Consultation on proposed Postal Strategy Statement 2024 - 2026



Submission from
Age Friendly Ireland

October 23/10/2023

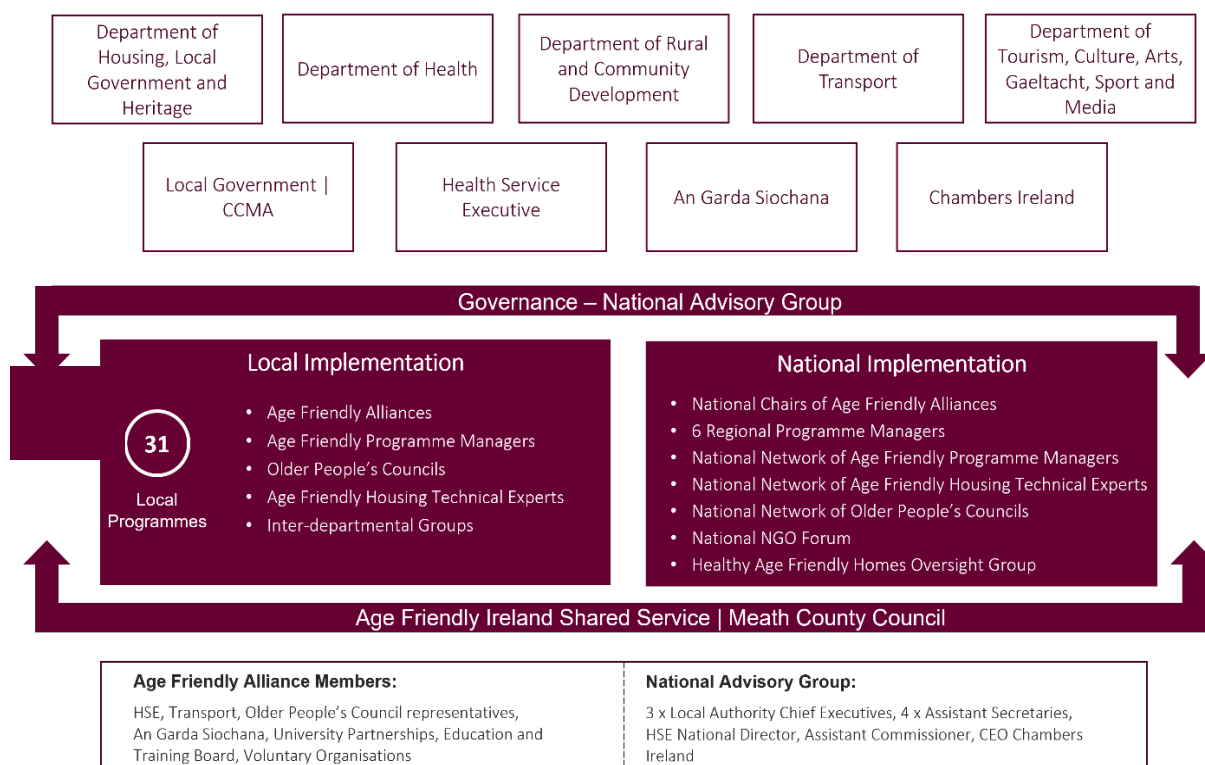


comhairle chontae na mí
meath county council

Introduction

The national Age Friendly Ireland Programme supports, through the local government system, and increasingly at national level, all 31 counties and cities across Ireland to prepare for the rapid ageing of Ireland's population by paying increased attention to the environmental, economic, cultural and social factors that influence the health and well-being of older people. In that role the Programme is delivered through the Age Friendly Shared Service located in Meath County Council.

The Programme is supported at national level by an advisory group which includes members drawn from various Government Departments. This Group provides oversight and strategic direction in relation to the overall programme achieving its goals and objectives. They provide guidance on where local implementation and best practices can influence national policy on a cross departmental basis and seek to integrate the Programme into existing structures and funding lines.



It is also significant to highlight that the Age Friendly Ireland (AFI) Programme is the first to comprehensively cover an entire national jurisdiction and is regularly highlighted by the World Health Organisation (WHO) as a leading national example to other member countries. This was recognised by the WHO in the presence of An Taoiseach on Monday 16th December 2019. From initiation of the Programme in Ireland, AFI has embedded the WHO principles of Active

Ageing. These principles were adopted by the World Health Organization in the late 1990s and developed in the meantime most particularly in the WHO Policy Statements on the Age Friendly Cities Framework and the UN Decade of Healthy Ageing.

The Framework recommends policies, services, settings and structures support and enable people to age actively by:

- Recognizing the wide range of capacities and resources among older people;
- Anticipating and responding flexibly to ageing-related needs and preferences;
- Respecting their decisions and lifestyle choices;
- Protecting those who are most vulnerable; and
- Promoting their inclusion in and contribution to all areas of community life.

In relation to security and independence, Age Friendly Cities and Communities require:

- Hazard-free streets and buildings
- Safe roadways for drivers and pedestrians
- Safe transportation
- Safety from abuse and criminal victimization
- Emergency plans and disaster recovery
- Flexible work practices

Age Friendly Ireland is consequently pleased to make this submission to the consultation process for the Communications Regulation Postal Strategy Statement 2024–2026 from our perspective in relation to population ageing and representing older people’s interests.

In addition to the views of AFI, this submission also sets out the views of the National Network of Older People’s Councils which represents the voice of older people in the Age Friendly Programme. Our collaboration underpins the shared principle of enabling participation of older people in co-designing solutions and policy development across all levels of public policy. This is a key platform for our work with the 31 Older Persons Council’s across all 31 local authority areas, reflecting the diverse representation of the authentic voice of the older people of Ireland. In that role AFI have consulted directly with some 25,000 older people across the last decade.

Context

It is important to understand ComReg's role in the postal sector to ensure that concerns or suggestions are reaching the correct audience. ComReg is a government body that is responsible for the regulation of the Universal Postal Service in Ireland. Their powers and functions are outlined by legislation set out by the Oireachtas, which is guided under EU Directives such as the Postal Services Directive (97/67/EC).

ComReg do not regulate couriers or express deliveries completed by private companies and they do not regulate the Post Offices themselves or their internal operation such as staffing.

Central to their operation is Section 16, Postal Act 2011, which describes what the universal postal service provides. It ensures "that on every working day, except in such circumstances or geographical conditions as the Commission considers to be exceptional, there is at least – One delivery to the home or premises of every person in the State."

The landscape of the postal service has evolved within the past 10-15 years with the rise of parcels, and the decline of letters creating a challenge for the postal service due to the volume of these parcels.

