

**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:**

**Question 1: Do you agree that the evidence summarised in Section 4 and set out in more detail in the annexes to this consultation does not support the imposition of (i) further price controls on parts of Royal Mail's business or (ii) efficiency targets?**

**Please state your reasons and provide evidence to support your view.:**

No. The pricing structure of RM in all categories of post including overseas includes very wide weight steps, which lead to large price increases, absolute and proportional, for even one gram (you have the evidence). This widening of the steps has been proceeding relentlessly. In living memory, there were 10g steps, later 20g for letters and packets. PO

staff had no difficulty then in using such small steps, even less now with machines giving the price. There are no technical or business reasons for such wide steps, and RM could not offer any reason why there cannot be more steps (reply on request).

One duty of Ofcom is to further the interests of citizens and consumers (2.1, also 2.8, 2.14) generally and not only for changes since 2012. The report does not mention investigations into this duty, but it excuses some inconveniences by saying spending on such items is only a small proportion of household expenditure. Indeed your monitoring does not mention wide steps, except in the reference to simplification of pricing structure (5.27-5.28) with no reference to the effect on users, in terms of burden, fairness, efficiency, etc). As pricing is partly by weight and partly by size, it must be presumed that is how costs arise in large parts of the network. It also allows recovery of fixed costs per item in the first weight step. The current wide steps are an exploitation of MS's monopoly power for individual users, in that they allow exploitation of value of service to a great degree, to allow recovery of the fixed costs of the universal service obligation in lightly settled areas. They are in all respects, unfair to users.

It is still possible to have loose regulation, and retain financial viability while regulating the pricing structure. That could be on the basis of eg a step not increasing the price of the previous step by more than 10 per cent. The cap could still be applied as well. Of course revenue would fall if the prices were simply evened up at every 20 or 25g across the existing steps (although with lower prices, volume might improve for the lower weights in each step). That would require some price increases at the higher weights. That would be no bad thing. The pamphlets included in every mailing to me because they are free to send within the existing steps.

**Question 2: Do you agree that the regulatory framework should remain in place until March 2022 following the anticipated completion of Ofcom's review by the end of 2016-17?**

**Please state your reasons and provide evidence to support your view.:**

No. Best to retain flexibility to avoid exploitation of monopoly power as RM dream up methods to achieve it, also to ensure viability.

**Question 3: Do you agree that the analysis summarised in Section 4 and set out in more detail in the annexes to this consultation accurately reflects the UK postal market?**

**Please state your reasons and provide evidence to support your view.:**

It is comprehensive information, but I have no way of saying it is correct. Lots of info withheld.

**Question 4: Do you agree with our proposal not to amend the Universal Service Order or the DUSP conditions to include tracking as standard on First and Second Class single piece parcels?**

**Please state your reasons and provide evidence to support your view.:**

I am indifferent.

**Question 5: Do you agree with our proposal to retain the safeguard cap in its current form?**

**Please state your reasons and provide evidence to support your view.:**

I would prefer that you had a satisfactory basis of modelling RM costs, and regulated prices and the price structure, while still allowing RM an adequate profit.

**Question 6: Do you agree that we should amend the USPA Condition so that it is clear that access operators cannot be required to accept general terms and conditions that include shorter notification periods than those provided for under USPA 7? :**

No opinion.

**Question 7: Do you agree with our proposal to amend the scope of Essential Condition 1 to cover untracked letter and large letter mail, and single piece universal service parcels, and to remove the remaining universal service products from the scope of the Essential Condition 1? :**

No opinion.

**Question 8: : Do you agree with the proposed streamlining revisions to Essential Condition 1, including the removal of the Mail Integrity Code of Practice, as drafted in Annex 12?:**

No opinion.

**Question 9: Do you agree that the proposed drafting of Essential Condition 1 including relevant definitions accurately capture our intended objectives and the intended operators and mail types? :**

No opinion.

**Question 10: Do you agree with the proposed revisions to Consumer Protection 2, including the removal of the PCOP code and agreement, as drafted in Annex 13?:**

No opinion.

**Question 11: Do you agree that the proposed drafting of CP 2 including relevant definitions accurately capture our intended objectives and the intended operators and mail types? :**

No opinion.

**Question 12: Do you agree with our proposal to amend the scope of Consumer Protection Condition 3 so that it retains a minimum requirement for all postal**

**operators, and that additional requirements in relation to redress and reporting would apply to Royal Mail as the universal service provider only?:**

No opinion.

**Question 13: Do you agree with our proposed drafting of Consumer Protection Condition 3 given our proposal to only apply the additional requirements set out in CP 3.3 in relation to redress and reporting to Royal Mail as the universal service provider?:**

No opinion.

**Question 14: Do you agree with our proposal to revoke Consumer Protection Condition 5?:**

No opinion.

**Question 15: Do you agree with our proposal to remove the one-month notification period for price decreases to Royal Mail's universal service products and services? :**

No. A period for comment might allow consideration of matters raised above, even in the context of a price reduction.

**Question 16: Do you agree with our proposal to reduce the advance notice period for specified collection times to one month (reduced from three months)?:**

Yes

**Question 17: Do you agree with our proposal to remove the advance notice period for latest delivery times (currently at three months)?:**

Yes

**Question 18: Do you agree with our proposed restructuring and drafting of Designated Universal Service Provider Conditions 1.10.1 and 1.10.2, and the removal of Designated Universal Service Provider Conditions 1.10.3?:**

No opinion.