



Technical and minor amendments in postal regulation

Notifications of technical and other minor
amendments to the Universal Postal Service Order and
related conditions

Statement

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Section 1

Executive summary

- 1.1 In October 2011, the Postal Services Act 2011 (“the Act”) came into force and Ofcom gained the responsibility and powers to regulate postal services. Our primary duty under the Act is to carry out our functions in relation to postal services in a way that we consider will secure the provision of a universal postal service: the delivery and collection of mail everywhere in the UK at affordable and uniform prices, every working day (and on Saturday for letters). Ofcom has a legal duty under the Act to make an order describing the universal postal service. The first Order and associated regulatory conditions came into force on 1 April 2012, shortly after our statement, published in March 2012, containing our decision on the new regulatory framework.¹ In our decision, we explained that we would retain essentially the same universal service provision as it was prior to the making of the first Order.
- 1.2 In March 2013, we published the conclusions of our first review of the extent to which the market for the provision of postal services in the United Kingdom is meeting the reasonable needs of users of those services. Following this review, we did not find that there was any need to make changes to the scope of the universal service.²
- 1.3 In September 2013, we consulted on technical and other minor amendments to the Order and related regulatory conditions.³ Those minor amendments were intended to clarify the drafting of the Order and the scope of the regulatory obligations on Royal Mail to reflect current provision. We did not propose any changes to the scope of the universal service in practice. We explained that none of the proposed amendments had any practical impact on users, Royal Mail and other postal operators as, if made as we proposed, these proposed amendments would not have required any changes to Royal Mail’s current provision of the universal postal service.
- 1.4 This statement sets out Ofcom’s decision about the amendments proposed. It contains a copy of the Order Ofcom has made under section 30 of the Postal Services Act 2011, and notifications of modifications of regulatory conditions under Schedule 6 paragraph 3(3) of the Postal Services Act 2011.
- 1.5 We received one response to our consultation, from Royal Mail, which supported our proposed amendments subject to some minor comments. Having considered Royal Mail’s representations, we have decided to accept two minor amendments suggested by Royal Mail to align the current provision of the universal service with the regulatory obligations on Royal Mail, and otherwise to make the amendments as proposed in our consultation.
- 1.6 In summary, we have made the following amendments to the first Order and related regulatory conditions:

¹ The Postal Services (Universal Postal Service) Order 2012 (SI 2012/936), annexed to Ofcom, *Securing the Universal Postal Service – Decision on the new regulatory framework*, March 2012. That Statement also set out the regulatory conditions to which Royal Mail, as the designated universal service provider, is subject. See: <http://stakeholders.ofcom.org.uk/consultations/review-of-regulatory-conditions/statement/>

² Ofcom, *Review of postal users’ needs – statement*, March 2013, <http://stakeholders.ofcom.org.uk/consultations/review-of-user-needs/statement/>

³ Ofcom, *Technical and minor amendments in postal regulation - consultation*, September 2013, <http://stakeholders.ofcom.org.uk/consultations/post/>

- Deleting two unnecessary definitions in the Order, specifically “Act” and “eligible items”, clarifying two further definitions (“public holiday” and “specified collection time”), and making small typographical and other self-explanatory changes to the DUSP and CP condition;
- Clarifying the current drafting of the Order and related conditions about the treatment of local public holidays for the calculation of routing times, i.e. the maximum number of working days an item must take to arrive at its destination. We now require that routing times should be calculated taking into account only the public holidays of the locations where mail is sent and received, instead of taking account of all the public holidays everywhere in the UK;
- Rectifying a drafting omission when making the first Order by specifying in the Order and related conditions that Certificates of Posting should be free of charge, as was our policy intention in March 2012;
- Making it clearer in the wording of the Order and related regulatory conditions that redirections services relate to all redirections, whether purchased by individual customers or businesses;
- Aligning better the requirements for free services for blind and partially sighted persons with current provision by: removing an unnecessary pricing freedom available to Royal Mail in relation to the international fast service for blind and partially sighted persons (which was unused); requiring Certificates of Posting to be provided free of charge for all services for blind and partially sighted persons (in line with all other services); removing the requirements for a free international slow service (which was effectively unused); removing the requirements for free international and domestic registered services (not currently offered free of charge); and removing compensation on free international items (currently only available if buying an additional service);
- Rectifying a drafting omission when making the first Order by specifying in the Order and related conditions that the universal service should include a slower packet service to European Union destinations, provided by Royal Mail’s Surface Mail service to European Union destinations, as was our policy intention in March 2012;
- Requiring the same quality of service target for all standard (Second Class) items, whether they are under or over 1kg, of 98.5% of items delivered within three days, as a result of Royal Mail’s withdrawal of its Standard Parcels product and its extension of the weight limit of Second Class items up to 20kg;
- Improving the transparency of the drafting by clarifying on the face of the Order, where necessary, that the exceptions in section 33 of the Act apply to all the services in the Order; and
- Specifying in the Order and related conditions that certain services (over and above the statutory minimum services in the Act) are not required to be provided in relation to larger and heavier parcels, and similarly ensuring that the services we require by regulatory condition are limited to the services that Royal Mail has historically provided as universal services, as was our policy intention in March 2012.