It was discussed that ComReg has set the standard performance for next day delivery at 94%. As of year-end 2022, An Post achieved a score of 84% - this lower than usual rate was mainly due to economic recovery from the COVID pandemic. An Post hopes that this increases as their three working day delivery stands at 98.3% with their performance set at 99.5%.

They monitor cross boarder traffic, enforce service providers to provide information on posting or receiving mail on the website or at the desk. They also promote the interests of postal service users, for example, they advise people where to get support on various issues such as directing them to the Competition and Consumer Protection Commission.

ComReg's Strategy

ComReg develop and introduce a strategy every two years. There are 3 Goals and 6 objectives outlined in the proposed Postal Strategy Statement 2024–2026 (ComReg 23/91, Page 15).

Goals	Objectives
Goal 1: Ensure a universal postal service	<p>Objective 1: Assess the reasonable needs of postal service users</p> <p>Objective 2: Monitor compliance with universal postal service requirements</p>
Goal 2: Promote and protect the interests of postal service users	<p>Objective 3: Empower postal service users by ensuring the availability of accurate and appropriate information</p> <p>Objective 4: Protect postal service users by ensuring the availability of complaints and redress procedures</p>
Goal 3: Promote the development of the postal sector	<p>Objective 5: Promote the development of the postal sector by providing research, data, and information</p> <p>Objective 6: Facilitate the development of the postal sector by delivering our legal mandate</p>

At a consultation session on 23rd October, the objectives above were received positively by AFI and The National Network of Older People’s Council (NNOPC) commenting that they encapsulated a desired level of service by older people. Additional praise was given to An Post men and women who deliver the service as it was felt they did more than just deliver parcels or letters. It was felt that they informed older aged people about issues such as hazards around their area and the weather.

Suggestions

Several suggestions were highlighted by the NNOPC:

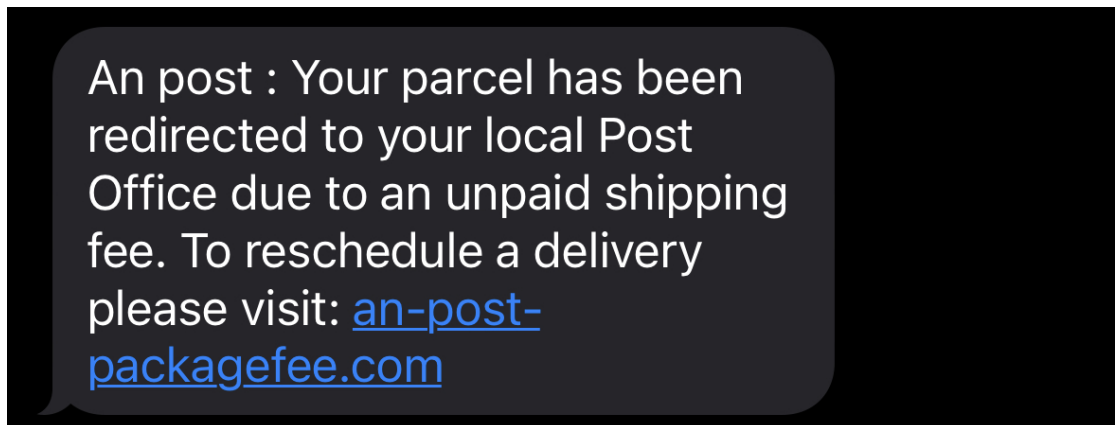
- In the interest of safety for older aged people, the implementation of An Post Delivery boxes was suggested. This would mean that parcels or letters could be delivered without needing to answer the door. Only the addressee and postman would be in possession of the keys for this box
- Free postage to nursing homes were discussed. This initiative during COVID was well received but AFI and the NNOPC were informed that this had ended. A return of this service would be most welcomed by both AFI and the NNOPC.
- As one member of the NNOPC described, their current postman had introduced them to a new postman who was going to be active in their area. This was received

positively, as the introduction created familiarity and trust. This action would be particularly helpful for older aged persons in rural areas.

Concerns

There were a number of concerns expressed regarding the current Universal Postal Service.

- A safety concern was raised regarding the potential impersonation of postmen approaching homes of older aged people. While AFI and the NNOPC were informed that it would be an issue for An Garda Síochána as the matter would be criminal in nature, both AFI and the NNOPC would like to highlight this issue to ComReg.
- Within the same area as fraud mentioned above, it was suggested that text messages or emails could be sent to inform the addressee that their postman is delivering their mail within a time range as seen with other private couriers like DPD. However, a concern was raised regarding the recently increased volume of scam texts as shown by the figure below:



This highlights a potential issue as older aged people may have difficulty discerning what is credible.

- An issue surrounding the routes of postmen were mentioned. It was felt that having the same postman every day was important as it showed familiarity. The concern focuses on older aged people feeling anxious if there is inconsistency in who is delivering their parcels which then raises the fear of potential fraud.

Priority recommendations

AFI and the NNOPC recommend the following regarding COMREG's 2024 strategy:

- The re-introduction of free postage to nursing homes as was seen during COVID

- Installation of Delivery post boxes for older people to reduce risk and increase safety.

References

- World Health Organization () Measuring the age friendliness of cities and communities: A compilation of possible indicators
- Measuring the Age Friendliness of Cities: A Guide to Using the Core Indicators
- Communications Regulation (Postal Services Act) 2011
- Consultation on proposed Postal Strategy Statement 2024 – 2026 (ComReg 23/91)
- ComReg reports An Post's performance for next-day delivery of mail in 2022 (ComReg 23-63a)

For further details concerning the above submission please feel free to contact Catherine McGuigan, Chief Officer, Age Friendly Ireland Shared Service Centre, Meath County Council, Buvinda House, Navan, Co. Meath. Email: Catherine.McGuigan@meathcoco.ie

2 An Post

AN POST SUBMISSION TO COMREG'S PROPOSED POSTAL STRATEGY STATEMENT 2024

1. Introduction

- 1.1. ComReg published its proposed Postal Strategy Statement 2024 – 2026 (the “Proposed Strategy”) on 26 September 2023. An Post welcomes the opportunity to comment.
- 1.2. As digitalisation continues to considerably shift the postal landscape, it is key that the sustainability of the universal service and the postal network which supports same is ensured into the future. It has been highlighted by the Universal Postal Union (“UPU”) that the percentage of revenue obtained from letter post has fallen from above 50% in 2005, to 34% in 2021 with a steady decline due to e-substitution forecast.¹
- 1.3. As evidenced during the COVID-19 pandemic, State-designated Universal Service Provider (“USP”) play a critical role in the provision of essential services of social and economic interest. Ensuring the availability of such services and citizens’ right of access to a single global postal network is ever more essential through various geopolitical crises including mass humanitarian migration due to war and the effects of climate change. During such times of crisis An Post has prioritised delivery of its core purpose to serve the common good, now and for generations to come. Throughout the pandemic An Post maintained an almost ubiquitously open post office network for Irish citizens, while ensuring the delivery of postal products throughout the lockdowns.
- 1.4. In terms of sectoral trends, in addition to the aforementioned decline in traditional mail, there continues an unstoppable growth in packets and parcels volumes driven by the ever increasing growth and scope of e-commerce and e-substitution.
- 1.5. Therefore, it is important that the benefits provided by (“USPs”) are appropriately leveraged and protected. It has been recently highlighted by the Universal Postal Union that²:

