



An Coimisiún um
Rialáil Cumarsáide
Commission for
Communications Regulation

Postal Strategy Statement 2024 - 2026

Response to Consultation

Response to Consultation

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Commission for Communications Regulation

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Additional Information

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1 Introduction

1. By ComReg Documents 23/91, ComReg commenced a public consultation on its proposed Postal Strategy Statement for the period 2024 - 2026. ComReg sought written responses from interested parties on the proposed strategy outlined in the consultation and received four responses:
 - 1) Age Friendly Ireland ("AFI")
 - 2) An Post
 - 3) Chambers Ireland
 - 4) Tico Mail Works ("TICO")
2. Within this document, ComReg has summarised the four responses received and set out its assessment of views expressed in those responses but does not seek to respond to each individual comment.
3. In concluding the consultation and its final Postal Strategy Statement (Document No. 23/111), which is published in tandem with this document, ComReg has had regard to:
 - its statutory functions and objectives;
 - the submissions to the public consultation;
 - other relevant information.
4. Following consideration of certain views expressed by the respondents, some edits have been made in finalising the Postal Strategy Statement 2024 - 2026.

2 Summary and assessment of submissions

2.1 Strategic Goals

5. In Consultation 23/91, ComReg sought views on the proposed strategic goals by asking:

Q.1 Do you agree with the proposed three strategic Goals? In providing your view, please also provide supporting evidence.

2.1.1 Respondents' views

Age Friendly Ireland (AFI):

6. The proposed strategic goals are “received positively by AFI and The National Network of Older People’s Council (NNOPC)”.

An Post

7. According to An Post, “the goals posited by ComReg are key pillars in ensuring the continuity and sustainability of the postal network”. However, An Post states that it is important that such goals are alive to the expressed needs of postal users. Moreover, An Post considers that it is important that universal postal service provider (“USP”) financial sustainability is “championed and prioritised in a market where continued decline is the expected trajectory”. “Fair, reasonable and proportionate regulation” is the ask of An Post.

Chambers Ireland:

8. Chambers Ireland supports each of the three strategic Goals.
9. With regard to Goal 1: Ensure a universal postal service, Chambers Ireland strongly supports the continuance of the universal postal service; however, Chambers Ireland has concerns on the possible inclusion of new USPs. It is Chambers Ireland’s view that the “network of the postal service system is a national asset”. According to Chambers Ireland, “there is a significant risk that an attempt to introduce new Universal Service Providers would result in cherry picking of services and so undermine the broader viability of the network”.

10. With regard to Goal 2: Promote and protect the interests of postal services users, Chambers Ireland states that it “supports the continued monopoly of service provision by An Post”, therefore, Chambers Ireland welcomes Goal 2. According to Chambers Ireland, there is a need for ComReg to ensure that An Post continues to carry out its function in an efficient manner. Chambers Ireland states that ComReg must ensure “that the value of the An Post network is sustained, and that its economic viability is maintained”.
11. According to Chambers Ireland, “there are multiple pressures on our postal service”, particularly “competition from the commercial sector in the parcel market.” Chambers Ireland “take issue” with some of the claims that ComReg makes on competitive parcel delivery. According to Chambers Ireland, “both the quality of the services offered by private providers and the timeliness of the deliveries are of a low standard”. Chambers Ireland states “that there is a far lower incentive on the competition to provide An Post level services than the regulator seems to claim”. According to Chambers Ireland, “the experience of our members is that “parcel deliveries which occur outside of the universal postal service are typically of a lower standard that is expected of An Post”.
12. With regard to Goal 3: Promoting the development of the postal sector, according to Chambers Ireland, ComReg will need to work closely with users and the USP, “to ensure that the service is regulated flexibly enough to facilitate the adaptations which An Post is having to make”. Chambers Ireland observes “that there may be an opportunity for An Post to optimise its service offerings” by offering new postal services in addition to the existing next working day, for example “next day+1 deliveries”.

