

**Title:**

Mr

**Forename:**

John

**Surname:**

Knowles

**Representing:**

Self

**Organisation (if applicable):**

**Email:**

**What additional details do you want to keep confidential?:**

No

**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

**Additional comments:**

I am in favour of a safeguard cap.

I generally favour more regulation than you propose, despite my favouring elimination of subsidy and cross subsidy in the post. In particular, for letters and packets there is no competition for overseas post. For all I know, RM might be making a handsome profit on overseas post.

**Question 1:Do you agree with our proposals for the structure and form of the safeguard cap? If not, please explain why.:**

No. There is too much emphasis on the structure or steps in the pricing which Royal Mail have recently chosen. These steps are very wide, and one gram extra weight can result in a very large increase in the charge. Weighted averages of items consigned in the various steps

are of no relevance to people sending large items only occasionally. I should encourage the charging system to be a flat rate per item and then an amount for every 20 grams up to the highest weight allowed for second class. Nothing could be simpler, especially now that post is weighed and priced mechanically/electronically. RM counter staff told me that it makes no difference to them what the band widths are.

**Question 2: Do you agree with our recommendation of up to 53% for the maximum increase permitted by the cap (in addition to inflation)? If not, please explain why.:**

I am not in favour of deciding on a cap so far in advance. You seem very keen to avoid regulatory intrusion. Regulation and intrusion seem inevitably connected. On the other hand, I see no reason for subsidy to the post. I would prefer to have you say that in 2012-3 subsidy on second class has been eliminated, then to approve the 2013-4 proposal on the basis of actual and forecast changes in costs, and to do that every year.