1.7 None of these amendments has any practical impact as they do not require changes to Royal Mail’s current provision of the service.

1.8 The revised Order and regulatory conditions will take effect on 31 December 2013.

Structure of this statement

1.9 The statement is structured as follows:

- Section 2, *Legal framework*, outlines our duties in relation to the regulation of universal postal services;
- Section 3, *Minor amendments*, sets out the drafting amendments and miscellaneous minor changes we are making to the Order and related Designated Universal Service Provider (DUSP) and Consumer Protection (CP) conditions, and the amendments we are making to incorporate into the regulatory framework the general exceptions to the minimum requirements of the universal service set out in section 33 of the Act, in particular to clarify the dimensions and weight limits applying to universal services and those services required by the DUSP condition.

Section 2

Legal and regulatory background

- 2.1 This section outlines our duties in relation to the regulation of universal postal services.
- 2.2 Section 29(1) of the Act provides that Ofcom must carry out its functions in relation to postal services in a way that it considers will secure the provision of a universal postal service.
- 2.3 Section 30(1) of the Act requires Ofcom to make a universal postal service order setting out a description of the services that Ofcom considers should be provided in the United Kingdom as a universal postal service, and the standards with which those services are to comply. The universal postal service must, as a minimum, include each of the services set out in section 31 of the Act. Those services are known as the ‘minimum requirements’ and comprise (in summary):
- at least one delivery of letters every Monday to Saturday, and at least one delivery of other postal packets every Monday to Friday;
 - at least one collection of letters every Monday to Saturday, and at least one collection of other postal packets every Monday to Friday;
 - a service of conveying postal packets from one place to another by post at affordable, geographically uniform prices throughout the UK;
 - a registered items service at affordable, geographically uniform prices throughout the UK;
 - an insured items service at affordable, geographically uniform prices throughout the UK;
 - the provision of certain free services to the blind/partially sighted; and
 - the free conveyance of certain legislative petitions and addresses.
- 2.4 Ofcom made the first order under section 30 on 26 March 2012 and it came into force on 1 April 2012. It included the minimum requirements above together with some further requirements. Under section 30(3) of the Act, Ofcom may not modify this order unless it has carried out an assessment of the extent to which the market for the provision of postal services in the UK is meeting the reasonable needs of users of those services.
- 2.5 Ofcom may impose a designated USP⁴ condition on a universal service provider if we consider it is necessary to do so in order to secure the provision of a service of a description set out in the order in accordance with the standards set out there.
- 2.6 Ofcom may impose a consumer protection condition on every postal operator or every postal operator of a specified description, relating to any of the matters set out in section 51 of the Act. Matters which consumer protection conditions may address include requiring operators to assume specified liability in respect of specified loss of

⁴ In the Act, USP refers to universal service provider.

or damage to specified postal packets. They may also deal with the establishment of procedures, standards and policies with respect to consumer protection matters, including the provision of remedies and redress.

