



Commission for
Communications Regulation

Submissions to Consultation

**Regulation of Postal Services – Universal
Service Obligation – Bulk Mail Access**

Submissions received from respondents

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17 November 2006

Ref: ComReg consultation paper 06/53

Dear Sinead,

I enclose the An Post response to ComReg's consultation paper 06/53 'Regulation of Postal Services – Universal Service Obligation – Bulk Mail Access'.

An Post is happy to discuss further with ComReg if required.

Yours sincerely,

Aileen Canning
Regulatory Manager

An Post Response to ComReg's Consultation Paper 06/53 'Regulation of Postal Services – Universal Service Obligation – Bulk Mail Access'

17 November 2006

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1. Executive Summary

An Post is committed to meeting its customers' needs through a range of initiatives such as increased quality-of-service and a product portfolio that meets their requirements. In 2003, An Post introduced a range of discounts for bulk mail that offers a reduced price for customers who can present mail in a manner that enables An Post to achieve work-share efficiencies. These services are not services which An Post is obliged to provide, and accordingly they are not services where there can be an obligation to provide access at specified nationwide locations. Access needs to be based on ensuring that the operational benefit on which the discount is based can be achieved. Nevertheless, An Post makes every effort to facilitate customer needs.

An Post has examined the indicative list of locations that ComReg has put forward and can offer access to bulk mail discounts at a substantial majority of the delivery offices in the indicative list, where requested by customers.

Following on from the issue of access to bulk mail discounts, ComReg appears to re-open the question of a completely new regulatory obligation of 'downstream access'. An Post considers that the current regulatory framework does not provide for this to be mandated.

2. Part 1: General Comments

Before proceeding to answer the specific questions from ComReg's consultation 06/53, An Post has a number of general comments.

The rationale for the An Post bulk mail product offering

In 2003, An Post introduced a range of discounts for bulk mail¹ that offers a reduced price for customers who can present mail in a manner that enables An Post to achieve work-share efficiencies. In the view of An Post, these services are not services which the company is obliged to provide, and accordingly they are not services where there can be an obligation to provide access at specified nationwide locations². Access needs to be based on ensuring that the operational benefit associated with the discount can be achieved. Nevertheless, An Post makes every effort to facilitate customer needs³.

An Post could extend access points and the mix of bulk mail discounts available

It is clear from the consultation document that ComReg would like to see an increase in the access points and the mix of services available at various locations. An Post has reviewed the indicative list of additional access points set out in the consultation document and has concluded as follows:

Access locations

Of the 24 additional locations listed in ComReg's paper, there are 15 access points where An Post could provide access to bulk mail discounts. These are Cork City (Togher), Mallow, Tuam, Dungarvan, Killarney, Carlow, Mullingar, Lifford, Ballina, Tullamore, Thurles, Nenagh, Monaghan, Droichead Nua, and Carrick-on-Shannon. In respect of the remaining 9 of the 24 locations indicated by ComReg (Sandyford, Swords, Balbriggan, Greystones, Wicklow Town, Celbridge, Leixlip, Maynooth, Kilcullen), a number of these are delivery sub-offices (DSOs) and accommodation difficulties as well as re-negotiation of agency agreements would prove difficult. However An Post could provide access at its company offices of Sandyford, Swords, and Maynooth. An Post considers this together with existing access points to provide sufficient access for Dublin, Kildare and Wicklow. This means that An Post can provide access at an additional 18 locations, in addition to the current list of 24⁴.

An Post is currently implementing the Collection & Delivery Work Practice Change Agreement at Delivery Services Units (DSUs). This may impact on bulk mail access as

¹ This range is described in ComReg's consultation 06/53. An Post would like to draw ComReg's attention to the fact that the lower threshold to qualify for bulk mail discounts is 350 items, not 500 as stated.

² ComReg refer to the 1983 Postal and Telecommunications Services Act to suggest it requires An Post to provide bulk mail access and at a variety of locations. Section 12 (1) (ii) of this Act makes it clear that demands should be met 'so far as the company considers reasonably practicable'

³ An Post is not aware of any customer requests that have either not been facilitated or where, if not, a detailed explanation has not been given to the customer. The customer circumstances described in ComReg's consultation were isolated issues, relating primarily to a period of industrial action in 2004.

⁴ Dublin Mail Centre, Cork Mail Centre, Portlaoise Mail Centre, Athlone Mail Centre, Bray, Castlebar, Cavan, Clonmel, Drogheda, Dublin 2 DSU (Cardiff Lane), Dundalk, Ennis, Galway, Kilkenny, Letterkenny, Limerick, Longford, Naas, Navan, Roscommon, Sligo, Tralce, Waterford, Wexford

arrangements at DSUs will be subject to change, the details of which are not known at this time.

Discount mix

Turning to the mix of services offered at each access point, it is possible for An Post to offer the full range of bulk mail discounts across all access points. This would allow the customer to deposit mail for any discount service at any acceptance office. However, certain service level restrictions will apply, as at present, reflecting the fact that the discount is defined on the basis of arrival of mail at the hub.

Other issues

ComReg assert that Ceadúnas and meter customers are prohibited from posting at any other point other than their agreed posting access point. This is not the case. In the case of meter customers, they can choose to post their mail at designated mail acceptance offices (up to three), at meter boxes, or by availing of the An Post collection service. In the case of Ceadúnas mail, An Post is extending an account arrangement to customers. Nominating one presentation office is for reasons of revenue protection. An Post will and has facilitated customers who wish to post at an alternative location if sufficient advance notice is given (usually the day before). In any event the situation rarely occurs as most customers do not post at a variety of points and over 90% of bulk mail is actually collected from the customers' premises by An Post. We are not aware of any customer dissatisfaction with this approach.

Downstream access

Following on from the issue of access to bulk mail discounts, ComReg appears to re-open the question of a completely new regulatory obligation of 'downstream access'.

ComReg's role in relation to bulk discounts is to monitor ex-post adherence to Regulation 9(3) of the European Communities (Postal Services) Regulations S.I. 616 of 2002 ('the Regulations') and does not extend to mandating the introduction of new services.

Downstream access clearly represents an advance liberalisation of the area Reserved to An Post under Regulation 8(1) of the Regulations. This is prohibited by the current regulatory regime. As WiK (2006)⁵ comments 'the Postal Directive currently does not mandate regulation of downstream access' although it does require that where access is voluntarily provided, it must be on a non-discriminatory basis. The recent⁶ publication of the third Postal Directive clarifies that downstream access is a matter which should be investigated by individual Member States to see whether or not it is appropriate for them following proposed liberalisation.

