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21 December 2005

YOUR VIEWS ON POSTCOMM'S DRAFT 2006 BUSINESS PLAN

Dear Stakeholder

As one of Postcomm's key stakeholders, we are very keen to hear your views on our 2006 Business Plan. The attached document outlines our longer term strategy, looking three years ahead, and a more detailed description of what we plan to do over the twelve months from 1 April 2006. We are required to submit the final 2006 Business Plan to the Department of Trade and Industry by 31 March 2006.

We are proposing a number of top priority workstreams, which we must complete. There are also potential projects/workstreams with major resource implications that are contingent on factors beyond Postcomm's control, such as access determinations or appeals to any Postcomm decisions. If Postcomm is required to divert resources to such projects then others, which are desirable but not an absolute priority, may be re-evaluated.

You will notice a number of key themes running through the business plan, in both the longer term and short term strategy. These are:

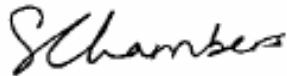
- a commitment to monitoring the universal service, and being ready to respond promptly to any apparent threats;
- adopting as light touch an approach to regulation as we can, while recognising that, where customers have no alternative to Royal Mail, regulation is required to ensure that they get a good deal;
- a commitment to ensuring that customer confidence in the market is maintained;

- recognition that Royal Mail will need to respond to increased competition, and must have flexibility to do so, but that this response must be fair and not anti-competitive; and
- a commitment to communicate well with stakeholders (both in terms of collecting information and informing customers of choices available) and to improve our relationships with Royal Mail and Postwatch in particular.

We are consulting on the 2006 Business Plan for a period of three months. Therefore we require your views by 20 March 2006. We may publish responses, so if you wish your views to remain confidential, please make this clear. If you are not the person who deals with mail issues in your organisation, please could I ask you to pass this to the appropriate person – and let us know, so we know who to contact in future.

If you have any questions regarding this review please contact Matthew Ward (either on 020 7593 2117 or via matthew.ward@psc.gov.uk).

Yours sincerely



Sarah Chambers
Chief Executive