TICO:

13. TICO agrees in general with ComReg’s goals. TICO asks that ComReg “be supportive and work with the USP to ensure an affordable universal service, and at the same time be protective of the interests of postal users and helping to develop the postal sector”.

2.1.2 ComReg's assessment of respondents' views

14. ComReg welcomes the general agreement with its proposed Goals.
15. With regard to the submissions by An Post and Chambers Ireland on ensuring the financial sustainability of the USP, ComReg would note that its core statutory function and legal remit is to ensure the provision of a universal postal service, rather than to ensure the overall financial sustainability of the USP.
16. With regard to An Post's ask of "Fair, reasonable and proportionate regulation", ComReg is always fair, reasonable and proportionate in its regulation and its regulation is put to public consultation before implementation.
17. The Postal Act¹ requires that universal postal services prices (including terminal dues for European Union international inbound post) cover the efficient cost of universal postal service provision to ensure a financially sustainable universal postal service. If there is a net cost associated with universal postal service provision, under the Postal Act, the USP is free to submit request for funding. ComReg would be required to determine whether any net cost was an unfair financial burden.
18. With regard to the submission by Chambers Ireland on additional USP(s), this can be done under the Postal Act. ComReg reviewed the USP designation in 2022/23. During the designation process, only An Post submitted interest to provide the universal postal service. An Post is now designated as the sole USP in the State until 1 August 2029, unless otherwise amended by ComReg.
19. With regard to Chambers Ireland's submission regarding poor parcel delivery service by parcel delivery operators competing with An Post, Chambers Ireland has provided no evidence for this. Notwithstanding this, ComReg notes that its remit is only for postal service providers.
20. With regard to An Post and Chambers Ireland submissions that ComReg considers the needs of users for future universal postal service, ComReg will consider, as it has done, the reasonable needs of postal service users, as required by the Postal Act.
21. Regarding Chambers Ireland submission that An Post needs flexibility for innovative postal services, ComReg notes that An Post is free to launch any new postal service following required notification to ComReg. There is no

¹ Communications Regulation (Postal Services) Act 2011, as amended

regulatory impediment to new postal services. If, as Chambers Ireland contends, such new postal service should form part of the universal postal service, this would be a decision for ComReg, following the required public consultation, including consideration of any response by An Post. An Post may have views on any of its new postal service being part of the universal postal service, which would be subject to greater regulatory oversight.

2.2 Strategic Objectives

22. In Consultation 23/91, ComReg sought views on the proposed strategic objectives by asking:

Q. 2 Do you agree with the proposed six strategic Objectives associated with the Goals? In providing your view, please also provide supporting evidence.

2.2.1 Respondents' views

AFI:

23. The proposed six strategic objective are “received positively” by AFI and NNOPC.

An Post:

24. With regard to Objective 1: Assess the reasonable needs of postal service users, An Post refers to ComReg’s recent separate consultation proposing an update to its Consultation Procedures and An Post’s submission to that separate public consultation.
25. With regard to Objective 2: Monitor compliance with universal postal service requirements, An Post is of the view that “ComReg’s compliance and monitoring procedures need to be updated, re-orientated and reconstituted”. An Post believes that current requirements, particularly in relation to the measurement of universal service quality of service, “should evolve in line with user needs and technological advances”. “An Post is keen to engage with ComReg to develop metrics and procedures that ensure consumer needs and USP sustainability...”.

26. With regard to Objective 3: Empower postal service users by ensuring the availability of accurate and appropriate information, according to An Post, it is essential that vulnerable and digitally disadvantaged users should be protected. An Post states that the right to receive physical lettering (i.e., utility bills, financial statements, insurance renewals etc.) as a non-cost option should be protected for all who need and/or wish to receive same.
27. With regard to Objective 4: Protect postal service users by ensuring the availability of complaints and redress procedures, An Post states that complaints and redress procedures should be implemented and developed in a fair, reasonable and proportionate manner.
28. With regard to Objective 5: Promote the development of the postal sector by providing research, data, and information, An Post repeats its points from objectives, 2, 3 and 4.
29. Regarding Objective 6: Facilitate the development of the postal sector by delivering our legal mandate, An Post states the following:
- There should be a re-engagement between ComReg and the An Post teams on ComReg's Accounting Direction;
 - There should be a re-evaluation of ComReg's Quality of Service ("QoS") requirements;
 - There should be a re-evaluation of the Real Mail Studies ("RMS") methodology. According to An Post, "the RMS methodology is onerous, expensive and out of touch with modern realities";
 - Further regulation of the USP would be entirely disproportionate. Instead, USP financial sustainability should be prioritised;
 - Ensure that the universal postal service represents the actual needs of citizens.