“A well-developed and functioning postal sector serves as a critical factor in bolstering a country’s resilience and economic growth in both prosperous and challenging times... the strength and reach of a country’s postal system can be viewed as a barometer for its overall economic health and social equity... it [has become] clear that postal infrastructure plays a meaningful role in [the] post-pandemic recovery”

It is our view that An Post represents more than just a services provider for our citizens, instead An Post is part of the very sinew that binds families, communities and the nation together. To view the postal network and strategy, simply in terms of products, services is to misunderstand that our network is part of the social fabric of a global and interwoven community that is connected to each other via post.

2. Postal Strategy 2024-2026 Questions & Objectives

Q. 1 Do you agree with the proposed three strategic Goals? In providing your view, please also provide supporting evidence.

The goals posited by ComReg are key pillars in ensuring the continuity and sustainability of the postal network. However, it is important that such goals are alive to the expressed needs of postal users:

Goal 1: Ensure a universal postal service

It is important to note that at global, European and domestic levels that postal networks and postal traffic are unique, individuate and differentiated from all other sectors. Moreover, it is important that USP sustainability is championed and prioritised in a market where continued decline is the expected trajectory.

¹ Universal Postal Union, *State of the Postal Sector 2023 – A Hyper-Collaborative Path to Postal Development*, (Berne, 2023).

² *Ibid.*

Goal 2: Promote and protect the interests of postal service users

The landscape that An Post is operating in is changing rapidly and to meet postal user. Fair, reasonable and proportionate regulation is the ask both now and into the future. Citizens need to be placed in the front and centre in the service planning and delivering of any regulatory regime.

Goal 3: Promote the development of the postal sector

Our concerns are outlined above and discussed below in Section 3.

Q. 2 Do you agree with the proposed six strategic Objectives associated with the Goals? In providing your view, please also provide supporting evidence.

An Post, will comment on each of the objectives specifically:

Objective 1: Assess the reasonable needs of postal service users

ComReg recently ran a consultation proposing an update to its Consultation Procedures.³ As stated in our submission to that public consultation, stakeholder engagement procedures should promote, develop and implement a coherent and integrated approach to engagement in the decision-making process. In our view that ComReg's procedures do not go far enough in securing this objective.

Objective 2: Monitor compliance with universal postal service requirements

It is our view that compliance and monitoring procedures need to be updated, re-orientated and reconstituted. An Post believes that current requirements, particularly in relation to the measurement of universal service quality of service, should evolve in line with user needs and technological advances. An Post is keen to engage with ComReg to develop metrics and procedures that ensure consumer needs and USP sustainability can be ensured into the future. For detailed specifics, please refer to [3.8.] below.

Objective 3: Empower postal service users by ensuring the availability of accurate and appropriate information

It is essential that vulnerable and digitally disadvantaged users should be protected. The right to receive physical lettering (i.e. utility bills, financial statements, insurance renewals etc.) as a non-cost option should be protected for all who need and/or wish to receive same.

Objective 4: Protect postal service users by ensuring the availability of complaints and redress procedures

Complaints and redress procedures should be implemented and developed in a fair, reasonable and proportionate manner.

Objective 5: Promote the development of the postal sector by providing research, data, and information

An Post wishes to highlight the following:

- Stakeholder engagement procedures should promote, develop and implement a coherent and integrated approach to engagement in the decision-making process. In our view that ComReg's procedures do not go far enough in securing this objective;
- It is our view that compliance and monitoring procedures need to be updated, re-orientated and reconstituted in line with actual citizen needs;

³ Commission for Communications Regulations, *Consultation Procedures Review*, (23/73, 28 July 2023).

- The right to receive physical lettering as a non-cost option should be protected for all who need and/or wish to receive same.

Objective 6: Facilitate the development of the postal sector by delivering our legal mandate

An Post wishes to enumerate the following:

- There should be a re-engagement between ComReg and the An Post teams on the Accounting Direction and its appropriateness in the current landscape;
- There should be a re-evaluation of the Quality of Service Requirements and its appropriateness in the current landscape;
- There should be a re-evaluation of the Real Mail Studies (“RMS”) methodology. As currently formulated the RMS methodology is onerous, expensive and out of touch with modern realities;
- Further regulation of USP would be entirely disproportionate. Instead USO Sustainability should be prioritised;
- Citizens should be placed front and centre in service planning, delivery and implementation in order to ensure that the Universal Service represents the actual needs of citizens.

Q. 3 In your view, is there anything that should be added to, or omitted from, the proposed Strategy Statement? In providing your view, please also provide supporting evidence.

Please refer to our answers and submissions.

Q. 4 In your view, is there anything ComReg should be doing to promote the development of the postal sector and to facilitate the development of competition and innovation in the market for postal service provision? In providing your view, please also provide supporting evidence.

- ComReg should support and advocate for simplifications of the Union Customs Code and the differentiated nature of State-Designated Universal Service Providers and as a result, Postal Traffic. Such changes and acknowledgements are essential to ensure that An Post can continue to support the interconnectivity of communities, international trade flows, the economy and society more generally.
- Further regulation of USPs would be entirely disproportionate. Instead USO Sustainability should be prioritised;
- Carbon emissions targets should be set for all delivery operators and we urge ComReg to consider what could be done to ensure that all postal and delivery operators work to continuously improve their environmental performance;
- The right to receive physical lettering as a non-cost option should be protected for all who need and/or wish to receive same.
- Compliance and monitoring procedures need to be updated, re-orientated and reconstituted.

3. Submissions on the Postal Strategy 2024-2026

A. The Differentiated Nature of Universal Service Providers and Citizen-to Citizen (“C2C”) Mail Flows

- 3.1. The introduction of EU Electronic Customs data requirements under the UCC and the associated mandatory upgrading of National Import Systems (NIS) on 1st January 2021, marked a watershed regime change in customs operations across the EU. The changes required new electronic data customs filings and advance electronic data for all postal mail flows from non-EU countries and moved EU Customs to a paperless and fully electronic environment.
- 3.2. These extensive changes to EU customs regulations governing goods entering and leaving the EU also coincided with the UK leaving the European Union and changes to EU VAT regulations resulting in the removal of the €22 import VAT *de Minimis* rule in July 2021.

