

**CONSOLIDATED VERSION OF DESIGNATED USP CONDITION 2**  
**AS AT JULY 2013 (including annotations)<sup>1</sup>**

**SCHEDULE TO THE NOTIFICATION UNDER SECTION 36(1) OF THE POSTAL**  
**SERVICES ACT 2011**

**DESIGNATED USP CONDITION 2**  
**SAFEGUARD CAP PRICE CONTROL**

**2.1. Application, Definitions and Interpretation**

|                   |  |
|-------------------|--|
| <b>DUSP 2.1.1</b> | This designated USP condition (“ <b>DUSP Condition</b> ”) shall apply to the <u>universal service provider</u> .   |
| <b>DUSP 2.1.2</b> | In this DUSP Condition—<br><b>(a) “Relevant Year”</b> means one of the following periods:<br><br>(1) the period beginning on 1 April 2012 and ending on 31 March 2013 (the “ <b>First Relevant Year</b> ”);<br><br>(2) the period beginning on 1 April 2013 and ending on 31 March 2014 (the “ <b>Second Relevant Year</b> ”);<br><br>(3) the period beginning on 1 April 2014 and ending on 31 March 2015 (the “ <b>Third Relevant Year</b> ”);<br><br>(4) the period beginning on 1 April 2015 and ending on 31 March 2016 (the “ <b>Fourth Relevant Year</b> ”);<br><br>(5) the period beginning on 1 April 2016 and ending on 31 March 2017 (the “ <b>Fifth Relevant Year</b> ”);<br><br>(6) the period beginning on 1 April 2017 and ending on 31 March 2018 (the “ <b>Sixth Relevant Year</b> ”);<br><br>(7) the period beginning on 1 April 2018 and ending on 31 March 2019 (the “ <b>Seventh Relevant Year</b> ”);<br><br><b>(b) “Consumer Prices Index”</b> means the index of consumer prices compiled by an agency or a public body on behalf of Her Majesty’s |

---

<sup>1</sup> This consolidated version of Designated USP Condition 2 is provided as an aid to understanding but is not the legal instrument making the notification. It is recommended that you consult the relevant notification(s) for the Designated USP Conditions as these contain an explanation of the reasons for the decision to issue a notification. While every reasonable effort is made to ensure that the information provided in this document is accurate, no guarantees for the currency or accuracy of information are made. The original notification and the subsequent notifications modifying the Designated USP Conditions are signed by an authorised person, and the definitive version is that which has been so signed and which is the original printed version held by Ofcom. For the avoidance of doubt, in the case of any difference between texts, the signed version held by Ofcom shall take precedence over the electronic or printed version. You are advised to seek your own legal advice on the operation of the Designated USP Conditions.

|  |   |
|--|---|
|  | <p>Government or a governmental department (which is the Office for National Statistics at the time of publication of this Notification) from time to time in respect of all items;</p> <p><b>(c) “Royal Mail”</b> means Royal Mail Group Ltd, whose registered company number in England and Wales is 04138203;</p> <p><b>(d) “CPI”</b> means the amount of the change in the <u>Consumer Prices Index</u> in the period of twelve months ending on 30th September immediately before the beginning of a <u>Relevant Year</u>, expressed as a percentage (rounded to two decimal places) of that <u>Consumer Prices Index</u> as at the beginning of that first mentioned period;</p> <p><b>(e) “Second Class Post”</b> means a service of sending an item by post where the <u>universal service provider</u> aims to deliver the item no later than the third working day after it was posted. For the purposes of this DUSP Condition it does not include services which are not universal services or which include charges in respect of additional registered, insured, tracked or recorded services;</p> <p><b>(f) “Standard Letter”</b> means a letter weighing up to 100 grams that is no more than 5 millimetres thick and up to 240 millimetres in length and up to 165 millimetres in width.</p> |
| <b>DUSP 2.1.3</b>  | <p>For the purpose of interpreting this DUSP Condition—</p> <p><b>(a)</b> except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in DUSP 2.1.2 above and otherwise any word or expression shall have the same meaning as it has been ascribed for the purpose of Part 3 of the <u>Act</u>;</p> <p><b>(b)</b> headings and titles shall be disregarded;</p> <p><b>(c)</b> expressions cognate with those referred to in this DUSP Condition shall be construed accordingly; and</p> <p><b>(d)</b> the Interpretation Act 1978 (c. 30) shall apply as if this DUSP Condition were an Act of Parliament.</p>   |
| <b><u>2.2 Maximum price to be charged for specified services</u></b> |   |
| <b>DUSP 2.2.1</b>  | <p>This DUSP Condition specifies the maximum amount that the <u>universal service provider</u> shall be permitted to charge for the service of sending a single <u>Standard Letter</u> by <u>Second Class Post</u>. In the <u>First Relevant Year</u>, the maximum amount that the <u>universal service provider</u> shall be permitted to charge for sending a single <u>Standard Letter</u> by <u>Second Class Post</u> shall be the amount of 55 pence.</p>  |
| <b>DUSP 2.2.2</b>  | <p>For each <u>Relevant Year</u> after the <u>First Relevant Year</u> the maximum amount that the <u>universal service provider</u> shall be permitted to charge for sending a single <u>Standard Letter</u> by <u>Second Class Post</u> shall be the maximum amount that the <u>universal service provider</u></p>   |

|                   |  |
|-------------------|--|
|                   | was permitted to charge for that service in the previous <u>Relevant Year</u> increased by <u>CPI</u> .  |
| <b>DUSP 2.2.3</b> | Where the <u>universal service provider</u> makes a material change (other than to a charge) to any product or service which is subject to this Condition or there is a material change in the basis of the <u>Consumer Prices Index</u> , DUSP Conditions 2.2.1 and 2.2.2 shall have effect subject to such reasonable adjustment to take account of the change as <u>OFCOM</u> may direct to be appropriate in the circumstances. For these purposes a material change to any product or service which is subject to this DUSP Condition includes the introduction of a new product or service wholly or substantially in substitution for that existing product or service. |
| <b>DUSP 2.2.4</b> | The <u>universal service provider</u> shall record, maintain and supply to <u>OFCOM</u> in writing, no later than three months after the end of each <u>Relevant Year</u> , the data necessary for <u>OFCOM</u> to monitor compliance of the <u>universal service provider</u> with the requirements of this Condition.  |
| <b>DUSP 2.2.5</b> | This DUSP Condition shall not apply to such extent as <u>OFCOM</u> may direct.   |
| <b>DUSP 2.2.6</b> | The <u>universal service provider</u> shall comply with any direction <u>OFCOM</u> may make from time to time under this DUSP Condition.   |

***Table of terms defined in the Act***

*This table is provided for information and does not form a part of this condition. We make no representations as to its accuracy or completeness. Please refer to the Act.*

| <b><i>Defined term</i></b>        | <b><i>Section of the Act</i></b>           |
|-----------------------------------|--|
| <i>OFCOM</i>                      | <i>90</i>                                  |
| <i>universal service provider</i> | <i>65(1) and Schedule 9 paragraph 3(3)</i> |