

Draft conditions and directions for consultation

Appendix 4 to consultation on postal regulation:
transition to the new regulatory framework

Publication date:

8 August 2011

Appendix 4

Draft conditions and directions for consultation

Contents

This Appendix comprises:

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Statutory Notification: proposed conditions

NOTIFICATION OF PROPOSALS TO IMPOSE CONDITIONS IN ACCORDANCE WITH SECTION 66 OF, AND PARAGRAPHS 4 TO 6 OF SCHEDULE 9 TO, THE POSTAL SERVICES ACT 2011

PROPOSALS

1. Ofcom hereby proposes, in accordance with (and pursuant to powers under) section 66 of, and paragraphs 4 to 6 of Schedule 9 to, the Act, to impose the conditions specified in the Schedule hereto.
2. The proposed conditions shall apply to every postal operator who is of a particular description specified in the respective condition on and after the Appointed Day.
3. The effect of, and Ofcom's reasons for making, these proposals are set out in the accompanying consultation document.

OFCOM'S DUTIES AND LEGAL TESTS

4. Ofcom is satisfied that this proposal satisfies the general test in paragraph 1 of Schedule 6 to the Act and the requirements set out in paragraphs 4 to 6 of Schedule 9 to the Act.
5. In making these proposals, Ofcom has considered and acted in accordance with its principal duty in section 29 of the Act and its general duties in section 3 of the Communications Act 2003.

MAKING REPRESENTATIONS

6. Representations may be made to Ofcom about the proposal set out in this Notification by no later than 9 September 2011.
7. Copies of this Notification and the accompanying consultation document have been sent to the Secretary of State in accordance with paragraph 5(1)(a) and to the European Commission in accordance with paragraph 5(2)(a) of Schedule 6 to the Act.
8. By virtue of paragraph 3(5) of Schedule 6 to the Act, Ofcom may give effect, with or without modifications, to a proposal with respect to which it has published a notification only if Ofcom has—
 - (a) considered every representation about the proposal that is made to Ofcom within the period specified in this Notification; and
 - (b) had regard to every international obligation of the United Kingdom (if any) which has been notified to Ofcom for this purpose by the Secretary of State.

INTERPRETATION

9. Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Notification and otherwise any word or expression shall have the same meaning as it has been ascribed for the purpose of Part 3 of the Act.

10. In this Notification—

- (a) “**Act**” means the Postal Services Act 2011 (c.5); and
- (b) “**Appointed Day**” means the day appointed under section 93(3) of the Act as the day on which the provisions of Part 3 of the Act come generally into force.

11. For the purpose of interpreting this Notification—

- (a) headings and titles shall be disregarded;
- (b) expressions cognate with those referred to in this Notification shall be construed accordingly;
- (c) the Interpretation Act 1978 (c. 30) shall apply as if this Notification were an Act of Parliament.

12. The Schedule to this Notification shall form part of this Notification.

Signed by *Stuart McIntosh*

Partner, Competition

A person duly authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002

8 August 2011

SCHEDULE

The conditions proposed to be imposed on every postal operator who is of a particular description specified in the respective condition on and after the Appointed Day

Part 1: Application, definitions and interpretation relating to the conditions in Part 2

1. The conditions in Part 2 of this Schedule shall apply to every postal operator who is of a particular description specified in the respective condition on and after the Appointed Day.
2. In this Schedule—
 - (1) “Access Agreement” means an agreement other than a USP Access Agreement between regulated postal operators which permits access to the postal facilities as defined in the Postal Common Operational Procedures Code.
 - (2) “Access Code” means a code established under Condition USPA 2.1.
 - (3) “Access Service” means the Controlled Services numbered 39-51 together with any new service determined by Ofcom by direction to fall within the same market or market segment as any existing Access Service; and for the purposes of this definition any such determination by the Postal Services Commission prior to the Appointed Day shall be deemed to be a determination by Ofcom; and Access Services means all such services.
 - (4) “Accounting Separation Commitments” means the commitments contained in Annex B to the document published by the Postal Services Commission in February 2011 entitled “Laying the foundations for a sustainable postal service”, Explanatory memorandum and notice of proposed licence modifications under section 14 of the Postal Services Act 2000”¹.
 - (5) “Act” means the Postal Services Act 2011 (c.5).
 - (6) “Appointed Day” means the day appointed under section 93(3) of the Act as the day on which the provisions of Part 3 of the Act come generally into force.
 - (7) “Auditors” means competent independent auditors appointed by the Universal Service Provider.
 - (8) “Base Rate” means the base rate of interest offered by Barclays Bank plc, or, if Barclays Bank plc ceases to publish a base rate, such other rate of interest as Ofcom, after consultation with the Universal Service Provider, may reasonably determine.
 - (9) “Basket A” means the Controlled Services numbered 1-13 together with any new service determined by Ofcom by direction to fall within the same market or market segment as any such service; and for the purposes of this definition any such determination by the Postal Services Commission prior to the Appointed Day shall be deemed to be a determination by Ofcom.

¹ The commitments were accepted by Royal Mail in its letter to the Postal Services Commission dated 30 March 2011.

- (10) "Basket B" means the Controlled Services numbered 14-32 together with any new service determined by Ofcom by direction to fall within the same market or market segment as any such service; and for the purposes of this definition any such determination by the Postal Services Commission prior to the Appointed Day shall be deemed to be a determination by Ofcom.
- (11) "Basket C" means the Controlled Services numbered 39-51 together with any new service determined by Ofcom by direction to fall within the same market or market segment as any such service; and for the purposes of this definition any such determination by the Postal Services Commission prior to the Appointed Day shall be deemed to be a determination by Ofcom.
- (12) "Blind" means registered as blind under the provisions of the National Assistance Act 1948.
- (13) "Certified" means certified as reasonably calculated, on the basis of professional financial and statistical analysis having due regard whenever possible to revenues invoiced by the Universal Service Provider by reference to stated prices and volumes and by reference to subcategories of the Controlled Services where, in the opinion of the Auditors, such reference is appropriate.
- (14) "Christmas period" means the period commencing on the first Monday in December in any year and ending at the start of the first working day after the New Year public holiday in the following year or, in Scotland, at the start of the first working day after the Scottish New Year public holiday in the following year.
- (15) "Code Objectives" means the objectives set out in paragraph 1.1 of the Postal Common Operational Procedures Code.
- (16) "Code Postal Packet" means a postal packet conveyed in the provision of a regulated postal service.
- (17) "Community" means the European Community.
- (18) "Complainant" means a person who has made a consumer complaint.
- (19) "Complaint" means any expression of dissatisfaction made to a postal operator, related to one or more of its products or services or the manner in which the postal operator has dealt with any such expression of dissatisfaction, where a response is explicitly or implicitly required or expected to be provided.
- (20) "Complaints handling procedure" means the procedure required by Condition CP 8.1.
- (21) "Completed complaint" means a consumer complaint in respect of which there remains no outstanding action to be taken by the postal operator in accordance with its complaint handling procedure.
- (22) "Condition USPA 4 costing methodology" means the costing methodology produced and published by the Universal Service Provider pursuant to Condition USPA 4.3.
- (23) "Connected Change" means any change to the Costing Manual which when taken together with one or more other changes to the Costing Manual could reasonably be considered by Ofcom to amount substantively to a single change to the Costing

Manual that would be considered to be a Material Change under Condition Acc 1.18.

- (24) “Consumer” means a person who uses postal services either as a sender or an addressee.
- (25) “Consumer complaint” means a complaint which is made against a regulated postal operator either—
 - (a) by a person in that person's capacity as a relevant consumer; or
 - (b) by a person acting on behalf of such a relevant consumer.
- (26) “Consumer Direct” means the telephone and online consumer advice service operated by the Office of Fair Trading.
- (27) “Contract targets” means such targets for or obligations in respect of service performance as are set out in the regulated postal operator's contracts with its customers.
- (28) “Contract customer” means a person who is a consumer in relation to a regulated postal service where the provision of the regulated postal service is governed by a contract between that consumer and the regulated postal operator.
- (29) “Controlled Service” has the meaning given in the Annex to these definitions: Annex 1 - Definition of Controlled Services.
- (30) “Costing Manual”, save in relation to Condition USPA 4 means the document produced by the Universal Service Provider from time to time pursuant to Condition Acc 1.3².
- (31) “Costing methodology” means the rules, policies, procedures, methods, models (including tables, matrices, mappings, lists of accounts, codes and cost structures), calculations, algorithms, concepts, assumptions (including a description of any evidence underlying such assumptions) and any other processes used by the Universal Service Provider to assign costs incurred by RML to services provided by RML, and as may otherwise be required for the preparation of the regulatory financial statements required by Condition Acc 1.
- (32) “Costing Methodology Guiding Principles” means the document set out in the Annex to Condition Acc 1.
- (33) “Council” means the National Consumer Council established by s.1 of the Consumers, Estate Agents and Redress Act 2007.
- (34) “Damage” means, in relation to a Code Postal Packet, any physical damage to a Code Postal Packet (other than damage caused by interference or accidental damage) occurring after the time of acceptance of that Code Postal Packet by the relevant regulated postal operator and before its delivery to the person to whom or at the premises to which it is addressed.
- (35) “Delivered correctly” means, in relation to a postal packet, delivered either to the named recipient or to the address on the postal packet.

² The current version is available at:

http://www2.royalmailgroup.com/sites/default/files/pdfs/ABC_Costing_Manual.pdf

(36) "Directive" means the Directive of the European Parliament and the Council of the European Union of 15th December 1997 (No. 97/67/EC) on common rules for the development of the internal market of Community postal services and the implementation of quality of service as amended by the Directive of the European Parliament and the Council of the European Union of 10th June 2002 (No. 2002/39/EC) with regard to the further opening to competition of Community postal services and the Directive of the European Parliament and of the Council of 20 February 2008 (No.2008/6/EC) with regard to the full accomplishment of the internal market of Community postal services.

(37) "Door to Door Service" means the Universal Service Provider's service for the conveyance and delivery to every address in an area selected by the Universal Service Provider's customer of unaddressed letters weighing up to 100 grams.

(38) "Existing Services" means:

- i. the Universal Service Provider's postal services the provision of which would, prior to the Appointed Day, have required the provider to hold a licence under the Postal Services Act 2000,
- ii. its postal services not falling within (i) which are part of the universal postal service,
- iii. its postal services not falling within (i) or (ii), and
- iv. its services or activities not comprising the provision of a postal service.

(39) "Formula Year" means a year ending on any 31 March. Formula years are numbered as follows:

| t = | Year to 31 March |
|------------|-------------------------|
| 0 | 2006 |
| 4 | 2010 |
| 6 | 2012 |

with 1 added for each subsequent year from 2006 (and earlier years derived by subtraction).

(40) "Funds" means the pension funds known as the Royal Mail Pension Plan for the payment of pensions and deferred pensions to former employees and employees of the Universal Service Provider.

(41) "GZone" means one of the four zones by which postcode sectors are categorised:

- A – Urban;
- B – Suburban;
- C – Rural;
- D – London.

- (42) "Incident Guidelines" means guidelines published from time to time by Ofcom relating to the nature of incidents of loss or theft of, damage to, or interference with, Code Postal Packets, which require urgent notification to Ofcom.³
- (43) "Interference" means interference with a Code Postal Packet contrary to sections 83 or 84 of the Postal Services Act 2000.
- (44) "Intermediary Agreement" means an agreement other than a USP Access Agreement between a regulated postal operator and a Universal Service Provider under which that regulated postal operator delivers postal packets to the Universal Service Provider for subsequent conveyance.
- (45) "Latest delivery time" means, for each UK address, the time expressed in minutes past an hour by which the Universal Service Provider endeavours to make a delivery every working day in accordance with the Universal Service Provider's classification, as at 1 December 2005, of addresses as either "urban" or "rural".
- (46) "Loss" means the physical loss of a Code Postal Packet, other than as a result of:
- (a) having been stolen,
 - (b) being incorrectly addressed,
- at any time after the acceptance of that Code Postal Packet by the regulated postal operator and before its delivery to the person to whom or at the premises to which it is addressed. Save where the context otherwise indicates, loss includes a failure by the regulated postal operator to deliver that Code Postal Packet within 15 working days of its due day of delivery.
- (47) "Mail Integrity Code" means the document of that name annexed to Condition E 1.
- (48) "Mail Integrity Objectives" has the meaning given by paragraph 1.1 of the Annex to Condition E 1.
- (49) "Material Change", for the purposes of Condition Acc 1, has the meaning set out in Condition Acc 1.18.
- (50) "Methodological Principles" means the document in Appendix D of the document published by the Postal Services Commission in March 2011 entitled "Laying the foundations for a sustainable postal service"⁴, as amended from time to time in accordance with Acc 1.6 to 1.8 of Condition Acc 1.
- (51) "Miscellaneous Services" means proof of delivery, recorded delivery, redirection services, private boxes transfer to PO box 12 months, response services licence fees and Ministerial pouch services.
- (52) "Modal Price" means, in any Formula Year, the price, after deduction of discounts, charged by the Universal Service Provider for the conveyance of postal packets at the mid weight for a Price Range for a Controlled Service under the tariff applicable within that service which made the greatest contribution to total revenue for the service in Formula Year $t = 0$.

³ For the purposes of this definition, we expect to republish the version of the guidelines that is current on vesting, noting that the Postal Services Commission is currently consulting on a change.

⁴ Available at: <http://www.psc.gov.uk/documents/1880.pdf>

- (53) "OFT" means the Office of Fair Trading.
- (54) "Partially sighted" means having a standard of close-up vision, with spectacles, certified by an ophthalmologist, doctor or ophthalmic optician, of N12 (print size) or less.
- (55) Postal Common Operational Procedures Agreement means *[either the default contract modified under the change control procedure or a new default contract]* (as modified from time to time in accordance with paragraph 3 below). *[See consultation paragraph 4.42 and Annex 4 of this Schedule.]*
- (56) "Postal Common Operational Procedures Code" means the document entitled "Common Operational Procedures – a Code of Practice" set out in the Annex to Condition CP 5.
- (57) "Postcode Address File" has the meaning given in s.116(3) Postal Services Act 2000.
- (58) "Postcode area" means a geographical area indicated by the letters preceding the first number in the code, as the code is set out in the Postcode Address File.
- (59) "Postcode district" means a geographical area indicated by the letters and numbers in a postcode preceding the space in the code, as the code is set out in the Postcode Address File.
- (60) "Postcode sectors" means the set of delivery points described by the outward part of the postcode and the numeric part of the inward element of the postcode, allocated and published by the Universal Service Provider.
- (61) "Post office letter box" includes any pillar box, wall box, or other box or receptacle provided by a postal operator for the purpose of receiving postal packets, or any class of postal packets, for onwards transmission by post.
- (62) "Previous Control" means Condition 21 of Royal Mail's licence under the Postal Services Act 2000 as it applied from 1 April 2003 until 31 March 2006.
- (63) "Price Point" means any weight expressed in whole grams by reference to which a price for the conveyance of postal packets for a service may be determined and where a tariff provides for prices to depend also on the format of a postal packet and the same weight gives rise to different prices under different formats that weight shall comprise a distinct price point under each format.
- (64) "Price Range" means a weight range or a format and weight combination by reference to which a price for a Controlled Service is determined being a weight range or a format and weight combination set out in Table 1 of the tables published by the Universal Service Provider and approved by the Postal Services Commission for the purpose of the definition of Price Range in Condition 21 of the licence held by Royal Mail immediately prior to the Appointed Day under the Postal Services Act 2000.
- (65) "Qualifying legislative petitions and addresses" means legislative petitions and addresses that comply with the conditions set out in the document published by

Royal Mail in December 2010 entitled “Arrangement for the conveyance of Addresses and Petitions to the Sovereign and Petitions to Parliament”⁵.

- (66) “Qualifying redress scheme” means a redress scheme which is approved by Ofcom in accordance with Schedule 5 of the Act.
- (67) “Reference Service” means the Access Service corresponding to the Controlled Service specified in Condition USPA 4.1 that is used for the purpose of calculating md_{cit} and in the case of new postal services may be determined by Ofcom by direction.
- (68) “Regulated postal operator” means a postal operator which provides services in relation to which, had those services been carried out prior to the Appointed Day, it would have been required to hold a licence under the Postal Services Act 2000.
- (69) “Regulated postal service” means a postal service the provision of which, had it been carried out prior to the Appointed Day, would have required the provider to hold a licence under the Postal Services Act 2000.
- (70) “Regulated Services” means, in a Formula Year, all the Controlled Services as so defined for that Formula Year, the Miscellaneous Services, the Unpriced Services and Business Collections.
- (71) “Regulatory condition” means any condition of authorisation set by Ofcom under the Act.
- (72) “Related person” means
- (a) in relation to an undertaking within the meaning of section 1161 of the Companies Act 2006 (“the principal undertaking”), a parent or subsidiary undertaking of the principal undertaking or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning of section 1162 of the Companies Act 2006, and
 - (b) in relation to any person (including such an undertaking), a connected person of that person within the meaning of section 286 of the Taxation of Chargeable Gains Act 1992.
- (73) “Relevant consumer” means a consumer of regulated postal services or of a service provided as part of the universal postal service, who is not a contract customer
- (74) “Relevant Employees” means permanent, temporary, casual or part time employees or workers (including those under a contract for service), who are (or may be) involved in conveying, receiving, collecting, sorting, delivering or otherwise handling Code Postal Packets or who are reasonably likely to have access to Code Postal Packets in the course of their work.
- (75) “Relevant postal packets” means postal packets whose weight does not exceed 20 kg and whose dimensions fall within the minimum and maximum dimensions laid down in the Convention and Agreement concerning Postal Parcels adopted by the Universal Postal Union.

⁵ Available at:

<ftp://ftp.royalmail.com/Downloads/public/cmwalk/doc/active/doc52200008/Addresses%20and%20Petitions%20December%2010.pdf>

- (76) "Relevant year" means any year beginning on 1 April.
- (77) "Retail Price Index" means the General Index of Retail Prices (for all items) published by the Office of National Statistics (or by any body to which the functions of that Office may be transferred); and if that index is not published for any month means any substituted index or index figures published by that Office for that month; and, in the absence of any substituted index, such other index as Ofcom may, after consultation with the Universal Service Provider, determine.
- (78) "RML" means Royal Mail Letters, the business division of the Universal Service Provider that has or has had that designation and which is or has been principally responsible for providing postal services and includes any successors to that division. Royal Mail Letters excludes the business division of the Universal Service Provider known as ParcelForce Worldwide or any successors to that division.
- (79) "Royal Mail" means Royal Mail Group Limited, registered in England and Wales with company number 4138203.
- (80) "Sales product" means a product or service provided by RML as described on Royal Mail's website.
- (81) "Specified collection time" means, in relation to an access point used in the provision of a service set out in Condition DUSP 1 or 2, that period of time within which the Universal Service Provider endeavours to make a collection every working day in accordance with the Universal Service Provider's classification of access points as at 1 December 2005 as either "commercial area", "town/city area", "rest of UK", "deep rural", "business box" or "Post Office branch".
- (82) "Specified time period" means the time period specified by the regulated postal operator in its complaint handling procedure or as otherwise agreed with a relevant consumer, as the maximum period that the regulated postal operator has to complete a consumer complaint before the relevant consumer who made that consumer complaint, or on whose behalf that consumer complaint was made, becomes entitled to refer that consumer complaint to a qualifying redress scheme.
- (83) "SPHCC" means Sales Product Handling Characteristic Combinations and more specifically those products whose sub-division is based upon the relevant measured characteristics (e.g. class, payment type, item size and handling method).
- (84) "Stolen" means misappropriated contrary to the Theft Act 1968.
- (85) "Theft" means misappropriation contrary to the Theft Act 1968.
- (86) "Universal Postal Union" – means the specialised agency of the United Nations of that name.
- (87) "Universal Service Provider's Mail Characteristics Survey" means the survey carried out by the Universal Service Provider at least annually to assess, among other things, the volumes of postal packets conveyed using the Universal Service Provider's postal and other facilities.

- (88) “Unpriced services” means the following services: Return to sender as part of a Regulated Service, poste restante, Petitions to Parliament, Petitions to Her Majesty the Queen and Certificate of posting.
- (89) “USP Access Agreement” means an agreement between the Universal Service Provider and the regulated postal operator or customer entered into pursuant to Condition USPA 1 or USPA 2.
- (90) “Vulnerable consumer” means a consumer who cannot reasonably be expected to pursue a complaint on their own behalf.
- (91) “Working day” in Condition CP 7, 8 and 9 means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday.
- (92) “Working day” save where otherwise indicated has the meaning given in s.125 Postal Services Act 2000.

3. For the purpose of interpreting this Schedule—

- (a) except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in paragraph 2 of this Part above and otherwise any word or expression shall have the same meaning as it has been ascribed for the purpose of Part 3 of the Act;
- (b) headings and titles shall be disregarded;
- (c) expressions cognate with those referred to in this Notification shall be construed accordingly;
- (d) the Interpretation Act 1978 (c. 30) shall apply as if this Part 1 and each of the conditions in Part 2 were an Act of Parliament;
- (e) Conditions shall be identified as follows:

| | |
|------|--|
| Acc | means a USP accounting condition, pursuant to section 39 of the Act |
| CP | means a consumer protection condition, pursuant to section 51 of the Act |
| DUSP | means a designated USP condition, pursuant to section 36 of the Act |
| E | means an essential condition, pursuant to section 49 of the Act |
| GA | means a general access condition, pursuant to section 50 of the Act |
| GUS | means a general universal service condition, pursuant to section 42 of the Act |
| N | means notification condition, pursuant to section 41 of the Act |
| T | means a transitory condition, pursuant to Schedule 9 paragraph 5(2) of the Act |
| USPA | means a USP access condition, pursuant to section 38 of the Act |

- (f) where particular postal services are referred to by number, the number corresponds to the service as set out in the Annex to these definitions: Annex 1 – Definition of Controlled Services; and
- (g) The mathematical and other notational symbols set out in the left hand column in the table below are intended to be applied in the manner set out in the right hand column of the table –

| Symbol | Meaning and application |
|----------|--|
| Σ | The symbol sigma indicates that a range of values for a variable parameter should be summed and $\sum_{i=1}^{i=n} X_i$ indicates that where a parameter X has a number of different values dependent on the value of another parameter, i , which occur on n different occasions, then the values of X for all n different values of i are to be summed; |
| * | Indicates that the parameters occurring on either side of it in a formula should be multiplied together; |
| / | Indicates that the parameter occurring to the left of it in a formula should be divided by the parameter to the right of it; |
| Δ | Delta is used to indicate the change that occurs to the value of a parameter when moving from one set of circumstances or time to another; |
| < | When occurring in an expression such as $a < b$ means that the parameter represented by the letter a should meet the condition that it is less than the parameter represented by the letter b ; |
| > | When occurring in an expression such as $a > b$ means that the parameter represented by the letter a should meet the condition that it is greater than the parameter represented by the letter b ; |
| \leq | When occurring in an expression such as $a \leq b$ means that the parameter represented by the letter a should meet the condition that it is less than or equal to the parameter represented by the letter b ; |
| \geq | When occurring in an expression such as $a \geq b$ means that the parameter represented by the letter a should meet the condition that it is greater than or equal to the parameter represented by the letter b . |

Part 2: The conditions

The text we notify for the proposed Conditions is that set out in the third column ("new wording") of each table below.

The first column provides a reference to the current regulatory regime. Condition numbering is a reference to the number of the condition, paragraph and sub-paragraphs etc in Royal Mail's licence save where otherwise indicated.

Yellow highlighting indicates numbering or dates which are necessarily not final. The expected date of vesting is 1 October 2011.

For ease of reference, all the definitions included in the Notification paragraph 2 have been reproduced here. Red font indicates the term defined at first use. Terms defined either in the Act or elsewhere in the definitions are underlined.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|-------------|--------|--|
| Sch1 | | | - | |
| C1 | It is a condition of this Licence that the area within which the Licensee may convey letters from one place to another is the area comprising the United Kingdom. | - | - | Unnecessary |
| Sch 2 | | | - | |
| C1.1 | Definitions | | | |
| | <p>In the conditions, the following terms shall have the following meanings</p> <p>(93) Access Agreement means an agreement other than a <u>USP Access Agreement</u> between <u>regulated postal operators</u> which permits access to the <u>postal facilities</u> as defined in the <u>Postal Common Operational Procedures Code</u>.</p> <p>(94) Access Code means a code established under Condition USPA [2.1].</p> <p>(95) Access Service means the <u>Controlled Services</u> numbered <u>39-51</u> together with any new service determined by <u>Ofcom</u> by direction to fall within the same market or market segment as any existing <u>Access Service</u>; and for the purposes of this definition any such determination by the Postal Services Commission prior to the <u>Appointed Day</u> shall be deemed to be a determination by <u>Ofcom</u>; and <u>Access Services</u> means all such services.</p> <p>(96) Accounting Separation Commitments means the commitments contained in Annex B to the document published by the Postal Services Commission in February 2011 entitled "Laying the foundations for a sustainable postal service", Explanatory memorandum and notice of proposed licence modifications under section 14 of the Postal Services Act 2000"⁶.</p> | | | <p>Notes:</p> <p>For the most part, we have used "Universal Service Provider" rather than "Royal Mail". The use of the term "Universal Service Provider" does not necessarily indicate that the condition concerned is of a type that may only be imposed on a universal service</p> |

⁶ The commitments were accepted by Royal Mail in its letter to the Postal Services Commission dated 30 March 2011.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|-------------|--------|--|
| | <p>(97) Act means the Postal Services Act 2011 (c.5).</p> <p>(98) Appointed Day means the day appointed under section 93(3) of the Act as the day on which the provisions of Part 3 of the Act come generally into force.</p> <p>(99) Auditors means competent independent auditors appointed by the <u>Universal Service Provider</u>.</p> <p>(100) Base Rate means the base rate of interest offered by Barclays Bank plc, or, if Barclays Bank plc ceases to publish a base rate, such other rate of interest as <u>Ofcom</u>, after consultation with the <u>Universal Service Provider</u>, may reasonably determine.</p> <p>(101) Basket A means the <u>Controlled Services</u> numbered 1-13 together with any new service determined by <u>Ofcom</u> by direction to fall within the same market or market segment as any such service; and for the purposes of this definition any such determination by the Postal Services Commission prior to the <u>Appointed Day</u> shall be deemed to be a determination by <u>Ofcom</u>.</p> <p>(102) Basket B means the <u>Controlled Services</u> numbered 14-32 together with any new service determined by <u>Ofcom</u> by direction to fall within the same market or market segment as any such service; and for the purposes of this definition any such determination by the Postal Services Commission prior to the <u>Appointed Day</u> shall be deemed to be a determination by <u>Ofcom</u>.</p> <p>(103) Basket C means the <u>Controlled Services</u> numbered 39-51 together with any new service determined by <u>Ofcom</u> by direction to fall within the same market or market segment as any such service; and for the purposes of this definition any such determination by the Postal Services Commission prior to the <u>Appointed Day</u> shall be deemed to be a determination by <u>Ofcom</u>.</p> <p>(104) Blind means registered as blind under the provisions of the National Assistance Act 1948.</p> <p>(105) Certified means certified as reasonably calculated, on the basis of professional financial and statistical analysis having due regard whenever possible to revenues invoiced by the <u>Universal Service Provider</u> by reference to stated prices and volumes and by reference to subcategories of the <u>Controlled Services</u> where, in the opinion of the <u>Auditors</u>, such reference is appropriate.</p> <p>(106) Christmas period means the period commencing on the first Monday in December in any year and ending at the start of the first <u>working day</u> after the New Year public holiday in the</p> | | | <p>provider.</p> <p>The definition of “access point” under the Act is different from that under the Postal Services Act 2000. It is no longer necessarily limited to access to the network used for the provision of the universal service. It does not follow in all cases that the definition must be qualified in the conditions to achieve substantially the same effect, as it often follows from the definition of other terms.</p> <p>The definition of Auditor changes because directions by Ofcom require 1 month consultation under the Act.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|-------------|--------|------------------------------|
| | <p>following year or, in Scotland, at the start of the first <u>working day</u> after the Scottish New Year public holiday in the following year.</p> <p>(107) Code Objectives means the objectives set out in paragraph 1.1 of the <u>Postal Common Operational Procedures Code</u>.</p> <p>(108) Code Postal Packet means a <u>postal packet</u> conveyed in the provision of a <u>regulated postal service</u>.</p> <p>(109) Community means the European Community.</p> <p>(110) Complainant means a person who has made a <u>consumer complaint</u>.</p> <p>(111) Complaint means any expression of dissatisfaction made to a <u>postal operator</u>, related to one or more of its products or services or the manner in which the <u>postal operator</u> has dealt with any such expression of dissatisfaction, where a response is explicitly or implicitly required or expected to be provided.</p> <p>(112) Complaints handling procedure means the procedure required by Condition [CP 8.1].</p> <p>(113) Completed complaint means a <u>consumer complaint</u> in respect of which there remains no outstanding action to be taken by the <u>postal operator</u> in accordance with its <u>complaint handling procedure</u>.</p> <p>(114) Condition USPA 4 costing methodology means the costing methodology produced and published by the <u>Universal Service Provider</u> pursuant to Condition USPA [4.3].</p> <p>(115) Connected Change means any change to the <u>Costing Manual</u> which when taken together with one or more other changes to the <u>Costing Manual</u> could reasonably be considered by <u>Ofcom</u> to amount substantively to a single change to the <u>Costing Manual</u> that would be considered to be a <u>Material Change</u> under Condition Acc [1.20].</p> <p>(116) Consumer means a person who uses <u>postal services</u> either as a sender or an addressee.</p> <p>(117) Consumer complaint means a complaint which is made against a <u>regulated postal operator</u> either—</p> <p>(a) by a person in that person's capacity as a <u>relevant consumer</u>; or</p> <p>(b) by a person acting on behalf of such a <u>relevant consumer</u>.</p> <p>(118) Consumer Direct means the telephone and online consumer advice service operated by the Office of Fair Trading.</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(119) Contract targets means such targets for or obligations in respect of service performance as are set out in the <u>regulated postal operator's</u> contracts with its customers.</p> <p>(120) Contract customer means a person who is a <u>consumer</u> in relation to a <u>regulated postal service</u> where the provision of the <u>regulated postal service</u> is governed by a contract between that <u>consumer</u> and the <u>regulated postal operator</u>.</p> <p>(121) Controlled Service has the meaning given in the Annex to these definitions: Annex 1 - Definition of Controlled Services.</p> <p>(122) Costing Manual, save in relation to Condition USPA [4] means the document produced by the <u>Universal Service Provider</u> from time to time pursuant to Condition Acc [1.3]⁷.</p> <p>(123) Costing methodology means the rules, policies, procedures, methods, models (including tables, matrices, mappings, lists of accounts, codes and cost structures), calculations, algorithms, concepts, assumptions (including a description of any evidence underlying such assumptions) and any other processes used by the <u>Universal Service Provider</u> to assign costs incurred by <u>RML</u> to services provided by <u>RML</u>, and as may otherwise be required for the preparation of the regulatory financial statements required by Condition Acc [1].</p> <p>(124) Costing Methodology Guiding Principles means the document set out in the Annex to Condition Acc [1].</p> <p>(125) Council means the National Consumer Council established by s.1 of the Consumers, Estate Agents and Redress Act 2007.</p> <p>(126) Damage means, in relation to a <u>Code Postal Packet</u>, any physical damage to a <u>Code Postal Packet</u> (other than damage caused by <u>interference</u> or accidental damage) occurring after the time of acceptance of that <u>Code Postal Packet</u> by the relevant <u>regulated postal operator</u> and before its delivery to the person to whom or at the premises to which it is addressed.</p> <p>(127) Delivered correctly means, in relation to a <u>postal packet</u>, delivered either to the named recipient or to the address on the <u>postal packet</u>.</p> <p>(128) Directive means the Directive of the European Parliament and the Council of the European Union of 15th December 1997 (No. 97/67/EC) on common rules for the development of the</p> | | | |

⁷ The current version is available at: http://www2.royalmailgroup.com/sites/default/files/pdfs/ABC_Costing_Manual.pdf

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| | <p>internal market of Community postal services and the implementation of quality of service as amended by the Directive of the European Parliament and the Council of the European Union of 10th June 2002 (No. 2002/39/EC) with regard to the further opening to competition of Community postal services and the Directive of the European Parliament and of the Council of 20 February 2008 (No.2008/6/EC) with regard to the full accomplishment of the internal market of Community postal services.</p> <p>(129) Door to Door Service means the <u>Universal Service Provider's</u> service for the conveyance and delivery to every address in an area selected by the <u>Universal Service Provider's</u> customer of unaddressed <u>letters</u> weighing up to 100 grams.</p> <p>(130) Existing Services means:</p> <p>v. the <u>Universal Service Provider's postal services</u> the provision of which would, prior to the <u>Appointed Day</u>, have required the provider to hold a licence under the Postal Services Act 2000,</p> <p>vi. its <u>postal services</u> not falling within (i) which are part of the universal postal service,</p> <p>vii. its <u>postal services</u> not falling within (i) or (ii), and</p> <p>viii. its services or activities not comprising the provision of a <u>postal service</u>.</p> <p>(131) Formula Year means a year ending on any 31 March. Formula years are numbered as follows:</p> <table><tr><td>t =</td><td>Year to 31 March</td></tr><tr><td>0</td><td>2006</td></tr><tr><td>4</td><td>2010</td></tr><tr><td>6</td><td>2012</td></tr></table> <p>with 1 added for each subsequent year from 2006 (and earlier years derived by subtraction).</p> <p>(132) Funds means the pension funds known as the Royal Mail Pension Plan for the payment of pensions and deferred pensions to former employees and employees of the <u>Universal Service Provider</u>.</p> <p>(133) GZone means one of the four zones by which <u>postcode sectors</u> are categorised:</p> <p>A – Urban; B – Suburban; C – Rural; D – London.</p> | t = | Year to 31 March | 0 | 2006 | 4 | 2010 | 6 | 2012 | | | |
| t = | Year to 31 March | | | | | | | | | | | |
| 0 | 2006 | | | | | | | | | | | |
| 4 | 2010 | | | | | | | | | | | |
| 6 | 2012 | | | | | | | | | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(134) Incident Guidelines means guidelines published from time to time by <u>Ofcom</u> relating to the nature of incidents of <u>loss</u> or <u>theft</u> of, <u>damage</u> to, or <u>interference</u> with, <u>Code Postal Packets</u>, which require urgent notification to <u>Ofcom</u>.⁸</p> <p>(135) Interference means interference with a <u>Code Postal Packet</u> contrary to sections 83 or 84 of the Postal Services Act 2000.</p> <p>(136) Intermediary Agreement means an agreement other than a <u>USP Access Agreement</u> between a <u>regulated postal operator</u> and a <u>Universal Service Provider</u> under which that <u>regulated postal operator</u> delivers <u>postal packets</u> to the <u>Universal Service Provider</u> for subsequent conveyance.</p> <p>(137) Latest delivery time means, for each UK address, the time expressed in minutes past an hour by which the <u>Universal Service Provider</u> endeavours to make a delivery every <u>working day</u> in accordance with the <u>Universal Service Provider's</u> classification, as at 1 December 2005, of addresses as either "urban" or "rural".</p> <p>(138) Loss means the physical loss of a <u>Code Postal Packet</u>, other than as a result of:</p> <p>(a) having been <u>stolen</u>,</p> <p>(b) being incorrectly addressed,</p> <p>at any time after the acceptance of that <u>Code Postal Packet</u> by the <u>regulated postal operator</u> and before its delivery to the person to whom or at the premises to which it is addressed. Save where the context otherwise indicates, loss includes a failure by the <u>regulated postal operator</u> to deliver that <u>Code Postal Packet</u> within 15 working days of its due day of delivery.</p> <p>(139) Mail Integrity Code means the document of that name which is the Annex to Condition [E 1].</p> <p>(140) Mail Integrity Objectives has the meaning given by paragraph [1.1] of the Annex to Condition [E 1].</p> <p>(141) Material Change, for the purposes of Condition Acc [1], has the meaning set out in Condition Acc [1.20].</p> <p>(142) Methodological Principles means the document in Appendix D of the document published by</p> | | | |

⁸ For the purposes of this definition, we expect to republish the version of the guidelines that is current on vesting, noting that the Postal Services Commission is currently consulting on a change.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>the Postal Services Commission in March 2011 entitled “Laying the foundations for a sustainable postal service”⁹, as amended from time to time in accordance with Acc [1.6 to 1.8] of Condition Acc [1] .</p> <p>(143) Miscellaneous Services means proof of delivery, recorded delivery, redirection services, private boxes transfer to PO box 12 months, response services licence fees and Ministerial pouch services.</p> <p>(144) Modal Price means, in any <u>Formula Year</u>, the price, after deduction of discounts, charged by the <u>Universal Service Provider</u> for the conveyance of <u>postal packets</u> at the mid weight for a <u>Price Range</u> for a <u>Controlled Service</u> under the tariff applicable within that service which made the greatest contribution to total revenue for the service in <u>Formula Year</u> t = 0.</p> <p>(145) OFT means the Office of Fair Trading.</p> <p>(146) Partially sighted means having a standard of close-up vision, with spectacles, certified by an ophthalmologist, doctor or ophthalmic optician, of N12 (print size) or less.</p> <p>(147) Postal Common Operational Procedures Agreement means <u>[either the default contract modified under the change control procedure or a new default contract]</u> (as modified from time to time in accordance with paragraph 3 below). <u>[See consultation paragraph 4.42 and Annex 4 of this Schedule.]</u></p> <p>(148) Postal Common Operational Procedures Code means the document entitled “Common Operational Procedures – a Code of Practice” set out in the Annex to Condition CP [5].</p> <p>(149) Postcode Address File has the meaning given in s.116(3) Postal Services Act 2000.</p> <p>(150) Postcode area means a geographical area indicated by the letters preceding the first number in the code, as the code is set out in the <u>Postcode Address File</u>.</p> <p>(151) Postcode district means a geographical area indicated by the letters and numbers in a postcode preceding the space in the code, as the code is set out in the <u>Postcode Address File</u>.</p> <p>(152) Postcode sectors means the set of delivery points described by the outward part of the postcode and the numeric part of the inward element of the postcode, allocated and published by the <u>Universal Service Provider</u>.</p> | | | |

⁹ Available at: <http://www.psc.gov.uk/documents/1880.pdf>

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(153) Post office letter box includes any pillar box, wall box, or other box or receptacle provided by a <u>postal operator</u> for the purpose of receiving <u>postal packets</u>, or any class of <u>postal packets</u>, for onwards transmission by post.</p> <p>(154) Previous Control means Condition 21 of Royal Mail's licence under the Postal Services Act 2000 as it applied from 1 April 2003 until 31 March 2006.</p> <p>(155) Price Point means any weight expressed in whole grams by reference to which a price for the conveyance of <u>postal packets</u> for a service may be determined and where a tariff provides for prices to depend also on the format of a <u>postal packet</u> and the same weight gives rise to different prices under different formats that weight shall comprise a distinct price point under each format.</p> <p>(156) Price Range means a weight range or a format and weight combination by reference to which a price for a <u>Controlled Service</u> is determined being a weight range or a format and weight combination set out in Table 1 of the tables published by the <u>Universal Service Provider</u> and approved by the Postal Services Commission for the purpose of the definition of Price Range in Condition 21 of the licence held by Royal Mail immediately prior to the <u>Appointed Day</u> under the Postal Services Act 2000.</p> <p>(157) Qualifying legislative petitions and addresses means <u>legislative petitions and addresses</u> that comply with the conditions set out in the document published by Royal Mail in December 2010 entitled "Arrangement for the conveyance of Addresses and Petitions to the Sovereign and Petitions to Parliament"¹⁰.</p> <p>(158) Qualifying redress scheme means a redress scheme which is approved by <u>Ofcom</u> in accordance with Schedule 5 of the <u>Act</u>.</p> <p>(159) Reference Service means the <u>Access Service</u> corresponding to the <u>Controlled Service</u> specified in Condition USPA [4.1] that is used for the purpose of calculating md_{clt} and in the case of new <u>postal services</u> may be determined by <u>Ofcom</u> by direction.</p> <p>(160) Regulated postal operator means a <u>postal operator</u> which provides services in relation to which, had those services been carried out prior to the <u>Appointed Day</u>, it would have been</p> | | | |

¹⁰ Available at: <ftp://ftp.royalmail.com/Downloads/public/cmwalk/doc/active/doc52200008/Addresses%20and%20Petitions%20December%202010.pdf>

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>required to hold a licence under the Postal Services Act 2000.</p> <p>(161) Regulated postal service means a <u>postal service</u> the provision of which, had it been carried out prior to the <u>Appointed Day</u>, would have required the provider to hold a licence under the Postal Services Act 2000.</p> <p>(162) Regulated Services means, in a <u>Formula Year</u>, all the <u>Controlled Services</u> as so defined for that <u>Formula Year</u>, the <u>Miscellaneous Services</u>, the <u>Unpriced Services</u> and Business Collections.</p> <p>(163) Regulatory condition means any condition of authorisation set by <u>Ofcom</u> under the <u>Act</u>.</p> <p>(164) Related person means</p> <p>(a) in relation to an undertaking within the meaning of section 1161 of the Companies Act 2006 (“the principal undertaking”), a parent or subsidiary undertaking of the principal undertaking or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning of section 1162 of the Companies Act 2006, and</p> <p>(b) in relation to any person (including such an undertaking), a connected person of that person within the meaning of section 286 of the Taxation of Chargeable Gains Act 1992.</p> <p>(165) Relevant consumer means a <u>consumer</u> of <u>regulated postal services</u> or of a service provided as part of the <u>universal postal service</u>, who is not a <u>contract customer</u>.</p> <p>(166) Relevant Employees means permanent, temporary, casual or part time employees or workers (including those under a contract for service), who are (or may be) involved in conveying, receiving, collecting, sorting, delivering or otherwise handling <u>Code Postal Packets</u> or who are reasonably likely to have access to <u>Code Postal Packets</u> in the course of their work.</p> <p>(167) Relevant postal packets means <u>postal packets</u> whose weight does not exceed 20 kg and whose dimensions fall within the minimum and maximum dimensions laid down in the Convention and Agreement concerning Postal Parcels adopted by the Universal Postal Union.</p> <p>(168) Relevant year means any year beginning on 1 April.</p> <p>(169) Retail Price Index means the General Index of Retail Prices (for all items) published by the Office of National Statistics (or by any body to which the functions of that Office may be transferred); and if that index is not published for any month means any substituted index or index figures published by that Office for that month; and, in the absence of any substituted</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>index, such other index as <u>Ofcom</u> may, after consultation with the <u>Universal Service Provider</u>, determine.</p> <p>(170) RML means Royal Mail Letters, the business division of the <u>Universal Service Provider</u> that has or has had that designation and which is or has been principally responsible for providing <u>postal services</u> and includes any successors to that division. Royal Mail Letters excludes the business division of the <u>Universal Service Provider</u> known as ParcelForce Worldwide or any successors to that division.</p> <p>(171) Royal Mail means Royal Mail Group Limited, registered in England and Wales with company number 4138203.</p> <p>(172) Sales product means a product or service provided by <u>RML</u> as described on Royal Mail's website.</p> <p>(173) Specified collection time means, in relation to an <u>access point</u> used in the provision of a service set out in Condition DUSP [1] or [2], that period of time within which the <u>Universal Service Provider</u> endeavours to make a collection every working day in accordance with the <u>Universal Service Provider's</u> classification of <u>access points</u> as at 1 December 2005 as either "commercial area", "town/city area", "rest of UK", "deep rural", "business box" or "Post Office branch".</p> <p>(174) Specified time period means the time period specified by the <u>regulated postal operator</u> in its <u>complaint handling procedure</u> or as otherwise agreed with a <u>relevant consumer</u>, as the maximum period that the <u>regulated postal operator</u> has to complete a <u>consumer complaint</u> before the <u>relevant consumer</u> who made that <u>consumer complaint</u>, or on whose behalf that <u>consumer complaint</u> was made, becomes entitled to refer that <u>consumer complaint</u> to a <u>qualifying redress scheme</u>.</p> <p>(175) SPHCC means Sales Product Handling Characteristic Combinations and more specifically those products whose sub-division is based upon the relevant measured characteristics (e.g. class, payment type, item size and handling method).</p> <p>(176) Stolen means misappropriated contrary to the Theft Act 1968.</p> <p>(177) Theft means misappropriation contrary to the Theft Act 1968.</p> <p>(178) Universal Postal Union – means the specialised agency of the United Nations of that name.</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(179) Universal Service Provider's Mail Characteristics Survey means the survey carried out by the <u>Universal Service Provider</u> at least annually to assess, among other things, the volumes of <u>postal packets</u> conveyed using the <u>Universal Service Provider's</u> postal and other facilities.</p> <p>(180) Unpriced services means the following services: Return to sender as part of a Regulated Service, poste restante, Petitions to Parliament, Petitions to Her Majesty the Queen and Certificate of posting.</p> <p>(181) USP Access Agreement means an agreement between the <u>Universal Service Provider</u> and the <u>regulated postal operator</u> or customer entered into pursuant to Condition USPA [1] or USPA [2].</p> <p>(182) Vulnerable consumer means a <u>consumer</u> who cannot reasonably be expected to pursue a <u>complaint</u> on their own behalf.</p> <p>(183) Working day in Condition CP [7], [8] and [9] means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday.</p> <p>(184) Working day save where otherwise indicated has the meaning given in s.125 Postal Services Act 2000.</p> | | | |
| | Table of mathematical terms in C.21.38(c) of Royal Mail's licence | <p>The mathematical and other notational symbols set out in the left hand column in the table below are intended to be applied in the manner set out in the right hand column of the table –</p> <p><i>[See Notification]</i></p> | | We propose to keep this unchanged |
| C1.2 | Unless the context otherwise requires, in this Licence words and expressions that are defined in Parts I and II of the Act shall have the same meanings as in those Parts, notwithstanding that a definition in either of those Parts may be framed so as to apply only for the purposes of certain sections of those Parts | <i>See Notification</i> | | <p>It follows that these need not be defined. We propose to annex them as per current licence:</p> <p>Access point – see s.29(11)</p> <p>Insured items service – see s.32(1)</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | | | Legislative petitions and addresses – see s.32(2) Letter – see s.65(1) Postal packets – see s.27(2) Postal service – see s. 27(1) Ofcom – see s.90 Qualifying consumer expenses – see s.51(4) Registered items service – see s.32(4) Universal Service Provider – see s.65(1) [but on 1 st use in Conditions, footnote to provisional designation of RM) User – see a.65(1) |
| C1.3 | Any reference in a condition of this Licence to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this Licence and to the purposes of any condition in identical terms incorporated and having effect in any other licence under the Act whenever that licence may have been granted. | | | Unnecessary |
| C1.4 | Unless otherwise specified any reference to a numbered condition or schedule is a reference to the condition or schedule | | | Unnecessary |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | bearing that number in this Licence and any reference to a numbered paragraph is a reference to the paragraph bearing that number in the condition, schedule or paragraph in which the reference occurs. | | | |
| C1.5 | In construing this Licence the heading or title of any condition or paragraph shall be disregarded. | <i>See Notification</i> | | |
| C1.6 | Where any obligation under or pursuant to this Licence is required to be performed by a specified date or within a specified period and where the Licensee has failed so to perform by such date or within such period, such obligation shall continue to be binding and enforceable after the specified date or after the expiry of the specified period, but without prejudice to all the rights and remedies available against the Licensee by reason of the Licensee's failure to perform by that date or within that period. | | | Unnecessary |
| C1.7 | The provisions of section 121 of the Act ("Service of documents") shall apply for the purposes of the delivery or service of any documents, directions or notices to be delivered or served pursuant to any condition of this Licence. | | | Unnecessary. See sch 12 para 65 of the Act |
| C1.8 | Anything required by or under this Licence to be done in writing may be done by means of electronic transmission, including email, of the instrument in question and, in such case – (a) the original instrument or other confirmation in writing shall be delivered or | | | Unnecessary See s.395 CA03/Sched 12 para 65 of the Act |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | sent by pre-paid post as soon as is reasonably practicable, and (b) where the means of transmission had been agreed in advance between the parties concerned, in the absence of and pending such confirmation, there shall be a rebuttable presumption that what was received duly represented the original instrument. | | | |
| | | Annex 1 – Definition of Controlled Services – SEE SEPARATE DOCUMENT | | |

