



Office of Utility Regulation

Media Release 29th November 2011

Guernsey Post Tariffs

The Office of Utility Regulation (“OUR”) has today announced it will give Guernsey Post significantly greater freedom to agree postal tariffs with its bulk mail customers, while more flexibility will also be given to GPL in setting its public and business postal tariffs. The OUR had in January 2011 stated its intention to move away from setting caps on individual postal tariffs and the announcement today sets out the high level framework within which Guernsey Post can do this from April 2012.

“We signaled earlier this year that we wanted to move away from setting individual tariffs for Guernsey Post and move instead to a format that focuses on making sure it has the overall funding it needs but which gives the company greater commercial freedom for specific tariffs,” said Michael Byrne, Deputy Director General of the OUR. “We believe the previous approach has served its purpose; given the current state of the market, particularly the recent announcement by the UK to end the application of the low value consignment relief to the Channel Islands, the time is right to take a different approach.”

“The OUR will continue to ensure GPL meets its quality standards and maintain scrutiny of the core USO business where customers have little or no choice. However these goals can be achieved without the need to set individual price caps for postal services”, he said. “Bulk mailers are now in a considerably stronger position to negotiate with GPL,

while businesses are increasingly able to use alternative technologies instead of the postal network. It is right that regulation should reflect that and focus on where it is needed.”

Further details on the Information Notice are set out in document OUR 11/14 which is published on the CICRA website www.cicra.gg. Copies are also available by calling the OUR on 711120.

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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.