- 3.3. Due to the asymmetry of trade between Ireland and the UK, An Post and Irish postal users have been uniquely and disproportionately affected by these changes in comparison to European counterparts.
- 3.4. Irish Revenue, moved immediately to implement the new advanced electronic data requirements via a new electronic national import system on 1st January 2021, with maximum stringency.
- 3.5. The European Commission Proposal for the recasting of the Union Customs Code does not acknowledge the differentiated nature of State-designated Universal Service Providers (“USPs”) within the EU, operating as part of a single global postal territory, governed by the UPU, nor does it specify the role of post offices operating either within the EU or across the globe. This presents clear challenges for citizen-to-citizen postal traffic from 3rd countries and their post office networks, particularly in view of the ongoing humanitarian migration flows occurring due to global security and climate challenges.
- 3.6. Not only do USPs hold a unique position legislatively, but also in the type of flows that move through the business. Citizen-to-Citizen postal traffic requires particular attention. At the heart of the UPU Convention is the concept of a “single postal territory” to ensure the barrier and discrimination free movement of postal items. Citizens displaced due to regional instability, whatever its cause, should be assured of their right to access a single, affordable global postal network to be able to communicate and trade with one another.
- 3.7. USO postal operators serve Irish citizens and small businesses, postal operators operate an international and reciprocal network that is differentiated from the courier/ platform model, ComReg should support and advocate for simplifications of the current customs regime which are essential to ensure that An Post can continue to support the interconnectivity of communities, international trade flows, the economy and society more generally.

B. Regulatory Burden Should Be Proportionate and Reduced

- 3.8. An Post believes that ComReg should ensure that, in order to protect the sustainability of the USO for all consumers, it needs to ensure that regulation does not adversely become an additional cost of its provision. In particular An Post believes that the following should be done to prevent this concern:
 - **Re-engagement on the Accounting Direction and its appropriateness in the current landscape:** An Post consistently complies and fulfils its requirements as stipulated by ComReg in its Accounting Direction. However, An Post acknowledges that this should be a living document which should reflect the landscape and actual realities with An Post as USP operates within. The objectives must fit within the underlying statutory framework. At the same time, ensuring that reporting obligations are complied with requires that such obligations are clear, transparent and proportionate vis-a-vis the regulated entity. Due process requirements must also be satisfied. An Post remains open to working with ComReg on any necessary and proportionate changes it wishes to see encapsulated in the Accounting Direction.
 - **Re-evaluation of the Quality of Service Requirements and its appropriateness in the current landscape:** An Post welcomes ComReg’s research with consumers in this area⁴, even though An Post cannot accept its findings. In relation to the research:
 - (a) An Post is disappointed that ComReg did not take the opportunity to ask consumers whether they would prefer lower prices instead of faster delivery or vice versa;
 - (b) An Post believes that such a study could have given very detailed and insightful feedback, if more rigorous and thoughtful line of questioning had been adopted.

In this vein An Post must also comment on the current approach for monitoring QoS. An Post believes that QoS requirements, particularly in relation to the monitoring of QoS should be always evolving in line with consumer needs and technological advances. A balance needs to be struck between

⁴ Postal Services Survey, ComReg Document No. 23/91A.

affordability, speed of delivery and frequency of delivery. In the light of the research ComReg should consider;

- Whether the targets for next-day delivery, are in line with current and future consumer needs and expectations; and
 - Engaging with An Post on research so that it can be assured that the right methodology and questions are incorporated into such research.
- **Re-evaluation of the Real Mail Studies Methodology:** As currently formulated the RMS methodology is onerous, expensive and out of touch with modern realities. This needs to be revised in line with modern technologies and it must be ensured that any such study methodology is proportionate.

C. Centrality of Consumer Needs and USO Sustainability

3.9. In a recent report⁵ the ERGP noted that in line with its research the future of postal regulation could be revised in a number way. Two notable recommendation are as follows:

- The universal service can be revised considering a lower level of frequency and a less wide scope; and
- The future USO should take into consideration environmental sustainability.

3.10. An Post believes that a similar perspective in relation to Postal Strategy in Ireland would be extremely beneficial. Moreover, it is suggested that such a regime would allow ComReg to still fulfil its legislative objectives pursuant to the Communications Regulation Act, 2002 and the Communication Regulation (Postal Services) Act 2011 (i.e. to promote the development of the postal sector; the availability of a universal service within, to and from the State for the benefit of all postal service users and to promote the interests of postal service users.) It must be strongly stated that the previously mentioned steps towards USO modernisation would afford An Post the opportunity to innovate at the same pace as changing customer preferences. Further, by reflecting customer needs the USO would consistently be able meet the actual needs of customers into the future and ensure the long-term financial viability of the USO.

D. The Sustainability of the USO v Regulation of Alternative Sectors

3.11. State-designated USP's exist in a fragile environment as a result of continued and widespread, e-substitution. In our view, the regulation of an alternative sector would not ensure the sustainability of the USP to meet citizen's needs. Therefore, Regulators and policy-makers should re-orientate towards prioritising USP sustainability⁶, further regulation of USO's would be entirely disproportionate. Especially in the absence of regulation/absence of further regulation in alternative sectors.

E. The Postal Sector & Environmental Sustainability

3.12. Environmental sustainability is a key concern for An Post and our [Sustainability Report 2022](#) details our achievements to date and our ambitions for the future. However, it particular we must highlight that we are on track to meet our commitment of reducing our carbon emissions from our own operations by 50% by 2025. In our view, carbon emissions targets should be set for all delivery operators and we urge ComReg to consider what could be done to ensure that all postal and delivery operators work to continuously improve their environmental performance.

⁵ European Regulators Group for Postal Services, *Report on the future needs of the USO* (ERGP PL I (23) 7).

⁶ European Regulators Group for Postal Services, *Report on Exploring the Sustainability of the USO* (ERGP PL I (23) 11).

F. Digital Substitution and the need to Protect Vulnerable Citizens

- 3.13. At An Post we are committed to protecting vulnerable and/or digitally disadvantaged citizens. Over the last couple of years there has been marked increase in the number of organisations and business interacting with citizens digitally rather than physically (i.e. e-bills, e-renewal forms, e-insurance discs etc). As the postal sector continues to be drastically changed it is important that all citizens, especially those who are vulnerable and digitally disadvantaged are given the tools to interact and do business through a medium of their choosing and should not be penalised for not being able to adopt/transition to digital mediums.
- 3.14. It is our view that these citizens will continue to rely on more traditional mail services and should be facilitated.

