

Title:

Mr

Forename:

Alan

Surname:

Reid MP

Organisation (if applicable):

Argyll & Bute constituency

I confirm that I have read the declaration:

Yes

Additional comments:

Question 5.1: Do you have any comments on the approach set out above to assess the financial impact of end-to-end competition on the universal service and/or do you consider that any other approach would be appropriate?:

Stamp prices are already very high and any further increase would put at risk the principle that the uniform price must be affordable. Regulation must take into account the risk that loss of urban delivery business could force up Royal Mail's unit costs to such an extent as to make the cost of a stamp unaffordable to many customers.

Question 6.1: Do you agree with our approach to assessing the need for intervention in relation to end-to-end competition? Do you consider that any other approach would be appropriate?:

The Universal Service Obligation is vitally important to rural Britain. Ofcom must be very watchful and ensure that any threat to the USO is caught in time and proactive measures taken to preserve the USO. I agree that it's always going to be difficult to quantify with precision any threat to the USO, so Ofcom should not wait until it is certain that a threat exists, but should take action if they identify that a credible threat may exist.

Question 6.2: Do you have any comments on the factors that we would need to take into account when considering the types of intervention that may be suitable?:

Question 7.1: Do you have any comments on the interventions we have discussed in the draft guidance? Are there any others that may be

appropriate? Are there particular circumstances where you consider one potential intervention would be more appropriate than another?:

Competition is important to drive costs down and encourage innovation. However competition must be fair and those who seek to go into competition with Royal Mail must do so under similar obligations as have been placed on Royal Mail. This includes publishing data on the percentage of mail delivered on time etc.

If an operator proposes an end-to-end service in an urban area they should also have to do so in the surrounding rural area.

Royal Mail should not be required to offer access to its network to those companies who compete with them on an end-to-end basis. Allowing such access would distort competition by enabling a rival operator to deliver to the easy areas, and have Royal Mail do its work for it in the more challenging areas.

End-to end operators should be obliged to take mail on the same access conditions as Royal Mail from companies which do not provide an end-to-end service.

Even with the above regulatory proposals it will still be more profitable to operate an end-to-end service in London and surrounding rural areas than it would in the Highlands & Islands, so I believe it is likely that a universal service compensation fund will be required at some point in the future. Clearly we have not reached that point yet, but in view of the time and work that would be required to introduce a fund, Ofcom should carry out preparatory work now, so that, if, at some point in the future Ofcom deems that such a fund is required, they will be well prepared.