⁵ WiK-Consult for the European Commission (May 2006) 'Main developments in the Postal Sector (2004-2006'

⁶ See for example p3 of the Explanatory Memorandum accompanying the proposal for a Directive of the European Parliament and of the Council amending Directive 97/67/EC concerning the full accomplishment of the internal market of Community postal services. 18 October 2006

3. Answers to specific questions

1. ***Is the indicative list of general access points adequate to meet the needs of customers who wish to avail of the bulk mail service or would fewer access points suffice?***

An Post has indicated in Section 2 that it can increase the number of locations which serve as access points for existing bulk discount services. An Post is fully committed to meeting customer needs.

2. ***Is the indicative list of general access points capable of being served by An Post or would there be particular difficulties at specific locations?***

An Post can provide access to bulk mail discounts at the following 18 additional locations: Cork City (Togher), Mallow, Tuam, Dungarvan, Killarney, Carlow, Mullingar, Lifford, Ballina, Tullamore, Thurles, Nenagh, Monaghan, Droichead Nua, Carrick-on-Shannon, Sandyford, Swords, and Maynooth.

3. ***Are there any other locations not included on the indicative list, and which regularly generate significant bulk mail volumes, that should be included? If YES please provide details***

An Post will consider the need for additional facilitation of access as necessary in the light of customer needs.

4. ***Is the current system offered by An Post, whereby the customer has to agree in advance the access point location through which all bulk mail will be processed, sufficient to meet the needs of all postal users? Please give reasons for your answer***

An Post is not aware that this presents any issues for our customers. For revenue protection reasons, An Post requests that the customer nominates a presentation point. However, An Post does facilitate additional presentation locations if notice is provided. In fact as most bulk mail is collected from customers by An Post this does not arise.

5. ***Is there demand from postal users for An Post to provide access to a pre-sorted service at multiple points nationwide?***

An Post provides access to pre-sorted discounted services at multiple points nationwide. Downstream access is a different matter which is addressed in Section 2 above.

6. ***Question for An Post only (a) Exactly how does the depositing of pre-sort Bulk Mail at An Post Delivery Offices negatively impact An Post's current operations? (b) What would be the extent of those effects, in terms of costs, labour and efficiencies? (c) What measures could be taken to curb, minimise or counteract those effects? Please provide detailed answers, addressing each of the indicative locations where necessary.***

As per above, An Post provides access to pre-sorted discounted services at multiple points nationwide.

*

DX Ireland's response to Commission for Communications Regulation Consultation Paper (Document Number: 06/53) on Regulation of Postal Services – Universal Service Obligation – Bulk Mail Access

The following is DX Ireland's response to the above Consultation Paper and our answers are in line with the questions posed by ComReg.

Q1. Is the indicative list of General Access Points adequate to meet the needs of customers who wish to avail of the Bulk Mail Service or would fewer Access Points suffice?

A. The proposed list of Access Points as per ComReg's Consultation Paper provide sufficient national coverage for Access Points. We would recommend that every centre where the population is in excess of 5,000 should incorporate a Bulk Mail Access Centre.

Please note that DX Ireland has assumed that any Bulk Mail Access Agreement will not be a substitute for a Downstream Access Agreement which is also required. As part of a Downstream Access Agreement, DX Ireland would expect to have delivery access to every An Post delivery office nationwide so that we can inject pre-sorted mail at discounted rates.

Q2. Is the indicative list of General Access Points capable of being served by An Post or would there be particular difficulties at specific locations?

A. DX Ireland are not aware of any difficulties that would give rise to An Post however this is a question for An Post to address. For Bulk Mail Access, 24 hour access is essential at all of the Bulk Mail Access Points.

Q3. Are there are other locations not included on the indicative list, which regularly generates significant mail volumes that should be included? If yes, please provide details.

A. Currently, we do not have a requirement for any further Bulk Mail Access Points.

Q4. Is the current system offered by An Post, whereby the customer has to agree in advance the Access Point location through which all bulk mail will be processed, sufficient to meet the needs of all postal users? Please give reasons for your answer.

A. The current system offered by An Post is not sufficient as per our response to Question 1.

Q5. Is there demand from postal users for An Post to provide access to pre-sorted service multiple points nationwide?

A. With the expectation of full liberalisation of the postal sector on the 1st January 2009, it is essential that An Post provide access to multiple points nationwide which will then facilitate competition in the Bulk Mail market.

Downstream access should be granted NOW since it poses no threat to universal service and will facilitate competition in the Bulk Mail market and prepare the ground for full market opening expected in 2009.



Enterprise Ireland Consultation Response

Regulation of Postal Services – Universal Service

Obligation - Bulk Mail Access

Reference: Submission Re ComReg 06/53

List of Consultation Questions:

- Q. 1. Is the indicative list of general access points adequate to meet the needs of customers who wish to avail of the bulk mail service or would fewer access points suffice?
- Q. 2. Is the indicative list of general access points capable of being served by An Post or would there be particular difficulties at specific locations?
- Q. 3. Are there any other locations not included on the indicative list, and which regularly generate significant bulk mail volumes, that should be included? If YES please provide details.
- Q. 4. Is the current system offered by An Post, whereby the customer has to agree in advance the access point location through which all bulk mail will be processed, sufficient to meet the needs of all postal users? Please give reasons for your answer.
- Q. 5. Is there demand from postal users for An Post to provide access to a pre sorted service at multiple points nationwide?
- Q. 6. Not applicable (An Post only)

Introduction:

Enterprise Ireland welcomes the opportunity to respond to the Commission's Consultation in relation to Bulk Mail Access. Enterprise Ireland is the national development agency responsible for the development of Indigenous Industry. Our core mission is to accelerate the development of world-class Irish companies to achieve strong positions in global markets resulting in increased national and regional prosperity. Through our network of 13 Irish offices and 34 international offices, we work with over 3,500 client companies to assist them to compete and to grow. Our client companies employ over 140,000 people throughout every region in Ireland and contribute significantly to economic growth with annual sales of €25 billion and exports of over €10 billion.

The limited provision of Bulk Mail access points and the negative impact this has on accessing discounts has been brought to the attention of Enterprise Ireland by our client companies primarily based in Regional locations (but also in the Dublin and Greater Dublin Area). Having consulted with our client companies and following an assessment of the current Bulk Mail Access situation Enterprise Ireland has set out below the main issues and supporting evidence in response to the consultation questions.