- 2.7 Schedule 6 to the Act provides that we may impose or modify a regulatory condition only if we are satisfied that the condition:
- is objectively justifiable;
 - does not discriminate unduly against particular persons or a particular description of persons;
 - is proportionate to what it is intended to achieve; and
 - is transparent in relation to what it is intended to achieve.
- 2.8 Section 3 of the Communications Act 2003 (the “2003 Act”) provides that it shall be our principal duty, in carrying out our functions, to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition.
- 2.9 Impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making. This is reflected in section 7 of the 2003 Act, which means that generally Ofcom has to carry out impact assessments where its proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in Ofcom’s activities. However, as a matter of policy Ofcom is committed to carrying out and publishing impact assessments in relation to the great majority of its policy decisions.⁵ We do not consider that our decisions are likely to have an effect on postal users, or represent a change in Ofcom’s activities, but the analysis presented in the whole of this document represents an impact assessment of our amendments as a whole.
- 2.10 As it is our practice to place a regulatory impact assessment for any legislation we make in the libraries of both Houses of Parliament, we include at Annex 1 a stand-alone regulatory impact assessment for the instrument modifying the Order.
- 2.11 In carrying out our functions, we are also under a general duty under the Equality Act 2010 to have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation;
 - advance equality of opportunity between different groups; and
 - foster good relations between different groups,
 - in relation to the following protected characteristics: age; disability; gender re-assignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

⁵ For further information about Ofcom’s approach to impact assessments, see our guidelines, *Better policy-making: Ofcom’s approach to impact assessment*, http://www.ofcom.org.uk/consult/policy_making/guidelines.pdf

- 2.12 Such equality impact assessments (“EIAs”) also assist us in making sure that we are meeting our principal duty under section 3 of the 2003 Act discussed above.
- 2.13 We have therefore considered what (if any) impact the decisions in this statement may have on equality. We do not consider the practical impact of the decisions in this statement to affect any group within society in particular, including any having protected characteristics under the Equality Act 2010 or section 75 of the Northern Ireland Act 1998. (We set out our reasoning for this below in relation to services for the blind). We have therefore not carried out separate EIAs in relation to race or gender equality, or equality schemes under the Northern Ireland and Disability Equality Schemes.

The current universal service

- 2.14 The scope of the universal postal service until 31 December 2013 is described in the Order published in March 2012⁶, the first universal postal service order made under the Postal Services Act 2011. The approach adopted for the first Order was to describe the essential features of the universal service, without substantively changing the scope of the universal service as it had existed until then.
- 2.15 In summary, the Order stipulates that the universal postal service shall comprise:
- At least one delivery of letters every Monday to Saturday and of other postal packets every Monday to Friday to the home or premises of every individual in the UK and to such delivery points as approved by Ofcom;
 - At least one collection of letters every Monday to Saturday and of other postal packets every Monday to Friday;
 - The provision of certain ‘end-to-end services at affordable prices’, which are defined in Schedule 1 to the Order – see Table 3.1;
 - The provision of certain ‘free end-to-end services’, which are defined in Schedule 2 to the Order – see Table 3.1; and
 - The provision of certain ‘addressee services’, which are defined in Schedule 3 to the Order – see Table 3.1.
- 2.16 In our statement of 29 September 2011 on the transition to the new regulatory framework for postal services,⁷ we provisionally designated Royal Mail as the universal service provider with effect from 1 October 2011 and this designation remains in effect. Our statement of 27 March 2012 on *Securing the Universal Postal Service* contained our decision on the new regulatory framework and imposed regulatory conditions on Royal Mail with effect from 1 April 2012, including Designated USP conditions (the “DUSP conditions”), which are included at Annex 7 to our statement on *Securing the Universal Postal Service*⁸ and Consumer Protection

⁶ *The Postal Services (Universal Postal Service) Order 2012*, S.I. 2012/936, http://www.legislation.gov.uk/ukSI/2012/936/pdfs/ukSI_20120936_en.pdf.

⁷ Ofcom, *Postal regulation: Transition to the new regulatory framework – Statement*, September 2011, <http://stakeholders.ofcom.org.uk/binaries/consultations/postal-regulation/statement/statement.pdf>.

⁸ Ofcom, *Annex 7, Statutory Notification: designated USP conditions*, March 2012, <http://stakeholders.ofcom.org.uk/binaries/consultations/review-of-regulatory-conditions/statement/annex7.pdf>.

conditions (“CP conditions”), which are included at Annex 8 to our statement on *Securing the Universal Postal Service*.