Chambers Ireland:

30. Chambers Ireland supports ComReg's objectives.
31. With regard to Objective 1: Assess the reasonable needs of postal service users, Chambers Ireland suggests more complex methods (whether by the introduction of tiers of services) or through more advanced behavioural

insights methods could be useful in assessing the true demand for certain elements of the universal postal service.

32. With regard to Objective 2: Monitor compliance with universal postal service requirements, Chambers Ireland notes that given its “support for An Post’s continued monopoly of the Universal Postal Service”, Chambers Ireland sees the necessity for ComReg to monitor compliance, but also notes that ComReg “needs to take care to ensure that methodological biases in their monitoring do not give rise to biased findings.”
33. Regarding Objective 3: Empower postal service users by ensuring the availability of accurate and appropriate information, Chambers Ireland notes that its members are strongly supportive of this measure.
34. With regard to Objective 4: Protect postal service users by ensuring the availability of complaints and redress procedures, Chambers Ireland notes that ComReg must do this “given the market power of An Post”.
35. Regarding Objective 5: Promote the development of the postal sector by providing research data and information, “Chambers Ireland would welcome the gathering of more data regarding the service preferences of business users”.
36. With regard to Objective 6: Facilitate the development of the postal sector by delivering our legal mandate, again, Chambers Ireland states this is a key role that ComReg must do “given the market power of An Post”.

TICO:

37. TICO notes that while “the objectives are worthy”, TICO considers that “they need to go further”. According to TICO, “ComReg must ensure that competitive postal service providers do not choke” the financial sustainability of the USP to ensure that the USP can provide an affordable service without “even more state aid or increase prices to postal users so that they become unaffordable”.

2.2.2 ComReg’s assessment of respondents’ views

38. ComReg welcomes the general agreement with its proposed Objectives.

39. Regarding An Post, Chambers Ireland, and TICO submissions that ComReg must ensure the financial sustainability of the USP, An Post, ComReg's core statutory function and legal remit is to ensure the provision of a universal postal service rather than to ensure the overall financial sustainability of the USP.
40. With regard to An Post's submission on ComReg's separate consultation on its consultation procedures, this will be considered in response to that separate consultation.
41. ComReg disagrees with An Post's submission that ComReg's compliance monitoring needs updating. The process for any compliance action is established by and under the Postal Act and ComReg would follow this for any compliance action. ComReg always takes a reasonable approach to compliance monitoring and is required to monitor and ensure compliance by postal service providers with the obligations imposed on them by or under the Communications Regulation Acts 2002 to 2011 in relation to the provision of postal services, which it has done and will continue to do. ComReg will, as it has done, keep its regulatory decisions under review and both its Accounting Direction and the QoS standards for universal postal service were updated from previous decisions, following required public consultations. The RMS is an input to the Regulatory Accounts and the QoS monitoring and there is a process for the continued improvement of the RMS including recommendations made by the RMS Auditor appointed by ComReg.
42. With regard to protecting the "right to receive physical lettering as a non-cost option" for those postal service users who need and/or wish to receive same, this is not an issue in respect of which ComReg has any cross-sectoral remit.²
43. In response to An Post's submission on postal service users' complaints and redress, ComReg notes that its complaints and redress procedures are implemented and were developed, in a fair, reasonable and proportionate manner, following public consultation.
44. In response to Chambers Ireland's proposal for the introduction of new/changed postal services followed by an assessment of the implemented new/changed postal services for the universal postal service, An Post is free to launch and change any postal service following required notification to ComReg. There is no regulatory impediment to the introduction of new postal services. ComReg has revised the Strategy Statement to make this clearer. If