The draft conditions

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| C2.1 | The Licensee shall provide a universal postal service within the United Kingdom, subject to the following paragraphs of this Condition. | The <u>Universal Service Provider</u> shall provide a universal postal service within the United Kingdom, subject to the following paragraphs of this Condition. | DUSP 1.1 | DUSP - <u>Universal Service Provider</u> |
| C2.2 | The universal service to be provided by the Licensee pursuant to paragraph 1 shall include services for letters posted individually and, until 5 December 2011, services for letters posted both sorted and unsorted in bulk, and it shall also include a registered and an insured service and incoming and outgoing services for letters posted from and to addresses outside the United Kingdom. | The universal postal service to be provided pursuant to DUSP [1.1] shall include: (i) services for <u>letters</u> posted individually; (ii) a <u>registered items service</u> ; (iii) an <u>insured items service</u> ; (iv) incoming services for <u>letters</u> posted from outside the United Kingdom; (v) outgoing services for <u>letters</u> posted to outside the United Kingdom; and (vi) until 5 December 2011, services for letters posted both sorted and unsorted in bulk. | DUSP 1.2 | DUSP - <u>Universal Service Provider</u> See s.31 of the Act and Art. 3 of the Directive for the minimum requirements. |
| C2.3 | The Licensee, in the discharge of its obligations under paragraphs 1 and 2, shall – (a) subject to paragraphs (aa) and (bb) below, provide the services numbered 1, 2, 3, | The <u>Universal Service Provider</u> , in the discharge of its obligations under DUSP [1.1] and [1.2], shall – (a) provide the following services in accordance with a public tariff that is uniform throughout | DUSP 1.3 | DUSP - <u>Universal Service Provider</u> See s.31 |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | 4, 5, 6, 7, 8, 9, 12 but only insofar as the Licensee provides such a service which conforms to the definition of single piece ¹¹ , 13 but only insofar as the Licensee provides such a service which conforms to the definition of single piece ¹² , and 14, in accordance with a public tariff that is uniform throughout the United Kingdom, (aa) in Formula Year t = 6 provide the services numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 12 but only insofar as the Licensee provides such a service which conforms to the definition of single piece ¹³ and 13 but only insofar as the Licensee provides such a service which conforms to the definition of single piece ¹⁴ , and 14, in the definition of Controlled Services in paragraph 38(a) in Condition 21, in accordance with a public tariff that is uniform throughout the United Kingdom; and | the United Kingdom: 1, 2, 3, 4, 5, 6, 7, 8, 9, 12 (but only insofar as the <u>Universal Service Provider</u> provides such a service which conforms to the definition of single piece ¹⁵) and 13 (but only insofar as the <u>Universal Service Provider</u> provides such a service which conforms to the definition of single piece ¹⁶), in accordance with a public tariff that is uniform throughout the United Kingdom; (b) until 5 December 2011, provide the following services in accordance with a public tariff that is uniform throughout the United Kingdom: 22, 23, 36 and 37; (c) provide the International Signed For Packet service described in the <u>Universal Service Provider's Successor Postal Services Company Overseas Letter Post Scheme 2001</u> (as amended to 1 November 2010 ¹⁷), and | | Requirement 7 of the Act re legislative petitions and addresses |

¹¹ As defined in The building blocks for a sustainable postal service – Removing bulk products from the universal service and clarifying the status of other universal service products – a decision document“

¹² As defined in The building blocks for a sustainable postal service – Removing bulk products from the universal service and clarifying the status of other universal service products – a decision document“

¹³ As defined in The building blocks for a sustainable postal service – Removing bulk products from the universal service and clarifying the status of other universal service products – a decision document“

¹⁴ As defined in The building blocks for a sustainable postal service – Removing bulk products from the universal service and clarifying the status of other universal service products – a decision document“

¹⁵ As defined in The building blocks for a sustainable postal service – Removing bulk products from the universal service and clarifying the status of other universal service products – a decision document“

¹⁶ As defined in The building blocks for a sustainable postal service – Removing bulk products from the universal service and clarifying the status of other universal service products – a decision document“

¹⁷ Available at: [ftp://ftp.royalmail.com/Downloads/public/ctf/rm/Overseas_Letter_Post_Scheme2001\(master\).pdf](ftp://ftp.royalmail.com/Downloads/public/ctf/rm/Overseas_Letter_Post_Scheme2001(master).pdf)

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(bb) in Formula Year $t = 6$, for a period ending for a period ending on 5 December 2011, provide the services numbered 22, 23, 36 and 37 in the definition of Controlled Services in paragraph 38(a) in Condition 21, in accordance with a public tariff that is uniform throughout the United Kingdom, and, for the avoidance of doubt, for the purposes of this Condition (and Condition 4) the weight limitations for such Controlled Services referred to in Condition 38(a) shall not apply; and</p> <p>(b) provide the International Signed For Packet service described in the Licensee's Successor Postal Services Company Overseas Letter Post Scheme 2001 (as amended to 1 November 2010), and</p> <p>(c) provide the following:</p> <p>(i) Poste Restante and Certificate of Posting services set out in paragraph 23 of Condition 21,</p> <p>(ii) the Redirection Services,</p> <p>(iii) the Keepsafe service</p> <p>(iv) Recorded Signed For service™, and</p> <p>(d) use reasonable endeavours directly or indirectly to establish arrangements with postal operators in countries outside the United Kingdom for them to deliver to the Licensee relevant postal packets posted from outside the United Kingdom to addresses within the United Kingdom.</p> | <p>(d) provide Poste Restante and Certificate of Posting services free of charge except as <u>Ofcom</u> may by direction in writing otherwise agree,</p> <p>(e) provide Redirection Services ,</p> <p>(f) from 6 December 2011, provide the Keepsafe service,</p> <p>(g) provide a Recorded Signed For service™, and</p> <p>(h) provide a service of conveying free of charge qualifying <u>legislative petitions and addresses</u>, and</p> <p>(i) use reasonable endeavours directly or indirectly to establish arrangements with <u>postal operators</u> in countries outside the United Kingdom for them to deliver to the <u>universal service provider relevant postal packets</u> posted from outside the United Kingdom to addresses within the United Kingdom.</p> | | |
| C2.4 | The Licensee shall ensure that – (a) except in such geographical | The <u>Universal Service Provider</u> shall ensure that – | DUSP 1.4 | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>conditions or other circumstances as Postcomm, after consultation with the Licensee and the Council, may by direction designate as exceptional –</p> <p>(i) at least one delivery of relevant postal packets is made every working day to the home or premises of every individual or other person in the United Kingdom or to such identifiable points for the delivery of relevant postal packets within that area as Postcomm may approve in writing, and</p> <p>(ii) at least one collection of relevant postal packets is made every working day from each access point, and</p> <p>(b) a service of conveying relevant postal packets from one place to another by post and the incidental services of receiving, collecting, sorting and delivering such packets are provided at affordable prices determined in accordance with a public tariff that is uniform throughout the United Kingdom.</p> | <p>a) other than in the exceptional geographical conditions or other circumstances described in directions issued by the Postal Services Commission under sections 4 and 11 of, and relating to Condition 2 of schedule 2 of the licence Royal Mail held under, the Postal Services Act 2000, or as <u>Ofcom</u>, after consultation with the <u>Universal Service Provider</u> and the <u>Council</u>, may by direction otherwise determine: –</p> <p>(i) at least one delivery of <u>relevant postal packets</u> is made every <u>working day</u> to the home or premises of every individual or other person in the United Kingdom or to such identifiable points for the delivery of <u>relevant postal packets</u> within that area as <u>Ofcom</u> may approve in writing, and</p> <p>(ii) at least one collection of <u>relevant postal packets</u> is made every <u>working day</u> from each <u>access point</u>, and</p> <p>(b) a service of conveying <u>relevant postal packets</u> from one place to another by post and the incidental services of receiving, collecting, sorting and delivering such packets are provided at affordable prices determined in accordance with a public tariff that is uniform throughout the United Kingdom.</p> | | |
| C2.5 | <p>For the purposes of this Condition –</p> <p>(a) the interruption, suspension or restriction of any service in cases of emergency, or</p> <p>(b) the conclusion with customers of individual agreements as to prices, shall not be taken to preclude the provision of</p> | <p>Nothing in this Condition is to be read:</p> <p>(a) as requiring a service to continue without interruption, suspension or restriction in an emergency, or</p> <p>(b) as preventing individual agreements as to prices from being concluded with customers.</p> | DUSP 1.5 | <p>DUSP - <u>Universal Service Provider</u></p> <p>Amended in accordance with PSA11 s.33(3)</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | a universal postal service. | | | |
| C3.1 | Except as Postcomm, after consultation with the Licensee and the Council, may have directed otherwise, the Licensee shall provide, or procure the provision of, post office letter boxes and other access points for the purpose of providing the universal postal service referred to in condition 2 in a manner which meets the reasonable needs of users having regard to the costs of providing and servicing such access points. | <p>Except as <u>Ofcom</u>, after consultation with the <u>Universal Service Provider</u> and the <u>Council</u>, may have directed otherwise, the <u>Universal Service Provider</u> shall provide, or procure the provision of, post office letter boxes and other <u>access points</u> for the purpose of providing the universal postal service referred to in Condition DUSP [1] in a manner which meets the reasonable needs of <u>users</u> having regard to the costs of providing and servicing such <u>access points</u>.</p> <p>For the purposes of this Condition, any directions relating to the provision of <u>post office letter boxes</u> and other <u>access points</u> for the purpose of providing the universal postal service, issued by the Postal Services Commission prior to the <u>Appointed Day</u> and not withdrawn shall be deemed to have been issued by <u>Ofcom</u> under this Condition.</p> | DUSP 3.1 | <p>DUSP - <u>Universal Service Provider</u></p> <p>Numbering is not consecutive here so as to place the old Condition 6 (services for the blind and partially sighted forward) immediately after DUSP 1.5.</p> |
| C3.2 | The Licensee shall be regarded as having met its obligations under paragraph 1 if – (a) in each postcode area where the delivery point density is not less than 200 delivery points per square kilometre not less than 99% of users or potential users of postal services are within 500 metres of a post office letter box, and (b) the distribution of access points capable of receiving the largest relevant postal packets and registered mail is such that – (i) in the authorised area as a whole the premises of not less than 95% of users or | <p>The <u>Universal Service Provider</u> shall be regarded as having met its obligations under DUSP [3.1] if – (a) in each <u>postcode area</u> where the delivery point density is not less than 200 delivery points per square kilometre not less than 99% of <u>users</u> of postal services are within 500 metres of a <u>post office letter box</u>, and (b) the distribution of <u>access points</u> capable of receiving the largest <u>relevant postal packets</u> and <u>registered items</u> is such that – (i) in the UK as a whole the premises of not less than 95% of <u>users</u> of postal services are within 5 kilometres of such an <u>access point</u>, and (ii) in all <u>postcode areas</u> the premises of not</p> | DUSP 3.2 | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | potential users of postal services are within 5 kilometres of such an access point, and (ii) in all postcode areas the premises of not less than 95% of users or potential users of postal services are within 10 kilometres of such an access point, and such access points are available to the public in accordance with conveniently published schedules. | less than 95% of <u>users</u> of <u>postal services</u> are within 10 kilometres of such an <u>access point</u> , and such <u>access points</u> are available to the public in accordance with conveniently published schedules. | | |
| C3.3 | The Licensee must: a) at all times maintain a statement of the arrangements it has in place to ensure that users of postal services whose premises are not within 10 kilometers of an access point of the kind described in paragraph 2(b) will be provided with reasonable access to such facilities; b) review the statement annually and update the statement as required; c) submit the statement to Postcomm and to the Council as and when it is updated; d) publish the statement in a manner which ensures reasonable publicity for it; e) ensure the statement appears at a clear and prominent location on any relevant website it operates or controls; and f) provide a copy of the statement, free of charge, to any person who requests it. | The <u>Universal Service Provider</u> must: a) at all times maintain a statement of the arrangements it has in place to ensure that <u>users</u> of <u>postal services</u> whose premises are not within 10 kilometres of an <u>access point</u> capable of receiving the largest <u>relevant postal packets</u> and <u>registered items</u> will be provided with reasonable access to such facilities; b) review the statement annually and update the statement as required; c) submit the statement to <u>Ofcom</u> and to the <u>Council</u> as and when it is updated; d) publish the statement in a manner which ensures reasonable publicity for it; e) ensure the statement appears at a clear and prominent location on any relevant website it operates or controls; and f) provide a copy of the statement, free of charge, to any person who requests it. | DUSP 3.3 | DUSP - <u>Universal Service Provider</u> |
| C3.4 | The Licensee must: a) at all times maintain a statement of the arrangements it has in place to ensure that users of postal services who have significant difficulty in reaching the post office | The <u>Universal Service Provider</u> must: a) at all times maintain a statement of the arrangements it has in place to ensure that <u>users</u> of postal services who have significant difficulty in reaching the <u>post office letter boxes</u> and <u>access</u> | DUSP 3.4 | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>letter boxes and access points provided pursuant to paragraph 1 because they are blind or partially sighted, infirm through age, chronically sick, or disabled are able to post letters and postal packets regularly and as far as possible without significant cost to those users attributable to their difficulties;</p> <p>b) review the statement annually and update the statement as required;</p> <p>c) submit the statement to Postcomm and to the Council as and when it is updated;</p> <p>d) publish the statement in a manner which ensures reasonable publicity for it;</p> <p>e) ensure the statement appears at a clear and prominent location on any relevant website it operates or controls; and</p> <p>f) provide a copy of the statement, free of charge, to any person who requests it.</p> | <p><u>points</u> provided pursuant to DUSP [3.1] because they are <u>blind</u> or <u>partially sighted</u>, infirm through age, chronically sick, or disabled are able to post <u>relevant postal packets</u> regularly and as far as possible without significant cost to those <u>users</u> attributable to their difficulties;</p> <p>b) review the statement annually and update the statement as required;</p> <p>c) submit the statement to <u>Ofcom</u> and to the <u>Council</u> as and when it is updated;</p> <p>d) publish the statement in a manner which ensures reasonable publicity for it;</p> <p>e) ensure the statement appears at a clear and prominent location on any relevant website it operates or controls; and</p> <p>f) provide a copy of the statement, free of charge, to any person who requests it.</p> | | |
| C3.5 | <p><u>Contingency planning</u></p> <p>The Licensee must at all times maintain contingency plans (“contingency plans”), which set out the measures to be taken by the Licensee to ensure as far as practicable the provision of the universal postal service referred to in paragraph 1 without the interruption, suspension or restriction of any service in the event, locally, regionally or nationally, of industrial action, an emergency or a natural disaster.</p> | <p><u>Contingency planning</u></p> <p>The <u>Universal Service Provider</u> must at all times maintain contingency plans, which set out the measures to be taken by the <u>Universal Service Provider</u> to ensure as far as practicable the provision of the universal postal service without the interruption, suspension or restriction of any service in the event, locally, regionally or nationally, of industrial action, an emergency or a natural disaster.</p> | DUSP 4.1 | DUSP - <u>Universal Service Provider</u> |
| C3.6 | <p>The Licensee must at all times maintain a list prioritising services and the criteria used to determine how these services are to be prioritised in circumstances where</p> | <p>The <u>Universal Service Provider</u> must at all times maintain a list prioritising services and the criteria used to determine how these services are to be prioritised in circumstances where contingency</p> | DUSP 4.2 | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | contingency plans are intended to be applied ("the priority list"). If the priority list is amended the Licensee must notify Postcomm within one month of the change. | plans are intended to be applied ("the priority list"). If the priority list is amended the <u>Universal Service Provider</u> must notify <u>Ofcom</u> within one month of the change. | | |
| C3.7 | If any of the circumstances in which the contingency plans and/or the priority list are intended to be applied arise then the Licensee shall either – (a) implement the contingency plans and/or the priority list, or (b) provide to Postcomm in writing its reasons for deciding not to implement the contingency plans and/or the priority list. | If any of the circumstances in which the contingency plans and/or the priority list are intended to be applied arise then the <u>Universal Service Provider</u> shall either – (a) implement the contingency plans and/or the priority list, or (b) provide to <u>Ofcom</u> in writing its reasons for deciding not to implement the contingency plans and/or the priority list. | DUSP 4.3 | DUSP - <u>Universal Service Provider</u> |
| C3.8 | At least once every two years, the Licensee must review and where appropriate, update or amend its contingency plans and the priority list. | At least once every two years, the <u>Universal Service Provider</u> must review and where appropriate, update or amend its contingency plans and the priority list. | DUSP 4.4 | DUSP - <u>Universal Service Provider</u> |
| C3.9 | Within two months of the review under paragraph 8 being completed, the Licensee must submit a report to Postcomm, setting out the outcome of the review including the measures it has taken to address any areas of improvement identified by the review. | Within two months of the review under DUSP [4.4] being completed, the <u>Universal Service Provider</u> must submit a report to <u>Ofcom</u> , setting out the outcome of the review including the measures it has taken to address any areas of improvement identified by the review. | DUSP 4.5 | DUSP - <u>Universal Service Provider</u> |
| C3.10 | If, after consultation with the Licensee, Postcomm advises the Licensee in writing that it is of the opinion that the contingency plans and/or the priority list need to be modified in any way, then the Licensee must either – (a) alter the contingency plans and/or the priority list in the manner indicated by Postcomm and provide Postcomm with a copy of the altered priority list, or | If, after consultation with the <u>Universal Service Provider</u> , <u>Ofcom</u> advises the <u>Universal Service Provider</u> in writing that it is of the opinion that the contingency plans and/or the priority list need to be modified in any way, then the <u>Universal Service Provider</u> must either – (a) alter the contingency plans and/or the priority list in the manner indicated by <u>Ofcom</u> and provide <u>Ofcom</u> with a copy of the altered priority list, or | DUSP 4.6 | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | (b) advise Postcomm in writing that it has declined to alter the contingency plans and/or the priority list and provide to Postcomm a full explanation of its decision. | (b) advise <u>Ofcom</u> in writing that it has declined to alter the contingency plans and/or the priority list and provide to <u>Ofcom</u> a full explanation of its decision. | | |
| C4 | | | | Must transpose as both DUSP and other (CP) conditions – see s.37 of the Act. |
| C4.2-4 – for USO services | <p>The Licensee shall at all times –</p> <p>(a) maintain an up to date schedule in writing of the scheduled services and the standardised measures (including, where applicable, a table of definitions by way of references to the Controlled Services referred to in paragraph 38(a) of Condition 21 of this Licence) and of each of the corresponding scheduled standards, to be provided to users without charge on request, and</p> <p>(b) ensure that Postcomm and the Council are provided with up to date copies of the schedule maintained in accordance with paragraph 2(a).</p> <p>The schedule maintained in accordance with paragraph 2(a) shall –</p> <p>(a) specify the routing times, the regularity and reliability of services to be achieved,</p> <p>(b) specify quality standards for national mail that are compatible with those laid down for intra-Community cross-border mail,</p> <p>(c) specify quality standards for intra-</p> | <p>The <u>Universal Service Provider</u> shall at all times maintain an up to date schedule in writing of its target service standards for the services falling within Condition DUSP [1].</p> <p>The schedule shall specify routing times, the regularity of the services and a % target for the reliability of services which shall be no lower than the following:</p> <p>a. For intra-Community cross-border mail, the time limits for routing, measured from the <u>access point</u> to the network to the point of delivery to the addressee, for <u>postal packets</u> of the fastest standard category -</p> <ul style="list-style-type: none"> Between the UK and any other European member state; and Between the UK and all other European member states in aggregate: <p>D+3: 85% of items</p> <p>D+5: 97% of items</p> <p>according to the formula “D + n”, where “D”</p> | DUSP 5.1 | <p>DUSP - <u>Universal Service Provider</u></p> <p>(a) is a write out of the Annex to the Directive and should not therefore be a change from the requirement in current C4.2(c).</p> <p>‘Amend the Schedule only in accordance with’ is moved from para 4 to those paras to reduce duplication.</p> <p>Obligation to notify Ofcom and the Council moved to paras on amendment</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>Community cross-border mail services in a manner consistent with the Annex to the Postal Services Directive , and (d) specify minimum levels of performance in respect of each of the scheduled services and the standardised measures that the Licensee ought reasonably to achieve, having regard to the obligation in paragraph 7, that are no less demanding for the Licensee than the scheduled standards set out in the Annex to this Condition</p> <p>The Licensee shall not make any change to the scheduled services, the standardised measures or the scheduled standards, other than in accordance with paragraphs 23 and 24.</p> | <p>represents the date of deposit and “n” the number of <u>working days</u> which elapse between that date and that delivery to the addressee. The date of deposit shall be the same day as that on which the postal packet is deposited, provided that deposit occurs before the last collection time notified from the <u>access point</u> to the network in question. When deposit takes place after this time limit, the date of deposit will be the following day.</p> <p>b. For national mail, the time limits for routing and reliability shall be compatible with those for intra-<u>Community</u> cross-border mail.</p> <p>c. The standards shall, in addition, be no lower than the following for the following services, where the % for each standard is measured on average throughout the periods of 12 months ending on 31 March in each year, excluding the <u>Christmas period</u>, and save where otherwise specified is measured in the UK as a whole:</p> <p>i. Services 1¹⁸ and 2 in aggregate:</p> <ul style="list-style-type: none"> o 93.0% of items delivered by the end of the first <u>working day</u>; o 91.5% of items delivered by the end of the first <u>working day</u> in each <u>Postcode Area</u> (excepting HS, KW and ZE) <p>ii. Services 3¹⁹ and 4 in aggregate: 98.5% of items delivered by the end of the third <u>working day</u>;</p> | | <p>because practically speaking amendment is when the obligation arises.</p> <p>Provision free of charge on request unnecessary because duplicated in the sweep-up publication requirements of para 21 below.</p> <p>Amending only in accordance with paras below deleted because duplicative of paras below.</p> |

¹⁸ Stamped mail and smart stamp only.

¹⁹ Stamped mail and smart stamp only.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | <p>iii. Service 5: 90.0% of items delivered by the end of the third working day;</p> <p>iv. Service 6: 85.0% of items delivered by the end of the third <u>working day</u>; and</p> <p>v. Service 14: (other than when sold to <u>users</u> having an account with the <u>Universal Service Provider</u> buying the service using their account): 99.0% of items delivered by the end of the first <u>working day</u>;</p> <p>d. The standards shall, in addition, be no lower than the following for collections and deliveries pursuant to Condition DUSP [1.4], where the % for each standard is measured on average throughout the periods of 12 months ending on 31 March in each year, excluding the <u>Christmas period</u>, and is measured in the UK as a whole</p> <p>i. 99.90% of collection points served each day;</p> <p>ii. 99.90% of delivery routes completed each day;</p> <p>iii. 99.50% of items <u>delivered correctly</u>.</p> | | |
| C4.5(a)(ii) and (b) | <p>The Licensee shall use reasonable endeavours –</p> <p>(a) to collect postal packets –</p> <p>[(i) <i>from its customers as agreed with them, and</i>]</p> <p>(ii) on a regular and reasonable basis from any post office letter box or other access point it uses,</p> <p>(b) <i>appropriately to deliver, or to procure the delivery of, any postal packets it receives in the course of its business as a postal</i></p> | <p>The <u>Universal Service Provider</u> shall use all reasonable endeavours to collect <u>postal packets</u> on a regular and reasonable basis from any <u>post office letter box</u> or other <u>access point</u> it uses in the provision of the universal service.</p> | DUSP 5.2 | <p>DUSP - <u>Universal Service Provider</u></p> <p>(see C.2.4(a))</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <i>operator, within a reasonable time.</i> | | | |
| C4.2-4 for non-USO or part-USO services. | <p>The Licensee shall at all times –</p> <p>(a) maintain an up to date schedule in writing of the scheduled services and the standardised measures (including, where applicable, a table of definitions by way of references to the Controlled Services referred to in paragraph 38(a) of Condition 21 of this Licence) and of each of the corresponding scheduled standards, to be provided to users without charge on request, and</p> <p>(b) ensure that Postcomm and the Council are provided with up to date copies of the schedule maintained in accordance with paragraph 2(a).</p> <p>The schedule maintained in accordance with paragraph 2(a) shall –</p> <p>(a) specify the routing times, the regularity and reliability of services to be achieved,</p> <p>(b) <i>specify quality standards for national mail that are compatible with those laid down for intra-Community cross-border mail,</i></p> <p>(c) <i>specify quality standards for intra-Community cross-border mail services in a manner consistent with the Annex to the Postal Services Directive , and</i></p> <p>(d) specify minimum levels of performance in respect of each of the</p> | <p>The <u>Universal Service Provider</u> shall at all times maintain an up to date schedule in writing of its target service standards as specified below.</p> <p>The schedule shall specify routing times, the regularity of the services and a % target reliability which shall be no lower than the following, where the % for each standard is measured on average throughout the periods of 12 months ending on 31 March in each year, excluding the <u>Christmas period</u>, and is measured in the UK as a whole:</p> <ol style="list-style-type: none"> Services 10²⁰, 12, 15, 16, 19, 20, 20A, 20B, 21, 22, 23, 24, 26, 28, 30 in aggregate: 91% of items delivered by the end of the first <u>working day</u>; Services 11²¹, 13, 17, 18, 25, 27, 29, 33, 34, 34A, 34B, 35, 36, 37, 38 in aggregate: 97.5% of items delivered by the end of the third <u>working day</u>; Services 31, 31A, 31B, 32 in aggregate: 97.5% of items delivered by the end of the seventh <u>working day</u>. | CP 1.1 | <p>CP - <u>Universal Service Provider</u></p> <p>‘Amend the Schedule only in accordance with’ is moved from para 4 to those paras to reduce duplication.</p> <p>Obligation to notify Ofcom and the Council moved to paras on amendment because practically speaking amendment is when the obligation arises.</p> <p>Provision free of charge on request unnecessary because duplicated in the sweep-up publication requirements of para 21 below.</p> |

²⁰ Excluding Freepost name and Packetpost Returns.

²¹ Excluding Freepost name and Packetpost Returns.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>scheduled services and the standardised measures that the Licensee ought reasonably to achieve, having regard to the obligation in paragraph 7, that are no less demanding for the Licensee than the scheduled standards set out in the Annex to this Condition.</p> <p>The Licensee shall not make any change to the scheduled services, the standardised measures or the scheduled standards, other than in accordance with paragraphs 23 and 24</p> | | | Amending only in accordance with paras below deleted because duplicative of paras below. |
| C4.5(a)(i) | <p>The Licensee shall use reasonable endeavours –</p> <p>(a) to collect postal packets –</p> <p>(i) from its customers as agreed with them, and</p> <p><i>[(ii) on a regular and reasonable basis from any post office letter box or other access point it uses, and</i></p> <p>(b) appropriately to deliver, or to procure the delivery of, any postal packets it receives in the course of its business as a postal operator, within a reasonable time.]</p> | <p>A <u>regulated postal operator</u> shall use all reasonable endeavours to –</p> <p>(a) collect <u>postal packets</u> from its customers as agreed with them; and</p> <p>(b) appropriately to deliver, or to procure the delivery of, any <u>postal packets</u> it receives in the course of its business as a <u>postal operator</u>, within a reasonable time.</p> | CP 1.2 | <p>CP – <u>regulated postal operators</u></p> <p>Cf RM condition 4</p> <p>Other licensees condition 2</p> |
| C4.6.b and c | <p>The Licensee must –</p> <p>(b) notify Postcomm and the Council of –</p> <p>(i) the latest delivery times for the United Kingdom and the specified collection times,</p> <p>(ii) any changes to its latest delivery times and its specified collection times that it intends to make not less than three months prior to the change being made,</p> | <p>The <u>Universal Service Provider</u> must –</p> <p>(a) notify <u>Ofcom</u> and the <u>Council</u> of –</p> <p>(i) the <u>latest delivery times</u> for the United Kingdom and the <u>specified collection times</u>,</p> <p>(ii) any changes to its <u>latest delivery times</u> and its <u>specified collection times</u> that it intends to make not less than three months prior to the change being made, and</p> <p>(iii) every re-classification of addresses</p> | DUSP 5.3 | <p>DUSP - <u>Universal Service Provider</u></p> <p>(see C.2.4(a))</p> <p>Moved the provisions on collection and delivery times etc</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>and</p> <p>(iii) every re-classification of addresses that will result in the latest delivery time of an address becoming later and of every re-classification of access points that will result in an access point's specified collection time starting earlier, within one month of such a change.</p> <p>(c) publish, in such a manner as Postcomm may direct, its latest delivery times and its specified collection times and shall ensure any changes to the latest delivery times and specific collection times are published within one month of the change.</p> | <p>that will result in the <u>latest delivery time</u> of an address becoming later and of every re-classification of <u>access points</u> that will result in an <u>access point's specified collection time</u> starting earlier, within one month of such a change; and</p> <p>(b) publish, in such a manner as <u>Ofcom</u> may direct, its <u>latest delivery times</u> and its <u>specified collection times</u> and shall ensure any changes to the <u>latest delivery times</u> and <u>specified collection times</u> are published within one month of the change.</p> | | <p>up, because they like the earlier paragraphs are about setting targets rather than reporting on meeting them.</p> <p>C4.6.a is now grouped with all the other paragraphs relating to monitoring performance, below.</p> |
| C4.7 (USO services) | <p>Except as Postcomm may by direction determine, the Licensee shall use all reasonable endeavours to provide the scheduled services and to perform the standardised measures to the highest possible extent, in relation to the relevant scheduled standards for groupings of scheduled services, scheduled services not in a grouping and for the standardised measures, having regard to all the circumstances and, in the application of this obligation –</p> <p>(a) if the performance of the Licensee in respect of any grouping of scheduled services, scheduled service not in a grouping or standardised measure in any period of twelve months ending on 31 March in any year (excluding the Christmas period) meets</p> | <p>Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall use all reasonable endeavours to provide the universal service to meet or exceed the standards set out in the schedule maintained pursuant to Condition DUSP 5.1 in each year, having regard to all the circumstances.</p> <p>In the application of this obligation –</p> <p>(a) if the performance of the <u>Universal Service Provider</u> in respect of any standard meets or exceeds the standard the <u>Universal Service Provider</u> shall be deemed to have used all reasonable endeavours in respect of it,</p> <p>(b) if the performance of the <u>Universal Service Provider</u> in respect of any standard is:</p> <p>- five per cent or more below the target for services (i.e. DUSP 5.1(c)(i-v)); or</p> | DUSP 5.4 | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>or exceeds the relevant scheduled standard the Licensee shall be deemed to have used all reasonable endeavours in respect of that grouping of scheduled services, scheduled service or standardised measure in that year,</p> <p>(b) if the performance of the Licensee in respect of any grouping of scheduled services, scheduled service not in a grouping or standardised measure in any period of twelve months ending on 31 March in any year (excluding the Christmas period) falls short of the relevant scheduled standard to the extent of being five percent or more below the level shown for that service or measure in performance band I of the Table in the Annex to this Condition (or 0.5 percent below that level for standardised measures 10, 11 and 12) the Licensee shall be presumed, subject to consideration of evidence in rebuttal, not to have used all reasonable endeavours in respect of that grouping of scheduled services, scheduled service or standardised measure in that year, unless Postcomm has indicated by direction in writing, following consideration of information submitted by the Licensee, that it is satisfied that the Licensee has complied with its obligation to use all reasonable endeavours in respect of that service or measure, and</p> <p>(c) where the performance of the Licensee in respect of any grouping of scheduled services in any period of twelve</p> | <p>0.5 per cent or more below the target for collections and deliveries pursuant to DUSP [1.4] (i.e. DUSP [5.1(d)(i-iii)]), the <u>Universal Service Provider</u> shall be presumed, subject to consideration of evidence in rebuttal, not to have used all reasonable endeavours in respect of it, unless <u>Ofcom</u> has indicated by direction in writing, following consideration of information submitted by the <u>Universal Service Provider</u>, that it is satisfied that the <u>Universal Service Provider</u> has complied with its obligation to use all reasonable endeavours in respect of it.</p> <p>(c) where the performance of the <u>Universal Service Provider</u> in respect of any standard expressed across an aggregate set of services is below the target by less than five percent but the performance of the <u>Universal Service Provider</u>, in respect of any single service within it, is five percent or more below the overall target %, the target % shall apply to that single service although there shall be no presumption of failure to use all reasonable endeavours.</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | months ending on 31 March in any year (excluding the Christmas period) is below the level shown for that grouping of scheduled services in performance band I of the Table in the Annex to this Condition by less than five percent but the performance of the Licensee in respect of any generic product or service within that grouping during the same period falls short of the relevant scheduled standard for the grouping to the extent of being five percent or more below the level referred to, the scheduled standard for the grouping shall apply to that generic product or service as if the generic product or service were a single scheduled service although the presumption of failure to use all reasonable endeavours provided for in paragraph 7(b) shall not apply in respect of that product or service. | | | |
| C4.7 (non-USO and mixed groupings of services) | Except as Postcomm may by direction determine, the Licensee shall use all reasonable endeavours to provide the scheduled services and to perform the standardised measures to the highest possible extent, in relation to the relevant scheduled standards for groupings of scheduled services, scheduled services not in a grouping and for the standardised measures, having regard to all the circumstances and, in the application of this obligation – (a) if the performance of the Licensee in respect of any grouping of scheduled | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall use all reasonable endeavours to provide its <u>postal services</u> to meet or exceed the standards set out in the schedule maintained pursuant to Condition CP <u>[1.1]</u> in each year, having regard to all the circumstances. In the application of this obligation – (a) if the performance of the <u>Universal Service Provider</u> in respect of any standard meets or exceeds the standard the <u>Universal Service Provider</u> shall be deemed to have used all reasonable endeavours in respect of it, (b) if the performance of the <u>Universal Service</u> | CP 1.3 | CP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>services, scheduled service not in a grouping or standardised measure in any period of twelve months ending on 31 March in any year (excluding the Christmas period) meets or exceeds the relevant scheduled standard the Licensee shall be deemed to have used all reasonable endeavours in respect of that grouping of scheduled services, scheduled service or standardised measure in that year,</p> <p>(b) if the performance of the Licensee in respect of any grouping of scheduled services, scheduled service not in a grouping or standardised measure in any period of twelve months ending on 31 March in any year (excluding the Christmas period) falls short of the relevant scheduled standard to the extent of being five percent or more below the level shown for that service or measure in performance band I of the Table in the Annex to this Condition (or 0.5 percent below that level for standardised measures 10, 11 and 12) the Licensee shall be presumed, subject to consideration of evidence in rebuttal, not to have used all reasonable endeavours in respect of that grouping of scheduled services, scheduled service or standardised measure in that year, unless Postcomm has indicated by direction in writing, following consideration of information submitted by the Licensee, that it is satisfied that the Licensee has complied with its obligation to use all reasonable endeavours in respect of that service or</p> | <p><u>Provider</u> in respect of any standard is five per cent or more below the target, the <u>Universal Service Provider</u> shall be presumed, subject to consideration of evidence in rebuttal, not to have used all reasonable endeavours in respect of it, unless <u>Ofcom</u> has indicated by direction in writing, following consideration of information submitted by the <u>Universal Service Provider</u>, that it is satisfied that the <u>Universal Service Provider</u> has complied with its obligation to use all reasonable endeavours in respect of it, and</p> <p>(c) where the performance of the <u>Universal Service Provider</u> in respect of any standard expressed across an aggregate set of services is below the target by less than five percent but the performance of the <u>Universal Service Provider</u>, in respect of any single service within it, is five percent or more below the overall target %, the target % shall apply to that single service although there shall be no presumption of failure to use all reasonable endeavours.</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>measure, and</p> <p>(c) where the performance of the Licensee in respect of any grouping of scheduled services in any period of twelve months ending on 31 March in any year (excluding the Christmas period) is below the level shown for that grouping of scheduled services in performance band I of the Table in the Annex to this Condition by less than five percent but the performance of the Licensee in respect of any generic product or service within that grouping during the same period falls short of the relevant scheduled standard for the grouping to the extent of being five percent or more below the level referred to, the scheduled standard for the grouping shall apply to that generic product or service as if the generic product or service were a single scheduled service although the presumption of failure to use all reasonable endeavours provided for in paragraph 7(b) shall not apply in respect of that product or service.</p> | | | |
| C4.6(a) | <p>The Licensee must –</p> <p>a) measure and publish on a quarterly basis in such a manner as Postcomm may direct –</p> <p>(i) the percentage of deliveries in the United Kingdom that are made every working day by the latest delivery time, as notified to Postcomm and the Council in accordance with paragraphs 6(b), and</p> <p>(ii) [...].</p> | <p>The <u>Universal Service Provider</u> must measure and publish on a quarterly basis in such a manner as <u>Ofcom</u> may direct the percentage of deliveries in the United Kingdom that are made every <u>working day</u> by the <u>latest delivery time</u>, as notified to <u>Ofcom</u> and the <u>Council</u> in accordance with DUSP [5.3(a)].</p> | DUSP 5.5 | <p>DUSP - <u>Universal Service Provider</u></p> <p>(see C2.4)</p> <p>(a)(ii) transposed as a CP condition below because it includes Business Collections.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>The Licensee must –</p> <p>a) measure and publish on a quarterly basis in such a manner as Postcomm may direct –</p> <p>(i) [...]</p> <p>(ii) the percentage of collections (including Business Collections from 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine) in the United Kingdom that are made every working day from all post office letter boxes and other access points in the United Kingdom at or after the final time of collection advertised on the access point.</p> | <p>The <u>Universal Service Provider</u> must measure and publish on a quarterly basis in such a manner as <u>Ofcom</u> may direct the percentage of collections (including <u>Business Collections</u>) in the United Kingdom that are made every <u>working day</u> from all <u>post office letter boxes</u> and other <u>access points</u> in the United Kingdom at or after the final time of collection advertised on the <u>access point</u>.</p> | CP 1.4 | CP- <u>Universal Service Provider</u> |
| C4.8(a) USO services | <p>The Licensee shall –</p> <p>(a) with the exception of Special Delivery (Next Day) (other than when sold to users having an account with the Licensee buying the service using their account) and the percentage of delivery routes completed each day and the percentage of collection points served each day, monitor its performance of each of the scheduled services and the standardised measures, in relation to the scheduled standards using a testing methodology that –</p> <p>(i) is representative of the range of services and customers for whom these scheduled standards or standardised measures are relevant and which is capable of providing results with measurable statistical significance,</p> <p>(ii) is applied independently of the</p> | <p>The <u>Universal Service Provider</u> shall –</p> <p>(a) monitor its performance of the services for which standards are set in condition DUSP [5.1(a), (b), (c)(i) to (iv) and d(iii)] using a testing methodology that –</p> <p>(i) is representative of the range of services and customers for whom these standards are relevant and which is capable of providing results with measurable statistical significance,</p> <p>(ii) is applied independently of the <u>Universal Service Provider</u>, and</p> <p>(iii) is compliant with Article 16 of the <u>Directive</u>.</p> | DUSP 5.6(a) | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | Licensee, and (iii) is compliant with Article 16 of the Postal Services Directive, | | | |
| C4.8(a) mixed services | The Licensee shall – (a) with the exception of Special Delivery (Next Day) (other than when sold to users having an account with the Licensee buying the service using their account) and the percentage of delivery routes completed each day and the percentage of collection points served each day, monitor its performance of each of the scheduled services and the standardised measures, in relation to the scheduled standards using a testing methodology that – (i) is representative of the range of services and customers for whom these scheduled standards or standardised measures are relevant and which is capable of providing results with measurable statistical significance, (ii) is applied independently of the Licensee, and (iii) is compliant with Article 16 of the Postal Services Directive, | The <u>Universal Service Provider</u> shall monitor its performance of the services for which standards are set in Condition CP [1.1] using a testing methodology that – (i) is representative of the range of services and customers for whom these standards are relevant and which is capable of providing results with measurable statistical significance, (ii) is applied independently of the <u>Universal Service Provider</u> , and (iii) is compliant with Article 16 of the <u>Directive</u> . | CP 1.5(a) | CP - <u>Universal Service Provider</u> |
| C4.8(b) – USO services | with the exception of Special Delivery (Next Day) (other than when sold to users having an account with the Licensee buying the service using their account) and the international mail standard, permit and cooperate with audit of its monitoring pursuant to paragraph 8(a) by persons appointed by Postcomm with the agreement | The <u>Universal Service Provider</u> shall permit and cooperate with audit of its monitoring pursuant to DUSP [5.6(a)], but excluding the standard in DUSP [5.1(a)], by persons appointed by <u>Ofcom</u> with the agreement of the <u>Universal Service Provider</u> which shall not be unreasonably withheld. | DUSP 5.6(b) | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | of the Licensee which shall not be unreasonably withheld, | | | |
| C4.8(b) – USO mixed services | with the exception of Special Delivery (Next Day) (other than when sold to users having an account with the Licensee buying the service using their account) and the international mail standard, permit and cooperate with audit of its monitoring pursuant to paragraph 8(a) by persons appointed by Postcomm with the agreement of the Licensee which shall not be unreasonably withheld, | The <u>Universal Service Provider</u> shall permit and cooperate with audit of its monitoring pursuant to CP [1.5(a)] by persons appointed by Ofcom with the agreement of the <u>Universal Service Provider</u> which shall not be unreasonably withheld. | CP 1.5(b) | CP - <u>Universal Service Provider</u> |
| C4.8(c) | monitor its performance of Special Delivery (Next Day) (other than when sold to users having an account with the Licensee buying the service using their account) and of the percentage of delivery routes completed each day and the percentage of collection points served each day (with the exception of the percentage of Business Collection points served each day prior to 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine), in relation to the scheduled standards and the non-standardised measures, using a measurement methodology that (i) is representative of the range of services and customers for whom these standardised and non-standardised measures are relevant, and (ii) is compliant with Article 16 of the Postal Services Directive, | The <u>Universal Service Provider</u> shall monitor its performance of the services for which standards are set in DUSP [5.1(c)(v) and (d)(i) and (ii)] using a measurement methodology that (i) is representative of the range of services and customers for whom these standards are relevant, and (ii) is compliant with Article 16 of the <u>Directive</u> . | DUSP 5.6(c) | DUSP - <u>Universal Service Provider</u> |
| 4.8(d) | with the agreement of Postcomm, [] appoint | The <u>Universal Service Provider</u> shall appoint an | DUSP | DUSP - <u>Universal</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | an independent person to test and give an opinion on the suitability of the methodology used for the purpose of paragraph 8(c), and on the extent and consistency of its application, and | independent person to test and give an opinion on the suitability of the methodology used for the purpose of DUSP [5.6(c)], and on the extent and consistency of its application. | 5.6(d) | <u>Service Provider</u> |
| 4.8(e) | except as Postcomm has by direction in writing indicated otherwise, monitor, from 1 April 2007, its performance in the provision of Controlled Services 39 to 45 and where t = 6 39 to 51 and for each variant of the Controlled Services 46 to 51 including the Walksort service in the Controlled Services 46, 48 and 50, in the manner provided in sub paragraphs (a) and (b) of this paragraph. | Except as <u>Ofcom</u> has by direction in writing indicated otherwise, the <u>Universal Service Provider</u> shall monitor its performance in the provision of <u>Controlled Services</u> 39 to 51 and each variant thereof (including the Walksort service in <u>Controlled Services</u> 46, 48 and 50), in the manner provided for in CP [1.5(a) and (b)]. | CP 1.5(c) | CP - <u>Universal Service Provider</u> |
| C4.9(a) and (b) USO | Except as Postcomm may by direction determine, the Licensee shall – (a) submit written quarterly reports on its performance in respect of each of the scheduled services, or groupings of scheduled services where relevant, and the corresponding generic products, as set out in the table in note 1 to the Annex and standardised measures (with the exception of the percentage of Business Collection points served each day prior to 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine) relative to each of the corresponding scheduled standards and of its performance | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall (a) submit written quarterly reports on its % performance in respect of each of the services for which standards are set in DUSP [5.1] and in respect of DUSP [5.5(a)], both at the level of the individual service and (where a standard is measured in aggregate) in aggregate, to <u>Ofcom</u> and to the <u>Council</u> , not later than two months from the end of the quarter to which they relate, and (b) include with each report submitted for a quarter ending on 31 December in any reporting year, a statement of the action the <u>Universal Service Provider</u> intends to take in the following reporting year, in order to ensure the discharge of the obligation to use all reasonable endeavours to meet or | DUSP 5.7(a) and (b) | DUSP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>in respect of the non-standardised measures to Postcomm and to the Council, not later than two months from the end of the quarter to which they relate,</p> <p>(b) include with each report submitted under paragraph 9(a) for a quarter ending on 31 December in any reporting year, a statement, in such form as Postcomm may direct, of the action the Licensee intends to take in the following reporting year, in order to ensure the discharge of the obligation in paragraph 7,</p> | <p>exceed the target standards, and Ofcom may by direction make provision as to the form of this statement.</p> | | |
| C4.9(a)(b) mixed | <p>Except as Postcomm may by direction determine, the Licensee shall –</p> <p>(a) submit written quarterly reports on its performance in respect of each of the scheduled services, or groupings of scheduled services where relevant, and the corresponding generic products, as set out in the table in note 1 to the Annex and standardised measures (with the exception of the percentage of Business Collection points served each day prior to 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine) relative to each of the corresponding scheduled</p> | <p>Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall</p> <p>(a) submit written quarterly reports on its % performance in respect of each of the services for which standards are set in CP [1.1], both at the level of the individual service and (where a standard is measured in aggregate) in aggregate, to <u>Ofcom</u> and to the <u>Council</u>, not later than two months from the end of the quarter to which they relate; and</p> <p>(b) include with each report submitted for a quarter ending on 31 December in any reporting year, a statement of the action the <u>Universal Service Provider</u> intends to take in the following reporting year, in order to ensure the discharge of the obligation to use all reasonable endeavours to meet or</p> | CP 1.6 (a) and (b) | CP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | standards and of its performance in respect of the non-standardised measures to Postcomm and to the Council, not later than two months from the end of the quarter to which they relate, (b) include with each report submitted under paragraph 9(a) for a quarter ending on 31 December in any reporting year, a statement, in such form as Postcomm may direct, of the action the Licensee intends to take in the following reporting year, in order to ensure the discharge of the obligation in paragraph 7, | exceed the target standards and Ofcom may by direction make provision as to the form of this statement. | | |
| C4.9(c) USO | publish and submit to Postcomm and to the Council a written report on its performance in respect of each of the generic products and services as set out in the table in note 1 to the Annex and standardised measures (with the exception of the percentage of Business Collection points served each day prior to 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine) relative to each of the corresponding scheduled standards for each Christmas period not later than two months from the end of each Christmas period, | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall publish and submit to <u>Ofcom</u> and to the <u>Council</u> not later than two months from the end of each <u>Christmas period</u> , a written report on its % performance in respect of each of the services for which standards are set in DUSP [5.1(c) and (d)] save that the % for each standard shall be measured on average throughout the <u>Christmas period</u> . | DUSP 5.7(c) | DUSP - <u>Universal Service Provider</u> |
| C4.9(c) mixed | publish and submit to Postcomm and to the Council a written report on its performance in respect of each of the generic products and services as set out in the table in note 1 to | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall publish and submit to <u>Ofcom</u> and to the <u>Council</u> not later than two months from the end of each <u>Christmas period</u> , a | CP 1.6(c) | CP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | the Annex and standardised measures (with the exception of the percentage of Business Collection points served each day prior to 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine) relative to each of the corresponding scheduled standards for each Christmas period not later than two months from the end of each Christmas period, | written report on its % performance in respect of each of the services for which standards are set in CP [1.1] save that the % for each standard shall be measured on average throughout the <u>Christmas period</u> . | | |
| C4.9(d) USO | publish and submit to Postcomm and to the Council a written annual report on its performance in respect of each of the scheduled services, or groupings of scheduled services where relevant, and the corresponding generic products, as set out in the table in note 1 to the Annex and standardised measures (with the exception of the percentage of Business Collection points served each day prior to 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine) relative to each of the corresponding scheduled standards (containing adjusted results in addition to unadjusted results where appropriate) for each period of twelve months, ending on 31 March and not later than three months from that date unless otherwise agreed by Postcomm | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall publish and submit to <u>Ofcom</u> and to the <u>Council</u> a written annual report on its % performance in respect of each of the services for which standards are set in DUSP [5.1(c) and (d)] (containing adjusted results in addition to unadjusted results where appropriate) for each period of twelve months, ending on 31 March and not later than three months from that date unless otherwise agreed by <u>Ofcom</u> . | DUSP 5.7(d) | DUSP - <u>Universal Service Provider</u> |
| C4.9(d) CP | publish and submit to Postcomm and to the Council a written annual report on its performance in respect of each of the scheduled services, or groupings of scheduled services where relevant, and the | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall publish and submit to <u>Ofcom</u> and to the <u>Council</u> a written annual report on its % performance in respect of each of the services for which standards are set in CP [1.1] | CP 1.6(d) | CP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | corresponding generic products, as set out in the table in note 1 to the Annex and standardised measures (with the exception of the percentage of Business Collection points served each day prior to 1 April 2007 or such earlier or later date as Postcomm after consultation with the Council may determine) relative to each of the corresponding scheduled standards (containing adjusted results in addition to unadjusted results where appropriate) for each period of twelve months, ending on 31 March and not later than three months from that date unless otherwise agreed by Postcomm | (containing adjusted results in addition to unadjusted results where appropriate) for each period of twelve months, ending on 31 March and not later than three months from that date unless otherwise agreed by <u>Ofcom</u> . | | |
| C4.9(e)(i) Non-USO | (e) include in any report submitted under this paragraph – (i) details of its performance in respect of Controlled Services 39 to 45, and where t = 6 39 to 51 and for each variant of the Controlled Services 46 to 51 including the Walksort service in the Controlled Services 46, 48 and 50, in terms of the percentage of letters delivered by the end of the first working day after the day of collection or receipt by the Licensee, and | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall include in any report submitted under CP [1.6] details of its performance in respect of <u>Controlled Services</u> 39 to 51 and each variant thereof (including the Walksort service in <u>Controlled Services</u> 46, 48 and 50), in terms of the % of <u>letters</u> delivered by the end of the first working day after the day of collection or receipt by the <u>Universal Service Provider</u> . | CP 1.6(e) | CP - <u>Universal Service Provider</u> |
| C4.9(e)(ii) USO | (ii) details of its performance, by reference to the relevant scheduled standard, in Postcode Areas HS, KW and ZE as if standardised measure 9 applies. | Except as <u>Ofcom</u> may by direction determine, the <u>Universal Service Provider</u> shall include in any report submitted under DUSP [5.7] details of its % performance in <u>Postcode Areas HS, KW and ZE</u> as if the standard in DUSP [5.1(c)(i) bullet 2] applies. | DUSP 5.7(e) | DUSP - <u>Universal Service Provider</u> |
| C4.10 | The Licensee shall at all times – (a) maintain and comply with a code of practice for identifying the incidence of, and | The <u>Universal Service Provider</u> shall at all times- a) maintain and comply with a code of practice for identifying the incidence of, and addressing the | DUSP 5.8 | CP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | addressing the causes of, significant failure to meet the scheduled standards in postcode districts within postcode areas in which the scheduled standards overall are met, and (b) ensure that Postcomm and the Council are provided with up to date copies of the code of practice maintained in accordance with paragraph 10(a). | causes of, significant failure to meet the standard in DUSP [5.1(c)(i) second bullet] in relation to any <u>postcode districts</u> within a <u>postcode area</u> in which the standards overall are met, and (b) ensure that <u>Ofcom</u> and the <u>Council</u> are provided with up to date copies of the code of practice. | | |
| C4.11-15 | <p>The Licensee shall at all times maintain a scheme to be known as the “standards of service compensation scheme” for compensating users of postal services affected by failure to meet the quality standards applicable in accordance with the scheduled standards to any postal packet.</p> <p>12. Subject to modification in accordance with paragraphs 23 and 24, the standards of service compensation scheme shall provide, as minimum benefits to users of the Licensee’s postal services, the benefits provided for in the scheme established pursuant to the Direction issued by Postcomm on 7th October 2003 .</p> <p>13. The standards of service compensation scheme shall –</p> <p>(a) provide for the Licensee paying, to any such person as is mentioned in paragraph 11, such compensation as may be specified in the scheme as being appropriate.</p> <p>[]</p> <p>14. The Licensee shall not make any</p> | <p>(a) The <u>Universal Service Provider</u> shall at all times maintain a scheme to be known as the “standards of service compensation scheme” for compensating <u>users</u> of <u>postal services</u> affected by delay in respect of any <u>postal packet</u>.</p> <p>(b) Subject to modification in accordance with CP [1.12 to 1.16], the standards of service compensation scheme shall provide, as minimum benefits to <u>users</u> of the <u>Universal Service Provider’s postal services</u>, the benefits provided for in the document entitled “Standards of Service Compensation Scheme of Royal Mail Group Ltd”, published by the Postal Services Commission on 18 November 2008²².</p> <p>(c) The standards of service compensation scheme shall provide for the <u>Universal Service Provider</u> paying, to any such person as is mentioned in (a), such compensation as may be specified in the scheme as being appropriate.</p> <p>(d) The <u>Universal Service Provider</u> shall meet its</p> | CP 1.8 | <p>CP - <u>Universal Service Provider</u></p> <p>‘Amend the compensation scheme only in accordance with paras’ 23-24 is moved to those paras to reduce duplication</p> |