- 2.17 DUSP condition 1 requires Royal Mail, as the designated universal service provider, to provide services matching those described in the Order. Royal Mail is required by DUSP condition 1.10.1 to notify Ofcom of the brand names of the services it provides with a view to meeting its obligations under the DUSP conditions 1.6 (end-to-end services) and 1.7 (addressee services). The services which Royal Mail has notified for those purposes were summarised in our consultation.⁹ For a comprehensive description of the services in the Order and the DUSP condition, please see the consolidated versions of the Order and the DUSP condition at Annexes 3 and 5.

⁹ See Table 3.1, Ofcom, *Technical and minor amendments in postal regulation - consultation*, September 2013, <http://stakeholders.ofcom.org.uk/consultations/post/>

Section 3

Minor amendments

- 3.1 This section sets out our decision to make drafting amendments and other minor changes to the Order and related DUSP and CP conditions as proposed in our consultation on technical and minor amendments in postal regulation published in September 2013 (the September consultation). This section also outlines our decision to incorporate into the Order most of the general exceptions to the minimum requirements of the universal service set out in section 33 of the Act, and in particular to clarify the dimensions and weight limits applying to universal services and those services required by the DUSP condition.
- 3.2 The amending instruments are available at Annexes 6, 8 and 10. Consolidated versions of the Order, relevant DUSP condition and relevant CP condition are available at Annexes 7, 9 and 11.
- 3.3 None of the amendments has any practical impacts on users, Royal Mail or other postal operators as these amendments simply correct drafting mistakes or bring the current requirements laid down in the Order and conditions in line with Royal Mail's provision of the universal postal service.

Ofcom proposals

- 3.4 We summarise below the amendments we proposed in our consultation. We clarified in our consultation that none of these amendments have a practical impact on postal users or Royal Mail, as in practice they do not require changes to Royal Mail's current provision of the service.

Drafting corrections

- 3.5 We proposed to delete the definitions of "Act" and "eligible items" in the Order, as they were unnecessary; align the definition of "post office" in the DUSP condition with the definition of "post office" in the Order; correct a typographical error in the DUSP condition; and remove cross-references to out-of-date documents.

Calculation of routing times¹⁰

- 3.6 We proposed to clarify the wording of the Order about the treatment of local public holidays for the calculation of routing times, and align this with Royal Mail's practice, so that routing times should be calculated taking into account only the public holidays of the locations where mail is sent and received (instead of all public holidays).

Certificate of Posting

- 3.7 We proposed to rectify a drafting omission when making the first Order by specifying in the Order and related conditions that Certificates of Posting should be free of charge, as was our policy intention in March 2012.¹¹

¹⁰ Routing times are the maximum number of working days an item must take to arrive at its destination e.g. D+3 (in three days) for standard services, currently provided for by RM's Second Class service. Routing times are expressed in working days, and working days exclude Sundays and public holidays.

Business redirections

- 3.8 We proposed to make it clearer in the wording of the Order and related regulatory conditions that redirections services relate to all redirections, whether purchased by individual customers or businesses.

Services for the blind and partially sighted persons

- 3.9 We proposed to align better the requirements for free services for blind and partially sighted persons with current provision by a series of amendments:
- requiring Certificates of Posting to be provided free of charge for the domestic and international services for blind and partially sighted persons, in the same way Certificate of Posting must now be provided for the fast domestic and international services, currently Royal Mail's First Class and Airmail;
 - aligning the requirements for international registered services (which would currently be International Signed For) for blind and partially sighted persons with current practice. The effect of the current drafting is to require registration to be included in services for blind and partially sighted persons, and thus to be provided free of charge, although it has never been previously offered free of charge. We proposed to remove this requirement explicitly;
 - removing compensation on free international items (currently only available if buying an additional service) for blind and partially sighted persons, in line with current practice. The effect of our CP condition 4 was to impose a requirement to provide compensation for loss and damage when in practice it has not been provided for international services for blind and partially sighted persons, unless a registered or insured service is purchased. We proposed to rectify this oversight by amending the relevant condition;
 - removing the requirements for a free international slow service for blind and partially sighted persons, i.e. in practice Royal Mail's Articles for the Blind via Surface Mail (and correspondingly requiring the fast service, Airmail, to be provided up to 7kg to all countries). The slow service was effectively unused, as Royal Mail treats all items for blind and partially sighted persons as priority, i.e. carries them Airmail, which is a faster service than Surface Mail;
 - as a consequence of the proposed amendment above, removing the scope for Royal Mail to charge, for international items for the blind or partially sighted persons sent via Airmail, the difference between the Airmail and Surface Mail tariffs, for items weighing between 1-7kg and going to those territories not listed in the Order.¹² However, this distinction is complex and unnecessary, as Royal Mail provides all services for blind or partially sighted persons free of charge via its Articles for the Blind service.

