

**RESPONSES TO POSTCOMM'S 'CONSIGNIA LICENCE CONDITION 1 – EXCEPTIONS TO THE UNIVERSAL SERVICE OBLIGATION, A CONSULTATION DOCUMENT'**

Postcomm received 53 written communications following its consultation document published in July 2002. Of these:

- 37 were responses commenting on the consultation document.
- 1 response was hand written and so the comments are not published.
- 4 respondees requested that their name be kept confidential, but their response published.
- One response was confidential in source and content and therefore is not published.
- 16 were individual queries or complaints unrelated to the consultation document, and therefore not published.

Ards Borough Council
Argyll & Bute Council
Armagh City & District Council
Communication Workers Union
Consignia
The Court Service
Mr & Mrs Gareth Davies
Direct Marketing Association
Lord James Douglas-Hamilton MSP
Down District Council
Driver and Vehicle Licensing Agency
The Electoral Commission
Mrs Elizabeth Forgan, member of the public
Glasgow City Council
Ms Sheena Kerr, member of the public
Pauline McNeill, MSP
National Assembly for Wales
National Association of Citizens Advice Bureaux
National Consumer Council
Office of the First and Deputy First Minister
Orkney Islands Council
Postwatch
Nora Radcliffe MSP
Alan Reid MP, Argyle & Bute Council
George Reid MSP
Renfrewshire Council
Scottish Consumer Council
Mr Martin F Smith, member of the public
South Ayrshire Council
Michael Spoons, member of the public
Nicola Sturgeon MSP
UK Passport Service
Member of the public, confidential
Member of the public, confidential
Member of the public, confidential
Member of the public, confidential

## ARDS BOROUGH COUNCIL

At a recent meeting of the Council members discussed the various issues contained in this document and agreed to make the following comments:

Item 23 (Page 7) -The Council questioned the need and justifiability of providing Postwatch and Postcomm annually with an updated list of those addresses excepted on a long-term basis from the postal service, together with details of the reasons for exceptions, particularly since the Appeals procedures in place flagged up that information. It was considered unfeasible and unreasonable, particularly from the point of view of resources, to expect lists to be updated where the delivery service has been suspended on a temporary basis, perhaps due to access difficulties, e.g. road closure or dangerous dogs. The Council was concerned that, in a case where no-one is at home to receive a package delivered by Consignia, and where that package is returned to a central collection point, the situation could be interpreted as a temporary suspension of the postal service to the address in question. The Council questioned how such a database could be practicably maintained.

Item 8 (Page 2) & Item 21 (Page 6) -With regard to proposals on difficulty of access, the document suggests delivery, on foot, to addresses up to one mile from the location where the vehicle is parked, where vehicular access is not possible. It was felt that this would dramatically increase the time required to complete delivery rounds and, in contravention of a Consignia licence requirement, would result in mail being left unattended and unprotected in Royal Mail vehicles.

The suggestion to use four wheel off-road vehicles, where there were five or more addresses on a delivery route which were difficult to access otherwise, was considered to not be cost effective and to represent poor value for money.

The Document suggested that, where a dangerous dog prevented access to a property, the occupant should be notified in writing. This was considered ridiculous since written notification could not be delivered. *(The current situation in the case of dangerous dogs, where the postal worker traces the owner or contacts the local Council to have the problem addressed, was considered appropriate).*

Page 41 -Item 3.49 -Central delivery points (for example, in multi- occupancy buildings) could enable time and money savings to be made, but could ultimately pose a threat to jobs.

Page 42 -Item 3.51 -The Council considered that the Post Office provided the best postal service in the world -it provided a door to door mail drop and other services which private competitors would not be expected to provide, for example, first and second class delivery options, a recorded delivery service etc. In light of this, it was considered reasonable to expect customers living, for example, at the end of long country lanes to provide appropriate post boxes on the roadside, at their own expense. This would help make the service more competitive, although the social aspect *(which was important especially to elderly residents and those living alone)* would be lost. Special arrangements, where the elderly or infirm had their mail delivered to the door, could be made on a similar basis as the Council's refuse collection assisted lift scheme, subject to such a policy being equality proofed.

Page 44 -Item 3.56 -The Council considered that the suggestion that Consignia should meet the cost of any alternative delivery point agreed under an exception process instigated by Consignia itself could have equality implications within Northern Ireland.

The proposals seemed to reflect a will to "cripple" the Post Office by imposing costly and unjustified requirements.

The requirements suggested in the consultation document were regarded as excessive from a cost point of view and could render the service, as currently provided, unviable.

Royal Mail/ Consignia provided an excellent service and it should be given greater freedom to act in a commercial manner, without excessive regulatory interference.

I trust this is of assistance and would apologise for the delay in responding however you will be aware that minutes of Council meetings are subject to subsequent ratification.

Yours sincerely,  
**A Boreland**  
Director of Administration

### **ARGYLL AND BUTE COUNCIL**

I would offer the following comments on behalf of Argyll & Bute Council.

A. The Council views with extreme concern these proposals and insists that there should be no diminution in service especially to the Islands and remote locations. In addition the "difficulty of access" and "Health & Safety" criteria must be open and transparent. I write of appeal to PostComm should be included with transparent criteria that has been consulted on prior to its introduction.

B. It is imperative that an undertaking is given that this policy proposal will not dilute the current level of service provided to citizens of Argyll & Bute and in particular in remote and Island communities and PostComm should be asked to look at improvements in delivery mechanisms to such communities as part of this consultation exercise.

C. There should be no limit on the additional road distance travelled by a postal delivery vehicle to reach an address provided that the road (public or private) to the address is in good condition

D. There is a need to determine what an objective assessment of good condition is and to consult with stakeholders on a definition and to reserve a right of appeal to PostComm in the even of a dispute thereafter.

E. There should be no limit on travelling time provided the access is not one that could be excepted in Health & Safety grounds.

F. The proposals by Consignia to alter PostComm's policy should be rejected as these would have a detrimental effect on Argyll & Bute's remote and Island Communities.

G. Consignia should make every effort regardless of cost to secure provision of a service to elderly or disabled people and to provide them with information on the levels of service they may be entitled to expect.

H. The present policy consultation takes no account of the provision of post bus services nor of the use of air services as a means of delivering mail. PostComm should consider both of these issues in the context of the exceptions to the universal service to ensure that the implementation of this policy will not have the effect of diminishing the service provided under the post bus regime and also take account of the possibilities of providing access for mail services by air.

In conclusion the Council believes strongly that it should be regarded as a basis human right to receive a daily postal service unless on grounds of Health & safety access cannot be provided safely.

I trust you will give consideration to these comments from Argyll & Bute Council and which have been formed after consultation with interested communities.

Yours sincerely

**Charles Reppke**

Head of Democratic & Community Service

## **ARMAGH CITY AND DISTRICT COUNCIL**

I refer to the above consultation document. Armagh City and District Council have no comment to make on this subject.

Yours sincerely

**Victor Brownlees**

Clerk and Chief Executive

## **COMMUNICATION WORKERS UNION**

### **INTRODUCTION**

The Communication Workers Union (CWU) represents almost 300,000 staff in the postal, telecommunications and related industries, including more than 150,000 specifically involved in the collection, sorting and delivery of letters and parcels. It is the recognised union in the Post Office for all non-management grades.

The CWU welcomes Postcomm's overall approach to this particular aspect of its remit, but recognises that these specific proposals only refer to a relatively small number of people. In fact the only 4,643 addresses are directly affected out of the 27 million address points in the UK – and only 3,048 of these are permanently excluded, which represents 0.011% of the addresses that Royal Mail delivers to each day.

Nevertheless it is important that Postcomm establishes a consistent and transparent framework of exceptions to the universal service obligation (USO) before proceeding to address the more fundamental questions of the scope and cost of providing this service. Such a framework will be helpful, both for the customers affected and for the employees responsible for carrying out Royal Mail's delivery operation.

### **BACKGROUND**

The first thing to be said about the USO exceptions in the UK is that the number is low and has been successfully kept to a minimum. There are numerous examples in other European countries where the number of exceptions far exceed those in the UK – in Italy and Spain for instance the proportion of addresses considered to be exceptions is much higher. In 1998 a report by the ombudsman with responsibility for postal matters in Spain found that the national operator Correos y Telegraphos could not carry out a truly universal postal service. The ombudsman's report also stated that 200,000

people in rural areas did not have a home delivery of post at all, 320,000 had “erratic” delivery of their post and nearly 150,000 had to go to post offices to collect their post<sup>1</sup>. This is without even accounting for the fact that mail deliveries to shared or roadside boxes are far more prevalent in European countries such as Spain than they are in the UK, where delivery to the door is still the norm.

Postcomm states that it wishes to maintain this low level of exceptions to the USO and ensure that the final list of excepted addresses is as short as possible. Given that there are appropriate safeguards in place the CWU would broadly support this approach. However, the high cost of delivering to remote areas and addresses which could be considered too difficult to access if determined solely on a cost basis, is likely to become more difficult to sustain because of Postcomm’s actions in implementing its competition proposals. In previous submissions the CWU has made clear its rejection of Postcomm’s analysis and method of introducing competition into the postal industry<sup>2</sup>.

It is clear that Royal Mail has been able to operate a more comprehensive delivery arrangement on remote (and loss-making) routes due to the funding available from operating a natural monopoly through the reserved area. As Postcomm rightly point out (para 2.7), the EU Postal Services Directive (97/67/C) “recognises that the universal service obligation may only be achievable at a significant financial cost. To enable persons entrusted with a universal service obligation to meet their obligations, the Directive permits cross-subsidies between unprofitable and profitable mail delivery services provided by those persons”.

Introducing competition in the manner that Postcomm is proposing will reduce the profitable mail delivery services provided, with the inevitable effect of reducing Royal Mail’s ability to provide non-profitable services such as those which are currently considered to be within the USO despite some difficulty of access or remote location.

## EXCEPTIONS POLICY/ CATEGORIES

The reservations expressed by the CWU regarding the ability of Royal Mail to continue to provide a delivery service with such a low number of USO exceptions does not alter the fact that the Union is supportive of a clear criteria and procedure which defines the type of addresses which fall outside the USO. In particular, the CWU believes that the type of categorisation proposed represents a reasonable approach and would offer the following comments.

### Health and Safety Category

The CWU already supports a process of health and safety risk assessments for deliveries, which are usually undertaken by the Delivery Office Manager. However, a more rigorous procedure which is applied with greater consistency and subject to a periodical review could only be to the benefit of employees as well as customers.

Postcomm’s proposed criteria (para 3.17) does not seem unreasonable in this instance, although the CWU will be keen to ensure that the health and safety risk assessment measures are applied equally rigorously in offices where exceptions to the USO have not necessarily occurred in the past. The level of risk must be categorised appropriately in a consistent manner and communicated accordingly. The current review of delivery services and the proposed Tailored Delivery Service (TDS) is an opportunity for Royal Mail to pursue this consistent and uniform approach.

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<sup>1</sup> El Pais 22/05/98

<sup>2</sup> CWU Submission on “Postcomm’s Proposals for Introducing Competition in UK Postal Services”

The CWU also welcomes the unambiguous statement that *“Postcomm recognises that Consignia is ultimately responsible under the relevant health and safety legislation for the safe working environment of its employees. Postcomm will therefore not seek to impose on Consignia a view that access is safe, when Consignia’s own health and safety processes have properly determined that it is not”*. (Para 4.9)

### Difficulty of Access Category

The various delivery services operated by Royal Mail in order to ensure continued access to difficult address points can often be seen to go well beyond the reasonable endeavours that they are required to adopt through the terms of the licence and the Postal Services Act 2000.