²² Available at <http://www.psc.gov.uk/documents/875.pdf>.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | change to the standards of service compensation scheme other than in accordance with paragraphs 23 and 24. 15. The Licensee shall meet its obligations under the standards of service compensation scheme. | obligations under the standards of service compensation scheme. | | |
| C4.16 | The Licensee shall not – (a) establish any scheme under section 89 of the Act, or (b) include any provision in such a scheme, that is incompatible with any of the Licensee's obligations under this Condition. | | | Unnecessary – see new s.89A of the PSA00 |
| C4.17 | In the making and application of any scheme under section 89 of the Act, the Licensee shall comply with any direction that Postcomm, after consultation with the Licensee, the Council and such other persons as appear to Postcomm to be appropriate, may give to the Licensee by notice in writing in relation to compensation for loss of or damage to postal packets, including the process for making claims for compensation and the maximum amount of compensation that may be paid. | | | Unnecessary – the new Act provides for this |
| C4.18 | The Licensee shall at all times meet its obligations under any scheme made under section 89 of the Act. | A <u>postal operator</u> shall at all times meet its obligations under any scheme made under section 89 of the Postal Services Act 2000. | CP 2 | CP – <u>postal operators</u> This condition applies, as it always has, to all postal operators that can make a |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | | | scheme. |
| C4.19 | <p>The Licensee must provide to Postcomm and to the Council an annual report on: -</p> <ul style="list-style-type: none"> (i) the operation of the standards of service compensation scheme, and (ii) the operation of the Licensee's compensation scheme for loss and damage setting out for the United Kingdom as a whole, and except as Postcomm may otherwise agree in writing, for each of the postcode areas, not later than three months from the end of the year to which they relate, (i) the number of complaints received incorporating the number of claims for compensation made, (ii) the number of claims for compensation in relation to which compensation was paid, and (iii) the amount of compensation (including any payments in lieu of compensation) that was paid, <p>in each case broken down by not less than ten of the main causes of the claims.</p> | <p>The <u>Universal Service Provider</u> must provide to <u>Ofcom</u> and to the <u>Council</u> an annual report on: -</p> <ul style="list-style-type: none"> (i) the operation of the standards of service compensation scheme, and (ii) the operation of the <u>Universal Service Provider's</u> compensation scheme for loss and damage setting out for the United Kingdom as a whole, and, except as <u>Ofcom</u> may otherwise agree in writing, for each of the <u>postcode areas</u>, not later than three months from the end of the year to which they relate, (i) the number of <u>complaints</u> received incorporating the number of claims for compensation made, (ii) the number of claims for compensation in relation to which compensation was paid, and (iii) the amount of compensation (including any payments in lieu of compensation) that was paid, in each case broken down by not less than ten of the main causes of the claims. | CP 1.9 | CP - <u>Universal Service Provider</u> |
| C4.20 | <p>The report submitted under paragraph 19 shall be accompanied by a statement of the action the Licensee intends to take in the year following submission of the report to address the causes of claims for compensation, in so far as those actions are not set out in reports submitted pursuant to Condition 8 on the operation of the Licensee's mail protection procedures.</p> | <p>The report submitted shall be accompanied by a statement of the action the <u>Universal Service Provider</u> intends to take in the year following submission of the report to address the causes of claims for compensation, in so far as those actions are not set out in reports submitted pursuant to Condition [E 1] on the operation of the <u>Universal Service Provider's</u> mail protection procedures.</p> | CP 1.10 | CP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| C4.21 USO | <p>The Licensee shall –</p> <p>(a) publish the schedule of scheduled services and scheduled standards, particulars of the standards of service compensation scheme, the reports required to be submitted under paragraphs 9 and 19 and the statements required to be submitted under paragraph 20 in such manner as will ensure reasonable publicity for them,</p> <p>(b) not assert copyright against, or otherwise oppose, any publication arranged by Postcomm or by the Council of the schedule, reports and statement, and</p> <p>(c) make copies of the schedule, reports and statement available free of charge to any person requesting them.</p> | <p>(a) The <u>Universal Service Provider</u> shall publish the schedule required by DUSP [5.1] and the reports required by DUSP [5.7] in such manner as will ensure reasonable publicity for them.</p> <p>(b) The <u>Universal Service Provider</u> shall not assert copyright against, or otherwise oppose, any publication arranged by <u>Ofcom</u> or the <u>Council</u> of these documents.</p> <p>(c) The <u>Universal Service Provider</u> shall make copies of the schedule, reports and statement available free of charge to any person requesting them.</p> | DUSP 5.8 | DUSP - <u>Universal Service Provider</u> |
| C4.21 mixed | <p>The Licensee shall –</p> <p>(a) publish the schedule of scheduled services and scheduled standards, particulars of the standards of service compensation scheme, the reports required to be submitted under paragraphs 9 and 19 and the statements required to be submitted under paragraph 20 in such manner as will ensure reasonable publicity for them,</p> <p>(b) not assert copyright against, or otherwise oppose, any publication arranged by Postcomm or by the Council of the schedule, reports and statement, and</p> <p>(c) make copies of the schedule, reports and statement available free of charge to any person requesting them.</p> | <p>(a) The <u>Universal Service Provider</u> shall publish the schedule required by CP [1.1], the reports required by CP [1.6], particulars of the standards of service compensation scheme and the statement required by CP [1.10] in such manner as will ensure reasonable publicity for them.</p> <p>(b) The <u>Universal Service Provider</u> shall not assert copyright against, or otherwise oppose, any publication arranged by <u>Ofcom</u> or the <u>Council</u> of these documents.</p> <p>(c) The <u>Universal Service Provider</u> shall make copies of the schedule, reports and statement available free of charge to any person</p> | CP 1.11 | CP - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | requesting them. | | |
| C4.22-24 USO | <p>22. The Licensee shall –</p> <p>(a) offer to review the schedule of scheduled services, standardised measures and scheduled standards and the standards of service compensation scheme with the Council in every second year ending on the anniversary of this Licence, and</p> <p>(b) discuss in good faith with the Council and endeavour to agree modifications to the schedule of scheduled services, standardised measures and scheduled standards and to the standards of service compensation scheme that are appropriate in the interests of users of the Licensee's postal services for the period until the next review.</p> <p>23. The schedule of scheduled services, standardised measures and scheduled standards and the standards of service compensation scheme may be amended by the Licensee at any time with the agreement of the Council or Postcomm provided, in the case of amendments agreed with the Council, that not less than three months' notice of the proposed amendments has been given to Postcomm and Postcomm has not within two months of being notified directed that the proposed amendments not be made.</p> <p>24. If the Council recommends to the Licensee, following a review under paragraph 22, that the schedule of scheduled services,</p> | <p>The <u>Universal Service Provider</u> shall not amend the schedule required by DUSP [5.1] save in accordance with the following procedure.</p> <p>The <u>Universal Service Provider</u> shall offer to review the standards in the schedule with the <u>Council</u> in every second year, and shall discuss in good faith with the <u>Council</u> and endeavour to agree modifications that are appropriate in the interests of <u>users</u> of the relevant services for the period until the next review.</p> <p>If the <u>Council</u> recommends to the <u>Universal Service Provider</u>, following this review, that the standards in the schedule should be changed, and if <u>Ofcom</u> advises the <u>Universal Service Provider</u> in writing that it is of the view that the changes recommended by the <u>Council</u> should be made, or made with modifications, then the <u>Universal Service Provider</u> shall either –</p> <p>(a) alter the standards in the schedule of in the manner recommended by the <u>Council</u>, with any modifications advised by <u>Ofcom</u>, or</p> <p>(b) advise both the <u>Council</u> and <u>Ofcom</u> in writing that it declines to alter the standards in the schedule in the manner aforesaid and publish in such manner as <u>Ofcom</u> may direct the full reasons for its decision.</p> <p>The schedule may be amended by the <u>Universal Service Provider</u> at any time with the agreement of</p> | DUSP 5.9- 5.13 | <p>DUSP - <u>Universal Service Provider</u></p> <p>Re-ordered to put the review and the outcome of the review in the same place.</p> <p>'Amend the Schedule only in accordance with these paras' is moved from para 4 to reduce duplication; obligation to notify Ofcom and the Council moved from para 2(b) because amendment is in effect when the obligation arises.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>standardised measures and scheduled standards or the standards of service compensation scheme should be changed, and if Postcomm advises the Licensee in writing that it is of the view that the changes recommended by the Council should be made, or made with modifications, then the Licensee shall either –</p> <p>(a) alter the schedule of scheduled services, standardised measures and scheduled standards or the standards of service compensation scheme in the manner recommended by the Council, with any modifications advised by Postcomm, or</p> <p>(b) advise both the Council and Postcomm in writing that it declines to alter the schedule of scheduled services, standardised measures and scheduled standards or the standards of service compensation scheme (as the case may be) in the manner aforesaid and publish in such manner as Postcomm may direct the full reasons for its decision.</p> | <p>the <u>Council</u> or <u>Ofcom</u> provided, in the case of amendments agreed with the <u>Council</u>, that not less than three months' notice of the proposed amendments has been given to <u>Ofcom</u> and <u>Ofcom</u> has not within two months of being notified directed that the proposed amendments not be made.</p> <p>The <u>Universal Service Provider</u> shall ensure that <u>Ofcom</u> and the <u>Council</u> are provided with up to date copies of the schedule promptly when any change is made to it.</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| C4.22-24 mixed | <p>22. The Licensee shall –</p> <p>(a) offer to review the schedule of scheduled services, standardised measures and scheduled standards and the standards of service compensation scheme with the Council in every second year ending on the anniversary of this Licence, and</p> <p>(b) discuss in good faith with the Council and endeavour to agree modifications to the schedule of scheduled services, standardised measures and scheduled standards and to the standards of service compensation scheme that are appropriate in the interests of users of the Licensee's postal services for the period until the next review.</p> <p>23. The schedule of scheduled services, standardised measures and scheduled standards and the standards of service compensation scheme may be amended by the Licensee at any time with the agreement of the Council or Postcomm provided, in the case of amendments agreed with the Council, that not less than three months' notice of the proposed amendments has been given to Postcomm and Postcomm has not within two months of being notified directed that the proposed amendments not be made.</p> <p>24. If the Council recommends to the Licensee, following a review under paragraph 22, that the schedule of scheduled services, standardised measures and scheduled standards or the standards of service</p> | <p>The <u>Universal Service Provider</u> shall not amend the schedule required by CP [1.1] or the standards of service compensation scheme required by CP [1.8] save in accordance with the following procedure.</p> <p>The <u>Universal Service Provider</u> shall offer to review the standards in the schedule and the standards of service compensation scheme with the <u>Council</u> in every second year, and shall discuss in good faith with the <u>Council</u> and endeavour to agree modifications that are appropriate in the interests of <u>users</u> of the relevant services for the period until the next review.</p> <p>If the <u>Council</u> recommends to the <u>Universal Service Provider</u>, following this review, that the standards in the schedule or the standards of service compensation scheme should be changed, and if <u>Ofcom</u> advises the <u>Universal Service Provider</u> in writing that it is of the view that the changes recommended by the <u>Council</u> should be made, or made with modifications, then the <u>Universal Service Provider</u> shall either –</p> <p>(a) alter the standards in the schedule or the standards of service compensation scheme in the manner recommended by the <u>Council</u>, with any modifications advised by <u>Ofcom</u>, or</p> <p>(b) advise both the <u>Council</u> and <u>Ofcom</u> in writing that it declines to alter the standards in the schedule or the standards of service compensation scheme in the manner aforesaid and publish in such manner as <u>Ofcom</u> may direct the full reasons for its decision.</p> | CP 1.12 – 1.16 | <p>CP - <u>Universal Service Provider</u></p> <p>Re-ordered to put the review and the outcome of the review in the same place.</p> <p>'Amend the Schedule only in accordance with these paras' is moved from para 4 to reduce duplication; obligation to notify Ofcom and the Council moved from para 2(b) because amendment is in effect when the obligation arises.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>compensation scheme should be changed, and if Postcomm advises the Licensee in writing that it is of the view that the changes recommended by the Council should be made, or made with modifications, then the Licensee shall either –</p> <p>(a) alter the schedule of scheduled services, standardised measures and scheduled standards or the standards of service compensation scheme in the manner recommended by the Council, with any modifications advised by Postcomm, or</p> <p>(b) advise both the Council and Postcomm in writing that it declines to alter the schedule of scheduled services, standardised measures and scheduled standards or the standards of service compensation scheme (as the case may be) in the manner aforesaid and publish in such manner as Postcomm may direct the full reasons for its decision</p> | <p>The schedule or the standards of service compensation scheme may be amended by the <u>Universal Service Provider</u> at any time with the agreement of the <u>Council</u> or <u>Ofcom</u> provided, in the case of amendments agreed with the <u>Council</u>, that not less than three months' notice of the proposed amendments has been given to <u>Ofcom</u> and <u>Ofcom</u> has not within two months of being notified directed that the proposed amendments not be made.</p> <p>The <u>Universal Service Provider</u> shall ensure that <u>Ofcom</u> and the <u>Council</u> are provided with up to date copies of the schedule and standards of service compensation scheme promptly when any change is made to each.</p> | | |
| C4.25 | The Licensee shall appoint an official reporting directly to a member of its board of directors and charged with responsibility for monitoring the Licensee's compliance with the scheduled standards. | The <u>Universal Service Provider</u> shall appoint an official reporting directly to a member of its board of directors and charged with responsibility for monitoring the <u>Universal Service Provider's</u> compliance with the standards in DUSP [5] and CP [1]. | T 1 | <p>Transitory - <u>Universal Service Provider</u></p> <p>This is a mixed obligation</p> |
| | Annex to Condition 4 | <i>See separate document (Annex 2 of Appendix 4 of this consultation)</i> | <p>DUSP 5/A1</p> <p>CP 5/A1</p> | This becomes two tables, one for the DUSP conditions and one for the CP conditions. |
| | OTHER OPERATOR LICENCES – see | Within the period of three months from the | CP 3 | CP - <u>regulated</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>Condition 2</p> <p>Within the period of three months from the commencement of conveyance of letters under this Licence the Licensee shall establish systems adequate for measuring (using sampling methods if appropriate) and recording its performance in achieving its contract targets.</p> <p>3. No later than 3 months after the end of each financial year the Licensee shall submit to both Postcomm and the Council a report in relation to its performance in achieving its contract targets in such financial year.</p> <p>4. The Licensee shall consent to the publication by Postcomm and/or the Council of any report submitted to that body by the Licensee pursuant to paragraph 3 above, provided that the licensee has been notified of the relevant body.</p> <p>5. In this condition the “contract targets” means such targets for or obligations in respect of service performance as are set out in the Licensee’s contracts with its customers.</p> | <p>commencement of conveyance of <u>letters</u>, a <u>regulated postal operator</u> other than the <u>Universal Service Provider</u> shall establish systems adequate for measuring (using sampling methods if appropriate) and recording its performance in achieving its contract targets.</p> <p>No later than 3 months after the end of each financial year a <u>regulated postal operator</u> other than the <u>Universal Service Provider</u> shall submit to both <u>Ofcom</u> and the <u>Council</u> a report in relation to its performance in achieving its contract targets in such financial year.</p> <p>The <u>regulated postal operator</u> shall consent to the publication by <u>Ofcom</u> and/or the <u>Council</u> of any report submitted to that body by the <u>regulated postal operator</u> pursuant to this Condition, provided that the <u>regulated postal operator</u> has been notified of the relevant body.</p> | | <p><u>postal operators</u> other than the <u>Universal Service Provider</u></p> |
| C5.1(a) | <p>In this condition</p> <p>(a) “complaint handling standards” means the standards for handling complaints prescribed by the Postal Services (Consumer Complaints Handling Standards) Regulations 2008; and</p> | | | Unnecessary |
| C5.1(b) | <p>(b) “consumer complaint”, “relevant consumer” and “completed complaint” have</p> | | | See definitions |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | the meaning given to them by the Postal Services (Consumer Complaints Handling Standards) Regulations 2008 | | | |
| C5.2 | <p>The Licensee shall submit written quarterly reports on the application of the complaint handling standards to Postcomm and to the Council, not later than two months from the end of the quarter to which they relate, which shall</p> <p>(a) set out -</p> <p>(i) the number of consumer complaints received during that quarter from relevant consumers which have not become completed complaints; and</p> <p>(ii). the number of consumer complaints received during that quarter from relevant consumers which have become completed complaints.</p> <p>(b) present the information referred to in paragraph (a) for the authorised area as a whole -</p> <p>(i) broken down by no less than ten main categories of consumer complaint, and</p> <p>(ii) showing the compensation that has been paid to relevant consumers in relation to consumer complaints that were found to be valid.</p> | <p>The <u>Universal Service Provider</u> shall submit written quarterly reports to <u>Ofcom</u> and to the <u>Council</u>, not later than two months from the end of the quarter to which they relate, which shall</p> <p>(a) set out -</p> <p>(i) the number of <u>consumer complaints</u> received during that quarter from <u>relevant consumers</u> which have not become <u>completed complaints</u>; and</p> <p>(ii). the number of <u>consumer complaints</u> received during that quarter from <u>relevant consumers</u> which have become <u>completed complaints</u>.</p> <p>(b) present the information referred to in paragraph (a) for the United Kingdom as a whole -</p> <p>(i) broken down by no less than ten main categories of <u>consumer complaint</u>, and</p> <p>(ii) showing the compensation that has been paid to <u>relevant consumers</u> in relation to <u>consumer complaints</u> that were found to be valid.</p> | DUSP 6.1 | <p>DUSP- <u>Universal Service Provider</u></p> <p>See Arts 16 and 19 of Directive.</p> |
| C5.3 | <p>3. The Licensee shall -</p> <p>(a) publish the complaint handling standards and the reports required to be submitted under paragraph 2 in such manner as will ensure reasonable publicity for them,</p> <p>(b) not assert copyright against, or</p> | <p>The <u>Universal Service Provider</u> shall –</p> <p>(a) publish the reports required to be submitted under DUSP [6.1] in such manner as will ensure reasonable publicity for them,</p> <p>(b) not assert copyright against, or otherwise oppose, any publication arranged by <u>Ofcom</u> or by</p> | DUSP 6.2 | DUSP- <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | otherwise oppose, any publication arranged by Postcomm or by the Council of the complaint handling standards and reports, and (c) make copies of the complaint handling standards and reports available free of charge to any person requesting them. | the <u>Council of the Universal Service Provider's complaints handling procedure</u> or the reports, and (c) make copies of the reports available free of charge to any person requesting them. | | |
| C5.4 | The Licensee shall not – (a) establish any scheme under section 89 of the Act, or (b) include any provision in such a scheme, that is incompatible with any of the Licensee's obligations under this condition. | - | | Unnecessary – see sched 12 para 24 PSA11 |

| Condition | Old wording | New wording | New no | Condition type/applicable to | | |
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| C6 | <p>Services for blind</p> <p>This condition applies if Postcomm has given and has not withdrawn a notice in writing, for the purpose of this condition generally or for the specific purpose of this Licence, that it has received directions from the Secretary of State under section 41 of the Act to impose a requirement and to bring that requirement into force.</p> <p>2. The Licensee shall provide to such descriptions of blind or partially sighted persons as may be specified in the directions of the Secretary of State to Postcomm referred to in any notice given for the purpose of paragraph 1, free of charge or in such other manner as may be set out in those directions, the postal services specified therein.</p> | <p>The <u>Universal Service Provider</u> shall provide to such descriptions of <u>blind</u> or <u>partially sighted</u> persons as may be specified in directions from the Secretary of State issued to the Postal Services Commission under s.40 of the Postal Services Act 2000, to impose a requirement and bring that requirement into force, the <u>postal services</u> specified therein free of charge or in such manner as may be set out in those directions.²³</p> | DUSP 2 | <p>DUSP - <u>Universal Service Provider</u></p> <p>See s.41(4) of the Postal Services Act 2000.</p> | | |
| C7 | | <p>For the purposes of this Condition, any direction issued and not withdrawn by the Postal Service Commission shall be deemed to be a direction issued by <u>Ofcom</u> in relation to the corresponding text of this Condition. For the avoidance of doubt, corresponding text may be identified as follows:</p> <p><u>(a) Directions issued prior to 30 March 2011</u></p> <table><tr><td>Reference in Direction to paragraph number</td><td>Corresponding text in this Condition</td></tr></table> | Reference in Direction to paragraph number | Corresponding text in this Condition | CP 4.1 | <p>CP - <u>Universal Service Provider</u></p> |
| Reference in Direction to paragraph number | Corresponding text in this Condition | | | | | |

²³ Directions issued on 13 March 2001 were received by The Postal Services Commission on 14 March 2001.

| Condition | Old wording | New wording | | New no | Condition type/applicable to | | | | | | | | | | | | | | |
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| | | <table><tr><td>2</td><td>CP 4.5</td></tr><tr><td>3</td><td>CP 4.6</td></tr><tr><td>4</td><td>CP 4.7</td></tr><tr><td>5</td><td>CP 4.11-12</td></tr></table> | 2 | CP 4.5 | 3 | CP 4.6 | 4 | CP 4.7 | 5 | CP 4.11-12 | | | | | | | | | |
| 2 | CP 4.5 | | | | | | | | | | | | | | | | | | |
| 3 | CP 4.6 | | | | | | | | | | | | | | | | | | |
| 4 | CP 4.7 | | | | | | | | | | | | | | | | | | |
| 5 | CP 4.11-12 | | | | | | | | | | | | | | | | | | |
| | | <p><u>(b) Directions issued on or since 30 March 2011</u></p> <table><tr><th>Reference in Direction to paragraph number</th><th>Corresponding text in this Condition</th></tr><tr><td>2</td><td>CP 4.5</td></tr><tr><td>3</td><td>CP 4.6</td></tr><tr><td>4</td><td>CP 4.7</td></tr><tr><td>5</td><td>CP 4.8-9</td></tr><tr><td>6</td><td>CP 4.10</td></tr><tr><td>7</td><td>CP 4.11-12</td></tr></table> <p>In any such Direction: References to Condition 7 of the Licensee's Licence shall be deemed to be references to this Condition; References to the Licence shall be deemed to be references to <u>Regulatory Conditions</u>. References to the Licensee shall be deemed to be references to the <u>Universal Service Provider</u>; References to "licensed and non-licensed services" shall be deemed to be references to <u>postal services</u>; "Postcomm" shall be deemed to mean the Postal Services Commission insofar as it refers to actions taking place prior to the <u>Appointed Day</u> and <u>Ofcom</u> insofar as it refers to actions taking place thereafter; and "Postwatch" shall be deemed to mean the Council.</p> | | | | Reference in Direction to paragraph number | Corresponding text in this Condition | 2 | CP 4.5 | 3 | CP 4.6 | 4 | CP 4.7 | 5 | CP 4.8-9 | 6 | CP 4.10 | 7 | CP 4.11-12 |
| Reference in Direction to paragraph number | Corresponding text in this Condition | | | | | | | | | | | | | | | | | | |
| 2 | CP 4.5 | | | | | | | | | | | | | | | | | | |
| 3 | CP 4.6 | | | | | | | | | | | | | | | | | | |
| 4 | CP 4.7 | | | | | | | | | | | | | | | | | | |
| 5 | CP 4.8-9 | | | | | | | | | | | | | | | | | | |
| 6 | CP 4.10 | | | | | | | | | | | | | | | | | | |
| 7 | CP 4.11-12 | | | | | | | | | | | | | | | | | | |

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| | | For the purposes of this Condition, the market power determinations made by the Postal Services Commission in its decision dated November 2010 shall be deemed to be determinations made by <u>Ofcom</u> ²⁴ . | CP 4.2 | CP - <u>Universal Service Provider</u> |
| C7.1 | 1. This Condition shall apply to the extent that the information referred to in paragraph 2 is not made available to users of postal services pursuant to any other Condition of this Licence. | This Condition shall apply to the extent that the information referred to in CP [4.5(a)-(d)] is not made available to <u>users of postal services</u> pursuant to any other <u>regulatory condition</u> . | CP 4.3 | CP - <u>Universal Service Provider</u> |
| - | | <u>Ofcom</u> may vary or amend the application of CP [4.5, 4.6, 4.10 and 4.12] by direction. | CP 4.4 | CP - <u>Universal Service Provider</u> The references in the original paragraphs (see below) to consultation are unnecessary - see Schedule 6 paragraph 4 of the Act |
| C7.2 | 2. Except as Postcomm after consultation may by direction determine and subject to paragraphs 5 to 7, the Licensee shall submit to Postcomm and to the Council a statement setting out – (a) details of the tariffs (including discounts and credit facilities), standards of | Subject to CP [4.8 to 4.12], the <u>Universal Service Provider</u> shall submit to <u>Ofcom</u> and the <u>Council</u> a statement setting out – (a) details of the tariffs (including discounts and credit facilities), standards of service and compensation arrangements under which the <u>Universal Service Provider</u> offers to provide <u>postal</u> | CP 4.5 | CP - <u>Universal Service Provider</u> |

²⁴ <http://www.psc.gov.uk/documents/1158.pdf> .

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>service and compensation arrangements under which the Licensee offers to provide licensed services and non-licensed services (other than postal services offered under the Parcelforce brand which were offered on 1 April 2006 or which may be offered subsequently and which are substantially similar to those services),</p> <p>(b) details of the general conditions of, and the physical provisions for, access to such services offered by the Licensee,</p> <p>(c) details of any services offered by the Licensee specifically for customers who are blind and partially sighted, disabled or chronically sick, of pensionable age, with low incomes or residing in rural areas,</p> <p>(d) a summary of the Licensee's performance against its standards of service in the year for which it most recently has become due to submit an annual report to Postcomm under paragraph 19 of Condition 4 of this Licence.</p> | <p><u>services</u> (other than <u>postal services</u> offered under the Parcelforce brand which were offered on 1 April 2006 or which may be offered subsequently and which are substantially similar to those services),</p> <p>(b) details of the general conditions of, and the physical provisions for, access to such services offered by the <u>Universal Service Provider</u>,</p> <p>(c) details of any services offered by the <u>Universal Service Provider</u> specifically for customers who are <u>blind</u> and <u>partially sighted</u>, disabled or chronically sick, of pensionable age, with low incomes or residing in rural areas, and</p> <p>(d) a summary of the <u>Universal Service Provider's</u> performance against its standards of service in the year for which it most recently has become due to submit an annual report to <u>Ofcom</u> under CP [1.9].</p> | | |
| C7.3 | Except as Postcomm after consultation may by direction determine and subject to paragraphs 5 to 7, the Licensee shall notify Postcomm and the Council promptly in writing of any changes to the matters referred to in any statement submitted pursuant to paragraph 2 not less than three months before any such changes come into effect. | Subject to CP [4.8 to 4.12], the <u>Universal Service Provider</u> shall notify <u>Ofcom</u> and the <u>Council</u> promptly in writing of any changes to the matters referred to in any statement submitted pursuant to CP [4.5] not less than three months before any such changes come into effect. | CP 4.6 | CP – <u>Universal Service Provider</u> |
| C7.4 | The Licensee shall – (a) publish the statements and notifications required to be submitted under | The <u>Universal Service Provider</u> shall – (a) publish the statements and notifications required to be submitted under CP [4.5 and 4.6] as | CP 4.7 | CP – <u>Universal Service Provider</u> . |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>paragraphs 2 and 3 as soon as reasonably practicable after their submission in such manner as will ensure reasonable publicity for them,</p> <p>(b) not assert copyright against, or otherwise oppose, any publication arranged by Postcomm or by the Council of the statements and notifications,</p> <p>(c) make copies of the statements and notifications available free of charge to any person requesting them, and</p> <p>(d) place copies of statements and notifications on any relevant website operated or controlled by the Licensee.</p> | <p>soon as reasonably practicable after their submission in such manner as will ensure reasonable publicity for them,</p> <p>(b) not assert copyright against, or otherwise oppose, any publication arranged by <u>Ofcom</u> or by the <u>Council</u> of the statements and notifications,</p> <p>(c) make copies of the statements and notifications available free of charge to any person requesting them, and</p> <p>(d) place copies of the statements and notifications on any relevant website it operates or controls.</p> | | |
| C7.5(a) | <p>In relation to new licensed or non-licensed services:</p> <p>(a) If the Licensee intends to offer any new licensed or non-licensed service, the Licensee shall, not less than 3 months before such offer is intended to come into effect, submit to Postcomm,:</p> <p>(i) the information required in the statement to be provided pursuant to paragraph 2 above, as applicable; and</p> <p>(ii) a statement providing sufficient information of good quality to enable Postcomm to assess the matters referred to in 1. and 2. below ("Formal Statement"), and in particular the Licensee must:</p> <p>1. indicate the relevant market or market segment to which, in the Licensee's view, the new licensed or non-licensed service belongs and the extent to which it should be subject to</p> | <p>If the <u>Universal Service Provider</u> intends to offer any new <u>postal service</u>, the <u>Universal Service Provider</u> shall, not less than 3 months before such offer is intended to come into effect, submit to <u>Ofcom</u>,</p> <p>i. the information required in the statement to be provided pursuant to CP 4.5, as applicable,</p> <p>ii. a statement (the "Formal Statement") providing sufficient information of good quality to enable <u>Ofcom</u> to determine (by direction) the relevant market or market segment to which the <u>postal service</u> belongs.</p> | CP 4.8 | <p>CP - <u>Universal Service Provider</u></p> <p>Determination of the <u>Reference Service</u> is a price control matter and the requirement to indicate what it should be has consequently been moved to the end of C21.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | Condition 7 and Condition 21, including the reasons for the Licensee's view; and 2. indicate, where appropriate, the applicable Reference Service (which will determine the applicable price differential) for the purposes of the application of Condition 21. | | | |
| C7.5(b)-(d) | <p>(b) The Licensee shall submit to the Council, and publish, the statement required under paragraph 2 above in such manner as will ensure reasonable publicity for it, in accordance with the following:</p> <p>(i) where Postcomm has previously determined the relevant market or market segment (for the purposes of (a)(ii)1. above) to be one in which the Licensee does not have market power, submission to the Council and publication shall be undertaken in a manner consistent with the obligations imposed under the Direction made by Postcomm on 30 March 2011 ;</p> <p>(ii) in all other circumstances, submission to the Council and publication will be not less than 3 months before the offer to provide the new licensed or non-licensed service is intended to come into effect.</p> <p>(c) The Formal Statement will be subject to assessment by Postcomm, the result of such assessment to be confirmed by Direction.</p> <p>(d) The Licensee may submit to the Council, and publish, the statement required under paragraph 2 above in such manner as</p> | <p>(a) The <u>Universal Service Provider</u> shall submit to the <u>Council</u>, and publish, the information in CP [4.5] in relation to any new service:</p> <p>(i) where the <u>postal service</u> belongs in a market or market segment in relation to which the <u>Universal Service Provider</u> has been determined by <u>Ofcom</u> not to have market power, consistently with the Direction made by the Postal Services Commission on 30 March 2011;</p> <p>(ii) in all other circumstances not less than 3 months before the offer to provide the new <u>postal service</u> is intended to come into effect.</p> <p>(b) Ofcom may determine the relevant market or market segment to which the <u>postal service</u> belongs by direction.</p> <p>(c) The <u>Universal Service Provider</u> may submit to the Council, and publish, the statement required under CP [4.5] above in such manner as will ensure reasonable publicity for it, in accordance with [(a)(i) and (ii) above] before <u>Ofcom</u> has determined whether or not the service belongs in a market in relation to which the <u>Universal Service Provider</u> has been determined not to have market power.</p> | CP 4.9 | <p>CP - <u>Universal Service Provider</u></p> <p>In relation to C7.5(c), we understand that the process ordinarily followed involves consultation only where there is a real question over the appropriate market definition and/or reference service. Directions issued by Ofcom under the Act require a month's consultation. We have therefore made the issue of a direction by Ofcom discretionary.</p> <p>Determination of</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>will ensure reasonable publicity for it, in accordance with (b)(i) and (ii) above, before Postcomm has confirmed its assessment in accordance with (c) above.</p> <p>(e) Where, under (c) above, Postcomm does not confirm the matters set out in the Formal Statement, the Licensee will be required to submit and publish the statement required under paragraph 2 above in such manner as will ensure reasonable publicity for it in accordance with Postcomm's Direction (pursuant to (c) above) and in accordance with the submission and publication requirements set out in that Direction, but this need not extend the submission and publication period already given unless Postcomm so directs.</p> | <p>(d) Ofcom may, in making a direction determining the market to which a new service belongs, also specify different deadlines for publication of or republication of any of the information in CP [4.5].</p> | | the reference service is a price control matter and the power to issue a direction has consequently been moved. |
| C7.6 | <p>Except as Postcomm after consultation may by Direction determine, paragraph 5 shall not apply to:</p> <p>(a) trials which remain subject to the obligations imposed pursuant to the Direction made by Postcomm on 16 August 2007; and</p> <p>(b) the Licensee's Tailor Made Incentives which remain subject to the obligations imposed pursuant to the Direction made by Postcomm on 17 November 2009.</p> | <p>CP [4.8 and 4.9] shall not apply to:</p> <p>(a) trials which remain subject to the obligations imposed pursuant to the Direction made by the Postal Services Commission on 16 August 2007; and</p> <p>(b) Tailor Made Incentives which remain subject to the obligations imposed pursuant to the Direction made by Postal Services Commission on 17 November 2009.</p> | CP 4.10 | CP - <u>Universal Service Provider</u> |
| C7.7(a) | In relation to prices and terms applicable to contracts for the conveyance of postal packets entered into by the Licensee following a competitive tendering process conducted by a user which is open to other postal operators and to which such operators | In relation to prices and terms applicable to contracts for the conveyance of <u>postal packets</u> entered into by the <u>Universal Service Provider</u> following a competitive tendering process conducted by a <u>user</u> which is open to other <u>postal operators</u> and to which such operators can | CP 4.11 | <p>CP - <u>Universal Service Provider</u></p> <p>"Postal facilities" changed to "postal network" as per</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>can reasonably be expected to be capable of responding, paragraphs 2, 3 and 5 shall not apply but the Licensee shall –</p> <p>(a) within seven days of entering into any such contract, provide to Postcomm a copy of it, or, if a written contract has not then been concluded, a summary of its main terms including the detail referred to in paragraph (b) and the name of the customer, followed by a copy of the written contract within seven days of its conclusion, and in each case a statement of the differences from the Licensee's standard terms for the most closely comparable Controlled Service or Controlled Services and,</p> | <p>reasonably be expected to be capable of responding, CP [4.5, 4.6, 4.8 and 4.9] shall not apply but the <u>Universal Service Provider</u> shall within seven days of entering into any such contract, provide to <u>Ofcom</u> a copy of it, or, if a written contract has not then been concluded, a summary of its main terms including:</p> <ul style="list-style-type: none"> i. duration of contract, ii. prices charged (or the mechanism for the determination of prices), iii. weight and format of <u>postal packets</u> that will be conveyed, iv. volumes anticipated by the contract, v. sortation requirements, vi. points at which mail may be injected into the <u>Universal Service Provider's postal network</u>, vii. times as which mail may be injected into the <u>Universal Service Provider's postal network</u>, viii. target delivery times for delivery by the <u>Universal Service Provider</u> and the percentage of <u>letters</u> to be delivered within such targets, ix. the distribution of volumes of <u>letters</u> between <u>postcode districts</u> envisaged in the contract, and x. name of the customer; <p>followed by a copy of the written contract within seven days of its conclusion, and in each case a statement of the differences from the <u>Universal Service Provider's</u> standard terms for the most closely comparable <u>Controlled Service</u> or</p> | | <p>access condition.</p> <p>“postal item” changed to “postal packet” to avoid having 3 terms when 2 will do.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | <u>Controlled Services.</u> | | |
| C7.7(b) | <p>(b) submit to Postcomm [] before the expiry of fourteen days after the expiry of every calendar month a statement setting out, in relation to all such contracts entered into by the Licensee in that month, the main terms of those contracts including –</p> <ul style="list-style-type: none"> (i) duration of contract, (ii) prices charged (or the mechanism for the determination of prices), (iii) weight and format of postal items that will be conveyed, (iv) volumes anticipated by the contract, (v) sortation requirements, (vi) points at which mail may be injected into the Licensee's postal facilities, (vii) times as which mail may be injected into the Licensee's postal facilities, (viii) target delivery times for delivery by the Licensee and the percentage of letters to be delivered within such targets, and (ix) the distribution of volumes of letters between postcode districts envisaged in the contract, | | | <p>Unnecessary</p> <p>Ofcom has information gathering powers and a publication obligation is imposed below</p> |
| C7.7(b) | and, unless Postcomm by direction in writing provides otherwise , shall publish each such statement in a manner that will give reasonable publicity to it within seven days of its submission to Postcomm. | The <u>Universal Service Provider</u> shall publish a statement within 21 days of the expiry of every calendar month of the main terms of each contract for the conveyance of <u>postal packets</u> entered into by the <u>Universal Service Provider</u> in that month, which has been entered into following a competitive tendering process conducted by a <u>user</u> which is open to other <u>postal operators</u> and to which such operators can reasonably be expected to be | CP 4.12 | <p>CP - <u>Universal Service Provider</u></p> <p>“Postal facilities” changed to “postal network” as per access condition.</p> <p>“postal item”</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | <p>capable of responding.</p> <p>The statement shall contain the following information:</p> <ul style="list-style-type: none"> (i) duration of contract, (ii) prices charged (or the mechanism for the determination of prices), (iii) weight and format of postal packets that will be conveyed, (iv) volumes anticipated by the contract, (v) sortation requirements, (vi) points at which mail may be injected into the Universal Service Provider's postal network, (vii) times as which mail may be injected into the Universal Service Provider's postal network, (viii) target delivery times for delivery by the Universal Service Provider and the percentage of letters to be delivered within such targets, and (ix) the distribution of volumes of letters between postcode districts envisaged in the contract. <p>The statement shall be published in a manner that will give reasonable publicity to it.</p> | | changed to "postal packet" to avoid having 3 terms when 2 will do. |
| C.8.1 | <p>In this Condition -</p> <p>(a) the "Mail Integrity Code" means the code of practice set out in the Annex to this Condition established for the purposes of facilitating the achievement of the Mail Integrity Objectives, and</p> <p>(b) the "Mail Integrity Objectives" mean the objectives set out in paragraph 1.1 of the</p> | | | Moved definitions to the definitions section |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | Mail Integrity Code. | | | |
| C.8.2 | Unless Postcomm otherwise consents, the Licensee shall at all times comply with the Mail Integrity Code. | Unless Ofcom otherwise consents, a <u>regulated postal operator</u> shall at all times comply with the <u>Mail Integrity Code</u> . | E 1 | Essential - <u>regulated postal operators</u> |
| CODE | ANNEX | <i>See separate document (Annex 3 of Appendix 4 of this consultation)</i> | E/A1 | Changes in this document are not tracked. |
| C9.I.1 | This part of this Condition shall apply if Postcomm has not issued a determination in writing pursuant to paragraph 1 of Part 2 of this Condition. | <p>This Condition shall not apply if <u>Ofcom</u> has issued a determination in writing pursuant to USPA <u>[2.1]</u>.</p> <p>Any determination made and not withdrawn by the Postal Services Commission in relation to Condition 9 of Royal Mail's licence under the Postal Services Act shall be deemed to be a determination by Ofcom under this Condition, and for this purpose: References to Condition 9 of the Licensee's Licence shall be deemed to be references to this Condition; "Licensee" shall be deemed to mean "Universal Service Provider"; and "Postal facilities" shall be deemed to mean "postal network"; and "Postcomm" shall be deemed to mean the Postal Services Commission insofar as it refers to actions taking place prior to the <u>Appointed Day</u> and <u>Ofcom</u> insofar as it refers to actions taking place thereafter.</p> | USPA 1.1 | <p>USPA – <u>Universal Service Provider</u></p> <p>Part II numbered as a separate condition.</p> |
| C9.I.2 | If any person who is a postal operator or user applies for access to the Licensee's postal | If any <u>postal operator</u> or <u>user</u> (an "applicant") applies for access to the <u>Universal Service</u> | USPA 1.2 | USPA - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>facilities the Licensee shall –</p> <p>(a) negotiate with that person in good faith with a view to agreeing with him terms for such access, and</p> <p>(b) unless Postcomm agrees otherwise in writing, where the person applying for access provides to the Licensee the information in connection with his application which meets the requirements of guidelines established in the manner set out in paragraph 6 then the Licensee shall, within the period of three months commencing with the full provision of that information, provide to that person, a statement of the main terms on which, subject to agreement on other terms and conditions, it would be prepared to offer to provide access to its postal facilities, which statement shall include terms as to –</p> <p>(i) price,</p> <p>(ii) weight and format of postal items that will be accepted by the Licensee,</p> <p>(iii) minimum volumes to be provided by the person seeking access,</p> <p>(iv) sortation requirements of the Licensee,</p> <p>(v) presentation requirements,</p> <p>(vi) addressing requirements,</p> <p>(vii) points at which mail may be injected into the Licensee's postal facilities,</p> <p>(viii) times as which mail may be injected into the Licensee's postal facilities,</p> <p>(ix) the distribution of volumes of letters between postcode districts to be assumed by</p> | <p><u>Provider's postal network</u> the <u>Universal Service Provider</u> shall –</p> <p>(a) negotiate with that applicant in good faith with a view to agreeing with him terms for such access, and</p> <p>(b) unless <u>Ofcom</u> agrees otherwise in writing, where the applicant provides to the <u>Universal Service Provider</u> the information in connection with his application which meets the requirements of guidelines established in the manner set out in USPA [1.6] then the <u>Universal Service Provider</u> shall, within the period of three months commencing with the full provision of that information, provide to that applicant, a statement of the main terms on which, subject to agreement on other terms and conditions, it would be prepared to offer to provide access to its <u>postal network</u>, which statement shall include terms as to –</p> <p>(i) price,</p> <p>(ii) weight and format of <u>postal packets</u> that will be accepted by the <u>Universal Service Provider</u>,</p> <p>(iii) minimum volumes to be provided by the applicant,</p> <p>(iv) sortation requirements of the <u>Universal Service Provider</u>,</p> <p>(v) presentation requirements,</p> <p>(vi) addressing requirements,</p> <p>(vii) points at which mail may be injected into the <u>Universal Service Provider's postal network</u>,</p> <p>(viii) times as which mail may be injected into the <u>Universal Service Provider's postal network</u>,</p> <p>(ix) the distribution of volumes of <u>letters</u> between <u>postcode districts</u> to be assumed by the</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | the Licensee for the purpose of making an offer, (x) target delivery times for delivery by the Licensee and the percentage of letters to be delivered within such targets, (xi) arrangements for compensation in the event of failure to meet delivery time targets, (xii) requirements for interface with information systems, and (xiii) conditions relating to the security of the Licensee's premises and operations. | <u>Universal Service Provider</u> for the purpose of making an offer, (x) target delivery times for delivery by the <u>Universal Service Provider</u> and the percentage of letters to be delivered within such targets, (xi) arrangements for compensation in the event of failure to meet delivery time targets, (xii) requirements for interface with information systems, and (xiii) conditions relating to the security of the <u>Universal Service Provider's</u> premises and operations. | | |
| C9.I.3 | Terms agreed following negotiations pursuant to paragraph 2 shall – (a) provide that any access prices shall be based on a reasonable allocation of costs, (b) be such that the licensee does not unduly discriminate between persons having access to its postal facilities or show undue preference towards any such person, and in this paragraph, the determination of costs shall have regard, as appropriate, to the Licensee's obligations under Conditions 2 and 10(5) of this Licence. | Terms agreed following negotiations pursuant to USPA [1.2] shall – (a) provide that any access prices shall be based on a reasonable allocation of costs, (b) be such that the <u>Universal Service Provider</u> does not unduly discriminate between persons having access to its <u>postal network</u> or show undue preference towards any such person, and in this paragraph, the determination of costs shall have regard, as appropriate, to the <u>Universal Service Provider's</u> obligations under <u>DUSP Condition [1]</u> and <u>USPA Condition [3.4]</u> . | USPA 1.3 | USPA - <u>Universal Service Provider</u> |
| C9.I.4 | If negotiations conducted pursuant to paragraph 2 fail to lead to agreement between the Licensee and any person seeking access to the Licensee's postal facilities pursuant to that paragraph and if Postcomm on the application of such a person – (a) has given the Licensee not less than | If negotiations conducted pursuant to USPA [1.2] fail to lead to agreement between the <u>Universal Service Provider</u> and any applicant and if <u>Ofcom</u> on the application of that applicant – (a) has given the <u>Universal Service Provider</u> not less than 28 days' notice in writing that it proposes to determine that the applicant shall have | USPA 1.4 | USPA - <u>Universal Service Provider</u> See also Part 2 of Schedule 3 of the Act Disputes are |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>28 days' notice in writing that it proposes to give a direction to allow that person to have access to the Licensee's postal facilities on such terms as may be specified in the notice, and</p> <p>(b) has given to the Licensee the opportunity in that period of not less than 28 days to make representations to it in relation to its proposal to make such a determination, and</p> <p>(c) after considering such representations requires the Licensee by a direction based upon the principles set out in paragraph 3 to allow that person to have access to the Licensee's postal facilities on such terms as may be specified in the direction, then the Licensee shall allow such access on such terms.</p> | <p>access to the <u>Universal Service Provider's postal network</u> on such terms as may be specified in the notice, and</p> <p>(b) has given to the <u>Universal Service Provider</u> the opportunity in that period of not less than 28 days to make representations to it in relation to its proposal to make such a determination, and</p> <p>(c) after considering such representations requires the <u>Universal Service Provider</u> based upon the principles set out in USPA [1.3] to allow that applicant to have access to the <u>Universal Service Provider's postal network</u> on such terms as may be specified in the direction, then the <u>Universal Service Provider</u> shall allow such access on such terms.</p> | | "determined" under the Act, which permits but does not require a "direction". |
| C9.1.5 | <p>The Licensee shall –</p> <p>(a) except as Postcomm may by direction in writing provide otherwise,</p> <p>(i) as soon as reasonably practicable after entering into an agreement for the conveyance of postal packets pursuant to, or in the manner anticipated by, this Condition, notify Postcomm and publish, in a manner which will ensure reasonable publicity for them, the main terms of the agreement (including the information referred to in sub paragraphs (i) to (xii) in paragraph 2(b) of this Condition), and</p> <p>(ii) not commence the conveyance of postal packets under any agreement to which</p> | <p>The <u>Universal Service Provider</u> shall –</p> <p>(a) except as <u>Ofcom</u> may by direction in writing provide otherwise,</p> <p>(i) as soon as reasonably practicable after entering into an agreement for the conveyance of <u>postal packets</u> pursuant to, or in the manner anticipated by, this Condition, notify <u>Ofcom</u> and publish, in a manner which will ensure reasonable publicity for them, the main terms of the agreement (including the information referred to in [USPA 1.2(b)(i) to (xii)]), and</p> <p>(ii) not commence the conveyance of <u>postal packets</u> under any agreement to which (i) applies before the expiry of one month from the date on which the main terms of that agreement are</p> | USPA 1.5 | USPA - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | paragraph (i) applies before the expiry of one month from the date on which the main terms of that agreement are published in accordance with paragraph (i), and (b) publish a report on or before each 31 March during the term of this Licence setting out for each period of twelve months ending on the preceding 1 January particulars of the access given to its postal facilities pursuant to this Condition including the number of agreements in being during the period for access to its postal facilities the revenue derived from those agreements and the number of postal packets carried under those agreements. | published in accordance with (i), and (b) publish a report on or before each 31 March setting out for each period of twelve months ending on the preceding 1 January particulars of the access given to its <u>postal network</u> pursuant to this Condition including the number of agreements in being during the period for access to its <u>postal network</u> , the revenue derived from those agreements and the number of <u>postal packets</u> carried under those agreements. | | |
| C9.I.6 | The guidelines referred to in paragraph 2(b) shall be produced by the Licensee and shall be effective for the purpose of that paragraph when approved by Postcomm provided that – (a) where no guidelines have been produced by the Licensee or have been approved by Postcomm, the guidelines shall be such guidelines as may have been published for the purpose by Postcomm, and (b) guidelines established under this paragraph may be amended by the Licensee at any time subject to the approval of Postcomm. | The guidelines referred to in USPA [1.2(b)] shall be those produced by the <u>Universal Service Provider</u> and approved by the Postal Services Commission in October 2006 ²⁵ . The guidelines established under this paragraph may be amended by the <u>Universal Service Provider</u> at any time subject to the approval of <u>Ofcom</u> , and shall be effective for the purpose of USPA [1.2(b)] when approved by <u>Ofcom</u> . | USPA 1.6 | USPA - <u>Universal Service Provider</u> |
| C9.II.1 | Paragraphs 4 to 7 of this Part of this condition shall apply if Postcomm – (a) has given to the Licensee, the Council | USPA [2.4 to 2.7] shall apply if <u>Ofcom</u> – (a) has given to the <u>Universal Service Provider</u> , the <u>Council</u> and such other persons as appear to | USPA 2.1 | USPA - <u>Universal Service Provider</u> |