Outgoing European Union services

- 3.10 We proposed to rectify a drafting omission when making the first Order by specifying in the Order and related conditions that the universal service should include a slower packet service to European Union destinations, provided by Royal Mail's Surface

¹¹ Ofcom, *Securing the universal postal service – decision on the new regulatory framework*, March 2012, <http://stakeholders.ofcom.org.uk/consultations/review-of-regulatory-conditions/statement/>

¹² Listed territories are specified at paragraph 5 of schedule 2 of the Order.

Mail service to European Union destinations, as was our policy intention in March 2012.

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

- 3.11 We proposed to require in the DUSP condition the same quality of service target for all standard (Second Class) items, whether they are under or over 1kg, of 98.5% of items delivered within three days, as a result of Royal Mail's withdrawal of its Standard Parcels product and its extension of the weight limit of Second Class items up to 20kg.

Directions regarding exceptions

- 3.12 We proposed to clarify in the DUSP condition that Ofcom is able to impose on Royal Mail obligations related to our exceptions direction,¹³ so that it is clear that Ofcom can require Royal Mail to report on exceptions and have an appeals process where Royal Mail says that the exceptional circumstances defined by our direction have arisen.

Dimensions and weight limits clarification

- 3.13 In our September consultation, we explained that Section 33 of the Act defines exceptions to the minimum universal service requirements of the Act. In doing so, section 33 sets the boundaries of the universal service, in particular in relation to the minimum and maximum dimensions and weight of postal items. The Order does not currently incorporate these boundaries, and therefore does not set out explicitly how these boundaries relate to any services over and above the minimum universal service.
- 3.14 To make the regulatory framework clearer and the Order more transparent, we proposed to amend the Order so as to make it clear that the exceptions in section 33 of the Act apply to the relevant services specified by the Order, and not just to the minimum requirements. In summary, this means in effect that the maximum weight and dimensions of items within the scope of universal service are 20kg and 1.05m for any one dimension or 2m for the sum of the length and the greatest circumference measured in a direction other than length.
- 3.15 The Order only describes the universal postal service; it does not impose an obligation on Royal Mail to provide any part of this service. The obligation to provide the universal postal service, or any part of this service, is imposed by DUSP conditions. While the weight limit of 20kg and UPU dimensions can apply in principle to all services specified by the Order, they are only required to be applied to the minimum universal services. We explained in September consultation that in practice we wanted to avoid an unnecessary extension of regulation beyond the universal service which was provided when we made the first Order, in line with our prior policy decisions to retain the essential features of the current universal service.¹⁴

¹³ The universal service obligation to make daily collections and deliveries does not need to be met in such geographical conditions or other circumstances as Ofcom consider to be exceptional. Ofcom can specify the circumstances we consider to be exceptional by making a direction. See our consultations on the delivery and collection exceptions on

<http://stakeholders.ofcom.org.uk/consultations/post-deliveries-uso/> and <http://stakeholders.ofcom.org.uk/consultations/post-collection-uso/>

¹⁴ Ofcom, *Securing the Universal Postal Service – Decision on the new regulatory framework*, March 2012, <http://stakeholders.ofcom.org.uk/consultations/review-of-regulatory-conditions/statement/>, and

