

POSTAL SERVICES COMMISSION DECISION STATEMENT

GRANT OF LICENCE TO

RED STAR PARCELS LIMITED

Summary

On 22 December 2005, the Postal Services Commission (“Postcomm”) issued a consultation notice on the proposed grant of a licence to Red Star Parcels Limited. Representations on the granting of the licence were requested by 20 January 2006. One response was received, which raised no objection to the granting of the licence. Postcomm has decided to grant the licence to Red Star Parcels 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”). The new standard licence contains no restrictions on the types of services that the licensee can provide.

Consultation Notice

On 22 December 2005 Postcomm issued a consultation notice on the proposal to grant a standard licence to Red Star Parcels 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 20 January 2006.

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 a licence.

Postcomm's Decision

Postcomm has decided to grant the licence to Red Star Parcels Limited, as it is satisfied that the grant of the licence to Red Star Parcels Limited is a proper exercise of its functions under the Act.

Contact details at Postcomm

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

Richard Chandler at:

Postcomm
Hercules House
6 Hercules Road
London SE1 7DB

Tel: 020 7593 2184

Fax: 020 7593 2142

E-mail: richard.chandler@psc.gov.uk

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