Enterprise Ireland wish to take this opportunity to highlight the strong support within the Agency and indeed our client companies for the provision of a more comprehensive Bulk Mail service (and associated options) across Ireland. Enterprise Ireland also wish to support the commitment by ComReg to ensuring the current discrimination of bulk mail users outside of the current four locations is addressed to ensure a level playing field for companies in relation to access to and pricing of postal services provided by An Post.

Q. 1. Is the indicative list of general access points adequate to meet the needs of customers who wish to avail of the bulk mail service or would fewer access points suffice?

Enterprise Ireland Response:

- The indicative list of Bulk Mail Access Points for the full range of discounted services put forward by ComReg would address the situation and rectify issues of discrimination and divergence in bulk mail service provision. The indicative list is comprehensive and represents the majority of cities and towns in Ireland where Enterprise Ireland client companies are located. Therefore in the view of Enterprise Ireland the indicative list is adequate.
- The main issue to be considered in relation to the General Access Points is that at present a Universal Service is not being provided as there are only four locations with Full Bulk Mail Access and discounts (Dublin Mail Centre, Knockmitten, Cork Mail Centre, Little Island, Athlone Mail Centre and Portlaois Mail Centre). The use of 4 mail centres to service the demands of the entire country's bulk mail requirements is sub-optimal. The identification and selection process for these four locations is difficult to comprehend as it does not align to national demand and commercial realities.
- The absence of full access to bulk mail services in large conurbations such as Limerick, Galway, Waterford, Dundalk, Ennis, Tralee, Kilkenny etc makes it unclear what customer focused criteria, if any, are being used by An Post for deciding on where full bulk mail services are made available. It is apparent that the services offered by only four locations and the limited or restricted bulk mail access in the other towns is not designed to best service the requirements of An Post customers who wish to avail of the service in an equitable and unbiased fashion.
- An Post claim that the current offering in Ireland is "*sufficient*" however key Enterprise Ireland customers, who generate bulk mail in regionally based offices but are unable to avail of full discounts provide evidence to the contrary.

- The lack of a Universal Service offering for bulk mail (with access and pricing restrictions) currently in operation is not acceptable given the obvious **discrimination** of bulk mail users (and potential future bulk mail users) across the country vis a vis customers serviced by the four existing access points. The divergence in standards, services and prices across regions needs to be rectified as a matter of urgency.

- Costs incurred by companies due to the divergence in An Post's service offering is placing companies trading and competing in the same industries but in different locations at an immediate competitive disadvantage. Companies all over Ireland are experiencing increasing commercial pressure due to global competition particularly from low cost economies in eastern Europe however regionally based companies (both large and small) face additional incidence and burden of these challenges as a result of unfair delivery of services – Bulk Mail Access is one of these services¹ that can and must be addressed through providing access to the locations on ComReg's indicative list.

- Balanced and sustainable regional development is a national imperative and divergence in service provisions by the An Post is acting as a inhibitor of competitiveness for regional locations and a clear disincentive for Irish firms to consider establishing, expanding or relocating activities (to regional locations) that will generate bulk mail this is the case particularly for companies with back office, finance, HR and administrative activities.

- In the view of Enterprise Ireland, in relation to our client companies and in the context of Ireland's current strategy for enterprise and regional development, **An Post should endeavour to meet the bulk mail access requirements of customers in all 48 locations identified on the indicative list however the minimum requirement that should be met immediately is the servicing of all Gateways and Hubs identified in the National**

¹ Broadband delivery is another. Although the situation is improving divergence in quality and access is still a concern in many locations.

Spatial Strategy. The National Spatial Strategy (NSS) is central to Enterprise Ireland’s approach to enterprise development outside Dublin. The NSS is formulated to inform and direct spatial policy and national investment. It is designed to ensure balanced regional development based on the existing characteristics and future development potential of locations. The successful implementation of the NSS can ensure that these locations can act as engines of growth for regions throughout the country. It is therefore proper that the existing companies in those locations have access to the full range of An Post Bulk Mail services. The provision of these services in the identified Gateways and Hubs will also contribute to the regions development providing the necessary communications infrastructure that is an essential component of today’s business environment.

Minimum Requirement for Provision of Bulk Mail Access Points

Gateways	Hubs
Dublin	Castlebar/Ballina
Cork	Tuam
Galway	Ennis
Limerick	Tralee/Killarney
Waterford	Mallow
Sligo	Kilkenny
Letterkenny	Wexford
Dundalk	Monaghan
Midlands (Athlone, Tullamore & Mullingar)	Cavan

- The Indicative list includes details of population density. The vast majority of Bulk mail users are commercial and public service related entities and as such the use of population as an indicator of where the Access points are located may not in all cases be the most appropriate measures to use - if the interests of companies requiring bulk mail access will not be met. In today’s Ireland businesses are located across all regions both urban and rural and significant numbers of employees are commuting to work in locations that may not have a high population density - but have businesses with a significant demand for access to bulk mail services. Outside of the **Indicative list locations** adequate systems should be put in place to assess demand and consideration should be given to how best to provide an equivalent service at an appropriate cost.

- 2,660 of Enterprise Ireland's 5,422 client companies are located outside of the 4 full access points this accounts for 49% of the companies. Although specific demand in each region could not be provided in the timeframes of the consultation, client feedback to Enterprise Ireland from the various regions support the lack of a Universal Service obligation.

Q. 2. Is the indicative list of general access points capable of being served by An Post or would there be particular difficulties at specific locations?

- Enterprise Ireland believe that the provision of Bulk Mail Services by An Post to customers should be the same regardless of location. An Post should therefore ensure that the resources and operational structures are in place to deliver a universal service offering the same services and discount rates to all clients.
- Full access to services and discounts in restricted areas should be made available as a matter of urgency. As EI view this as part of a Universal Service obligation and difficulties associated with such an action must be overcome to ensure customers needs are met on an equal basis.
- In the view of Enterprise Ireland, in relation to our client companies and in the context of Ireland's current strategy for enterprise and regional development, **An Post should endeavour to meet the bulk mail access requirements of customers in all 48 locations identified on the indicative list however the minimum requirement that should be met immediately is the servicing of all Gateways and Hubs identified in the National Spatial Strategy.**
- Difficulties that may arise for An Post could conceivable be associated with the provision of a service with no demand which would clearly lead to wastage in the postal system however the current situation of only 4 full access points available is a stark contrast to the reality of bulk mail access demand and given customer dissatisfaction across the regions the situation and resulting operational difficulties must be addressed.
- All organisations if they are to remain relevant and efficient must adapt to meet the requirements of its key customer base. Given the volume and value of Bulk mail, being generated outside of the 4 postal hubs, and the

importance of a timely and cost effective servicing of this demand to companies competitiveness it is crucial that An Post implement the necessary network and operational changes required to meet client needs.