²⁵ <http://www.psc.gov.uk/documents/1133.pdf>

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>and such other persons as appear to Postcomm to be appropriate not less than 28 days' notice in writing that it proposes to issue a determination pursuant to paragraph (c), and</p> <p>(b) has given to the Licensee, the Council and the other persons to whom the notice described in paragraph (a) was given the opportunity in that period of not less than 28 days to make representations to it in relation to its proposal to issue such a determination, and</p> <p>(c) after considering such representations has issued a determination in writing that the Licensee has established arrangements in relation to the use of its postal facilities by other persons ("an access code") which comply with the requirements of paragraphs 2 to 5 of this Part of this condition.</p> | <p><u>Ofcom</u> to be appropriate not less than 28 days' notice in writing that it proposes to issue a determination pursuant to paragraph (c), and</p> <p>(b) has given to the <u>Universal Service Provider</u>, the <u>Council</u> and the other persons to whom the notice described in [(a)] was given the opportunity in that period of not less than 28 days to make representations to it in relation to its proposal to issue such a determination, and</p> <p>(c) after considering such representations has issued a determination in writing that the <u>Universal Service Provider</u> has established arrangements in relation to the use of its <u>postal network</u> by other persons ("an access code") which comply with the requirements of USPA [2.2 to 2. 5].</p> | | |
| C9.II.2 | <p>An access code shall be such as to facilitate the achievement of the following objectives –</p> <p>(a) the provision of a universal postal service in the authorised area and, subject to that,</p> <p>(b) securing the interests of users of postal services, having regard to the interests of individuals who are disabled or chronically sick, or of pensionable age, or with low incomes or residing in rural areas,</p> <p>(c) promoting competition between postal operators, and</p> <p>(d) subject to the above, promoting efficiency and economy on the part of the</p> | <p>An access code shall be such as to facilitate the achievement of the following objectives –</p> <p>(a) the provision of a <u>universal postal service</u> in the UK and, subject to that,</p> <p>(b) securing the interests of <u>users of postal services</u>, having regard to the interests of individuals who are disabled, or elderly, or with low incomes or residing in rural areas, and</p> <p>(c) where appropriate promoting competition between <u>postal operators</u>, hereinafter referred to as "the relevant objectives".</p> | USPA 2.2 | <p>USPA - <u>Universal Service Provider</u></p> <p>Minor amendments to ensure no conflict between the objectives and Ofcom's general duties in s.3 of the Communications Act 2003.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | Licensee and other postal operators, hereinafter referred to as “the relevant objectives”. | | | |
| C9.II.3 | An access code shall contain distinct sections dealing with – (a) the physical and operational requirements to be complied with by persons having access to and from the Licensee’s postal facilities, (b) charges to be paid to the Licensee by other persons having access to and from the Licensee’s postal facilities, and (c) procedures by which the requirements referred to in paragraph (a) and the charges referred to in paragraph (b) may, subject to the approval of Postcomm, be modified at the instigation of the Licensee or of another person or of the Council for the purpose of the better achievement of the relevant objectives. | An access code shall contain distinct sections dealing with – (a) the physical and operational requirements to be complied with by persons having access to and from the <u>Universal Service Provider’s postal network</u> , (b) charges to be paid to the <u>Universal Service Provider</u> by other persons having access to and from the <u>Universal Service Provider’s postal network</u> , and (c) procedures by which the requirements referred to in paragraph (a) and the charges referred to in paragraph (b) may, subject to the approval of <u>Ofcom</u> , be modified at the instigation of the <u>Universal Service Provider</u> or of another person or of the <u>Council</u> for the purpose of the better achievement of the relevant objectives. | USPA 2.3 | USPA - <u>Universal Service Provider</u> |
| C9.II.4 | Except in a case in which Postcomm accepts otherwise, the Licensee shall – (a) enter into arrangements in relation to the use of its postal facilities with other persons when requested by them to do so, and (b) only enter into such arrangements if they are in conformity with any relevant provisions of the access code. | Except in a case in which <u>Ofcom</u> accepts otherwise, the <u>Universal Service Provider</u> shall – (a) enter into arrangements in relation to the use of its <u>postal network</u> with other persons when requested by them to do so, and (b) only enter into such arrangements if they are in conformity with any relevant provisions of the access code. | USPA 2.4 | USPA - <u>Universal Service Provider</u> |
| C9.II.5 | The Licensee shall not make any modification to the access code except – (a) in accordance with the procedures established pursuant to paragraph 3(c), or | The <u>Universal Service Provider</u> shall not make any modification to the access code except – (a) in accordance with the procedures established pursuant to USPA <u>2.3(c)</u> , or | USPA 2.5 | USPA - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | (b) with the approval in writing of Postcomm, and shall furnish Postcomm with a copy of any modification made. | (b) with the approval in writing of <u>Ofcom</u> , and shall furnish <u>Ofcom</u> with a copy of any modification made. | | |
| C9.II.6 | The Licensee shall – (a) publish the access code as modified or changed from time to time in such form and manner as will obtain appropriate publicity for it, and (b) send a copy of the access code as modified from time to time, to any person who asks for one and makes such payment to the Licensee in respect of the cost thereof as it may require not exceeding such amount as Postcomm may from time to time approve for the purposes hereof. | The <u>Universal Service Provider</u> shall – (a) publish the access code as modified or changed from time to time in such form and manner as will obtain appropriate publicity for it, and (b) send a copy of the access code as modified from time to time, to any person who asks for one and makes such payment to the <u>Universal Service Provider</u> in respect of the cost thereof as it may require not exceeding such amount as <u>Ofcom</u> may from time to time approve for the purposes hereof. | USPA 2.6 | USPA - <u>Universal Service Provider</u> |
| C9.II.7 | The Licensee shall prepare and publish a report on or before each 31 March during the term of any access code established pursuant to this part of this condition including, for each period of twelve months ending on the preceding 1 January – (a) a general survey of the operation of the access code, (b) particulars of the access given to the Licensee's postal facilities pursuant to the access code including the number of persons using its postal facilities, the revenue derived from access under the code and the number of postal packets carried under the provisions of the code, and (c) the operation of the procedures for the modification of the access code. | If an access code has been established pursuant to USPA [2.1], the <u>Universal Service Provider</u> shall prepare and publish a report on or before each 31 March including, for each period of twelve months ending on the preceding 1 January – (a) a general survey of the operation of the access code, (b) particulars of the access given to the <u>Universal Service Provider's postal network</u> pursuant to the access code including the number of persons using its <u>postal network</u> , the revenue derived from access under the access code and the number of <u>postal packets</u> carried under the provisions of the access code, and (c) the operation of the procedures for the modification of the access code. | USPA 2.7 | USPA - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| C10.1 | This condition shall apply if the Licensee is required pursuant to a condition of this Licence to provide access to its postal facilities to other persons. | | | Unnecessary. 10.2, 10.3, 10.5 achieve the same thing |
| C10.2 | The Licensee shall conduct its business as a postal operator in the manner best calculated to secure that neither – (a) the Licensee, nor (b) any related person of the Licensee, nor (c) any other person, obtains any unfair commercial advantage in connection with the provision by the Licensee of access to its postal facilities as described in paragraph 1. | The <u>Universal Service Provider</u> shall conduct its business as a <u>postal operator</u> in the manner best calculated to secure that neither – (a) the <u>Universal Service Provider</u> , nor (b) any <u>related person</u> of the <u>Universal Service Provider</u> , nor (c) any other person, obtains any unfair commercial advantage in connection with the provision by the <u>Universal Service Provider</u> of access to its <u>postal network</u> under any <u>USPA Condition</u> . | USPA 3.1 | USPA - <u>Universal Service Provider</u> |
| C10.3 | Subject to paragraph 4, the Licensee shall use all reasonable endeavours to secure that no information in the possession of the Licensee as a result of giving access to its postal facilities to other persons – (a) is disclosed for the benefit of or used for the purpose of any trading business conducted by the Licensee, or (b) is disclosed for the benefit of or used for the purpose of any trading business conducted by any related person of the Licensee. | Subject to USPA [3.3], the <u>Universal Service Provider</u> shall use all reasonable endeavours to secure that no information in the possession of the <u>Universal Service Provider</u> as a result of giving access to its <u>postal network</u> under any <u>USPA Condition</u> to other persons – (a) is disclosed for the benefit of or used for the purpose of any trading business conducted by the <u>Universal Service Provider</u> , or (b) is disclosed for the benefit of or used for the purpose of any trading business conducted by any <u>related person</u> of the <u>Universal Service Provider</u> . | USPA 3.2 | USPA - <u>Universal Service Provider</u> |
| C10.4 | Paragraph 3 shall not apply in so far as – (a) Postcomm may consent in writing, (b) every person to whom the information relates has consented in writing to its disclosure or use as mentioned in paragraph | USPA [3.2] shall not apply in so far as – (a) <u>Ofcom</u> may consent in writing, (b) every person to whom the information relates has consented in writing to its disclosure or use as mentioned in USPA [3.2], | USPA 3.3 | USPA - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | 3, (c) the disclosure is to, or the use is by, a person who – (i) is acting as an agent of the Licensee for the provision of postal services, (ii) is engaged by the Licensee for the purpose of the Licensee's business as a postal operator and has access to the information only for that purpose, and (iii) is restricted by contract with the Licensee from making any further disclosure or use of the information, or (d) the information has been published or is required to be disclosed as mentioned in paragraph 3 in pursuance of any other condition of this Licence, or (e) the information is in the public domain otherwise than in consequence of a contravention of any condition of this Licence. | (c) the disclosure is to, or the use is by, a person who – (i) is acting as an agent of the <u>Universal Service Provider</u> for the provision of <u>postal services</u> , (ii) is engaged by the <u>Universal Service Provider</u> for the purpose of the <u>Universal Service Provider's</u> business as a <u>postal operator</u> and has access to the information only for that purpose, and (iii) is restricted by contract with the <u>Universal Service Provider</u> from making any further disclosure or use of the information, or (d) the information has been published or is required to be disclosed, in pursuance of any other <u>regulatory condition</u> to which the <u>Universal Service Provider</u> is subject, or (e) the information is in the public domain otherwise than in consequence of a contravention of any <u>regulatory condition</u> to which the <u>Universal Service Provider</u> is subject. | | |
| C10.5 | The terms on which the Licensee and any related person of the Licensee have access to the Licensee's postal facilities shall be no more and no less favourable than the terms on which those facilities may be made available to other persons in accordance with condition 9 of this Licence. | The terms on which the <u>Universal Service Provider</u> and any <u>related person</u> of the <u>Universal Service Provider</u> have access to the <u>Universal Service Provider's postal network</u> shall be no more and no less favourable than the terms on which access to the <u>postal network</u> may be made available to other persons in accordance with Condition USPA [2]. | USPA 3.4 | USPA - <u>Universal Service Provider</u> |
| C11 | [Not reproduced] ²⁶ | | | Unnecessary Competition Act 1998 applies, in |

²⁶ A copy is available on request from Ofcom.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | | | relation to which Ofcom has concurrent enforcement powers. |
| C12 | <i>[Not reproduced]</i> ²⁷ | - | | Unnecessary General authorisation regime |
| C13.1 | The Licensee shall take all reasonable precautions against the risk of failure to comply with the conditions of this Part of this Licence. | - | | Unnecessary Taken into account in the calculation of any penalty (see Ofcom penalty guidelines). |
| C13.2 | The Licensee shall take all reasonable precautions against the risk of failure to comply with any requirement made on it under conditions 17 or 18 of this Licence. | - | | Unnecessary Taken into account in the calculation of any penalty (see Ofcom penalty guidelines). |
| C13.3 | 3. The Licensee shall ensure that – (a) at all times it employs a competent person (hereafter referred to as “the Compliance Officer”) for the purpose of | The <u>Universal Service Provider</u> shall ensure that – (a) at all times it employs a competent person (“the Compliance Officer”) for the purpose of facilitating compliance by the <u>Universal Service</u> | T 2.1 | Transitory - <u>Universal Service Provider</u> |

²⁷ A copy is available on request from Ofcom.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>facilitating compliance by the Licensee with the conditions contained in this Part of this Licence and with the conditions referred to in paragraph 2,</p> <p>(b) it consults Postcomm before employing any person as the Compliance Officer, and</p> <p>(c) the Compliance Officer is provided with such staff and facilities as he may reasonably require to perform the tasks assigned to him pursuant to this condition.</p> | <p><u>Provider</u> with: Conditions USPA [1 to 3], and CP [5], s.18 of the Competition Act 1998, or any information request made under s.55 of the Act or s.24 CEARA.</p> <p>(b) it consults <u>Ofcom</u> before employing any person as the Compliance Officer, and</p> <p>(c) the Compliance Officer is provided with such staff and facilities as he may reasonably require to perform the tasks assigned to him pursuant to this condition.</p> | | The condition is "mixed" (it could not be one single type of condition under Part III of the Act). |
| C13.4 | <p>The Licensee shall assign the following tasks to the Compliance Officer –</p> <p>(a) the establishment of procedures, after consulting Postcomm, for ensuring that –</p> <p>(i) the conditions of this Part of this Licence,</p> <p>(ii) any requirement made on the Licensee under conditions 17 and 18 of this Licence, and</p> <p>(iii) the precautions referred to in paragraphs 1 and 2,</p> <p>are effectively complied with,</p> <p>(b) the investigation of any matter which is the subject of a representation made to the Licensee that the Licensee may be contravening any condition of this Part of this Licence or that the procedures established under paragraph (a) are not being complied with or are defective;</p> <p>(c) the giving of advice to directors and employees of the Licensee or any related person of the Licensee for facilitating</p> | <p>The <u>Universal Service Provider</u> shall assign the following tasks to the Compliance Officer –</p> <p>(a) the establishment of procedures, after consulting <u>Ofcom</u>, for ensuring that Conditions USPA [1 to 3], this Condition [T 2] and CP [5], s.18 of the Competition Act 1998, or any information request made under s.55 of the Act or s.24 CEARA are effectively complied with,</p> <p>(b) the investigation of any matter which is the subject of a representation made to the <u>Universal Service Provider</u> that the <u>Universal Service Provider</u> may be contravening Conditions USPA [1 to 3], this Condition [T 2] and CP [5] or s.18 of the Competition Act 1998; or that any information request made under s.55 of the Act or s.24 CEARA may not have been complied with; or that the procedures established pursuant to [(a)] are not being complied with or are defective.</p> <p>(c) the giving of advice to directors and employees of the <u>Universal Service Provider</u> or any <u>related person</u> of the <u>Universal Service Provider</u> for facilitating compliance with Conditions USPA [1 to</p> | T 2.2 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | compliance with the conditions of this Part of this Licence and the procedures established under paragraph (a) and, in particular, as to whether any information is information to which paragraph 3 of condition 10 applies. | 3], and CP 5], s.18 of the Competition Act 1998, or any information request made under s.55 of the Act or s.24 CEARA and, in particular, advice as to whether any information is information to which USPA 3.2 applies. | | |
| C13.5 | The Licensee shall, as soon as practicable after the end of each financial year, provide Postcomm with and publish in such form and manner as Postcomm may direct, a comprehensive report on: (a) the Compliance Officer's activities pursuant to the conditions contained in this Part of this Licence, and (b) the key activities of the Licensee's compliance function in connection with the conditions contained in Parts 2 and 3 of this Licence during that year. | The <u>Universal Service Provider</u> shall, as soon as practicable after the end of each financial year, provide <u>Ofcom</u> with and publish in such form and manner as <u>Ofcom</u> may direct, a comprehensive report on: (a) the Compliance Officer's activities relating to compliance with Conditions USPA 1 to 3 and CP 5 and s.18 of the Competition Act 1998, and (b) the key activities of the <u>Universal Service Provider</u> 's compliance function in connection with Conditions DUSP 1-6 , CP 1-2 and 4 and E 1 during that year. | T 2.3 | Transitory - <u>Universal Service Provider</u> |
| C14.1 | In this Condition: (a) "Access Agreement" means an agreement other than a Royal Mail Access Agreement between Licensees which permits access to a Licensee's postal facilities; (b) "Access Code" means a code relating to access to Royal Mail's postal facilities established in accordance with Condition 9 in Schedule 2 to the licence granted to Royal Mail under section 11 of the Act; (c) the "Code Objectives" means the objectives set out in paragraph 1.1 of the "Postal Common Operational Procedures | | | See definitions |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>Code”;</p> <p>(d) "Intermediary Agreement" means an agreement other than a Royal Mail Access Agreement between a Licensee and Royal Mail under which that Licensee delivers postal packets to Royal Mail for subsequent conveyance;</p> <p>(e) “Licensees” means the holders of licences under section 11 of the Act from time to time;</p> <p>(f) the “Postal Common Operational Procedures Agreement” means the default contract designated by Postcomm by direction given for the purpose of this Condition generally and published on 31 December 2005 (as modified from time to time in accordance with paragraph 3 below) established for the purpose of giving effect to the Postal Common Operational Procedures Code in the absence of alternative contractual arrangements between Licensees;</p> <p>(g) the “Postal Common Operational Procedures Code” means the code of practice entitled “Common Operational Procedures – A Code of Practice” set out in the Annex to this Condition established for the purpose of facilitating the achievement of the Code Objectives;</p> <p>(h) “Royal Mail” means Royal Mail Group Ltd registered in England and Wales</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>with company number 4138203 and having its registered office at 100 Victoria Embankment, London, EC4Y 0HQ; and</p> <p>(i) “Royal Mail Access Agreement” means an agreement between Royal Mail and the Licensee or customer entered into pursuant to Condition 9 in Schedule 2 to the licence granted to Royal Mail under section 11 of the Act which permits access to Royal Mail’s postal facilities.</p> | | | |
| C14.2 | <p>Unless Postcomm otherwise consents, the Licensee shall:</p> <p>(a) comply with the Postal Common Operational Procedures Code</p> | <p>Unless <u>Ofcom</u> otherwise consents, each <u>regulated postal operator</u> shall comply with the <u>Postal Common Operational Procedures Code</u>.</p> | CP 5.1 | CP – <u>regulated postal operators</u> |
| C14.2 | <p>b) become and thereafter remain a party to the Postal Common Operational Procedures Agreement which shall apply insofar as</p> <p>(i) it is consistent with, and deals with matters not provided for in, the terms and conditions of any Access Agreement, Intermediary Agreement or Royal Mail Access Agreement to which the Licensee is a party,</p> <p>(ii) it is consistent with, and deals with matters not provided for in, the terms and conditions of any Access Code to which the Licensee is a party,</p> <p>(iii) the Licensee has not established alternative arrangements with other Licensees relating to the treatment of</p> | <p>Unless <u>Ofcom</u> otherwise consents, a <u>regulated postal operator</u> shall become and remain a party to the <u>Postal Common Operational Procedures Agreement</u> which shall apply insofar as:</p> <p>(i) it is consistent with, and deals with matters not provided for in, the terms and conditions of any <u>Access Agreement</u>, <u>Intermediary Agreement</u> , <u>USP Access Agreement</u> or <u>Access Code</u> to which the <u>regulated postal operator</u> is a party; and</p> <p>(ii) the <u>regulated postal operator</u> has not established alternative arrangements with other <u>regulated postal operators</u> relating to the treatment of misdirected mail and miscollected mail.</p> | CP 5.2 | <p>CP – <u>regulated postal operators</u></p> <p><i>See Annex 5 of this Appendix 4 for Postal Common Operational Procedures Agreement.</i></p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | misdirected and miscollected mail; | | | |
| C14.2 | (c) at all times refrain from acting in a manner which is inconsistent with the Code Objectives or which is likely to prejudice the effective functioning of the Postal Common Operational Procedures Code; | Unless <u>Ofcom</u> otherwise consents, a <u>regulated postal operator</u> shall at all times refrain from acting in a manner which is inconsistent with the <u>Code Objectives</u> or which is likely to prejudice the effective functioning of the <u>Postal Common Operational Procedures Code</u> ; | CP 5.3 | CP – <u>regulated postal operators</u> |
| C14.2 | (d) not use any information pertaining to the business or operations of another person (including information relating to that person's customers) obtained by virtue of being a party to any agreement of the type referred to in paragraph (b) in order to secure, or in a manner that reasonably could be expected to secure, any unfair commercial advantage; | A <u>regulated postal operator</u> shall not use any information pertaining to the business or operations of another person (including information relating to that person's customers) obtained by virtue of being a party to any agreement of the type referred to in CP <u>5.2</u> in order to secure, or in a manner that reasonably could be expected to secure, any unfair commercial advantage; | CP 5.4 | Transitory - <u>regulated postal operators</u> |
| C14.2 | (e) within one month of becoming a party to any agreement of the types referred to in paragraphs (i), (ii) and (iii) of paragraph (b), provide a copy of the terms of that agreement to Postcomm and such other information in relation to that agreement as Postcomm may require; and | | | Unnecessary – Ofcom has information-gathering powers |
| C14.2 | (f) if nominated by Postcomm by direction in writing given for the purposes of this Condition generally to the office of Secretary of the Postal Common Operational Procedures Agreement, perform the functions of that office in an efficient, timely, impartial and professional manner, subject to reimbursement by Postcomm of the costs reasonably incurred in the discharge of those functions. | If nominated by <u>Ofcom</u> by direction in writing given for the purposes of this Condition generally to the office of Secretary of the <u>Postal Common Operational Procedures Agreement</u> , perform the functions of that office in an efficient, timely, impartial and professional manner, subject to reimbursement by <u>Ofcom</u> of the costs reasonably incurred in the discharge of those functions. | CP 5.5 | CP – <u>regulated postal operators</u> Direction to be issued on vesting and served on the current secretary: "This Direction is issued by Ofcom under Condition |

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| | | | | <p>CP 5.5 of the conditions of authorisation under the Postal Services Act 2011 and has effect from the <u>Appointed Day</u>.</p> <p>Ofcom nominates Royal Mail Group Ltd as Secretary to the Postal Common Operational Procedures Agreement.”</p> |
| C.14.3 | <p>The Postal Common Operational Procedures Agreement shall be deemed to be modified in accordance with this paragraph if:</p> <p>(a) Postcomm has received a proposal to change the Postal Common Operational Procedures Agreement from a person entitled under its provisions to make such a proposal, and</p> <p>(b) that proposal has been submitted to Postcomm in the manner, and containing the information, provided for in the Postal Common Operational Procedures Agreement, and</p> <p>(c) Postcomm:</p> <p>(i) is of the opinion that modification of the Postal Common Operational Procedures Agreement in the manner proposed will</p> | <p>The <u>Postal Common Operational Procedures Agreement</u> shall be modified in accordance with this paragraph if:</p> <p>(a) <u>Ofcom</u> has received a proposal to change the <u>Postal Common Operational Procedures Agreement</u> from a person entitled under its provisions to make such a proposal, and</p> <p>(b) that proposal has been submitted to <u>Ofcom</u> in the manner, and containing the information, provided for in the <u>Postal Common Operational Procedures Agreement</u>, and</p> <p>(c) <u>Ofcom</u>:</p> <p>(i) is of the opinion that modification of the <u>Postal Common Operational Procedures Agreement</u> in the manner proposed will enable the <u>Code Objectives</u> better to be fulfilled and that such modification is consistent with its duties under s.3</p> | CP 5.6 | <p>CP – <u>regulated postal operators</u></p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | enable the Code Objectives better to be fulfilled, (ii) has given notice of the proposed modification in accordance with paragraphs 5 and 6 below, (iii) has considered any representations made in accordance with that notice and not withdrawn, and (iv) has directed by a direction given for the purpose of this Condition generally that the proposed modification be made. | of the Communications Act 2003, (ii) has given notice of the proposed modification in accordance with paragraphs 5 and 6 below, (iii) has considered any representations made in accordance with that notice and not withdrawn, and (iv) has directed by a direction given for the purpose of this Condition generally that the proposed modification be made. | | |
| C.14.4 | A notice under paragraph 3(c)(ii) shall be in accordance with this paragraph if it states: (a) that Postcomm proposes to make the modification, (b) the effect of the proposed modification, (c) the reasons for the proposed modification, and (d) the period (of not less than 28 days starting with the date of publication of the notice) within which representations may be made in relation to the proposed modification. | A notice under CP [5.6(c)(ii)] shall be in accordance with this paragraph if it states: (a) that <u>Ofcom</u> proposes to make the modification, (b) the effect of the proposed modification, (c) the reasons for the proposed modification, and (d) the period (of not less than 28 days starting with the date of publication of the notice) within which representations may be made in relation to the proposed modification. | CP 5.7 | CP – <u>regulated postal operators</u> |
| C.14.5 | A notice under paragraph 3(c)(ii) shall be in accordance with this paragraph if it is given by: (a) serving a copy of the notice on each of the parties to the Postal Common Operational Procedures Agreement as at the date of such notice and on the Council, and (b) publishing the notice in such manner as Postcomm considers appropriate for the purpose of bringing the matters included in | A notice under [5.6(c)(ii)] shall be in accordance with this paragraph if it is given by: (a) serving a copy of the notice on each of the parties to the <u>Postal Common Operational Procedures Agreement</u> as at the date of such notice and on the <u>Council</u> , and (b) publishing the notice in such manner as <u>Ofcom</u> considers appropriate for the purpose of bringing the matters included in the notice to the attention of persons likely to be affected by them. | CP 5.8 | CP – <u>regulated postal operators</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | the notice to the attention of persons likely to be affected by them. | | | |
| C.14 annex | COMMON OPERATIONAL PROCEDURES CODE | <i>See separate document (Annex 4 of Appendix 4 of this consultation)</i> | CP 5/A1 | |
| C.15.1 | <p>The Licensee shall –</p> <p>(a) maintain appropriate accounting and financial records in accordance with this condition,</p> <p>(b) ensure (to the extent that its own accounting and financial records do not do so) that any related person of the Licensee or agent of the Licensee through whom the Licensee provides a licensed or non-licensed service or any part of such a service maintains appropriate financial and accounting records,</p> <p>(c) produce the Costing Manual as referred to in paragraph 6,</p> <p>(d) prepare and submit the regulatory financial statements in accordance with paragraph 17.</p> | <p>The <u>Universal Service Provider</u> shall</p> <p>a) maintain appropriate accounting and financial records in accordance with this condition,</p> <p>(b) ensure (to the extent that its own accounting and financial records do not do so) that any <u>related person</u> or agent of the <u>Universal Service Provider</u> through whom the <u>Universal Service Provider</u> provides any service or any part of a service maintains appropriate financial and accounting records.</p> | Acc 1.1 | <p>USP accounting – <u>Universal Service Provider</u></p> <p>See also C15.6, C15.17 and C15.18 below.</p> |
| C.15.2 | <p>Save to the extent that Postcomm has by direction in writing agreed otherwise, the records referred to in paragraph 1 shall –</p> <p>(a) comply fully with the Costing Methodology Guiding Principles and the Methodological Principles,</p> <p>(b) be such that if each of the Existing Services was carried on by a separate company incorporated under the Companies Act 2006, each of those companies would comply with subsections 386 (1), (2) and (3)</p> | <p>Save to the extent that <u>Ofcom</u> has by direction in writing agreed otherwise, the records referred to in Acc <u>1.1</u> shall –</p> <p>(a) comply fully with the <u>Costing Methodology Guiding Principles</u> and the <u>Methodological Principles</u>,</p> <p>(b) be such that if each of the <u>Existing Services</u> was carried on by a separate company incorporated under the Companies Act 2006, each of those companies would comply with subsections 386(1), (2) and (3) of that Act, and</p> | Acc 1.2 | <p>USP accounting – <u>Universal Service Provider</u></p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | of that Act, and (c) be kept for a period of six years. | (c) be kept for a period of six years. | | |
| C.15.3 | The Costing Methodology Guiding Principles are as set out in Schedule 1 to this condition. | Moved to definitions section | | |
| C.15.4 - 5 | The Methodological Principles shall be those published by Postcomm which shall be in substantially the same form as set out in Appendix B of Annex 2 of the November Decision The Methodological Principles may only be changed in accordance with the process set out in paragraphs 11 to 14. | Moved to definitions section | | |
| C.15.6-8 | 6. The Licensee shall produce and provide to Postcomm the Costing Manual. 7. Postcomm, upon receipt of the Costing Manual, shall confirm whether it complies with the Costing Methodology Guiding Principles and the Methodological Principles as required by paragraph 8. Where Postcomm identifies any areas where the Costing Manual prepared by the Licensee under paragraph 6 does not comply with the requirements of paragraph 8, the Costing Manual will be deemed to comply with the requirements of paragraph 8 if the Licensee gives undertakings in a form satisfactory to Postcomm that any such areas of non-compliance will be resolved in a reasonable time and the Licensee meets the terms of such undertakings. 8. The Costing Manual shall set out the Costing Methodology and shall comply with | The <u>Universal Service Provider</u> shall maintain a <u>Costing Manual</u> which gives a detailed description of the <u>costing methodology</u> and all sources of data used or referred to in it, as amended from time to time, and complies with the <u>Costing Methodology Guiding Principles</u> and the <u>Methodological Principles</u> . Where <u>Ofcom</u> identifies any areas where the <u>Costing Manual</u> prepared by the <u>Universal Service Provider</u> does not comply with these requirements, the <u>Costing Manual</u> will be deemed to comply with these requirements if the <u>Universal Service Provider</u> gives undertakings in a form satisfactory to <u>Ofcom</u> that any such areas of non-compliance will be resolved in a reasonable time and the <u>Universal Service Provider</u> meets the terms of such undertakings. | Acc 1.3 | USP accounting – <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | the Costing Methodology Guiding Principles and the Methodological Principles. | | | |
| C.15.9 | The Costing Manual may only be changed in accordance with the process set out in paragraph 15 or in order to fulfil any undertaking given under paragraph 7 and the Licensee shall provide the initial audit statement referred to in paragraph 15(j) in respect of the financial year ended March 2012. | The <u>Costing Manual</u> may only be changed in accordance with the process set out in Acc <u>[1.9-1.20]</u> or in order to fulfil any undertaking given under Acc <u>[1.3]</u> . | Acc 1.4 | USP accounting – <u>Universal Service Provider</u> |
| C.15.10 | The Licensee shall publish the Costing Manual on its website and shall otherwise make physical copies available to third parties for a reasonable charge and upon reasonable request and shall permit Postcomm to publish the Costing Manual on its website, in the form required by Postcomm upon direction in writing. | The <u>Universal Service Provider</u> shall publish the <u>Costing Manual</u> on its website and shall otherwise make physical copies available to third parties for a reasonable charge and upon reasonable request and shall permit <u>Ofcom</u> to publish the <u>Costing Manual</u> on its website, in the form required by <u>Ofcom</u> . For so long as the <u>Costing Manual</u> retains its current form, the <u>Universal Service Provider</u> may withhold from publication the contents of the technical appendices to the <u>Costing Manual</u> but must publish a list of the headings of such technical appendices. | Acc 1.5 | USP accounting – <u>Universal Service Provider</u> See Direction dated 30 March 2011 re publication obligations |
| C.15.11 | Both the Licensee and Postcomm may propose changes to the Methodological Principles. | Both the <u>Universal Service Provider</u> and <u>Ofcom</u> may propose changes to the <u>Methodological Principles</u> . | Acc 1.6 | USP accounting – <u>Universal Service Provider</u> |
| C.15.12 | On application by the Licensee for a change to the Methodological Principles the Licensee must provide the following information to Postcomm: (a) a full explanation as to how the proposed change complies with the Costing | On application by the <u>Universal Service Provider</u> for a change to the <u>Methodological Principles</u> the <u>Universal Service Provider</u> must provide the following information to <u>Ofcom</u> : (a) a full explanation as to how the proposed change complies with the <u>Costing Methodology</u> | Acc 1.7 | USP accounting – <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | Methodology Guiding Principles together with such other supporting evidence as Postcomm considers necessary, and (b) an adequate description of the likely consequential effects on the Costing Manual. | <u>Guiding Principles</u> together with such other supporting evidence as <u>Ofcom</u> considers necessary, and (b) an adequate description of the likely consequential effects on the <u>Costing Manual</u> . | | |
| C.15.13 | Subject to paragraph 14, no change to the Methodological Principles may be implemented without prior consultation with interested parties and the Licensee's consent. Any such change will be made by Postcomm by direction in writing which shall be published. | No change to the <u>Methodological Principles</u> may be implemented without prior consultation with interested parties and the <u>Universal Service Provider's</u> consent. Any such change will be made by <u>Ofcom</u> by direction in writing which shall be published. | Acc 1.8 | USP accounting – <u>Universal Service Provider</u> This does not affect Ofcom's power to amend regulatory conditions in accordance with Schedule 6 of the Act. |
| C.15.14 | Where Postcomm and the Licensee agree that the impact of a proposed change is minor, Postcomm may implement the change by direction in writing which shall be published. | | | Unnecessary Cannot happen in new framework. Under the Act directions and approvals by Ofcom are subject to a statutory 1 month consultation period. |
| C.15.15 | Except as provided for in paragraph 9 the Licensee may only modify the Costing Manual in accordance with the following procedure: | Except as provided for in Acc [1.4] the <u>Universal Service Provider</u> may only modify the <u>Costing Manual</u> in accordance with the following procedure. | Acc 1.9 | USP accounting – <u>Universal Service Provider</u> |
| C.15.15 | (b) Except as otherwise provided in sub- | 10. Except as otherwise provided in Acc [1.13], the | Acc | USP accounting – |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>paragraph (e) below, the Licensee shall notify to Postcomm any change which amounts to a Material Change and shall not implement such change unless and until Postcomm so directs in accordance with sub-paragraph (g). In support of such notification and subject to sub-paragraph (d), the Licensee shall provide Postcomm with an impact assessment in a form as agreed with Postcomm (agreement which shall not be unreasonably withheld) in respect of such proposed change.</p> <p>(c) The impact assessment referred to in sub-paragraph (b) shall, unless Postcomm agrees otherwise in writing, include an assessment of the consequential financial changes (had the proposed change been made before the start of the relevant financial periods) in the regulatory financial statements provided to Postcomm in accordance with paragraph 17 (as applicable) for the previous financial year and any previous quarterly reports (if any) of the current financial year and any other period which the Licensee considers appropriate. The Licensee may undertake such impact assessments at the level of the relevant Sales Product where appropriate.</p> <p>(d) The Licensee shall not, in respect of Material Changes arising from the introduction of a new, or deletion of an existing, Activity or SPHCC (other than SPHCCs to which sub-paragraph (e) applies) which has a consequential financial effect of</p> | <p><u>Universal Service Provider</u> shall notify to <u>Ofcom</u> any proposed change to the <u>Costing Manual</u> which amounts to a <u>Material Change</u> and shall not implement such change unless and until <u>Ofcom</u> so directs in accordance with Acc [1.16]. In support of such notification and subject to Acc [1.12], the <u>Universal Service Provider</u> shall provide <u>Ofcom</u> with an impact assessment in a form as agreed with <u>Ofcom</u> (agreement which shall not be unreasonably withheld) in respect of such proposed change.</p> <p>11. The impact assessment shall, unless <u>Ofcom</u> agrees otherwise in writing, include an assessment of the consequential financial changes (had the proposed change been made before the start of the relevant financial periods) in the regulatory financial statements provided to <u>Ofcom</u> in accordance with Acc [1.21] (as applicable) for the previous financial year and any previous quarterly reports (if any) of the current financial year and any other period which the <u>Universal Service Provider</u> considers appropriate. The <u>Universal Service Provider</u> may undertake such impact assessments at the level of the relevant <u>Sales Product</u> where appropriate.</p> <p>12. The <u>Universal Service Provider</u> shall not, in respect of <u>Material Changes</u> arising from the introduction of a new, or deletion of an existing, <u>Activity</u> or <u>SPHCC</u> (other than <u>SPHCCs</u> to which Acc [1.13] applies) which has a consequential financial effect of less than £0.5m, be required to provide the impact assessment referred to in Acc</p> | 1.10-1.17 | <p><u>Universal Service Provider</u></p> <p>Any consent under Acc 1.16 would be subject to a statutory consultation period of 1 month.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>less than £0.5m, be required to provide the impact assessment referred to in sub-paragraph (b) above provided that sub-paragraphs (f) to (j) continue to apply.</p> <p>(e) If at the end of a quarter in any financial year it becomes apparent to the Licensee that new SPHCCs have been used during that quarter without the processes in this paragraph 15 being followed, the Licensee shall:</p> <p>i promptly (and in any event within 42 days from the end of that quarter) provide a list of all such SPHCCs to Postcomm but shall be permitted to make such changes to the Costing Manual to reflect the new SPHCCs; and</p> <p>ii within 50 days of the end of the quarter provide the relevant impact assessments referred to in sub-paragraph (b) in relation to all such new SPHCCs which have a consequential financial effect of £0.5m or more.</p> <p>Upon Postcomm confirming to the Licensee that it has received all such information, Postcomm shall have 7 days to inform the Licensee of the matters referred to in sub-paragraph (f) and sub-paragraphs (g) and (h) shall apply provided that if an inconsistency is identified under sub-paragraph (h) the Licensee shall have 14 days to remedy such non-compliance from the date on which it receives the relevant notification.</p> <p>(f) Upon Postcomm confirming to the</p> | <p>[1.10] provided that Acc [1.15 to 1.19] continue to apply.</p> <p>13. If at the end of a quarter in any financial year it becomes apparent to the <u>Universal Service Provider</u> that new <u>SPHCCs</u> have been used during that quarter without the processes in Acc [1.9 to 1.19] being followed, the <u>Universal Service Provider</u> shall:</p> <p>i promptly (and in any event within 42 days from the end of that quarter) provide a list of all such <u>SPHCCs</u> to <u>Ofcom</u> but shall be permitted to make changes to the <u>Costing Manual</u> to reflect the new <u>SPHCCs</u>; and</p> <p>ii within 50 days of the end of the quarter provide the relevant impact assessments referred to in Acc [1.10] in relation to all such new <u>SPHCCs</u> which have a consequential financial effect of £0.5m or more.</p> <p>14. Upon <u>Ofcom</u> confirming to the <u>Universal Service Provider</u> that it has received all such information, <u>Ofcom</u> shall have 7 days to inform the <u>Universal Service Provider</u> of the matters referred to in Acc [1.15]. Acc [1.16 and 1.17] shall apply provided that if an inconsistency is identified under Acc [1.17] the <u>Universal Service Provider</u> shall have 14 days to remedy such non-compliance from the date on which it receives the relevant notification.</p> <p>15. Upon <u>Ofcom</u> confirming to the <u>Universal</u></p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>Licensee that it has received all the information referred to in sub-paragraph (b), Postcomm shall have 28 days (provided that Postcomm may extend this period to 42 days in cases it reasonably considers to be complex) to inform the Licensee:</p> <p>i whether Postcomm considers the proposed change amounts to a Material Change; and</p> <p>ii if so, whether the proposed change is consistent with the Costing Methodology Guiding Principles and the Methodological Principles.</p> <p>(g) If Postcomm finds that a proposed change is consistent with the Costing Methodology Guiding Principles and the Methodological Principles it shall promptly give its consent to the proposed change by direction in writing and in any event no later than the time period permitted under sub-paragraph (e) or (f) as applicable.</p> <p>(h) If Postcomm finds that a proposed change is inconsistent with any of the Costing Methodology Guiding Principles or the Methodological Principles, it shall promptly notify the Licensee and provide reasons for its decision and in any event no later than the time period permitted under sub-paragraph (e) or (f) as applicable.</p> <p>(i) Without prejudice to sub-paragraph (e), changes which the Licensee considers do not amount to Material Changes may be made without Postcomm's prior consent</p> | <p><u>Service Provider</u> that it has received all the information referred to in [sub-paragraph (b)], <u>Ofcom</u> shall determine:</p> <p>i whether <u>Ofcom</u> considers the proposed change amounts to a <u>Material Change</u>; and</p> <p>ii if so, whether (provisionally) the proposed change is consistent with the <u>Costing Methodology Guiding Principles</u> and the <u>Methodological Principles</u>.</p> <p>16. If <u>Ofcom</u> finds that a proposed change is consistent with the <u>Costing Methodology Guiding Principles</u> and the <u>Methodological Principles</u> it shall promptly give its consent to the proposed change by direction in writing.</p> <p>17. If <u>Ofcom</u> finds that a proposed change is inconsistent with any of the <u>Costing Methodology Guiding Principles</u> or the <u>Methodological Principles</u>, it shall promptly notify the <u>Universal Service Provider</u> and provide reasons for its decision.</p> <p>18. Without prejudice to Acc [1.13], changes which the <u>Universal Service Provider</u> considers do not amount to <u>Material Changes</u> may be made without <u>Ofcom</u>'s prior consent provided that any such changes made to the <u>Costing Manual</u> during a particular quarter are notified to <u>Ofcom</u> not later than 42 days after the date on which the relevant quarter ended.</p> <p>19. As part of its annual regulatory reporting, the <u>Universal Service Provider</u> shall provide a</p> | | |

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| | <p>provided that any such changes made to the Costing Manual during a particular quarter are notified to Postcomm not later than 42 days after the date on which the relevant quarter ended.</p> <p>(j) As part of its annual regulatory reporting, the Licensee shall provide an Assurance Statement to confirm that all changes it has made to its Costing Manual have either been approved by Postcomm in accordance with sub-paragraph (g) or were not Material Changes</p> | <p>statement prepared by the <u>Auditors</u> (following sampling) confirming that the <u>Universal Service Provider</u> has complied with the processes set out in Acc [1.9 to 1.20] such that all changes it has made to its <u>Costing Manual</u> have either been approved by <u>Ofcom</u> in accordance with Acc [1.16] or were not <u>Material Changes</u>.</p> | | |
| C.15.16 | <p>For the purposes of paragraph 15, a “Material Change” means any change to which Principle 17(b) of the Methodological Principles applies, such that:</p> <p>(a) the numerical consequence of any such change exceeds the threshold for materiality set out in Principle 17(b) of the Methodological Principles; or</p> <p>(b) that change is a Connected Change in relation to other changes that have been made or the Licensee is planning to make in the relevant quarter or has made during the previous quarter (in the same financial year), and the combined value of which exceeds the threshold for materiality set out in Principle 17(b) of the Methodological Principles.</p> | <p>For the purposes of Acc [1.9 to 1.19], a <u>Material Change</u> means any change to which Principle 17(b) of the <u>Methodological Principles</u> applies, such that:</p> <p>(a) the numerical consequence of any such change exceeds the threshold for materiality set out in Principle 17(b) of the <u>Methodological Principles</u>; or</p> <p>(b) that change is a <u>Connected Change</u> in relation to other changes that have been made or the <u>Universal Service Provider</u> is planning to make in the relevant quarter or has made during the previous quarter (in the same financial year), and the combined value of which exceeds the threshold for materiality set out in Principle 17(b) of the <u>Methodological Principles</u>.</p> | Acc 1.20 | USP accounting – <u>Universal Service Provider</u> |
| C.15.17 | <p>Save to the extent that Postcomm agrees otherwise by direction in writing, the Licensee shall, in respect of the financial year beginning on 28 March 2011 and each financial year thereafter, produce an income</p> | <p>Save to the extent that <u>Ofcom</u> agrees otherwise by direction in writing, the <u>Universal Service Provider</u> shall, in each financial year, produce an income statement, balance sheet and cash flow statement for each of the <u>Existing Services</u> (i) to (iv).</p> | Acc 1.21 | USP accounting – <u>Universal Service Provider</u> |

