



An Coimisiún um  
**Rialáil Cumarsáide**  
Commission for  
**Communications Regulation**

# Postal Strategy Statement

**2020 – 2022**

Submissions to Consultation Document No.  
19/90

## **Submissions to Consultation**

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**An Coimisiún um Rialáil Cumarsáide**  
**Commission for Communications Regulation**

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## Submissions Received from Respondents

| Consultation:             | 19/90  |
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# 1: An Post

## ComReg Draft Postal Strategy Statement 2020 – 2022

### An Post Submission to ComReg Document No 19/90

An Post welcomes the publication of the Draft Postal Strategy Statement 2020 – 2022, and wishes to make a submission to ComReg’s public consultation in respect of this Draft Statement.

An Post has worked diligently to implement its new corporate strategy, which has resulted in a significant improvement in the company’s financial position over the past number of years. This has produced a turnaround from a €12.4m loss in 2016 to a €41m profit in 2018, thus improving the business’s sustainability and security in its role as the universal postal service provider.

In implementing its new corporate strategy An Post has sought to innovate and secure a more sustainable future for the business. An Post is continuing to address the numerous challenges it faces by reducing costs, securing external funding and ensuring that pricing is affordable and cost-oriented.

In parallel, in order to address the globally experienced structural decline in traditional mail volumes due to e-substitution, An Post has made a conscious decision to accelerate investment in e-commerce products and services, and the associated infrastructure and people, required to deliver on this identified growth opportunity.

This transformation from an old world of declining mails into a new world of eCommerce has been dramatic and successful. Irish consumers have been the greatest beneficiaries of this transformation. Today, deliveries are now made six days a week and in the evenings. In addition, there are a whole range of omni-channel services and innovative digital interfaces, not previously available, which ensure that Irish customers have access to one of the best postal services in the world: one that is responsive to how our customers live, connect and do business. For example, An Post:

- has instituted Saturday and evening deliveries (a first in Ireland);
- is the only carrier in Ireland offering up to 3 delivery attempts as standard;
- has introduced an express service from the UK;
- has modified our IT system to enable virtual scanning of any labels from retailers (An Post is the only carrier in Ireland to have this capability);
- has introduced a globally recognised state-of-the-art Customer Experience Management dashboard<sup>1</sup>;
- has introduced Return Pal (and remain the only APP in Ireland to offer a label-less return solution);
- has rebuilt and rebranded our entire digital estate;
- has launched a new Parcel Delivery Manager for customers to manage and re-route their parcel delivery in-flight;
- has created a new eCommerce capability; and
- has introduced a network of parcel lockers.

In terms of sustainability, An Post is fully committed to achieving the five UN Sustainable Development Goals most relevant to the postal sector, namely decent work; sustainable communities; climate action; innovation and partnerships; and responsible consumption and production.

An Post is the first State company to produce a Gender Pay Gap Report and Action Plan, which shows the gender pay gap at An Post is 3.71% compared to a 13.9% average for Ireland. In addition to further action across the remaining identified UN Sustainable Development Goals, we are also taking an active leadership role in delivering on the All of Government Climate Action Plan. Our aim is to deliver the nation’s post in a fully sustainable way, producing zero emissions. It all starts in the heart of our capital, using our new fleet of zero emissions vehicles, which will be fully deployed between the canals by the end of this year, and to all cities across Ireland by the end of 2020. An Post aims to reduce carbon emissions by 50% by 2030, and completely by 2050.

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<sup>1</sup> <https://www.anpost.com/Media-Centre/News/Oracle-says-An-Post-you-re-a-winner>

Responses are provided below to the specific Consultation Questions posed in ComReg 19/90a. An Post is satisfied to provide further clarity or information in support of the points raised in this submission, if required.

## Responses to Consultation Questions

**Q.1 Do you agree that Chapter 2 captures the most important sectoral trends and challenges over the period 2020 to 2022? In providing your view, please also provide supporting evidence.**

In general, An Post is satisfied that the Draft Statement correctly identifies the key trends and challenges confronting the postal sector. An Post does, however, wish to comment on a number of points raised in Chapter 2 of the Draft Statement.