3 Chambers Ireland



Submission to the Commission for Communications Regulation on the Proposed Postal Strategy Statement 2024-26

Submission by Chambers Ireland

October 2023



About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs). Accordingly, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9) and climate action (SDG 13).¹

Chambers Ireland is pleased to contribute to the Commission for Communications Regulation’s consultation regarding the Postal Regulation Strategy 2024-2026, and we welcome the steps taken to gather the views of the business community. This is an important area of policy for our Network of Chambers as our business members rely on an effective postal service that fulfils their operational and commercial needs throughout the year. We look forward to continued engagements with the Commission for Communications Regulation (ComReg) to highlight challenges and potential opportunities for An Post and the wider business community.

¹ The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>



Chambers Ireland's Perspective

Letter mail volumes have continued to decline, and this has disrupted the market for postal and courier services. This decline is caused by the increasing digitisation of society and more efficient, instant and direct communication alternatives. Digitisation provides possibilities for efficient processing and delivery of postal items, it creates the potential for the postal service to build additional added value services onto universal service offerings, while the digital economy has given an impressive boost to the emergence of e-commerce and a subsequent growth in the volume of packets and parcels (in particular postal packages²).

This presents a threat to the continued provision of a universal postal service, however. Throughout the developed nations this decline in the volume of letters has created challenges for the postal sector and continues to drive the need for the efficient delivery of declining quantities of letters. An Post's service in Ireland and needs to be maintained and supported for a variety of social and equity reasons, and from our perspective as a business representative organisation it's services are critical for the ongoing operations of the many thousands of our members which rely on the postal service daily.

A study for the European Commission³ estimates that the business-to-consumer (B2C) e-commerce markets of both goods and services in the EU Member States and EEA member countries increased revenues from €200bn in 2013 to €490bn in 2017, and this increased significantly over the pandemic. The report also found that along with the Benelux countries, Germany, Austria and France, Ireland was one of the top markets for parcel deliveries with more than 16 parcels delivered per capita/year. This creates new opportunities, and also new demands on our logistics systems arising from the increased delivery requirements placed upon the postal sector and given changes to consumer preferences for postal delivery. Many Irish businesses used the pandemic period to create online channels for their businesses. This has opened their broadened the geographical spread of their clientele and so many businesses, particularly in regional areas, are now using parcel delivery services as a core part of their business.

² The European Regulators Group for Postal Services (2019), [Developments in the postal sector and implications for regulation](#)

³ Kalevi Dieke et al., (2019) [Development of cross-border e-commerce through parcel delivery. Final Report](#)



Chambers Ireland has welcomed An Post's work on Climate Action (SDG 13) in transitioning their fleet to electric vehicles, their provision of charging sites,⁴ and enabling Dublin to become the first capital city with zero emissions postal delivery.⁵ This is particularly welcome given the increase in parcels and packets deliveries which has the risk of increasing the environmental impact of delivery services. Given our Network's concerns regarding Climate Action (SDG 13), and our commitment to sustainable cities and communities (SDG 11), we are grateful to have such a strong national brand act as a leader on decarbonisation and a champion of the Sustainable Development Goals.

To ensure the sustained viability of the postal sector, An Post will need to innovate if its services are to be able to continue meeting changing customer needs in this dynamic environment. Critical to this will be the introduction of a regulatory scheme that provides greater flexibility in An Post's service provision. The pace of change in primary and secondary legislation is, by design, slow; there is a risk that by over-specifying the regulatory requirements imposed upon An Post through legislation, rather than guidelines, the Commission may inadvertently undermine the sustainability of services such as the Universal Postal Offering.

⁴ An Post (2021), [*An Post joins global EV100 to accelerate next generation electric vehicles*](#)

⁵ An Post (2020), [*Dublin becomes first Capital City globally with zero emissions postal delivery*](#)



Questions for Consideration

1. Do you agree with the proposed three strategic Goals? In providing your views, please also provide supporting evidence.

Chambers Ireland supports each of the three strategic Goals.

Goal 1: Ensure a Universal Postal Service:

Chambers Ireland strongly supports the continuance of the Universal Postal Service, and we have concerns about some of the language in the existing postal strategy statement that pluralises the term provider, and so could leave room for the inclusion of new universal postal providers. It is Chambers Ireland's view that the network of the postal service system is a national asset, and that many forms of deregulation of that universal service provision carry the risk of undermining that value. Network effects are complex, and it can be difficult to intuit the second order effects that can be introduced when such a system is perturbed. Given the dynamic nature of the sector and the massive shift in activity that was accelerated during the Covid Period, there is a significant risk that an attempt to introduce new Universal Service Providers would result in cherry picking of services and so undermine the broader viability of the network. This has great importance nationally given the range of ancillary services that the postal network provides; from social welfare payment, welfare checks during covid, banking services in regions that are being debranched etc. these services are vital to the regional areas that are supported by the An Post network, and this in turn sustains the economic vitality of many parts of regional and rural Ireland.



Goal 2: Promote and protect the interests of postal services users:

For ComReg to ensure that An Post can maintain a universal postal service efficiently, it is important for ComReg to engage with stakeholders and we welcome this opportunity to engage with the regulator, and we are happy to work with the regulator in their assessment of postal service user needs. To this end, business users are happy to continue to engage with An Post so that they can continue to deliver the services we need for our activities.

Given that we support the continued monopoly of service provision by An Post, Chambers Ireland welcomes Goal 2 and the need for the regulator to ensure that the service provider continues to carry out its function in an efficient and effective manner, while also maintaining the long-term viability of the network asset. While the tangible assets of An Post do not have the same capital intensity as other major networks (such as Uisce Éireann, or EirGrid) their intangible assets are the key source of value for our country and our network of chambers of commerce. It is therefore incumbent upon the regulator to ensure that the value of this network is sustained, and that its economic viability is maintained.

There are multiple pressures on our postal service, obviously there is the competition from the commercial sector in the parcel market, though we take issue with some of the claims that the regulator makes in its discussion document. Given the rapid growth in last mile delivery, both the quality of the services offered by private providers and the timeliness of the deliveries are of a low standard. While the claim is that the e-commerce companies are incentivised to deliver in a timely manner the primary incentive is price. Consumers (both businesses and individuals) have an expectation of poor service provision from many of the private delivery companies and also frequently experience the same poor service across a variety of e-commerce companies because they all use the same provider, so we would argue that there is a far lower incentive on the competition to provide An Post level services than the regulator seems to claim. E-commerce customers do not typically have options when it comes to whom will be delivering their purchases,



and the experience of our members is that parcel deliveries which occur outside of the universal postal service are typically of a lower standard that is expected of An Post. There is also a significant issue in that sector that arises from the use of temporary staff and the high turnover in staff which have difficulties finding the address which the package is to be delivered to, which again is not a feature when using the Universal Postal Service provider.

