

Title:

Mr

Forename:

Angus

Surname:

Macneil Mp

Representing:

Organisation

Organisation (if applicable):

na h-eileanan Iar

Email:

angus.macneil.mp@parliament.uk

What do you want Ofcom to keep confidential?:

Keep nothing confidential

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

Yes

Additional comments:

I shall be restricting my comments to Sections 6 and 7.

Question 5.1: Do you agree with the assumptions set out in paragraph 5.86 above? If not, please set out your reasons.:

N/A

Question 6.1: Do you agree with our proposal to impose a regulatory condition on Royal Mail to require it to provide the universal service as set out above? If not, what alternative approach would you suggest?:

Yes, I feel that it is right that Royal Mail continue to provide the Universal Service Requirement. However, it must be remembered that the Royal Mail provides a service that is unparalleled in rural areas.

Question 6.2: Do you agree that a price control is not an appropriate option at present for regulating Royal Mail's prices? If not, please explain why and how a price control could be implemented effectively.:

I do not agree that the price control structures that this consultation conceives are concerning because of the potential for large increases in stamp prices in different areas. Where urban areas have a number of delivery options rural areas rely on Royal Mail heavily. Market forces have already proven that private post companies are not as willing to deliver to rural areas. Therefore, increases will affect rural areas hardest.

Question 6.3: Do you agree with Ofcom's proposals to put in place regulatory safeguards as described above? If not, please provide reasons.:

Yes, in theory that I agree that 'safeguards' are a good way to ensure that Royal Mail does not drastically raise stamp prices to quickly raise revenues. However, I do not see a great deal of difference between 'safeguards' and price control structures.

Question 6.4: Do you agree with Ofcom's proposals to put in place a monitoring regime? If not, please provide reasons.:

At present I cannot agree with the monitoring structures as there are no mechanisms mooted in this consultation to address increases in prices. A monitoring group is only effective if it has the ability to regulate. As I read the consultation now, there are no options to redress the problems that this group may encounter. Until these shortfalls are addressed, I cannot support them.

Question 6.5: Do you agree with Ofcom's proposals for an index-linked safeguard cap on standard letters from 45p to 55p? If not, please provide reasons.:

No, I do not agree with the increase as this will disproportionately affect businesses in my constituency. As there are very few other options for reliable letter and parcel service I cannot agree with the index linked safeguard. Most importantly, this safeguard only applies to 2nd class mail. Meaning there is no safeguard for 1st class mail. This creates a scenario where 1st class stamp prices can sky rocket. Local businesses in my community may not be able to afford a severe price hike. Recently, parcel companies have told my constituents and other constituents in rural areas of Scotland that they will only deliver to rural areas if they pay an

additional surcharge. As the Royal Mail is the UK Government's mandated universal service provider. It is imperative that this organisation specifically looks out for rural communities. As stated in an earlier question, unlike large urban conurbations, we do not have access to large scale private parcel delivery.

Question 6.6: Do you agree with Ofcom's proposal that the approach outlined above remains in place for seven years? If not, please provide reasons.:

N/A

Question 7.1: Do you agree with our approach to assessing end-to-end competition? If not, please give your reasons.:

Yes, I tentatively agree with the proposals on end to end competition. Should Royal Mail go through with their plans other companies may need to enter the market in rural areas to provide end to end alternatives. At present, there are few but a competitor end to end market such as UPS or Federal Express in the United States may provide a viable alternative should that be necessary.

Question 7.2: Do you agree with Ofcom's proposals to impose an obligation on Royal Mail to provide access at the Inward Mail Centre? If not, please give reasons.:

No, I do not agree with the proposals to force the Royal Mail to offer access to competitors, I agree with Royal Mail in stating that competitors can undercut Royal Mail services. Additionally, there are no indications of pricing regimes. This means that, once again, rural areas could see a drastic increase even with price controls on private mail provider access to Royal Mail services.

Question 7.3: Do you agree with Ofcom's proposals in respect of regulating margin squeeze? If not, please give reasons.:

Again, the price squeeze argument protects Royal Mail from the effects of private business not the consumer. The prices that Royal Mail may impose on the private mail providers may indeed be too high for businesses and families especially in rural areas.

Question 7.4: Do you agree with our approach concerning the Terms and Conditions for access, including the role of equivalence and the regulation of zonal pricing? If not, please give your reasons.:

In regulating access OfCom must remember that the Royal Mail provides a universal service. This service, at present, is not replicated by any other provider therefore, any negotiation on access must hold the quality of service delivered to the people paramount when imposing terms and conditions. The OfCom proposals at present give too much freedom to private providers requesting access to the Royal Mail services and, while I understand that having uniform guidelines could be restrictive, the guidelines must protect the service rather than entice private providers to gain access because, even though there may be safeguards against it, private businesses could use Royal Mail resources to save themselves money and increase

their profit margins while Royal Mail does a majority of the hard work while gaining very little. This could land Royal Mail in a worse situation than it is in now.

Question 8.1: Do you agree with the objectives for regulatory financial reporting that we have set out above? Please provide details to support your response. :

N/A

Question 8.2: Do you agree that our regulatory financial reporting proposals, set out in this section and the supporting Annex, are appropriate and proportionate? Please provide reasons and evidence to support your views.:

N/A

Question 8.3: Do you agree with our proposals on the rules and requirements contained in the draft Regulatory Accounting Guidelines and do you consider that they are likely to provide an appropriate and proportionate level of cost transparency and accounting separation?:

N/A

Question 8.4: Do you agree with our proposals set out above in relation to accounting separation? Are there any further risks that you think Ofcom needs also to consider in making decisions in this area? To the extent that you consider there to be risks associated with our proposals, how do you consider they might best be addressed?:

N/A