



An Coimisiún um  
**Rialáil Cumarsáide**  
Commission for  
**Communications Regulation**

# Review of the universal postal service specification

## Response to Consultation and Decision

Response to Consultation and Decision

**Reference:** ComReg 18/99R,  
D13/18

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**An Coimisiún um Rialáil Cumarsáide**  
**Commission for Communications Regulation**

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## Additional Information

| Consultation on review of universal postal service specification                      | 18/66  |
|---|--------|
| Submissions to consultation 18/66 on review of universal postal service specification | 18/99s |

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# 1 Executive Summary

- 1 The universal postal service guarantees postal services of a specified quality at an affordable price for the benefit of all postal service users (both the senders and receivers of post), irrespective of their geographic location. The universal postal service is part of the European regulatory framework laid down by the European Postal Services Directive<sup>1</sup>, transposed into Irish law by the Communications Regulation (Postal Services) Act 2011 (the “Postal Act”).
- 2 Section 16(9) of the Postal Act requires the Commission for Communications Regulation (“ComReg”) *“For the purposes of ensuring that the universal postal service develops in responses to the technical, economic, and social environment and to the reasonable needs of postal service users ... following a public consultation process, [to] make regulations specifying the services to be provided by a universal postal service provider relating to the provision of a universal postal service.”* In 2012, following a public consultation, ComReg made the Communications Regulation (Universal Postal Service) Regulations 2012 (SI 280 of 2012) (“the Regulations”), specifying the universal postal service.
- 3 Given the passage of time and developments in the postal sector since 2012, by a public consultation<sup>2</sup>, ComReg revisited the specification of the universal postal service to examine whether certain services should remain in the specification of the universal postal services<sup>3</sup>. The preliminary views in the public consultation were formed following consideration of supporting research and analysis on changes to the technical, economic, and social environment and to the reasonable needs of postal service users<sup>4</sup>. The consultation proposed:
  - the removal from the universal postal service of certain bulk mail services, namely “Delivery only” (largely An Post Ceadúnas Discount 9), “Deferred Delivery” (largely An Post Ceadúnas Discount 6), International Bulk Mail Service (“IBMS”) (together referred to as “the certain bulk mail services”);
  - amending the maximum weight of the basic parcel service in the universal postal service from 20kg to 10kg; and
  - keeping the ‘ancillary services’ in the universal postal service.

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<sup>1</sup> Directive 97/67/EC as amended by Directive 2002/39/EC and Directive 2008/6/EC.

<sup>2</sup> ComReg Document No. 18/66 dated 11 July 2018 (<https://www.comreg.ie/publication/review-of-universal-postal-service-specification-consultation-and-draft-amending-regulation/>) (“Consultation 18/66”)

<sup>3</sup> As required by section 16(9) of the Postal Act. This was noted as Goal 2 in the Postal Strategy Statement (“PSS”) 2018 – 2020.

<sup>4</sup> ComReg Document No. 18/66a: Report by Frontier Economics ‘Research and recommendations on the universal postal service specification’ – April 2018

- 4 There were two responses to Consultation 18/66<sup>5</sup>; (1) An Post and (2) Tico Mail Works Limited (“Tico Mail Works”). Tico Mail Works’ response only concerned the certain bulk mail services in the universal postal service. The certain bulk mail services in the universal postal service are subject to a further consultation, ComReg Document No. 18/100, and are therefore not part of this document.
- 5 Having considered the response from An Post, together with other relevant evidence, and for the reasons summarised in this document and in Consultation 18/66, ComReg has decided:
- to amend the maximum weight of the basic parcel service in the universal postal service by reducing it from 20kg to 10kg. For the avoidance of any doubt, regardless of ComReg's decision on this, postal service providers (including An Post) will remain free to offer parcels above 10kg.
  - to keep the ‘ancillary services’<sup>6</sup> in the specification of the universal postal service.

**Decision on amending the basic parcel service maximum weight to reduce it from 20kg to 10kg**

- 6 Having considered the submission of An Post, together with other relevant evidence, ComReg’s position is that the maximum weight of the basic parcel service in the universal postal service should be reduced to 10kg. The reasons for this decision include the following:
- A variety of alternative parcel delivery providers operate in the sector, all offering competitively priced nationwide products, at maximum weights greater than 10kg, at nationwide prices.
  - Although An Post remains the main parcel delivery provider, a growing proportion of postal users also use other providers for at least some of their delivery needs.
  - It is consistent with recent changes which have taken place across Europe for the universal postal service parcel to be a maximum of 10kg.
  - Regarding potential Value Added Tax (“VAT”) implications, ComReg again notes that national taxation is a matter solely for the Revenue Commissioners.
- 7 For the avoidance of any doubt, regardless of ComReg's decision on this, postal service providers (including An Post) will remain free to offer parcels above 10kg.

