

# **POSTAL SERVICES COMMISSION DECISION STATEMENT**

## **GRANT OF LICENCE TO**

## **DX NETWORK SERVICES LIMITED**

### **Summary**

On 18 November 2005, the Postal Services Commission (“Postcomm”) issued consultation notices on the proposed grant of licence to DX Network Services Limited. Representations on the granting of the licences were requested by 18 December 2005. One response was received, which raised no objection to the granting of the licence. Postcomm has decided to grant the licence to DX Network Services Limited.

### **Background**

In May 2002, Postcomm published its decision on its market opening strategy. This described Postcomm’s approach to introducing competition into the postal market over the four years from 1 January 2003, with the underlying aim of achieving full liberalisation by April 2007 through a phased transition plan. In February 2005, Postcomm announced its decision to cancel the second phase and to bring forward the date of full market opening to 1 January 2006.

Postcomm consulted on the form of licence for full market opening and the new standard licence was published in August 2005 (“Licences under the Postal Services Act 2000: Licensing framework in a fully open market”). These licences contain no restrictions on the types of services that licensees can provide.

### **Consultation Notice**

On 18 November 2005 Postcomm issued a consultation notice on the proposal to grant standard licence to DX Network Services Limited under Section 11 of the Postal Services Act 2000 (“the Act”). The notice requested views on Postcomm’s proposal to grant this licence. Under the terms of the statutory notice, representations regarding the draft licence were requested by 18 December 2005.

### **Consultation Notice – Response**

Postcomm received one response to the consultation, from Postwatch, the Consumer Council for Postal Services. This response was not described as being confidential, and raised no objection to the issuing of licences.

## **Postcomm's Decision**

Postcomm has decided to grant the licence to DX Network Services Limited, as it is satisfied that the grant of the licence to DX Network Services Limited is a proper exercise of its functions under the Act.

The licence granted contains one change from those that were consulted on. Condition 9 of the draft licence requires that licensees put in place arrangements to ensure that mail on hand in the event of business failure can be delivered. One means of ensuring this is by provision of an irrevocable guarantee, the amount of which is calculated by reference to the number of letters carried by that licensee, taking two weeks' worth of mail at 50p an item. The 50p an item figure is calculated to account for inflation. The draft licences showed 2002 as the base point for this calculation. This was an error as Postcomm's intention was that the base point was 2005. This has now been corrected.

## **Contact details at Postcomm**

If you have any questions about the grant of this licence, please contact

Claire Mehegan at:

Postcomm  
Hercules House  
6 Hercules Road  
London SE1 7DB

Tel: 020 7593 2124

Fax: 020 7593 2142

E-mail: [claire.mehegan@psc.gov.uk](mailto:claire.mehegan@psc.gov.uk)

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