



Office of Utility Regulation

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Regulator Considers Post Price Proposals

The price of posting a local letter will remain unchanged for the next 18 months under proposals submitted to the OUR by Guernsey Post. The proposals also include price reductions for some business customers but significant increases in larger letters which the OUR will closely examine. The proposals also outline significant reductions in payroll and overhead costs.

“The proposals from Guernsey Post include significant improvements to its cost base, something we have said it must focus on. We are pleased that the company is finally responding to that challenge,” said John Curran, Director General at the OUR. “Guernsey Post’s proposal to freeze certain prices for customers at the current level for another year will be welcomed,”

Guernsey Post’s proposals for 2011-2012 include a freeze on local and UK small letter public tariffs, which stay at 36p and 45p respectively, a reduction of 1p in some business tariffs and the creation of a single set of international tariffs for letters, large letters and packets.

Guernsey Post also aims to significantly improve its productivity under proposals submitted to the OUR. The OUR is currently conducting an efficiency review of the company’s operations to help inform any final decision on tariffs.

“The drive by Guernsey Post to increase its productivity is very welcome news for customers,” said Mr Curran, who added that the proposals would also benefit the wider economy. “International postal markets have become fiercely competitive and if the Bailiwick is to retain and continue to attract large postal customers and the jobs they provide in the island, Guernsey Post must be among the best postal operators in Europe. We are pleased that Guernsey Post is grasping the nettle and taking significant steps to improve its efficiency.”

The OUR is now considering Guernsey Post proposals in detail and is consulting the public for its views. The regulator also proposes to change the way it determines price controls for the two years after 2011-12. This approach would increase Guernsey Post’s

ability to adjust its prices according to commercial considerations, while still abiding with the provision of its postal licence, which prohibits anti-competitive behaviour.

Further details on the proposals submitted to the OUR by Guernsey Post are included in document OUR 10/12 which is published on the OUR website www.regutil.gg . Copies are also available by calling the OUR on 711120.

Information for the Editor

About the OUR

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, John Curran and has four staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy.

The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd. Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers. More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.