### ***An Post's Financial Position***

Since 2017, An Post is one of the most transformed companies in the State, both in terms of its financial position and its centrality to Irish life and the economy. At section 34 of the Draft Statement, ComReg comments on the necessity to counter and limit the effect of volume decline on An Post. One of the most appropriate measures available to counter and limit the effect of volume decline on the company's ability to successfully operate as the universal service provider is to ensure financial robustness of the company to continue to operate with solvency.

By implementing a transformative programme of revenue growth and cost efficiencies across a number of revenue lines the An Post Management Team has delivered a turnaround from a €12.4m loss in 2016 to a €41m profit in 2018. This turnaround has strengthened our ability to attract additional financial support from institutions such as the European Investment Bank and the domestic banks, and it enables us to accelerate our investment in new products, processes and services, while keeping a relentless focus on achieving ever greater efficiencies within the business.

At section 57 ComReg attributes the improvement to the company's financial position over the past two years to a series of one-off transactions. While such transactions have contributed to An Post's improved liquidity, the company has made meaningful strides in its core business lines, such as the achievement of 40% year-on-year growth in the parcels market. In fact, the profit before transformation costs, pension interest and taxation, excluding one-off items of €41.2m in 2018 compares very favourably with a profit of €8.4m in 2017.

Additionally, An Post has engaged in considerable planning and redesign of its network to respond to the significant and terminal decline in mail volumes, and has relentlessly pursued efficiencies where these are achievable. This is within the context of the constraints set out in legislation which require An Post operate the universal postal service on each working day.

By the end of 2017, the An Post Management Team, working collaboratively with its Unions, jointly implemented a cost efficiency programme that resulted in a reduction of 333 front line delivery FTEs, which has been followed with a further 150 FTE reductions. The decision this year to close Cork mail centre adds a further 200 reductions.

This achievement places An Post in the upper quartile of postal operators in terms of achieving efficiency. Our observations on the sector globally are that the capacity of good operators to reduce headcount is between 2% and 4% per annum with 4% being a very good achievement. We have been performing at the top end for postal operators on this measure. Additionally, in 2018 An Post announced the regrettable but necessary decision to close 159 post offices nationwide.

However, any company's drive for cost reduction must be mindful of such policies' social impact. The post office is often regarded as a focal point of a community, particularly in rural areas. Cognisant of this, An Post has made a social commitment to have a post office in every community of over 500 and 95% of the population will be within 15km of at least one post office in rural areas and within 3km in urban areas.

An Post continues to examine other means by which efficiencies and cost reductions can be achieved within its postal network.

### **Letter Volume Declines**

At section 31 ComReg states, in response to falling letter volumes and growing parcel volumes, that “while this increase in parcel volume is not offsetting letter volume declines at this time, in the future increased parcels could compensate revenue declines arising from lost letter mail volumes.” It is not possible to accurately predict when, or if, parcel revenue will adequately compensate for losses in letter revenue. An Post nevertheless seeks to future proof its network to ensure that it is adaptable to higher-volume parcel traffic, and believes that attendant regulation should encompass the flexibility required to facilitate this shift in network utilisation.

ComReg points out at section 62 of the Draft Statement that large business mailers, who are responsible for sending the majority of letter mail in the country, are sensitive to price increases, which may in turn cause these senders to choose to replace mail with cheaper electronic communications. An Post is extremely conscious of this and engages in detailed market analysis concerning its products for its business customers. However, An Post wishes to note two important factors: firstly, that unlike telecommunication or energy costs, postal costs are not a significant factor for mailers and secondly, that price sensitivity and expressed dissatisfaction with pricing are distinct concepts and the latter does not automatically suggest increased price sensitivity.

Additionally, ComReg’s own Postal service users SME study (ComReg Document No. 19/84b, p. 32) confirmed that only 4% of SMEs interviewed in the study offered price as a reason for reducing the amount of mail sent.