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| | statement, balance sheet and cash flow statement for each of the Existing Services. | | | |
| C.15.18 | The Licensee shall submit the regulatory financial statements referred to in paragraph 17 to Postcomm before the expiry of four months from the end of the financial year to which they relate and shall publish, and permit Postcomm to publish, such accounts. | The <u>Universal Service Provider</u> shall submit the regulatory financial statements referred to in Acc <u>1.21</u> to <u>Ofcom</u> before the expiry of four months from the end of the financial year to which they relate and shall publish, and permit <u>Ofcom</u> to publish, such accounts. | Acc 1.22 | USP accounting – <u>Universal Service Provider</u> |
| C.15.19 | The regulatory financial statements referred to in paragraph 17 shall include notes setting out the accounting policies adopted together with a reconciliation to the audited accounts prepared by the Licensee and where appropriate, its subsidiaries, pursuant to the Companies Act 2006 | The regulatory financial statements referred to in Acc <u>1.21</u> shall include notes setting out the accounting policies adopted together with a reconciliation to the audited accounts prepared by the <u>Universal Service Provider</u> and where appropriate, its subsidiaries, pursuant to the Companies Act 2006. | Acc 1.23 | USP accounting – <u>Universal Service Provider</u> |
| C.15.20 | The obligations in paragraphs 20 to 21 apply only for the financial year beginning 28 March 2011 and shall terminate on the later of the date four months from the end of such financial year or the delivery of the agreed regulatory financial statements. | The obligations in Acc <u>1.24 to 1.25</u> apply only for the financial year beginning 28 March 2011 and shall terminate on the later of the date four months from the end of such financial year or the delivery of the agreed regulatory financial statements. | Acc 1.24 | USP accounting – <u>Universal Service Provider</u> |
| C.15.21 | The Licensee shall produce and provide to Postcomm the regulatory financial statements, and fulfil the related obligations, as set out in the Accounting Separation Commitments. | The <u>Universal Service Provider</u> shall produce and provide to <u>Ofcom</u> the regulatory financial statements, and fulfil the related obligations, as set out in the <u>Accounting Separation Commitments</u> . | Acc 1.25 | USP accounting – <u>Universal Service Provider</u> |
| C.15.22 | The Accounting Separation Commitments may be changed by written agreement between Royal Mail and Postcomm. | The <u>Accounting Separation Commitments</u> may be changed by written agreement between the <u>Universal Service Provider</u> and <u>Ofcom</u> . | Acc 1.26 | USP accounting – <u>Universal Service Provider</u> |
| C.15.23-24 | The Licensee shall cause the following records and accounts to be audited annually by Auditors, as follows: | 27. The <u>Universal Service Provider</u> shall cause the following be provided annually by <u>Auditors</u> : (a) an audit of the accounts referred to in Acc | Acc 1.27-28 | USP accounting – <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(a) in the case of the accounts referred to in paragraph 17, the Auditors shall be required to report on:</p> <p>i the compliance of such accounts with the requirements of this condition (as applicable),</p> <p>ii whether such accounts fairly present the financial situation of each of the Existing Services for the financial year and at the time to which they relate and have been properly prepared in accordance with the requirements of this condition, and</p> <p>(b) in the case of the Costing Manual, the Auditors shall be required to provide the Assurance Statement in relation to the matters referred to in paragraph 15(j).</p> <p>24. The Auditor's report required under paragraph 23 shall be furnished by the Licensee to Postcomm within four months of the end of the financial year to which it relates.</p> | <p>[1.21]. The <u>Auditors</u> shall be required to report on</p> <p>i the compliance of such accounts with the requirements of this condition (as applicable),</p> <p>ii whether such accounts fairly present the financial situation of each of the <u>Existing Services</u> for the financial year and at the time to which they relate and have been properly prepared in accordance with the requirements of this condition.</p> <p>(b) the statement required by Acc [1.19].</p> <p>28. The <u>Universal Service Provider</u> shall furnish the Auditor's report to <u>Ofcom</u> within four months of the end of the financial year to which it relates.</p> | | |
| C.15 sched | Schedule 1 to Condition 15 Costing Methodology Guiding Principles | <i>See separate document (Annex 6 of Appendix 4 of this consultation)</i> | Acc 1/A1 | We do not propose any changes to this. |
| C.16.1 | <p>In this condition "the necessary resources" means such –</p> <p>(a) management resources,</p> <p>(b) financial resources and financial facilities,</p> <p>(c) physical assets,</p> <p>(d) human resources, and</p> <p>(e) working capital,</p> | <p>In this condition "the necessary resources" means such –</p> <p>(a) management resources,</p> <p>(b) financial resources and financial facilities,</p> <p>(c) physical assets,</p> <p>(d) human resources, and</p> <p>(e) working capital,</p> <p>as are sufficient to enable the <u>Universal Service</u></p> | T 3.1 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The condition regulates in relation to "mixed"</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | as are sufficient to enable the Licensee to provide the licensed and the non-licensed services in the authorised area and to comply with its obligations under this Licence. | <u>Provider</u> to provide <u>postal services</u> in the UK and to comply with its obligations under the <u>regulatory conditions</u> . | | services (both universal and other services). |
| C16.2 | The Licensee shall at all times act in a manner calculated to secure that it has, or has access to, the necessary resources. | The <u>Universal Service Provider</u> shall at all times act in a manner calculated to secure that it has, or has access to, the necessary resources. | T 3.2 | Transitory - <u>Universal Service Provider</u> |
| C16.3 | The Licensee shall not, and shall procure that any person who is a related person in relation to it will not – (a) enter into any agreement, or (b) undertake any activity, which creates any significant risk that the necessary resources will not be available to the Licensee to provide the licensed and the non-licensed services in the authorised area and to comply with its obligations under this Licence. | The <u>Universal Service Provider</u> shall not, and shall procure that any person who is a <u>related person</u> in relation to it will not – (a) enter into any agreement, or (b) undertake any activity, which creates any significant risk that the necessary resources will not be available to the <u>Universal Service Provider</u> provide <u>postal services</u> in the UK and to comply with its obligations under the <u>regulatory conditions</u> | T 3.3 | Transitory - <u>Universal Service Provider</u> |
| C.16.4 | Without prejudice to the generality of paragraphs 2 and 3, the Licensee shall not – (a) mortgage, charge or otherwise encumber, or (b) provide any guarantee or assurance (however such guarantee or assurance may be described or defined) in consequence of which any claim may be made against, or any mortgage, charge or encumbrance may arise over, any of the necessary resources other than for the purposes of providing the licensed services and the non-licensed services in the | Without prejudice to the generality of T [3.2 and 3.3] , the <u>Universal Service Provider</u> shall not – (a) mortgage, charge or otherwise encumber, or (b) provide any guarantee or assurance (however such guarantee or assurance may be described or defined) in consequence of which any claim may be made against, or any mortgage, charge or encumbrance may arise over, any of the necessary resources other than for the purposes of providing <u>postal services</u> in the UK. | T 3.4 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | authorised area. | | | |
| C16.5 | <p>Within three months of the end of each financial year occurring during the term of this Licence the Licensee shall submit to Postcomm a certificate as to the adequacy (or otherwise) of the necessary resources for the period of twelve months commencing on the date of the certificate, in one of the following terms –</p> <p>(a) “After making enquiries, the directors of the Licensee have a reasonable expectation that the Licensee will have available to it, after taking into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid, for the period of 12 months referred to in this certificate, the necessary resources (as that term is defined in condition 16 of the licence granted to the Licensee under the Postal Services Act 2000).”</p> <p>(b) “After making enquiries, the directors of the Licensee have a reasonable expectation, subject to the factors set out below, that the Licensee will have available to it, after taking into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid, for the period of 12 months referred to in this certificate, the necessary resources (as that term is defined in condition 16 of the Licence</p> | <p>Within three months of the end of each financial year the <u>Universal Service Provider</u> shall submit to <u>Ofcom</u> a certificate as to the adequacy (or otherwise) of the necessary resources for the period of twelve months commencing on the date of the certificate, in one of the following terms –</p> <p>(a) “After making enquiries, the directors of the Universal Service Provider have a reasonable expectation that the Universal Service Provider will have available to it, after taking into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid, for the period of 12 months referred to in this certificate, the necessary resources (as that term is defined in Condition [T 3] of the regulatory conditions applicable under the Postal Services Act 2011).”</p> <p>(b) “After making enquiries, the directors of the Universal Service Provider have a reasonable expectation, subject to the factors set out below, that the Universal Service Provider will have available to it, after taking into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid, for the period of 12 months referred to in this certificate, the necessary resources (as that term is defined in Condition [T 3] of the regulatory conditions applicable under the Postal Services Act 2011). However, they would like to draw attention to the following factors which may cast doubt on the ability of the Universal</p> | T 3.5 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>granted to the Licensee under the Postal Services Act 2000). However, they would like to draw attention to the following factors which may cast doubt on the ability of the Licensee to carry on the activities authorised or required by the Licence.”</p> <p>(c) “In the opinion of the directors of the Licensee, the Licensee will not have available to it, for the period of 12 months referred to in this certificate, the necessary resources (as that term is defined in condition 16 of the licence granted to the Licensee under the Postal Services Act 2000).”</p> | <p>Service Provider to provide services in the UK.”</p> <p>(c) “In the opinion of the directors of the Universal Service Provider, the Universal Service Provider will not have available to it, for the period of 12 months referred to in this certificate, the necessary resources (as that term is defined in Condition [T 3] of the regulatory conditions applicable under the Postal Services Act 2011).”</p> | | |
| C16.6 | The Licensee shall submit to Postcomm with that certificate a statement of the main factors which the directors of the Licensee have taken into account in giving that certificate. | The <u>Universal Service Provider</u> shall submit to <u>Ofcom</u> with that certificate a statement of the main factors which the directors of the <u>Universal Service Provider</u> have taken into account in giving that certificate. | T 3.6 | Transitory - <u>Universal Service Provider</u> |
| C16.7 | <p>The Licensee shall –</p> <p>(a) notify Postcomm in writing immediately if its directors become aware of any circumstance that causes them to no longer have the reasonable expectation expressed in the most recent certificate, and</p> <p>(b) subject to compliance with the listing rules of any exchange on which stocks or debt issued by the Licensee are traded, publish its notification to Postcomm in such form and manner as Postcomm may direct.</p> | <p>The <u>Universal Service Provider</u> shall –</p> <p>(a) notify <u>Ofcom</u> in writing immediately if its directors become aware of any circumstance that causes them to no longer have the reasonable expectation expressed in the most recent certificate, and</p> <p>(b) subject to compliance with the listing rules of any exchange on which stocks or debt issued by the <u>Universal Service Provider</u> are traded, publish its notification to <u>Ofcom</u> in such form and manner as <u>Ofcom</u> may direct.</p> | T 3.7 | Transitory - <u>Universal Service Provider</u> |
| C16.8 | The Licensee shall obtain and submit to Postcomm with each certificate provided for in paragraph 5 a report prepared by its | The <u>Universal Service Provider</u> shall obtain and submit to <u>Ofcom</u> with each certificate provided for compliance with Condition T [3.5] a report prepared | T 3.8 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | auditor stating whether or not the auditor is aware of any inconsistencies between, on the one hand, that certificate and the statement submitted with it and, on the other hand, any relevant information which he obtained during his audit work. | by its <u>Auditor</u> stating whether or not the <u>Auditor</u> is aware of any inconsistencies between, on the one hand, that certificate and the statement submitted with it and, on the other hand, any relevant information which he obtained during his audit work. | | |
| C16.9 | The Licensee shall procure from each company or other person which is at any time an ultimate holding company of the Licensee a legally enforceable undertaking in favour of the Licensee in the form specified by Postcomm that that ultimate holding company ("the Covenantor") will refrain from any action, and will procure that every subsidiary of the Covenantor (other than the Licensee and its subsidiaries) will refrain from any action, which would be likely to cause the Licensee to breach any of its obligations under the Licence. | The <u>Universal Service Provider</u> shall procure from each company or other person which is at any time an ultimate holding company of the <u>Universal Service Provider</u> a legally enforceable undertaking in favour of the <u>Universal Service Provider</u> in the form specified by <u>Ofcom</u> that that ultimate holding company ("the Covenantor") will refrain from any action, and will procure that every subsidiary of the Covenantor (other than the <u>Universal Service Provider</u> and its subsidiaries) will refrain from any action, which would be likely to cause the <u>Universal Service Provider</u> to breach any of the <u>regulatory conditions</u> . | T 3.9 | Transitory - <u>Universal Service Provider</u> |
| C16.10 | Any undertaking required by paragraph 9 shall be obtained within 7 days of the company or other person in question becoming an ultimate holding company of the Licensee and shall remain in force for so long as the Licensee remains the holder of the Licence and the Covenantor remains the ultimate holding company of the Licensee. | Any undertaking required by T [3.9] shall be obtained within 7 days of the company or other person in question becoming an ultimate holding company of the <u>Universal Service Provider</u> and shall remain in force for so long as the <u>Universal Service Provider</u> is a <u>regulated postal operator</u> and the Covenantor remains the ultimate holding company of the <u>Universal Service Provider</u> . | T 3.10 | Transitory - <u>Universal Service Provider</u> |
| C16.11 | The Licensee shall – (a) deliver to Postcomm a copy of any undertaking given to it for the purpose of paragraph 9 within seven days of it being made, and | The <u>Universal Service Provider</u> shall – (a) deliver to <u>Ofcom</u> a copy of any undertaking given to it for the purpose of T [3.9] within seven days of it being made, and (b) inform <u>Ofcom</u> immediately in writing if the | T 3.11 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | (b) inform Postcomm immediately in writing if the directors of the Licensee become aware that any such undertaking has ceased to be legally enforceable or that its terms have been breached. | directors of the <u>Universal Service Provider</u> become aware that any such undertaking has ceased to be legally enforceable or that its terms have been breached. | | |
| C16.12 | The directors of the Licensee shall not declare or recommend a dividend, nor shall the Licensee make any other form of distribution within the meaning of section 829 of the Companies Act 2006, unless prior to the declaration, recommendation or making of the distribution (as the case may be) the Licensee shall have issued to Postcomm a certificate complying with the requirements of paragraph 13. | The directors of the <u>Universal Service Provider</u> shall not declare or recommend a dividend, nor shall the <u>Universal Service Provider</u> make any other form of distribution within the meaning of section 829 of the Companies Act 2006, unless prior to the declaration, recommendation or making of the distribution (as the case may be) the <u>Universal Service Provider</u> shall have issued to <u>Ofcom</u> a certificate complying with the requirements of T [3.13]. | T 3.12 | Transitory - <u>Universal Service Provider</u> |
| C16.13 | The certificate referred to in paragraph 12 shall – (a) be in the following form – “After making enquiries, the directors of the Licensee are satisfied – (i) that the Licensee is in compliance in all material respects with all obligations imposed on it by condition 16 of its licence under the Postal Services Act 2000, and (ii) that the making of a distribution of [amount] on [date] will not, either alone or when taken together with other circumstances reasonably foreseeable at the date of this certificate, cause the Licensee to be in breach to a material extent of any of the obligations imposed on it by condition 16 of the Licence in the future.”, and | The certificate referred to in T [3.12] shall – (a) be in the following form – “After making enquiries, the directors of the Universal Service Provider are satisfied – (i) that the Universal Service Provider is in compliance in all material respects with all obligations imposed on it by Condition [T 3] of the regulatory conditions applicable under the Postal Services Act 2011, and (ii) that the making of a distribution of [amount] on [date] will not, either alone or when taken together with other circumstances reasonably foreseeable at the date of this certificate, cause the Universal Service Provider to be in breach to a material extent of any of the obligations imposed on it by Condition [T 3] of the regulatory conditions applicable under the Postal Services Act 2011 in | T 3.13 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | (b) be signed by a director of the Licensee and approved by a resolution of the board of directors of the Licensee passed not more than 14 days before the earliest of the dates on which the declaration, recommendation or payment will be made, and where the certificate has been issued in respect of the declaration or recommendation of a dividend, the Licensee shall be under no obligation to issue a further certificate prior to payment of that dividend. | the future.”, and (b) be signed by a director of the <u>Universal Service Provider</u> and approved by a resolution of the board of directors of the <u>Universal Service Provider</u> passed not more than 14 days before the earliest of the dates on which the declaration, recommendation or payment will be made, and where the certificate has been issued in respect of the declaration or recommendation of a dividend, the <u>Universal Service Provider</u> shall be under no obligation to issue a further certificate prior to payment of that dividend. | | |
| C.17 | <p>Subject to paragraph 3, the Licensee shall furnish to Postcomm such information as Postcomm may require or as may be necessary for the purpose of performing the functions assigned to Postcomm by or under the Act.</p> <p>2. Information required to be furnished under this condition shall be furnished in such manner, in such form, at such place and at such times as Postcomm may require.</p> <p>3. This condition shall not require the Licensee to produce any documents or supply any information which it could not be compelled to produce or supply in evidence in civil proceedings before the court on grounds other than that the information does not exist.</p> <p>4. Subject to paragraph 3, nothing in this condition shall prejudice any right of Postcomm to require information under or pursuant to any other condition and the duty</p> | - | | Unnecessary - Ofcom has information gathering powers |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | of the Licensee to furnish information pursuant to this condition shall not be affected by any obligation to furnish information under or pursuant to any other condition. | | | |
| C.18 | <p>1. Subject to paragraph 3, the Licensee shall furnish to the Council such information as the Council may reasonably require or as may be reasonably necessary for the purpose of performing the functions assigned to the Council by or under [sections 24 to 29 of the CEARA] .</p> <p>2. Information required to be furnished under this condition shall be furnished in such manner, in such form, at such place and at such times as the Council may require.</p> <p>3. This condition shall not require the Licensee to produce any documents or supply any information which it could not be compelled to produce or supply in evidence in civil proceedings before the court on grounds other than that the information does not exist.</p> <p>4. The Licensee shall accept the determination of [a designated investigator within the meaning of section 25(3) of the CEARA] in relation to any question arising under paragraph 1 or 2 as to whether any information is reasonably required or is reasonably necessary for the purpose of performing the functions assigned to the Council by or under [sections 24 to 29 of the CEARA] .</p> | - | | Unnecessary – the Council has information gathering powers (see s.24 CEARA) |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| C.19 | <p>1. The Licensee shall keep Postcomm informed of its planning for capital expenditure and of the amount of its capital expenditure in pursuance of its plans, in accordance with the following provisions of this Condition.</p> <p>2. The Licensee shall ensure that Postcomm is provided at all times with a current copy of the policy and procedures approved and applied by its Board for the authorisation and control of expenditure on fixed assets, which procedures shall include a statement of the appraisal techniques adopted by the Licensee to assess the financial return on investments.</p> <p>3. Not later than 31 March in any year the Licensee shall submit to Postcomm a statement in writing –</p> <p>(a) summarising the capital expenditure it expects to incur in the period of twelve months starting immediately after that date and in each of the two periods of twelve months occurring thereafter in each category of expenditure referred to in paragraph 5, and</p> <p>(b) showing, for each investment, expected internal rates of return, based on discounted cash flow analysis, on the expenditure and the expected payback period.</p> <p>4. No later than 30 September in every year occurring after 2006 the Licensee shall submit to Postcomm a statement in writing summarising –</p> | - | | Unnecessary – Ofcom has information gathering powers |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(a) capital expenditure it has committed to spend, and</p> <p>(b) capital expenditure it actually has incurred</p> <p>in the period of twelve months ending on the immediately preceding 31 March.</p> <p>5. Except as Postcomm may agree otherwise, a statement submitted for the purpose of paragraph 3 or 4 shall show separately expected or actual capital expenditure on –</p> <p>(a) land and buildings,</p> <p>(b) plant and machinery,</p> <p>(c) vehicles,</p> <p>(d) computers and information technology items, and</p> <p>(e) other capital assets,</p> <p>in each case subdivided by the period over which the assets acquired as a result of the expenditure will be depreciated in the Licensee's published financial accounts.</p> <p>6. A statement submitted for the purpose of paragraph 3 shall contain an explanation of any changes made in relation to any item included in the statement submitted in the previous year, including any downward revision to the expected internal rate of return.</p> <p>7. A statement submitted for the purpose of paragraph 4 shall contain an explanation of any difference in excess of 5% between the amount shown in respect of any item included in the statement and the amount</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>shown as expected for that item in the most recent statement submitted under paragraph 3 which refers to it.</p> <p>8. For the purpose of this Condition “capital asset” includes –</p> <p>(a) any asset not mentioned in paragraphs (a) to (d) of paragraph 5 that would fall within the description of intangible assets or of tangible assets for the purpose of regulations made under Part 15 of the Companies Act 2006 (i.e. the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, SI No. 410/2008), and</p> <p>(b) any asset employed for the purpose of the postal business under the provisions of a finance lease.</p> | | | |
| C20(1)-(5) | <p>The Licensee shall pay to Postcomm in any relevant year the amount determined in accordance with paragraph 2 and paragraph 6 at the times stipulated in paragraph 3.</p> <p>2. (a) The amount payable under paragraph 1 in respect of a relevant year shall be –</p> <p>(i) if the Licensee’s turnover in the preceding relevant year, from activities which apart from this Licence would be prohibited by section 6(1) of the Act, did not exceed £10 million, the minimum sum, or</p> <p>(ii) in all other cases, the minimum sum plus the additional sum.</p> <p>(b) The additional sum shall be calculated by –</p> | | | Unnecessary - Ofcom’s charges are collected under the Act and not under regulatory conditions. |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(i) taking the total recoverable costs,</p> <p>(ii) adding to that amount the amount (if any) determined by Postcomm (in consultation with the Competition Commission) as having been incurred by the Competition Commission in the preceding relevant year in connection with references made to it under section 15 of the Act,</p> <p>(iii) multiplying the amount calculated as aforesaid by the factor –</p> <p>,</p> <p>where –</p> <p>“A” is the Licensee’s turnover in the preceding relevant year, from activities which apart from this Licence would be prohibited by section 6(1) of the Act, and</p> <p>“B” is the turnover in that year of all holders of licences granted under the Act, from activities which apart from those licences would be prohibited by section 6(1) of the Act.</p> <p>3. The amount due under paragraph 1 –</p> <p>a) shall be payable on 30 June in the relevant year, or if later, on the expiry of one month from the day on which Postcomm serves notice on the Licensee of such amount; and</p> <p>b) can be sent as separate annual invoices by Postcomm to the Licensee relating to separate elements of the amount due under paragraph 1.</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>4. The Licensee shall comply with any requirement by Postcomm by notice in writing to maintain and audit records and to furnish Postcomm with information as to the Licensee's turnover in any relevant year from activities which apart from this Licence would be prohibited by section 6(1) of the Act.</p> <p>5. In this condition –</p> <p>“minimum sum” in relation to a relevant year, means £1,000,</p> <p>“postal services customers” means consumers of relevant postal services within the meaning of section 41 of CEARA ,</p> <p>“relevant year” means any year beginning on 1 April,</p> <p>“total recoverable costs” means the aggregate of –</p> <p>(a) the amount estimated by Postcomm as likely to be the costs incurred by it during the relevant year in the exercise of the functions assigned to it or arising by or under –</p> <p>(i) the Act,</p> <p>(ii) any other Act of Parliament,</p> <p>(iii) any subordinate legislation made under any Act of Parliament, or</p> <p>(iv) any Community obligation,</p> <p>(b) the appropriate proportion that the Secretary of State considers is reasonable, having regard to the functions exercisable by the Council in relation to postal services customers, of the estimated expenses of the Council (including expenses which relate to</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>its establishment but not expenses within paragraph (d)), likely to be incurred during the relevant year,</p> <p>(c) the appropriate proportion that the Secretary of State considers is reasonable, having regard to the functions exercisable by the Council in relation to postal services customers, of the estimated expenses of the Secretary of State which relate to the establishment of the Council, likely to be incurred during the relevant year,</p> <p>(d) the estimated expenses of the Council, the Secretary of State or the Consumer Council for Postal Services which relate to a transfer scheme made in respect of the Consumer Council for Postal Services under section 35(2)(a) or (7) of the CEARA, likely to be incurred during the relevant year, the estimated expenses of the Secretary of State which relate to the abolition of the Consumer Council for Postal Services, likely to be incurred during the relevant year,</p> <p>(f) the estimated expenses of the Office of Fair Trading which relate to the expansion of Consumer Direct to enable it to cater for postal service customers, likely to be incurred during the relevant year ,</p> <p>(g) the amount of the difference, if any, between the costs mentioned in sub-paragraph (a) or (b) or (c) or (d) or (e) or (f) which Postcomm considers were actually incurred during the previous relevant year and the estimate of the costs in question</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | made by it for the purposes of this condition, where the latter exceeds the former the amount of the difference being treated as a negative amount. | | | |
| C20.6(i) | <p>The Licensee shall pay to Postcomm in any relevant year the amount determined in accordance with paragraph 2 and paragraph 6 at the times stipulated in paragraph 3.</p> <p>The amount payable under paragraph 1 in respect a relevant year shall also include i. the appropriate proportion that the Secretary of State considers is reasonable, having regard to the functions exercisable by Consumer Direct in relation to postal services customers of the Licensee, of the estimated expenses of the Office of Fair Trading on or in connection with the support of Consumer Direct, likely to be incurred during the relevant year, and</p> | <p>1. For the purposes of this Condition, the turnover taken into account shall be turnover from <u>regulated postal services</u>, (excluding access payments in the case of <u>postal operators</u> other than the <u>universal service provider</u>).</p> <p>2. A <u>regulated postal operator</u> that generated turnover exceeding £10 million, in the preceding year beginning on 1 April, shall pay to <u>Ofcom</u> in any <u>relevant year</u> such proportion as <u>Ofcom</u> may specify of the <u>qualifying consumer expenses</u> of the <u>Council</u> or the <u>OFT</u>.</p> <p>3. The proportion will be calculated by multiplying the total <u>qualifying consumer expenses</u> by that <u>regulated postal operator's</u> share of turnover expressed as a percentage of the total turnover generated by all <u>regulated postal operators</u>.</p> <p>4. In the first <u>relevant year</u> in which this Condition is in force:</p> <p>(a) any request for payment by the Postal Services Commission under any condition of a licence issued under the Postal Services Act 2000 shall be deemed to be a request for payment by <u>Ofcom</u>; and</p> <p>(b) any payment made to the Postal Services Commission under any condition of a licence issued under the Postal Services</p> | CP 6.1 - 6.5 | CP – <u>regulated postal operators</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | <p>Act 2000 shall be deemed to be a payment made under this Condition.</p> <p>5. The amount due shall be payable on 30 June in the <u>relevant year</u> or, if later, on the expiry of one month from the day on which <u>Ofcom</u> serves notice on the <u>regulated postal operator</u> of such amount.</p> | | |
| C20.6(ii) | <p>ii. the amount of the difference, if any, between</p> <p>a) the costs which Postcomm considers were actually incurred during the previous relevant year and</p> <p>b) the estimate of the costs in question made by it for the purposes of paragraph 6, where the latter exceeds the former the amount of the difference being treated as a negative amount.</p> | | | <p>Unnecessary</p> <p>Ofcom's charges are collected under the Act and not under regulatory conditions.</p> <p>Adjustments to amounts for Consumer Direct etc in respect of over/under estimates are a matter for the SoS and not Ofcom.</p> |
| C21 | | This Condition T[4] shall cease to apply on 31 March 2012. | T 4.1 | <p>Transitory - <u>Universal Service Provider</u></p> <p>Almost all aspects of the price control cease to have effect on 31 March 2012. We</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | | | provisionally take the view that the price control is a coherent whole. Since most of it falls away as at that date, it appears sensible (and will be to substantially the same effect) that all of it should. |
| C21.1 | Except in so far as Postcomm on the application of the Licensee and after consultation with the Council directs otherwise, the Licensee shall at all times offer and provide the Regulated Services on as wide a basis within the United Kingdom as they were offered and provided in the month ending on 31 March 2006. | Except in so far as <u>Ofcom</u> on the application of the <u>Universal Service Provider</u> and after consultation with the <u>Council</u> directs otherwise, the <u>Universal Service Provider</u> shall at all times offer and provide the <u>Regulated Services</u> on as wide a basis within the United Kingdom as they were offered and provided in the month ending on 31 March 2006. | T 4.2 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The condition as currently drafted is “mixed” (it applies to universal, access and other services) and as such it must be transitory.</p> <p>It is likely to be possible to redraft this so as to separate out those services in relation to which the existing price control could in our</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | | | view be applied as conditions under Part III of the Act. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work. |
| C21.2 | Except in relation to Access Services and subject to paragraphs 3 and 4, the Licensee shall at all times offer and provide the Regulated Services on terms other than price that are no less beneficial to the persons for whom the services are offered and provided than the terms on which they were offered and provided in March 2006. | Except in relation to <u>Access Services</u> and subject to T <u>4.4 and 4.5</u> , the <u>Universal Service Provider</u> shall at all times offer and provide the <u>Regulated Services</u> on terms other than price that are no less beneficial to the persons for whom the services are offered and provided than the terms on which they were offered and provided in March 2006. | T 4.3 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The condition as currently drafted is “mixed” (it applies to universal, access and other services) and as such it must be transitory.</p> <p>It is likely to be possible to redraft this so as to separate out those services in relation to which the existing price control could in our view be applied as</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | | | conditions under Part III of the Act. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work |
| C21.3 | <p>The Licensee may apply to Postcomm at any time for approval to change the terms other than price on which any service subject to the obligation in paragraph 2 is offered and provided and if –</p> <p>(a) the application is accompanied by a statement of agreement from the Council, and</p> <p>(b) Postcomm has not, within one calendar month of receipt of the application, given notice in writing to the Licensee that Postcomm –</p> <p>(i) rejects the application as being unclear or insufficiently detailed, or</p> <p>(ii) is of the view that consultation is required before the change may be introduced,</p> <p>then the terms on which the service is offered may be changed from the end of that period of one month in the manner specified in the notice given by the Licensee;</p> | <p>The <u>Universal Service Provider</u> may apply to <u>Ofcom</u> at any time to change the terms other than price on which any service subject to the obligation in T [4.3] is offered and provided and if –</p> <p>(a) the application is accompanied by a statement of agreement from the <u>Council</u>, and</p> <p>(b) <u>Ofcom</u> has not, within one calendar month of receipt of the application, given notice in writing to the <u>Universal Service Provider</u> that <u>Ofcom</u> –</p> <p>(i) rejects the application as being unclear or insufficiently detailed, or</p> <p>(ii) is of the view that consultation is required before the change may be introduced,</p> <p>then the terms on which the service is offered may be changed from the end of that period of one month in the manner specified in the notice given by the <u>Universal Service Provider</u>;</p> | T 4.4 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| C21.4 | <p>Where an application by the Licensee under paragraph 3 is not accompanied by a statement of agreement from the Council, or Postcomm has indicated pursuant to paragraph 3(b)(ii) that consultation is required then, if Postcomm has –</p> <p>(a) consulted with the Council and with such other persons as it sees fit,</p> <p>(b) considered such further information (if any) as it may have required to be furnished, and</p> <p>(c) issued to the Licensee a direction in writing stating that it has concluded that the terms on which the service in question is offered may be changed in the manner applied for by the Licensee with such modifications (if any) as may be specified in the direction,</p> <p>then with effect from such date as may be specified in the direction those terms may be changed as provided in the direction</p> | <p>Where an application by the <u>Universal Service Provider</u> under T [4.4] is not accompanied by a statement of agreement from the <u>Council</u>, or <u>Ofcom</u> has indicated pursuant to T [4.4(b)(ii)] that consultation is required then, if <u>Ofcom</u> has –</p> <p>(a) consulted with the <u>Council</u> and with such other persons as it sees fit,</p> <p>(b) considered such further information (if any) as it may have required to be furnished, and</p> <p>(c) issued to the <u>Universal Service Provider</u> a direction in writing stating that it has concluded that the terms on which the service in question is offered may be changed in the manner applied for by the <u>Universal Service Provider</u> with such modifications (if any) as may be specified in the direction,</p> <p>then with effect from such date as may be specified in the direction those terms may be changed as provided in the direction.</p> | T 4.5 | <p>Transitory - <u>Universal Service Provider</u></p> |
| C21.5(a) | <p>Except in so far as Postcomm, on the application of the Licensee in the interest of relieving users of postal services from adverse volatility in prices charged by the Licensee for postal services, may by direction in writing agree otherwise, the Licensee shall take all reasonable steps to ensure that in each Formula Year after Formula Year $t = 0$, and at any time during each Formula Year prior to making any material changes to its prices, it sets prices for the Controlled Services so as to meet the following</p> | <p>Except in so far as <u>Ofcom</u>, on the application of the <u>Universal Service Provider</u> in the interest of relieving <u>users of postal services</u> from adverse volatility in prices charged by the <u>Universal Service Provider</u> for <u>postal services</u>, may by direction in writing agree otherwise, the <u>Universal Service Provider</u> shall take all reasonable steps to ensure that in each <u>Formula Year after Formula Year $t = 0$</u>, and at any time during each <u>Formula Year</u> prior to making any material changes to its prices, it sets prices for the <u>Controlled Services</u> so as to meet the following conditions, namely –</p> | T 4.6 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The condition as currently drafted is “mixed” (it applies to universal, access and other services) and as such it must be transitory.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|--------|---|
| | <p>conditions, namely –</p> <p>(a) in respect of each of Baskets A and B, and where $t = 6$ for Basket C –</p> $ER_t \leq AR_t$ <p>where –</p> <p>ER_t is the revenue earned from the Basket in Formula Year t calculated on an accruals basis in accordance with paragraph 6, and</p> <p>AR_t is the allowed revenue for the Basket in Formula Year t calculated in accordance with paragraph 7, and</p> | <p>in respect of each of <u>Baskets A</u> and <u>B</u>, and <u>C</u> –</p> $ER_t \leq AR_t$ <p>where –</p> <p>ER_t is the revenue earned from the Basket in Formula Year t calculated on an accruals basis in accordance with paragraph 6, and</p> <p>AR_t is the allowed revenue for the Basket in Formula Year t calculated in accordance with paragraph 7.</p> | | <p>It is likely to be possible to redraft this so as to separate out basket C, in relation to which the existing price control could in our view be applied as a USP Access Condition. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work.</p> |
| C21.5(b) | <p>(b) [subject to paragraph 5B] , and for Formula Years $t = 1$ to $t = 5$ in respect of Access Services the following conditions are met –</p> <p>(i) when the service is priced on a uniform national basis, for each Price Point in respect of each Access Service, s,</p> | | | <p>Unnecessary</p> <p>$t=5$ was last year</p> <p>A direction has been issued in relation to this paragraph, which it is also unnecessary to</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $p_{st} \leq arp_{yt} * \left(\frac{100 - D_{sy}}{100} \right)$ <p>where – p_{st} is the price at any time in Formula Year t for any Price Point for any Access Service, s, arp_{yt} is the Access Reference Price at the same time for the same Price Point for a corresponding end-to-end service in Basket B, numbered y, and D_{sy} is a price differential, calculated as at 30 March 2006, save in respect of Access Services 44A and 44B between the price at each Price Point for an Access Service, s, and the Access Reference Price at the same Price Point for its corresponding end-to end service, y, where – for s = 39, y = 27, for s = 40, y = 28, for s = 41, y = 28, for s = 42, y = 21, for s = 43, y = 22, for s = 44, y = 24, for s = 44A, y = 22A, for s = 44B, y = 22B, for s = 45, y = 36, and s and y refer to the numbers of Controlled Services listed in paragraph 38(a), and D_{sy} shall, save in respect of Access Services 44A and 44B where D_{sy} shall be 19.4% , be calculated for each Price Point for</p> | | | transpose. |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>each Access Service using the formula –</p> $D_{sy} = \left(\frac{arp_{yt=0} - ppp_{st=0}}{arp_{yt=0}} \right) * 100$ <p>where</p> <p>(aa) until the introduction of Pricing in Proportion</p> <p>pppst=0 is the price on 30 March in Formula Year t = 0 at a Price Point for an Access Service, s, and</p> <p>arpyt=0 is the Access Reference Price on that date for the same Price Point for the corresponding Controlled Service, y, and</p> <p>(bb) from the introduction of Pricing in Proportion pppst=0 and arpyt=0 shall have such values at each Price Point as may be set out in or calculated pursuant to such direction as may be made by Postcomm for the purpose of this paragraph ,</p> <p>provided that for Formula Years subsequent to Formula Year t = 2, if</p> <p>(aa) Postcomm has received a request to review any of the values of Dsy as calculated above from the Licensee, or from any person to whom the Licensee provides an Access Service,</p> <p>(bb) Postcomm has given not less than three months' notice of its intention to review such values to the Licensee, to all persons to whom the Licensee provides an Access Service and to the Council, and</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|-------------|--------|------------------------------|
| | <p>(cc) Postcomm has given to the persons referred to in paragraph (bb) the opportunity in that period to make representations to it in relation to the relevant request, then, to the extent that Postcomm determines that it is appropriate, and if the Licensee consents, there shall be substituted such other value or values for Dsy (if any) as Postcomm may determine by direction in writing, and</p> <p>(ii) [in Formula Years $t = 1$, $t = 2$, $t = 3$ and $t = 4$] when the service is not priced on a geographically uniform basis the Licensee shall set prices by reference to Zones and, for each Price Range in respect of each service, the Zone 3 price shall equal the uniform national price calculated in accordance with paragraph (i) and for each Price Range in respect of every other Zone the price shall be the same multiple of the Zone 3 price as it was on 31 March 2006, provided that for Formula Years subsequent to Formula Year $t = 2$, if</p> <p>(aa) Postcomm has given not less than three months' notice to the Licensee, to all persons to whom the Licensee provides an Access Service and to the Council of its intention to review the relationship of Zone 3 prices to uniform national prices or the relationship of Zone 3 prices to prices in other Zones, and</p> <p>(bb) Postcomm has given to the persons referred to in paragraph (aa) the opportunity</p> | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|----------|--|
| | <p>in that period to make representations to it in relation to its intention, then, to the extent that Postcomm determines that it is appropriate, and if the Licensee consents, there shall be substituted such other relationships (if any) between Zone 3 prices and uniform national prices and between Zone 3 prices and prices in other Zones as Postcomm may determine by direction in writing[, and</p> <p>(iii) for Formula Years subsequent to Formula Year t = 4 paragraph 5A shall apply]</p> <p>.</p> | | | |
| C21.5(c) | <p>where t = 6, in respect of the Controlled Services set out below, the following conditions are met –</p> $cp_{ct} \geq Rp_{lt} + md_{clt}$ <p>where –</p> <p>cp_{ct} is the price at a Price Point for the conveyance of postal packets by a Controlled Service or the equivalent Advertising Mail, Sustainable Mail or Advertising Sustainable Mail of the Controlled Service, c , reduced by the maximum amount of all discounts available at the time of determination irrespective of any qualification conditions for such discounts, and,</p> <p>Rp_{lt} is the price at the same time for the same Price Point for the Controlled Service's Reference Service, and includes the equivalent Advertising Mail, Responsible</p> | <p>Until 31 March 2012, except in so far as <u>Ofcom</u>, on the application of the <u>Universal Service Provider</u> in the interest of relieving <u>users of postal services</u> from adverse volatility in prices charged by the <u>Universal Service Provider</u> for <u>postal services</u>, may by direction in writing agree otherwise, the <u>Universal Service Provider</u> shall take all reasonable steps to ensure that in each <u>Formula Year</u> after <u>Formula Year</u> t = 0, and at any time during each <u>Formula Year</u> prior to making any material changes to its prices, it sets prices for the <u>Controlled Services</u> set out below so as to meet the following conditions, namely –</p> $cp_{ct} \geq Rp_{lt} + md_{clt}$ <p>where –</p> <p>cp_{ct} is the price at a <u>Price Point</u> for the conveyance of <u>postal packets</u> by a <u>Controlled Service</u> or the equivalent Advertising Mail, Sustainable Mail or</p> | USPA 4.1 | USP Access - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------|--|---------------|---------|------------------------------|--|--|---------|---------------|---------|------------|----------|----|------|-----|----|-----------|-----|------|-----|----|-----------|-----|------|-----|----|-----------|-----|------|-----|----|-----------|-----|-----|-----|-----|--|-------------|--------|--|--|--|---------|---------------|---------|------------|----------|----|------|-----|----|-----------|-----|------|-----|----|--|--|
| | <p>Mail and Advertising Responsible Mail, I , and save as Postcomm may by direction determine,</p> <p><i>[table on pp86-89 not reproduced]</i></p> <p>md_{clt} is the minimum price differential between cp_{ct} and Rp_{lt} within a weight band for each format and is set out below, save in relation to any other Controlled Service (or equivalent Advertising Mail, Sustainable Mail or Advertising Sustainable Mail) and Reference Service (or equivalent Advertising Mail, Responsible Mail and Advertising Responsible Mail) as otherwise determined by Postcomm by direction,</p> <table border="1"> <tr> <th rowspan="2">Weight band</th><th colspan="4">Format</th></tr> <tr> <th>Letters</th><th>Large letters</th><th>Packets</th><th>A3 Packets</th></tr> <tr> <td>0 – 100g</td><td>3p</td><td>5.5p</td><td>33p</td><td>8p</td></tr> <tr> <td>101- 250g</td><td>N/A</td><td>5.5p</td><td>33p</td><td>8p</td></tr> <tr> <td>251- 500g</td><td>N/A</td><td>5.5p</td><td>33p</td><td>8p</td></tr> <tr> <td>501- 750g</td><td>N/A</td><td>5.5p</td><td>33p</td><td>8p</td></tr> <tr> <td>751g- 1kg</td><td>N/A</td><td>N/A</td><td>33p</td><td>N/A</td></tr> </table> | Weight band | Format | | | | Letters | Large letters | Packets | A3 Packets | 0 – 100g | 3p | 5.5p | 33p | 8p | 101- 250g | N/A | 5.5p | 33p | 8p | 251- 500g | N/A | 5.5p | 33p | 8p | 501- 750g | N/A | 5.5p | 33p | 8p | 751g- 1kg | N/A | N/A | 33p | N/A | <p>Advertising Sustainable Mail of the <u>Controlled Service</u>, (“c” in the table below) , reduced by the maximum amount of all discounts available at the time of determination irrespective of any qualification conditions for such discounts, and,</p> <p>Rp_{lt} is the price at the same time for the same <u>Price Point</u> for the <u>Controlled Service’s Reference Service</u>, and includes the equivalent Advertising Mail, Responsible Mail and Advertising Responsible Mail, (“l” in the table below), and save as <u>Ofcom</u> may by direction determine,</p> <p><i>[table on pp86-89 not reproduced but to be included in Condition]²⁸</i></p> <p>md_{clt} is the minimum price differential between cp_{ct} and Rp_{lt} within a weight band for each format and is set out below, save in relation to any other Controlled Service (or equivalent Advertising Mail, Sustainable Mail or Advertising Sustainable Mail) and Reference Service (or equivalent Advertising Mail, Responsible Mail and Advertising Responsible Mail) as otherwise determined by <u>Ofcom</u> by direction,</p> <table border="1"> <tr> <th rowspan="2">Weight band</th><th colspan="4">Format</th></tr> <tr> <th>Letters</th><th>Large letters</th><th>Packets</th><th>A3 Packets</th></tr> <tr> <td>0 – 100g</td><td>3p</td><td>5.5p</td><td>33p</td><td>8p</td></tr> <tr> <td>101- 250g</td><td>N/A</td><td>5.5p</td><td>33p</td><td>8p</td></tr> </table> | Weight band | Format | | | | Letters | Large letters | Packets | A3 Packets | 0 – 100g | 3p | 5.5p | 33p | 8p | 101- 250g | N/A | 5.5p | 33p | 8p | | |
| Weight band | Format | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Letters | Large letters | Packets | A3 Packets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 – 100g | 3p | 5.5p | 33p | 8p | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 101- 250g | N/A | 5.5p | 33p | 8p | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 251- 500g | N/A | 5.5p | 33p | 8p | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 501- 750g | N/A | 5.5p | 33p | 8p | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 751g- 1kg | N/A | N/A | 33p | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weight band | Format | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Letters | Large letters | Packets | A3 Packets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 – 100g | 3p | 5.5p | 33p | 8p | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 101- 250g | N/A | 5.5p | 33p | 8p | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

²⁸ A copy is available on request from Ofcom.

| Condition | Old wording | New wording | New no | Condition type/applicable to | | | | | | | | | | | | | | | |
|-----------|---|--|----------|--|------|-----|----|----------|-----|------|-----|----|----------|-----|-----|-----|-----|--|--|
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| 251-500g | N/A | 5.5p | 33p | 8p | | | | | | | | | | | | | | | |
| 501-750g | N/A | 5.5p | 33p | 8p | | | | | | | | | | | | | | | |
| 751g-1kg | N/A | N/A | 33p | N/A | | | | | | | | | | | | | | | |
| C21.5A.1 | By 1 July 2009 the Licensee shall allocate postcode sectors to GZones and shall publish those allocations for Formula Year t = 4, by making them available on the Royal Mail Wholesale website. | The <u>Universal Service Provider</u> shall maintain on its website a document showing the allocation of <u>postcode sectors</u> to <u>GZones</u> in the <u>Formula Year</u> ending 31 March 2010, in accordance with its <u>Condition USPA [4] costing methodology</u> . | USPA 4.2 | USP access - <u>Universal Service Provider</u> | | | | | | | | | | | | | | | |
| C21.5A.2 | The Licensee shall no later than 1 July 2009 submit to Postcomm and publish a statement setting out its process for updating the allocation of, and allocating new postcode sectors to, GZones in a manner which is consistent with the allocation made for the purpose of paragraph 1. | <p>The <u>Universal Service Provider</u> must ensure that the allocation (including re-allocation) of, and allocating new <u>postcode sectors</u> to, <u>GZones</u> is made in accordance with the <u>Condition USPA [4] Costing Methodology</u>).</p> <p>The <u>Condition [4] costing methodology</u> must use, as far as reasonably practical –</p> <p>(a) actual cost and volume data which can be directly assigned to a particular delivery office, and</p> <p>(b) a statistical model that determines the unit costs for each <u>GZone</u> based on specific data associated with each <u>postcode sector</u> within each delivery office.</p> <p>The <u>Universal Service Providers</u> shall publish its <u>Condition USPA [4] costing methodology</u>²⁹.</p> | USPA 4.3 | USP access - <u>Universal Service Provider</u> See C.21.5A.6-10 | | | | | | | | | | | | | | | |
| C21.5A.3 | Not later than nine weeks before the | Not later than nine weeks before the | USPA | USP access - | | | | | | | | | | | | | | | |

²⁹ The Condition USPA [4] costing methodology has been published at http://www.royalmailwholesale.com/index.php/download_file/view/607/.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | implementation of any change in allocation of postcode sectors to GZones pursuant to paragraph 2 the Licensee shall – (a) submit to Postcomm, a statement in writing from its Auditors certifying that in their opinion the allocation has been determined reasonably and in a manner consistent with the requirements of the statement published in accordance with paragraph 2 and (b) publish the proposed allocations on the Royal Mail Wholesale website in a manner which will make them readily available to persons having an interest in them. | implementation of any change in allocation of postcode sectors to <u>GZones</u> pursuant to USPA <u>[4.3]</u> the <u>Universal Service Provider</u> shall – (a) submit to <u>Ofcom</u> a statement in writing from its <u>Auditors</u> certifying that in their opinion the allocation has been determined reasonably and in a manner consistent with the requirements of the statement published in accordance with USPA <u>[4.3]</u> and (b) publish the proposed allocations on its website in a manner which will make them readily available to persons having an interest in them. | 4.4 | <u>Universal Service Provider</u> |
| C21.5A.4 | For Formula Years subsequent to Formula Year $t = 4$, if an Access Service is not priced on a geographically uniform basis – | If an <u>Access Service</u> is not priced on a geographically uniform basis – | USPA 4.5 | USP access - <u>Universal Service Provider</u> |
| C21.5A.4(a) | the Licensee shall be assumed in Formula Year $t = 4$ to have set prices by reference to GZones and, for each Price Range in respect of each Access Service shall ensure that the assumed price $GP(s,t,z)$ for each Controlled Service s , in Formula Year $t = 4$ and GZone z shall be set out in a table to be provided to Postcomm and published by making it reasonably available on the Royal Mail Wholesale website by 1 July 2009 and shall be such that the following conditions are complied with – | a) the <u>Universal Service Provider</u> shall be assumed to have set prices by reference to <u>GZones</u> in <u>Formula Year</u> $t = 4$ in accordance with the document provided by <u>Royal Mail</u> to the Postal Services Commission entitled “Assumed Zonal Access Percentage Price Variation from National Price for 2009-10 - New Zonal Structure” ³⁰ (the “ <u>Assumed Prices document</u> ”) For each <u>Price Range</u> in respect of each <u>Access Service</u> the <u>Universal Service Provider</u> shall ensure that the following conditions are complied with – | USPA 4.5(a) | USP access - <u>Universal Service Provider</u> |
| C21.5A.4(i) | where $t < 6$, | | | Unnecessary ($t =$ |

³⁰ Published on Royal Mail's website..