It can be safely stated that despite Postcomm’s faith in the introduction of competition and operation of the free market, no private postal operator is likely to offer services to remote islands for the same national uniform tariff it charges for other deliveries. Once again this is an example of the benefits of a reserved area being used to cross-subsidise more expensive delivery operations.

Indeed, it is interesting to note that Postwatch has stated *“the universal service obligation can be cross subsidised and that Consignia must use money made in one area to subsidise another”*(para 3.30). This is the position that the CWU has been outlining for some considerable time, and Postwatch (as one of the most enthusiastic and dogmatic advocates of competition) has rejected as an economic falsehood.

### Customer Request Category

Postcomm’s proposals to suspend the USO where a customer requests Royal Mail to do so seem to offer a reasonable approach. Clearly the main concern in such circumstances is to ensure that the USO does not continue to be excepted at a particular premises once the customer is no longer resident at the address or circumstances change. Therefore such a request must be subject to review and appeal in a straightforward and simple fashion.

### ALTERNATIVE DELIVERY POINTS

The CWU is not opposed to exploring the possibility of new and innovative ways of providing deliveries which meet the customers needs. Indeed the Union has been pursuing its own initiative with Royal Mail customers as part of the ongoing discussions around TDS<sup>3</sup>. This initiative has included an examination of a number of products and services including, a national register for early deliveries; collection on delivery; re-deliveries in the evening; a “super first class” service; a same-day delivery service and timed deliveries. In addition, the Union has been talking to customers about the expansion of alternative delivery arrangements and delivery points through the use of secure drop boxes, collection of mail from larger delivery offices and improving access to enquiry offices.

It would appear that customers often need a truly “tailored” solution to meet their postal delivery requirements, therefore flexibility in these arrangements (and not a “one-size-fits-all” approach) would seem to be the key. That said, there must be a continuing emphasis on ensuring that the security and accessibility of the delivery points and the particular delivery solution is assured.

### APPEALS PROCESS

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<sup>3</sup> Delivering for Customers: Royal Mail and the Future of Delivery Services

Postcomm's general approach to the appeals process is reasonable in that it sets two very important over-riding principles. Firstly, that the existence of the process must be communicated to the customers affected and secondly that Royal Mail *"addresses the need of people who are disabled, chronically sick, or of pensionable age, in relation to the provision of the universal postal service"* (para 4.2).

The CWU is concerned that the introduction of competition in UK postal services and Royal Mail's reaction – in relation to the provision of some of its core services and delivery operations – could have an adverse affect on some of those people who depend on the postal service most of all, such as those with special needs and those outlined above. That is why the Union believes that a consistent approach should be adopted in all delivery operations, which ensures that the services on offer truly meet the needs of these customers. A national register for early deliveries is an example of where a tailored delivery service could be flexible enough to meet these needs in all parts of the UK, not just those which may or may not be considered to be exceptions to the USO.

In terms of Postcomm's economic rationale for measuring those deliveries which may be considered to be at the margins of the USO and subject to appeal, the CWU is pleased that a purely cost based approach has been rejected at this stage. Nevertheless, the fact that *"Postcomm would, as a last resort, apply the cost based approach"* (para 4.7) is a concern, given that the elements that would be included in this approach are undefined. While Postcomm does state that it would *"use data on the average costs of service provision by particular modes of transport. To help it to determine an appropriate service level."*(para 4.10) there is no indication of an assessment of the costs that could also be seen to be an integral part of providing such a service, such as the operation of the rest of the mail pipeline. Further clarity as to Postcomm's understanding of the costs associated with the USO and its operation will be required in relation to this process, as well as future priorities such as an analysis of the overall cost associated with the USO and related issues such as future access price determinations.

## CONCLUSION

Postcomm's attempt to adopt a consistent approach to the issue of USO exceptions is a welcome development. While the number of people affected by these exceptions is relatively small, it is important that this issue is clarified before the scope and the cost of the USO is addressed in the more significant consultations to come. It is also encouraging to see that that Postcomm has addressed many of the points initially raised by Royal Mail in its framework proposal for geographical and other exceptions.

That said, a number of points of clarification are necessary if Postcomm is to implement its proposals in a manner that is not only practical but also able to meet customer needs across the board. As outlined above, the CWU is particularly concerned about the implications of the changes to the postal industry upon customers with special needs and their access to regular postal services. Postcomm must be seen to support a consistent approach to meeting the needs of these important customers who rely on a regular postal service whether they are in areas which have been classed as exceptions to the USO or not.

For further information on the view of the CWU, contact:

Billy Hayes,  
**General Secretary**  
Communication Workers Union

# CONSIGNIA

## Introduction

There are exceptions to the Universal Service Obligation (USO) to deliver to all addresses in almost every European country. This has been a long-standing practice and is provided for under both the Postal Services Act and EC Postal Directive.

Exceptions to the USO in the UK comprise a small number of addresses. Consignia goes to considerable lengths on a daily basis to deliver to remote and isolated communities around the country, starting with the presumption that we will make every reasonable and practicable effort to deliver to every address, no matter how remote. This position remains unchanged.

The task facing Postcomm with the assistance of Consignia and Postwatch is to provide a consistent approach to defining and dealing with exceptions, whilst preserving flexibility where possible. Care also needs to be taken to balance customer needs and employee safety without placing too onerous a burden upon Consignia or other potential universal service providers.

Consignia believes that in general Postcomm's proposals strike a reasonable balance between the various needs. Consignia is also grateful to Postwatch for their very comprehensive survey of exception addresses.

In reviewing the list of exception addresses provided to Postcomm and Postwatch in July 2001 it is clear that there is a certain level of inconsistency in how exceptions are defined and in the alternatives customers are offered.

As decisions in the past have been devolved to local level it is not surprising that there is some variation in the outcome. This local approach has however enabled greater flexibility in dealing with customers' individual circumstances. Our experience has been that in most cases customers are content with the arrangements provided, a view supported by the Postwatch survey findings. A recent survey of rural addresses suggests that there are also a small number of addresses where USO delivery is currently taking place but at risk to the health and safety of employees or incurring substantial vehicle damage. Adopting a more consistent approach will result in such addresses becoming exceptions.

Our comments on the consultation document follow, grouped by topic.

Comments on the Consultation Document

### Alternative Arrangements

Paragraph 3.17 states that a long term exception may only be made on health and safety grounds if there is no practicable alternative route into the property.

In a small number of addresses with health and safety or difficulty of access problems, an alternative route to the address may involve operational or postcode changes. Consignia considers that if the customer refuses to accept such changes they are effectively blocking access to their address and should be treated as such under the exception process.

Paragraphs 3.17 and 3.39 state that the customer must be offered reasonable alternative delivery arrangements.

In some cases there is no customer. Where a property has health and safety or poor access problems and is permanently unoccupied or derelict, mail will be returned to sender.

### Difficulty of Access

Summary Paragraph 11 and Paragraphs 3.25 to 3.28 refer to Consignia's proposal to provide deliveries to islands on the days when a ferry service is available.

Consignia remains committed to this proposal. Although the proposals made to Postcomm only mentioned ferries, the omission of scheduled air services was not intentional and the same general principals apply. The extent to which Consignia can make use of the ferry and scheduled air services is subject to the timetables being compatible with the delivery operation and our ability to recruit staff or extend contractor hours to make the deliveries, as well as the willingness and ability of the carrier to take the mail.

In particular Postcomm should be aware that ferry timetables to outlying islands may be subject to frequent change. Timings may also be too early or too late to connect with mail distribution and delivery schedules. Therefore there may be days on which a ferry service is available but transportation and delivery of mail may not be practicable. Scheduled plane services may not always have capacity to carry mail or may be subject to cancellation if bookings are insufficient. Consignia's ability to deliver to islands served by plane will be subject to practical considerations of this nature. Summary Paragraphs 11 to 12 and Paragraphs 3.25 to 3.28 refer to Consignia's proposal to provide wherever practicable a weekly delivery service to islands or other addresses only accessible by boat. One of our considerations will be the availability of a suitable and reasonably priced service. Where Consignia believed the only suitable service providers were charging an unreasonable sum, we would consider this grounds for going to appeal.

Summary Paragraphs 13, 20, Paragraph 3.36 and Table 3.1 give Postcomm's proposals for remote addresses with good access and addresses with poor access via a private road. The former should not be subject to any limit in terms of time or distance to make the delivery. The latter will become exceptions if the time per address exceeds 15 minutes.

These proposals do not cover the situation where an address or group of addresses have poor access on a public road. This is an unusual situation affecting probably only a small number of addresses. Consignia proposes that Postcomm's 15-minute rule should apply to both public and private access roads.

Summary Paragraph 21 and Paragraphs 3.32, 3.35 refer to Consignia's proposals to use four wheel drive (off-road) vehicles where there are five or more addresses on a route requiring the use of such vehicles.

Consignia's proposals referred to off-road vehicles, not specifically four wheel drive vehicles. Consignia will use whatever type of off-road vehicle it considers appropriate to deliver in difficult conditions.

As stated in the paper at paragraph 3.33, Consignia considers that customers have a duty to maintain access to their premises in good order and that without this Consignia should not be obliged to deliver. We have proposed a compromise to this position, based around extending the use of off-road

vehicles to some addresses that have not maintained good access. Postcomm have suggested an alternative approach based on the time to deliver. Consignia finds this approach acceptable but as a replacement for, rather than a supplement to, its proposal to extend the use of off road-vehicles. (This does not affect Consignia's existing use of off-road vehicles, typically in remote areas subject to extreme weather conditions, which will continue.)

### Special Needs Customers

Summary Paragraph 19 and Paragraph 3.11 deal with the arrangements for customers with special needs living at an exception address.

Consignia would define special needs cases as households where all occupants were registered disabled or otherwise infirm through age or illness. Where special arrangements were agreed, these would be for the benefit of the individual(s) with the special needs, not the address. The delivery arrangements should be reviewed when that person leaves the address. In cases where Consignia goes beyond what it is required to do in order to meet special needs, this arrangement will not set a precedent for the address itself and will be reviewed if the circumstances of the household change. Consignia will not enter into any arrangements for customers with special needs that compromise the health and safety of its employees.

### Customer Request

Paragraphs 3.42 to 3.44 deal with temporary suspensions to the USO at the customer's request, rather than due to conditions at the address.

Where Consignia is willing to provide USO delivery and a customer instead chooses to have an alternative delivery point or arrangement, the normal product terms and conditions will apply, including any fees payable.

### Alternative Delivery Points

Paragraph 3.46 discusses the designation of alternative delivery points for the situation where one postal address is a delivery point for a number of individuals or organisations. Consignia holds the view that in these circumstances it is only required to deliver the mail to the postal address as the USO does not require a universal service provider to deliver to rooms within an address. Consignia considers that the proposals for a generic designation of alternative delivery points in office blocks/residential homes and similar premises are recognition of this position.

Paragraph 3.50 deals with the generic approval of alternative delivery points for exception addresses. Where Consignia is not able to provide USO delivery and a customer chooses to have an alternative delivery arrangement, the normal product terms and conditions will apply, subject to any amendments concerning daily delivery to the door.

Paragraph 3.51 states that if Consignia consider a receptacle to be insecure or otherwise unsuitable and the customer refuses to change it, Consignia will want to waive their liability for items correctly delivered to that receptacle but which are then lost or damaged.

Consignia's approach in the case of an insecure delivery point would be to advise the customer of the problem and suggest a solution. If they were unwilling to make changes and there were concerns about liability for loss Consignia would consider asking the customer to sign a disclaimer.

Paragraphs 3.52 to 3.55 say that where Consignia instigates any of the processes outlined in the paper so that it does not need to deliver to a home or premises, it should meet the cost of any agreed or determined alternative delivery point.

