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## **OUR Approves Stamp Price Changes**

Guernsey’s utilities regulator has approved Guernsey Post’s (GPL) application to increase stamp prices from next April. This means local stamps will go up next year from 26p to 29p and UK stamps from 32p to 34p, which means Islanders will pay on average an estimated £2.60 more per year for their post.

However, the Office of Utility Regulation (OUR) is still considering GPL’s request to change the charges for bulk mail customers as well, and is waiting for more information on service level agreements and sorting costs before finalising a decision on that aspect of the new tariffs.

“Nobody welcomes price increases, but the reality is Guernsey Post is now facing significantly higher costs from the Royal Mail to get our post delivered in the UK”, says John Curran, Director General of the OUR. “Previously, Guernsey Post’s arrangement with Royal Mail effectively subsidised local deliveries but that money is no longer available and so the prices need to go up”.

“However, most Islanders send more than half of their total post at Christmas, so we welcome the fact that the reduced Christmas tariff is being continued as that should help minimise the impact of this increase overall”.

In order to make sure increases are kept to a minimum in future, the OUR is also starting a detailed review of Guernsey Post’s universal service obligation (USO) which sets out the minimum level of postal service to which local people are entitled.

“Guernsey Post’s current service obligation was put in place when their payments to Royal Mail were considerably less than they are now, and we think its sensible to see how that service obligation affects the prices people have to pay” said John Curran. “This is ultimately a matter for the States and so we will be looking to work closely with postal users, Commerce & Employment, and the States as a whole, to ensure that the standard of service is one that is right for Guernsey”.

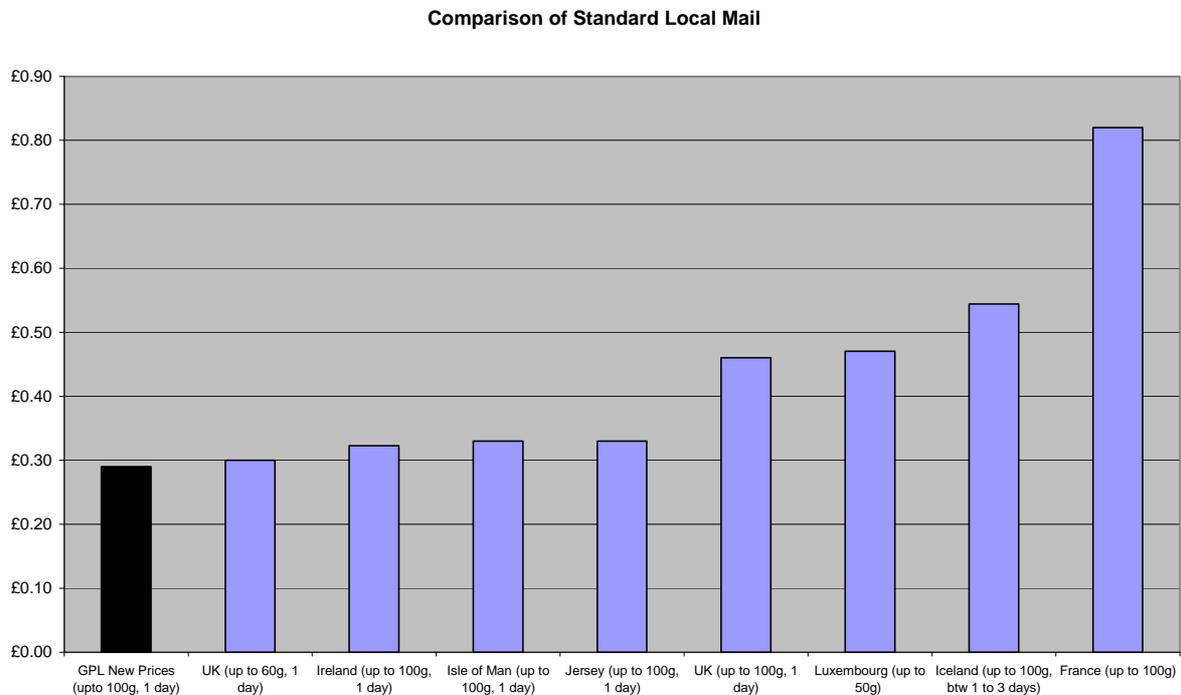
The OUR is waiting for more information before completing its assessment of Guernsey Post’s plans for the Bulk Mail sector and will now continue to work with Guernsey Post to get that part of the new tariff application completed as soon as possible.

“The bulk mail sector is very important to the economy as a whole, and there are a number of factors which need to be considered which don’t apply to ordinary post” said John Curran. “It is important that the implications of any tariff changes in this area are fully understood before we finalise our decision, and I am very grateful to the bulk mail sector for the assistance they have provided to date.”

The OUR’s decision is available on the OUR’s website – [www.regutil.gg](http://www.regutil.gg) – or from it’s office. It’s entitled “OUR 05/30: Guernsey Post’s Tariff Changes – Report on the Consultation and Decision Notice”.

## Information for Editors

Guernsey Post will be increasing local stamp prices from 26p to 29p for letters up to 100g. This compares with local letter price of 30p for 60g (46p for 100g letters) in the UK and 33p in Jersey (although increasing to 34p from April 2006). A comparison of local stamp prices for a number of western European countries is shown below.



Guernsey Post will be increasing the price of a regular UK stamp from 32p to 34p (upto 60g). This compares to 29p for the Isle of Man (for 60gitem) and 34p for Jersey (increasing to 37p from April 2006).

Figures provided by Postwatch in the UK show that annual household consumption on postal services is between £25 to £30 with almost 50% of that figure spent in the run up to Christmas.

The OUR estimates that the discounted local Christmas mail in 2003 and 2004 resulted in savings of approximately £120,000 for GPL customers.

- **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](http://www.regutil.gg), or by contacting the Office of Utility Regulation on 01481 711120.**