



# Consultation response form

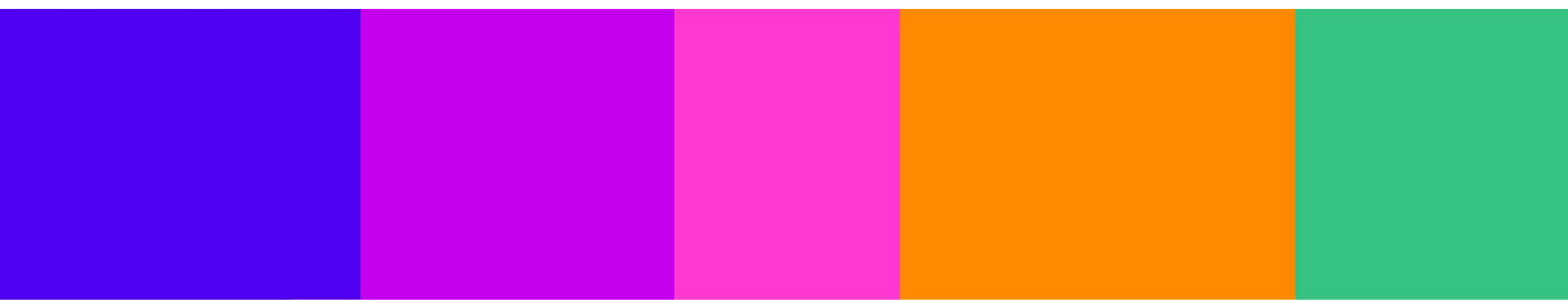
Please complete this form in full and return to [futurepostaluso@ofcom.org.uk](mailto:futurepostaluso@ofcom.org.uk).

<b>Consultation title</b>	Call for input: Review of postal regulation – pricing and affordability
<b>Full name</b>	██████████
<b>Contact phone number</b>	
<b>Representing (delete as appropriate)</b>	Organisation
<b>Organisation name</b>	PPA (Professional Publishers Association)
<b>Email address</b>	██████████

## Confidentiality

We ask for your contact details along with your response so that we can engage with you on this consultation. For further information about how Ofcom handles your personal information and your corresponding rights, see [Ofcom's General Privacy Statement](#).

<b>Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential? Delete as appropriate.</b>	Nothing
<b>Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate.</b>	None
<b>For confidential responses, can Ofcom publish a reference to the contents of your response?</b>	Yes



## Your response

Please tell us how you came across about this consultation.

- Email from Ofcom
- Saw it on social media
- Found it on Ofcom's website
- Found it on another website
- Heard about it on TV or radio
- Read about it in a newspaper or magazine
- Heard about it at an event
- Somebody told me or shared it with me
- Other (please specify)

Question	Your response
<p><b>Question 2.1:</b> Do you agree with our proposed objectives for this review? Please state your reasons and provide evidence to support your view.</p>	<p>Confidential? –N</p> <p>While the PPA does not disagree with the proposed objectives, we believe that the proposal is missing:</p> <p>a) support for industries that rely on postal services, and by extension the government’s core mission of growth; and</p> <p>b) consideration of how access to media through postal services is vital to the fulfilment of Ofcom’s duties to further the interests of citizens and consumers, as set out in the Communications Act 2003.</p>
<p><b>Question 2.2:</b> Do you agree with our planned approach to this review? Please state your reasons and provide evidence to support your view.</p>	<p>Confidential? – N</p> <p>We recommend the approach consider a price control for second class services, which publishers rely on.</p>
<p><b>Question 3.1:</b> Do you agree that our approach to assessing the affordability of universal postal services should be similar to the approach we have taken previously? Please state your reasons and provide evidence to support your view.</p>	<p>Confidential? –N</p> <p>As stated in our response to q 2.1, the approach around affordability should give special consideration to industries who rely on second class post and by extension their consumers.</p> <p>If businesses are forced to pay more for second class post, this cost could be passed onto</p>

Question	Your response
	<p>the consumer and hence impact the affordability of the service to the consumer.</p> <p>Additionally, if businesses are being priced out of operation, this undermines the government's core mission of economic growth. Particularly in cases where an equivalent digital substitution is not possible.</p> <p>For instance, one member reported to us that they had to cancel its student membership access to the print version of its monthly magazine. The per issue postage cost was identified to be double the per issue production cost and made up 2/3 of annual expenditure for the printed magazine.</p> <p>The whole point of student memberships is to engage with a group within Society who may be either at the start of their careers or transitioning from one career path to another and who may therefore have reduced income. Charging them a full price for membership is not an option.</p> <p>The member therefore had to take a decision to stop sending student customers a printed copy of the magazine and instead pushed them towards the digital version on the app. What we have seen is that when the publisher moved them from the printed copy to the app, a not inconsiderable number of consumers have either not renewed or simply cancelled their membership.</p> <p>The member's latest stats show that around 5,000 customers have accessed the magazine on the app during November. The most recent print version was sent to 498,000 customers and we have survey data that shows that each copy of the printed mag is read by more than 1 person. It's therefore quite clear that the printed version of the magazine is invaluable to its members and, if postal prices</p>

Question	Your response
	<p>rise and sending the printed copy is no longer affordable, the digital option would not be an attractive alternative to a large number of consumers.</p>
<p><b>Question 3.2:</b> Do you agree with our initial observations from our preliminary analysis of the latest ONS data and market research? Please state your reasons and provide evidence to support your view.</p>	<p>Confidential? –N</p> <p>We agree with Ofcom’s observation that “those currently likely to face affordability issues in post are usually on a low income and/or in a vulnerable group, for example those in receipt of state benefits, those who cannot leave home without help and those with an impactful or limiting condition”.</p> <p>However, this analysis only considers this groups’ direct use of royal mail and doesn’t consider its use of services, that rely on Royal Mail such as magazine media.</p> <p>As previously mentioned in this submission, if the price of second class post is increased for businesses, then the cost of this will be passed onto the consumer, who in many cases is within the group likely to face affordability issues that Ofcom has identified.</p>
<p><b>Question 5.1:</b> Do you have any comments on our initial views set out in paragraphs 5.2-5.16 in Section 5 on whether there is a case for Ofcom to move away from its existing approach to price regulation of Royal Mail’s letter services based on considerations other than affordability?</p>	<p>Confidential? –N</p> <p>The PPA would oppose any price regulation strategies that would exclude second class post usage of our sector for the reasons previously outlined in this submission.</p>
<p><b>Question 5.2:</b> Do you have any comments on Ofcom’s plans to examine aspects of the margin squeeze rule for access prices?</p>	<p>Confidential? – Y / N</p> <p>The current arrangement for the margin squeeze rule is an ineffective incentive lever as Royal Mail are able to provide poorer and poorer service and also increase prices.</p>

Question	Your response
	We would therefore, agree with the recommendations of downstream access providers that price increases should be linked to performance.

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