

John Curran
Director General of Regulation
Office of Utility Regulation
Suites B1 & B2
Hirzel Court
St. Peter Port
GY1 2NH

19 November 2010

Dear John

The following are the items PostWatch have decided to make comment on.

1. PostWatch is pleased to see there is no proposed increase to the cost of posting letters, but feels there should be more encouragement given by Guernsey Post to the public, to fold A4 sized paper in half thereby allowing the use of C5 envelopes and reducing the cost of postage.
2. PostWatch believes the three year flexi basket approach to pricing as opposed to a three year fixed price regime to be a very sensible approach.
3. Where the pension deficit is concerned, having a five year catch-up period to eliminate the deficit does not solve the basic problem. Guernsey Post's hands are tied with regard to the rules of the pension scheme as these are decided by the States, which means that each time a new member of staff is employed, the problem is compounded. Therefore, the PostWatch opinion is the deficit problem needs to be solved by the States of Guernsey.

PostWatch does not wish to comment further on any of the points raised in the Consultation Paper and is more concerned with the Universal Service Obligation review.

Yours sincerely



Dennis H Le Moignan
Chairman, PostWatch Guernsey