Where Consignia has reason to believe a customer has deliberately engineered a Consignia-initiated exception in order to gain a service they would otherwise have to pay for, we would not be willing to provide this service without payment.

### Other Areas

Paragraphs 2.5 and 3.12 refer to the expectations of mail posters that items will arrive the next day or without undue delay.

While customers may have a natural expectation that all first class mail will be delivered next day this is not actually the service standard. Matters such as geographical location are one reason why Consignia has a service standard of 92.5% next day and not 100%. The Special Delivery product has different guaranteed times for remote locations, taking account of reduced delivery frequency for island communities.

The majority of addresses on the current list do receive a six day delivery. If Postcomm continue to publish a list of excepted addresses, posting customers will be able to gather high level information on addresses with less frequent delivery from this. Paragraph 4.3 states that the European Postal Services Directive requires a geographically uniform price.

The Directive does not require a uniform tariff: A12 provides that "member states may decide that a uniform tariff should be applied throughout their national territory". However, section 4 of the PSA does require a uniform tariff in the UK. So Postcomm are right in saying that there is a uniform tariff requirement in the UK and the reasoning they discuss in the paragraph is relevant in a UK context. However, as Postcomm are not correct in stating that the requirement is in the Directive, the reasoning does not necessarily holds together in the context of the Directive.

### **THE COURT SERVICE**

On 10 July 2002 Jeanette Darrell wrote to The Court Service asking for comments on a recently published consultation document relating to the development of Consignia' s exceptions policy. I am responding on behalf of the Court Service.

We welcome the steps being taken to define a clearer exceptions policy, in particular we would find it helpful to have available a list of current, long term excepted addresses.

As the impact on Court Service business is likely to be minimal (we have no jurisdiction in Scotland), I have not commented in detail on specific proposals. Overall, however, the approach taken appears to be soundly based.

**C Lyne**

Director of Purchasing and Contract Management

**MR & MRS GARETH DAVIES**

I am writing to you in response to Postcomm's proposals with reference to the Consignia consultation document: Exceptions to the Universal Service Obligation.

Firstly, congratulations to you on producing a reasoned and reasonable document, expressed in language accessible to the layman. An exception, perhaps, is the phrase 'generic approval' in nos. 16 and 17, whose meaning I can only guess at, though it may be explicit to others. Thank you, too, for keeping the interested public informed and inviting comment and cooperation.

The proposal for 'approved, identifiable delivery points' is the one which concerns us most, personally. We welcome the notion that these would be appointed by mutual agreement by the customer and Consignia on an individual basis, and also the suggestion that information should be updated annually. In our case, the informal arrangement we have enjoyed for many years is fine, but age takes its toll, and eventually the walk uphill to the 'delivery point' may prove too much for us, and other arrangements will have to be made. We trust that consideration will be given to the fact that many old people, like ourselves, live alone, and in isolated places. For these the daily visit of the postman offers a lifeline. There is finally the problem of safety (for the mail) when it is left in a receptacle on the highway.

I am pleased to note that Postcomm's key priority is to ensure a daily delivery to as many premises as possible, in the long term.

Yours sincerely,  
**Caryl Davies & Gareth Davies**

## **DIRECT MARKETING ASSOCIATION**

The DMA has been actively involved in all Postcomm's consultations to date. The DMA represents nearly 900 companies who use or provide direct marketing services in the UK. We represent nearly all the 5 billion items of direct mail and probably represent over 90% of all business mail circa 15 billion items.

### Health & Safety Long Term Exception

It is essential that long term exceptions are made where there is a real and measurable health and safety risk to Consignia employees. We concur with the list of instances where long term exception from the USO is given and would add another consideration. For the most part the health and safety long term exceptions will be caused by a hazardous route to the property or poor access. In such cases Postcomm could call upon the local council (parish or district) to make repairs to the hazard or access.

In addition to the alternative delivery arrangements offered, exploration of other media communication may be appropriate. For example, in Indonesia the delivery of the USO is via a combination of mail and electronic means due to the thousands of islands that have to be accessed. Simple messages are sent via hybrid mail with the message printed at a central point on the island or residence. This allows all citizens to receive the same service.

### Temporary Suspension

Temporary suspension must be enacted quickly and effectively to protect the health and safety of Consignia employees. In addition to the areas listed, customer behaviour, crime, floods, snowfall, fires, security alerts, disease etc, we would add an additional area. Where access is dangerous to

health and safety but the access problem could be remedied quickly (e.g. fallen tree) then such situations should be assigned temporary suspension on health and safety grounds.

Consignia should apply the procedures and manage the process for handling temporary suspension. Consignia should notify Postcomm, Postwatch and trade bodies of the addresses which are temporarily suspended from the USO for six months or more. We would apply a shorter period than suggested, as the information is needed for clients and data bureaux to ensure that databases are up-to-date and are cognisant of the delivery situation. Non-notification will add cost to the direct marketing industry and poor communication to suspended addresses.

### Difficulty of Access

#### Long Term Exceptions - Islands

Where a ferry or boat service operates, Consignia should deliver using this service, making provision for the days with no ferry service. Where there is no ferry service, Consignia should contract through third parties or directly to provide a boat service with alternative provision for non-boat days.

Here the example of large archipelagos like Indonesia give a potential model of USO delivery though hybrid mail solutions. Mail is delivered to a final mainland point then transcribed electronically and sent to an island central point for printing.

#### Long Term Exceptions - Remote Addresses

It is unacceptable to expect Consignia to deliver effectively where consumers fail to provide basic access points/roads. There is an opportunity (as outlined earlier) for Postcomm to take up the issue with the parish/district council to ensure repairs or remedial work is carried out.

It is essential every effort is made to deliver mail. On the specific proposals:-

The proposed maximum additional distances to be travelled on foot to reach an address, 1 mile (access good), ½ mile (access poor), are very short. If a delivery can be made, it should be attempted, providing there is no risk on the grounds of health and safety. The additional time, whether it be 1 mile or 5 miles should be added to the delivery round with the appropriate remuneration/contract arrangements for the postmen and postwomen.

The same logic would be applied to travelling on road/track with good or poor access. If the delivery can be made, it should be attempted with appropriate changes to the delivery round arrangements (as outlined above).

There should be no distance limits for good and poor conditions. Providing the poor conditions do not cause health and safety problems.

### Temporary Suspension

The access problems created by the occupier are appropriate for temporary suspension. Although some determination must be made regarding difficulty. For example an occupier may make it difficult for access to be made but not impossible. If in such a situation, health and safety is not an issue, should there be a temporary suspension or a should a delivery be made?

### Customer Request

#### Temporary Suspension

Where a customer requests that they do not receive the USO, on the grounds listed, some provision must be made to ensure this is required by all householders at the relevant address.

### Designation of Alternative Delivery Points

We support Postcomm's approach in designating approved alternative delivery points subject to customer initiated, impermanent or not permanently occupied address or exceptions (e.g. health and safety, geographic). Although consideration should be given to ensure all members of the household agree on the alternatives.

### Cost of provision of Alternative Delivery Point

If the person instigates a request for an alternative delivery or by their action or inaction cause the resort to an alternative delivery point, they should meet the cost.

Conversely, the same applies to action taken by Consignia on alternative delivery points. In such circumstances they should meet the costs.

The aspect of the theoretical cost savings Consignia make on not delivering to a home and its application in Consignia providing an alternative, e.g. a roadside box, is flawed. The cost of the box may be relatively low but by definition Consignia would be responsible for the box and its upkeep. Therefore costs should be met dependent on who instigated or caused the alternative delivery point.

### Annual Reporting Requirements

Consignia should provide Postcomm, Postwatch and the users and suppliers within the postal services industry a report of those addresses that have been excepted on a long term basis. This information should be available electronically and accessible by the direct marketing industry. Reporting should be on a three monthly basis. The information will be used by the direct marketing industry to ensure databases are up-to-date and mailing files and campaigns can be amended accordingly.

In addition, temporary suspensions should be included on a three month frequency. Again, this information is vital to the direct marketing industry.

Without such information (long term and temporary) the direct marketing industry cost base will rise.

### Appeals Process

The appeals process as laid out by Postcomm appears very pragmatic and workable. It is essential that the process embraces the followings:-

- Quick and efficient turnaround
- Working to low cost solutions:-

It would be ridiculous if large amounts of money are spent resolving an appeal, where the money spent exceeds some of the costs needed in resolving access or health and safety.

- Fair and equitable.

### **LORD JAMES DOUGLAS-HAMILTON MSP**

Lord James Douglas-Hamilton MSP thanks you very much indeed for your letter of 8 July and for the enclosed information.

Yours sincerely

**Margaret Dundas**  
Secretary

## **DOWN DISTRICT COUNCIL**

Council have now considered the proposals for a long-term policy for defining exceptional geographical conditions or other circumstances where daily postal deliveries to premises are not possible.

Council accepts the need for a definition of the exceptions to the universal service obligation.

Council however consider that such exemptions should not be abused as they conflict with the important concept of a universal postal service.

Yours sincerely

**G M McBRIDE**

Policy & Co-ordination Officer

## **DRIVER VEHICLE LICENCE AGENCY**

I refer to Jeanette Darrell's letter of 10 September addressed to Mr Clive Bennett, Chief Executive of DVLA, asking for comments on Postcomm's proposals for a long term policy for defining exceptional geographical conditions where daily postal deliveries are not possible. I am responding on behalf of Mr Bennett.

Thank you for the opportunity to comment on this consultation document. Our main concern is that the proposals should not lead to a deterioration in the current Royal Mail delivery performance target. This is essential as DVLA's Secretary of State turnround performance targets include an element for the mail delivery.

I note the assertion on page 1 of the document that these proposals will not lead to an increase in the proportion of premises not receiving a daily delivery of mail. On that basis and subject to the safeguarding of the mail delivery target, DVLA is content with the proposals.

I hope this is helpful. I am happy to discuss.

Yours sincerely

**Richard Ley**

Director Central Operations

## **THE ELECTORAL COMMISSION**

Thank you for your letter of 10 September inviting comments on your consultation paper.

In the time available it has not been possible for the Commissioners to consider the matter at one of their regular meetings. However, as a matter of general policy, the Commission would not wish to see any reduction in the services provided by Consignia in support of the electoral process; ideally any

changes to the licence agreement should be aimed at improving these services. This is particularly important as regards postal voting where failure to meet delivery times could result in a elector being effectively disenfranchised.

The Commission has recently published a consultation paper 'Funding democracy', which touches in part on the role and responsibilities of Consignia as the only universal service provider at the current time. The paper can be viewed on the Commission's website at [www.electoralcommission.org.uk/Publications\\_Ddfs/fundina\\_csltDDr.Ddf](http://www.electoralcommission.org.uk/Publications_Ddfs/fundina_csltDDr.Ddf) and we would draw your attention particularly to paragraphs 3.24 -3.30. Clearly, as this is only a consultation document, the Commission has yet to reach firm views on the issues, but you may find it helpful to be aware of them.

**Roger Creedon**  
Chief Executive

**MRS ELIZABETH A FORGAN, member of the public**

In response to your consultation document I would make the following points:

Par 11 etc.

References to island communities qualifying as difficult of access are defined everywhere as served by non-daily ferry or boat services. This island is served by weekly boats but twice daily plane services which bring the mail. What would be its category?

Par 16.and Par 19.

The proposal to approve identifiable points to which deliveries may be made by Consignia under Postcomm's powers does not make it clear whether this will require the consent of all customers. This island community contains many people who by reason of age or infirmity would find this most inconvenient were the whole service to be on this basis.