- An Post should work closely with discriminated customers and ComReg to ensure that any difficulties identified in meeting its Universal Service obligations can be overcome in a timely and collaborative fashion.

Q. 3. Are there any other locations not included on the indicative list, and which regularly generate significant bulk mail volumes, that should be included? If YES please provide details.

- In the view of Enterprise Ireland the indicative list is adequate.

Q. 4. Is the current system offered by An Post, whereby the customer has to agree in advance the access point location through which all bulk mail will be processed, sufficient to meet the needs of all postal users? Please give reasons for your answer.

- If the proposed locations on the indicative list, particularly the National Spatial Strategy gateways and hubs, are provided with the same level of service as the four Full Bulk Mail Access points including the associated discounts the current system of nominating the access point in advance would be acceptable. However if the access points were not provided as comprehensively as set out in the indicative list the issue would be more prevalent.
- Given the planning arrangements and the importance of demand management for An Post it is reasonable to expect a company to agree an access point in advance and this condition is common in other jurisdiction around the world when using bulk mail services. However where clients wish to use more than one access point, for example where multiple premises may require it they should be facilitated. The terms and conditions or service level agreements between An Post and Bulk Mail Customers should clearly set out the timeframes and procedures for selecting the most appropriate access point for the Company and not be governed solely by An Post demands.
- In the event of unforeseen or extraordinary events such as industrial disputes with An Post contract terms and condition should also include measures to enable the customers redirect to at the nearest or most convenient² bulk mail access point. It should be the obligation of An Post to inform existing customers if such an event arises.

² As determined by the customer.

Q. 5. Is there demand from postal users for An Post to provide access to a pre sorted service at multiple points nationwide?

- All services including discounts currently offered to customers in the four Full Bulk Mail Access points should be made available in the locations on the indicative access points given the current and future demand for these services. The minimum requirement that should be met immediately is the servicing of all Gateways and Hubs identified in the National Spatial Strategy as the key locations demanding these services.
- The current restrictions or lack of service make it difficult to fully assess the take-up of pre-sort services in the all locations. In the absence of a suitable measurement to assess the counterfactual reflecting the views of clients is the most indicative way of highlighting this demand.
- Software required to prepare mail in this format is widely available and in use in a number of companies particularly financial services companies and internationally traded services companies (i.e. An important and growing proportion of Enterprise Ireland's client base) in locations across Ireland that can not serviced as comprehensively as companies in the 4 full access points. The ability to avail of the combined pre-sort service and time related drop off discounts is a priority for these companies and this can not be achieved given An Post's limited service provisions in their regions.)
- The limited access to the full range of an post services particularly those related to additional discounts offered for pre-sorted mail if delivered to a Full Bulk Mail Access Point within specified timelines is a key factor in the discrimination that is occurring between clients in various regions.
- Commercial enterprise and administrative bodies are the main entities that demand the pre-sort services and are a good proxy for existing demand across regions. Enterprise Ireland and IDA Ireland have a widely dispersed client base contributing investment, employment and economic development benefits in every region. This spread of clients is set out in the following

table. Although not all of these clients will demand the pre-sort and bulk mail services a significant number of them will. The number of plants outside of the 4 Full Access Points indicates the extremely limited nature of the current service offered by An Post.

County	Location of Enterprise Ireland Client Company Plants	Location IDA Ireland Client Company Plants
Carlow	88	8
Cavan	102	7
Clare	6	9
Cork	697	138
Donegal	193	13
Dublin	1,900	474
Galway	299	52
Kerry	68	18
Kildare	168	25
Kilkenny	141	7
Laois	52	4
Leitrim	50	6
Limerick	8	38
Longford	55	7
Louth	179	17
Mayo	121	21
Meath	170	17
Monaghan	141	6
Offaly	78	10
Roscommon	78	10
Sligo	84	24
Tipperary North Riding	6	6
Tipperary South Riding	92	12
Waterford	185	30
Westmeath	113	18
Wexford	157	15
Wicklow	191	18
Total	5,422	1,010

Source: Forfas Employment Survey 2005

- 2,660 of Enterprise Ireland's 5,422 client companies are located outside of the 4 full access points this accounts for 49% of the companies. Although specific demand in each region could not be provided in the timeframes of the consultation, client feedback to Enterprise Ireland from the various regions support the lack of a Universal Service obligation.
- 376 (37%) of IDA Ireland's client companies also fall outside of the full access points again indicating the current limitations.

- Business and Technological Parks are strategically located throughout Ireland to house Irish and Foreign Companies in the drive towards increased and sustained regional development. The companies currently based in the business parks are a prime example of the bulk mail users who currently demand a more equitable and unbiased service to be delivered. The map below highlights the locations of these parks and illustrates why the limited access to services is not linked to commercial and planning realities.

Business and Technology Parks outside Dublin



- In recent years there has been an increase in the number of financial and internationally traded services companies locating in these technology parks as well as peripheral locations. These companies in particular require a full range of postal services at competitive rates in order to conduct their day to day activities from these locations and, without wishing to cite specific cases,

clients in these sectors have expressed dissatisfaction with the divergence in service and discounts by An Post.

Irish Charities Postal Users' Forum

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Tel 021-4545704 Email msepromotion@eircom.net

Reference: Submission re ComReg 06/53

Introduction

As a group of 18 charities that are large users of bulk mail we welcome this consultation paper from ComReg. However, its issue would be un-necessary if An Post was minded to act in a sensible and customer focused manner rather than adopting an attitude of inflexibility and non-facilitation towards its bulk mail customers. It appears to have forgotten that it is very dependent on mail volume from this relatively small percentage of customers out of its total customer base (Pareto Principle). Statements like: *"In the changed market place of today, we must ensure that the products and services we offer remain relevant to the lives and businesses of all our customers"* in the Chief Executive's Review 2005 just do not bear reality to the marketing policies it has been pursuing for a number of years.

Whilst it is outside the terms of reference of this particular consultation, we want to record again that we have been asking An Post for years to cease its totally un-necessary practice of suspending its direct mail bulk service – Postaim – in mid-November and prior to elections and referenda because of "the changed market place of today". It is the only postal authority in the world that suspends its bulk direct mail service when users need it most, e.g. for Christmas promotions. Unfortunately, An Post management no longer see direct mail as an advertising medium.

We have also been asking that the 12noon latest time of posting deferred delivery bulk mail be changed to 3pm, i.e. the latest time for posting early presentation mail, to meet user needs, but again An Post management has demonstrated that it does not listen to its customers and does not consider their needs seriously.

