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Dear Chris

PPA RESPONSE TO OFCOM'S CONSULTATION ON THE TRANSITION TO NEW REGULATORY FRAMEWORK

The PPA welcomes the opportunity to respond to Ofcom's consultation on the transition to a new postal regulatory framework.

Who we are

The Professional Publishers Association (the PPA) is the UK industry body for magazine publishers. We currently represent more than 200 companies, ranging from traditional women's weekly consumer magazines to business-to-business data and information providers, and from large multi-territory conglomerates to smaller local creative publishing companies.

The importance of post to our members

- The publishing model requires stability and price certainty in the postal market – without this, efficient planning and investment for future growth will be severely compromised.
- An increasingly competitive media environment means that quality and reliability of the postal service is critical, but with postal distribution accounting for up to 50 per cent of a magazine's total production costs, the price is equally critical.
- In the long run, sustainable competition is desired by publishers delivering choice, stability, product innovation, and competitive prices; however publishers have yet to benefit from genuine delivery competition to Royal Mail.
- There is no like-for-like national competition for magazine delivery, and delivery competition in the UK postal market as a whole remains very limited. In addition, e-substitution is not sufficiently developed to be attractive at this point in time. Publishers tend to use digital versions to complement rather than substitute for their physical publications.
- Ofcom has a critical role to play in continuing to monitor and protect the interests of customers, including magazine publishers, balancing the right kind of sustainable competition with proportionate regulation.
- We believe that a critical role of the regulatory framework going forward will be to provide long-term incentives from Royal Mail to drive efficiencies through the business.

The consultation proposals

- The PPA supports Ofcom's proposal to provisionally designate Royal Mail as a universal service provider.
- We are in favour of Ofcom's proposal to re-approve the Postal Redress Service (POSTRS) and the consumer redress scheme criteria. However, once the new regime is in place, we believe it is important that Ofcom undertakes a review of the existing arrangements.
- We support Ofcom's proposals for transposing the existing licence conditions into the new general authorisation regime, including the proposed changes to the existing conditions/ consumer protection requirements.
- Finally, the PPA has no objection to Ofcom's proposals relating to charging principles and information gathering.

If you require further clarification on any of the points above, then please do not hesitate to get in touch.

With kind regards