Par 20

None of the proposals listed reflects current practice on this island which is for daily deliveries to the Post Office and thrice weekly deliveries to the door. This would seem to be a reasonable compromise between the needs of all customers and a reasonably economic service. We would urge that future plans should maintain this level of service as a minimum and that no less frequent delivery to the door should be considered.

Yours sincerely  
**Elizabeth A. Forgan**

**GLASGOW CITY COUNCIL**

Reference is made to your letter of 8 July 2002, to the Chief Executive of this Council , offering the opportunity to comment on the above report.

I have no specific comment to make in respect of the Exceptions Policy Report , the main impact of the policy being on a very small proportion of addresses mainly in Island and rural Councils - there being no addresses within the Glasgow City Council administrative boundary.

Thank you for the opportunity to comment

yours faithfully,

**Bill Potts**

Group Manager Strategy  
Development and Regeneration Services  
Glasgow City Council

**SHEENA KERR, member of the public**

This whole business of Consignia makes me very wary. My instinct is that these proposals will be used to the full to cut deliveries wherever possible. It will be very hard for the public to prove against Consignia's decisions on any of these proposals.

However I make some points of reference below in relation to the document as sent to me in the post. Item 8 Tracks to premises - What should be born in mind here is that what may be difficult access to people in the south is not necessarily seen as difficult in more northern or remote areas and are a normal process of daily existence.

9 Dangerous Dogs - considered by whom. By law or the post delivery person who dislikes dogs?  
10,11 This causes most concern. It is ludicrous to suggest that no deliveries be made because of lack of ferry service but then to offer a free pick up point at the local delivery office. If the islanders are able to pickup then Consignia should be able to deliver.

Once a week would not be enough. For instance what happens if a delay (perhaps due to railtrack) occurs and the connection is missed. It would then be two weeks for a letter or package to arrive. This could contain essential medicines.

As in other countries is it not possible to use airbus/biplane/helicopter?

21 I agree with Postcomm that there should be unlimited distance

I agree with Postcomm 15 minute rule - a condition should be added this is from the access road and not between properties. Four wheel vehicles are much more commonly used and this should not propose a problem for Consignia.

22 Customer should not meet the cost. Even though it may be easier and cheaper for Consignia it would leave the company open to charge the customer regardless. When instigated by Consignia - most definitely they should meet the costs. Careful consideration should be given here to 'factors within the customer' control' Farm tracks are within the customers control but at the same time are not feasible to surface and it would be purely speculative decision.

23 Elderly or disabled people still have to be accessed by the doctors, nurses etc.. I suggest that before any decision to exclude them a representative from the social work department should be involved. Those in remote areas are more vulnerable and care should be taken before cutting them off.

I do think there should be any long term exceptions all should be constantly under review.

These proposals seem to affect the areas of the country which we should be encouraging more contact with not less. These are also the areas which are experiencing the most difficulties in today's society and goes against the general policy of regeneration and encouraging these areas to be come more sufficient and attract population to them.

Yours faithfully  
**Sheena Kerr**

### **PAULINE MCNEILL, MSP**

Pauline McNeill MSP acknowledges with thanks the receipt of your communication of 11 July 2002, the contents of which are receiving attention.

**Pauline McNeill**

### **NATIONAL ASSEMBLY FOR WALES**

Thank you for the opportunity to respond to the above consultation exercise. Set out below are the Welsh Assembly Government's comments with regard to exceptions to the universal service obligation.

Long term exceptions from the universal service obligation should be made on health and safety, or on difficulty of access grounds.

Temporary suspension from the universal service should be made on health and safety, or difficulty of access, or customer agreement grounds, on the basis outlined in Chapter 3.

Islands with a limited or no ferry service should continue to be classed as exceptions and listed in Postcomm's Direction, with Consignia providing deliveries to addresses on islands on the days when a ferry service is available. In most cases this will be at least three days a week.

Islands and other locations accessible only by boat and not currently served by local ferry services should have a postal delivery service to the local inhabitants once a week, providing it is safe to do so, using a local boat hire company, with mail available free of charge at the local delivery office on the other days. This arrangement would also apply for islands served by ferry, when the normal ferry service has to be suspended, for example in the winter months.

The Welsh Assembly Government agrees with Postcomm's proposals on these matters.

There should be no limit on the additional road distance travelled by a postal delivery vehicle to reach an address, provided that the road (public or private) to the address is in good condition.

The Welsh Assembly Government agrees with Postcomm's proposal on this matter and would not support Consignia's proposal to limit additional round trips to remote addresses to 5 miles.

There should be a limit of 15 minutes on the additional time Consignia has to spend delivering on foot or by vehicle along a private road to an address where access conditions are poor (but not so poor as to except the address on health and safety grounds).

The Welsh Assembly Government agrees with Postcomm's proposal on this matter and once again prefers this option to Consignia's distance based proposals.

Whether Consignia should only use a four wheel drive (off-road) vehicle if there are five or more addresses on a delivery route which all require four wheel drive delivery.

The Welsh Assembly Government considers that it is unreasonable to expect Consignia's postal delivery workers to travel for significant periods over rough tracks. It supports the use of 4X4 vehicles for up to a fifteen-minute round trip over difficult terrain. It also considers that further clarification on what would be determined as difficult terrain would be necessary.

The Welsh Assembly Government supports the continuation and development of the current Postbus service. Where acceptable delivery arrangements for customers and Consignia are in place along Postbus routes the Assembly Government would be in favour of maintaining the status quo.

Temporary suspensions of the universal service may be made if a customer requests not to have the full universal service but to have alternative delivery arrangements such as deliveries on specified days or to an alternative address.

Postcomm should generically designate approved alternative delivery points, leaving no doubt that Consignia is fulfilling its universal service obligation for the addresses concerned, provided that alternative delivery points are only approved and used if a customer initiates the idea or if they are introduced in exceptional geographical or other circumstances.

Customers should meet the cost of an alternative delivery point if that delivery point is used because of their personal choice but

Consignia should meet the cost of any alternative delivery point agreed under an exception process instigated by Consignia itself, except where, because of factors within the customer's control, it is not possible for Consignia to deliver to the home or premises irrespective of cost.

The Welsh Assembly Government agrees with Postcomm's proposals on these matters but would expect Consignia to take account of the needs of elderly people or those with a registered disability before deciding if the customer should pay for an alternative delivery point.

Agreement on delivery arrangements should be reached by Consignia on an individual basis with customers who are elderly or disabled and live at addresses excepted from the universal service on either health and safety or difficulty of access grounds.

That Consignia should provide Postwatch and Postcomm annually with an updated list of those addresses excepted on a long term basis from the universal postal service, together with details of the reasons for exceptions. This report should also contain details of addresses that have been temporarily suspended from the universal postal service on health and safety grounds for a period of 12 months or more.

The Welsh Assembly Government agrees with Postcomm's proposals on these matters.

For an appeals process, outlined in Chapter 4.

The Welsh Assembly Government considers the proposed appeals process to be satisfactory, it suggests that local authority roads/rights of way officers could play a useful role in determining if access conditions and terrain were conducive to making mail deliveries.

I hope these comments have been useful.

Yours sincerely  
**Stephen Jackson**

#### **NATIONAL ASSOCIATION OF CITIZENS ADVICE BUREAUX**

Thank you for inviting us to comment on this document.

I very much regret that we shall be unable to comment on this occasion because our resources are scarce and must be focused on our mainstream work. We were pleased to be asked, however, and would be interested to see any further- documents.

Yours sincerely  
**Sue Edwards**  
Social Policy Officer

#### **NATIONAL CONSUMER COUNCIL**

Thank you for your recent letter inviting NCC to comment on the Universal Services Exceptions Policy. Unfortunately we are not focussing on postal services at the moment and therefore are not able to make a contribution.

We do however wish you the best of luck with this piece of work.

Yours sincerely,

**Dawn Muspratt**  
Head of Director's Office

#### **THE OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER**

Jeanette Darrell wrote to Tom Watson on 8 July 2002 seeking views on Postcomm's proposals for a long-term policy for defining exceptional geographical conditions or other circumstances where daily postal deliveries to premises are not possible, as set out in the consultation document' *Consignia Licence Condition 1: Universal Service Exceptions Policy*'.

You will wish to note that the NI Departments have no comments to make on the above issue as outlined in the consultation document.

I hope this is helpful.

Yours sincerely  
**John Murphy**

## ORKNEY ISLANDS COUNCIL

Orkney Islands Council attaches great importance to the Universal Service Obligation as being crucial to the maintenance of the economic and social fabric of life in remote areas. It believes that exceptions to the Obligation should be kept to a minimum.

In respect of islands dependent on ferry services, the Council would point out that it provides the inter-isles ferry service in Orkney. The service specification is generally to provide a day return service to each island as a minimum. Strictly speaking, therefore, some of the islands included in the Annex to the consultation document could not be said to have a restricted or limited ferry service – this applies to Eday, Egilsay, Wyre, Hoy, and Graemsay, all of which have at least a day return ferry service.

It is not therefore obvious why these islands should be regarded as exceptions to the Universal Service Obligation. Whilst the Council does not believe that there is any great dissatisfaction in these islands with the level of postal service, the Council would request as a matter of principle that Postcomm considers removing these islands from the list of exceptions.

The Council recognises that particular problems arise with islands which are remote, inhabited by only one household, and with no regular ferry service. In these cases the Council believes it is up to the license-holder to make the best endeavours to provide a reasonable service in these islands.

Yours sincerely

**Jeremy Baster**  
Director

## POSTWATCH

### Introduction

1. Postwatch welcomes the opportunity to comment on these proposals. As a statutory body with a specific remit to protect and promote the interests of consumers of postal services in the UK we are uniquely positioned to represent the views of all senders and recipients of mail from the largest bulk mailer to the most isolated and disadvantaged resident. Our regionally-based structure and our complete independence from Government, the Regulator, Consignia, postal trades unions and potential competitors, combined with our well-established formal network of contacts give us the ability to speak authoritatively on behalf of consumers throughout the UK.

2. Postwatch would first like to emphasise that there should be as few postal addresses as possible excluded from the Universal Service Obligation.

3. To achieve this Postwatch believes that every postal address should expect a postal delivery 6 times a week and deliveries less frequent must only occur in exceptional circumstances. For this to be achieved Postwatch welcomes proposals for defining exceptional geographical conditions or other circumstances where daily postal deliveries to premises are not practicable.

Summary

## 4. General

4.1. Postwatch welcomes the Postal Services Commission's (The Commission) proposals on defining exceptions to the Universal Service Obligation. However, it believes that there are issues that need to be developed more fully. In particular, the rights of the senders and receivers need to be more balanced and thought through.

4.2. Consignia has never had an up to date comprehensive list of premises that are designated as geographical or otherwise exempt from receiving daily deliveries.

4.3. The Chairman of Consignia and other spokespeople for the company have often spoken in the past that they deliver to every address without exception. This is not the case. Either Consignia management is unaware of the true position or have deliberately decided to perpetuate the lie.

4.4. Postwatch notes that it was Parliament's intention that as many people as possible should have access to an affordable, reliable, daily postal service. The postal Services Act 2000, defines the Universal Postal Service, which is to be based on a universal tariff. Postwatch believes Parliament did not want postal services to be priced according to costs. It is accepted "profits" from some routes will affect the costs of others. Unless therefore the costs involved are prohibitively high (e.g. hire of a helicopter) Postwatch does not believe they should be used as a reason for not delivering the Universal Service Obligation.