Unfortunately, competitive or low pricing will not protect this class of mail from migrating to electronic communications products over time, and in the view of the company ComReg does not give due acknowledgement to the fact that there are a number of inter-related factors at play: some senders decide unilaterally to stop sending, favouring electronic communication instead for a range of customer service and cost reasons. A series of these decisions can look like a gradual decline. Other senders with large user base migrate users over time, with a portion of their base moving each month: this also shows a gradual decline.

Additionally, companies are increasingly looking to e-substitution to create cost savings across a number of fronts, not just post. For example, a number of firms in the communications industry have moved towards a reduction in retail stores and the migration of customers to electronic communication, ostensibly to reduce costs associated with the employment of customer service staff and lease of buildings. Postal costs saved might only be a small part of the overall business case for increased e-substitution, and this should not be minimised in consideration of this issue.

Ultimately, as electronic communications evolve and companies’ consumer bases become increasingly technologically literate, electronic communications will continue to replace the use of traditional mail, likely at an accelerated pace. This decline is, in all probability, irreversible and will continue, independent of pricing considerations.

### **An Post’s Comparative Pricing**

Section 60 of the Draft Statement states that An Post’s nominal price of €1.00 for a domestic letter sits at approximately the European average of €0.97. It would be more meaningful if ComReg could also include the rate when adjusted for purchasing power differences, a mechanism that attempts to provide a fairer measure of comparison by eliminating the differences in price levels between countries. According to this metric, Ireland’s price for a domestic letter sits at €0.97, some way short of the European average of €1.07. This should be clearly noted in the Draft Statement, and accordingly Figure 4 should be altered to reflect this price comparison.

Additionally, at section 107 of the Draft Statement, ComReg states that, according to the Communications Regulation (Postal Services) Act, 2011, “Prices must be cost-oriented, that is to say, that prices must take account of, and reflect the efficient costs of, providing the postal service or part of the postal service concerned.” This, however, represents an expansion by ComReg of the definition of cost-orientation contained within the Act, which at section 28(1)(b) of the 2011 Act simply states that “prices shall be cost-oriented, that is to say, the prices shall take account of, and reflect the costs of, providing the postal service or part of the postal service concerned”.

While An Post acknowledges the desire for efficient costs, the achievement of efficient costs, as well as the related objective of the overall sustainability of the universal postal service, is a complex matter. This should be considered in the context of ongoing and varying operational and management decisions, and it would be misleading to consider attainment of efficient costs only as a basic price/cost assessment when considering the obligation to provide a universal postal service. Additionally, Recital 38 of the second postal directive states prices should reflect normal commercial conditions and Article 12 says *“prices shall be cost orientated and give incentives for an efficient universal service provision.”*

Further, we note that Article 9 of the second postal directive states that *“[F]or services which fall within the scope of the universal service, Member States may introduce authorisation procedures, including individual licences, to the extent necessary in order to guarantee compliance with the essential requirements and to ensure the provision of the universal service.”*

*Essential requirements are defined in the Postal Directive as: general non-economic reasons which can induce a Member State to impose conditions on the supply of postal services. These reasons are the confidentiality of correspondence, security of the network as regards the transport of dangerous goods, respect for the terms and conditions of employment, social security schemes, laid down by law, regulation or administrative provision and/or by collective agreement negotiated between national social partners, in accordance with Community and national law and, where justified, data protection, environmental protection and regional planning.*

### **Terminal Dues**

At section 68 of the Draft Statement ComReg makes reference to the need to negotiate better terminal dues agreements. As ComReg will be aware, An Post is bound by law, through domestic legislation and Ireland’s membership of the Universal Postal Union, to deliver inbound international mail at rates agreed by the UPU. Notwithstanding the ability of operators to conclude multilateral remuneration agreements within particular regions, with IRA-E serving as one such example, UPU rates of payment remain the predominant remuneration framework for the exchange and delivery of international mail, particularly between developing and developed states.