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|----------------|--|--|-----------------------|--|
| a)(i) | $\sum_{z=A}^{z=D} (GP_{(s,t,z)} * GW_{(t-2,z)}) = p_{(s,t)}$ | | | 6) |
| C21.5A.4(a)(i) | <p>and where t = 6,</p> $\sum_{z=A}^{z=D} (GP_{(s,t,z)} * GW_{(t-1*,z)}) = \bar{p}_{(s,t)}$ $p_{(s,t)} * (1 - \mu) \leq \bar{p}_{(s,t)} \leq p_{(s,t)}$ | $\sum_{z=A}^{z=D} (GP_{(s,t,z)} * GW_{(t-1*,z)}) = \bar{p}_{(s,t)}$ $p_{(s,t)} * (1 - \mu) \leq \bar{p}_{(s,t)} \leq p_{(s,t)}$ | USPA 4.5(a) continued | USP access - <u>Universal Service Provider</u> |
| C21.5A.4(a)(i) | <p>where – GW(t-2,z) is the proportion delivered in GZone z in Formula Year t - 2 of all inland addressed mail delivered through the Licensee's delivery offices as measured by the Licensee's Mail Characteristics Survey, GW(t-1*,z) is the proportion delivered in GZone z in the 12 months up to September in Formula Year t - 1 of all inland addressed mail delivered through the Licensee's delivery offices as measured by the Licensee's Mail Characteristics Survey, $\bar{p}_{(s,t)}$ is the weighted average price for the zonal prices of Controlled Service, s, and μ is 0.02 p(s,t) is the price for the same service when priced on a geographically uniform basis, where up to and including t = 5 it is calculated in accordance with Condition 21 (5)(b)(i), and</p> | <p>where – z is the <u>GZone</u> GP(s,t,z) is the assumed price for each <u>Controlled Service</u> "s", in <u>Formula Year</u> t = 4 based on the <u>Assumed Prices</u> document. GW(t-1*,z) is the proportion delivered in GZone "z" in the 12 months up to September in <u>Formula Year</u> t-1 of all inland addressed mail delivered through the <u>Universal Service Provider's</u> delivery offices as measured by the <u>Universal Service Provider's Mail Characteristics Survey</u>, $\bar{p}_{(s,t)}$ is the weighted average price for the zonal prices of <u>Controlled Service</u>, s, and μ is 0.02 p(s,t) is the price for the same service when priced on a geographically uniform basis, where in the year ending 31 March 2012 it is calculated having regard to Condition USPA [4.1]</p> | USPA 4.5(a) continued | USP access - <u>Universal Service Provider</u> Definition of GW(t-2,z) not needed – only applies in t<6 and does not affect GW(t-1*,z). |

| Condition | Old wording | New wording | New no | Condition type/applicable to | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------|--|--|--------------|--|--------------|------------|---------|-------|---|------|-------|---|---|--|---|------|------|-----|----|----------|---|------|------|------|----|--|---|------|------|------|---|-------|--|--|--|-----|----|--------|--|--|--|--|---|--|--|--|--|--|----|--|--|--|--|--|----|--|--|--|--|--|----|--|--|--|--|--|---|--|--|--|
| | where t = 6 it is calculated having regard to Condition 21(5)(c) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C21.5A.4(a)(ii) | <div>$\left(\frac{GP_{s,t,z}}{p_{s,t}}\right) = \left(1 + \frac{\partial_{s,t,z}}{100}\right)$</div> <div>where the value for $\partial_{s,t,z}$ is defined for all Access Services for Formula Year $t = 4$ as –</div> <table><tr><td></td><td></td><td>Letter</td><td>Large Letter</td><td>A3 Packets</td><td>Packets</td></tr><tr><td>Urban</td><td>A</td><td>10.3</td><td>-10.1</td><td>-</td><td>-</td></tr><tr><td></td><td>B</td><td>-0.9</td><td>-1.4</td><td>4.2</td><td>14</td></tr><tr><td>Suburban</td><td>C</td><td>10.7</td><td>10.5</td><td>-2.5</td><td>.2</td></tr><tr><td></td><td>D</td><td>14.3</td><td>15.4</td><td>26.9</td><td>-</td></tr><tr><td>Rural</td><td></td><td></td><td></td><td>6.2</td><td>2.</td></tr><tr><td>London</td><td></td><td></td><td></td><td></td><td>5</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>26</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>.9</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>6.</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>2</td></tr></table> | | | Letter | Large Letter | A3 Packets | Packets | Urban | A | 10.3 | -10.1 | - | - | | B | -0.9 | -1.4 | 4.2 | 14 | Suburban | C | 10.7 | 10.5 | -2.5 | .2 | | D | 14.3 | 15.4 | 26.9 | - | Rural | | | | 6.2 | 2. | London | | | | | 5 | | | | | | 26 | | | | | | .9 | | | | | | 6. | | | | | | 2 | | | Unnecessary The calculation relates only to year t=4 and has therefore been done already and published pursuant to C21.4.(a) as part of the Assumed Price document. |
| | | Letter | Large Letter | A3 Packets | Packets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Urban | A | 10.3 | -10.1 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | B | -0.9 | -1.4 | 4.2 | 14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suburban | C | 10.7 | 10.5 | -2.5 | .2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | D | 14.3 | 15.4 | 26.9 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rural | | | | 6.2 | 2. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| London | | | | | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | 26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | .9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | 6. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C21.5A.4(b) | the Licensee shall set prices by reference to GZones and so as to meet the condition, in paragraph (a)(i) and so that the following conditions are complied with, namely that for each Controlled Service s and GZone z, in Formula Year t, GP(s,t,z) is such that for each Price Point – | The <u>Universal Service Provider</u> shall set prices by reference to <u>GZones</u> so that the following conditions are complied with, namely that for each <u>Controlled Service</u> “s” and <u>GZone</u> “z”, in <u>Formula Year</u> “t”, GP(s,t,z) is such that for each <u>Price Point</u> : | USPA 4.5(b) | USP access - <u>Universal Service Provider</u> “and so as to meet the condition, in paragraph (a)(i)” | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $\left(\frac{GP_{s,t,z}}{GP_{s,t-1,z}} \right) \geq 0.97 \left(\frac{\overline{p_{s,t}}}{p_{s,t-1}} \right)$ <p>and</p> $\left(\frac{GP_{s,t,z}}{GP_{s,t-1,z}} \right) \leq 1.03 \left(\frac{\overline{p_{s,t}}}{p_{s,t-1}} \right)$ <p>provided that, for Formula Year t = 5, GPs,t-1,z shall be the assumed value for GPs,t,z for Formula Year t = 4 (as set out in the table published pursuant to sub-paragraph (a) of this paragraph),</p> | $\left(\frac{GP_{s,t,z}}{GP_{s,t-1,z}} \right) \geq 0.97 \left(\frac{\overline{p_{s,t}}}{p_{s,t-1}} \right)$ <p>and</p> $\left(\frac{GP_{s,t,z}}{GP_{s,t-1,z}} \right) \leq 1.03 \left(\frac{\overline{p_{s,t}}}{p_{s,t-1}} \right)$ <p>provided that, for the purposes of this calculation, GPs,t-1,z for <u>Formula Year</u> t=5 shall be the assumed value for GPs,t,z for <u>Formula Year</u> t = 4 (as set out in the <u>Assumed Prices</u> document).</p> | | deleted because paragraph (a)(i) imposes the obligation. |
| C21.5A.4(c) | in exercising the discretion conferred by this paragraph to alter prices in one GZone relative to prices in other GZones the Licensee shall seek to ensure that zonal access prices are no less cost reflective from one year to the next. | In exercising the discretion conferred by this paragraph to alter prices in one <u>GZone</u> relative to prices in other <u>GZones</u> the <u>Universal Service Provider</u> shall seek to ensure that zonal access prices are no less cost reflective from one year to the next. | USPA 4.5(c) | USP access - <u>Universal Service Provider</u> |
| C21.5A.5 | Not later than nine weeks before the implementation of any change in prices pursuant to paragraph 4(b) the Licensee shall – (a) procure a statement in writing from its Auditors certifying that in their opinion the prices intended to be introduced by the Licensee have been determined in a | Not later than nine weeks before the implementation of any change in prices pursuant to USPA <u>[4.5(b)]</u> the <u>Universal Service Provider</u> shall – (a) procure and submit to <u>Ofcom</u> a statement in writing from its <u>Auditors</u> certifying that in their opinion the prices intended to be introduced by the <u>Universal Service Provider</u> have been determined | USPA 4.6 | USP access - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|--|--------|------------------------------|
| | reasonable manner consistent with the conditions referred to and set out in paragraph 4(b), (b) submit to Postcomm the statement referred to in sub-paragraph (a) of this paragraph, and (c) publish the proposed prices on the Royal Mail Wholesale website in a manner which will make them readily available to persons having an interest in them | in a reasonable manner consistent with the conditions referred to and set out in USPA [4.5(b)], and (b) publish the proposed prices on its website in a manner which will make them readily available to persons having an interest in them,. | | |
| C21.5A.6 | Subject to paragraph 7, the Licensee shall develop, publish and implement no later than July 2011 a costing methodology for the purpose of calculating the cost of GZones which uses, as far as reasonably practical – (a) actual cost and volume data which can be directly assigned to a particular delivery office, and (b) a statistical model that determines the unit costs for each GZone based on specific data associated with each postcode sector within each delivery office. | | | See C.21.5A.2 |
| C21.5A.7 | For the purpose of developing the costing methodology referred to in paragraph 6 the Licensee shall conduct a consultation exercise which – (a) will enable all persons likely to be affected by the introduction of the costing methodology to have a reasonable opportunity to comment on it, (b) will be conducted so as to enable the Licensee to publish a response on the consultation exercise and announce changes | | | See C.21.5A.2 |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | to the allocation of postcode sectors to GZones not less than six months before those changes take effect. | | | |
| C21.5A.8 | The Licensee shall continue to allocate postcode sectors to GZones as specified in paragraphs 2 and 3 of this Condition until such time as it is able to amend the allocation of Postcode sectors to GZones with a view to ensuring that such allocation reflects as far as possible the costs of delivering letters in different postcode sectors as calculated using the costing methodology developed and implemented pursuant to paragraph 6. | | | See C.21.5A.2 |
| C21.5A.9 | The Licensee will only implement an amended allocation of Postcode sectors to GZones pursuant to paragraph 8 where following consultation: (a) it is satisfied on reasonable grounds that there is broad agreement among persons likely to be affected by the amendment that it should be made; or (b) it is not satisfied that there is broad agreement among persons likely to be affected by the amendment and it requests Postcomm to make a direction as to whether the proposed amendment has been developed and implemented pursuant to paragraph 8 and Postcomm subsequently directs that the amendment is so consistent. | | | See C.21.5A.2 |
| C21.5A.10 | Not later than nine weeks before the implementation of any change in allocation of postcode sectors to GZones pursuant to paragraph 8 the Licensee shall – | | | See C.21.5A.2 |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>(a) submit to Postcomm, a statement in writing from its Auditors certifying that in their opinion the allocation is in accordance with the methodology published in accordance with paragraph 6 and</p> <p>(b) publish the proposed allocations on its web site in a manner which will make them readily available to persons having an interest in them.</p> | | | |
| C21.5A.1 1 | From the introduction of the methodology referred to in paragraph 6 the Licensee will cease to apply the statement submitted in accordance with paragraph 2 and where new postcode sectors have to be created and allocated to GZones, or for operational reasons postcode sectors have to be re-allocated to GZones, the Licensee shall make such allocations and re-allocations on the basis of the methodology referred to in paragraph 6 and in accordance with paragraph 10. | | | See C.21.5A.2 |
| C21.5A.1 2 | Subject to paragraph 9, the Licensee by 30 September in the Formula Year commencing on 1 April 2011 and in each Formula Year thereafter shall submit to Postcomm a report, showing the allocation of actual cost and volume data to delivery offices and postcode sectors, resulting from the application of the costing methodology referred to in paragraph 6 | | | Unnecessary Ofcom has information gathering powers. |
| C21.5B | Where $t < 6$, where there is a Sustainable Mail Retail equivalent of each of the services $y = 27, 28, 21, 22, 24, 22A, 22B$ and 36, then | | | Unnecessary $t=6$ |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | the prices of those services, and not the Sustainable Mail Retail equivalent, shall continue to be the Access Reference Prices for Access Services s = 39, 40, 41, 42, 43, 44, 44A, 44B and 45 respectively and as between the Sustainable Mail Retail equivalents of services y = 27, 28, 21, 22, 24 and 36 and the equivalent Sustainable Mail Access services, the formula in paragraph 5(b)(i) of this Condition shall apply. | | | |
| C21.6 | <p>For each Formula Year, t, the term ER_t shall be calculated for each of Baskets A and B, and where t = 6 Basket C, using the formula –</p> $ER_t = \sum_{s=a}^{s=b} er_{st}$ <p>where – er_{st} is the revenue earned from the conveyance of postal packets by a Controlled Service, s, in Formula Year t, and s is the number of a Controlled Service within a Basket, as set out in paragraph 38(a) and up to and including t = 6, for Basket A a = 1 and b = 13, and up to and including t = 5, for Basket B a = 14 and b = 38, and where t = 6, a = 14 and b = 32, and where t = 6, for Basket C a = 39 and b = 51.</p> | <p>For each <u>Formula Year</u>, t, the term ER_t shall be calculated for each of <u>Baskets A</u>, <u>B</u>, and <u>C</u>, using the formula –</p> $ER_t = \sum_{s=a}^{s=b} er_{st}$ <p>where – er_{st} is the revenue earned from the conveyance of <u>postal packets</u> by a <u>Controlled Service</u>, s, in <u>Formula Year</u> t, and s is the assigned number of the <u>Controlled Service</u> within the <u>Basket</u>, from the lowest to the highest.</p> | T 4.7 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The condition as currently drafted is “mixed” (it applies to universal, access and other services) and as such it must be transitory.</p> <p>It is likely to be possible to redraft this so as to separate out basket C, in relation to which the existing price control could in our view be applied as a USP Access</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|--|--------|--|
| | | | | Condition. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work. |
| C21.7 | <p>For each Formula Year the term AR_t shall be calculated for each of Baskets A and B, and where t = 6 for Basket C, using the formula –</p> $AR_t = BR_t - K_t + C_t + PP_t + G_t$ <p>BR_t is the revenue from the services in the Basket in Formula Year t that would be derived from pricing those services in accordance with a basket of prices determined in the manner described in paragraphs 8, 9 and 10, K_t is an adjustment factor for over or under recovery of revenue from the services in the Basket in Formula Year t - 1, calculated in accordance with paragraph 11, C_t is a customer service quality factor for services in the Basket in Formula Year t calculated in accordance with paragraph 12, PP_t is a pension deficit pass-through for services in the Basket in Formula Year t calculated in accordance with paragraph 13, and</p> | <p>For each <u>Formula Year</u> the term AR_t shall be calculated for each of <u>Baskets A</u>, <u>B</u>, and <u>C</u>, using the formula –</p> $AR_t = BR_t - K_t + C_t + PP_t + G_t$ <p>where – BR_t is the revenue from the services in the <u>Basket</u> in <u>Formula Year</u> t that would be derived from pricing those services in accordance with a basket of prices determined in the manner described in T [4.9, 4.10, 4.11 and 4.12], K_t is an adjustment factor for over or under recovery of revenue from the services in the <u>Basket</u> in <u>Formula Year</u> t - 1, calculated in accordance with T [4.13], C_t is a customer service quality factor for services in the <u>Basket</u> in <u>Formula Year</u> t calculated in accordance with T [4.14], PP_t is a pension deficit pass-through for services in the <u>Basket</u> in <u>Formula Year</u> t calculated in accordance with T [4.15], and G_t is a volume growth or decline factor for services</p> | T 4.8 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The condition as currently drafted is “mixed” (it applies to universal, access and other services) and as such it must be transitory.</p> <p>It is likely to be possible to redraft this so as to separate out basket C, in relation to which the existing price control could in our view be applied as a USP Access</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | Gt is a volume growth or decline factor for services in the Basket in Formula Year t calculated in accordance with paragraph 14. | in the <u>Basket</u> in <u>Formula Year</u> t calculated in accordance with T [4.16]. | | Condition. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work. |
| C21.8 | The term BR _t shall be calculated– | The term BR _t shall be calculated– | T 4.9 | Transitory - <u>Universal Service Provider</u> |
| C21.8(a) | (a) for Basket A using the formula $BR_t = \left(\frac{100 - QP}{100} \right) * \left(\sum_{s=1}^{s=9} br_{st} \right) + \sum_{s=10}^{s=13} br_{st}$ | for Basket A using the formula $BR_t = \left(\frac{100 - QP}{100} \right) * \left(\sum_{s=1}^{s=9} br_{st} \right) + \sum_{s=10}^{s=13} br_{st}$ | T 4.9(a) | Transitory - <u>Universal Service Provider</u> |
| C21.8(b) | where t < 6 for Basket B using the formula <i>Not reproduced</i> | | | Unnecessary – t=6 |
| C21.8(c) | where t = 6 for Basket B using the formula $BR_t = \sum_{s=14}^{s=32} br_{st}$ | for Basket B using the formula $BR_t = \sum_{s=14}^{s=32} br_{st}$ | T 4.9(b) | Transitory - <u>Universal Service Provider</u> |
| C21.8(d) | where t = 6 for Basket C using the formula $BR_t = \sum_{s=39}^{s=51} br_{st}$ | for Basket C using the formula $BR_t = \sum_{s=39}^{s=51} br_{st}$ | T 4.9(c) | Transitory - <u>Universal Service Provider</u> See comments in relation to C21.7 |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | | | | above |
| C21.8 | and in the formulae used in paragraphs (a), (b), (c) and (d) QP, the quality percentage, is 5 percentage points, br _{st} is the revenue that would have been derived from a service, s, in Formula Year t if it had been calculated in accordance with paragraph 9, and s is the number of one of the Controlled Services, as set out in paragraph 38(a) of this Condition. | where- QP, the quality percentage, is 5 percentage points, br _{st} is the revenue that would have been derived from a service, s, in <u>Formula Year t</u> if it had been calculated in accordance with T [4.10], and s is the number of one of the <u>Controlled Services</u> . | T 4.9 continued | Transitory - <u>Universal Service Provider</u> |
| C21.9 | For any Controlled Service, s, in each of the Baskets A and B, the term br _{st} in paragraph 8 shall be calculated for any Formula Year, t, using the formula – $br_{st} = \sum_{pr=1}^{pr=n} (bp_{prt} * v_{prt})$ <i>n</i> is the number of Price Ranges for the service, <i>v_{prt}</i> is the number of postal packets conveyed in Formula Year <i>t</i> under each Price Range for the service, calculated as described in paragraph 10(a), and | For any <u>Controlled Service</u> , s, in each of the <u>Baskets A and B</u> , the term br _{st} in T [4.9] shall be calculated for any <u>Formula Year</u> , t, using the formula – $br_{st} = \sum_{pr=1}^{pr=n} (bp_{prt} * v_{prt})$ <i>n</i> is the number of <u>Price Ranges</u> for the service, <i>v_{prt}</i> is the number of <u>postal packets</u> conveyed in <u>Formula Year t</u> under each <u>Price Range</u> for the service, calculated as described in T [4.12(a)], and <i>bp_{prt}</i> is the basket price for each of the <u>Price Ranges</u> for the service for <u>Formula Year t</u> calculated | T 4.10 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>bp_{prt} is the basket price for each of the Price Ranges for the service for Formula Year t calculated –</p> <p>in Formula Year $t = 1$ using the formula –</p> $bp_{prt} = bp_{pr(t=0)} * \left(\frac{100 + P_0}{100} \right)$ <p>in which –</p> <p>P_0 is 4.0 percentage points for Controlled Services in both Baskets A and B and</p> <p>$bp_{pr(t=0)}$ is determined in the manner described in paragraph 10(c), and</p> <p>in subsequent Formula Years using the formula –</p> $bp_{prt} = bp_{prt-1} * \left(\frac{100 + RPI_t - X}{100} \right)$ <p>in which -</p> | <p>in Formula Year $t = 1$ using the formula –</p> $bp_{prt} = bp_{pr(t=0)} * \left(\frac{100 + P_0}{100} \right)$ <p>in which –</p> <p>P_0 is 4.0 percentage points for <u>Controlled Services</u> in both <u>Baskets A</u> and <u>B</u> and</p> <p>$bp_{pr(t=0)}$ is determined in the manner described in T <u>[4.12(c)]</u>, and</p> <p>in subsequent Formula Years using the formula –</p> $bp_{prt} = bp_{prt-1} * \left(\frac{100 + RPI_t - X}{100} \right)$ <p>in which -</p> <p>RPI_t subject to T <u>[4.12(d)]</u>, is the change in percentage points (whether of a positive or negative or zero value) between the average of the levels of the Retail Price Index published or determined with respect to each of the six months up to and including September in <u>Formula Year $t-1$</u> and the average of those levels with respect to each of the six months up to and including September in the preceding year, and</p> <p>X is 0.14 percentage points for <u>Controlled Services</u> in <u>Basket A</u> and -5.19 percentage</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>RPI_t subject to paragraph 10(d), is the change in percentage points (whether of a positive or negative or zero value) between the average of the levels of the Retail Price Index published or determined with respect to each of the six months up to and including September in Formula Year $t - 1$ and the average of those levels with respect to each of the six months up to and including September in the preceding year, and</p> <p>X is 0.14 percentage points for Controlled Services in Basket A and 1.96 percentage points for Controlled Services in Basket B.</p> <p style="text-align: center;">and where $t = 6$,</p> <p>X is 0.14 percentage points for Controlled Services in Basket A, and - 5.19 percentage points for Controlled Services in Basket B and Basket C.</p> | <p>points for <u>Controlled Services</u> in <u>Basket B</u>, save that for the purposes of these calculations it is 1.96 percentage points in <u>Formula Year</u> $t < 6$ for <u>Basket B</u>.</p> | | |
| | <p>and for Basket C bp_{prt} is calculated using the formula –</p> $bp_{prt} = bp_{pr(t=5)} * \left(\frac{100 + RPI_t - X + 2.5}{100} \right)$ | <p>For any <u>Controlled Service</u>, “s” in <u>Basket C</u>, the term br_{st} in T [4.9] shall also be calculated using the formula</p> | T 4.11 | <p>Transitory - <u>Universal Service Provider</u></p> <p>See comments in</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | and, bp _{pr(t=5)} for Basket C is calculated in accordance with paragraph 10(e) | $br_{st} = \sum_{pr=1}^{pr=n} (bp_{prt} * v_{prt})$ <p>For any Controlled Service, “s” in Basket C, bp_{prt} is calculated using the formula –</p> $bp_{prt} = bp_{pr(t=5)} * \left(\frac{100 + RPI_t - X + 2.5}{100} \right)$ <p>where bp_{pr(t=5)} for <u>Basket C</u> is calculated in accordance with paragraph 10(e) RPI_{it} is as defined above. <u>X</u> is -5.19 percentage points.</p> | | relation to C21.7 above |
| C21.10 | The following provisions shall apply for the purpose of calculating terms used in paragraph 9. | The following provisions shall apply for the purpose of calculating terms used in T[4.10 and 411]. | T 4.12 | Transitory - <u>Universal Service Provider</u> See comments in relation to C21.7 above |
| C21.10(a) | vp _{rt} shall be calculated for each Price Range for each Controlled Service in each Formula Year after Formula Year t = 0 , including where t = 6, using the formula – | v _{prt} shall be calculated for each <u>Price Range</u> for each <u>Controlled Service</u> in each <u>Formula Year</u> using the formula – | T 4.12(a) | Transitory - <u>Universal Service Provider</u> See comments in relation to C21.7 |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $v_{prt} = \left(\frac{er_{prt}}{rp_{prt}} \right)$ <p>in which – er_{prt} is the revenue earned from the conveyance of postal packets in that Formula Year in that Price Range for that service, and rp_{prt} is the representative price in that Formula Year for postal packets conveyed in that Price Range for that service established in the manner set out in paragraph (b).</p> | $v_{prt} = \left(\frac{er_{prt}}{rp_{prt}} \right)$ <p>in which – er_{prt} is the revenue earned from the conveyance of <u>postal packets</u> in that <u>Formula Year</u> in that <u>Price Range</u> for that service, and rp_{prt} is the representative price in that <u>Formula Year</u> for <u>postal packets</u> conveyed in that <u>Price Range</u> for that service established in the manner set out in T[4.12(b)].</p> | | above |
| C21.10(b) | <p>where t = 6 rp_{prt} is</p> <p>(i) for every Price Range for all Controlled Services , a price that is fairly representative of the prices at which postal packets are conveyed in that Price Range in that Formula Year taking account of all relevant discounts and shall be –</p> <p>(aa) where the Modal Price for that Price Range for that service in that year has been Certified as fairly representative by the Auditors, the Modal Price, or</p> <p>(bb) where the Auditors have not Certified that Modal Price for that Price Range for that service in that year such other price fairly representing the price for postal packets conveyed in that Price Range for that service in that year as Postcomm may reasonably determine on the basis of such financial and statistical advice as it may reasonably seek, and if the Licensee changes the price or</p> | <p>rp_{prt} is</p> <p>(i) for every <u>Price Range</u> for all <u>Controlled Services</u> , a price that is fairly representative of the prices at which <u>postal packets</u> are conveyed in that <u>Price Range</u> in that <u>Formula Year</u> taking account of all relevant discounts and shall be –</p> <p>(aa) where the <u>Modal Price</u> for that <u>Price Range</u> for that service in that year has been <u>Certified</u> as fairly representative by the <u>Auditors</u>, the <u>Modal Price</u>, or</p> <p>(bb) where the <u>Auditors</u> have not <u>Certified</u> that <u>Modal Price</u> for that <u>Price Range</u> for that service in that year such other price fairly representing the price for postal packets conveyed in that <u>Price Range</u> for that service in that year as <u>Ofcom</u> may reasonably determine on the basis of such financial and statistical advice as it may reasonably seek, and if the <u>Universal Service Provider</u> changes the price or prices at any <u>Price Range</u> for any <u>Controlled Service</u> within a <u>Formula Year</u>, then</p> | T 4.12(b) | <p>Transitory - <u>Universal Service Provider</u></p> <p>See comments in relation to C21.7 above</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | prices at any Price Range for any Controlled Service within a Formula Year, then paragraphs (aa) and (bb) shall be applied so as to give a value of rp_{prt} for the Formula Year by weighting values of rp_{prt} immediately before and after the change pro-rata to the reasonable estimates of the Licensee (or in the case of paragraph (bb) of Postcomm) of the numbers of postal packets conveyed by the Licensee within the Formula Year in that Price Range before and after the change in price or prices. | paragraphs (aa) and (bb) shall be applied so as to give a value of rp_{prt} for the <u>Formula Year</u> by weighting values of rp_{prt} immediately before and after the change pro-rata to the reasonable estimates of the <u>Universal Service Provider</u> (or in the case of paragraph (bb) of <u>Ofcom</u>) of the numbers of postal packets conveyed by the <u>Universal Service Provider</u> within the <u>Formula Year</u> in that <u>Price Range</u> before and after the change in price or prices. | | |
| C21.10(c) | <p>$bp_{pr(t=0)}$ is –</p> <p>(i) for any Price Range, pr, up to 1Kg for Controlled Services 1 to 3, 10 to 12, 25 to 36, and 38, the price published for that Price Range for that Controlled Service in the Licensee's statement entitled "Pricing in Proportion – Indicative Prices – Amended November 2005", a copy of which has been placed on the register maintained by Postcomm pursuant to section 38 of the Act and for the same Price Ranges for Controlled Services 4 and 13 the prices published in that statement for Controlled Service 3, and</p> <p>(ii) for every other Price Range for those Controlled Services and for each Price Range for every other Controlled Service, a price that is fairly representative of the prices at which postal packets were conveyed in</p> | <p>$bp_{pr(t=0)}$ is –</p> <p>(i) for any <u>Price Range</u>, "pr", up to 1Kg for <u>Controlled Services</u> 1 to 3, 10 to 12, 25 to 36, and 38, the price published for that <u>Price Range</u> for that <u>Controlled Service</u> in the <u>Universal Service Provider's</u> statement entitled "Pricing in Proportion – Indicative Prices – Amended November 2005"³¹, and for the same <u>Price Ranges</u> for <u>Controlled Services</u> 4 and 13 the prices published in that statement for <u>Controlled Service</u> 3, and</p> <p>(ii) for every other <u>Price Range</u> for those <u>Controlled Services</u> and for each <u>Price Range</u> for every other <u>Controlled Service</u>, a price that is fairly representative of the prices at which <u>postal packets</u> were conveyed in that <u>Price Range</u> on 31 March in that <u>Formula Year</u> and shall be –</p> <p>(aa) where there is a <u>Modal Price</u> for that <u>Price</u></p> | T 4.12(c) | <p>Transitory - <u>Universal Service Provider</u></p> <p>See comments in relation to C21.7 above</p> |

³¹ Available at: ftp://ftp.royalmail.com/Downloads/public/ctf/rm/pip_indicative_prices_nov_2005_v1.2.pdf

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>that Price Range on 31 March in that Formula Year and shall be –</p> <p>(aa) where there is a Modal Price for that Price Range for that service in that year and it has been Certified as fairly representative by the Auditors, that Modal Price, or</p> <p>(bb) where there is not a Modal Price for that Price Range for that service on that date, such other price as the Auditors may have certified as being fairly representative of the price that prevailed for that Price Range for that service on that date, or</p> <p>(cc) where no price is certified by the Auditors under paragraphs (aa) or (bb) above, such other price fairly representing the price for postal packets conveyed in that Price Range for that service on that date as Postcomm may reasonably determine on the basis of such financial and statistical advice as it may reasonably seek.</p> | <p><u>Range</u> for that service in that year and it has been <u>Certified</u> as fairly representative by the <u>Auditors</u>, that <u>Modal Price</u>, or</p> <p>(bb) where there is not a <u>Modal Price</u> for that <u>Price Range</u> for that service on that date, such other price as the <u>Auditors</u> may have certified as being fairly representative of the price that prevailed for that <u>Price Range</u> for that service on that date, or□</p> <p>(cc) where no price is certified by the <u>Auditors</u> under paragraphs (aa) or (bb) above, such other price fairly representing the price for <u>postal packets</u> conveyed in that <u>Price Range</u> for that service on that date as <u>Ofcom</u> may reasonably determine on the basis of such financial and statistical advice as it may reasonably seek.</p> | | |
| C21.10(d) | RPI _t in the Formula year t = 5 shall be not less than zero.] | RPI _t in the Formula year t = 5 shall be not less than zero | T 4.12(d) | Transitory - <u>Universal Service Provider</u> |
| C21.10(e) | <p>where t = 6, b_{pr}(t=5) for Basket C is a price that is fairly representative of the prices taking account of all discounts at which postal packets were conveyed in that Price Range on 31 March in that Formula Year and shall be –</p> <p>(aa) where there is a Modal Price for that Price Range for that service in that year and</p> | <p>b_{pr(t=5)} for <u>Basket C</u> is a price that is fairly representative of the prices taking account of all discounts at which <u>postal packets</u> were conveyed in that <u>Price Range</u> on 31 March in that <u>Formula Year</u> and shall be –</p> <p>(aa) where there is a <u>Modal Price</u> for that <u>Price Range</u> for that service in that year and it has been <u>Certified</u> as fairly representative by the <u>Auditors</u>,</p> | T 4.12(e) | <p>Transitory - <u>Universal Service Provider</u></p> <p>See comments in relation to C21.7 above</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | it has been Certified as fairly representative by the Auditors, that Modal Price, or (bb) where there is not a Modal Price for that Price Range for that service on that date, such other price as the Auditors may have certified as being fairly representative of the price that prevailed for that Price Range for that service on that date, or (cc) where no price is certified by the Auditors under paragraphs (aa) or (bb) above, such other price fairly representing the price for postal packets conveyed in that Price Range for that service on that date as Postcomm may reasonably determine on the basis of such financial and statistical advice as it may reasonably seek. | that <u>Modal Price</u> , or (bb) where there is not a <u>Modal Price</u> for that <u>Price Range</u> for that service on that date, such other price as the <u>Auditors</u> may have certified as being fairly representative of the price that prevailed for that <u>Price Range</u> for that service on that date, or (cc) where no price is certified by the <u>Auditors</u> under paragraphs (aa) or (bb) above, such other price fairly representing the price for <u>postal packets</u> conveyed in that <u>Price Range</u> for that service on that date as <u>Ofcom</u> may reasonably determine on the basis of such financial and statistical advice as it may reasonably seek. | | |
| C21.11 | <p>The correction factor K_t is calculated for each Basket for each Formula Year as follows –</p> <p>(a) in Formula Year $t = 1$ for Basket A using the formula –</p> $K_t = K_{old} * \left(\frac{Arev}{Arev + Brev} \right)$ <p>and for Basket B using the formula –</p> $K_t = K_{old} * \left(\frac{Brev}{Arev + Brev} \right)$ <p>(b) and thereafter for each of Baskets A</p> | <p>The correction factor K_t is calculated for each <u>Basket</u> for each <u>Formula Year</u> as follows –</p> <p>(a) in <u>Formula Year</u> $t = 1$ for <u>Basket A</u> using the formula –</p> $K_t = K_{old} * \left(\frac{Arev}{Arev + Brev} \right)$ <p>and for <u>Basket B</u> using the formula –</p> $K_t = K_{old} * \left(\frac{Brev}{Arev + Brev} \right)$ <p>(b) and thereafter for each of <u>Baskets A and B</u></p> | T 4.13 | <p>Transitory - <u>Universal Service Provider</u></p> <p>See comments in relation to C21.7 above</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>and B using the formula –</p> $K_t = \left(ER_{t-1} - AR_{t-1} \right) * \left(\frac{100 + i_t}{100} \right),$ <p>and</p> <p>(c) in the formulae in paragraphs (a) and (b) –</p> <p>K_{old} is the value of K_t calculated in accordance with the Previous Control for Formula Year $t = 1$ of this control,</p> <p>Arev is the revenue earned in Formula Year $t = 0$ from the services in Basket A,</p> <p>Brev is the revenue earned in Formula Year $t = 0$ from the services in Basket B,</p> <p>ERT-1 and ART-1 are calculated in accordance with paragraphs 6 and 7 respectively for each of Baskets A and B for Formula Year $t - 1$, save that for $t = 6$ the Controlled Services taken into account for the purposes of paragraph 11 (b) as applied to Basket B shall be the Controlled Services for Basket B as defined for $t = 6$, and</p> <p>i_t is a rate of interest in percentage points which for each Basket is the Base Rate on 30 September in Formula Year $t - 1$ if $ERT-1 < ART-1$ and is that Base Rate + 4 percentage points if $ERT-1 > ART-1$.</p> | <p>using the formula –</p> $K_t = \left(ER_{t-1} - AR_{t-1} \right) * \left(\frac{100 + i_t}{100} \right), \text{ and}$ <p>(c) in the formulae in paragraphs (a) and (b) –</p> <p>K_{old} is the value of K_t calculated in accordance with the <u>Previous Control</u> for <u>Formula Year</u> $t = 1$ of this control,</p> <p>Arev is the revenue earned in <u>Formula Year</u> $t = 0$ from the services in <u>Basket A</u>,</p> <p>Brev is the revenue earned in <u>Formula Year</u> $t = 0$ from the services in <u>Basket B</u>,</p> <p>ERT-1 and ART-1 are calculated in accordance with Condition T [4.7 and 4.8] respectively for each of <u>Baskets A</u> and <u>B</u> for <u>Formula Year</u> $t - 1$, save that for the <u>Formula Year</u> ending on 31 March 2012, the ER and AR of the <u>Controlled Services</u> taken into account for the purposes of paragraph 11 (b) as applied to <u>Basket B</u> shall be the ER and AR in Formula Year $t = 5$ of the <u>Controlled Services</u> for <u>Basket B</u>, and</p> <p>i_t is a rate of interest in percentage points which for each <u>Basket</u> is the <u>Base Rate</u> on 30 September in <u>Formula Year</u> $t - 1$ if $ERT-1 < ART-1$ and is that <u>Base Rate</u> + 4 percentage points if $ERT-1 > ART-1$.</p> | | |
| C21.12 | The customer service quality factor, C_t , in any Formula Year, t , is zero for Basket B, and zero for Basket C where $t = 6$ and for Basket | The customer service quality factor, C_t , in any Formula Year, "t, is zero for <u>Basket B</u> , and zero for <u>Basket C</u> and for <u>Basket A</u> is the amount found | T 4.14 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>A is the amount found using the formula –</p> $C_t = \left(\frac{QP}{100} \right) * f_t * \left(\sum_{s=1}^{s=9} br_{st} \right)$ <p>where – QP is 5 percentage points, br_{st} is the revenue that would have been derived from a Controlled Service, s, as defined in paragraph 38(a) if it had been calculated in accordance with paragraph 9, f_t is a performance fraction for Formula Year t found using the formula –</p> $f_t = \sum_{m=1}^{m=8} \left(\frac{\left(5 - n * \left(tm_{mt} - pm_{mt} \right) \right) * mw_m}{5} \right)$ <p>tm_{mt} is the Licensee's standard in percentage points in Formula Year t for each of the quality measures, m, set out in the table below, pm_{mt} is the Licensee's performance in percentage points in Formula Year t against each of those quality measures, n is a normalising factor which is 1 for quality measures m = 1, 2, 3, 4 and 5 and 10 for quality measures m = 6, 7 and 8, mw_m is the weight applicable to each of</p> | <p>using the formula –</p> $C_t = \left(\frac{QP}{100} \right) * f_t * \left(\sum_{s=1}^{s=9} br_{st} \right)$ <p>where – QP is 5 percentage points, br_{st} is the revenue that would have been derived from a <u>Controlled Service</u>, “s”, if it had been calculated in accordance with T [4.10 and 4.11], f_t is a performance fraction for <u>Formula Year t</u> found using the formula –</p> $f_t = \sum_{m=1}^{m=8} \left(\frac{\left(5 - n * \left(tm_{mt} - pm_{mt} \right) \right) * mw_m}{5} \right)$ <p>tm_{mt} is the <u>Universal Service Provider's</u> standard in percentage points in <u>Formula Year t</u> for each of the quality measures, “m”, set out in the table below, pm_{mt} is the <u>Universal Service Provider's</u> performance in percentage points in <u>Formula Year t</u> against each of those quality measures, n is a normalising factor which is 1 for quality measures m = 1, 2, 3, 4 and 5 and 10 for quality measures m = 6, 7 and 8, mw_m is the weight applicable to each of those quality measures, as set out in the table below,</p> | | <p>See comments in relation to C21.7 above</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>those quality measures, as set out in the table below,</p> <p>[table on page 101-102 not reproduced]</p> <p>provided that –</p> <p>in any evaluation of $(tm_{mt} - pm_{mt})$ for $m = 1, 2, 3, 4$ and 5 in the formula for f_t above, –</p> <p>if $(tm_{mt} - pm_{mt}) < 1$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 0, and</p> <p>if $(tm_{mt} - pm_{mt}) > 5$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 5, and</p> <p>in any evaluation of $(tm_{mt} - pm_{mt})$ for $m = 6, 7$ and 8 in the formula for f_t above, –</p> <p>if $(tm_{mt} - pm_{mt}) < 0.1$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 0, and</p> <p>if $(tm_{mt} - pm_{mt}) > 0.5$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 0.5,</p> <p>and provided further that, on the application of the Licensee on the basis that industrial action has prejudiced or may prejudice the ability of the Licensee to finance the activities authorised or required by this Licence, the value of f_t for any Formula Year, t, may be increased to such number not exceeding 1 as Postcomm may, by direction in writing, determine</p> | <p>[table on page 101-102 not reproduced but we propose to include it in the Condition³²]</p> <p>provided that –</p> <p>in any evaluation of $(tm_{mt} - pm_{mt})$ for $m = 1, 2, 3, 4$ and 5 in the formula for f_t above, –</p> <p>if $(tm_{mt} - pm_{mt}) < 1$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 0, and</p> <p>if $(tm_{mt} - pm_{mt}) > 5$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 5, and</p> <p>in any evaluation of $(tm_{mt} - pm_{mt})$ for $m = 6, 7$ and 8 in the formula for f_t above, –</p> <p>if $(tm_{mt} - pm_{mt}) < 0.1$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 0, and</p> <p>if $(tm_{mt} - pm_{mt}) > 0.5$ then the value of $(tm_{mt} - pm_{mt})$ shall be taken to be 0.5,</p> <p>and provided further that, on the application of the <u>Universal Service Provider</u> on the basis that industrial action has prejudiced or may prejudice the ability of the <u>Universal Service Provider</u> to finance the provision of <u>regulated postal services</u>, the value of f_t for any <u>Formula Year</u>, t, may be increased to such number not exceeding 1 as <u>Ofcom</u> may, by direction in writing, determine.</p> | | |
| C21.13(a) | <p>The pension deficit pass-through, PP_t, shall be determined in accordance with the following provisions of this paragraph.</p> <p>(a) PP_t shall be calculated for each</p> | <p>The pension deficit pass-through, PP_t, shall be determined in accordance with the following provisions of this paragraph.</p> | T 4.15(a) | Transitory - <u>Universal Service Provider</u> |