### **Long-term and temporary exceptions**

#### 5.1. Health and Safety Exceptions

5.1.1. Postwatch accepts that Consignia staff should be protected and agrees that postal deliveries should not be made where it is unsafe for Consignia staff to provide a Universal Service. However, Postwatch would want to see regular reviews on these instances, as referred to in the consultation document. However, whilst an annual review (or an intermediate review at customers request) will be in place for long-term exceptions, and temporary suspensions, Postwatch believes that more regular reviews should be undertaken for temporary ones. This is because there is a greater chance that the circumstances, in these cases will change sooner than they would for a long-term exception. Postwatch support quarterly reviews for temporary suspensions.

#### 5.2. Difficulty of Access

5.2.1. The consultation document proposes that Consignia will deliver, providing it is safe to do so, once a week to addresses on islands or other locations accessible by boat and would continue to be a long-term exception. It will also deliver once a week to premises on currently uninhabited islands that become inhabited.

5.2.2. The consultation document does not provide any justification or explanation for delivering to these locations just once a week. This is less than Postwatch would consider to be the minimum requirement. Postwatch would like to see deliveries made to every postal address 6 times a week. However, it accepts that there will be exceptions to this, and when this occurs believes these premises should receive mail not less than 3 times a week as this would meet the needs of senders and recipients alike.

5.2.3. Postwatch would like to understand what justification there is for delivering mail just once a week, and would even question the use of ferry services if they only run three times a week. For example to deliver to an island once a week using local boat hire companies may cost e.g. £3,000 per annum, yet to use the same hire boat company to deliver to two or three islands may reduce the cost to say £300 per island and likewise by using the boat for more and more islands would reduce the overall cost. Postwatch believes that Consignia should be looking at the logistics of delivering to these islands and the economies of scale by using local hire boat companies. It has been suggested that this would be the case if the local hire boat that delivers post to the Rhuvaal Lighthouse was given the opportunity to deliver to Colonsay and other islands in the vicinity as well and therefore these islands could have a postal delivery six days a week, providing weather conditions permit.

5.2.4. Postwatch is concerned that some islands' deliveries of mail by air would be reduced if it was agreed that a reduced service was acceptable to some other islands who received their post by boat. On some islands such as Tiree for example, mail is currently delivered by air six days a week. Under the current wording of Paragraph 11, Consignia could opt to make such islands exceptions because they do not have a ferry service. This would clearly involve an unacceptable reduction in the mail obligation and in the current service. Postwatch would oppose any such action by Consignia but would prefer the option to be removed by The Commission.

### 5.3. Other remote locations

5.3.1 Postwatch welcomes the fact that Consignia has proposed to use a four- wheel drive (off-road) vehicle where there are access problems with 5 or more addresses on an existing route, paragraph 3.32 refers. However, it is

Postwatch's view that Consignia should be using vehicles that are fit for the purpose of delivering mail and does not want restrictions on how many addresses should trigger the use of "special vehicles".

## 6. Postwatch Survey

6.1. References made to the Postwatch surveys in the Consultation document do not reflect the true picture. A large number of customers that were on Consignia's exception list and were contacted as part of the surveys responded with statements indicating that they were very dissatisfied with the service they received from Consignia and that the information relating to their circumstances was incorrect. Sample of the comments are shown below. This indicates that the exception list needs to be amended and updated at regular intervals, which is covered in paragraph 7.

Question 1: Are the details in the accompanying letters correct?

415 Respondents (54%) indicated that the information was wrong in some way:

"Address wrong plus access road in excellent condition."

"Also dogs do not stop deliveries. Letterbox to save postman time,

"drive well tarmacked with space to turn."

Question 3: Are you happy with the delivery arrangements in place?

662 Respondents replied, "yes" or "no" to this answer.

513 (67%) were happy with the arrangements in place.

149 (20%) were unhappy

13.5% did not answer, had no strong feelings or stated that there were no alternative arrangements in place.

The majority of respondents are happy with the delivery service provided. A number praised their postman. Others were content to "save the postman the inconvenience" of delivering to the door.

Comments:

"We are happy with our letters being left in box but are unhappy that our parcels are thrown in hedgerow."

"I use my 32 year old post office Morris van daily."

"We would prefer mail to come to our house."

"My box is small and mail often gets wet."

Question 8: In your opinion has Royal mail done everything possible to deliver to your door?

497 respondents (65%) checked the "yes" box.

138 respondents (18%) checked the "no" box.

As expected the percentages are very similar to those recorded for question 3.

Comments

"We currently receive our post daily."

"It was my decision that RM should not come down our rough track."

"There is no other way they could deliver unless a morning swim of 25 miles is possible."

"Have not checked lane accessibility."

"They are too lazy to open farm gates."

Unhappy Respondents said:

"There are no alternatives arranged by RM. I erected the mail box as a courtesy to the postman not to provide an excuse to avoid door delivery."

"The letterbox at the end of the drive has rusted away. A request for a new one has met with no response".

"Access has never been a problem for any other vehicle including other delivery vehicles".

"The postman has on occasions left registered mail in an unlocked box & signed for it himself to save the bother of coming to the house".

"( am 70 years old and find collecting my mail difficult".

"The security of our mail is compromised. We have to carry any heavy packages from the box to the house. There are difficulties if the signature is required for recorded mail",

"I only feel able to collect mail from the P.O. two days a week as it is a about a mile from my house".

"Occupant incapacitated and unable to collect post from depot".

## 7. Exception categories and examples

7.1. The note to table 3.1 states that the list of exception categories and examples is not exhaustive. Postwatch would prefer the list to be exhaustive but realises that new categories or conditions may arise in the future. Therefore when such a need arises Postwatch would suggest that The Commission controls any requests from Consignia to add new categories to the list.

7.1.1. Postwatch regards the maintenance of the list of exceptions to the universal service obligation as an important issue and are concerned that The Commission has failed to cover this in the consultation document. The consultation document does cover the annual reporting requirements that would require Consignia to provide The Commission and Postwatch with an updated list of addresses excepted from the Universal Service Obligation, together with details of the exceptions. It does .!).Q1 indicate how often Consignia should contact the addresses on the exceptions list to obtain confirmation that the details are still correct. Postwatch would expect Consignia to undertake a check annually to ensure that circumstances had not changed. Postwatch agree with The Commission that details of addresses that have been temporarily suspended on Health and Safety grounds should also be included in the report.

7.1.2. Additionally, Postwatch would also want all temporary exceptions to be included in the report and the start and finish dates of the temporary exception noted. This would stop a temporary exception becoming permanent. In other words no temporary exception must be allowed to become a permanent exception, unless it fits the permanent category. This should not overburden Consignia because the shorter the list of exceptions there will be less work required of Consignia to review the two exception lists. It is also important to remember that while customers agrees for their address to be an exception their personal circumstances could change at any time. This may be due to becoming chronically sick, or are injured for a long period of time. Paragraph 3.11 refers to the needs of those people who are disabled, chronically sick or of pensionable age and tries to ensure that their needs are fully addressed. One solution is for mail to be delivered to a neighbour who would then be able to take mail to the address by agreement with the addressee. If a neighbour can take the mail to the addressee what is stopping Royal Mail?

## 8. Universal Service Obligation Framework

8.1. The consultation document makes no attempt to analyse the needs of the senders despite the evidence that had already been made available to The Commission from public statute and other sources. Therefore the consultation document has not properly assessed the needs of senders.

8.1.1. Postwatch is extremely disappointed that a number of key organisations that send time critical mail (such as DVLA, The Passport Agency, The Electoral Commission, Home Office, and the Department of Social Security) were not sent the consultation document. Postwatch acknowledges that these organisations were sent the consultative document at a later date.

8.1.2. Although the importance of senders is mentioned at paragraphs 2.5 and 3.12 of the consultation document, Postwatch believes that the consultative document is unbalanced as it fails to acknowledge the legitimate expectations of senders of mail. The consultative document does not give a balance between the sender and the recipients' rights, because it constantly states that the customer is the addressee.

8.1.3. The consultation document considers the recipients of mail to be the customers, yet by purchasing the stamps it is the senders who are invoking Royal Mail's obligation to deliver and could therefore be argued that they are the customers. However, in certain circumstances it could also be argued that the recipient could also be the customer. If a recipient is expecting tickets for an event, such as a football match or theatre tickets, then that person could well be the customer as the postage will have been included in the price, and therefore the sender is not concerned when the recipient receives his post.

8.1.4. On occasion's senders request responses to items of mail within 3 days. This time limit includes delivery of mail to the addressee, time for the addressee to action and respond and then return the item of mail to the original sender. If mail was delivered 3 times a week as Postwatch is suggesting, it would cause fewer problems than if the mail was delivered just once a week as proposed by The Commission.

## 9. Geographical cross-subsidy of costs of delivery

9.1. The intention of the legislation is that profits from the profitable routes can be used to cross-subsidise the unprofitable ones. The Consultation document ignores this and is proposing that the senders do not pay the full cost of delivery.

9.1.1. It was expected that the delivery cost for remote locations would be subsidised from other, more profitable routes. However, the consultation document is proposing that addressees subsidise senders of mail, even those senders who have a statutory obligation to reach addresses. This results in these senders of mail continuing to enjoy a subsidised cost of postage.

9.1.2. This is unfair as households and businesses receive a lot of unsolicited mail, including that which may come from government departments. The unsolicited mail need not be unwanted mail, as much unsolicited mail is vital to both sender and addressee, for example, a tax demand for payment or a DVLA tax disc form. If this type of mail is not delivered people could be penalised for failing to comply with certain processes. Unsolicited mail means that the addressee has not sought it but that the sender has deemed it necessary for the addressee to receive it. In this instance the addressee would need to undertake collections just in case there is mail to collect.

9.1.3. The consultation document suggests that instead of a delivery being made to an addressee, the addressee would need to collect mail from a collection point that had been nominated by The Commission. This means that the sender who has paid the postage costs cannot be sure that the mail will be delivered in the time anticipated because they are also reliant on the addressee collecting the mail. Likewise, the result of this is that the Universal Service Obligation would not be funding the full cost of delivery of mail to the addressee because the addressee would be paying for the cost of collecting the mail from the collection point.

9.1.4. Nominated collection points are an obvious alternative, providing they are convenient for the addressee and do not cause them inconvenience or additional costs. We would, however, support

Consignia if they thought it would be better to sub-contract the final part of the delivery to the addressee.

## 10. Cost

10.1. In the Commission's competition policy it is predicted that there is a net benefit, not a net cost to a Universal Service Provider.

10.1.1. As part of the survey undertaken by Postwatch Scotland Anderson Consulting was asked to advise on approaches to assessing the costs and benefits of Universal Service Provider. It was Anderson's view that it is not an expensive trading disadvantage to deliver mail to addresses on the exceptions list, despite the vast majority on the list being situated in deep rural areas particularly in Scotland.

10.1.2. There is no evidence that the number of deep rural addresses is significant and therefore the cost of serving them is negligible. Anderson (2001) summarised the wider benefits of the Universal Service Obligation as:

- Brand enhancement and corporate reputation
- Special privileges including (VAT exception, Customs and Excise, parking exceptions)
- Avoidance of transaction costs
- Ubiquity
- Customer life cycle effects; and
- Public affairs

10.1.3. Anderson explored these concepts and discussed how Consignia benefited from delivering to the Universal Service Obligation, even to uneconomic areas. These advantages include promotion of its brand image and corporate reputation generally, hence impacting upon the business's overall current and future profitability. The consumer's and some business users confidence can increase if Consignia provide the Universal Service Obligation. Some companies may value such a provider and enter into bulk contracts with the Universal Service Provider in order to be certain of reaching all members of society.