Terminal dues are supposed to reflect the costs of delivery in the country in which the item will be delivered. However, the UPU rate cap mechanism introduced in 1999 has resulted in terminal dues rates in many countries being well below cost covering levels. Cap rates limit countries with high domestic postage rates to moderate the cost of terminal dues for developing states who send items to developed states.

Terminal dues, particularly for mail moving from developing to developed states, frequently do not meet the costs of delivery in the recipient state. This means that the processing of international mail for net importers, such as Ireland, is often loss-making.

Ireland, rather than An Post, is a signatory of the UPU Treaties. An Post has worked closely with the Irish Government to prepare for UPU Congress meetings and we have raised the issue of the damaging nature of UPU terminal dues, with all relevant stakeholders including the Irish Government, ComReg and the European Commission.

The entry of An Post to IRA-E, and recently agreed terminal dues improvements following a recent UPU Extraordinary Congress in September 2019, have improved, and will continue to improve, the remuneration received by the company in this regard. The Draft Statement appears to evenly distribute the additional revenue that will be derived by An Post from the new UPU agreement on packets, however, it is our understanding that the anticipated gains will be back-loaded to later years. Critically, the new UPU agreement does not extend to letters or flats, which will continue to be loss-making.

Despite An Post’s aggressive pursuit of improved terminal dues, it must be acknowledged that achieving material further change in terms of the remuneration for letters/ flats will be extremely challenging. Similarly, while An Post will continue to press for the best deal available with regard to terminal dues agreements with European operators, cognisance must be had of the limited bargaining power rendered by scale of Ireland’s postal market. That being said, An Post is proud of the role it has played, in conjunction with the State, in working with other



like-minded States to generate much-needed change to the international remuneration system. An Post will continue to engage to achieve change.

### **Environmental Sustainability**

At section 81 it is noted that the postal sector must advance and support the objectives of the UN Sustainable Development Goals regarding climate action. An Post is committed to the five UN Sustainable Development Goals most relevant to the postal sector (decent work; sustainable communities; climate action; innovation and partnerships; and responsible consumption and production), and the company is committed to building a sustainable future now and for generations to come.

As the operator of the largest nationwide fleet An Post has made a leading commitment to reducing carbon emissions and switch to renewable electric delivery vehicles. From the end of this year the company will have only electric vehicles in the City Centre of Dublin, and from the end of 2020 in all cities. An Post aims to reduce carbon emissions by 50% by 2030, and completely by 2050.

**Q.1a In consideration of the sectoral trends and challenges, the European Commission's possible review of the postal regulatory framework and ComReg's postal research, do you have any views on the reasonable needs of postal service users and the appropriate framework, in particular if related to the delivery frequency for universal postal services. Please also provide supporting evidence.**

Research conducted by Frontier Economics on behalf of ComReg, research conducted for An Post, and research conducted by WIK consulting on behalf of the European Commission, all indicated the postal users' needs are moving towards delivery frequencies less than every day.

WIK Consulting's draft results of its study on user needs in the postal sector include:

- The definition of a postal service should be clarified: postal service includes at least one processing in a sorting centre (avoid including food delivery etc.);
- The current PSD enables MS to determine the scope of services within USO flexibly. This flexibility should be maintained;
- The minimum frequency of delivery and collection should be reduced to allow for alternate day delivery. A new minimum frequency should ensure a reliable postal service for all citizens;
- Member States should be free to require a higher frequency of delivery/collection; and
- Cross border transit time requirements within the PSD should be reduced in line with domestic performance targets. At the same time, reliability of cross border services should be enforced by ensuring very high performance for longer routing time (e.g. 99% or more within D+7).

Experience in other countries has demonstrated that less than everyday delivery is becoming more common. For example, Sweden has now moved delivery quality to D+2, Denmark has removed D+1 mail from the USO, with this becoming a priority product, while Finland has discontinued the delivery of USO letters on Tuesdays and has moved to deliver non USO mail on only three days a week in large cities. This trend, in response to reduced consumer demand and falling volumes, is evident across Europe.

