



Royal Mail's response to Ofcom's consultation

'Technical and minor amendments in postal regulation'

7 October 2012

Executive Summary

Royal Mail welcome Ofcom's proposal to clarify certain aspects within the drafting of the Postal Service Order and the scope of the regulatory obligations on Royal Mail, as set out in the related conditions.

As set out by Ofcom in the introduction to its consultation, Ofcom proposes to make certain technical and minor amendments to the Order and related regulatory conditions:

"none of the proposed amendments has any practical impact on users, Royal Mail and other postal operators as, if made as we propose, these amendments would not require any changes to Royal Mail's current provision of the universal postal service".

We agree with the majority of the technical changes proposed by Ofcom and the improved clarification these provide. In the response below, we set out our views on the proposed changes and identify areas where amendments to Ofcom's current proposals are suggested to address minor inaccuracies.

Ofcom proposals and Royal Mail's response

Calculation of routing times

We agree that the current drafting was not sufficiently clear on the way in which a holiday in one part of the UK should be treated in relation to the transit time of items posted and delivered elsewhere. The proposed amendment simply reflects the way in which public and local holidays are taken into consideration by Royal Mail currently.

Royal Mail accepts the amendment.

Certificate of Posting

Certificates of Posting are currently provided for free of charge. Therefore, the proposal to make clear that Certificate of Posting should be provided free of charge if requested by the customer, has no practical impact.

Royal Mail accepts the amendment.

Business redirections

Royal Mail currently provides redirections for both residential and business customers. Therefore, we agree that the amendment simply reflects the current provision of this service.

Royal Mail accepts the amendment.

Service for the blind or partially sighted

We support Ofcom's clarification of the regulatory requirements pertaining to services for the blind or partially sighted. Royal Mail currently provides and will continue to provide basic 1st class domestic postage and international airmail up to 7kg free of charge under the 'Articles for the

blind' service. We note that Ofcom has clarified that there is no requirement for Royal Mail to offer registration for international services for the blind or partially sighted. For consistency, we suggest that the same clarification is reflected in the obligations for the domestic service.

Royal Mail accepts the amendment but proposes, for clarity, the inclusion of the word "registered" in paragraph 3 (2) of Schedule 2 of the Order and the corresponding DUSP condition 1.6.3(b). To read, *"The service required... does not include the conveyance of registered or insured items."*

Outgoing European Union services

As the consequence of a drafting omission in the current regulation, a slow parcel service to the EU was not included in the original drafting of the DUSP condition. Ofcom proposes to rectify this omission in the current proposal.

Royal Mail has continued and will continue to provide Surface Mail parcels to EU destinations. Given, however, the primary focus of the first User Needs Review was understandably on the domestic service, it may be useful for Ofcom to consider a review of users' needs for international services, at an appropriate time in the future.

Royal Mail accepts the amendment, but suggests that (in the future) Ofcom may wish to assess whether a slow international parcel service is still required by users.

Consistency in the quality of service of standard packets of all weights

Royal Mail confirms that the proposed amendment to introduce a single USO quality of service standard for second class services up to 20kg, reflects the way in which we current measure performance standards.

Royal Mail accepts the amendment.

Directions regarding exceptions

Ofcom is currently preparing to consult on Collection and Delivery exception requirements. Royal Mail will respond to that consultation in due course. We agree that the proposed amendment to the DUSP to make clear that Ofcom is able to impose related obligations on Royal Mail reflects the current position.

Royal Mail accepts the amendment.

Dimensions and weight limits clarification

We are pleased that Ofcom wishes to avoid unnecessary regulation and clarify the boundaries of the universal service set by the Act in relation to the weight and dimensions of postal items. We agree that the postal market provides a number of options for customers wishing to send larger parcel sizes and that Royal Mail provides, and will continue to provide, a domestic universal service under the DUSP for items up to 610mmx460mmx460mm.

Internationally we provide product sizes in-line with UPU requirements. We note that by including dimensions in the DUSP that if the UPU requirements change, it will be necessary for Ofcom to

revise the regulatory conditions accordingly. We have identified a technical inaccuracy in the proposed drafting of DUSP 1.6.7 – 9(ii) Inbound services – ‘if the postal packet contains anything else, its weight does not exceed 5kg.’ this should read 2kg in order to be consistent with UPU rules.

Royal Mail accepts the amendment for domestic products.

For International products we suggest the following amendment: DUSP 1.6.7 – 9(ii) Inbound services – ‘if the postal packet contains anything else, its weight does not exceed 2kg.’

Conclusions

Royal Mail concurs with Ofcom’s amendments to the Order / DUSP, notwithstanding the following proposed amendments:

- For the service for the blind or partially sighted – the inclusion of the word “registered” in paragraph 3(2) of Schedule 2 of the Order and the corresponding DUSP condition 1.6.3(b). To read, *“The service... does not include the conveyance of registered or insured items.”*
- For International products – DUSP 1.6.7 – 9(ii) Inbound services – ‘if the postal packet contains anything else, its weight does not exceed 2kg.’