² Legislative and other regulatory requirements may have a bearing on this issue. In the area of electronic communications, which is within ComReg's regulatory remit, there are specific billing requirements set out in the General Authorisation conditions.

there was then a proposal that such new/changed postal services should form part of the universal postal service, this would be a decision for ComReg, following the required public consultation, including consideration of any response by An Post. An Post may have views on any of its new postal service being part of the universal postal service, which would be subject to greater regulatory oversight.

45. ComReg notes that Chambers Ireland agrees that compliance monitoring of the universal postal service is needed but ComReg strongly refutes the unsupported and erroneous claim by Chambers Ireland that there are “methodological biases” in ComReg’s monitoring. Chambers Ireland has not provided any evidence of this. ComReg always takes a reasonable approach to compliance monitoring and is required to monitor and ensure compliance by postal service providers with the obligations imposed on them by or under the Communications Regulation Acts 2002 to 2011 in relation to the provision of postal services, which it has done and will continue to do.

46. ComReg notes Chambers Ireland’s agreement on Objectives 3, 4, 5, and 6.

2.3 Proposed Strategy Statement

47. In Consultation 23/91, ComReg sought views on the proposed strategy statement by asking:

Q. 3 In your view, is there anything that should be added to, or omitted from, the proposed Strategy Statement? In providing your view, please also provide supporting evidence.

2.3.1 Respondents’ views

AFI:

48. AFI asks for the following:

- The re-introduction of free postage to nursing homes as was seen during COVID.
- Installation of delivery post boxes for older people to reduce risk and increase safety.

- Keeping the same post person every day as older aged people can feel anxious and can fear fraud if there is inconsistency in who is delivering their parcels.

Chambers Ireland:

49. According to Chambers Ireland, An Post could increase its universal postal service if it was allowed to provide same-day delivery for retail businesses, to hold deliveries for a fixed charge, and to use virtual addresses (such as a P.O. Box) that could re-routed to a dynamic address.
50. Chambers Ireland states that the increase in e-commerce volumes continues to attract new entrants into the parcel segment, making it a very competitive environment. According to Chambers Ireland, some parcel competitors offer competitive user rates and contracts but are not regulated to the same extent. Chambers Ireland claims that these competing parcel businesses “can cherry-pick certain favourable elements of the package/parcel business” while not having to meet the universal postal service regulations.
51. Chambers Ireland states that ComReg should consider how the “gig economy” is impacting the postal delivery sector to ensure that “An Post's stance on quality employment does not put An Post at a competitive disadvantage” to other providers.
52. Chambers Ireland submits that environmental sustainability “represents a significant challenge for postal services, because at the same time the parcel business is growing, and the number of deliveries is constantly increasing. Studies show that ‘last mile’ delivery significantly increases CO2 emissions and urban traffic congestion. The ‘last mile’ will be a key battleground in the future to manage both environmental sustainability problems and new entrants in the parcel delivery area in direct competition with An Post.” According to Chambers Ireland “To overcome and prevent future backlogs in the postal and delivery systems, especially at busier periods in the winter, to tackle the growing emissions problems, and to enable contactless delivery, parcel lockers should be considered in future postal services planning” as these can improve the first attempt delivery rate, and delivery vehicles will have to make fewer 'rounds', thereby reducing emissions. Chambers Ireland also supports more electric cargo bikes for urban areas as, according to Chambers Ireland, they are faster and more environmentally sustainable than vans.

