

End-to-End Competition in the Postal Sector

- The Ofcom Advisory Committee for Wales (ACW) welcomes the opportunity to provide advice to Ofcom on its consultation on end-to-end competition in the postal sector.
- The ACW acknowledges that carefully regulated competition could deliver improvements in the service, in terms of affordability and sustainability. However, Members remain unconvinced that Ofcom could maintain the security of the Universal Service Obligation if competition leads to Royal Mail's competitors "cherry-picking" the more lucrative parts of the service.
- Members feel that the merits of infrastructure sharing (if one considers the actual delivery from sorting office to letterbox as a natural infrastructure) should be considered.
- The idea of bundling together areas with complementary delivery challenges for distinct end-to-end licences has already been mooted. Acknowledging that Royal Mail's current operational structure does not align precisely with the Wales/England border, it may still be worth exploring a Wales-wide licence as a model.
- In conclusion, members, while not opposed to securing the benefits of greater competition, were concerned that sufficient modelling work should be done to minimise the damage that might be caused to the USO from an overly precipitate move to opening up the end-to-end market.