



Office of Utility Regulation

Extension of Powers to Enable Control of Postal Prices outside the Reserved Sector

Statutory Invitation to Comment

Notice of Proposal to Modify the Licence issued to Guernsey
Post Ltd under Section 2(1) of the Post Office (Bailiwick of
Guernsey) Law, 2001

Document No: OUR 04/18

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Office of Utility Regulation
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Notice of proposal to Modify the Licence of Guernsey Post Limited

In accordance with

- Section 8 of the Post Office (Bailiwick of Guernsey) Law, 2001; and
- Condition 6 of the Licence issued to Guernsey Post Ltd under section 2(1) of the Post Office (Bailiwick of Guernsey) Law, 2001,

the Director General of Utility Regulation hereby gives notice of her intention to modify the Licence issued to Guernsey Post Ltd on 1st October 2001 under section 2(1) of the Post Office (Bailiwick of Guernsey) Law, 2001.

Modification of Condition 18

The Director General proposes to delete the existing condition 18 and replace it with the following condition:

18. REGULATED PRICES FOR SERVICES

18.1 Where the Director General has decided, in accordance with Section 5 of the Postal Law, that a licensee has a dominant position in a relevant market, she may determine that the provisions of this Part III apply.

18.2 Where the Licensee intends to introduce:

- (a) new prices for any Licensed Services and/or Non-Licensed Services, or prices for new Licensed Services and/or Non-Licensed Services to be introduced;*
- (b) any discounts to published prices for Licensed Services and/or Non-Licensed Services or for any Users to whom additional services or goods are provided by the Licensee or any of its Associated Companies; or*
- (c) special offers to all or any of its Users for particular categories of Licensed Services and/or Non-Licensed Services, it shall submit details of such prices, discounts and/or offers to the Director General and publish the same in a manner that will ensure reasonable publicity for them.*

18.3 The Director General may determine the maximum level of charges the Licensee may apply for Licensed Services and/or Non-Licensed Services within a Relevant Market in which the Licensee has been found to be dominant. A determination may;

- (a) provide for the overall limit to apply to such Licensed Services and/or Non-Licensed Services or categories of Licensed Services and/or Non-Licensed Services or any combination of Licensed Services and/or Non-Licensed Services;*
- (b) restrict increases in any such charges or to require reductions in them whether by reference to any formula or otherwise; or*
- (c) provide for different limits to apply in relation to different periods of time falling within the periods to which any determination applies.*

18.4 All published prices, discount schemes and special offers of, or introduced by, the Licensee for Licensed Services and/or Non-Licensed Services shall be transparent and Non-discriminatory; all discount

schemes shall be cost-justified and all special offers shall be objectively justifiable.

18.5 If the Director General, after consulting the Licensee and such other persons as she may determine, is satisfied that any published price, discount scheme or special offer is in breach of any part of this Condition 18, the Director General may, by issuing a direction, require the Licensee to bring the relevant prices, discount schemes or special offers into conformity with this Licence.

Reason for Modification

The reason for this modification is to empower the Director General to regulate Guernsey Post Ltd's prices where it is found to be dominant in relation to a relevant market for Non-Licensed Services. This will enable the Director General to perform her duties set out in section 2 of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 which include inter alia:

- protecting the interests of consumers and other users in the Bailiwick in respect of the prices charged for utility services; and
- ensuring that utility activities are carried out in such a way as best to serve and contribute to the economic and social well-being of the Bailiwick.

Representations or Objections

In accordance with section 8(2)(c) of the Post Office (Bailiwick of Guernsey) Law, 2001, interested parties are invited to submit written representations or objections to the proposal in this notice within 14 days of publication of this notice.

Written representations or objections should be clearly marked "**Representations re proposal to modify the licence of Guernsey Post Ltd**" and be submitted by 12 noon on Friday 24 September 2004 to:

The Office of Utility Regulation
Suites B1&B2
Hirzel Court
St Peter Port
Guernsey
GY1 2NH

Following consideration of any representations or objections the Director General will publish notice of her decision to modify or not to modify the licence.

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