2.3.2 ComReg's assessment of respondents' views

53. Regarding AFI's asks, ComReg understands the concerns raised and is of the view that the asks have merit; however, the asks are matters for operational implementation by An Post.
54. With regard to Chambers Ireland's submission on an expanded universal postal service and parcel lockers, An Post is allowed to launch the new postal services and parcel lockers requested by Chambers Ireland. That is a matter for An Post; there is no regulatory impediment imposed by ComReg³. ComReg revised the Strategy Statement to make this clearer. Regarding these new postal services being then part of an expanded universal postal service, this would be a decision of ComReg following required public consultation.
55. With regard to Chambers Ireland's submission on parcel competitors to An Post, An Post only has greater regulation on its universal postal service. There are very few parcels sold by An Post in the universal postal service; therefore, very few parcels delivered by An Post are subject to greater regulation. Most parcels delivered by An Post are under commercial contract and therefore are not universal postal service. For example, An Post has entered into a five-year commercial contract with Amazon, which according to Amazon "... will lead to the introduction of new delivery services and help to increase the speed and performance of Amazon's last-mile, middle-mile and returns operations in Ireland."⁴ These are not universal postal service.
56. With regard to Chambers Ireland's submission on the "gig economy" and parcel delivery, matters of employment by postal service providers are not within the remit of ComReg.

³ New postal services simply require notification to ComReg

⁴ [An Post joins The Climate Pledge, committing to reach net-zero carbon emissions by 2040 or sooner \(aboutamazon.eu\)](https://www.aboutamazon.eu)

57. With regard to Chambers Ireland's submission on environmental sustainability of increased parcel deliveries and the introduction of parcel lockers and electric cargo bikes to reduce carbon emissions, ComReg's regulatory remit does not include environmental obligations and only applies to postal service providers. ComReg notes the Climate Action and Low Carbon Development (Amendment) Act 2021 and as required, in so far as practicable, will discharge its existing functions consistent with the requirements included in that Act⁵. Notwithstanding, all postal service providers, including An Post, are free to add parcel locker infrastructure as an option for postal service users and to use electric cargo bikes for delivery.

2.4 Development of postal sector

58. In Consultation 23/91, ComReg sought views on the development of the postal sector by asking:

Q. 4 In your view, is there anything ComReg should be doing to promote the development of the postal sector and to facilitate the development of competition and innovation in the market for postal service provision? In providing your view, please also provide supporting evidence.

2.4.1 Respondents' views

59. According to An Post:

- ComReg should support and advocate for simplifications of the Union Customs Code, particularly for state-designated USPs;
- Regulators and policy-makers should prioritise USP financial sustainability, further regulation of the universal postal service would be entirely disproportionate;
- Carbon emissions targets should be set for all delivery operators and ComReg should consider what could be done to ensure that all postal and delivery operators work to continuously improve their environmental performance;

⁵ ComReg also notes section 5 of the Wildlife (Amendment) Act 2023 was commenced 17/11/23 by SI No. 557 of 2023. ComReg, as a prescribed public body, in performing its functions must have regard to any strategy or National Biodiversity Action Plan under this new legislation and comply with any directions to adopt measures from the Minister. Currently no strategy, action plan or directions are in place but we note the National Biodiversity Action must be published within the next 3 years. ComReg will have regard to and comply with these new legislative requirements where it is appropriate to do so.

- The right to receive physical lettering as a non-cost option should be protected for all who need and/or wish to receive same;
- ComReg's compliance and monitoring needs to be updated, re-orientated and reconstituted:
 - i. Re-engagement on ComReg's Accounting Direction: An Post remains open to working with ComReg on any necessary and proportionate changes it wishes to see encapsulated in the Accounting Direction.
 - ii. Re-evaluation of ComReg's Quality of Service ("QoS") requirements. An Post believes that QoS requirements, particularly in relation to the monitoring of QoS should be always evolving in line with consumer needs and technological advances.
 - iii. Re-evaluation of the RMS methodology: An Post claims that the current RMS methodology is onerous, expensive and needs to be revised in line with modern technologies.
- A similar perspective to the European Postal Regulators Group would be useful to consider:
 - i. a lower level of frequency and less wide scope for the universal postal service
 - ii. environmental sustainability in a future universal postal service.