- 3.16 We therefore proposed in our September consultation to retain the current scope of the universal service while also aligning regulatory obligations with Royal Mail's current provision of the universal service.
- 3.17 Firstly, we proposed to align the weights and dimensions of the postal packets which go beyond the minimum requirements of the Act, and in relation to which we have discretion, with current provision. In practice, this relates to the following Royal Mail's services: Return to Sender, Surface Mail and its add-on International Signed For, Redirection services, Poste Restante, and Keepsafe.
- 3.18 Secondly, we explained that we do not have to regulate to secure the provision of universal services when, in our view, there are suitable alternatives provided by the wider postal market. We therefore proposed to modify the DUSP conditions to limit dimensions and / or weight of the services that Royal Mail is obliged to provide by regulatory condition, in circumstances where services meeting the definition of the universal service in the Order are already being provided without regulatory intervention. This means that the regulatory obligations on Royal Mail would align with Royal Mail's current provision. The proposed amendments relate to the following services:
- Priority (First Class), Standard (Second Class) and Registered and insured services (Special Delivery Guaranteed by 1pm) services in so far as the maximum size of packets provided by Royal Mail's regulated business does not go up to the UPU dimensions; and
 - International outbound services (Airmail and its add-on International Signed For) and inbound services in so far as in so far as Royal Mail only provides these services up to 2kg (5kg for printed papers), rather than 20kg, and in so far as the maximum size of international packets provided by Royal Mail's regulated business does not go up to the UPU dimension.
- 3.19 We proposed this because we consider that the postal market provides, and is likely to continue to provide, services for "large" domestic packets,¹⁵ over what is currently provided by Royal Mail and up to UPU dimensions. We explained in our September consultation that there are many providers of large packets services in the UK, which provide alternatives for consumers to send large parcels, such as couriers.^{16,17} We considered that this was also the case in relation to services for large (over the current maximum international packets dimensions)¹⁸ and heavy (over 2kg) packets

Ofcom, *Review of postal users' needs – statement*, March 2013,

<http://stakeholders.ofcom.org.uk/consultations/review-of-user-needs/statement/>

¹⁵ By "large" domestic packets we mean packets over 610mm x 460mm x 460mm and up to 1.05m for any one dimension or 2m for the sum of the length and the greatest circumference. Royal Mail currently provides domestic packet services up to 610mm x 460mm x 460mm (and for rolled and cylinder shaped items, packets where the length plus twice the diameter does not exceed 1040mm with the greatest dimension being no more than 900mm)

¹⁶ Apex Insight, *Consumer and Small Business (C2C) Parcels Services - Market Insight Report*, May 2013, available for purchase at <http://www.apex-insight.com/c2c-parcels/>. The publicly available summary mentions "the fastest-growing segment of the parcels industry: those services designed to carry parcels on behalf of consumers and small businesses, such as eBay or Amazon Marketplace sellers."

¹⁷ Ofcom, *The Consumer Experience of 2012, Research document*, January 2013, http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/tce-12/Consumer_Experience_Research1.pdf.

¹⁸ These are set out in *The Royal Mail Overseas Letter Post Scheme*, February 2013, http://www.royalmailgroup.com/sites/default/files/OLPS-Scheme-February-2013_0.pdf. The maximum

sent abroad.^{19,20} We noted in particular that Parcelforce provides these services, at a uniform price everywhere in the UK, for residential and small business users (via post offices). Finally, we explained that our proposal was consistent with meeting the reasonable needs of users, principally because it does not involve any practical changes in the actual service provision.

- 3.20 We explained that this proposal would entail amendments to both the Order and the DUSP conditions, including a consequential amendment to remove the current exclusion of tracking for priority and standard items from the scope of the universal service, because most courier services, including all domestic Parcelforce Worldwide services, are fully tracked.

Our assessment of stakeholder responses

- 3.21 We received one response to the consultation, from Royal Mail.²¹ Overall Royal Mail supported our proposed amendments, and proposed two changes to align the regulatory requirements with Royal Mail's current provision of the universal postal service.
- 3.22 Royal Mail noted that current practice is that the registered *domestic* service (Royal Mail Signed For) is not provided free of charge for items for blind and partially sighted persons. The effect of the drafting of the first Order was to require registration to be included in domestic services for blind and partially sighted persons and therefore to be free of charge.
- 3.23 We agree that it is consistent with the policy set out in our consultation that the Order and related condition should be amended to reflect current practice, and we have made that modification in this decision.
- 3.24 Royal Mail also asked us to align the weight limit for inbound international packets with the UPU requirements of 2kg (rather than 5kg as set out in the draft DUSP condition).²²
- 3.25 In response, we clarified with Royal Mail that the weight limit of the inbound international packets it currently accepts is 2kg, including for packets containing printed papers (e.g. books). This limit does not apply to inbound international items for blind and partially sighted persons, for which the weight limit continues to be 7kg. As we aim to reflect current practice, we agree that the DUSP condition should be amended so that the weight limit for inbound international packets is 2kg.
- 3.26 Neither of these modifications to our proposals has a practical impact as they reflect Royal Mail's provision of the universal service.

size of any item with the length, width and depth combined must not exceed 900mm with the greatest dimension not exceeding 600mm. For a cylinder shaped item, the length plus twice the diameter may not exceed 1040mm with the greatest dimension being no more than 900mm.