Goal 3: Promoting the Development of the Postal Sector

Given the dynamic market that An Post is facing (between their Universal Postal Union obligations and the shift towards electronic communications) the regulator will need to work closely with users and the service provider, to ensure that the service is regulated flexibly enough to facilitate the adaptations which An Post is having to make. We understand that many non-business customers would like to ensure that letters and parcels can be delivered on the next day, and but also that a large number of clients may be open to next day+1 deliveries (and indeed even those that demand next day delivery may not be as sensitive to time when it comes to all the post that they receive) Chambers Ireland observes that there may be an opportunity for An Post to optimise its service offerings in line with these demands. The great benefit of digital communications is that they are immediate, and this may be shaping some of the demand for the increased preference for the next day delivery. There could be other ways to assess whether the declared preferences that people express in surveys match their revealed preferences, i.e. if you ask people whether they demand a high quality of service it is likely that they will say yes, however if an experiment was conducted which delayed the receipt of post across a randomly selected group of addresses it may be possible to determine whether the customers had noticed the change in service, and so allow their true preferences to be observed in a less biased manner.



2. Do you agree with the proposed six strategic Objectives associated with the Goals? In providing your view, please provide supporting evidence.

Chambers Ireland supports the Regulators Objectives.

Objective 1: Assess the Reasonable Needs of Postal Service Users

As noted above, we are uncertain that surveys are the only useful means of determining what the reasonable needs of postal service users are, and suggest that more complex methods (whether by the introduction of tiers of services) or through more advanced behavioural insights methods could be useful in assessing the true demand for certain elements of the Universal Postal Service.

Objective 2: Monitor Compliance with Universal Postal Service Requirements

Given Chambers Ireland's support for An Post's continued monopoly of the Universal Postal Service we see the necessity for the Regulator to monitor compliance, but also note that the regulator does need to take care to ensure that methodological biases in their monitoring do not give rise to biased findings.

Objective 3: Empower postal service users by Ensuring the Availability of Accurate and Appropriate Information

Our members are strongly supportive of this measure and see this as a key means of removing uncertainty from their business models. As the private sector service provision of parcels has demonstrated, both individuals and businesses are willing to accept longer delivery periods if it is accompanied by accurate information regarding when the delivery will arrive, and this could provide a great opportunity for An Post to create internal efficiencies.



Objective 4: Protect Postal Service Users by Ensuring the Availability of Complaints and Redress Procedures

This role is central to the regulator must play given the market power of An Post.

Objective 5: Promote the Development of the Postal Sector by Providing Research Data and Information

An element to consider with regard to Objective 5, is that the data environment which the regulator is working within is relatively sparse. It is the service provider that has access to the data, though only for services which are within the range of the Universal Service Provision. The regulator should, however, have a strong role in facilitating An Post regarding how the gather and utilise their data and help them identify best-in-class data management techniques and technologies from across the range of international markets. We would welcome the gathering of more data regarding the service preferences of business users, and it may also be useful to consider comparing consumer attitudes towards competing service providers (particularly with reference to Objective 4) to ensure that like for like comparisons are being fairly made (as it is likely that for non-business consumers they may be comparing their parcel services against their letter services, rather than comparing the provision of An Post parcel services relative to their competitor parcel service providers).

Objective 6: Facilitate the Development of the Postal Sector by Delivering our Legal Mandate

Again, this is a key role which the regulator must play given the market power of An Post.



In your view, is there anything that should be added to, or omitted from, the proposed Strategy Statement? In providing your view, please also provide supporting evidence.

The continued decline in letter mail volumes arising from electronic substitution, the changes to end user needs and preferences, and the continued competition and growth within the packets and parcels sector remain central to the forthcoming strategy.

Further considerations to be taken into account include an increase the number of units to be delivered. This has knock-on effects on delivery times and the capacity of postal vehicles to carry loads. Customer preferences for more sustainable postal delivery methods are also on the rise and so sustainable development (be that economic, environmental, or social and societal) is an essential consideration that must be at the core of the next postal strategy.

The Universal Postal Union has highlighted that sustainable development “contributes to improved business efficiency and resilience, strengthened customer relationships, and the development of new markets”.⁶ To this end our postal operator has invested in sustainability and has built trust within our local communities which has facilitated SMEs to develop sustainable supply chains.

The increase the e-commerce volumes continues to attract new entrants into the parcel segment, making it a very competitive environment which is reflected in the lower share of parcel deliveries of postal operator incumbents across the EU.⁷ Aside from the business competition, new players that enter the parcel segment often use new business models, such as new technologies and different employment contracts.⁸ Some competitors offer competitive user rates and contracts but are not regulated to the same extent.⁹ This can lead to regulatory arbitrage, whereby these firms take advantage of the lack of rules and

⁶ Universal Postal Union (2021), [Sustainable Development](#)

⁷ Copenhagen Economics (2019), [Postal Services in the EU](#)

⁸ Different types of employment contracts offered include part time employment, temporary employment, performance-related pay contracts, flexible employment, self-employed contracts, and subcontracted workers.

⁹ Copenhagen Economics (2019), [Postal Services in the EU](#)



regulations in out compete incumbents – in this case, An Post. It often takes a long time for regulation to catch up to these businesses, meaning that competing businesses can cherry-pick certain favourable elements of the package/parcel business while not having to meet the USO regulations.

In upholding Decent Work and Economic Growth (SDG 8), ComReg should consider how the gig economy is impacting the postal delivery sector. Unlike providers which depend on the gig economy for the low-cost delivery of its services, An Post is an employer which invests in its employees and is committed to providing all employees with fulfilling, secure careers with opportunities for professional development. An Post has also maintained its commitment to no zero-hour contracts.¹⁰ This attitude towards workers needs to be considered and supported by the regulator to ensure that An Post’s stance on quality employment does not put them at a competitive disadvantage to other providers which engage in this form of regulatory arbitrage.