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<sup>5</sup> Published as ComReg Document No. 18/99s

<sup>6</sup> Namely the services of PO Box, Redirection, Mailminder, Freepost/Business reply.

### **Keeping the ‘ancillary services’ in the universal postal service specification**

- 8 Having considered the submission of An Post, together with other relevant evidence, ComReg’s position is that the ‘ancillary services’ should remain in the universal postal service specification. These services are linked to the clearance and delivery of “postal packets”. This maintains the status quo and such ancillary services continue to be subject to regulatory oversight on access, price, and terms and conditions.

### **Structure of this document**

- 9 This document is structured as follows:
- Chapters 2, 3, and 4 relate to ComReg’s decision to amend the basic parcel service maximum weight from 20kg to 10kg. Chapter 2 assesses the submission to the public consultation on this issue, Chapter 3 sets out the Regulatory Impact Assessment of this decision, and Chapter 4 sets out the text of the statutory instrument which amends the Regulations by revising the basic parcel service maximum weight within the universal service from 20kg to 10kg.
  - Chapter 5 relates to ComReg’s position to keep the ‘ancillary services’ in the universal postal service.
  - Chapter 6 addresses other points made in response to Consultation 18/66.

## 2 Decision on amending the basic parcel service maximum weight from 20kg to 10kg

- 10 Universal postal service parcels are a basic parcel service and most parcels sent and received are not within the universal postal service. Parcels provided under the universal postal service only account for c.1% of the total volume of the universal postal service.
- 11 As noted by ComReg in 2012, ComReg considers that most postal service users appear to demand something more than the basic parcel service envisaged by the Postal Services Directive. As ComReg considers that this demand is being met by a competitive sector, ComReg noted that it was of the view that there was no need to mandate the provision of anything other than a basic parcel service as forming part of the universal postal service. Consequently, following public consultation in 2012, ComReg only set a basic parcel service as part of the universal postal service specification.
- 12 The Postal Act allows ComReg to limit the weight of the basic parcel service in the universal postal service<sup>7</sup> however “*such weight shall not in any case be less than 10 kilograms*”. Therefore, Consultation 18/66 considered whether it was appropriate to continue to include in the universal service a basic parcel service that weighs more than 10kg and less than 20kg. In considering whether it was appropriate to continue to include basic parcel services that weigh more than 10kg and less than 20kg in the universal postal service, ComReg, in Consultation 18/66, assessed the changes to the technical, economic and social environment and to the reasonable needs of postal service users since 2012.

### 2.1 ComReg’s preliminary view in Consultation 18/66

- 13 In Consultation 18/66, ComReg proposed the removal of the basic parcel service greater than 10kg from the specification of the universal postal service. ComReg outlined in detail the reasons for this proposal in Consultation 18/66.
- 14 In Consultation 18/66, ComReg asked:
- Q. 2 Do you agree with the preliminary view to remove a basic parcels service above 10kg from the specification of the universal postal service? Please explain your response.

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<sup>7</sup> Domestic and Outbound, Inbound maximum weight is set at 20kg by the Postal Act



## 2.2 Submission to Q.2 of Consultation 18/66

- 15 Only An Post made a submission.
- 16 An Post submits that the maximum weight of a parcel in the universal postal service should remain at 20kg.
- 17 An Post states that if the maximum weight is reduced to 10kg *“a question arises whether An Post would continue to provide a service for parcels in the range 10kg -20kg and if so at what price”*. According to An Post, it is not clear that all customers (especially infrequent users in more remote locations) would have economically viable alternatives if An Post chose to discontinue the service.
- 18 Furthermore, An Post states that health and safety issues dictate different handling practices for parcels in excess of 10kg which have significant cost impacts. An Post states that if parcels in excess of 10kg are removed from the universal postal service *“Depending on the market volumes, and the cost of systems and other changes, it may not be commercially attractive for An Post to maintain the service”*.
- 19 According to An Post, the proposed removal of 10kg to 20kg parcels from the universal postal service may have VAT implications, and as a result IT system changes would potentially be required.

