

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 11th MAY 2010**

**Question**

“Following the undertaking given on 20th April 2010, will the Minister inform members what request he has made to the Jersey Competition Regulatory Authority over the consultation timescale concerning the granting of class 1 postal licences to two competitors to Jersey Post and inform members what the new timescale for the process is now?

Will he advise what meetings, if any, he has had with stakeholders to address the concerns expressed by Jersey Post and the Communications Workers Union and if not why not?

What steps, if any, has he taken to ensure that the impact of the introduction of new competitors in this sector on the maintenance of postal Universal Service Obligations are made clear to the Jersey public, and if no steps have been taken, when will he do so?”

**Answer**

Having given an assurance to the Assembly, I wrote to the JCRA on 29th April 2010 asking that the consultation regarding the grant of Class 1 Licences to Citipost DSA Limited and Hub Europe Limited be extended. In their reply of 30th April, the JCRA stated that an extension was not necessary given that the consultation had already lasted 31 days, (rather than the statutory 28 days) and that 10 comments had already been received. Both main interested parties, namely Jersey Post and the Communications Workers Union had already responded and it was unlikely that further responses from other parties would be received. They then noted that the JCRA would consider these responses as required by the Postal Services (Jersey) Law 2004 before moving to a Final Notice. This Final Notice would also be subject to a 28 day period during which any appeals regarding the Final Notice can be made.

Since the decision was announced by the JCRA that it was considering opening up the postal market, I have had a number of meetings with representatives of Jersey Post, together with some of their clients and I am fully aware of their concerns. To that end, I noted in my letter to the JCRA that I was concerned that no decision should be made regarding the grant of these proposed licences until the outcome of the efficiency review into Jersey Post had been concluded and that I was prepared to give them written guidance to that effect. Although the JCRA sees the efficiency review as separate from the possible award of new licences, they have given an assurance that the outcome of the efficiency review would be considered as part of the award if relevant to do so.

I am also mindful that the Universal Service Obligation is an important issue for Islanders. It is important to note that the Postal Law prevents a situation where the advent of competition adversely affects the USO and so the JCRA will be mindful of this. However, I think that Deputy Southern is right to draw attention to the need for a wider debate around the USO and what Jersey Post can realistically be expected to provide given the costs involved. To that end I have instructed my department to liaise as a matter of some urgency with the JCRA and Jersey Post to produce and publish a public consultation on the USO in order that Islanders have a chance to comment on the level of service that they wish to have, while recognising what costs come with it. This will take a few weeks to produce, but will certainly take place before the conclusion to the licensing process currently underway.



30 April 2010

Senator Alan Maclean  
Minister of Economic Development  
Economic Development Department  
Liberation Square  
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Dear Alan

I write in response to your letter to me dated 29 April 2010, which passes on a request you received to ask the JCRA to extend the current consultation deadline of 30 April 2010 concerning the Initial Notices which propose to issue postal operator licences to Citipost DSA Limited and Hub Europe Limited.

We have considered this matter but conclude that an extension is not necessary. The consultation period in this instance has run on for 31 days (slightly longer than the required 28-day period), during which time we have received 10 responses. Of the responses we have received thus far, 8 support the issuance of the proposed licences while 2 oppose.

Jersey Post has yet to respond, but has confirmed to the JCRA that it does not need additional time and will submit its response by the end of today. The CWU also has already responded on its own behalf. Pursuant to our normal procedures, the JCRA will post public versions of all responses received on its website soon after the closure of the consultation period.

Therefore, as we already have received numerous responses to the consultation, and no party that intends to respond has asked the JCRA for more time to do so, an extension to the current consultation period is unnecessary.

As you know, now that the JCRA has received responses to the consultation, the Postal Services (Jersey) Law 2004 will require the JCRA to consider these responses before reaching a final decision on whether or not to issue additional postal licences and, if so, on what terms. These final decisions will be set out in published Final Notices. Once

**JERSEY COMPETITION REGULATORY AUTHORITY**

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Final Notices are issued, the Law will require another 28-day period to pass before any proposed regulatory action takes effect, to allow any party to appeal the decision.

Concurrently, we will continue to work with Jersey Post on the efficiency review. We see the ongoing efficiency review of Jersey Post as an issue separate from the grant of additional postal licences. However, should we need to draw on that work in preparing the Final Notices, we will be able to do so.

Please let me know if you have any additional questions concerning this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C Webb', written in a cursive style.

**Charles Webb**  
Executive Director

**Economic Development Department**

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29 April 2010

Charles Webb  
Executive Director  
Jersey Competition Regulatory Authority  
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Dear Chuck

As you are no doubt aware, the States recently debated the issue of postal licensing and, in particular, the JCRA issue of two Initial Notices, which propose to award postal operator licences to Citipost DSA Limited and Hub Europe Limited. Members are clearly concerned that a decision might be reached on moving to a Final Notice before the completion of the efficiency review that the Authority is undertaking into the operation of Jersey Post. To that end, I was requested to write and officially ask the JCRA to extend the current consultation period that is otherwise set to finish this Friday, 30 April 2010. I would ask that the JCRA Board give this request early consideration, not least because the potential impact of the efficiency review will determine what measures, if any, need to be planned with regard to the Universal Service Obligation.

Ideally, therefore, the efficiency review will be completed and made public before a move to Final Notices. I think that it is also a reasonable assumption that the Assembly will wish to consider the USO and debate the merits of proposals put forward and from that perspective a move to Final Notice will be considered premature. While I fully accept that the JCRA has a duty under Article 24 of the Postal Services (Jersey) Law 2004, it also has the discretion to extend the period of consultation and I fully believe that the best interests of the Island would be served in this instance by doing so. The matter of the USO, potential impact of these new market entrants and the efficiency review of Jersey Post are inextricably linked and in the event that, for whatever reason, the consultation is not extended, I am minded to send the Authority written guidance that the efficiency review must be completed and the impact assessed before licences are awarded.

Yours sincerely

A handwritten signature in black ink, appearing to read "Alan Maclean", with a long horizontal flourish underneath.

**Senator Alan Maclean**  
**Minister for Economic Development**  
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