**Q.1b ComReg is also interested in the views of postal service providers, including the universal postal service provider on whether any changes to the framework requirements on collection and delivery frequency of the universal postal service would be beneficial to postal service providers. Please also provide supporting evidence.**

Section 16 of the Communications Regulation (Postal Services) Act, 2011, serves to implement Article 3 of Directive 97/67/EC, which guarantees that the universal postal service operates on every working day. This requirement ensures that An Post's network, to comply with its legislative obligations, must be capable of fulfilling this obligation.

As ComReg correctly notes, the majority of post sent in Ireland does not fall within the universal postal service, and is sent by large mailers availing of deferred delivery bulk mail service, largely deferred delivery within three days.

The current USO requirement that the Company provide a network which is capable of delivery five days a week throughout the State must be factored into any potential future restructuring of the postal network.

At section 65 of the Draft Statement, ComReg states that An Post's cost base has not reduced in line with letter volume declines, however this cannot realistically occur where An Post must incur the fixed costs associated with the maintenance of a network capable of delivery to every address in the country five days a week.

As stated earlier, by the end of 2017, the An Post Management Team, working collaboratively with its Unions, jointly implemented a cost efficiency programme that resulted in a reduction of 333 front line delivery FTEs, which has been followed with a further 150 FTE reductions. The decision this year to close Cork mail centre adds a further 200 reductions.

This achievement places An Post in the upper quartile of postal operators in terms of achieving efficiency. Our observations on the sector globally are that the capacity of good operators to reduce headcount is between 2% and 4% per annum with 4% being a very good achievement. We have been performing at the top end for postal operators on this measure. Additionally, in 2018 An Post announced the regrettable but necessary decision to close 159 post offices nationwide.

Furthermore, it is simply not reasonable to expect the cost base to decrease linearly in line with letter volumes. This has been the experience of postal operators internationally who, due to network costs that are largely resistant to reduction in line with volume, cannot achieve linear cost reductions in line with letter volumes.

## **2: Tico Mail Works**

## **“Reference: Submission to ComReg document No 19/90”**

**By email to: [retailconsult@comreg.ie](mailto:retailconsult@comreg.ie)**

### **Tico Mail Works Response to ComReg Consultation on the Draft Postal Strategy Statement 2020 to 2022 – document 19/90**

Tico Mail Works welcomes ComReg’s detailed draft Strategy Statement 2020 - 2022 for the postal sector. In relation to the sectoral trends and goals, we are satisfied that these have all being identified. However, Tico Mail Works wishes to increase the focus in the ComReg draft on three key issues that are critical to the continuation of a viable letter postal market.

Three fundamental key performance indicators of any business are:

- *Pricing*
- *Costs*
- *Meeting customer needs and promotion*

Can the postal industry in Ireland be satisfied that it is addressing these three KPIs? Tico Mail Works would suggest that much more needs to be done and that the Postal Strategy Statement could be more forceful when considering these questions.

#### ***1. Price***

Tico Mail Works wishes to emphasise the overriding importance of section 64 of the Draft Postal Strategy Statement for the bulk mail business.

Tico Mail Works does not believe that there is **any** scope (not even “limited scope”) for further price increases for bulk mail. In the face of ComReg’s accurate assessment, that large senders of post are very sensitive to price increases, An Post has imposed bulk mail tariff hikes of the order of 35% since the removal of the price cap. An Post needs to accept that there is an

incontrovertible case to be made for giving customers a break and reducing bulk mail prices

In ComReg's recent Postal Users Survey of SMEs<sup>1</sup>, jumping off the page is the **low level of satisfaction of SMEs with the price of bulk mail**. Only 10% of SME users are satisfied with bulk mail and meter prices, which is, perhaps, not surprising, given the recent substantial increases in bulk mail tariffs. Significantly, the levels of price dissatisfaction increase with the number of letters sent. So, the most valuable customers are the most dissatisfied. This is alarming.

We note from An Post accounts that bulk mail is a profitable business and therefore there is some scope for price decreases. We believe that such a move will help stem the continuing decrease in mail volumes<sup>2</sup>.