10.1.4. The report did point out that the deep rural districts represent 6% of the potential avoidable cost of £81 m, compared to having only 4% of mail volumes. By contrast urban communities represent 33% of avoidable costs arising from 35% of mail volumes. The other density categories of city, suburban and rural account for the remaining 61 % of mail volumes. Overall, the 'loss-making' elements appear to be fairly evenly distributed across delivery densities when compared to mail flows. Anderson concluded that the incidence of loss is fairly evenly distributed across delivery densities, but in absolute terms, deep rural communities are contributing least to overall losses.

10.1.5. It is therefore significant to realise the importance of the Universal Service Obligation not only from the point of view of consumers who rely on the service but to the Royal Mail brand. Despite the vast majority of the proposed exception list being situated in deep rural areas particularly in Scotland, it is not an expensive trading disadvantage to deliver mail to these areas.

## 11. Discrimination

11.1 The Commission's proposals for the addresses, such as those on islands appear to be discriminatory. The Commission states that delivery should be once a week unless alternative

arrangements are already in place. This means that senders of mail can have their needs met where there is already an arrangement in place, but if senders of mail want to reach an address that Royal

Mail previously badly served, senders will have to go without the service they require. This is unfair on addressees who previously suffered Royal Mail's intransigence and unreasonable behaviour. Postwatch believes that these addressees should not get a worse deal than those addressees who were fortunate enough to live and work in more historically enlightened areas of the Post Office's administration.

## 12. Implications for Social inclusion

12.1. Having a delivery service once a week can nearly exclude those addresses from normal social and administrative processes those occupiers of other addresses, who receive a better service, enjoy. These include:

- Exclusion from Postal Voting
- Inability to comply with DVLA procedures
- Inability to comply with Inland Revenue requirements
- Inability to comply with Judicial requirements
- Inability to comply with NHS requirements for appointments etc
- Exclusion from contribution to local affairs

These effectively exclude addressees from aspects of society that are administered by post and require action in a period of two weeks or less.

12.1.1. As past experience has demonstrated, without a minimum three weekly delivery service recipients of mail can be prevented from exercising their constitutional right to vote.

12.1.2. Time sensitive information/data sometimes cannot be acted upon where recipients obtain a weekly service. In many instances it may take over 2 weeks for a response to be received by the business/individual who sent out the original communication. This can, in some instances result in penalties being applied. Moreover, it has been remembered that the obligation is really to the sender of the mail who has paid for the postage stamp. Senders have a right to expect mail to reach its destination within a reasonable time unless they have been advised accordingly. In these circumstances a 3 times a week delivery service would seem to be the minimum requirement.

### **MRS NORA RADCLIFFE MSP**

I am writing to thank you for your letter of 8 July 2002 and the enclosed press notice, which I read with interest.

I appreciate you keeping me informed.

Yours sincerely,

**Mrs Nora Radcliffe M.S.P.**  
Gordon Constituency

### **ALAN REID MP, ARGYLL & BUTE COUNCIL**

3.27 & 3.28. Islands or other locations accessible only by boat, which are not currently served by local ferry services.

I agree with Postwatch's opinion that all such addresses should have a postal delivery three times a week.

It should be noted that the postman, in these cases, is the collector of the mail as well as the deliverer, and does not wait for the recipients to write their replies to letters. Various public agencies, eg. DVLA, Electoral Returning Officers, require a turnround of mail which cannot be achieved with one delivery and collection per. week.

The paying customers are the senders, who expect the mail that they post to be delivered within a reasonable period of time. If mail is posted second class and just misses the weekly delivery, it could be nine days after posting before it is delivered. This is surely unacceptable to the sender as well as the addressee.

If addressees have to travel by boat to collect their mail, they are paying for a service which the sender has already paid for. I note that the resident of Gairsay, Orkney, is paid to collect his own mail from the mainland twice a week. Why can residents of similar locations not be paid the cost of collecting their mail themselves on the days on which they do not receive their weekly delivery?

**Alan Reid**

MP for Argyll & Bute

### **GEORGE REID MSP**

Thank you for the information regarding Postcomm's proposals to clarify Consignia's Universal Service Obligation.

George Reid MSP is currently on annual vacation and in his absence I am dealing with all correspondence to his office. Therefore, on behalf of Mr Reid, please accept my thanks for the document summary and press release. I will pass these to Mr Reid upon his return to the office.

Yours sincerely,

**PHILLIP KLEIN**

(PA to George Reid MSP)

### **RENFREWSHIRE COUNCIL**

I refer to your letter of 8th July, 2002, enclosing the Postcomm consultation document, "Consignia Licence Condition 1: Exceptions to the Universal Service Obligation" and seeking view on Postcomm's proposals for a long term policy for defining exceptional geographical conditions or other circumstances where daily postal deliveries to premises are not possible.

I would advise that Renfrewshire Council has no comments on the consultation document as I am informed that no addresses in Renfrewshire are affected by the proposals.

Yours sincerely

**Margaret M Quinn**  
Director of Corporate Services

## **SCOTTISH CONSUMER COUNCIL**

### Introduction

The Scottish Consumer Council (SCC) welcomes the proposal by Postcomm to issue a new Direction clarifying the exceptions to the delivery element of the universal service obligation. We note that these exceptions currently affect only a very small proportion of the UK population and that, amongst those currently not receiving daily postal deliveries to their door, there is relatively high satisfaction with the level of service they are receiving. No doubt most customers would accept the need to strike a balance between their interest in receiving frequent, convenient mail deliveries and the potential costs and inconvenience this may impose on others. Nevertheless, the issue of exceptions from the universal service obligation, particularly due to geographical factors, is one that disproportionately affects consumers in Scotland, and it is important that those exceptions be kept to the minimum reasonably achievable. This is particularly important given that Scottish consumers are also at a relative disadvantage compared with the rest of the UK in respect of other methods of communication. Accordingly, the SCC is pleased that Postcomm does not envisage any increase in the number of addresses excepted from the universal service obligation. However, we consider that Postcomm has not fully justified why even higher standards cannot be achieved. Hence there are a number of matters of both substance and detail that we would like to see clarified or reconsidered before the proposals are finalised.

### Categories of Exception

SCC welcomes the proposal to reduce the number of grounds on which consumers may be excepted from the universal service obligation and considers that the proposed categories – health and safety, difficulty of access and customer request – are fair and sensible. The “customer request” category is unproblematic. However, there are some definitional difficulties in relation to the other two.

#### *Health and Safety:*

The consultation document draws a distinction between “long term exceptions” to and “temporary suspensions” of the universal service obligation, the significance of which relates, primarily, to the procedures which Consignia will be obliged to follow in suspending normal service. In relation to temporary suspensions, a less formal risk assessment and exploration of alternative delivery options is required, there is no requirement that the decision be communicated to the customer in writing and there is no provision for the consumer to request an intermediate review, though where a temporary suspension lasts more than 24 hours and affects more than one address, Postwatch and Postcomm must be informed. From the examples given (table 3.2, paras. 3.16 and 3.19), the distinction between these two categories appears somewhat arbitrary. A temporary suspension may not, in fact, be particularly short-term (e.g., Postcomm envisages reporting of temporary suspensions lasting more than 12 months (para. 3.57) and the factors giving rise to it (e.g., liability to attacks in crime prone areas) may be no more remedial by the customer than those resulting in a long-term exception (e.g., lack of suitable access). A clearer distinction (which seems to underpin the use of these terms in

relation to the “difficulty of access” and “customer request” grounds) might be between those hazards that affect the premises irrespective of the occupier (e.g. dangerous terrain) and those which are

specific to the occupier and therefore within his/her control (e.g., threatening behaviour). However, it is not clear why such a distinction justifies a lower level of procedural protection in the latter set of cases. Indeed, the only circumstances in which this can be justified is where postal staff face an immediate threat to their health or safety, akin to an emergency situation. Even so, there is no good reason why such cases should not be subject to more formal assessment as soon as reasonably practicable.

At the very least, customers subject to temporary suspension should be entitled to request an intermediate review in the same way as those subject to a long term exception.

It is also important, in both sets of cases, that Consignia gives full reasons for any decision to depart from the universal service obligation, to facilitate exercise of the right to appeal, as well as to enable customers to take steps to remove the hazard in question.

#### *Access Difficulties:*

Postcomm proposes that, for locations accessible only by boat, deliveries should be made on all days when ferry services are available, or where there is no ferry service, once a week by using a local boat hire company. Notwithstanding that this goes beyond Consignia's previous practice, it is difficult to assess the reasonableness of this proposal since no details are provided about the likely costs of more frequent deliveries. As Postcomm itself notes, there is considerable disparity between a weekly postal delivery for those living in the remotest areas and the normal expectation that first class mail will be delivered the following day. The lack of a regular ferry service also means that customers are likely to find it difficult to take advantage of facilities for collecting mail from the nearest delivery office. In light of these considerations, the SCC agrees with Postwatch that the minimum postal delivery for all locations accessible only by boat should be three days per week and believes that Postcomm needs to provide a stronger justification for adopting any lower rate.

One key omission in the consultation is the current use of daily air services to make deliveries in some Scottish islands. To continue with this omission would have significant implications for existing services. For example, Tiree currently receives mail by air six days a week but does not have a daily ferry service and the proposals as they stand could lead to an unacceptable reduction in mail services. It is essential that this is addressed in the new proposals and that levels of existing delivery by air continue.

In relation to remote addresses, SCC welcomes Postcomm's proposal that there should be no limitation on the additional distance travelled on public roads or on private roads in good condition. As far as its proposals for "difficult to access" premises are concerned, however, it is again difficult to judge their reasonableness in the absence of cost information. Again, in the absence of evidence of unreasonable cost, we agree with Postwatch that premises should be included within the universal service obligation whether or not this implies greater length of delivery or use of a four wheel drive vehicle.

If a distinction is, nevertheless, to be drawn between access via roads in good condition and those in poor condition, then "good" and "poor" condition need to be defined, and access conditions made subject to some form of formal assessment before a long-term exception is made. This should also apply in the case of temporary suspensions unless, as above, there is some immediate factor (such as a locked gate) which makes access impossible or excessively difficult.

In relation to elderly or disabled consumers living at remote addresses, Postcomm proposes that delivery arrangements should be discussed and agreed on an individual basis. It is not clear whether

this means that *alternative* delivery arrangements should be discussed on an individual basis or that exceptions to the universal service obligation should be agreed on an individual basis (*i.e.*, that normal restrictions should not necessarily apply). SCC believes that the former interpretation would not give sufficient weight to Postcomm's duty to take account of the needs of elderly and disabled consumers and hence that the latter interpretation is more appropriate. Elderly and disabled consumers living in remote areas suffer double disadvantage and it is reasonable to expect Consignia to incur greater costs than normal in meeting their needs.

#### Designation of Alternative Delivery Points

SCC agrees that approved alternative delivery points should be used only with the consent of the customer or as the result of an exceptions decision/appeal. However, we consider that greater proof of customer consent should be required than merely moving into premises where an alternative delivery point is in use, as is suggested in para. 3.49. This appears to conflict with the proposal in para. 3.44 that a new occupier may request a review of a temporary suspension on customer request grounds. It should be made clear that new occupiers have the right to a resumption of deliveries to their door, unless (as would probably be the case in the two examples given in para. 3.49) access difficulties preclude this.

Postcomm's proposals for meeting the cost of providing alternative delivery points strikes a fair balance between the interests of customers and those of Consignia. However, it should be made clear that, where customers instigate the use of alternative delivery points, the calculation of any additional costs to be met by the customer takes account of any corresponding savings to Consignia. In other words, Consignia should not be entitled to charge, for example, a flat rate administration fee.