³² A copy is available on request from Ofcom.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>Formula Year, t, using the formulae – for Basket A –</p> $PP_t = GAPP_{t-1} * \left(\frac{RA_{t-1}}{RT_{t-1}} \right)$ <p>and for Basket B where t < 6 –</p> $PP_t = GAPP_{t-1} * \left(\frac{RB_{t-1}}{RT_{t-1}} \right)$ <p>and where t = 6 – for Basket B –</p> $PP_t = GAPP_{t-1} * \left(\frac{RB_{new}}{RT_{t-1}} \right)$ <p>for Basket C –</p> $PP_t = GAPP_{t-1} * \left(\frac{RC_{t-1}}{RT_{t-1}} \right)$ <p>where, RB_{new} is the revenue earned in Formula Year t=5 from the Controlled Services in Basket B as defined where t = 6,</p> | <p>(a) PP_t shall be calculated for each <u>Formula Year</u>, t, using the formulae – for <u>Basket A</u> –</p> $PP_t = GAPP_{t-1} * \left(\frac{RA_{t-1}}{RT_{t-1}} \right)$ <p>and for <u>Basket B</u> –</p> $PP_t = GAPP_{t-1} * \left(\frac{RB_{new}}{RT_{t-1}} \right)$ <p>and for <u>Basket C</u> –</p> $PP_t = GAPP_{t-1} * \left(\frac{RC_{t-1}}{RT_{t-1}} \right)$ <p>where, RB_{new} is the revenue earned in <u>Formula Year</u> t=5 from the <u>Controlled Services</u> in <u>Basket B</u>, RC_{t-1} is the revenue earned from <u>Controlled Services</u> in <u>Basket C</u> in <u>Formula Year</u> t – 1</p> <p>where – GAPP_t is a gross attributable pension fund deficit</p> | | See comments in relation to C21.7 above |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>RCt-1 is the revenue earned from Controlled Services in Basket C in Formula Year t – 1</p> <p>where –</p> <p>GAPP_t is a gross attributable pension fund deficit pass through factor for the Licensee's letters business calculated in accordance with paragraph (b),</p> <p>RA_{t-1} is the revenue earned from Controlled Services in Basket A in Formula Year t – 1,</p> <p>RB_{t-1} is the revenue earned from Controlled Services in Basket B in Formula Year t – 1 and</p> <p>RT_{t-1} is the revenue earned from all Controlled Services in Formula Year t – 1</p> | <p>pass through factor for the <u>Universal Service Provider's letters</u> business calculated in accordance with Condition T [4.15(b)],</p> <p>RA_{t-1} is the revenue earned from <u>Controlled Services</u> in <u>Basket A</u> in <u>Formula Year t – 1</u>, and</p> <p>RT_{t-1} is the revenue earned from all <u>Controlled Services</u> in <u>Formula Year t – 1</u>.</p> | | |
| C21.13(b) | <p>GAPP_t the gross attributable pension deficit pass through factor for the Licensee's letters business shall be calculated for each Formula Year, t, using the formula –</p> $GAPP_t = GPP_t * 0.80$ <p>Where –</p> <p>GPP_t is a gross pension fund deficit pass through factor for the Funds calculated in accordance with paragraph (c),</p> <p>and the fraction 0.80 is the number of employees and former employees of the Licensee's letters business entitled to deferred pensions and pensions from the Funds expressed as a proportion of the number of all persons entitled to deferred</p> | <p>GAPP_t the gross attributable pension deficit pass through factor for the <u>Universal Service Provider's letters</u> business shall be calculated for each <u>Formula Year</u>, t, using the formula –</p> $GAPP_t = GPP_t * 0.80$ <p>Where –</p> <p>GPP_t is a gross pension fund deficit pass through factor for the <u>Funds</u> calculated in accordance with paragraph (c),</p> <p>and the fraction 0.80 is the number of employees and former employees of the <u>Universal Service Provider's letters</u> business entitled to deferred pensions and pensions from the <u>Funds</u> expressed as a proportion of the number of all persons entitled to deferred pensions and pensions from the <u>Funds</u>,</p> | T 4.15(b) | <p>Transitory - <u>Universal Service Provider</u></p> <p>See comments in relation to C21.7 above</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | pensions and pensions from the Funds, | | | |
| C21.13(c) | <p>GPP_t the gross pension fund deficit pass through factor for each Formula Year, t, shall be zero in Formula Year t = 0 and in subsequent Formula Years shall be found by the application of the following conditions and formulae –</p> <p>if</p> $(IC + TGL_{t-1}) > 0,$ <p>then GPP_t=0</p> <p>if</p> $IC \leq (-TGL_{t-1}) \leq \left(\frac{FAL_{t-1}}{10} \right),$ <p>then</p> $GPP_t = -(IC + TGL_{t-1}) / Y$ <p>otherwise</p> $GPP_t = \left(\left(\frac{FAL_{t-1}}{10} \right) - IC \right) / Y - \left(\left(\frac{FAL_{t-1}}{10} \right) + TGL_{t-1} \right) / Z$ <p>where –</p> <p>FAL_{t-1} is the present value of the projected benefit obligation of the Funds on the last day of the financial year ending in March in Formula Year t – 1 as recommended by the Actuary appointed by the Licensee for the purpose of International Accounting Standard 19 and set out in the Licensee's published</p> | <p>GPP_t the gross pension fund deficit pass through factor for each <u>Formula Year</u>, t, shall be zero in <u>Formula Year</u> t = 0 and in subsequent <u>Formula Years</u> shall be found by the application of the following conditions and formulae –</p> <p>If</p> $(IC + TGL_{t-1}) > 0,$ <p>then GPP_t=0.</p> <p>If</p> $IC \leq (-TGL_{t-1}) \leq \left(\frac{FAL_{t-1}}{10} \right),$ <p>then</p> $GPP_t = -(IC + TGL_{t-1}) / Y.$ <p>Otherwise,</p> $GPP_t = \left(\left(\frac{FAL_{t-1}}{10} \right) - IC \right) / Y - \left(\left(\frac{FAL_{t-1}}{10} \right) + TGL_{t-1} \right) / Z$ <p>where –</p> <p>FAL_{t-1} is the present value of the projected benefit obligation of the <u>Funds</u> on the last day of the financial year ending in March in <u>Formula Year</u> t – 1 as recommended by the <u>actuary</u> appointed by the <u>Universal Service Provider</u> for the purpose of International Accounting Standard 19 and set out in the <u>Universal Service Provider's</u> published audited accounts,</p> | T 4.15(c) | <p>Transitory - <u>Universal Service Provider</u></p> <p>See comments in relation to C21.7 above</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>audited accounts, IC is an inner corridor within which risks associated with the volatility of the liabilities of the Funds lie with the Licensee and is £1.3 billion or such lower sum which is not less than £0.5 billion as Postcomm after consultation may by direction in writing determine on the application of the Licensee on the basis of action by the Trustees of the Funds funded by the Licensee substantially to reduce such risks, TGL_t is the accumulated unrecognised actuarial gains or losses of the Funds incurred up to the end of Formula Year t and is calculated using the formula –</p> $TGL_t = TGL_{t-1} + AGL_t + GPP_t$ <p>in which – in Formula Year t = 0 the value of TGL_{t-1} shall be a gain of £0.7 billion being the difference between the deficit in the Funds assumed by Postcomm for the purpose of the determination of P₀ and X in paragraph 9 of the condition (£4.6 billion) and the deficit in the Funds shown in the Licensee's published audited accounts for the last day of the financial year ending in March 2005 (£3.9 billion), AGL_t is the actuarial gain or loss for the Funds (such that a gain is positive and a loss is negative) arising in Formula Year t as advised by the Actuary appointed by the</p> | <p>IC is an inner corridor within which risks associated with the volatility of the liabilities of the Funds lie with the <u>Universal Service Provider</u> and is £1.3 billion or such lower sum which is not less than £0.5 billion as <u>Ofcom</u> after consultation may by direction in writing determine on the application of the <u>Universal Service Provider</u> on the basis of action by the Trustees of the Funds funded by the <u>Universal Service Provider</u> substantially to reduce such risks, TGL_t is the accumulated unrecognised actuarial gains or losses of the Funds incurred up to the end of <u>Formula Year</u> t and is calculated using the formula –</p> $TGL_t = TGL_{t-1} + AGL_t + GPP_t$ <p>in which – in <u>Formula Year</u> t = 0 the value of TGL_{t-1} shall be a gain of £0.7 billion being the difference between the deficit in the Funds assumed for the purpose of the determination of P₀ and X in Condition T [4.10 and 4.11] of the condition (£4.6 billion) and the deficit in the Funds shown in the <u>Universal Service Provider's</u> published audited accounts for the last day of the financial year ending in March 2005 (£3.9 billion), AGL_t is the actuarial gain or loss for the Funds (such that a gain is positive and a loss is negative) arising in <u>Formula Year</u> t as advised by the actuary appointed by the <u>Universal Service Provider</u> for the purpose of International Accounting Standard 19 and set out in the <u>Universal Service Provider's</u></p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>Licensee for the purpose of International Accounting Standard 19 and set out in the Licensee's published audited accounts but excluding –</p> <p>(i) in Formula Year $t = 1$, any amount in total in excess of £0.7 billion which is attributable to updated assumptions, as determined by the Actuary appointed by the Licensee for the purpose of Generally Accepted Accounting Principles relating to pensions and set out in the Licensee's published audited accounts at 26 March 2006, relating to longevity or other demographic factors for so long as those assumptions have not been verified in a valuation obtained for the purpose of section 224 of the Pensions Act 2004 which is to be completed on or before 31 December 2006, and</p> <p>(ii) in subsequent Formula Years any subsequent amounts which are attributable to further updated assumptions, as recommended by the Actuary appointed by the Licensee for the purpose of Generally Accepted Accounting Principles relating to pensions and set out in the Licensee's published audited accounts in the previous financial year, relating to longevity or other demographic factors for so long as those assumptions have not been verified in a valuation obtained for the purpose of section 224 of the Pensions Act 2004, Y is the number of years over which a first</p> | <p>published audited accounts but excluding –</p> <p>(i) in <u>Formula Year</u> $t = 1$, any amount in total in excess of £0.7 billion which is attributable to updated assumptions, as determined by the actuary appointed by the <u>Universal Service Provider</u> for the purpose of Generally Accepted Accounting Principles relating to pensions and set out in the <u>Universal Service Provider's</u> published audited accounts at 26 March 2006, relating to longevity or other demographic factors for so long as those assumptions have not been verified in a valuation obtained for the purpose of section 224 of the Pensions Act 2004 which is to be completed on or before 31 December 2006, and</p> <p>(ii) in subsequent <u>Formula Years</u> any subsequent amounts which are attributable to further updated assumptions, as recommended by the actuary appointed by the <u>Universal Service Provider</u> for the purpose of Generally Accepted Accounting Principles relating to pensions and set out in the <u>Universal Service Provider's</u> published audited accounts in the previous financial year, relating to longevity or other demographic factors for so long as those assumptions have not been verified in a valuation obtained for the purpose of section 224 of the Pensions Act 2004, Y is 15, and Z is 10,</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | element of a shortfall in the Funds which may be recovered through PP_t and is 15, and Z is the number of years over which a further element of a shortfall in the Funds which may be recovered through PP_t and is 10, | | | |
| C21.13(d) | In any Formula Year, t, in relation to which an amount in respect of and not less than PPT has not been paid into the Funds by the Licensee before the end of the financial year ending in March in that Formula Year or such later date as may be approved in writing by Postcomm, then PPT shall be nil | In any <u>Formula Year</u> , “t”, in relation to which an amount in respect of and not less than PPT has not been paid into the <u>Funds</u> by the <u>Universal Service Provider</u> before the end of the financial year ending in March in that <u>Formula Year</u> or such later date as may be approved in writing by <u>Ofcom</u> , then PPT shall be nil. | T 4.15(d) | Transitory - <u>Universal Service Provider</u> See comments in relation to C21.7 above |
| C21.14 | The volume growth or decline factor, G_t , shall be determined in accordance with the following provisions of this paragraph. | The volume growth or decline factor, G_t , shall be determined in accordance with the following provisions of this paragraph. | T 4.16 | Transitory - <u>Universal Service Provider</u> See comments in relation to C21.7 above |
| C21.14(a) | G_t shall be calculated for each Formula Year, t, using the formulae – for Basket A – $G_t = GG_t * \left(\frac{RA_{t-1}}{RGT_{t-1}} \right)$ and for Basket B where $t < 6$ – $G_t = GG_t * \left(\frac{RB_{t-1}}{RGT_{t-1}} \right)$ and where $t = 6$ for Basket B – | G_t shall be calculated for each <u>Formula Year</u> , “t”, using the formulae – for <u>Basket A</u> – $G_t = GG_t * \left(\frac{RA_{t-1}}{RGT_{t-1}} \right)$ and for <u>Basket B</u> – $G_t = GG_t * \left(\frac{RB_{new}}{RGT_{t-1}} \right)$ save that for the purposes of this calculation, the | T 4.16(a) | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $G_t = GG_t * \left(\frac{RB_{new}}{RGT_{t-1}} \right)$ <p>and where t = 6 for Basket C –</p> $G_t = GG_t * \left(\frac{RC_{t-1}}{RGT_{t-1}} \right) - GG_{t-1} * \left(\frac{RC_{t-2}}{RGT_{t-2}} \right)$ <p>where – GG_t is a gross volume growth or decline factor calculated in accordance with paragraph (b), RA_{t-1} is the revenue earned from Controlled Services in Basket A in Formula Year t – 1, RB_{t-1} is the revenue earned from Controlled Services in Basket B in Formula Year t – 1, RB_{new} is as defined in paragraph 13(a), RC_{t-1} is as defined in paragraph 13(a), and RGT_{t-1} is the total revenue earned by the Licensee in Formula Year t – 1 from the conveyance of postal packets delivered through the Licensee's delivery offices excluding postal packets delivered using Controlled Services 6 to 9 and excluding the Licensee's Door to Door service and Inward International Services.</p> | <p>value shall be deemed to have been calculated as follows for Formula Year t < 6</p> $G_t = GG_t * \left(\frac{RB_{t-1}}{RGT_{t-1}} \right)$ <p>and for <u>Basket C</u> –</p> $G_t = GG_t * \left(\frac{RC_{t-1}}{RGT_{t-1}} \right) - GG_{t-1} * \left(\frac{RC_{t-2}}{RGT_{t-2}} \right)$ <p>where – GG_t is a gross volume growth or decline factor calculated in accordance with T[4.16(b)], RA_{t-1} is the revenue earned from <u>Controlled Services</u> in <u>Basket A</u> in <u>Formula Year t – 1</u>, RB_{new} is as defined in paragraph 13(a), RC_{t-1} is as defined in paragraph 13(a), and RGT_{t-1} is the total revenue earned by the <u>Universal Service Provider</u> in <u>Formula Year t – 1</u> from the conveyance of <u>postal packets</u> delivered through the <u>Universal Service Provider's</u> delivery offices excluding <u>postal packets</u> delivered using <u>Controlled Services</u> 6 to 9 and excluding the <u>Universal Service Provider's Door to Door</u> service and Inward International Services.</p> | | |
| C21.14(b) | GG _t shall be zero in Formula Year t = 1 and thereafter shall be calculated for each Formula Year, t, using the formulae – If | GG _t shall be zero in <u>Formula Year t = 1</u> and thereafter shall be calculated for each <u>Formula Year, t</u> , using the formulae – If | T 4.16(b) | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $\left(\frac{IAV_{t-1} - IFV_{t-1}}{IFV_{t-1}} \right) * 100 < (-D)$ <p>then</p> $GG_t = AV_{t-1} * \left(\left(\frac{IFV_{t-1}}{IAV_{t-1}} \right) * \left(\frac{100 - D}{100} \right) - 1 \right) * AR_{t-1} * R$ <p>otherwise, if</p> $(-D) \leq \left(\frac{IAV_{t-1} - IFV_{t-1}}{IFV_{t-1}} \right) * 100 \leq D$ <p>then $GG_t = 0$</p> <p>and if</p> $\left(\frac{IAV_{t-1} - IFV_{t-1}}{IFV_{t-1}} \right) * 100 > D$ <p>then</p> $GG_t = AV_{t-1} * \left(\left(\frac{IFV_{t-1}}{IAV_{t-1}} \right) * \left(\frac{100 + D}{100} \right) - 1 \right) * AR_{t-1} * R$ <p>where – IFV_t is an index of the forecast for the volume of postal packets delivered through the Licensee's delivery offices in Formula Year t excluding postal packets delivered</p> | $\left(\frac{IAV_{t-1} - IFV_{t-1}}{IFV_{t-1}} \right) * 100 < (-D)$ <p>then</p> $GG_t = AV_{t-1} * \left(\left(\frac{IFV_{t-1}}{IAV_{t-1}} \right) * \left(\frac{100 - D}{100} \right) - 1 \right) * AR_{t-1} * R$ <p>Otherwise, if</p> $(-D) \leq \left(\frac{IAV_{t-1} - IFV_{t-1}}{IFV_{t-1}} \right) * 100 \leq D$ <p>then $GG_t = 0$;</p> <p>and if</p> $\left(\frac{IAV_{t-1} - IFV_{t-1}}{IFV_{t-1}} \right) * 100 > D$ <p>then</p> $GG_t = AV_{t-1} * \left(\left(\frac{IFV_{t-1}}{IAV_{t-1}} \right) * \left(\frac{100 + D}{100} \right) - 1 \right) * AR_{t-1} * R$ <p>where – IFV_t is 102.46 in Formula Year t=5</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>using Controlled Services 6 to 9 and excluding the Licensee's Door to Door service and Inward International Services as set out in the table below,</p> <p><i>[Table on p.108 not reproduced]</i></p> <p>IAV_t is an index calculated for each Formula Year, t, using the formula,</p> $IAV_t = \left(\frac{AV_t}{AV_{(t=-1)}} \right) * 100 ,$ <p>where AV_t and AV_(t=-1) are the numbers of postal packets delivered through the Licensee's delivery offices in Formula Years t and t= - 1 respectively, excluding postal packets delivered using Controlled Services 6 to 9 and excluding the Licensee's Door to Door service and Inward International Services,</p> <p>D is a dead band and is 2 percentage points,</p> <p>AR_{t-1} is the average unit access revenue for Formula Year t – 1 found by dividing the aggregate revenue earned by the Licensee in that Formula Year from the provision of Controlled Services 39 to 45, and where t = 6</p> <p>Controlled Services 39 to 51, by the number of postal packets conveyed by those Controlled Services in that Formula Year,</p> <p>R is cost to volume ratio and is 0.4, and numbers of postal packets shall be calculated</p> | <p>IAV_t is an index calculated for each <u>Formula Year</u>, t, using the formula,</p> $IAV_t = \left(\frac{AV_t}{AV_{(t=-1)}} \right) * 100 ,$ <p>where AV_t and AV_(t=-1) are the numbers of <u>postal packets</u> delivered through the <u>Universal Service Provider's</u> delivery offices in <u>Formula Years</u> t and t= - 1 respectively, excluding <u>postal packets</u> delivered using <u>Controlled Services</u> 6 to 9 and excluding the <u>Universal Service Provider's Door to Door</u> service and Inward International Services,</p> <p>D is a dead band and is 2 percentage points,</p> <p>AR_{t-1} is the average unit access revenue for <u>Formula Year</u> t – 1 found by dividing the aggregate revenue earned by the <u>Universal Service Provider</u> in that <u>Formula Year</u> from the provision of <u>Controlled Services</u> 39 to 51, by the number of <u>postal packets</u> conveyed by those <u>Controlled Services</u> in that <u>Formula Year</u>,</p> <p>R is cost to volume ratio and is 0.4, and numbers of <u>postal packets</u> shall be calculated for the purpose of this paragraph on a revenue equated basis.</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | for the purpose of this paragraph on a revenue equated basis. | | | |
| C21.15 | The obligations in paragraph 16 shall apply in addition to the obligations in paragraph 5 in each Formula Year after Formula Year t = 0. | The obligations in T [4.18] shall apply in addition to the obligations in T[4.6]. | T 4.17 | Transitory - <u>Universal Service Provider</u> |
| C21.16 | Except as Postcomm on the application of the Licensee may by direction in writing approve otherwise, the Licensee shall take all reasonable steps to ensure that in each Formula Year after Formula Year t = 0, in relation to each of the Controlled Services in Basket A and to each of the Controlled Services in Basket B, the following conditions are met – | <p>Except as <u>Ofcom</u> on the application of the <u>Universal Service Provider</u> may by direction in writing approve otherwise, the <u>Universal Service Provider</u> shall take all reasonable steps to ensure that in each <u>Formula Year</u> after <u>Formula Year</u> t = 0, in relation to each of the <u>Controlled Services</u> in <u>Basket A</u> and to each of the <u>Controlled Services</u> in <u>Basket B</u>, the following conditions are met.</p> <p>For the purposes of this Condition, the Directions issued by the Postal Services Commission on 10 January 2008 and 3 July 2009 shall be deemed to have been issued by <u>Ofcom</u>. Within them, references to the “Licence” shall be deemed to be references to <u>regulatory conditions</u>.</p> | T 4.18 | Transitory - <u>Universal Service Provider</u> |
| C21.16(a) | <p>in Formula Year t = 1 for the lowest Price Range for Controlled Services 3, 4, 11 and 13</p> <p>and, for all other Price Ranges for all other Controlled Services,</p> $p_t \leq p_{t=0} * \left(\frac{100 + P_0 + 3}{100} \right)$ <p>with both conditions being applicable</p> | | | Unnecessary |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>separately both before and after the introduction of Pricing in Proportion and where –</p> <p>p_t is the price for the conveyance within the Price Range for such service at any time in Formula Year t, and may have two values, one applicable before, and the other applicable after, the introduction of Pricing in Proportion,</p> <p>$p_{t=0}$ is the price for the same conveyance on 31 March in Formula Year $t = 0$, provided that if there is a price for the same conveyance published in the Licensee's statement entitled "Pricing in Proportion – Indicative Prices – Amended November 2005", then, from the introduction of Pricing in Proportion, $p_{t=0}$ shall be that price,</p> <p>P_0 is 4.0 percentage points, and</p> | | | |
| C21.16(b) | <p>(b) in Formula Year $t = 2$ for all Price Ranges for all Controlled Services</p> $\sum_{t=1}^t \Delta p_t \% \leq \left(RPI_{t-1} + RPI_t + P_0 - X + 6 - c_t + pp_t + g_t \right)$ <p>and</p> | | | Unnecessary |
| C21.16(c) | <p>(c) in subsequent Formula Years, [other than Formula Year $t = 5$,] for all Price Ranges for all Controlled Services</p> $\sum_{t=1}^t \Delta p_t \% \leq \left(RPI_{t-1} + RPI_t - 2X + 6 - c_t + c_{t-2} + pp_t - pp_{t-2} + g_t - g_{t-2} \right)$ <p>and</p> | | | Unnecessary |
| C21.16(d) | in Formula Year $t = 5$ and $t = 6$, for all Price Ranges for all Controlled Services | Until 31 March 2012, for all Price Ranges for all Controlled Services | T 4.19 | Transitory - <u>Universal Service</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $\Delta p_t \% \leq (RPI_t - X + 3 - c_t + c_{t-1} + pp_t - pp_{t-1} - k_t + g_t - g_{t-1})$ <p>and in paragraphs (b) (c) and (d)– RPI_t and RPI_{t-1} are as defined in paragraph 9, provided in Formula year t = 5 RPI_t shall be not less than zero,] Δp_t% is the change in price for the conveyance in Formula Year t as compared with Formula Year t - 1 in percentage points and is found by the application of the formula –</p> $\Delta p_t \% = \left(\frac{p_t - p_{t-1}}{p_{t-1}} \right) * 100$ <p>in which – p_t and p_{t-1} are as provided in sub-paragraph (a) for the period after the introduction of Pricing in Proportion</p> <p>X is 0.14 percentage points for Controlled Services in Basket A and -5.19 percentage points for Controlled Services in Basket B, except that in t = 6, for Controlled Services 31 to 32 and for packets only within Controlled Services 22 to 33 where there is a corresponding Controlled Services within Controlled Services 33 to 38 Δp_t% shall be the higher of: Δp_t% as defined in this sub-paragraph (d);</p> | $\Delta p_t \% \leq (RPI_t - X + 3 - c_t + c_{t-1} + pp_t - pp_{t-1} - k_t + g_t - g_{t-1})$ <p>Where – RPI_t and RPI_{t-1} are as defined in T [4.10 and 4.11], Δp_t% is the change in price for the conveyance in <u>Formula Year t</u> as compared with <u>Formula Year t -</u> 1 in percentage points and is found by the application of the formula –</p> $\Delta p_t \% = \left(\frac{p_t - p_{t-1}}{p_{t-1}} \right) * 100$ <p>in which – p_t is the price for the conveyance within the <u>Price</u> <u>Range</u> for such service at any time in <u>Formula Year</u> t. X is 0.14 percentage points for <u>Controlled</u> <u>Services in Basket A</u> and -5.19 percentage points for <u>Controlled Services in Basket B</u>, except that for <u>Controlled Services 31 to 32</u> and for packets only within <u>Controlled Services 22 to 33</u> where there is a corresponding <u>Controlled Service</u> within <u>Controlled Services 33 to 38</u> Δp_t% shall be the higher of: Δp_t% as defined in this sub-paragraph; and the change in price found by the application of the formula</p> | | <u>Provider</u> Pricing in Proportion was more than a year ago. See comments in relation to C21.7 above |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>and The change in price found by the application of the formula</p> $\left(\frac{p^*_{t} - p^*_{t-1}}{p^*_{t-1}} \right) * 100$ <p>where p*t is the price for the conveyance within the Price Range for the corresponding Controlled Services within Controlled Services 33 to 38 ct , [ct-1] and ct-2 for Controlled Services s = 1 to s = 9 inclusive are found using the formula –</p> $c_t = \left(5 - \left(\frac{C_{(t-1)} * 100}{\sum_{s=1}^{s=9} br_{s(t-1)}} \right) \right)$ <p>in which – C(t-1) is calculated in accordance with paragraph 12 and for all other Controlled Services is zero[, and] ppt , [ppt-1] and ppt-2 for Controlled Services s = 1 to s = 38 (and where t = 6 Controlled Services s = 1 to s = 32) inclusive are found using the formulae –</p> | $\left(\frac{p^*_{t} - p^*_{t-1}}{p^*_{t-1}} \right) * 100$ <p>where p*t is the price for the conveyance within the <u>Price Range</u> for the corresponding <u>Controlled Services</u> within <u>Controlled Services</u> 33 to 38 ct , ct-1 and ct-2 for <u>Controlled Services</u> s = 1 to s = 9 inclusive are found using the formula –</p> $c_t = \left(5 - \left(\frac{C_{(t-1)} * 100}{\sum_{s=1}^{s=9} br_{s(t-1)}} \right) \right)$ <p>in which – C_(t-1) is calculated in accordance with T <u>[4.14]</u> and for all other <u>Controlled Services</u> is zero[, and] ppt , ppt-1 and ppt-2 for <u>Controlled Services</u> s = 1 to s = 32 inclusive are found using the formulae – for <u>Controlled Services</u> in <u>Basket A</u></p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>for Controlled Services in Basket A</p> $pp_t = \left(\frac{PP_t}{\sum_{s=1}^{s=13} br_{s(t-1)}} \right) * 100$ <p>in which – PPt is PPt calculated in accordance with paragraph 13 for Basket A, and and for Controlled Services in Basket B</p> $pp_t = \left(\frac{PP_t}{\sum_{s=14}^{s=38} br_{s(t-1)}} \right) * 100$ <p>and where t = 6 for Controlled Services in Basket B</p> $pp_t = \left(\frac{PP_t}{\sum_{s=14}^{s=32} br_{s(t-1)}} \right) * 100$ <p>in which – PPt is PPt calculated in accordance with</p> | $pp_t = \left(\frac{PP_t}{\sum_{s=1}^{s=13} br_{s(t-1)}} \right) * 100$ <p>in which – PP_t is PP_t calculated in accordance with T [4.15] for <u>Basket A</u>, and and for <u>Controlled Services</u> in <u>Basket B</u></p> $pp_t = \left(\frac{PP_t}{\sum_{s=14}^{s=32} br_{s(t-1)}} \right) * 100$ <p>in which – PP_t is PP_t calculated in accordance with T [4.15] for <u>Basket B</u>, and g_t, g_{t-1} and g_{t-2} for <u>Controlled Services</u> s = 1 to s = 32 inclusive are found using the formulae – for <u>Controlled Services</u> in <u>Basket A</u></p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | <p>paragraph 13 for Basket B, and gt, $[gt-1]$ and $gt-2$ for Controlled Services $s = 1$ to $s = 38$ (and where $t = 6$ Controlled Services $s = 1$ to $s = 32$) inclusive are found using the formulae – for Controlled Services in Basket A</p> $g_t = \left(\frac{G_t}{\sum_{s=1}^{s=5} br_{s(t-1)} + \sum_{s=10}^{s=13} br_{s(t-1)}} \right) * 100$ <p>in which – G_t is G_t calculated in accordance with paragraph 14 for Basket A, and and for Controlled Services in Basket B</p> $g_t = \left(\frac{G_t}{\sum_{s=14}^{s=38} br_{s(t-1)}} \right) * 100$ <p>and where $t = 6$ for Controlled Services in Basket B</p> | $g_t = \left(\frac{G_t}{\sum_{s=1}^{s=5} br_{s(t-1)} + \sum_{s=10}^{s=13} br_{s(t-1)}} \right) * 100$ <p>in which – G_t is G_t calculated in accordance with T [4.16] for <u>Basket A</u>, and and for <u>Controlled Services</u> in <u>Basket B</u></p> $g_t = \left(\frac{G_t}{\sum_{s=14}^{s=32} br_{s(t-1)}} \right) * 100$ <p>where G_t is G_t calculated in accordance with T [4.16] for <u>Basket B</u>, and k_t, for <u>Controlled Services</u> $s = 1$ to $s = 32$ inclusive is found using the formulae – for <u>Controlled Services</u> in <u>Basket A</u></p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $g_t = \left(\frac{G_t}{\sum_{s=14}^{s=32} br_{s(t-1)}} \right) * 100$ <p>where G_t is G_t calculated in accordance with paragraph 14 for Basket B, and [k_t, for Controlled Services s = 1 to s = 38 (and where t = 6 Controlled Services s = 1 to s = 32) inclusive is found using the formulae – for Controlled Services in Basket A</p> $k_t = \left(\frac{K_t}{\sum_{s=1}^{s=13} br_{s(t-1)}} \right) * 100$ <p>in which – K_t is K_t calculated in accordance with paragraph 11 for Basket A, and and for Controlled Services in Basket B</p> | $k_t = \left(\frac{K_t}{\sum_{s=1}^{s=13} br_{s(t-1)}} \right) * 100$ <p>in which – K_t is K_t calculated in accordance with T [4.13] for <u>Basket A</u>, and for <u>Controlled Services</u> in <u>Basket B</u></p> $k_t = \left(\frac{K_t}{\sum_{s=14}^{s=32} br_{s(t-1)}} \right) * 100$ <p>in which – K_t is K_t calculated in accordance with T [4.13] for <u>Basket B</u>, and br_{s(t-1)} is the revenue that would have been derived from a <u>Controlled Service</u>, s in <u>Formula Year t - 1</u> if it had been calculated in accordance with T[4.10].</p> | | |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
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| | $k_t = \left(\frac{K_t}{\sum_{s=14}^{s=38} br_{s(t-1)}} \right) * 100$ <p>and where t = 6 for Controlled Services in Basket B</p> $k_t = \left(\frac{K_t}{\sum_{s=14}^{s=32} br_{s(t-1)}} \right) * 100$ <p>in which – Kt is Kt calculated in accordance with paragraph 11 for Basket B, and] in each of the [seven] and where t = 6 ten, formulae immediately above, brs(t-1) is the revenue that would have been derived from a Controlled Service, s in Formula Year t - 1 if it had been calculated in accordance with paragraph 9.</p> | | | |
| C21.17 | Subject to paragraphs 18 and 19, in relation to each of the Controlled Services that are not required by Condition 2 to be provided as universal services (except Access Services | Subject to T [4.21 and 4.22], in relation to each of the <u>Controlled Services</u> that are not required by DUSP [1 and 2] to be provided as universal services (except <u>Access Services</u> priced on a zonal | T 4.20 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|---|--------|---|
| | <p>priced on a zonal basis and provided under contracts entered into on or before 1 April 2006 and any Access Service subsequently provided under a contract having all the terms referred to in paragraphs (i) to (xii) of paragraph 2(b) of Condition 9 in common with such a contract) the tariffs under which the services are offered shall be geographically uniform.</p> | <p>basis and provided under contracts entered into on or before 1 April 2006 and any <u>Access Service</u> subsequently provided under a contract having all the terms referred to in USPA [1.2(b)(i) to (xii)] in common with such a contract) the tariffs under which the services are offered shall be geographically uniform.</p> | | <p>The condition as currently drafted is “mixed” (it applies to universal, access and other services) and as such it must be transitory.</p> <p>It is likely to be possible to redraft this so as to separate out those services in relation to which the existing price control could in our view be applied as conditions under Part III of the Act. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work.</p> |
| C21.18 | The Licensee may apply to Postcomm in writing at any time for approval to offer any of | The <u>Universal Service Provider</u> may apply to <u>Ofcom</u> in writing at any time for approval to offer | T 4.21 | Transitory - <u>Universal Service</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|--------|--|
| | the Controlled Services on a tariff under which prices are not geographically uniform and where Postcomm has confirmed by notice in writing that it has been provided by the Licensee with sufficient information of good quality to consider the application then paragraph 19 shall apply. | <p>any of the <u>Controlled Services</u> on a tariff under which prices are not geographically uniform and where <u>Ofcom</u> has confirmed by notice in writing that it has been provided by the <u>Universal Service Provider</u> with sufficient information of good quality to consider the application then T [4.22] shall apply.</p> <p>For the purposes of this Condition, any approval given by the Postal Services Commission under Condition 21 paragraphs 18 and/or 19 of Royal Mail's licence under the Postal Services Act 2000 shall be deemed to be an approval given by <u>Ofcom</u> under this paragraph.</p> | | <u>Provider</u> |
| C21.19 | <p>Where this paragraph applies, if Postcomm has not, after consultation with the Council and with such other persons as it sees fit, and after consideration of such further information (if any) as it may require to be furnished, within nine months of the date of giving notice under paragraph 18, by determination in writing indicated that it is not satisfied that the change sought by the Licensee will –</p> <p>(a) be revenue neutral,</p> <p>(b) lead to prices for the service being more reflective of costs than they would be if the existing geographically uniform tariff was retained,</p> <p>(c) be introduced in a manner that avoids unreasonable changes for users of the service, and</p> <p>(d) not lead to a circumvention of paragraph 1, and</p> | <p>Where this paragraph applies, if <u>Ofcom</u> has not, after consultation with the <u>Council</u> and with such other persons as it sees fit, and after consideration of such further information (if any) as it may require to be furnished, within nine months of the date of giving notice under T [4.21], by determination in writing indicated that it is not satisfied that the change sought by the <u>Universal Service Provider</u> will –</p> <p>(a) be revenue neutral,</p> <p>(b) lead to prices for the service being more reflective of costs than they would be if the existing geographically uniform tariff was retained,</p> <p>(c) be introduced in a manner that avoids unreasonable changes for users of the service, and</p> <p>(d) not lead to a circumvention of T[4.2], and</p> <p>(e) not lead to a failure to provide services priced in a manner referred to in the <u>Directive</u>, then the <u>Universal Service Provider</u> may change the tariff structure for the service to one in which</p> | T 4.22 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|---|--------|--|
| | (e) not lead to a failure to provide services priced in a manner referred to in the Directive, then the Licensee may change the tariff structure for the service to one in which prices are not geographically uniform in the manner proposed in its application. | prices are not geographically uniform in the manner proposed in its application. | | |
| C21.20 | Without prejudice to Pricing in Proportion which may be introduced on or after 21 August 2006 subject to compliance by the Licensee with such direction in respect of the provision of information to users of postal services as may be made in writing by Postcomm, the Licensee may apply to Postcomm in writing at any time for approval for a change to the criteria by which the price or prices for a Controlled Service are determined and where Postcomm has confirmed by notice in writing that it has been provided by the Licensee with sufficient information of good quality to consider the application then paragraph 21 shall apply. | Subject to compliance by the <u>Universal Service Provider</u> with such direction in respect of the provision of information to <u>users of postal services</u> as may be made in writing by <u>Ofcom</u> , the <u>Universal Service Provider</u> may apply to <u>Ofcom</u> in writing at any time for approval for a change to the criteria by which the price or prices for a <u>Controlled Service</u> are determined and where <u>Ofcom</u> has confirmed by notice in writing that it has been provided by the <u>Universal Service Provider</u> with sufficient information of good quality to consider the application then T [4.24] shall apply. | T 4.23 | Transitory - <u>Universal Service Provider</u> |
| C21.21 | Where this paragraph applies, if Postcomm has not, after consultation with the Council and with such other persons as it sees fit, and after consideration of such further information (if any) as it may require to be furnished, within nine months of the date of giving notice under paragraph 20, by direction in writing indicated that it is not satisfied that the change sought by the Licensee will – (a) be revenue neutral, | Where this paragraph applies, if <u>Ofcom</u> has not, after consultation with the <u>Council</u> and with such other persons as it sees fit, and after consideration of such further information (if any) as it may require to be furnished, within nine months of the date of giving notice under T [4.23], by direction in writing indicated that it is not satisfied that the change sought by the <u>Universal Service Provider</u> will – (a) be revenue neutral, (b) lead to prices for the service being more reflective of costs than they would be if the existing | T 4.24 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|--|--------|--|
| | <p>(b) lead to prices for the service being more reflective of costs than they would be if the existing pricing basis was retained,</p> <p>(c) be introduced in a manner that avoids unreasonable changes for users of the service,</p> <p>(d) not lead to a circumvention of paragraph 1, and</p> <p>(e) not lead to a failure to provide services priced in a manner referred to in the Directive,</p> <p>then the Licensee may change the pricing criteria for the service in the manner approved in the direction.</p> | <p>pricing basis was retained,</p> <p>(c) be introduced in a manner that avoids unreasonable changes for <u>users</u> of the service,</p> <p>(d) not lead to a circumvention of T[4.2], and</p> <p>(e) not lead to a failure to provide services priced in a manner referred to in the <u>Directive</u>, then the <u>Universal Service Provider</u> may change the pricing criteria for the service in the manner approved in the direction.</p> | | |
| C21.22 | <p>Where the criteria by which the price or prices for a Controlled Service are determined are changed pursuant to paragraph 21, this Condition shall apply with such variations as may be specified by Postcomm by direction in writing, including, without prejudice to the generality of this paragraph, –</p> <p>(a) variations to apply paragraph 5 to the service so that, notwithstanding the provisions of paragraph 9, the term br_{st} shall be calculated with reference to that service in such manner as may be provided in the direction, and</p> <p>(b) variations to the tariff rebalancing provisions set out in paragraphs 15 and 16 so that, as far as possible in the circumstances, they may apply for the benefit of users of postal services as effectively after any</p> | <p>Where the criteria by which the price or prices for a <u>Controlled Service</u> are determined are changed pursuant to T [4.24], this Condition shall apply with such variations as may be specified by <u>Ofcom</u> by direction in writing, including, without prejudice to the generality of this paragraph, –</p> <p>(a) variations to apply Condition T [4.6] to the service so that, notwithstanding the provisions of T [4.10 and 4.11], the term br_{st} shall be calculated with reference to that service in such manner as may be provided in the direction, and</p> <p>(b) variations to the tariff rebalancing provisions set out in T [4.17 and 4.18] so that, as far as possible in the circumstances, they may apply for the benefit of users of postal services as effectively after any change made pursuant to T [4.24] as they applied before that change.</p> | T 4.25 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|--------|--|
| | change made pursuant to paragraph 21 as they applied before that change. | | | |
| C21.23 | <p>Except as Postcomm on the application of the Licensee may by direction in writing approve otherwise, the Licensee shall provide free of charge the services named in the table below.</p> <p><i>[Table reproduced as list:]</i> Return to sender as part of a Regulated Service Petitions to Parliament Certificate of Posting Poste restante Petitions to Her Majesty the Queen</p> | <p>Except as <u>Ofcom</u> on the application of the <u>Universal Service Provider</u> may by direction in writing approve otherwise, the <u>Universal Service Provider</u> shall provide free of charge the service: Return to sender as part of a <u>Regulated Service</u>.</p> | T 4.26 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The services not transposed are required by Condition DUSP 1 to be provided free in any event. They are, however, still captured within the definition of Unpriced Services for the purposes of the definition of Regulated Services.</p> |
| C21.24 | Except as Postcomm on the application of the Licensee may by direction in writing approve otherwise | Except as <u>Ofcom</u> on the application of the <u>Universal Service Provider</u> may by direction in writing approve otherwise | T 4.27 | |
| C21.24(a) | subject to paragraph (b) below for t = 6, the Licensee shall take all reasonable steps to ensure that in each Formula Year after Formula Year t = 0 it sets prices for the Miscellaneous Services so as to meet the conditions – in Formula Year t = 1 | <p>Subject to T [4.29], the <u>Universal Service Provider</u> shall take all reasonable steps to ensure that in each <u>Formula Year</u> after <u>Formula Year</u> t = 0 it sets prices for the <u>Miscellaneous Services</u> so as to meet the conditions –</p> $p_t \leq p_{t-1} * \left(\frac{100 + RPI_t - X}{100} \right)$ <p>where –</p> | T 4.28 | <p>Transitory - <u>Universal Service Provider</u></p> <p>The condition as currently drafted is “mixed” (it applies to universal and other services) and as such it must be</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|--------|---|
| | $p_t \leq p_{t=0} * \left(\frac{100 + P_0}{100} \right)$ <p>and,</p> $p_t \leq p_{t-1} * \left(\frac{100 + RPI_t - X}{100} \right)$ <p>where – p_t represents any price for any service, or any amount of any service, that is a Miscellaneous Service in any Formula Year t, p_{t-1} and $p_{t=0}$ represent the equivalent price on 31 March in Formula Years t – 1 and t = 0 respectively, P_0 is 4.0 percentage points, RPI_t is as defined in paragraph 9, [provided in Formula year t = 5 RPI_t shall be not less than zero,] and X is 0.14 percentage points.</p> | p_t represents any price for any service, or any amount of any service, that is a <u>Miscellaneous Service</u> in any <u>Formula Year t</u> , RPI_t is as defined in T [4.10], and X is 0.14 percentage points. | | <p>transitory.</p> <p>It is likely to be possible to redraft this so as to separate out those services in relation to which the existing price control could in our view be applied as a DUSP condition. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work.</p> |
| | | T [4.28] shall not apply to the Miscellaneous Service Private Boxes Transfer to PO Box 12 Months. | T 4.29 | See Direction issued by the Postal Services Commission on 30 March 2011 |
| C21.24(b) | the maximum average price increase of the services added to the definition of Miscellaneous Services for t = 6 will be 12%, consistent with the maximum average price increase for Controlled Services in Basket B, | | | <p>Unnecessary</p> <p>These services came out of the definition on 31 July 2011 at the latest (see</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to definition) |
|-----------|---|---|--------|--|
| C21.25 | <p>If –</p> <p>(a) the Licensee applies to Postcomm for a direction under this paragraph on the basis of –</p> <p>(i) a fundamental change of circumstances outside the control of the Licensee which adversely affects the underlying economic performance of the Licensee to a significant extent, or</p> <p>(ii) any other significant risk to the ability of the Licensee to –</p> <p>(aa) meet its obligations under Condition 2 of this Licence, or</p> <p>(bb) finance the activities authorised or required to be provided by this Licence, and</p> <p>(b) the Licensee has provided a copy of its application to the Council, and</p> <p>(c) the Licensee, after being afforded an opportunity to make representations, has satisfied Postcomm that –</p> <p>(i) in the case of an application made as provided in paragraph (a)(i), the change of circumstances described by the Licensee does adversely affect the underlying economic performance of the Licensee to a significant extent, or</p> <p>(ii) in the case of an application made as provided in paragraph (a)(ii), the Licensee –</p> <p>(aa) is an efficient operator, or</p> <p>(bb) is using all reasonable endeavours to become an efficient operator, and at least one of the risks referred to in</p> | <p>If –</p> <p>(a) the <u>Universal Service Provider</u> applies to <u>Ofcom</u> for a direction under this paragraph on the basis of –</p> <p>(i) a fundamental change of circumstances outside the control of the <u>Universal Service Provider</u> which adversely affects the underlying economic performance of the <u>Universal Service Provider</u> to a significant extent, or</p> <p>(ii) any other significant risk to the ability of the <u>Universal Service Provider</u> to –</p> <p>(aa) meet its obligations under Condition DUSP <u>1</u>, or</p> <p>(bb) finance the provision of its <u>regulated postal services</u>, and</p> <p>(b) the <u>Universal Service Provider</u> has provided a copy of its application to the <u>Council</u>, and</p> <p>(c) the <u>Universal Service Provider</u>, after being afforded an opportunity to make representations, has satisfied <u>Ofcom</u> that –</p> <p>(i) in the case of an application made as provided in paragraph (a)(i), the change of circumstances described by the <u>Universal Service Provider</u> does adversely affect the underlying economic performance of the <u>Universal Service Provider</u> to a significant extent, or</p> <p>(ii) in the case of an application made as provided in paragraph (a)(ii), the <u>Universal Service Provider</u> –</p> <p>(aa) is an efficient operator, or</p> <p>(bb) is using all reasonable endeavours to become an efficient operator,</p> | T 4.30 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|--------|--|
| | paragraph (a)(ii) is significant, and (d) Postcomm after consultation with the Council and with such other persons as it sees fit has issued a direction in writing in response to the application by the Licensee, then, to the extent and for so long as may be specified in that direction, this Condition shall not apply. | and at least one of the risks referred to in paragraph (a)(ii) is significant, and (d) <u>Ofcom</u> after consultation with the <u>Council</u> and with such other persons as it sees fit has issued a direction in writing in response to the application by the <u>Universal Service Provider</u> , then, to the extent and for so long as may be specified in that direction, this Condition shall not apply. | | |
| C21.26 | Where the Licensee has applied to Postcomm for a direction that this Condition shall no longer apply to – (a) one of the Controlled Services listed in Paragraph 38(a), or (b) to that the supply of that Controlled Service to a particular class of users on the basis of competition in the provision of the service in question being sufficiently developed to protect the interests of users or of that class of users and where Postcomm has confirmed by notice in writing that it has been provided by the Licensee with sufficient information of good quality to consider the application then paragraph 27 shall apply | Where the <u>Universal Service Provider</u> has applied to <u>Ofcom</u> for a direction that this Condition shall no longer apply to – (a) one of the <u>Controlled Services</u> , or (b) to that the supply of that <u>Controlled Service</u> to a particular class of <u>users</u> on the basis of competition in the provision of the service in question being sufficiently developed to protect the interests of <u>users</u> or of that class of <u>users</u> and where <u>Ofcom</u> has confirmed by notice in writing that it has been provided by the <u>Universal Service Provider</u> with sufficient information of good quality to consider the application then T [4.32] shall apply. | T 4.31 | Transitory - <u>Universal Service Provider</u> |
| C21.27 | Where this paragraph applies, if – (a) there is not outstanding a notice in writing from Postcomm to the Licensee to the effect that the number of applications made under paragraph 26 is such that they cannot all be dealt within the timescale referred to in paragraph (b), and (b) Postcomm has not, after consultation with the Council and with such other persons | Where this paragraph applies, if – (a) there is not outstanding a notice in writing from <u>Ofcom</u> to the <u>Universal Service Provider</u> to the effect that the number of applications made under T [4.31] is such that they cannot all be dealt within the timescale referred to in paragraph (b), and (b) <u>Ofcom</u> has not, after consultation with the <u>Council</u> and with such other persons as it sees fit, and after consideration of such further information | T 4.32 | Transitory - <u>Universal Service Provider</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|--|--------|------------------------------|
| | <p>as it sees fit, and after consideration of such further information (if any) as it may require to be furnished, and within five months of the date of giving notice under paragraph 26, by direction in writing stated that it is of the opinion that competition in the provision of the Controlled Service in question is not sufficiently developed to protect the interests of consumers or of the particular class of users referred to in the application of the Licensee,</p> <p>then this Licence shall apply from the first day of the next Formula Year as if the price of the Controlled Services in question or the price at which that Controlled Service is supplied to that class of users is not restricted by this Condition.</p> | <p>(if any) as it may require to be furnished, and within five months of the date of giving notice under T [4.31], by direction in writing stated that it is of the opinion that competition in the provision of the <u>Controlled Service</u> in question is not sufficiently developed to protect the interests of consumers or of the particular class of <u>users</u> referred to in the application of the <u>Universal Service Provider</u>, then this Condition shall apply from the first day of the next <u>Formula Year</u> as if the price of the <u>Controlled Services</u> in question or the price at which that <u>Controlled Service</u> is supplied to that class of <u>users</u> is not restricted by this <u>Condition</u>.</p> | | |
| C21.28 | <p>The Licensee shall, until Formula Year $t = 5$, in respect of Controlled Services numbered 1 to 38, not later than 31 December and in respect of Controlled Services numbered 39 to 45 not later than 14 January, in each Formula Year after Formula Year $t = 0$, and where $t + 1 = 6$,</p> <ul style="list-style-type: none"> - in respect of Controlled Services numbered 1 to 13 not less than 3 months before the matters referred to in the schedules and/or statements submitted pursuant to (a) to (c) below come into effect, - in respect of Controlled Services numbered 14 to 38 (as defined for $t = 6$) not less than 8 weeks before the matters referred to in the schedules and/or statements submitted | | | Unnecessary – $t=6$ |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|--------|---------------------------------------|
| | <p>pursuant to (a) to (c) below come into effect, - in respect of Controlled Services numbered 39 to 51 (as defined for $t = 6$) a sufficient period in advance of the notification in relation to Controlled Services numbered 14 to 38 as to ensure that the Licensee's obligations in relation to Controlled Services 14 to 38 as set out in this paragraph are met and that the Licensee's other obligations in the Licence are observed (including, for the avoidance of doubt, Condition 10), (a) submit to Postcomm and to the Council schedules showing all the prices for all the Price Ranges or other pricing criteria for each of those Controlled Services proposed to be charged or applied by the Licensee from the commencement of the following Formula Year, $t + 1$, (b) publish the schedules submitted pursuant to paragraph (a) in a reasonably prominent and accessible manner on its website, and (c) provide to Postcomm, with each schedule submitted pursuant to paragraph (a), a statement showing its estimates for Formula Year $t + 1$ for each of Baskets A and B, and where Formula Year $t + 1 = 6$ also for Basket C, of each of the parameters – ER, BR, AR, PP, K, C G, cpct, and Rplt</p> | | | |
| C21.29 | Except as Postcomm on the application of the Licensee may by direction approve | Except as: (i) The Postal services Commission by | T 4.33 | Transitory - <u>Universal Service</u> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|---|--------|--|
| | otherwise, the Licensee shall in each Formula Year t occurring after Formula Year t = 0 offer the Controlled Services in Baskets A and B, and where t = 6 also Basket C, to users at the prices shown in, or determined in accordance with, the schedule submitted in accordance with paragraph 28 in year Formula Year t - 1, subject to such changes as may result from variations permitted by paragraphs 15 to 22. | <p>direction issued on 20 March 2008 approved otherwise; or</p> <p>(ii) <u>Ofcom</u> on the application of the <u>Universal Service Provider</u> may by direction approve otherwise, the <u>Universal Service Provider</u> shall in each <u>Formula Year</u> t occurring after <u>Formula Year</u> t = 0 offer the <u>Controlled Services</u> in <u>Baskets A, B, and C</u>, to <u>users</u> at the prices shown in, or determined in accordance with, the schedules submitted by Royal Mail to the Postal Services Commission entitled "Prices 2011" (dated December 2010) and "Prices 2011 - Prices effective from 9th May 2011" (dated March 2011)³³ subject to such changes as may result from variations permitted by T [4.17 to 4.25].</p> | | <p><u>Provider</u></p> <p>The condition as currently drafted is "mixed" (it applies to universal, access and other services) and as such it must be transitory.</p> <p>It is likely to be possible to redraft this so as to separate out those services in relation to which the existing price control could in our view be applied as conditions under Part III of the Act. However, given that the Condition as a whole will fall away on 31 March 2012, it does not appear to us necessary to carry out this work.</p> |

³³ Available from Ofcom on request.