Hence, it is necessary for ComReg to have to intervene in areas where such intervention should not be necessary if An Post was a dynamic and customer-focused marketing-led company acting in a normal commercial manner. It is not such a company because it enjoys the privileged position of being the vastly dominant player in the Irish postal market and enjoys total legal immunity from normal commercial responsibility. We believe that the Minister needs to intervene urgently by reviewing the traditional legislation that grants this very unique immunity to An Post under arbitrary and outdated Terms & Conditions that diminish its commercial responsibility to its customers and some of which are tantamount to anti-competitive practice.

Q.1. We feel that fewer access points would suffice to meet the needs of bulk mail customers. We admit that our member organisations are located in Dublin, Cork, Navan, and Kildare, but we are not aware of customers offering bulk mail currently in locations such as Tuam, Greystones, Wicklow, Newbridge, Celbridge, Leixlip, Kilcullen, Thurles, Cavan, Monaghan, or Roscommon. But if there is even one such customer in one of these locations, it should be included in the indicative list so as to avoid discrimination that is not acceptable.

We note that the indicative list is not final and will be subject to periodic review by ComReg in line with customer demand. This is very welcome. If a business offering bulk mail should establish itself in one of the above locations, then that location should be added to the list.

With the majority of bulk mail being offered in Dublin, it appears logical to have an access point in: a) the northside, b) the southside, c) the business heartland of Dublin 2, in addition to the Dublin Mails Centre on the west side.

Cork city is an obvious location that must have an access point, as was always the case when the sorting office was located within the city. The majority of current bulk mail users in that city and county are located in the city and within the catchment area of the South City Delivery Office to which there is easy access via the new ring road. That delivery office is the obvious access point for the city.

An Post must face the reality that it will have to meet the access needs of bulk mail customers, and it would be very preferable that it would do this by flexibility and negotiation rather than being forced to do so by direction from ComReg. Good customer relations would dictate that course rather than what has been happening over the past five years.

Q.2. We can see no reason why the indicative list of access points, as revised in Q.1. cannot be served by An Post. Even if there is only one, or a few bulk users, in a specific location, the acceptance of a bulk mailing at a delivery office only takes a few minutes as the paper work will still be done at the regional mail centre. Staffing may be raised by An Post as an issue but presentation of such mail at a time of the day suitable and agreed locally would overcome such an issue.

Q.3. We understand that An Post already has special arrangements in place to accept bulk mail in Bandon, Killarney, Shannon, and Nenagh to meet the needs of specific customers.

Q.4. The current practice of restricting access to one location agreed in advance is not always sufficient to meet the needs of users. For example, if there should be a one-man un-official picket on a particular access point resulting in disruption of service there, currently An Post will not allow access at a different location. There is no reason why agreement on an alternative access point cannot be arrived at in such circumstances. In fairness to An Post we accept that a bulk mail user shouldn't arrive un-announced at an alternative access point.

Q.5. The demand for access at multiple points nationwide arises chiefly, but not exclusively, during industrial disputes within An Post. As indicated in Q. 4. a one-man un-official picket can close down an entire postal region whilst services can be operating normally elsewhere in the country. The hub infrastructure put in place by An Post makes customers more vulnerable to this type of disruption.

Conclusion

As we have pointed out in a number of responses to previous consultation papers, access and terms and conditions make up a significant part of the cost of using the services of An Post. Charities are a sector that are extremely cost conscious in order to keep the

amount spent on administration to a minimum. We have to look at the total cost of using a postal service and not just the rate charged by An Post.

We feel that An Post regularly adopts a deliberate strategy of creating terms and conditions around a service that are designed as a barrier to use. A good example is that quoted in the Introduction where the latest time of posting in its bulk 2-day deferred delivery service was set at 12noon but after receipt in one of its hubs the mail is stored there for processing the following day, yet mail in its early presentation service can be accepted up to 3pm for processing that evening for next day delivery. Even many An Post personnel cannot explain the logic of that simply because it is illogical. It certainly makes for poor relations with customers upon whom An Post is so dependent in a postal market that is in decline as accepted by An Post in its annual report.

If ComReg does not have the legislative power to deal with outdated protectionist Terms and Conditions that impact negatively on the cost users must incur in using an An Post service where there is no alternative service available, then there is an onus on the Minister for Communications to take action in the interest of users who are major stakeholders in the national postal service. Unfortunately, users have not been considered to date as stakeholders by the Minister and Government when formulating postal policy. That has to change.

We appreciate the role that ComReg is playing in protecting the interests of postal users, particularly business users, despite the narrow legal framework within which it must operate.

Finally, we encourage the new Chief Executive of An Post to change immediately the anti-customer attitude that has crept into that company and to restore with business customers the normal commercial relations that had been a great tradition of the Irish postal service.

Matt Moran
Chairman.

14th November 2006

Missionaries of the Sacred Heart



MSC Promotion Office, Western Road, P.O. Box 23, Cork. Tel 021 - 4545704 / 4543988

MSCs are a registered charity. Registration Number CHY 4783

7th November 2006

Submission to 06/53

We use the following bulk services from An Post: Postaim, 2-day deferred deliver, and early presentation. As a registered charity the rates available on these services are absolutely critical in containing our operating costs of which postage is our second largest expenditure after labour.

However, the rates charged by An Post are only part of the expenditure in using these bulk services. The special preparation of mail for compliance with the terms and conditions is a cost, as is the conveyance of the mail to the Cork Mails Centre that is located at Little Island on the other side of the city.

As a regular user of the 2-day deferred delivery service, the absence of an access point in the city is not only an extra cost for us but it is highly inconvenient. Prior to the re-location of the Cork Sorting Office to Little Island we posted at Eglinton Street, or previous to that at Brian Boru Street sorting offices. As the cost of postage has increased in recent years, access to posting points have become less convenient and involving extra cost for us.

We know that two other users of the deferred delivery service are, like ourselves, located relatively close to South City Delivery Office. We strongly advocate that this delivery office should be an access point for bulk mail.

The 12noon cut-off time for posting deferred delivery bulk mail should be 3pm similar to early presentation mail because otherwise it becomes in effect a 3-day deferred delivery that was not intended in the original service offering.

Access is broader than just points of posting. The practice of An Post to deny access to Postaim from mid-November each year, and prior to referenda and elections is not acceptable in a public service where there is no competition for nationwide letter delivery. I think that ComReg should examine this lack of access that disrupts bulk mailers very seriously.