¹⁰ An Post (2020), [Sustainability Report 2020](#)



While the postal service has a significant environmental impact, it is also part of the solution. The sector has the most advanced transport network in the world, and in most cases, postal operators are also the owners of the biggest vehicle fleets nationally.¹¹ As such, the sector is a powerful agent for change. ComReg should consider the following recommendations in the next Postal Regulation Strategy to respond to these challenges faced by the sector:

1. Green Electric Fleets

Although fleet electrification in the ‘last mile’¹² is well underway across Ireland,¹³ the main challenge is greening long-distance transport which will ultimately require zero emissions trucks. Though it must be noted that An Post deployed its first ever 7.5 tonne electric trucks to its electric fleet in 2020, benefitting the health and air quality of people living and working in Dublin city, this needs to be radically expanded in the coming years for people living and working in cities, towns and villages all across Ireland.

2. ‘Last mile’ Infrastructure

The pandemic has dramatically changed consumer habits, as the lockdown restrictions made shopping in-store largely unavailable leading consumers to turn to online shopping. This sudden change in market conditions served as a propellant for e-commerce and it has exponentially escalated unlike ever before. Across this period, postal and courier services faced massive parcel volumes that proved difficult to sort

¹¹ Universal Postal Union (2021), [Environmental Sustainability](#)

¹² The ‘last mile’ in logistics is defined as the movement of goods from a transport hub to the final delivery destination.

¹³ An Post (2021), [An Post joins global EV100 to accelerate next generation electric vehicles](#)



and deliver on time. Moreover, it increased the number of postal delivery vehicles on the roads, adding to the emissions problem the sector continues to face.

The green transformation represents a significant challenge for postal services, because at the same time the parcel business is growing, and the number of deliveries is constantly increasing. Studies show that ‘last mile’ delivery significantly increases CO₂ emissions and urban traffic congestion.¹⁴ The ‘last mile’ will be a key battleground in the future to manage both environmental sustainability problems and new entrants in the parcel delivery area in direct competition with An Post.

To overcome and prevent future backlogs in the postal and delivery systems, especially at busier periods in the winter, to tackle the growing emissions problems, and to enable contactless delivery,¹⁵ parcel lockers should be considered in future postal services planning. These lockers offer an ideal channel with sufficient capacity, simplicity and availability and are more suited to today’s pace of life.¹⁶ The increase in remote working also makes this a dynamic environment. As more and more people continue to relocate, either on a permanent or temporary basis,¹⁷ there is an increasing need (and opportunity) for rerouting deliveries – an additional Universal Service Offering which An Post could provide.¹⁸

Automated parcel lockers can also improve the first attempt delivery rate, and delivery vehicles will have to make fewer ‘rounds’, thereby further reducing emissions. Examples of this working in action include France’s La Poste which has deployed pick-up stations with

¹⁴ European Environment Agency (2019), [The first and last mile – the key to sustainable urban transport: Transport and environment report 2019](#)

Marta Viu-Roig and Eduard J. Alvarez-Palau (2020), [The impact of E-Commerce-Related Last-Mile Logistics on Cities: A Systematic Literature Review](#)

¹⁵ This was highly convenient at the time of global pandemic when social distancing and avoiding crowds and may continue to have utility.

¹⁶ Universal Postal Union (2021), [Parcel lockers can contribute to the fight for a sustainable future](#)

¹⁷ The Irish Times (2021), [The new WFH: How to work from holiday](#)

¹⁸ An Post could also increase its USO if it were allowed to provide **same-day delivery** for retail businesses; **holding deliveries for a fixed charge**, thereby increasing the value of the local post office to communities all across the country; and **virtual addresses** (such as a P.O. Box) that could re-route to a dynamic address. For example, for people having to move addresses quickly, those who use digital hubs, or those who have to relocate for certain periods of time throughout the year, such as medical interns, but do not want to continuously re-route post.



parcel lockers at post offices and in high traffic areas.¹⁹ As well as that, different operators collaborate to improve efficiency in the value chain. For instance, Dutch PostNL combines logistics flows from other companies to reduce the volume of traffic in city centres.²⁰

Aside from parcel lockers, other options for ‘last mile’ infrastructure to reduce the environmental burden include e-bicycles for local town and city deliveries, where practical. These vehicles, usually an extended-frame bike with room for cargo in the front, can move nimbly through city streets using bike and bus lanes, take shortcuts, and park close to their destinations with loads up to 300 kg.²¹ Furthermore, studies of electric cargo bikes in London found that they made deliveries 60% faster than traditional vans, and with 90% less emissions compared to diesel-powered vans and 33% less emissions than electric-powered vans.²² While cargo e-bikes are unable to handle every delivery, especially in more rural areas, replacing just 10% of the delivery miles currently covered by vans would save an estimated 133,300 tonnes of CO₂ per year in London.²³ We would likely see similar results in towns and cities across Ireland if cargo e-bikes were introduced here.

However, to promote this and other technological and infrastructural innovations there must be room for greater regulatory proportionality that does not adversely impact the implementation of such innovations and advancements. This too will support the development of industry, innovation and industry (SDG 9). As the main postal operator in the country, An Post must be able to compete with incumbents in this area and not in a less advantageous position to innovate with ‘last mile’ solutions. Chambers Ireland recommends that this be considered in the next Postal Strategy Statement to enable the speedier implementation of future postal service innovations allowing the sector to respond to approaching and unexpected challenges, as was witnessed throughout the pandemic.

¹⁹ Copenhagen Economics (2019), [Postal Services in the EU](#)

²⁰ Copenhagen Economics (2018), [Main Developments in the Postal Sector \(2013-2016\)](#)

²¹ Camille Squires (2021), [Electric cargo bikes will deliver your next package—if US cities embrace them](#)

²² Collignon et al., (2021), [The Promise of Low-Carbon Freight: Benefits of cargo bikes in London](#)

²³ Ibid



3. In your view, is there anything ComReg should be doing to promote the development of the postal sector and to facilitate the development of competition and innovation in the market for postal service provision? In providing your view, please also provide supporting evidence.

The postal sector is continuing to evolve at a very fast pace and challenges to letter and parcel delivery must be carefully handled in a way that protects the customer and the national postal operator. As such, the changing user needs must be constantly at the forefront of ComReg's future strategies. In addition, the proportionality of ComReg's regulation of the national postal operator must be regularly evaluated, with feedback from the operator and customers encouraged.

Changing user needs

Rapid volume declines in letter mail and a substantial growth of parcels delivery are an expression of underlying, deep-seated developments in technological advancement, digitisation of society and changes in consumer behaviour and preferences of end users of postal services. While many postal service users are moving away from letters and using digital forms of communication instead, other social developments such as increased urbanisation and an ageing population increase the role of the USO, demanding a basic postal service level for vulnerable users in less-populated rural areas, or elderly persons that may not have access to digital alternatives of communication. Such changes and developments manifest themselves in a fundamental shift of interpersonal communication, new businesses and business strategies (e-commerce, innovative delivery services, e-substitution). The postal regulatory environment needs to reflect that.