¹⁹ Royal Mail told us that incoming packets are carried by Royal Mail or Parcelforce depending on their classification by overseas postal operators.

²⁰ See for instance WIK Consult, *Study on the External Dimension of the EU Postal Acquis*, November 2010, p. 24, http://ec.europa.eu/internal_market/post/doc/studies/2010-wik-external-dimension_en.pdf

²¹ Royal Mail's response is available at:

http://stakeholders.ofcom.org.uk/binaries/consultations/post/responses/Royal_Mail.pdf

²² DUSP 1.6.7 – 9(ii)

- 3.27 Finally, Royal Mail suggested that, in future, Ofcom may wish to assess whether a slow international parcel service to Europe is still required by users.
- 3.28 In response, we will of course consider any formal request and relevant evidence submitted by Royal Mail on the evolution of users' postal needs. Any substantive change to the scope of the universal service requires an assessment of the reasonable needs of users. We will therefore consider such requests on a case by case basis, taking into account Ofcom's priorities and work programme.
- 3.29 In addition, we have made small typographical and other self-explanatory changes to the DUSP and CP condition, and three minor drafting amendments to clarify the wording of the Order further. These drafting amendments do not change the policy set out in our consultation, and simply improve the wording of the Order and DUSP conditions:
- The definition of public holiday, where we added a reference to a "place" as well as a territory;²³
 - The definition of specified collection time where we deleted unnecessary wording;²⁴ and
 - The new DUSP 1.2.3A on exceptions, so that the meaning is clearer.²⁵

Our decision

Conclusion

- 3.30 There was no objection to our proposals and only two minor comments from Royal Mail. Therefore we have decided to:
- make the small amendments suggested by Royal Mail, as they align regulatory requirements with current provision, in accordance with our policy to maintain the essential characteristics of the universal service as they were prior to March 2012; and
 - otherwise make the amendments to the Order and related conditions as proposed in our consultation and listed above, with the addition of three minor drafting amendments.

²³ DUSP 1.1.2 (aa), addition in italics: "public holiday" includes, in relation to a particular territory or place, any day in relation to which OFCOM has by direction provided for an exception *at that place* under DUSP 1.3.2.

²⁴ DUSP 1.1.2 (ff): we deleted "every working day upon which a collection is required" as the reference to every working day is unnecessary.

²⁵ The new text, in the final DUSP 1.2.3A, is:

OFCOM may by direction set out the things which must be done when exceptional circumstances under DUSP 1.3.2(b) may have arisen in any particular case, including but not limited to: reporting, notification, appeals, reviews and the establishment of alternative delivery or collection arrangements.

The text in the draft DUSP 1.2.3A was:

OFCOM may by direction impose requirements for the universal service provider—

(a) to establish and comply with procedures in relation to determining whether the circumstances specified in any direction issued under DUSP 1.3.2 have arisen in any particular case;
(b) to establish and comply with reporting and notification obligations in relation to such exceptions;
and

(c) to make alternative delivery or collection arrangements where appropriate.

Regulatory tests

- 3.31 As set out in our consultation, we consider that these amendments meet the regulatory tests set by Schedule 6 of the Act and so are:
- ***Objectively justifiable***, as they are necessary to improve the clarity of the regulatory regime and of the regulatory obligations on Royal Mail;
 - ***Not unduly discriminatory***, because the change necessarily affects the Universal Service Provider (USP) – and there is only one such USP (Royal Mail) in the UK;
 - ***Proportionate***, because our amendments have no practical impact on postal users, Royal Mail and other postal operators in practice, and reflect the current provision of the universal service; and
 - ***Transparent***, because it is clear that the amendments clarify the drafting and obligations on Royal Mail without making changes to the current provision of the universal service.