



Commission for
Communications Regulation

Response to Consultation and Decision on An Post application for derogations from the universal postal service in respect of certain working days

Submissions to Consultation 14/94

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Submissions Received from Respondents

Consultation:	14/94
Response to Consultation:	14/135

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Section

1: An Post

1: An Post

**Consultation regarding An Post application
for derogations from the universal postal
service in respect of certain working days**

COMREG DOCUMENT 14/94

**An Post Response
30 September 2014**

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1. Introduction

An Post welcomes the opportunity to contribute its views on Consultation 14/94 which concerns An Post's application to ComReg for derogations from the provision of universal postal service on certain days on which there is no significant demand for postal services and which are considered de-facto public holidays.

There are significant challenges facing the postal industry, mainly due to the decline in traditional mail volumes as a result of electronic substitution. New technologies exist that provide customers with a variety of options for meeting their communication needs. In An Post's view, the absence of a full postal service on a small number of days, primarily around Christmas and Easter, does not result in significant inconvenience to customers.

An Post is acutely aware of the importance of its trusted position of Universal Service Provider and its inherent responsibility to ensure that postal customers receive a high quality of service. The reality is that the days on which An Post has applied for derogations have become de-facto public holidays and shut-down days for most businesses. The provision of a full postal service on these days would greatly increase An Post's costs without providing a corresponding benefit to customers.

2. Response to consultation questions

Q.1 Do you agree with ComReg's preferred option as set out above?

Please provide reasons with your answer and any supporting information in your possession, in particular with regard to the level of postal service user demand for services on Good Friday and the level of businesses open/closed on Good Friday

An Post Response

An Post welcomes the preliminary assessment that ComReg is minded to grant An Post a partial derogation for the provision of postal services on Good Friday. The granting of this partial derogation will see the status quo retained where the provision of postal services on Good Friday is concerned, i.e. limited collection and delivery of mail primarily within urban areas.

An Post would prefer that ComReg grants a full derogation for Good Friday as the reality is that for the main senders of mail, financial institutions, utilities and Government, Good Friday remains a shut down day. Likewise the majority of the general public view Good Friday as a de-facto public holiday and do not have the expectation that it is a day on which normal infrastructural services are provided.

Q.2 Do you agree with ComReg's preferred option as set out above?

Please provide reasons with your answer and any supporting information in your possession, in particular with regard to the level of postal service user demand for services and the level of businesses open/closed on the Mondays following a public holiday which falls on a Saturday or Sunday.

An Post Response

An Post welcomes the preliminary assessment by ComReg concerning its application for a derogation covering the provision of postal services on Mondays following a public holiday which falls on the preceding Saturday or Sunday. ComReg correctly points out public holidays rarely fall on a Saturday or Sunday and that in practice the derogation would only apply to one Monday per year for the period 2014 to 2020.

An Post holds the view that the business community and the general public do not expect a postal service on these Mondays. Supporting this view is the reality that a substantial number of business premises are either closed or inaccessible on these days. Likewise the general belief among members of the public is that these Mondays are de-facto public holidays.

An Post understands that some of its business customers in the non-retail sector, particularly international financial services companies, work during public holiday weekends. However these customers, particularly those that operate call centres, mainly communicate with their international business partners and customers via telephone and email rather than physical mail. Consequently the absence of the postal service on these rare Mondays should not constitute a major inconvenience for them. An Post's experience is that there is almost no demand for its services on these days.

Q.3 Do you agree with ComReg's preferred option as set out above?

Please provide reasons with your answer and any supporting information in your possession, in particular with regard to the level of postal service user demand for a collections service and the level of businesses open/closed in the afternoon/evening of 24 December (Christmas Eve).

An Post Response

An Post welcomes the preliminary assessment by ComReg concerning its application for a full derogation for collections for the 24th of December (Christmas Eve). An Post's research indicates that mail volumes on this day are only 20% of average daily volumes. The low level of mail posted is indicative of the lack of demand for a collection service on Christmas Eve.

The provision of a full collection service for only 20% of normal volumes would greatly increase An Post's collection costs without any increase in revenue. Additionally, the users of postal services will not be greatly inconvenienced by this derogation as mail posted on 24 December will, subject to the granting of the derogation for the provision of a universal service on the first working day after the 26th December, be delivered on the third working day after Christmas. This is still before many businesses re-open after the holidays.

Q.4 Do you agree with ComReg's preferred option as set out above?

Please provide reasons with your answer and any supporting information in your possession, in particular with regard to the level of postal service user demand for services and the level of businesses open/closed on the first working day after 26 December (St. Stephen's Day).

An Post Response

An Post welcomes the preliminary assessment by ComReg concerning its application for a full derogation for the first working day after St. Stephens's Day albeit with conditions attached to mitigate any security and confidentiality issues which might arise.

With the exception of some retail outlets, the majority of businesses are closed after Christmas and in consequence there is a significant decline in business activity. An Post's experience is that there is no demand for a postal service on the day after St. Stephen's Day and a substantial proportion of business delivery points remain closed or are inaccessible on this day.

Q. 5 If an exemption is granted for any day do you consider the proposed customer communication arrangements to be adequate? Please explain your response clearly and provide full details.

An Post Response

An Post notes ComReg's observation that in the event that all the derogations sought are granted, then in the case of some years, this may result in there being an entire week where no universal postal service is provided over the Christmas period. An Post is fully committed to ensuring that its customer communications are both appropriate and timely in order to ensure that postal service users are fully aware of the arrangements for provision of the USO and in particular collections and deliveries services that would apply over the Christmas holiday period.

With regard to the security and confidentiality of the mail not collected during this period, An Post will ensure that all access points have adequate capacity to meet these requirements.

Q. 6 Are there other factors ComReg should consider in completing its Regulatory Impact Assessment? Please explain your response and provide details of any factors that should be considered by ComReg.

An Post Response

Ultimately the cost of providing the USO is reflected in the price charged to customers. The provision of an extensive postal service on days when demand for postal services is very low increases cost and ultimately price without any commensurate benefit to postal users.

3. Conclusions

Both ComReg and An Post have a shared interest in ensuring that postal users receive a service that is closely aligned with their needs. The granting by ComReg of the derogations sought will align the regulatory requirements of the Universal Service with customer demand.