Michael G'Connell MSC

Fr. Michael O'Connell, msc
Director



Dublin Road
Cavan
Ireland

14/11/06

Ms. Sinead Davey,
Commission for Communications Regulation,
Irish Life Centre,
Abbey Street,
Dublin 1

Reference - Submission re ComReg 06/53

Dear Ms. Davey,

Q.1. Is the indicative list of general access points adequate to meet the needs of customers who wish to avail of the bulk mail service or would fewer access points suffice?

Quinn-direct Insurance has in excess of 500,000 policyholders with whom we communicate through the postal system from our Head Office in Cavan. Due to the nature of our business, speed of communication with our client base is a critical success factor and hence next day delivery is a key requirement if we are to remain competitive in the market.

Under the current structure, our nearest mail centre is Athlone which is over 100km from our base. Due to the distance and time involved in delivering our post to Athlone, we have been advised by An Post that we cannot avail of the potential bulk mail discounts and at the same time maintain our existing turnaround postal standards. As postal turnaround times are critical for the company, we do not have the option of compromising on our existing delivery service levels. Therefore, we are left with little option other than to deliver our post to our local Cavan office and forgo all available discounts.

It would appear that provincial companies are being discriminated against in terms of the availability of potential postal discounts. It seems unlikely that other national service providers such as the ESB, would succeed in offering the availability of reduced rates to its urban customers at the expense of its rural peers. Considering the annual volume of letters processed by Quinn-direct Insurance, currently in excess of 1.5 million items, and also the investments we have made in processes to ensure that all letters are in Auto-sort

/ Readability format, it is disappointing that we are not afforded the opportunity to avail of any postal discounts due to our location.

We currently employ 1500 staff providing much need employment in County Cavan and the surrounding counties. The development of local economies and communities are significantly influenced by the successful growth of our company. It is a source of frustration that our location is acting as a competitive disadvantage compared to our peers based in urban areas. It is hardly an encouragement for other companies to base their operations in rural Ireland, where it is likely that they will be discriminated against in the provision of core national services.

In summary, we believe that Cavan post office should be in a position to offer a similar discount scheme as the mail centres for next day delivery. It is therefore believed that the indicative list of access points should be adequate for our postal needs .We are also of the opinion that the list should suffice for other companies in Ireland.

Q.5. Is there demand from postal users for An Post to provide access to a pre sorted service at multiple points nationwide?

Considering that our nearest AN Post office offering the pre sorted service and the associated discounts is based in Athlone, we are not in a position to avail of these discounts due to the potential detrimental impact on our postal turnaround times. For similar reasons highlighted in Question 1, we are of the opinion that all companies in Ireland should have the opportunity to avail of pre sorted discounts at multiple points nationwide.

Yours faithfully,

Robert Keyes
Finance Manager

**Sinead Devey,
Commission for Communications Regulation,
Irish Life Centre,
Abbey Street,
Freepost,
Dublin 1.**

**Regulation of Postal Services – Universal
Service Obligation - Bulk Mail Access
Document No: 06/53**

2nd November 2006

Dear Ms Devey,

This letter and the attached paper (our response to the previous consultation 04/92) constitute our response to this new consultation since the responses we made then are still valid today.

Yours sincerely,

Alex Pigot

RESPONSE
BY
TICo GROUP LTD
TO

**Consultation on USO – Bulk Mail Access draft
Direction**

Consultation Paper ODTR 04/92
Issued by Commission for Communications Regulation

November
2004

TICo Group Limited - unit T8, Stillorgan Industrial Park, Blackrock Co Dublin

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EXECUTIVE SUMMARY

- **We congratulate ComReg on their draft Direction to An Post**
- **We view this Direction as the most meaningful step taken to date by ComReg to regulate the postal industry in Ireland**
- **We encourage the implementation of the Direction as soon as if possible – but request that an implementation date and a penalty for non compliance are part of the final text**
- **With regard to part (b) of the draft Direction we request also that a mechanism is put in place for calculating the avoided cost by the USP**
- **And also with regard to part (b) of the draft Direction should the customer believe that the tariff does not reflect the avoided cost then ComReg must ensure that a mechanism be made available whereby the customer may request that ComReg judge the tariff to be one which reflects the avoided cost and if not to retrospectively request that the tariff be recalculated**

Introduction to TICO Group Ltd and why they are part of the Irish Postal Service Industry.

TICO Group Limited (TICO) is probably Ireland's largest bulk mail producer.

TICO is a founding member of the Irish Direct Marketing Association. (1989)

TICO's managing director and author of this paper is Alex Pigot, board member and incoming chairman of the IDMA, member of the IDMA Regulatory Affairs Committee, board member of the Federation of European Direct Marketing Associations (FEDMA), a member of the FEDMA Postal Affairs Committee, a member of the Postal Users Group (PUG) – a pan European alliance of major postal users, draftsman of the IDMA position paper on the first postal directive, as well as draftsman for the responses to the consultation papers ODTR 01/28, 01/29, 01/35 and 02/15 and 02/95. TICO has responded on its own behalf to the consultation papers ODTR 02/94 (re terminal dues), ODTR 02/95 re Universal Service, Postcodes and Kerbside Boxes, ODTR/0365 Application by An Post to increase the price of reserved Postal Services, ODTR03/117 Postal Service Authorisations, Reserved Area Controls and Levy, ODTR 03/138 re postcodes, ODTR 04/08 re quality of service single piece mail as well as ODTR 04/54.

Alex Pigot represented FEDMA at the recent UPU Congress in Bucharest.

TICO have also submitted a paper to Department of Communications and to ComReg relating to ComReg's strategic statement (early 2003) as well as submitting our views on the draft VAT directive to the Department of Finance (mid 2003).

TICO produce over 400,000 mail items every week for their customers who include the major banks, financial institutions, IT companies, charities and telcos as well as other SMEs, marketing companies and travel companies. (Based on a total mail volume in Ireland of 780 million pieces of delivered mail TICO therefore produce over 1/38th of all mail items delivered in Ireland).

Over 60% of the mail produced by TICO is Direct Mail – and so is posted in Ireland using An Post's Postaim service. About 35% of TICO's production makes use of An Post's deferred and machineable products services. The balance uses An Post's IBMS service or another supplier's outbound international mail service.

Almost all of TICO's mail production falls in the 50g POP category (i.e. envelopes less than 162mm X 240mm in size and weighing less than 50g).