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|-------------|--------|---|
| C21.30 | <p>The Licensee shall, not later than 31 July after the end of each Formula Year after Formula Year t = 1, provide to Postcomm a statement showing its estimates for that year for each of Baskets A, B and C for each of the parameters –</p> <p>ER, BR, AR, PP, K, C, G, rpst rpyt cpct, and Rplt.</p> | | | Unnecessary – the formulae to which these estimates relate cease to be relevant on 31 March 2012. |
| C21.31 | <p>The Licensee shall cause the statements and information referred to in paragraphs 28(c) and 30 to be reviewed by Auditors, who shall be required to report on whether, in their opinion,</p> <p>(a) in relation to paragraph 28(c), those statements contain forecasts of the parameters referred to in them that have been prepared in a reasonable and consistent manner that can be expected to give forecasts that are not misleading, and on the basis of information that has been obtained, recorded and processed in a competent manner, and</p> <p>(b) in relation to paragraph 30, those statements contain estimates of the parameters referred to in them that have been prepared in a reasonable and consistent manner that can be expected to give estimates that are not misleading, on the basis of information that has been obtained, recorded, and processed in a manner that complies with Condition 15 of this Licence,</p> | | | <p>Unnecessary</p> <p>C21.28(c) and 30 are unnecessary</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|-------------|--------|--|
| | and the Licensee shall furnish Postcomm with a copy of each such report as soon as possible after receiving it | | | |
| C21.32 | <p>This Condition shall apply so long as this Licence continues in force but shall cease to have effect if –</p> <p>(a) the Licensee delivers a Disapplication Request to Postcomm and Postcomm agrees in writing to the Disapplication Request, or</p> <p>(b) its application is terminated by notice given by the Licensee in accordance with either paragraph 36 or paragraph 37 below.</p> | | | <p>Unnecessary.</p> <p>(a) Is unnecessary because Ofcom could not agree to such a request without going through the statutory process required to revoke the condition, so it adds nothing to the statutory process.</p> <p>(b) is unnecessary because neither paragraph 36 nor paragraph 37 below works any longer under the new regime. Even were Ofcom to rely on a transitory condition to make a reference to the CC, the CC would have no power to consider it.</p> <p>The price control</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|-------------|--------|--|
| | | | | falls away as at 31 March 2012 in any event. |
| C21.33 | Any Disapplication Request shall be in writing, addressed to Postcomm, and shall state the Disapplication Date which shall be not earlier than the date occurring 18 months after the date upon which the Disapplication Request is delivered to Postcomm. | | | Unnecessary |
| C21.34 | The Licensee shall not deliver any Disapplication Request to Postcomm before 30th September 2008. | | | Unnecessary Date has passed. |
| C21.35 | The Licensee may at any time withdraw a Disapplication Request | | | Unnecessary |
| C21.36 | If – (a) Postcomm has not made a reference to the Competition Commission under section 15 of the Act relating to the modification of this Condition before the beginning of the period of 12 months which will end with the Disapplication Date, and (b) the Licensee has not withdrawn the Disapplication Request, the Licensee may deliver written notice to Postcomm terminating the application of this Condition with effect from the Disapplication Date or a later date save that no such notice may take effect before the end of a period of 12 months from the date of delivery of that notice to Postcomm. | | | Unnecessary |
| C21.37 | If the Competition Commission makes a report on a reference made by Postcomm relating to the modification of this Condition | | | Unnecessary |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|--------------|---|---|--------|--|
| | after a Disapplication Request has been made and such report does not include a conclusion that the cessation of this Condition, in whole or in part, operates, or may be expected to operate, against the public interest, the Licensee may within one month after the publication of the report by Postcomm deliver to Postcomm written notice terminating the application of the Condition with effect from the Disapplication Date or a later date. | | | |
| C.21.38 | unless the context requires otherwise and reference in this Condition to volumes of letters or other postal packets conveyed by the Licensee is a reference to those volumes calculated on a revenue equated basis | Unless the context requires otherwise, any reference in this Condition to volumes of letters or other postal packets conveyed by the <u>Universal Service Provider</u> is a reference to those volumes calculated using the method for establishing volumes of <u>letters</u> or <u>postal packets</u> set out in T <u>4.9 4.10 and 4.11</u> of this Condition. | T 4.34 | Transitory - <u>Universal Service Provider</u> |
| | See C7.5(a)(ii)(2) | If the <u>Universal Service Provider</u> intends to offer any new <u>postal service</u> , the <u>Universal Service Provider</u> shall, not less than 3 months before such offer is intended to come into effect, submit to <u>Ofcom</u> an indication where relevant of the relevant <u>Reference Service</u> . | T 4.35 | USP Access - <u>Universal Service Provider</u> |
| C.21.38 | <i>Other definitions</i> | | | Moved to definitions section |
| C.22.1 and 2 | For as long as the Licensee is the owner of or has control over the Postcode Address File (in this condition referred to as “the File”), the Licensee shall – (a) maintain the File in an electronic format that can be read by computer software packages that are commonly available, and | | | Unnecessary We propose to issue a Direction on vesting (see s.116(5) and (6) PSA00, i.e. as |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|---|-------------|--------|---|
| | <p>(b) furnish a copy of the File to any person who may request it upon payment of a reasonable charge.</p> <p>2. The Licensee may not impose as a term or condition (however expressed) of furnishing a copy of the File (or of any revision or update to it) any term or condition other than reasonable restrictions to ensure –</p> <p>(a) that such intellectual property rights in the File as are vested in the Licensee are protected,</p> <p>(b) that the File and any updates to it are utilised in an appropriate manner to encourage correct addressing, and</p> <p>(c) that such reasonable charges referred to in paragraph 1 are paid.</p> | | | <p>amended by Sched 12 para 42 PSA11)</p> <p>This Direction is issued by Ofcom under s.116(5) Postal Services Act 2000 and has effect from the <u>Appointed Day</u>.</p> <p>1. In this Direction, “File” means the Postcode Address File as defined in s.116(3) Postal Services Act 2000.</p> <p>2. The owner for the time being of the File shall:</p> <p>(a) make the file available to any person who wishes to use it in an electronic format that can be read by</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|-------------|-------------|--------|--|
| | | | | <p>computer software packages that are commonly available, and</p> <p>(b) furnish a copy of the File to any person who may request it upon payment of a reasonable charge</p> <p>3. The owner for the time being of the File shall not impose as a term or condition (however expressed) of furnishing a copy of the File (or of any revision or update to it) any term or condition other</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|-------------|-------------|--------|--|
| | | | | <p>than reasonable restrictions to ensure –</p> <p>(a) that such intellectual property rights in the File as are vested in the owner for the time being of the File are protected,</p> <p>(b) that the File and any updates to it are utilised in an appropriate manner to encourage correct addressing , and</p> <p>(c) that such reasonable charges referred to in</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-------------|---|-------------|--------|--|
| | | | | paragraph [2(b)] are paid. |
| C22.3 and 4 | <p>Before the expiry of six months from the commencement of this Licence the Licensee shall –</p> <p>(a) discuss and endeavour to agree with the Council, and</p> <p>(b) establish and submit to Postcomm in writing, a code of practice for modifying and updating the File, to be known as the PAF Code of Practice.</p> <p>4. The PAF Code of Practice shall –</p> <p>(a) set out procedures for ensuring that any persons or classes of persons named in the File that are likely to be affected by proposals to change the File (other than to make routine additions and deletions to it) are given –</p> <p>(i) reasonable advance notice of such proposals, and</p> <p>(ii) an opportunity to make representations and objections in respect of such proposals,</p> <p>(b) set out procedures for ensuring that persons likely to be affected by changes in the File (other than routine additions and deletions to it) are given adequate notice of those changes,</p> <p>(c) set out procedures through which the Licensee may be made aware of and</p> | | | <p>Unnecessary</p> <p>According to the Condition there must already be a PAF CoP. See below.</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|--|-------------|--------|---|
| | <p>reasonably respond to the needs and views of users of the File in relation to it, and</p> <p>(d) shall be in such terms as may be agreed between the Licensee and the Council, provided that if –</p> <p>(i) there has been no such agreement between the Licensee and the Council within the period of six months from the commencement of this Licence, and</p> <p>(ii) Postcomm has given the Licensee not less than 28 days' notice in writing that it proposes to make a determination as to the terms of the PAF Code of Practice, and</p> <p>(iii) Postcomm has given to the Licensee the opportunity in that period of not less than 28 days to make representations to it in relation to its proposal to make such a determination, then</p> <p>the PAF Code of Practice shall be in such terms as may be determined in writing by Postcomm.</p> | | | |
| C22.5 | <p>5. The Licensee shall –</p> <p>(a) publish the PAF Code of Practice in such manner as to ensure reasonable publicity for it,</p> <p>(b) at all times observe the provisions of the PAF Code of Practice, and</p> <p>(c) not alter the PAF Code of Practice other than with the approval in writing of Postcomm.</p> | | | <p>Unnecessary</p> <p>See s.116(2A) PSA00, i.e. as amended by Sched 12 para 42 of the Act.</p> <p>Ofcom proposes to issue a direction on vesting:</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|-------------|-------------|--------|--|
| | | | | <p>This Direction is issued by Ofcom under s.116(2A) Postal Services Act 2000 and has effect from the <u>Appointed Day</u>.</p> <p>1. Definitions:</p> <p>(a) “Postcode Address File” has the meaning given in s.116(3) Postal Services Act 2000</p> <p>(b) “PAF Code of Practice” means the document of that name published by Royal Mail in May 2010[(fn to]: ftp://ftp.royalmail.com/Downloads</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|-------------|-------------|--------|--|
| | | | | <p>/public/ctf/rm/paf_code_of_practice_june_10.pdf)</p> <p>2. The owner for the time being of the Postcode Address File shall:</p> <p>(a) publish the PAF Code of Practice in such manner as to ensure reasonable publicity for it,</p> <p>(b) at all times observe the provisions of the PAF Code of Practice, and</p> <p>(c) not alter the PAF Code of Practice other than</p> |

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|-----------|-------------|-------------|--------|---------------------------------------|
| | | | | with the approval in writing of Ofcom |

Other operator licences

| Condition | Old wording | New wording | New no | Condition type/applicable to |
|------------------|--|--------------------|---------------|---|
| C2 | Service standards | - | - | See RM condition 4 |
| C3 | Mail integrity | - | - | See RM condition 8 |
| C4 | COPC | - | - | See RM condition 14 |
| C5 | Competition | - | - | See RM condition 11 |
| C6 | Mergers, takeovers and Change of control | - | - | See RM condition 12 |
| C7 | Information to Postcomm | - | - | See RM condition 17 |
| C8 | Information to Council | - | - | See RM condition 18 |
| C9 | Cessation of business | - | - | Unnecessary – inappropriate under a general authorisation regime. |
| C10 | Administrative charges | - | - | See RM condition 20 |
| C11 | Related Party Dealing | - | - | Unnecessary – inappropriate under a general authorisation regime, and Ofcom has information gathering powers. |

Consumers, Estate Agents and Redress Act

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|------|---|--|--------|--|
| | SI 2008/2355 | | | |
| | | A <u>postal operator</u> shall establish, make available and comply with transparent, simple and inexpensive procedures for dealing with <u>complaints of consumers of postal services</u> , which facilitate the fair and prompt settlement of disputes. | CP 7 | CP – <u>postal operators</u> See Directive Art. 19(1) |
| 3(1) | Each regulated provider must have in place at all times a complaints handling procedure. | A <u>regulated postal operator</u> shall establish, make available and comply with a <u>complaints handling procedure</u> in accordance with Condition CP [7] and CP [8.2] for dealing with complaints of <u>relevant consumers of regulated postal services</u> . | CP 8.1 | CP – <u>regulated postal operators</u> |
| 3(2) | Each regulated provider must comply with its complaints handling procedure in relation to each consumer complaint made through that complaint handling procedure | | | See above |
| 3(3) | Each regulated provider's complaints handling procedure must— (a) be transparent, simple and inexpensive; (b) be in plain and intelligible language; (c) allow for consumer complaints to be made orally or in writing (including electronically); (d) set out contact details to allow a relevant consumer to make a consumer complaint; (e) allow for consumer complaints to be progressed through each stage of the complaints handling procedure orally or in writing (including electronically); (f) allow for consumer complaints with no evidence base to be dealt with; | A <u>complaints handling procedure</u> must (a) be in plain and intelligible language; (b) allow for <u>consumer complaints</u> to be made orally or in writing (including electronically); (c) set out contact details to allow a <u>relevant consumer</u> to make a <u>consumer complaint</u> ; (e) allow for <u>consumer complaints</u> to be progressed through each stage of the <u>complaints handling procedure</u> orally or in writing (including electronically); (f) allow for <u>consumer complaints</u> with no evidence base to be dealt with; (g) describe the process which the <u>regulated postal operator</u> will follow with a view to investigating and resolving a <u>consumer complaint</u> and the likely timescales for that process; (h) provide for an internal review of an existing <u>consumer complaint</u> where a <u>complainant</u> indicates that | CP 8.2 | CP – <u>regulated postal operators</u> |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|------|---|---|--------|--|
| | <p>(g) describe the process which the regulated provider will follow with a view to investigating and resolving a consumer complaint and the likely timescales for that process;</p> <p>(h) provide for an internal review of an existing consumer complaint where a complainant indicates that they would like such a review to occur because he or she is dissatisfied with the handling of that consumer complaint;</p> <p>(i) set out contact details for Consumer Direct;</p> <p>(j) describe the complainant's right to refer a consumer complaint to a qualifying redress scheme—</p> <p>(i) from the point at which the regulated provider notifies the complainant in writing, that it is unable to complete the consumer complaint to the complainant's satisfaction; or</p> <p>(ii) after the expiry of the specified time period.</p> | <p>they would like such a review to occur because he or she is dissatisfied with the handling of that <u>consumer complaint</u>;</p> <p>(i) set out contact details for <u>Consumer Direct</u>;</p> <p>(j) describe the <u>complainant's</u> right to refer a <u>consumer complaint</u> to a <u>qualifying redress scheme</u>—</p> <p>(i) from the point at which the <u>regulated postal operator</u> notifies the <u>complainant</u> in writing, that it is unable to complete the <u>consumer complaint</u> to the <u>complainant's satisfaction</u>; or</p> <p>(ii) after the expiry of the <u>specified time period</u>.</p> | | |
| 3(4) | Each regulated provider must, not less than once every three calendar years, review its complaints handling procedure and seek feedback from a reasonable number of complainants to ensure the complaints handling procedure meets the needs of relevant consumers. | The <u>regulated postal operator</u> shall, not less than once every three calendar years, review the <u>complaints handling procedure</u> and seek feedback from a reasonable number of complainants to ensure the <u>complaints handling procedure</u> meets the needs of <u>relevant consumers</u> . | CP 8.3 | CP – <u>regulated postal operators</u> |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|------|---|--|--------|--|
| 4(1) | <p>Upon receipt of a consumer complaint made through its complaints handling procedure each regulated provider must record in a written or electronic format the following details—</p> <p>(a) the date that the consumer complaint was received;</p> <p>(b) whether the consumer complaint was made orally or in writing;</p> <p>(c) the identity and contact details of the complainant; and</p> <p>(d) a summary of the consumer complaint.</p> | <p>Upon receipt of a <u>consumer complaint</u> made through the <u>complaints handling procedure</u> the <u>regulated postal operator</u> shall record in a written or electronic format the following details—</p> <p>(a) the date that the <u>consumer complaint</u> was received;</p> <p>(b) whether the <u>consumer complaint</u> was made orally or in writing;</p> <p>(c) the identity and contact details of the <u>complainant</u>; and</p> <p>(d) a summary of the <u>consumer complaint</u></p> | CP 8.4 | CP – <u>regulated postal operators</u> |
| 4(2) | <p>For each consumer complaint received through its complaints handling procedure the regulated provider must also record—</p> <p>(a) a summary of any subsequent contact with the complainant and any advice given or action taken in response to the consumer complaint;</p> <p>(b) the date (if any) on which the consumer complaint became a completed complaint; and</p> <p>(c) the date (if any) on which the regulated provider sends a written notice to a complainant in accordance with Regulation 5.</p> | <p>For each <u>consumer complaint</u> received through its <u>complaints handling procedure</u> the <u>regulated postal operator</u> must also record—</p> <p>(a) a summary of any subsequent contact with the complainant and any advice given or action taken in response to the <u>consumer complaint</u>;</p> <p>(b) the date (if any) on which the <u>consumer complaint</u> became a <u>completed complaint</u>; and</p> <p>(c) the date (if any) on which the <u>regulated postal operator</u> sends a written notice to a complainant in accordance with condition CP [8.7].</p> | CP 8.5 | CP – <u>regulated postal operators</u> |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|------|---|--|--------|--|
| 4(3) | <p>Where a regulated provider has recorded a consumer complaint as a completed complaint but within three months of the date of making that record a subsequent contact is made by or on behalf of the complainant in relation to that consumer complaint which indicates that it is not a completed complaint, the regulated provider—</p> <p>(a) must as soon as reasonably practicable take account of that consumer complaint in any report which it is obliged to prepare and publish in accordance with Regulation 9;</p> <p>(b) shall not otherwise be entitled to treat that consumer complaint as a completed complaint for the purposes of these Regulations until that consumer complaint is demonstrably a completed complaint.</p> | <p>Where a <u>regulated postal operator</u> has recorded a <u>consumer complaint</u> as a <u>completed complaint</u> but within three months of the date of making that record a subsequent contact is made by or on behalf of the <u>complainant</u> in relation to that <u>consumer complaint</u> which indicates that it is not a <u>completed complaint</u>, the <u>regulated postal operator</u> —</p> <p>(a) must as soon as reasonably practicable take account of that <u>consumer complaint</u> in any report which it is obliged to prepare and publish in accordance with Condition CP [8.11];</p> <p>(b) shall not otherwise be entitled to treat that <u>consumer complaint</u> as a <u>completed complaint</u> until that <u>consumer complaint</u> is demonstrably a <u>completed complaint</u>.</p> | CP 8.6 | CP – <u>regulated postal operators</u> |
| 5 | <p>(1) Each regulated provider must send a notice to a complainant in accordance with paragraph (2) on the earlier of—</p> <p>(a) the first working day after the day on which the regulated provider becomes aware that it is not able to complete a consumer complaint made through its complaints handling procedure to the complainant's satisfaction; or</p> <p>(b) the first working day after the day on which the specified time period for that</p> | <p>1. Each <u>regulated postal operator</u> must send a notice to a <u>complainant</u> on the earlier of—</p> <p>(a) the first <u>working day</u> after the day on which the <u>regulated postal operator</u> becomes aware that it is not able to complete a <u>consumer complaint</u> made through its <u>complaints handling procedure</u> to the <u>complainant's</u> satisfaction; or</p> <p>(b) the first <u>working day</u> after the day on which the <u>specified time period</u> for that <u>consumer complaint</u> expires.</p> <p>2. The notice must be in writing (including electronically) unless another format has been agreed with the</p> | CP 8.7 | CP – <u>regulated postal operators</u> |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|-----|--|--|--------|------------------------------|
| | <p>consumer complaint expires.</p> <p>(2) The notice must be in writing (including electronically) or in such other format as may have been agreed with the complainant, to notify the complainant—</p> <p>(a) of their right to refer the consumer complaint to a qualifying redress scheme;</p> <p>(b) of the contact details of the qualifying redress scheme;</p> <p>(c) that the qualifying redress scheme process is independent of the regulated provider;</p> <p>(d) that the qualifying redress scheme process is free of charge to the complainant;</p> <p>(e) of the types of redress that may be available under a qualifying redress scheme; and</p> <p>(f) that any outcome of the qualifying redress scheme process is binding upon the regulated provider but not upon the complainant</p> | <p><u>complainant</u>, and notify the <u>complainant</u>—</p> <p>(a) of their right to refer the <u>consumer complaint</u> to a <u>qualifying redress scheme</u>;</p> <p>(b) of the contact details of the <u>qualifying redress scheme</u>;</p> <p>(c) that the <u>qualifying redress scheme</u> process is independent of the <u>regulated postal operator</u>;</p> <p>(d) that the <u>qualifying redress scheme</u> process is free of charge to the <u>complainant</u>;</p> <p>(e) of the types of redress that may be available under a <u>qualifying redress scheme</u>; and</p> <p>(f) that any outcome of the <u>qualifying redress scheme</u> process is binding upon the <u>regulated postal operator</u> but not upon the <u>complainant</u>.</p> | | |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|-----|--|--|---------|--|
| 6 | Each regulated provider must allocate and maintain such level of resources as may reasonably be required to enable that regulated provider to receive, handle and process consumer complaints made through its complaints handling procedure in an efficient and timely manner and in accordance with these Regulations. | Each <u>regulated postal operator</u> must allocate and maintain such level of resources as may reasonably be required to enable that <u>regulated postal operator</u> to receive, handle and process <u>consumer complaints</u> made through its <u>complaints handling procedure</u> in an efficient and timely manner and in accordance with this Condition. | CP 8.8 | CP – <u>regulated postal operators</u> |
| 7 | <p>Each regulated provider must put in place arrangements to deal with section 12 complaints made through its complaints handling procedure.</p> <p>If a regulated provider identifies a consumer as a vulnerable consumer with a consumer complaint, or the Council refers such a consumer to a regulated provider, that regulated provider must take such additional steps as it considers necessary or appropriate with a view to assisting that vulnerable consumer and completing their consumer complaint in an appropriate and prompt manner.</p> | <p>Each <u>regulated postal operator</u> must put in place arrangements to deal with <u>complaints</u> made through its <u>complaints handling procedure</u> in relation to which the <u>Council</u> makes representations on behalf of a <u>vulnerable consumer</u>.</p> <p>If a <u>regulated postal operator</u> identifies a <u>consumer</u> as a <u>vulnerable consumer</u> with a <u>consumer complaint</u>, or the <u>Council</u> refers such a <u>consumer</u> to a <u>regulated postal operator</u>, that <u>regulated postal operator</u> must take such additional steps as it considers necessary or appropriate with a view to assisting that <u>vulnerable consumer</u> and completing their <u>consumer complaint</u> in an appropriate and prompt manner.</p> | CP 8.9 | CP – <u>regulated postal operators</u> |
| 8 | <p>(1) Each regulated provider must—</p> <p>(a) publish its complaints handling procedure in such a manner as will ensure reasonable publicity for it;</p> <p>(b) ensure that its complaints handling procedure appears at a clear and prominent location on any relevant website it operates or controls; and</p> <p>(c) ensure that details of how to make a consumer complaint are made available at</p> | <p>Each <u>regulated postal operator</u> must—</p> <p>(a) publish its <u>complaints handling procedure</u> in such a manner as will ensure reasonable publicity for it;</p> <p>(b) ensure that its <u>complaints handling procedure</u> appears at a clear and prominent location on any relevant website it operates or controls; and</p> <p>(c) ensure that details of how to make a <u>consumer complaint</u> are made available at all its business premises which are accessible to the public, including the premises of its agents.</p> | CP 8.10 | CP – <u>regulated postal operators</u> |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|-----|--|--|---------|--|
| | <p>all its business premises which are accessible to the public, including the premises of its agents.</p> <p>(2) Where a regulated provider becomes aware, following contact by or on behalf of the complainant, that a consumer complaint which the regulated provider had recorded as a completed complaint is not a completed complaint, the regulated provider must as soon as reasonably practicable—</p> <p>(a) direct the complainant to the complaints handling procedure; and</p> <p>(b) offer to provide a copy of the complaints handling procedure to the complainant free of charge.</p> <p>(3) Each regulated provider must provide a copy of its complaints handling procedure, free of charge, to any person who requests it.</p> | <p>(2) Where a <u>regulated postal operator</u> becomes aware, following contact by or on behalf of the <u>complainant</u>, that a <u>consumer complaint</u> which the <u>postal operator</u> had recorded as a <u>completed complaint</u> is not a <u>completed complaint</u>, the <u>regulated postal operator</u> must as soon as reasonably practicable—</p> <p>(a) direct the <u>complainant</u> to the <u>complaints handling procedure</u>; and</p> <p>(b) offer to provide a copy of the <u>complaints handling procedure</u> to the <u>complainant</u> free of charge.</p> <p>(3) Each <u>regulated postal operator</u> must provide a copy of its <u>complaints handling procedure</u>, free of charge, to any person who requests it.</p> | | |
| 9 | <p>Each regulated provider must—</p> <p>(a) publish by 30th June each year a consumer complaints report in such a manner as will ensure reasonable publicity for it;</p> <p>(b) publish its consumer complaints report at a clear and prominent location on any website it operates or controls; and</p> <p>(c) provide a copy of its consumer complaints report, free of charge, to any person who requests it.</p> <p>(2) A consumer complaints report is a report in relation to the twelve month period</p> | <p>Each <u>regulated postal operator</u> must—</p> <p>(a) publish by 30th June each year a <u>consumer complaints</u> report in such a manner as will ensure reasonable publicity for it;</p> <p>(b) publish its <u>consumer complaints</u> report at a clear and prominent location on any website it operates or controls; and</p> <p>(c) provide a copy of its <u>consumer complaints</u> report, free of charge, to any person who requests it.</p> <p>(2) A <u>consumer complaints</u> report is a report in relation to the twelve month period ending on 31st March of the year in which the report is published which contains the following information—</p> | CP 8.11 | <p>CP – <u>regulated postal operators</u></p> <p>“consumer complaints” can only come from “relevant consumers”</p> |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|-----|---|--|--------|------------------------------|
| | <p>ending on 31st March of the year in which the report is published which contains the following information—</p> <p>(a) the number of consumer complaints which the regulated provider received from relevant consumers, during that period, which had not become completed complaints within that period; and</p> <p>(b) the number of consumer complaints which the regulated provider received from relevant consumers, during that period, which had become completed complaints within that period,</p> <p>in each case presenting the information broken down by no more than ten of the main causes of consumer complaint.</p> | <p>(a) the number of <u>consumer complaints</u> which the <u>regulated postal operator</u> received during that period, which had not become <u>completed complaints</u> within that period; and</p> <p>(b) the number of <u>consumer complaints</u> which the <u>regulated postal operator</u> received, during that period, which had become <u>completed complaints</u> within that period,</p> <p>in each case presenting the information broken down by no more than ten of the main causes of <u>consumer complaint</u>.</p> | | |

| Reg | Old wording | New wording | New no | Condition type/applicable to |
|-----|---|--|--------|---|
| | SI 2008/2267 | | | |
| 1 | A regulated provider must be a member of a qualifying redress scheme in relation to consumer complaints about the provision of a relevant postal service. | A <u>regulated postal operator</u> must be a member of a <u>qualifying redress scheme</u> in relation to <u>consumer complaints</u> about the provision of a <u>postal service</u> . | CP 9 | <p>CP – <u>regulated postal operators</u></p> <p>“Relevant postal service” had the meaning given in the Consumers, Estate Agents and Redress Act 2007, but that definition has now been revoked.</p> <p>The definition of “consumer complaint” means that the condition is in effect the same without it.</p> |

Annex 1 – Definition of Controlled Service

Controlled Service means a service numbered 1-51 in the Table below, together with any new service falling within the same market or market segment as any existing Controlled Service; and for the purposes of this definition –

- (a) Ofcom may by direction determine into which market or market segment any postal service falls;
- (b) any determination by the Postal Services Commission prior to the Appointed Day that a service falls within the same market or market segment as a Controlled Service shall be deemed to be a determination by Ofcom;
- (c) all such services may be more fully defined by reference to such descriptions of them as are contained in a table of definitions approved by Ofcom; and the descriptions in the document entitled *Condition 4 Schedule of Services and Standardised Measures, Produced in accordance with Condition 4 paragraphs 2(a) and 3 of Royal Mail's Licence* dated April 2008 and published by Royal Mail Group plc (the "April 2008 Schedule") shall be deemed to have been approved by Ofcom save that the numbering shall be interpreted as set out in the third column of the Table below;
- (d) For the purposes of Acc [1.21] and T [4.7 to 4.14]:
 - i. Controlled Service 20A and 20B shall be regarded as the same service as Controlled Service 21,
 - ii. Controlled Service 34A and 34B shall be regarded as the same service as Controlled Service 35,
 - iii. Controlled Service 23 shall be regarded as the same service as Controlled Service 22,
 - iv. Controlled Service 37 shall be regarded as the same service as Controlled Service 36,
 - v. Controlled Service 31A and 31B shall be regarded as the same service as Controlled Service 31
 - vi. Controlled Service 44A and 44B shall be regarded as the same service as Controlled Services 42 and 43 respectively; and
- (e) Controlled Services 19 to 23 and 30 to 38 include, where relevant, their sustainable Mail, Advertising Mail and Advertising Sustainable Mail equivalents, which may be amended by Ofcom by direction.

Table

| No. s | Service | April 2008 Schedule |
|------------------|--|--------------------------------|
| 1 | First Class mail not conveyed by other <u>Controlled Services</u> ; | 1 |
| 2 | First Class Metered | 2 |
| 3 | Second Class mail not conveyed by other <u>Controlled Services</u> ; | 3 |
| 4 | Second Class Metered | 4 |

| | | |
|-----|---|-------------------------------------|
| 5 | Standard Parcel; | 5 |
| 6 | Airmail Europe; | 6 |
| 7 | Airmail World Zone 1; | 7 |
| 8 | Airmail World Zone 2; | 8 |
| 9 | Surface Mail; | 9 |
| 10 | Response Services 1 st Class; | 10 |
| 11 | Response Services 2 nd Class; | 11 |
| 12 | First Class Postage Paid Impression (PPI) and, until 31 March 2012, Automated Standard Tariff Large Letter 1 st Class | 12 and “No number” first row |
| 13 | Second Class Postage Paid Impression (PPI) and, until 31 March 2012, Automated Standard Tariff Large Letter 2 nd Class; | 13 and “no number” second row |
| 14 | Special Delivery (Next Day) other than when sold to <u>users</u> having an account with the <u>Universal Service Provider</u> buying the service using their account; | 14 |
| 15 | Cleanmail OCR 1 st Class; | 15 |
| 16 | Cleanmail CBC 1 st Class; | 16 |
| 17 | Cleanmail OCR 2 nd Class; | 17 |
| 18 | Cleanmail CBC 2 nd Class; | 18 |
| 19 | Mailsort 120 OCR 1 st Class | 19 |
| 20 | Mailsort 120 CBC 1 st Class; | 20 |
| 20A | Mailsort 70 OCR 1 st Class | |
| 20B | Mailsort 70 CBC 1 st Class | |
| 21 | Mailsort 700 1 st Class; | 33 |

| | | |
|-----|---|----|
| 22 | Mailsort 1400 1 st Class, (this excludes Packets > 1kg); | 34 |
| 23 | Mailsort 1400 Residues 1 st Class, (this excludes Packets > 1kg); | 26 |
| 24 | Presstream 1 st Class, and excluding Packets > 1kg; | 29 |
| 25 | Presstream 2 nd Class, and excluding Packets > 1kg; | 30 |
| 26 | Packetpost 1 st Class, and excluding Packets > 1kg; | 31 |
| 27 | Packetpost 2 nd Class, and excluding Packets > 1kg; | 32 |
| 28 | Packetsort 8 1 st Class (including Flatsort 8 1 st Class), and excluding Packets > 1kg; | 33 |
| 29 | Packetsort 8 2 nd Class (including Flatsort 8 2 nd Class), and excluding Packets > 1kg; | 34 |
| 30 | Walksort 1 st Class, and excluding Packets > 1kg; | 35 |
| 31 | Mailsort 700 3 rd Class; | 37 |
| 31A | Mailsort 70 OCR 3 rd Class | |
| 31B | Mailsort 70 CBC 3 rd Class; | |
| 32 | Mailsort 1400 3 rd Class (including Flatsort 1400 3) and excluding Packets > 1kg; | 38 |
| 33 | Mailsort 120 OCR 2 nd Class | 21 |
| 34 | Mailsort 120 CBC 2 nd Class; | 22 |
| 34A | Mailsort 70 OCR 2 nd Class; | |
| 34B | Mailsort 70 CBC 2 nd Class; | |
| 35 | Mailsort 700 CBC 2 nd Class; | 24 |
| 36 | Mailsort 1400 2 nd Class (this excludes Packets > 1kg); | 27 |
| 37 | Mailsort 1400 Residues 2 nd Class (this excludes Packets > 1kg); | 28 |
| 38 | Walksort 2 nd Class and excluding Packets > 1kg; | 36 |

| | | |
|-----|---|----|
| 39 | Access 1400 and excluding Packets > 1kg; | 39 |
| 40 | Access 120 Letter; | 40 |
| 41 | Access 120 Flat & Packet and excluding Packets > 1kg; | 41 |
| 42 | Access 120 OCR; | 42 |
| 43 | Access 120 CBC; | 43 |
| 44 | Access 700 CBC; | 44 |
| 44A | Access 70 OCR; | |
| 44B | Access 70 CBC; | |
| 45 | Access Walksort and excluding Packets > 1kg; | 45 |
| 46 | Responsible Manual including 120, 1400, Walksort and excluding Packets > 1kg; | |
| 47 | Responsible Mech including 70 OCR, 70 CBC, 120 OCR, 120 CBC and 700 CBC; | |
| 48 | Advertising Manual including 120, 1400, Walksort and excluding Packets > 1kg; | |
| 49 | Advertising Mech including 70 OCR, 70 CBC, 120 OCR, 120 CBC and 700 CBC; | |
| 50 | Advertising Responsible Manual including 120, 1400, Walksort and excluding Packets > 1kg; | |
| 51 | Advertising Responsible Mech including 70 OCR, 70 CBC, 120 OCR, 120 CBC and 700 CBC; | |

Annex 2 – Summary table from Royal Mail Licence Condition 4, to be annexed to Condition 4 CP and DUSP Conditions

The document sets out the current text, followed by the proposed new text.

Current text**Scheduled standards and standardised measures maintained in accordance with**

| | Scheduled services | Performance bands for scheduled standards | | | |
|----|--|---|--|------------------------------------|--------------------------------------|
| | | I | II | III | IV |
| | | Standard (%) | No automatic consequences (%) | Users receive price reductions (%) | Postcomm considers investigation (%) |
| 1 | Grouping 1 Retail first class | 93.0 | <93.0 but >92.0 | 92.0 to >88.0 | 88.0 or less |
| 2 | Grouping 2 Retail second class | 98.5 | <98.5 but >97.5 | 97.5 to >93.5 | 93.5 or less |
| 3 | Grouping 3 Bulk first class | 91.0 | <91.0 but >86.0 | - | 86.0 or less |
| 4 | Grouping 4 Bulk second class | 97.5 | <97.5 but >92.5 | - | 92.5 or less |
| 5 | Grouping 5 Bulk third class | 97.5 | <97.5 but >92.5 | - | 92.5 or less |
| 6 | Standard Parcels | 90.0 | <90.0 but >89.0 | 89.0 to >85.0 | 85.0 or less |
| 7 | European International Delivery | 85.0 | <85.0 but >84.0 | 84.0 to >80.0 | 80.0 or less |
| 8 | Special Delivery (Next Day) | 99.0 | Compensation in accordance with contractual specification | | 94 or less |
| | Standardised measures | | | | |
| 9 | Postcode area target % (delivered) | 91.5 | <91.5 but >90.5 | 90.5 to >86.5 | 86.5 or less |
| 10 | % of collection points served each day | 99.90 | <99.90 but >99.80 | 99.80 to >99.40 | 99.40 or less |
| 11 | % of delivery routes completed each day | 99.90 | <99.90 but >99.80 | 99.80 to >99.40 | 99.40 or less |
| 12 | % of items delivered correctly | 99.50 | <99.50 but >99.40 | 99.40 to >99.00 | 99.00 or less |

paragraph 2(a) of Condition 4

Notes

1. The scheduled services numbered 1 to 8 in the table above are more particularly described by reference to services referred to in Condition 21 of this licence as shown in the table below –

| Scheduled services referred to in table above | Generic products | Controlled services | Controlled Services where $t=6$ |
|--|--|----------------------------|---|
| Retail first class | Stamped and metered 1c | 1 ³⁴ , 2 | 1 ³⁵ , 2 |
| Retail second class | Stamped and metered 2c | 3 ³⁶ , 4 | 3 ³⁷ , 4 |
| Standard parcel | Standard parcel | 5 | 5 |
| European International Outbound | Public tariff outbound international services within the scope of the Unipost External Monitoring System survey undertaken by International Postal Corporation on end-to-end quality of service measures for European cross border international priority mail | 6 | 6 |
| Special Delivery (Next Day) | Special Delivery (Next Day) other than when sold to users having an account with the Licensee buying the service using their account | 14 | 14 |
| Bulk 1 | PPI 1c | 12, 15, 16, 31, 33 | 12, 15, 16, 26, 28 |
| | Mailsort 1 | 19, 20, 23, 25, 26, 35 | 19, 20, 20A, 20B, 21, 22, 23, 30 |
| | Presstream 1 | 29 | 24 |
| | Response services 1 | 10 ³⁸ | 10 ³⁹ |
| Bulk 2 | PPI 2c | 13, 17, 18, 32, 34 | 13, 17, 18, 27, 29 |
| | Mailsort 2 | 21, 22, 24, 27, 28, 36 | 33, 34, 34A, 34B, 35, 36, 37, 38 |

³⁴ Stamped mail and Smart stamp only.

³⁵ Stamped mail and Smart stamp only.

³⁶ Stamped mail and Smart stamp only.

³⁷ Stamped mail and Smart stamp only.

³⁸ Excluding Freepost name and Packetpost Returns.

³⁹ Excluding Freepost name and Packetpost Returns.

| | | | |
|--------|---------------------|------------------|------------------|
| | Response Services 2 | 11 ⁴⁰ | 11 ⁴¹ |
| | Presstream 2 | 30 | 25 |
| Bulk 3 | Mailsort 3 | 37, 38 | 31, 31A, 31B, 32 |

The Controlled Services referred to above consist of products and services as may be more fully defined by reference to a table of definitions approved by Postcomm for the purpose of this Annex with the agreement of the Licensee.

2. The standards for the scheduled services numbered 1 to 7 show the percentages of letters that should meet the service requirements of delivery by the end of the first, third or seventh working day for first class services, second class and international services or third class services respectively, in each case after the day of collection or receipt by the Licensee.

3. The service numbered 6 (Standard Parcels) is a second class service.

4. The standard for Standardised Measure 9 is the percentage of mail conveyed by the scheduled services in Grouping 1 delivered the first working day after collection or receipt to be achieved or exceeded in each Postcode Area (excepting HS, KW and ZE) throughout the periods of 12 months ending at the end of March in each year, excluding the Christmas period.

5. The percentages for each standard are to be measured on average in the United Kingdom as a whole throughout the periods of 12 months ending on 31 March in each year, excluding the Christmas period.

6. The performance bands in Column III of the table of scheduled services apply to all scheduled services apart from the scheduled services numbered 3, 4 and 5.

⁴⁰ Excluding Freepost name and Packetpost Returns.

⁴¹ Excluding Freepost name and Packetpost Returns.

Table proposed for the DUSP conditions

| | Services | Performance bands | | | |
|-----------------------|--|-------------------|--|------------------------------------|-----------------------------------|
| | | I | II | III | IV |
| | | Standard (%) | No automatic consequences (%) | Users receive price reductions (%) | Ofcom considers investigation (%) |
| 1 | Grouping 1 Retail first class | 93.0 | <93.0 but >92.0 | 92.0 to >88.0 | 88.0 or less |
| 2 | Grouping 2 Retail second class | 98.5 | <98.5 but >97.5 | 97.5 to >93.5 | 93.5 or less |
| 3 | Standard Parcels | 90.0 | <90.0 but >89.0 | 89.0 to >85.0 | 85.0 or less |
| 4 | European International Delivery | 85.0 | <85.0 but >84.0 | 84.0 to >80.0 | 80.0 or less |
| 5 | Special Delivery (Next Day) | 99.0 | Compensation in accordance with contractual specification | | 94 or less |
| Standardised measures | | | | | |
| 6 | <u>Postcode area</u> target % (delivered) | 91.5 | <91.5 but >90.5 | 90.5 to >86.5 | 86.5 or less |
| 7 | % of collection points served each day | 99.90 | <99.90 but >99.80 | 99.80 to >99.40 | 99.40 or less |
| 8 | % of delivery routes completed each day | 99.90 | <99.90 but >99.80 | 99.80 to >99.40 | 99.40 or less |
| 9 | % of items <u>delivered</u> correctly | 99.50 | <99.50 but >99.40 | 99.40 to >99.00 | 99.00 or less |

Notes

1. The services in rows 1 to 5 in the table above are more particularly described by reference to Controlled Services as shown in the table below –

| Services referred to in table above | Generic products | Controlled Services |
|-------------------------------------|--|---------------------|
| Retail first class | Stamped and metered 1c | 1 ⁴² , 2 |
| Retail second class | Stamped and metered 2c | 3 ⁴³ , 4 |
| Standard parcels | Standard parcel | 5 |
| European International Delivery | Public tariff outbound international services within the scope of the Unipost External Monitoring System survey undertaken by International Postal Corporation on end-to-end quality of service measures for European cross border international priority mail | 6 |
| Special Delivery (Next Day) | Special Delivery (Next Day) other than when sold to users having an account with the <u>Universal Service Provider</u> buying the service using their account | 14 |

2. The standards for the services in rows 1 to 5 show the percentages of letters that should meet the service requirements of delivery by the end of the first or third working day for first class services and for second class and international services respectively, in each case after the day of collection or receipt by the Universal Service Provider.

3. The service in row 3 (Standard Parcels) is a second class service.

4. The standard for row 6 is the percentage of mail conveyed by the services in Grouping 1 delivered the first working day after collection or receipt to be achieved or exceeded in each Postcode Area (excepting HS, KW and ZE) throughout the periods of 12 months ending at the end of March in each year, excluding the Christmas period.

5. The percentages for each standard are to be measured on average in the United Kingdom as a whole throughout the periods of 12 months ending on 31 March in each year, excluding the Christmas period.

⁴² Stamped mail and Smart stamp only.

⁴³ Stamped mail and Smart stamp only.

Table proposed for the CP Conditions

| | Services | Performance bands | | |
|---|--|--------------------------|--------------------------------------|--|
| | | I | II | III |
| | | Standard (%) | No automatic consequences (%) | Ofcom considers investigation (%) |
| 1 | Grouping 3 Bulk first class | 91.0 | <91.0 but >86.0 | 86.0 or less |
| 2 | Grouping 4 Bulk second class | 97.5 | <97.5 but >92.5 | 92.5 or less |
| 3 | Grouping 5 Bulk third class | 97.5 | <97.5 but >92.5 | 92.5 or less |

Notes

1. The services in rows in the table above are more particularly described by reference to Controlled Services as shown in the table below –

| Services referred to in table above | Generic products | Controlled Services |
|--|-------------------------|----------------------------------|
| Bulk first class | PPI 1c | 12, 15, 16, 26, 28 |
| | Mailsort 1 | 19, 20, 20A, 20B, 21, 22, 23, 30 |
| | Presstream 1 | 24 |
| | Response services 1 | 10 ⁴⁴ |
| Bulk second class | PPI 2c | 13, 17, 18, 27, 29 |
| | Mailsort 2 | 33, 34, 34A, 34B, 35, 36, 37, 38 |
| | Response Services 2 | 11 ⁴⁵ |
| | Presstream 2 | 25 |
| Bulk third class | Mailsort 3 | 31, 31A, 31B, 32 |

2. The standards for the services show the percentages of letters that should meet the service requirements of delivery by the end of the first, third or seventh working day for first class services, second class and third class services respectively, in each case after the day of collection or receipt by the Universal Service Provider.

3. The percentages for each standard are to be measured on average in the United Kingdom as a whole throughout the periods of 12 months ending on 31 March in each year, excluding the Christmas period.

⁴⁴ Excluding Freepost name and Packetpost Returns.

⁴⁵ Excluding Freepost name and Packetpost Returns.

Annex 3 – Mail integrity code

Annex to Condition E 1

Protecting the Integrity of Mail – A Code of Practice

1 Introduction

1.1 This is the Code of Practice covering the protection of the integrity of mail. Its purpose is to achieve the following objectives (the "Mail Integrity Objectives"):

(a) minimising the exposure of Code Postal Packets to the risk of loss, theft, damage and/or interference; and

(b) maintaining and improving regulated postal operators' performance in respect of the matters referred to in paragraph 1.1(a).

1.2 This Code sets out the requirements and procedures to be followed in order to satisfy the Mail Integrity Objectives.

1.3 This Code applies to:

(a) regulated postal operators; and

(b) all Code Postal Packets conveyed, received, collected, sorted, delivered or otherwise handled by regulated postal operators.

1.4 Regulated postal operators should allocate responsibility to specific personnel within their organisations for implementation of and compliance with this Code.

1.5 In meeting their obligations under this Code, regulated postal operators should have due regard to the size and nature of their organisations and operations.

2 Definitions and rules of interpretation

2.1 In this Code, unless the context requires otherwise, the words include, including and in particular are to be construed as being by way of illustration or emphasis and do not limit or prejudice the generality of any foregoing words. The singular includes the plural and vice versa.

2.2. Nothing in this Code is to be construed as requiring a regulated postal operator to act unlawfully (for example, by breaching employment law in meeting the recruitment and vetting requirements set out in paragraph 3 of this Code).

2.3 This Code shall not be interpreted in any way which is inconsistent with the Mail Integrity Objectives.

2.4 Where this Code requires a policy to be established, that policy must be in writing and a copy must be given to the specific personnel within the regulated postal operator's organisation who are responsible for implementation of and compliance with the policy.

2.5 Where this Code requires regulated postal operators to allocate responsibility to specific personnel within their organisations to be responsible for implementation of and compliance

with this Code (including any policy required by this Code), the personnel responsible for implementation may be different from those responsible for compliance.

3 Recruitment of Relevant Employees

3.1 If a regulated postal operator employs or uses (or intends to employ or use) Relevant Employees, the regulated postal operator must:

(a) establish, maintain and adhere to a recruitment policy in relation to the employment or use of Relevant Employees designed to facilitate the achievement of the Mail Integrity Objectives; and

(b) allocate responsibility to specific personnel within its organisation for the implementation of and compliance with that recruitment policy.

3.2 The recruitment policy should include:

(a) an explanation of the jobs, roles or types of work, as the case may be, in respect of which the recruitment policy should apply;

(b) the types of information about a prospective Relevant Employee that the regulated postal operator requires;

(c) the steps that the regulated postal operator requires to be taken to satisfy itself of the identity of the prospective Relevant Employee;

(d) the steps which the regulated postal operator expects to be taken in order to confirm a prospective Relevant Employee's work history over at least the immediately preceding 5 years (or the entire period of that Relevant Employee's working life, if that period is shorter than 5 years);

(e) a requirement for prospective Relevant Employees to declare any criminal convictions or any cautions or conditional discharges for offences relating to:

(i) postal packets; or

(ii) dishonest conduct generally (in particular, theft, obtaining property by deception or fraud)

and guidelines on how any such convictions, cautions or conditional discharges declared by prospective Relevant Employees will be taken into consideration in deciding whether or not to employ the prospective Relevant Employee.

3.3 For the avoidance of doubt, in respect of any regulated postal operator's existing permanent, temporary, casual or part-time employee or worker (including those under a contract for service) who is not (or might not be) involved in conveying, receiving, collecting, sorting, delivering or otherwise handling Code Postal Packets in the course of his or her work and who is to be redeployed such that he or she will (or might be) so involved, such redeployment should be treated for the purposes of this paragraph 3 as effectively the employment or use of that individual as a Relevant Employee and be subject to the other provisions of this paragraph 3.

3.4 Regulated postal operators must reasonably regularly monitor implementation of and compliance with the recruitment policy.

3.5 Regulated postal operators must reasonably regularly review the recruitment policy and, where necessary, update or amend the policy to ensure that it continues to meet the Mail Integrity Objectives.

4 Training Relevant Employees

4.1 If a regulated postal operator employs or uses Relevant Employees, the regulated postal operator must:

- (a) establish, maintain and adhere to a training policy that provides for Relevant Employees to receive initial and ongoing training so as to facilitate achievement of the Mail Integrity Objectives; and
- (b) allocate responsibility to specific personnel within its organisation for the implementation of and compliance with that policy.

4.2 Without prejudice to the generality of paragraph 4.1, all Relevant Employees must be informed of the provisions of sections 83 and 84 of the Postal Services Act 2000 and made aware of the seriousness of the offences detailed in those sections.

4.3 The training policy should include:

- (a) the levels of training required to facilitate achievement of the Mail Integrity Objectives;
- (b) the levels of training required according to the differing responsibilities of, and work undertaken by, Relevant Employees in relation to Code Postal Packets;
- (c) details of the minimum level of training required;
- (d) an explanation of how the training will be provided;
- (e) the frequency with which training should be provided; and
- (f) details of how training is to be given, recorded and monitored.

4.4 Regulated postal operators must reasonably regularly monitor implementation of and compliance with the training policy.

4.5 Regulated postal operators must reasonably regularly review the training policy and, where necessary, update or amend the policy to ensure that it continues to meet the Mail Integrity Objectives.

5 Disciplinary Procedures

5.1 If a regulated postal operator employs or uses Relevant Employees, the regulated postal operator must:

(a) make Relevant Employees aware of the standards of conduct in relation to facilitating achievement of the Mail Integrity Objectives the regulated postal operator requires Relevant Employees to meet; and

(b) establish, maintain and adhere to a disciplinary policy in relation to the treatment of Relevant Employees who fail to meet the standards of conduct expected of them.

5.2 The standards of conduct and disciplinary policy should be such as to facilitate achievement of the Mail Integrity Objectives.

5.3 Regulated postal operators must allocate responsibility to specific personnel within their organisations for:

(a) making Relevant Employees aware of the standards of conduct expected of them; and

(b) the implementation of and compliance with the disciplinary policy.

5.4 The disciplinary policy should include:

(a) an explanation of what constitutes a failure to meet the standards of conduct and the action to be taken in relation to any failures;

(b) an explanation of how the regulated postal operator ensures that all Relevant Employees understand when a failure to meet the standards of conduct might also constitute a criminal offence and how this will be dealt with;

(c) provision for appropriate records to be maintained detailing any action taken against Relevant Employees for failure to meet the standards of conduct; and

(d) a process to identify consistent failure to meet the relevant standards of conduct and the taking of appropriate remedial action.

5.5 Regulated postal operators must reasonably regularly monitor implementation of and compliance with the:

(a) standards of conduct; and

(b) disciplinary policy.

5.6 Regulated postal operators must reasonably regularly review the:

(a) standards of conduct; and

(b) disciplinary policy

and, where necessary, update or amend the standards of conduct or disciplinary policy, as the case may be, to ensure that they continue to meet the Mail Integrity Objectives.

6 Security of Mail

6.1 Notwithstanding the other requirements of this Code, regulated postal operators must establish, maintain and adhere to such other policies and procedures as may reasonably be necessary to facilitate achievement of the Mail Integrity Objectives, in particular in relation to

the security of relevant premises, and the use of vehicles and equipment in the collection, conveyance or delivery of Code Postal Packets.

6.2 Regulated postal operators must allocate responsibility to specific personnel within their organisations for the implementation of and compliance with the policies and procedures specified in paragraph 6.1.

6.3 The policies and procedures should include:

- (a) regular risk assessment;
- (b) the maintenance of records so that regulated postal operators can identify, as far as is reasonably practicable, which Relevant Employees were responsible for the conveyance, receipt, collection, sortation, delivery or handling of specific Code Postal Packets that have been interfered with; and
- (c) the measures to be taken, including monitoring, to prevent or detect loss or theft of, damage to, or interference with, Code Postal Packets from or at premises, vehicles or equipment.

6.4 Regulated postal operators must reasonably regularly review the policies and procedures and, where necessary, update or amend those policies and procedures to ensure that they continue to meet the Mail Integrity Objectives.

7 Information and Reporting Requirements

7.1 All incidents of loss or theft of, damage to, or interference with Code Postal Packets must be recorded in reasonable detail.

7.2 Without prejudice to the generality of paragraph 7.1, information to be recorded in relation to "Serious Incidents" for the purposes of the Incident Guidelines includes:

- (a) the date, time and place of the incident;
- (b) the number of (or where the precise number is not known, a reasonable estimate of the number of) Code Postal Packets the subject of the incident;
- (c) as far as is reasonably practicable, the Relevant Employees involved in the conveyance, receipt, collection, sortation, delivery or handling, as the case may be, of the Code Postal Packets the subject of the incident; and
- (d) any other particulars relating to the incident which it would be reasonable to record, including the factual circumstances in which the incident occurred.

7.3 Incidents which constitute "Serious Incidents" for the purposes of the Incident Guidelines (together with details of the date, time and place of the incident and the number of, or a reasonable estimate of the number of, Code Postal Packets the subject of the incident) are to be reported to Ofcom as soon as reasonably practicable and, in any event, within 48 hours of the regulated postal operator becoming aware of their occurrence. The information required to be recorded in accordance with paragraphs 7.2(c) and 7.2(d) and any other information in relation to the incident that Ofcom may require should be reported to Ofcom as soon as reasonably practicable.

7.4 In respect of each period of three months in any year (each year ending on 31 March), each regulated postal operator must submit to Ofcom (as soon as reasonably practicable, and in any event within 28 days, after the end of each such period) a report detailing any prosecutions which that regulated postal operator has instigated in the relevant period and provide such information in relation to any relevant incident and prosecution that Ofcom may require.

7.5 Regulated postal operators must reasonably regularly review the information recorded under this paragraph 7 with a view to identifying any trends, patterns or other notable features (such as above average incident levels at certain premises).

7.6 Regulated postal operators must submit to Ofcom and the Council annual reports not later than 3 months from the end of the year (being 31 March) to which those reports relate, which include:

(a) the number of (or where precise numbers are not known, reasonable estimates of the numbers of) Code Postal Packets during the relevant year which were lost, stolen, damaged or interfered with; and

(b) details of any trends, patterns or other notable features (such as above average incident levels at certain premises) in relation to the incidence of loss or theft of, damage to, or interference with, Code Postal Packets.

For the purposes of these reports, the references to “lost” and “loss” exclude items that are delivered after 15 working days of their due day of delivery and within the reporting year. Such items are to be reported in these reports as “substantially delayed”.

7.7 Regulated postal operators must also submit to Ofcom and the Council with each annual report submitted under paragraph 7.6, a statement of the measures that the regulated postal operator intends to take to remedy any failures or patterns of failure to achieve the Mail Integrity Objectives and to reduce the numbers of Code Postal Packets lost, stolen, damaged or interfered with.

7.8 Regulated postal operators must allocate responsibility to specific personnel within their organisations for meeting the recording, reporting and other requirements of this paragraph 7.

8 Agents and Sub-Contractors

8.1 Each regulated postal operator shall ensure that, so far as is reasonably practicable, all of:

(a) its franchisees, agents or sub-contractors (if any) who are involved in the conveyance, receipt, collection, sortation, delivery or handling of Code Postal Packets, comply with this Code as if this Code applied to the franchisee, agent or sub-contractor; and

(b) its agents or sub-contractors (if any) who are responsible for providing Relevant Employees to work for the regulated postal operator, comply with this Code as if this Code applied to such agent or sub-contractor.

8.2 Where the franchisee, agent or sub-contractor is a regulated postal operator, it shall be sufficient for the regulated postal operator which lets the franchise, appoints the agent or engages the sub-contractor, as the case may be, to rely on the direct application of this Code to that regulated postal operator in fulfilment of its obligations under paragraph 8.1(a).