## 2.3 ComReg’s position

- 20 The vast majority of parcels sent using the universal postal service weigh less than 10kg.
- 21 An Post has provided little evidence to support its submission that the maximum weight of parcels in the universal postal service should remain at 20kg. Regarding the health and safety issues raised, ComReg notes that An Post currently provides parcel services up to 20kg (both universal postal service and non-universal postal service<sup>8</sup>) without issue. ComReg considers that An Post has and will continue to have the necessary protocols and equipment to address any health and safety issues. An Post has not provided any evidence or detail on any increased costs for such parcels. ComReg notes that to date, An Post has offered parcels to 20kg in the universal postal service without issue and without any significant additional price<sup>9</sup>.

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<sup>8</sup> An Post offers its contract customers parcel delivery up to a maximum weight of 30kg

<sup>9</sup> As a universal postal service the service has to be cost oriented and An Post currently charges €1 per additional kg in weight beyond 5kg - <http://www.anpost.ie/AnPost/Downloads/050318/Guide-to-Postal-Rates.pdf>

22 Regarding potential VAT implications, ComReg again notes that national taxation matters are matters solely for the Revenue Commissioners. Regarding IT system requirements for any parcels subject to VAT, ComReg notes that An Post already offers commercially negotiated parcel services which are subject to VAT.

23 ComReg notes the following:

- As noted in Frontier Economics' report (ComReg Document No. 18/66a), a variety of alternative parcel delivery providers operate in the sector, all offering competitively priced nationwide products at nationwide prices. There are several alternative parcel delivery providers that offer a number of next day delivery parcel services across Ireland, these include:
  - Parcel Motel;
  - Parcelconnect (Fastway);
  - GLS ParcelShop;
  - Nightline/UPS;and
  - DPD.

All of these next day delivery parcel delivery services include 'Track and Trace' as standard (as with An Post parcel products). While An Post does not offer collection of mail items for its Standard Post product, all but Parcel Motel do offer this service. In addition, ParcelConnect, GLS ParcelShop and Parcel Motel all offer store drop-off options, with longer access hours than An Post's Post Offices.

Like An Post, each of these operators provides a national service. Additionally, they all operate with no explicit zonal pricing. In other words, the price to ship from one Irish address to another Irish address is not dependent on the distance to, or location of, the addressee. Therefore, rural based users avail of the same pricing as urban based users.

The maximum weights for parcel delivery for the following providers are as follows:

- DPD<sup>10</sup>: 31kg, drop off 20kg
- GLS<sup>11</sup> and Parcel Connect<sup>12</sup>: 30kg

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<sup>10</sup> <https://shipping.dpd.ie/help-centre/answer/4078>

<sup>11</sup> <https://gls-group.eu/IE/en/occasional-shipment/shipping-calculator>

<sup>12</sup> <https://www.parcelconnect.ie/faq/>

- Nightline<sup>13</sup>: 20kg.
- Although An Post remains the main parcel delivery provider chosen by all user groups, a growing proportion of postal service users also use other providers for at least some of their delivery needs.
- It seems reasonable that the reasonable needs of postal service users would be met by normal market conditions. Overall, based on the supporting research published as ComReg Document No. 18/66a, there appears to be a high level of satisfaction with the quality and choice of parcel services – including An Post’s – with the various requirements for speed, frequency, value and flexibility (including weight limits) met by a cross-section of suppliers. This also applies to all weight steps, although lower weight steps make up the majority of volumes sent.
- Parcels are the only mail format for which An Post has experienced an increase in volumes since 2012. This has been fuelled by the continued growth in e-commerce, which is not showing any evidence of slowing, with the number of parcels received by postal service users having increased considerably even over the past year. Frontier’s 2015 research report into the Irish packet and parcels sector<sup>14</sup> concluded that the developments in technology, consumer buying patterns and online retailing, have led to a diversified marketplace of packet and parcel operators. The Frontier 2015 research noted that in relation to volume shares of this packets and parcels sector in Ireland (in 2013), eight operators account for about 90%. The Frontier 2015 research estimates suggested that An Post is the largest operator with between 30-40% of packet and parcel volumes. Nightline, DPD and GLS are the next largest with respective shares between 10-15%, while Fastway and DHL are estimated to have 5-10% of volumes respectively. Frontier and Amárach’s 2015 research project into the packets and parcels sector in Ireland identified an increasingly diversified marketplace of parcel operators, and competitive pressures on parcel delivery operators. Postal service users have many options for the sending of parcels greater than 10kg. This choice was further evidenced in the 2017 research (ComReg Document No. 18/66a) which noted, for example, that a wide variety of delivery providers are also used by SMEs; although 88% of survey SME respondents still use An Post for at least some of their packet and parcel delivery needs, 40% use DHL, 31% use Fastway, and 28% use DPD. Further, 89% of SMEs reported that the current choice of delivery service meets or exceeds their needs.