#### Monitoring

Consignia's obligation to report annually should cover all cases in which it (rather than a customer) has instigated an exception to the universal service obligation. Details of short-term suspensions could be provided in statistical form, rather than listing every address affected.

The customer satisfaction survey carried out by Postwatch has obviously been a useful exercise, revealing a high rate of error in the information held by Consignia and leading directly to more satisfactory delivery arrangements being agreed in a number of cases. It would be desirable to require either Consignia or Postwatch to carry out such surveys on a regular (though less than annual) basis in future.

#### 4. Appeals

Postcomm states, in para. 4.9, that it will "not seek to impose on Consignia a view that access is safe, when Consignia's own internal health and safety processes have properly determined that it is not." The meaning of this statement is somewhat opaque. Insofar as it suggests that Consignia's decisions on health and safety grounds are not fully reviewable by Postcomm, it conflicts with the fundamental principle that Consignia should bear the burden of proving the need for an exception to the universal service obligation. The fact that it is the customer who instigates a formal determination by Postcomm does not alter the fact that it is Consignia that is attempting to avoid its normal obligations.

#### Mr MARTIN F. SMITH, member of the public

Thank you for sending me the full consultation document.

I should like to comment, with particular reference to Foula, on the proposal that "some island addresses ..., only accessible by limited ferry services or by boat ... should continue to be classed as exceptions" (table 3.3; 3.25).

I wish to point out that the island of Foula is NOT accessible only by ferry. As well as being served by a ferry, which is scheduled to run on Tuesdays and Thursdays in winter and on Saturdays as well in summer, it is served also by Loganair's plane service from Tingwall Airport near Lerwick. This service operates four days a week (Mondays, Tuesdays, Wednesdays [2 flights in summer], and Fridays [2 flights summer and winter]). Consignia is well aware of the existence of the air service and indeed uses it from time to time when unfavourable weather prevents the ferry from running. If it chose to make regular use of the plane in conjunction with the ferry, it could much improve the service to Foula, whose present ration is a maximum of three deliveries a week.

In recent letters (27 August 2002) to my MP (Mr Alistair Carmichael) and my MSP (Mr Tavish Scott), Consignia's Scottish Affairs Manager, Mr Bob King, admits that "combined use of the boat and plane, on alternate days, would make it possible to plan for a six-day service" and reveals that the reason for not planning such a service is "the additional costs involved". He concludes: "We will continue with the existing arrangements, as this is the most cost-effective method of delivering mail to the island of Foula". It is certainly true that a three-day service to Foula is less costly than a daily service, but then the same argument could be applied to deliveries to many mainland addresses. Why should island communities be discriminated against? In section

3.30 you quote Postwatch's opinion that "the universal service obligation can be cross-subsidised and that Consignia must use money made in one area to subsidise another". Why does this obligation not extend to Foula?

I should be grateful if you would kindly acknowledge receipt of this e-mail and in due course let me know what Postcomm decides.

Yours sincerely  
**Martin F. Smith**

## **SOUTH AYRSHIRE COUNCIL**

### **Background**

1. The Postal Services Act 2000 (the Act) established the Postal Services Commission (Postcomm) as the regulator of postal services. On 23 March 2001 Postcomm granted a licence to Consignia plc to provide postal services within the UK. The licence came into effect on 26 March 2001. Under its Licence, Consignia is required to provide a universal postal service. A part of such a service is delivery every working day to every home or premises or approved identifiable delivery points in the UK, unless there are exceptional geographical or other circumstances identified by the Regulator.
2. This consultation paper sets out Postcomm's proposals for a long term policy for defining exceptional geographical conditions or other circumstances where daily postal deliveries to premises are not practicable. Postcomm's long term policy is to ensure that the number of homes or premises excepted from delivery every working day is kept to a minimum. Consignia currently provides a daily delivery to the door to all but a very small proportion (around 0.011%) of addresses in the UK. Postcomm's proposals will not lead to an increase in this proportion. Those not receiving the universal service are generally on islands without a daily ferry service, or in very remote rural areas. The

appendix of the report lists the addresses that do not receive daily service. There are no such locations in South Ayrshire.

### Criteria for access

3. Postcomm has identified three categories under which it proposes that Consignia should except the homes or premises of customers from the universal postal service, on either a long term or temporary basis. These are:

Health and safety  
Difficulty of access  
Customer request.

In each case Postcomm will expect Consignia to justify any exception, such as difficulty of access brought about by an irregular ferry services. The document also states that *“there should be no limit on the additional distance covered by vehicle in order to deliver to homes or premises with good access conditions, and remote premises on a private road in poor condition should only be excepted on difficulty of access grounds where access would involve a round trip taking longer than 15 minutes on foot or by vehicle.”*

4. There is a provision to allow Consignia a temporary suspension, on grounds such as exceptional weather blocking access; locked gates, or on grounds of health and safety (e.g. dangerous dogs or threatening behaviour).

### Observations

#### Safeguarding rural communities

5. The Council is concerned to ensure that the proposals will not result in any slippage in the standards of postal services across South Ayrshire, particularly in remoter parts of the area. Rural communities have the same basic need for services as their urban counterparts but often sparsity of population and long distances from major settlements create particular problems relating to the cost of service delivery. Any rationalisation or reduction in service provision may have a long-term impact on the viability and hence the sustainability of the rural communities. There is a concern that if these already fragile rural communities and businesses were to experience a reduction in the standard of mail delivery this would further disadvantage local communities and businesses. The provision of a regular postal service is seen as a lifeline service to many of these remote and rural communities and businesses and the Council would strongly resist any proposals which would lead to a poorer service.

6. Having said this the proposals as *they are currently set out* by Postcomm appear to safeguard existing standards of the delivery service in South Ayrshire. Addresses that are currently not in receipt of daily deliveries are listed in the appendix to the consultation document. As noted above most are in the Highlands and Islands and there are no addresses in South Ayrshire in the list. Both Postcomm and Postwatch have indicated that they do not expect the length of this list to increase and if this is the case then there should be no negative impact on South Ayrshire. It is clear from the consultation document that Postcomm have received representations from Consignia, who have proposed easing the required standard, for example in relation to the maximum road distance for delivery to an address. The Council believes that the standard proposed by Postcomm should prevail and not be subject to dilution.

#### Monitoring performance against the standard

7. It is important to ensure that there is no slippage from the proposed standard. Postwatch Scotland (The Consumer Council for Postal Services in Scotland) is the body charged with monitoring postal service standards. It is the duty of Postwatch to see that the proposed level of service is rigorously applied and the Council will draw to the attention of Postwatch any concerns about slippage of standards that occur.

#### Safeguarding postal services and local post offices in South Ayrshire

8. The Council also wishes to draw attention to the links between this issue and related changes to the Postal Service. There have been a plethora of changes to postal services in Scotland that have raised concerns about the future of the service. These have included proposed changes to the Benefit payments system, the continued decline in the number of post offices both in rural and in urban areas; and management changes within Consignia (including the double rebranding of the service.)

#### Maintaining confidence in postal services

9. Together these issues have tended to undermine confidence in an essential public service, a public service that has in the past compared favourably with postal services elsewhere in Europe or North America. A reliable universal postal service is essential for the economy and well-being of all parts of South Ayrshire, particularly the remoter rural communities. The Council remains very concerned about the constant attrition brought about by new threats or initiatives that collectively undermine confidence in the postal service. Postcomm has a duty to take a holistic view of the postal service and, while the present consultation appears to have no direct implications for communities in South Ayrshire, there is a need for the Council and Postwatch to be vigilant to each new development as it arises, and seek to identify those that are potentially a threat to communities.

#### **Adrian Shaw**

Policy and Community Planning Manager

#### **MICHAEL SPOORS, member of the public**

Thank you for giving me the opportunity to comment on your consultation document. In general your proposals seem eminently fair and reasonable, though possibly a little onerous at times on Royal Mail. Specific Comments:

#### HEALTH AND SAFETY

Agree, proposals are necessary and sensible.

#### DIFFICULTY OF ACCESS

Agree, although I prefer Royal Mail's proposals outlined in para 21 of the consultation document. I think it better that the maximum additional distance should be defined by space rather than time. For example it could be argued that a quarter-mile road that was gated would take longer than 15 minutes to negotiate and this would therefore be a subjective opinion. The 'half-mile' rule is clear cut and unambiguous.

What constitutes 'poor access conditions' is also a subjective judgement and is not amenable to objective definition at present, perhaps some criteria could be laid down.

Before access is categorised as 'poor' I think it should be formally assessed and should be subject to annual or intermediate reviews as for health and safety factors.

Approved identifiable points for delivery. This proposal is superficially attractive but I have four years experience of this arrangement (unilaterally imposed by Royal Mail) and although in the main it is satisfactory I have one serious objection.

Delivery to my roadside box works well for letters but a box does not accommodate parcels, packets, registered and recorded delivery mail. These are currently returned by the postman to the sorting office and this entails me making a 25-mile round trip to collect. It would be necessary to nominate alternative identified points for delivery of packets if these cannot be delivered to the primary point, it would of course then be obligatory to notify the addressee that a packet had been delivered to the alternative location; registered and recorded delivery items might still be a problem.

Four-wheel drive vehicles – again, this proposal is superficially attractive but the logic behind it is unclear to me. If delivery requires an ‘off-road’ vehicle then presumably access would already have been categorised as ‘poor’ and the premises exempted from the obligation to deliver to the door. If the proposal is intended to effect delivery to such premises provided there are five or more on a delivery route then it is to be welcomed. If the 4-wheel drive vehicle is postulated in the event of adverse weather conditions then this is a matter only for Royal Mail’s internal operating arrangements.

No other comments on what is a helpful and constructive paper, thank you

**M. Spoors**

**NICOLA STURGEON MSP**

Thank you for your letter of 8 July updating me on your approach to 'exceptions' to the universal postal service proposed by Consignia. It is helpful to be kept informed.

Yours sincerely

**Nicola Sturgeon MSP**

Glasgow

**UNITED KINGDOM PASSPORT SERVICE**

Thank you for Jeanette Darrell's letter of 10 September addressed to Bernard Herdan about the recent Postcomm consultation document. The letter has been passed to me as Partnership Manager for the UK Passport Service to reply.

Having now considered the consultation document I can confirm that UKPS are content with the recommendations contained within and that our service to customers would be unaffected by the proposals outlined. UKPS currently allow two days for the delivery of a passport to a customer and we expect that any customer that lives in a remote area will make the necessary arrangements to ensure that they receive their passport in time for any travel plans. This has been borne out by experience and, for example, our Customer Service Section in Glasgow reports that there have been no complaints from those resident in the more remote areas of Scotland with regard to customers' timely receipt of their passports.

I trust that this is helpful, however please do not hesitate to contact me if I can be of any further assistance.

Yours sincerely

**Paul Massey**

UKPS Partnership Manager

## **Member of the public, confidential**

### ***A response from an excepted address***

#### **Introduction**

I have two main issues with Postcomm's proposals:

- The regulator's primary duty in the legislation is to ensure a USO. Postcomm acknowledges (2.5 and 3.12) that "the provision of a daily postal service is of fundamental importance for both senders and recipients of mail". Yet for addresses reached only or most easily by boat, Postcomm alights on a delivery frequency of once a week, without any rationalisation, or justification that such infrequent delivery is either necessary or adequate. The regulator has power, if need be, to limit competition rather than allow the USO to suffer.
- Postcomm persistently refers to recipients as Royal Mail's customers. Surely the customer is the person who purchases the stamp, assuming the item will be delivered. Since much mail is unsolicited, it seems particularly unfair to expect recipients to part-fund deliveries, or suffer the consequences of failing to deal with time-critical mail, both of which result from the present proposals. Needs of senders are only hinted at by Postcomm; they are not properly assessed.