TICo's view of the Irish and global postal industry while taking into account the draft direction:

Irish legislation (SI 310 of 2000, replaced by SI 616 of 2002) states that

10. (1) The tariffs for each of the services provided by a universal service provider which form part of its universal service shall comply with the following principles:
- (a) prices must be affordable and must be such that all users have access to the services provided;
 - (b) prices must be geared to costs;
 - (c) with the consent of the Minister, the Director may decide that a uniform tariff shall be applied throughout the State;
 - (d) the application of a uniform tariff shall not exclude the right of An Post to conclude individual agreements on prices with customers; and
 - (e) tariffs must be transparent and non-discriminatory.

And it also states that

"— whenever universal service providers apply special tariffs, for example for services for businesses, bulk mailers or consolidators of mail from different customers, they shall apply the principles of transparency and non-discrimination with regard both to the tariffs and to the associated conditions. The tariffs shall take account of the avoided costs, as compared to the standard service covering the complete range of features offered for the clearance, transport, sorting and delivery of individual postal items and, together with the associated conditions, shall apply equally both as between different third parties and as between third parties and universal service providers supplying equivalent services. Any such tariffs shall also be available to private customers who post under similar conditions,

These principles above are those transposed from EU postal legislation EC 97/67 (as amended by EC 2002/39)

THE ABOVE IN OUR OPINION ARE THE MOST IMPORTANT PIECES OF LEGISLATION IN THE POSTAL ARENA AND THE ONES TO KEEP IN MIND AT ALL TIMES WHEN DEALING WITH THE CONTRACTUAL RELATIONSHIPS BETWEEN UNIVERSAL SERVICE PROVIDERS (USPs) AND THEIR CUSTOMERS.

Putting them in simple terms what they mean is:

Any product offered by the USP (and in Ireland that is An Post) to a customer must be offered on the same terms and conditions to any other customer under similar circumstances and tariff for such a product must be geared to cost.

This, as we have pointed out in previous consultation processes, is not the case in Ireland.

But this, we believe, should be the regulator's focus¹ when dealing with our incumbent USP.

¹ ComReg is aware of the problems which still face An Post with regards to inbound international mail. The solution to what is a global problem is in our opinion:

1. All postal operators must offer all customers (other postal operators, ETOEs, private customers) similar tariffs, terms and conditions under similar circumstances.
2. All postal operators from industrialized countries must pay their share (a very small percentage (e.g. 0.05%) of their USO turnover) to the QOS Fund.
3. ICs may become DCs under strained national economic circumstances but DCs must become ICs if their tariffs are similar in value to those in use in ICs.

However, in the interim, the solution we encourage is as follows:

1. An Post must offer its domestic customers similar terms and conditions that it offers IC (industrialized country) postal operators who are, like TICO, customers of An Post.
2. The various elements in 'postal service' i.e. 'clearance', 'sortation' and 'delivery' must be separated in the regulatory accounts of the USP, and the USO redefined in Ireland as the delivery of mail only – but the USP must also provide the clearance and sortation services where the user requires them.
3. Mail should be allowed be put into the European mail stream at any point the Irish user wishes (e.g. TICO can put their Irish produced mail for delivery to addresses across Europe including Ireland into the European mail stream in London) (and therefore the Postal Evasion Act of 1934 must be repealed).

THE DRAFT DIRECTION

Section (a)

In the case of access points, the draft direction (under section (a)) 'fills in the blanks', i.e. those areas where there is a lack of access to the network for bulk mail.

Although the provision of new fixed access points will probably not affect this company directly, we welcome these new access points for bulk mail being added to the network to enable our competitors and fellow postal users access to the postal network which will be as good as we are getting from the USP at present, being situated no more than a short distance from their largest access point – the Dublin Mails Centre and so a better network for all users.

We would however recommend that the regulator should include in the direction that should bulk mail be produced at some point within the territory of the Irish postal network at the rate more than 2,000 items per day then the USP must provide an access point at that point in the network – even if this access point simply consists of a daily timed pickup by the USP's own transport.

Section (b)

Section (b) directs that all delivery offices become access points for mail which has been sorted to the level of delivery office and is destined for the delivery office to which it is delivered by the bulk mail producer/consolidator. (This we call 'downstream access').

ComReg has stated that the number of pieces of mail for a specific delivery office which would be considered a 'significant number' to be 100.

While this is very acceptable to us, in order to maximise the costs savings for the USP we would suggest that the number of items which will be delivered to a specific local delivery office must be such so that significant savings can be made by processing the entry of the mail items to the network. Obviously 350 items at one time can be processed more economically than 100 and therefore the avoided costs of delivering 350 to a local delivery office instead of 100 will be commensurate.

However, on the other hand not all local delivery offices serve the same number of addresses.

And so if a similar minimum number is used for all offices then the mail flow will become distorted with delivery offices which may serve a small number of addresses not making the limit, and so mail for these offices will be put into the regular network.

These 'low density' offices may also be the most expensive ones for the USP to operate. If this is the case then some of the benefits of downstream access are lost to the USP while the customer is seen to 'cherry pick'.

Therefore we suggest that the number of items to be processed at a specific delivery office should be directly proportional to the number of addresses served by that delivery office and the number we suggest as a minimum for each delivery office should be 1 mail item for each 100 addresses served by that delivery office.

Should An Post and the regulator not agree with the above suggestion then the smallest number agreeable to An Post and the regulator applicable to a delivery office based on the above formula should be taken as the base number to be reached by the mailer in the case of accessing downstream access rates at all delivery offices.

Our suggestion for terms and conditions applicable to downstream access mail.

In the consultation process we suggested the following terms and conditions for Downstream Access Mail should be as follows:

- (a) the number of items to be delivered to a DO at one time should be no less than 350.
- (b) the tariff to be paid should be 46% of the headline tariff.
- (c) mail items presented which are not for delivery by that DO shall be penalized by a handling charge to the customer (of €10 for the first piece and €1 for each subsequent piece) per piece which is not for that DO and the incorrect pieces of mail returned to the customer with the invoice for handling.
- (d) the associated documentation presented with the mail should be no different than that presented if all the mail was being presented at a hub or a main office (however see (f) below).
- (e) the weight of a bag of mail should be no more than 11kgs
- (f) documentation should be made available online – which allows a bar coded label to be printed by the customer, attached to the bag which contains the information (customer, bag id, number of items, total weight of bag, revenue payable for that bag). This will allow An Post expect the arrival and audit bags on arrival at a DO without large volumes of documentation being passed around.

Revisiting our proposed solution we believe that (c) does not accurately reflect the cost of processing returnable mail. We therefore propose a replacement for (c) above as follows:

- (c) mail items presented which are not for delivery by that DO shall be penalized by a handling charge to the customer (of €3.40 for the first piece and 10c for each subsequent piece) per piece which is not for that DO and the incorrect pieces of mail returned to the customer with the invoice for handling (which refers to the documentation presented with the mail originally so that databases can be corrected accordingly etc).

where a 'DO' above is defined as one of the 152 DOs as per An Post's own database of DOs.