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<sup>13</sup> <https://www.nightlinedirect.com/help-centre/answer/9>

<sup>14</sup> [https://www.comreg.ie/media/dlm\\_uploads/2015/12/ComReg1547.pdf](https://www.comreg.ie/media/dlm_uploads/2015/12/ComReg1547.pdf)

- It is consistent with recent changes across Europe which limited the universal postal service parcel to a maximum weight of 10kg (Austria, Czech Republic, Latvia, Portugal, Slovakia, and Slovenia<sup>15</sup>).
- 24 Having considered the submission by An Post, and for the reasons outlined above, ComReg has decided that the maximum weight of a parcel in the universal postal service should be reduced to 10kg. ComReg will make regulations amending the specification in the Regulations to reflect this decision. The change will apply from 1 January 2019 as this will simplify regulatory reporting changes and also allow time for any customer information amendments necessary.
- 25 For the avoidance of any doubt, regardless of ComReg's decision as outlined above, postal service providers (including An Post) will remain free to offer parcels above 10kg.

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<sup>15</sup> Source: Figure 51 (Annex C) of supporting report by Frontier Economics (ComReg Document No. 18/66a).

### 3 Regulatory Impact Assessment: ComReg's decision regarding basic parcel service maximum weight

- 26 A Regulatory Impact Assessment (“RIA”) is a structured approach to the identification and assessment of available regulatory options to meet the policy issue, including the likely impact of the regulatory options on different stakeholders. Based on this assessment, the RIA concludes with the choice of the best option to meet the policy issue. This best option should be the most effective and least burdensome regulatory option – it should be appropriate, effective, proportionate, and justified.
- 27 ComReg’s approach to the RIA is set out in the “Guidelines on ComReg’s Approach to Regulatory Impact Assessment” published in August 2007<sup>16</sup> and has regard to the RIA Guidelines issued by the Department of An Taoiseach in June 2009 (“the Department’s RIA Guidelines”), adopted under the Government’s Better Regulation programme.
- 28 The guidelines set out, amongst other things, the circumstances in which ComReg considers that a RIA is appropriate. In summary, ComReg indicated that it would generally conduct a RIA in any process that might result in the imposition of a regulatory obligation, or the amendment of existing regulatory obligations to a significant degree, or which might otherwise significantly impact on any relevant market or on any stakeholders or consumers.

#### Steps involved

- 29 In assessing the available regulatory options, ComReg’s approach to RIA follows five steps as follows:
- Step 1: describe the policy issue and identify the objectives
  - Step 2: identify and describe the regulatory options
  - Step 3: determine the impacts on stakeholders
  - Step 4: determine the impacts on competition
  - Step 5: assess the impacts and choose the best option

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<sup>16</sup> ComReg document 07/56a

### Step 1: Describe the policy issue and identify the objectives

- 30 The Postal Act requires ComReg *"for the purposes of ensuring that the universal postal service develops in responses to the technical, economic, and social environment and to the reasonable needs of postal service users ... following a public consultation process, [to] make regulations specifying the services to be provided by a universal postal service provider relating to the provision of a universal postal service."* In 2012, following a public consultation, ComReg made the Communications Regulation (Universal Postal Service) Regulations 2012 (S.I. 280 of 2012) specifying the universal postal service.
- 31 Given the passage of time and developments in the postal sector since 2012, it is appropriate to revisit the specification of the universal postal service for the purposes of ensuring that the universal postal service develops as required by section 16(9) and this was noted as Goal 2 in the Postal Strategy Statement ("PSS") 2018 - 2020.
- 32 Consequently, the policy issue and the objective is to ensure that the specification of the universal postal service that the universal postal service provider ("USP") must provide continues to develop in response to the technical, economics and social environment, and to the reasonable needs of postal service users.

### Step 2: Identify and describe the regulatory options

- 33 The inclusion of a service within the universal postal service, among other things, is intended to safeguard the provision of that service at an affordable price to all postal service users in a transparent and non-discriminatory way. Without this protection, the USP may decide not to offer these services commercially, or only provide them to a sub-set of the population where it is most profitable to do so.
- 34 However, in line with ComReg's statutory duties, a balance must be struck between the protection that the universal postal service affords postal service users (both senders and receivers), and any potentially detrimental impact on the development of competition that could result from restricting commercial freedom as universal postal services are subject to regulatory oversight on price, quality, access, and terms and conditions.
- 35 In identifying the regulatory options, ComReg has considered the changes to the reasonable needs of postal service users and to the wider technical, economic and social environment changes since 2012, noting that these two considerations are very much interlinked.

