



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

Thursday 28th March 2002

ODTR approves An Post's request for interim standard price increase of 3 cents

Following a consultation on the subject, the ODTR today (Thursday 28th March 2002) approved An Post's proposal to increase the basic price to deliver a letter anywhere in Ireland or Britain by 3c to 41c. The new price covers all POP letters¹ up to 50g as compared with 25g at present. The cumulative effect of this is that the price of the stamp would be reduced for about 10% of all letters. The date of implementation is a matter for An Post but customers should be clearly informed beforehand.

There were 31 responses to the consultation. While many respondents were critical of An Post, there was a general recognition that after a long period of stability, some increase was justified.

An Post proposals in respect of Direct Mail Services such as Postaim were the subject of most criticism, on the grounds that annual budgets are already fixed for many organisations using these services and that the overall increase could be very substantial, in particular due to the removal of cumulative discount. The regulator has therefore deferred making a decision pending further review, allowing only the interim flat rate increase of 3c on these services.

With respect to the "Early Presentation Scheme" for bulk mail which gives a discount of 3c to large customers who present their mail before midday – the ODTR has approved these proposals. It is no longer necessary to all have to be identical, and customers can also now frank this post as opposed to paying by cash or cheque.

¹ Standard Business Envelopes up to C5 size, ie 162 mm x 235mm, and no more than 5mm thick.

The ODTR is concerned that respondents do not consider that the ‘early presentation’ discounts will be sufficiently attractive to generate a significant switch of business to this service. However, An Post has assured the Director that it intends to promote the new service aggressively in order to achieve the target of 25% of all mail being handled in this way.

The Regulator will further review An Post’s pricing in the light of full separated accounts required by the ODTR ² not later than 31 May 2002. With regard to the specific proposal by An Post to increase the price of a basic letter to 45c, Etain Doyle commented “This is not under consideration at the present time, but is An Post’s declared target. I have not yet seen any financial information that would support such a price and look forward to receiving the detailed accounts from An Post at the end of May. The “interim” figure of 41c is the most that could be supported on the basis of the information that is currently available.”

Details of the approved prices are attached.

Full details of An Post’s proposal are outlined in the Report on Consultation & Decision Notice ODTR 02/32– Application by An Post to increase the price of reserved Postal Services. The document is available on the ODTR website www.odtr.ie.

ENDS

Issued By

Brighid Smyth

Public Affairs Manager

ODTR

Ph: 01 804 9639

Mobile: 086 8270905

Postal Regulation is new so it may be helpful to clarify some points

- The regulatory role of the ODTR relates to the postal services not to the whole of An Post’s business. In particular issues regarding the funding of post offices network, are a matter for An Post and the Government
- The reserved area currently includes the collection/delivery of all letters weighing less than 350g and charged at less than €1.90 (The €1.90 limit

² See ODTR 01/74

will be increased automatically to €2.05 as a result of the approved increases).

- Proposals currently being considered by the European Parliament propose a reduction in the size of the reserved area to 100g from 2003, 50g from 2006 with full competition from 2009.

APPROVED INCREASES

NATIONAL SERVICES

FIRST CLASS LETTER SERVICE

Please note: Only items weighing less than 350g are reserved to An Post, with price increases subject to the Director's approval under section 70(2) of the Postal and Telecommunications Services Act, 1983, as amended.

(i) Post Office Preferred Envelopes³ & Postcards

Weight not over	Current price	Approved price	% increase
25g (including Postcards)	38c	41c	7.9%
50g	44c		6.8% reduction

(ii) Larger Envelopes⁴

Weight not over	Current price	Approved price	% increase
50g	44c	47c	6.8%
100g	57c	60c	5.3%
250g	89c	92c	3.4%
350g	€1.46	€1.49	2.1%

(iii) Other Letter Packets

Weight not over	Current price	Approved price	% increase
50g	44c	47c	6.8%
100g	57c	60c	5.3%
250g	89c	92c	3.4%
350g	€1.46	€1.60	9.6%

³ Standard Business Envelopes up to C5 size, ie 162 mm x 235mm, and no more than 5mm thick.

⁴ Up to 400mm x 300mm x 25mm.

(iv) Discounts & Additional Fees

	Current price	Approved price	% increase
Business Reply – handling fee	1c	Nil	Abolished
Early Presentation Discount	3c	3c	Unchanged
Pre-sortation Discount	4c	5c	25%
Early Presentation Discount	3c	3c	Unchanged
Unpaid / underpaid mail	63c + unpaid / underpaid postage	63c + unpaid / underpaid postage	Unchanged

INTERNATIONAL SERVICES

PRIORITY SERVICE

Please note: Only items weighing less than 100g (350g Britain) are reserved to An Post, with price increases subject to the Director's approval under section 70(2) of the Postal and Telecommunications Services Act, 1983, as amended.

(i) Post Office Preferred Envelopes & Postcards

Weight not over	Current price			Approved price		
	Zone 2 Britain	Zone 3 Europe	Zone 4 Rest of World	Zone 2 Britain	Zone 3 Europe	Zone 4 Rest of World
25g (including postcards)	38c	41c	57c	41c	44c	57c
50g	51c	83c	95c		83c	95c

(ii) Larger Envelopes & Other Letter Packets

Weight not over	Current price			Approved price		
	Zone 2 Britain	Zone 3 Europe	Zone 4 Rest of World	Zone 2 Britain	Zone 3 Europe	Zone 4 Rest of World
50g	51c	83c	95c	55c	83c	95c
100g	70c	€1.21	€1.71	76c	€1.21	€1.71
250g	€1.02	Outside reserved area		€1.10	Outside reserved area	
350g	€1.71			€1.85		

ECONOMY SERVICE

Please note: Only items weighing less than 250g (350g Britain) are reserved to An Post, with price increases subject to the Director's approval under section 70(2) of the Postal and Telecommunications Services Act, 1983, as amended.

Weight not over	Current price			Approved price		
	Zone 2 Britain	Zone 3 Europe	Zone 4 Rest of World	Zone 2 Britain	Zone 3 Europe	Zone 4 Rest of World
50g	44c	51c	51c	48c	55c	51c
100g	57c	70c	95c	63c	70c	95c
250g	83c	€1.40	€1.71	91c	€1.40	€1.71
350g	€1.40	Outside reserved area		€1.54	Outside reserved area	