Let us listen to what our customers are telling us: we have a problem with pricing. Accordingly, section 64 might usefully be revised to read as follows.

***64. ComReg considers that given the price increases already made by An Post and given that large senders of post are very sensitive to price increases and have expressed dissatisfaction with the price increases, there is no scope for any further price increases. ComReg remains concerned about the impact of the significant increases implemented since the removal of the price cap and believes that An Post should now prioritise the offering of imaginative tariff options, designed to encourage their customers who produce large volumes of mail to continue to use postal services.***

## ***Section 2. Costs***

### ***(i) General***

ComReg highlights the disconnect between costs and volumes in section 65. Taking account of ComReg's comments in section 64 and informed by our own customers' views, Tico Mail Works believes that An Post has got sucked into the zero sum game of chasing losses, suffered on letter volume declines, with

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<sup>1</sup> ComReg SME postal users survey document 19/84b  
[file:///C:/Users/admin/Downloads/ComReg1984b%20\(4\).pdf](file:///C:/Users/admin/Downloads/ComReg1984b%20(4).pdf)

<sup>2</sup> An Post offer a marketing bulk mail product called Reach+ at tariffs which are lower than those applicable to other bulk mail. However, in the UK Royal Mail tariffs for marketing bulk mail are the same, or slightly more than for business bulk mail. We would propose, therefore, in the context of reducing bulk mail rates, that An Post consider reducing its business bulk mail tariffs in line with those it applies to marketing mail.

price increases. Instead, An Post should redouble the efforts it is making to bring its costs into line. Tico Mail Works notes that the question of costs has been a bone of contention between ComReg and An Post for many years now and urges ComReg to ensure that customers are not being penalised in an effort to recover unsustainable costs incurred.

Section 65 might usefully include a sentence as follows:

***ComReg will continue to monitor An Post's costs and the configuration of postal services, with a view to achieving meaningful reductions in bulk mail tariffs.***

***(ii) Framework requirements on collection and delivery***

Tico Mail Works agrees generally with the point made by ComReg, in section 10(3) of the document, in regard to customers' needs and the present configuration of the postal service. We note, for example, that while the universal service obligation demands a collection and delivery each working day, some postal users in Ireland would be satisfied with a less frequent service. In view of this interesting customer feedback, options to be considered might include an easing of the requirement for a five day delivery service.

It would be useful if ComReg would commit, in its Strategy Statement, to bringing forward options, perhaps in a discussion paper, to expand on framework requirements (with consequent cost reductions) to better meet customers' needs at more realistic prices.

In any event, possible initiatives at EU level, cited by ComReg in sections 74 and 75, will necessitate Ireland developing positions on any new Postal Directive. A ComReg discussion paper would greatly help inform domestic debate on how the State should respond to this planned initiative.

***(iii) Terminal Dues***

Having highlighted this issue for many years past, Tico Mail Works is pleased to acknowledge the efforts being made by An Post and the Department of Communications, Climate Action and Environment to address losses on terminal dues. Nevertheless, the scale of these losses and their continuing and worrying rising trajectory leaves no room for complacency and they should be monitored closely to ensure that the inbound international mail stream no longer loses money for An Post.

Therefore, while noting ComReg's view that it has a limited role, nevertheless ComReg could, in the interests of transparency, revert to its previous policy of reporting on progress with actions on terminal dues, together with informed commentary.

A section 70(a) might usefully be added as follows:

***With due regard to commercial sensitivities, ComReg will continue to issue periodic reports on progress with measures taken to stem losses on terminal dues.***

### ***Section 3. Meeting Customers' Needs and Promotion of letter post***

#### ***(i) What are customers telling us?***

- ComReg's surveys over the past number of years tell us that mail is popular. Here are two examples:
  1. 68% of consumers prefer to receive bills and statements by post<sup>3</sup>;
  2. two thirds of SMEs have not reduced the amount of mail sent over the last three years<sup>4</sup>.
- Prices are too high - see ComReg Postal Users survey document 19/84 referred to in footnote1 above.
- The present framework for collection and delivery needs to be revisited, as indicated in the present ComReg draft Strategy Statement