36 ComReg considered the following options:

36.1 Option 1 - to maintain the maximum weight of the basic parcel service in the universal postal service at 20kg.

36.2 Option 2 - to amend the specification of the universal postal service to reduce the basic parcel service maximum weight from 20kg to 10kg. This option is identified following consideration of:

36.2.1 Supporting report by Frontier Economics (ComReg Document No. 18/66a) which:

- Identified other parcel providers present in the Irish market who offer nationwide parcel services at a nationwide price that can be considered alternatives to the universal postal service.
- Analysed data on existing usage of the parcel service in the universal postal service, noting that most parcels in the universal postal service are less than 10kg.
- Referenced primary research (conducted by Amárach Research<sup>17</sup>) with key postal user groups as follows to understand their usage of parcel services:
  - Consumer survey
  - SME survey
  - Consumer and SME focus groups
  - In-depth interviews with large users.

Noting that these surveys identified usage, awareness, and satisfaction with parcel delivery services.

- Benchmarked the specification of the universal postal service in Ireland against that in other EU Member States, noting that other EU Member States have reduced the maximum weight of the parcel within the universal postal service to 10kg.

36.2.2 Response to Consultation 18/66<sup>18</sup>.

36.2.3 s.16 of the Postal Act, particularly s.16(1)(b), s.16(2), s.16(3), and s.16(9).

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<sup>17</sup> Amárach ensured that the survey samples were representative of postal users (minimum postal usage threshold) across a number of variables, including rural and urban, age, etc. See Annex B of the supporting report by Frontier Economics (ComReg Document No. 18/66a) for further detail.

<sup>18</sup> Only An Post made a submission regarding the maximum weight of the parcel in the universal postal service

36.2.4 All other available evidence.

**Steps 3 & 4 & 5: Determine the impacts on stakeholders and competition, assess the impacts and choose the best option**

37 Option 1 maintains the status quo. There would be no additional impact on stakeholders and competition, however, both stakeholders and competition may be impacted as this option may limit the competitive dynamics in the parcel sector. This is explored in Option 2.

38 Option 2 has a number of impacts, including that:

- it continues to ensure a basic parcel service in the universal postal service up to a maximum weight of 10kg;
- it minimises the scope of regulatory control on the USP by no longer requiring a basic parcel service beyond 10kg to be included in the specification of the universal postal service;
- it puts An Post and its competing parcel operators on the same footing for parcels greater than 10kg;
- it is considered that the services to be removed from the specification of the universal postal service would be met by market (including commercial offers by An Post) and that postal service users have reasonable alternatives.



| Option  | Impact on the USP (An Post)  | Impact on postal service users  | Impact on competition   |
|---|--|---|---|
| Option 2: Amend the basic parcel service maximum weight from 20kg to 10kg | The USP would not be subject to regulatory oversight (price, access, terms and conditions) on basic parcel services beyond 10kg in weight. | While postal service users would no longer benefit from regulatory oversight on price, access, terms and conditions for An Post's basic parcel service greater than 10kg, it is considered that users' needs for such a service would be met by the general competitive dynamics for the provision of parcel delivery services. A number of alternative parcel delivery providers offer nationwide and international delivery of parcels greater than 10kg in weight and An Post offers commercial services for such parcels. | An Post would have full commercial freedom with regard to the pricing, access, and terms and conditions of its parcel services beyond 10kg in weight. |

39 Having regard to the impacts assessed above, and the findings presented in this document, the conclusion of this RIA is that Option 2 is best as it is the most effective and least burdensome regulatory option.

# 4 Amending Regulations on basic parcel service

## STATUTORY INSTRUMENTS

S.I. No.534 of 2018

Communications Regulation (Universal Postal Service) (Amendment) (No.2) Regulations 2018

The Commission for Communications Regulation, in exercise of the powers conferred on it by section 16(9) of the Communications Regulation (Postal Services) Act 2011 (No. 21 of 2011) hereby makes the following regulations:

### Citation and Commencement

1. (1) These Regulations may be cited as the Communications Regulation (Universal Postal Service) (Amendment) (No.2) Regulations 2018.

(2) These Regulations and the Principal Regulations may be cited together as the Communications Regulation (Universal Postal Service) Regulations 2012 to 2018 and shall be construed together as one.