Chambers Ireland:

60. According to Chambers Ireland, ComReg must place a greater emphasis on users' needs by firstly determining what exactly these needs are and secondly, precisely determining how the universal postal service can adapt to these changing user needs, "ensuring that financing from the State is used to provide services at a high quality and for good value".
61. Chambers Ireland submits that to ensure the sustained viability of the postal sector, An Post will need to innovate to continue meeting changing customer needs. According to Chambers Ireland, this means regulatory proportionality and a regulatory scheme that provides greater flexibility in An Post's service provision. According to Chambers Ireland, "the pace of change in primary and secondary legislation is, by design, slow; there is a risk that by over-specifying the regulatory requirements imposed upon An Post through legislation, rather

than guidelines, ComReg may inadvertently undermine the sustainability of services such as the Universal Postal Offering.”

TICO:

62. According to TICO, ComReg, in conjunction with the Government and the USP should examine how to achieve a last mile delivery system whereby only the USP is carrying out the delivery. (i.e., all other postal service providers will be required to hand over to the universal service provider, at USP local sorting office level, their mail items, which weigh less than 20kg, for delivery to residential addresses in the area served by that sorting office.) According to TICO, this not only supports the financial sustainability of the universal postal service so benefitting postal users, but also reduces the carbon footprint of deliveries.

2.4.2 ComReg’s assessment of respondents’ views

63. In response to An Post:

- ComReg recognises the challenges facing An Post on customs but has no remit in relation to the customs framework for universal postal services.
- The universal postal service should be financially sustainable with cost oriented prices to cover efficient universal postal service provision.
- With regard to carbon emission targets, ComReg’s regulatory remit does not include environmental obligations and only applies to postal service providers. ComReg notes the Climate Action and Low Carbon Development (Amendment) Act 2021 and as required, in so far as practicable, will discharge its existing functions consistent with the requirements included in that Act.
- With regard to protecting the “right to receive physical lettering as a non-cost option” for those postal service users who need and/or wish to receive same, this is not an issue in respect of which ComReg has any cross-sectoral remit.⁶

⁶ Legislative and other regulatory requirements may have a bearing on this issue. In the area of electronic communications, which is within ComReg’s regulatory remit, there are specific billing requirements set out in the General Authorisation conditions.

- Regarding An Post's submission that ComReg's compliance monitoring needs updating, ComReg disagrees. ComReg always takes a reasonable approach to compliance monitoring and is required to monitor and ensure compliance by postal service providers with the obligations imposed on them by or under the Communications Regulation Acts 2002 to 2011 in relation to the provision of postal services, which it has done and will continue to do. ComReg will, as it has done, keep its regulatory decisions under review and both its Accounting Direction and the QoS standards for universal postal service were updated from previous decisions, following required public consultations. The RMS is an input to the Regulatory Accounts and the QoS monitoring and there is a process for the continued improvement of the RMS including recommendations made by the RMS Auditor appointed by ComReg.
- Regarding An Post's submission on a future universal postal service, ComReg is a member of the European Regulators Group for Postal Services ("ERGP") and supports the ERGP positions that the European Postal Services Directive, which sets the universal postal service, requires update for a new future universal postal service that reflects the changed postal sector and changed users' needs.

64. In response to Chambers Ireland:

- As required by the Postal Act, ComReg will, as it has done, consider the reasonable needs of postal service users for the universal postal service.
- The Postal Act establishes the regulatory framework for postal services regulation, transposing the European Postal Services Directive. ComReg is always proportionate in its regulation and its regulation is put to public consultation before implementation. ComReg disagrees the current regulatory process is slow and undermines the financial sustainability of the universal postal service. As noted previously, An Post is free to be innovative and launch new/changed postal services following required notification to ComReg.

65. In response to TICO's proposal for exclusive last mile delivery by An Post, ComReg has no remit in this regard; however, and without further detail, ComReg considers that this would raise competition law issues. Furthermore, it may not be in users' interest to have only one option for delivery to their home/premise.