#### ***(ii) Developing the mails business***

Despite the encouragement our customers give us in relation to letter post, the postal sector is in danger of displaying an unduly negative attitude. Why is this? One gets the impression that, with shrinking mail volumes, some see it as a sunset industry and are embarrassed about promoting it. And furthermore, by

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<sup>3</sup> ComReg Consumer Postal Users Survey document 13/67b  
[file:///C:/Users/admin/Downloads/ComReg1367b%20\(1\).pdf](file:///C:/Users/admin/Downloads/ComReg1367b%20(1).pdf)

<sup>4</sup> ComReg Postal Survey document 19/84b  
[file:///C:/Users/admin/Downloads/ComReg1984b%20\(3\).pdf](file:///C:/Users/admin/Downloads/ComReg1984b%20(3).pdf)

implementing significant price increases for bulk mail, the attraction of a short term fix of temporary increases in revenue is being prioritised over putting in place measures to grow the letter mails business.

Tico Mail Works, in responding to the Price Cap Review<sup>5</sup>, drew attention to the lack of engagement in Ireland with the European wide “Keep me Posted Campaign”. This is in contrast to other countries where the postal authorities are actively involved. If An Post joined this campaign, it would be a useful start.

### **(iii) “E Substitution”**

E substitution is a misnomer. It should be called *e complement*. All businesses (and most citizens) use e communications, including, of course, postal service providers. But in the same way that television did not kill the radio, or air travel the shipping business, there is no reason why e communications should kill the mails business. There is a demand for paper communications and that demand needs to be developed and met. We know this to be true because our customers tells us it is so. Contact with our customers and ComReg’s surveys provide sufficient encouragement for us to know that the postal industry would be on the right track in promoting its letter business more vigorously.

### **(iv) Climate Change**

Consider the following facts.

- Paper is a renewable resource and is known to sequester significant amounts of carbon dioxide, since it is derived from trees which sequester carbon dioxide by photosynthesis. Therefore, paper is an important carbon sink.
- Data centres comprise a vital element of the digital and e communications business and are significant consumers of natural resources, much of it electricity generated from non-renewables.

Tico Mail Works does not want to be unduly prescriptive about this issue but clearly, environmental thinking is evolving all the time. There are two sides to be considered in relation to climate action when considering e and paper communications. Any temptation to rush to judgement should be tempered by the experience of the diesel debacle, where environmentally damaging policies

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<sup>5</sup> ComReg Consultation, Consequences of repeal of the price cap Document 19/43

[file:///C:/Users/admin/Downloads/ComReg-1943%20\(6\).pdf](file:///C:/Users/admin/Downloads/ComReg-1943%20(6).pdf)

Tico Mail Works response to ComReg Document 19/90 – Draft Postal Strategy Statement 2020 to 2022



were adopted in the mistaken (but no doubt genuine) belief that the policy was environmentally beneficial.

ComReg might usefully reflect the two sides of this debate in relation to paper and e communications in its Strategy Statement. In particular, the twin considerations of paper being a renewable resource and the ongoing legitimate demand for paper communications might better be reflected in the section on Climate Change.

**END**



## **Who are Tico Mail Works?**

Tico Mail Works is a an ISO 9001 and ISO 27001 certified bulk mail producer and ComReg authorised postal service provider, producing and posting over 250,000 pieces of personalised mail every week for government, semi state, financial, utility and retail customers.

We describe ourselves as world class, customer focused, problem solvers, delivering a quality service at a fair price, honestly and transparently.

We aim to produce and post every piece of mail on time and without error. Our motto is *'We give our customers peace of mind'*.

Sustainability and Corporate Social Responsibility are particularly important to our business which is based on four pillars (1) Customers and Suppliers, (2) Staff, (3) The Environment, (4) The Community and underpinned by the 17 United Nations Sustainable Development Goals.

For further information please see our Sustainability Report available on our website [www.ticomailworks.ie](http://www.ticomailworks.ie).