(3) These Regulations shall come into operation on 1 January 2019.

### Interpretation

2. In these Regulations “Principal Regulations” means the Communications Regulation (Universal Postal Service) Regulations 2012 (S.I. No. 280 of 2012)

### Amendment

3. (1) Regulation 2 of the Principal Regulations is amended by substituting “10 kilograms” for “20 kilograms” in the definition of “parcel”.

(2) Communications Regulation (Universal Postal Service) (Amendment) Regulations 2018 (S.I. No. 499 of 2018) are revoked.

GIVEN under the official seal of the Commission for Communications Regulation,  
14 December 2018

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Jeremy Godfrey, Commissioner

For and on behalf of the Commission for Communications Regulation

## 5 Ancillary Services

40 The ancillary services under consideration in Consultation 18/66 were as follows:

**Figure 1. Ancillary services**

| Service                  | Feature of service   |
|--------------------------|--|
| PO Box                   | A Post Office Box (PO Box) may be rented at Delivery Service Units and certain Post Offices. It is used to hold mail until collected by the customer renting the box.  |
| Redirection              | With its Redirection service, An Post forwards the mail to wherever the addressee requires, for up to a year, whether it's at home or abroad.  |
| MailMinder               | MailMinder suspends delivery of mail to the home or business while the addressee is away, for up to 12 weeks.  |
| Freepost/ Business reply | Both of these services are designed to speed up bill payments and generate orders/subscriptions for business customers. The service allows the customer's clients to reply without having to pay postage. The Business Response service uses pre-printed envelopes or cards, whilst the Freepost service lets respondents reply with their own envelopes or cards. |

41 The ancillary services are relatively low volume and low revenue services although they offer very high profit margins. According to An Post's Regulatory Accounts, in 2016 and in 2017, An Post was making a c.60% profit margin on Redirections, Mailminder and PO Boxes.

42 The Postal Act and the EC Postal Directive do not explicitly require these ancillary services to be provided as part of a universal postal service, but such services are linked to the requirement for the clearance and delivery of "postal packets".

### 5.1 ComReg's preliminary view in Consultation 18/66

43 In Consultation 18/66, ComReg considered whether it is appropriate to continue to include these ancillary services in the specification of the universal postal service. ComReg's preliminary view was, absent further evidence to support the removal of certain ancillary services from the universal postal service, that the ancillary services should be maintained as part of the universal postal service. This would maintain the status quo and such ancillary services would continue to be subject to regulatory oversight on access, price, and terms and conditions.

44 ComReg sought views on this by asking:

Q. 3 Do you agree with the preliminary view to maintain the certain ancillary services in the specification of the universal postal service? Please explain your response and provide any evidence to support any addition or removal of ancillary services from the specification of the universal postal service.

## 5.2 Submission to Q.3 of Consultation 18/66

- 45 Only An Post made a submission in response to this question.
- 46 An Post agrees that there is no need to change the specification for ancillary services at this time.

## 5.3 ComReg position

- 47 Ancillary services will remain in the universal postal service specification. Given the large reported profit margins on certain ancillary services, ComReg plans to review the pricing of such ancillary services, particularly the pricing of Redirection, to ensure the price of each ancillary service is meeting the requirements of section 28 of the Postal Act, particularly the requirements to be cost oriented and affordable.

## 6 Consideration of other points made

- 48 As a general point, An Post submits that the specification of the universal postal service should be considered as a whole and questions ComReg's limited review of the specification. In response to this, ComReg notes that Consultation 18/66 was clear that the scope of the review was informed by the major changes which had occurred since 2012.
- 49 Another general point submitted by An Post is that the specification of the universal postal service must be informed by an evidence based assessment of (i) the needs of users (ii) the extent to which these would be met by normal market conditions and (ii) the impact of the specification of the universal postal service in the commercial returns and overall economic viability of the designated USP. In response to this, ComReg notes that section 16(9) of the 2011 is clear that the specification of the universal postal service is for the purposes of ensuring that the universal postal service develops in response to the technical, economic and social environment and to the reasonable needs of postal service users. ComReg has considered these matters as set out in Consultation 18/66 and in this document.
- 50 An Post also submits that much of the supporting research was conducted in July to September 2017 and was therefore 10 to 12 months old at the time of consultation. In response to the issue of timing, ComReg notes that this is the nature of research as it takes time to conduct and analyse. ComReg further notes that An Post has not noted any fundamental errors in the research results.