It must also reflect the fact that the service must provide for the needs of all users via the medium that they choose, be that digital or otherwise. Chambers Ireland believes that



ComReg must place a greater emphasis on users' needs by firstly determining what exactly these needs are and secondly, precisely determining how the USO can adapt to these changing user needs, ensuring that financing from the state is used to provide services at a high quality and for good value.

Regulatory proportionality

To ensure the sustained viability of the postal sector, An Post will need to innovate if its services are to be able to continue meeting changing customer needs in this dynamic environment. Critical to this will be the introduction of a regulatory scheme that provides greater flexibility in An Post's service provision. Regulation must be proportionate. Reducing certain time-consuming and costly regulations²⁴ will have a positive effect on the innovation of the business while also putting the needs of consumers to the forefront of its strategy.

Furthermore, the pace of change in primary and secondary legislation is, by design, slow; there is a risk that by over-specifying the regulatory requirements imposed upon An Post through legislation, rather than guidelines, the Commission may inadvertently undermine the sustainability of services such as the Universal Postal Offering.

²⁴ Commission for Communications Regulation (2012), [*Postal Regulatory Framework Implementation of the Communications Regulation \(Postal Services\) Act 2011*](#)

4 Tico Mail Works

ComReg Consultation on proposed Postal Strategy Statement 2024-2026

Response by Tico Mail Works Ltd¹, author Alex Pigot, Managing Director²

Introduction

Some services in a state are perhaps, best left to the state to provide. Services such as water, education and health come to mind. Such state services all have a universal services obligation, i.e., that all citizens enjoy the same level of service which is provided by the state.

Similarly, the postal services universal service provider, (which in Ireland is currently An Post) is obliged to provide a universal service.

When an organisation is a universal service provider, they are called a service of general economic interest³.

And as a service of general economic interest a universal service provider may receive state aid⁴ to provide a universal service.

Where a universal service provider cannot commercially provide an affordable⁵ universal service, the state should therefore be requested to provide state aid. This aid can be both financial and also provide a beneficial legally binding economic environment.

Consultation Questions on proposed Postal Strategy Statement

Based on the above introduction we now answer the consultation questions below.

¹ Tico Mail Works Ltd (www.ticomailworks.ie) is a bulk mail producer and an authorised postal service provider. Our mission is to deliver a world class mailing and postal service to our customers, providing for our employees a satisfying career, our suppliers a trustworthy professional business partner, support for the community, protection for the environment, and at the same time doing what we can to help achieve the UN SDGs. We aim to be carbon neutral by 2030.

² Alex Pigot, 63, has been involved in postal affairs since the 1970s when he worked as a postman to pay his university fees. He has founded and run a bulk mail production company for over 35 years based in Dublin, Ireland (www.ticomailworks.ie). He was a member of the government's postcode working group and postcode project board in the mid 2000s and put together and advised the team which won the contract to design and maintain Ireland's postal code Eircode in 2014. He was a member of the UN affiliated Universal Postal Union (www.upu.int) Consultative Committee from 2005 to 2018 and their addressing group from 2009 to 2018 also. In 2013, responding to the UPU's "Addressing the World – An Address for Everyone" initiative, he co-founded with Tina Roche the not-for-profit company Addressing the Unaddressed, whose mission is to provide postal addresses to underserved communities, especially slum dwellers and others who live in unplanned settlements. (www.addressingtheunaddressed.org).

³ <https://eur-lex.europa.eu/EN/legal-content/glossary/services-of-general-economic-interest.html>

⁴ https://ec.europa.eu/competition/state_aid/overview/new_guide_eu_rules_procurement_en.pdf

⁵ As per tariff principles (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008L0006> – first postal directive)

Q. 1 Do you agree with the proposed three strategic Goals? In providing your view, please also provide supporting evidence.

Yes, we agree in general with the goals. Specifically, we ask that ComReg be supportive and work with the universal postal provider to ensure an affordable universal service, and at the same time be protective of the interests of postal users and helping to develop the postal sector.

Q. 2 Do you agree with the proposed six strategic Objectives associated with the Goals? In providing your view, please also provide supporting evidence.

While the objectives are worthy, they need to go further.

ComReg should view the postal market as one to be nurtured and developed. And that they become an active part of this nurturing and development, encouraging government and competitive postal service providers to collaborate and work together to support the universal service provider.

In particular - ComReg must ensure that competitive postal service providers do not choke the sustainability of the universal service provider and that that postal users have a service which is not only universal, but affordable and non discriminatory. If competitive postal service providers to the universal postal provider choke the universal postal provider of business, then the universal postal service provider will not be able to provide an affordable service and will need to request from government even more state aid or increase prices to postal users so that they become unaffordable.

Q. 3 In your view, is there anything that should be added to, or omitted from, the proposed Strategy Statement? In providing your view, please also provide supporting evidence.

While promotion and observation of the postal market is a given for ComReg, a more hands on attitude to the postal market should be followed. This should involve government, the universal service provider and ComReg looking at the postal market in Ireland with a view to ensuring its sustainability.

One area in particular that should now be examined is the last mile delivery by the universal service provider of mail items which fall under the universal service provision (i.e., weighing less than 20kg). The EU is already looking at this area, in terms of reducing the carbon emissions involved⁶. And our government has set up a working group to look at this also (Urban Transport-Related Air Pollution (UTRAP) Working Group)⁷.

What ComReg, in conjunction with our government (and UTRAP) and the universal provider should be examining is how to achieve a last mile delivery system whereby ONLY the universal service

⁶ https://transport.ec.europa.eu/transport-themes/urban-transport/zero-emission-urban-freight-logistics-and-last-mile-delivery_en

⁷ <https://www.gov.ie/en/publication/3f634-urban-transport-related-air-pollution-utrap-working-group/>

provider is carrying out the delivery. (I.e., all other postal service providers will be required to hand over to the universal service provider, at USP local sorting office level, their mail items, which weigh less than 20kg, for delivery to residential addresses in the area served by that sorting office.)

Q. 4 In your view, is there anything ComReg should be doing to promote the development of the postal sector and to facilitate the development of competition and innovation in the market for postal service provision? In providing your view, please also provide supporting evidence.

See answer to question 3, which in a sentence is: - ComReg should work with government and the universal service provider (after researching the concept with competitive postal service providers and postal users) to require that all last mile postal deliveries of mail items weighing less than 20kg to residential addresses for all competitive postal service providers are carried out by the universal postal service provider.

This not only supports the sustainability of the universal postal service so benefitting postal users, but also reduces the carbon footprint of deliveries, and improves air quality, particularly in urban areas.