Conclusion

The final draft of the direction must include

- (a) an implementation date
- (b) penalties for non implementation
- (c) a mechanism for calculating avoided cost – which should be about 54% of the headline tariff (and therefore the tariff be 46% of the headline)
- (d) a mechanism for complaint should the customer believe that the avoided cost is not sufficiently reflected in the tariff imposed



Alex Pigot
November 2004.



**Vodafone Response to the ComReg Consultation on the
Universal Service Obligation - Bulk Mail Access**

INTRODUCTION

Vodafone welcomes this consultation on ComReg's proposal for expanding the availability of bulk mail access as part of An Post's Universal Postal Service obligation.

We support the proposals to expand the number of access points and to make multiple access points available to customers. To ensure that it delivers the best possible value for its customers Vodafone pursues cost savings in all aspects of its operations including discounts on the high volumes of post that it generates. Reliability is also a key requirement, particularly with regard to the posting of paper bills, as delays can have a serious impact on Vodafone customers. We believe that in principle the proposals are justified in providing greater accessibility to discounts through expanded access to the postal network and increased assurance in the resilience of the service that multiple access points can also offer.

While we can see specific benefits to Vodafone in both of these measures we are not in a position to comment on their proportionality. Vodafone would highlight the importance of ensuring that any measures ComReg seeks to introduce are proportionate to avoid the imposition of unjustified costs on An Post and ultimately its end customers. Any measures should first be assessed through a robust regulatory impact assessment. In this regard, we would question the efficiency of consulting in parallel with An Post on the practicality of the proposal and would have considered it more appropriate to have sought the views of An Post on the specific proposals in advance of issuing this consultation. This would allow interested parties to be better informed of potential costs in addition to offering them the opportunity to address where appropriate what An Post may regard as problems with these proposals and any alternative proposals put forward by the Universal Service provider.

Response to Consultation Questions

Q1. Is the indicative list of general access points adequate to meet the needs of customers who wish to avail of the bulk mail service or would fewer access points suffice?

Vodafone's bulk mailings are outsourced to mailing houses that avail of An Post's full access centres and Vodafone would expect the majority of larger customers and indeed any smaller customers availing of the services of mail consolidators to be delivering into one of the four centres. However An Post's contention that the major mail preparation companies are based close to the four full access centres depends on the interpretation of close proximity. Some of the Dublin mailing houses for instance are located on the opposite side of the city to the Dublin Mail Centre in which case traffic congestion can dramatically increase journey times, adding to the time constraints on the dispatch of bulk mailings. In these circumstances there is a real need for additional centres in and around Dublin city. An increase in the geographic spread of full access centres would be likely to increase the spread and possibly the number of consolidators which in itself could lead to further economic benefits.

Vodafone is not in a position to comment on each of the proposed new access points. While certain key centres such as the Sandyford Industrial Estate and Swords could easily warrant full access, others may not. Careful consideration needs to be given to costs and the avoidance of unnecessary duplication within a given area. This can only be resolved through a robust cost benefit analysis which Vodafone would consider to be central to any impact assessment that ComReg carries out. While it has not been outlined in the consultation document Vodafone would expect that ComReg would carry out an impact assessment in satisfying the 2002 Ministerial Direction¹ and the associated Government White Paper on Better Regulation². If this is done in accordance with the recommendations contained in the White Paper it should contain the necessary quantification of impacts both positive and negative that would result from the proposed measures. This should lead to a revised list where appropriate.

Q2. Is the indicative list of general access points capable of being served by An Post or would there be particular difficulties at specific locations?

An Post is best placed to identify particular difficulties or obstacles that should feed into the assessment of all measures prior to their becoming Universal Service Obligations (USO). Vodafone would expect the imposition of any additional requirements on An Post as part of its USO to initially result in additional costs. However once stated as a requirement under the USO, An Post would be obligated to provide access and incur these costs. The question of whether such measures would be proportionate or indeed increase demand sufficiently to offset those costs can only be answered through a thorough analysis of the relative costs and benefits that accrue. As discussed above, this can only be achieved through a regulatory impact assessment that takes account of additional costs that An Post would be expected to incur along with an assessment of the benefits identified by other respondents.

Q3. Are there any other locations not included on the indicative list, and which regularly generate significant bulk mail volumes, that should be included? If YES please provide details.

Vodafone is not aware of any other locations that should be included in the list.

¹ The Ministerial Direction issued by the Minister for Communications Marine & Natural resources in accordance with S13 of the Communications Regulation Act, 2002. Published in February 2003

² Regulating Better: A Government White Paper setting out six principles of Better Regulation".

Q. 4. Is the current system offered by An Post, whereby the customer has to agree in advance the access point location through which all bulk mail will be processed, sufficient to meet the needs of all postal users? Please give reasons for your answer.

The 2002 regulations³ clearly lay down the basis for discounts that should apply to bulk mailings and pre sorted deliveries to central access points. It is Vodafone's view that flexibility in the choice of access point should not be unduly limited. However, by definition the volumes of mail involved may be sufficiently large to necessitate a degree of planning on the part of An Post in order to efficiently process bulk mail injections into the mail system. It would be entirely reasonable for An Post to require prior notice as to when and at what access points bulk mail will be injected into the system.

Q. 5. Is there demand from postal users for An Post to provide access to a pre-sorted service at multiple points nationwide?

While it would be reasonable to allow An Post scope to meet new demands on individual access points, Vodafone does not believe that this warrants a restriction to a single access point and we would welcome the option to select multiple access points subject to any reasonable prior notice that An Post may require. This would not only deliver greater choice and flexibility to bulk postal users for their operations but would also allow for better planning for contingencies such as industrial relations issues affecting specific centres, as occurred in the case of the 2004 postal strike

Q. 6. Question for An Post only

- (a) Exactly how does the depositing of pre-sort Bulk Mail at An Post Delivery Offices negatively impact An Post's current operations?
- (b) What would be the extent of those effects, in terms of costs, labour and efficiencies?
- (c) What measures could be taken to curb, minimise or counteract those effects? Please provide detailed answers

³ S.I. no. 616 of 2002, European Communities (Postal Services) Regulations 2002 states 'the tariffs shall take account of the avoided costs, as compared to the standard service covering the complete range of features offered for the clearance, transport, sorting and delivery of individual postal items and together with the associated conditions, shall apply equally both as between different third parties and as between third parties and universal service providers supplying equivalent services'