#### **Comments**

Islands and other locations accessible only by boat and not currently served by local ferry services (para 20, p5)

As stated above, Postcomm acknowledges daily delivery of mail to be fundamental to modern society, but then suggests that locations reached by boat should only receive one delivery per week.

In issuing the Postal Directive in 1997, the EC recognised that

- 'postal services are an essential instrument of communication and trade'
  - 'disparities observed in the postal sector have considerable implications for those sectors of activity which rely especially on postal services and effectively impede the progress towards internal Community cohesion'
  - 'regions deprived of postal services of sufficiently high quality find themselves at a disadvantage as regards both their letter service and the distribution of goods'
  - it is essential to guarantee at Community level a universal postal service ... to be provided in all Member States at an affordable price for the benefit of all users, irrespective of their geographical location in the Community
1. There could clearly be locations where it may be unsafe, for whatever reason (dangerous dog, high level of local crime, badly maintained road, and dangerous footpath have been cited as examples), to deliver mail. But there is no justification for imposing an arbitrary reduction in service to a location where mail can safely be delivered. In order to carry mail, a boat must be licensed (requiring modern safety and navigation equipment), and is no less safe a vehicle than a van. Both have 'construction and use regulations' as the basis for their licensing. And a postman driving on crowded roads, and climbing in and out of his van among fast-moving traffic must be at considerable risk compared with a boatman on a quiet stretch of water, breathing sea air rather than diesel fumes.
  2. Postcomm's inclusion of the phrase 'providing it is safe to do so' is prejudicial, implying that it is less safe in a boat than on the roads. Clearly, no boatman or postman is expected to deliver when

it is not safe. In many parts of mainland Britain - Scottish Highlands, Welsh mountains, even in England (the Cumbrian fells, the Pennines, and possibly the Peak District and Exmoor) - mail may not be delivered for days at a time during heavy winter snowfalls. And no one expects a post-van to venture along a road closed because of ice or flood. Similarly, a boat would not venture out in a gale. Whether by land or on water, the EC recognised weather as an occasional impediment to delivering the mail. Article 5 of the Directive (an article which has 'direct effect') states, inter alia, it [the Universal Service Obligation (USO)] shall not be interrupted or stopped except in cases of force majeure.

3. The statement "this will not affect existing arrangements under which customers are contracted to deliver their and others' mail more frequently" is discriminatory and hence contrary to Article 5 of the Directive. Although Postcomm refers to the Directive, it makes no comment on Article 5. The relevant sub-clause of the Article, relating to the USO, states:

it shall offer an identical service to users under comparable conditions,

it shall be made available without any form of discrimination whatsoever, especially without discrimination arising from political, religious or ideological considerations,

The frequency of mail deliveries should not therefore be different in similar locations. Senders expect, and have just as much right, to reach addresses in areas previously badly served by Royal Mail. Similarly, arbitrary and inconsistent arrangements, or historical intransigence of Post Office management, should not be allowed to disadvantage those living at such addresses.

The reason for Article 5 is to ensure a consistent service for users of mail, both senders and recipients.

4. Proposed delivery frequency of once weekly:

- 4.1. The discretion to designate addresses that will receive fewer than the mandated number of deliveries (6 per week in the UK) does not mean that Postcomm is obliged to exercise that discretion. Since, if it is safe to deliver once a week by boat, it is safe to deliver every day, the seemingly arbitrary proposal that a particular group of addresses receive only one delivery a week would suggest that Postcomm is adopting just such an approach. The attitude is redolent of a comment Consignia wrote in relation to our address last year, before Postcomm directed that, in the interim, it deliver once a week:

"If Royal Mail were required to deliver to this cottage it would render the principle of exceptions to the universal service obligation practically meaningless."

Judging by Consignia's attitude in the past, the offer may represent the maximum level of service Consignia will agree. But if Postcomm succumbed to pressure from a reluctant service provider it would risk breaching the requirement in Article 22 of the Directive that the regulator be "operationally independent of the postal operators."

- 4.2. Over the years it has become apparent to us that senders of mail expect their communications to be received the next morning or shortly thereafter. This is hardly surprising in view of the advertising material issued by the Post Office (at what cost?) during the mid-1990s. Our company received publicity leaflets alleging that mail was delivered "to the door" of every address in the UK. And in October 2000 the Chief Executive of the Post Office gave evidence to the House of Lords Select Committee that competition would

"undermine the Post Office's ability to meet the social obligation laid down in the Postal Services Act 2000 to deliver mail to all of the UK's 27 million addresses, no matter how remote, at a uniform and affordable price."

Consignia issued a press release in March 2001 with similar wording:

"Crucially, Consignia will maintain the bedrock of the UK postal service - the universal service with Royal Mail deliveries to all 27 million UK addresses, no matter how remote, at a uniform and affordable price."

- 4.3. Sceptical senders, wondering why we have not returned a form on time, can therefore be forgiven for believing that mail is delivered daily and that we are making excuses. The list of organisations that send time-critical mail is long - from government departments and local

councils, to utilities, credit card companies, and book clubs that send the editor's choice if the rejection form is not received back quickly.

But the post is not just for business and administration. It is essential for social cohesion as well. Even a relative sending a birthday card is disappointed if it is not received until a week later, as is the recipient - I have usually forgotten my birthday by the time most of my cards arrive.

And I would be denied a postal vote. My husband realised he would have to be away the day before the last General Election. The Electoral Officer said that the ballot form would be posted 6 days before the election, in time for it to be returned, had there been a daily, or even thrice-weekly, delivery. But even with only one delivery the election could have been over even before it was delivered. The suffragettes fought a long battle and endured terrible atrocities to secure votes for women. I would not expect a postal regulator in the twenty-first century to support Consignia in disenfranchising me.

- 4.4. For those running small businesses from rural addresses - an increasing number these days - time-critical mail is more important. In the case of a limited company, as is ours, penalties for not conforming to certain Treasury and DTI time-critical demands are more onerous than for individuals.
- 4.5. Assuming that the boatman who performs the weekly delivery emulates rural postman practice by taking outgoing mail, a delay of up to 18 days is incurred between the sender posting an item (if it just misses one delivery and has to wait 6 days until the next) and receiving a reply. The boatman cannot be expected to wait while we open 35 items (our average weekly post), sort out, and deal with anything urgent (this takes time - filling in forms, researching, maybe a phone call or two). So it is another week before a response can be sent.
- 4.6. Because such time delays are unacceptable - to our correspondents, not to us - we have to collect the mail ourselves and/or procure deliveries at least once between Consignia's deliveries. Doing so incurs considerable cost in terms of time away from business, effort, and use of our own resources - wear and tear on boat and engine, petrol, etc. And senders should not have to rely on the resources and fitness of the recipient - if an addressee had flu or broke a leg the delivery frequency would be inadequate.
5. "...mail available *free of charge* at the local delivery office on the other days."
  - 5.1. If an adequate delivery frequency is to be denied to some members of the population, it seems iniquitous even to hint that they may be charged for its collection on other days! Perhaps, therefore, the phrase was intended to suggest that the cost to the addressee of the necessary extra collections, in terms of manpower and resources, will be met by Consignia from the revenues it receives from its customers. Someone wishing to send an item of mail buys a stamp at the cross-subsidised price (27p for a 1st class letter) on the understanding that the item will be delivered for that price - a uniform and affordable price (4.2 above). Senders do not expect to pay the full economic cost of delivery to a remote rural location, nor do they expect the recipient to subsidise delivery of the item. That is the purpose of the geographic cross-subsidy - revenues from routes that make excess profits cover the cost of delivering on routes that do not.

Since much of the mail is unsolicited, whether it be a tax demand or an item of junk mail, it is galling to be expected to use one's own resources to secure deliveries while Consignia pockets the cross-subsidy.

Postcomm offers no evidence to suggest that cost is the limiting factor, but there can be no other reason for restricting deliveries to addresses where it is perfectly feasible, safe, and proven to be possible, to deliver daily. Postcomm hints at a limit to the cross-subsidy (para 4.3, p 45) if it "becomes too much of a burden for the rest of the community to bear." But we calculate the annual cost of delivery to the handful of remote addresses served by boat, even daily, to be minuscule - barely equivalent to 5 or 6 salaries, of which Consignia proposes to shed 40,000 - and would not add 0.006p to the price of a stamp.

The survey conducted by Postwatch and Postcomm's analysis of the results (paras 2.24 - 2.32, pp 20-22) put into perspective just how small a number of exceptions there are. The number excepted on the basis of access is only a small proportion of these, the number on the basis of access by boat smaller still.

- 5.2. As Postcomm acknowledges (para2.6, p13) European law permits the competition rules of the Treaty not to apply to postal services, *to the extent necessary to ensure the provision of a postal universal service*. If it is feasible to deliver every day, and the service provider cannot make any further efficiency savings, then the regulator can limit the competition. But, as suggested above (5.2) the cost has a negligible effect on the tariff paid by the customer.

Comments on other points

*Para 3.12, p25*

I fear that 'welcoming comments from senders of time critical mail' may be a triumph of hope over realism.

When accepting a more competitive car insurance quote than that from our current insurer, we were asked to return within 7 days a form that would be posted that evening. We explained why this would be impossible. The office manager said she assumed everyone received mail every day. She had never heard of Postcomm, knew nothing of a consultation, and felt that it was not her place to comment on the consultation document but seemed unable to track down anyone in the company who might be able to comment.

*Para 3.26, p32*

Postcomm proposes that in locations where there is, say, a seasonal ferry service operating in summer only 'alternative delivery arrangements should be agreed with the customer ... to cover the days or specific period when customers are not served by a ferry or boat service.' Yet there is no similar proposal in para 3.27 for locations which are practicably accessible by boat but where there is no seasonal ferry service. This distinction creates further irregularities and inequalities along the length of the Scottish coast and islands.

*Para 3.28, p33: "... a reasonable offer to residents in very isolated locations who generally cannot and do not expect the same level of provision of various kinds of service..."*

But the post is very different form, say, milk, where the dairy has no geographically cross-subsidised obligation to deliver; and the customer paying for the service is the recipient. Furthermore, whatever we may expect, senders have demanding expectations. Postcomm's assertion ignores the expectations and needs of senders, and seeks to prejudge what people may or may not want or expect. Unlike in the case of milk, it is the sender of mail who has paid the service provider to deliver, has paid enough overall to fund the delivery, and expects the item to arrive in reasonable time.

To suggest that 'residents in very isolated locations ... cannot ... expect the same level of provision...' even hints at prejudice against communities in deep rural areas.

*Para 4.3, p 45 - Economic rationale of the universal service*

Postcomm acknowledges the principle of geographic cross-subsidy (referred to in 5.1 above) but states that 'any geographical difficulty ... can be overcome at a price.' Whilst there may be locations in the wilder outposts of Europe where the cost would be so high as to become 'too much of a burden for the rest of the community to bear', the few UK addresses to which mail will be delivered by boat are not in that category. And even *if* - and there are no such locations in the UK - but even *if* there were, say, five addresses where deliveries cost an extortionate £1m each, the annual additional 'burden' (a grossly exaggerated figure) would still not be than 1/36th penny (0.027p) increase in the price of a stamp - hardly too great - or the first 200 of the 40,000 staff Consignia has realised it does not need. As stated, there are no addresses in this category in the UK. Even St Kilda is regularly accessed by sea from the Outer Hebrides.

Within the UK a daily delivery everywhere is affordable and a burden to neither society nor the service provider.

## Conclusion

At a recent meeting about next year's ferry timetable to a particular Scottish island, one inhabitant pointed out that a proposed change would result in some residents not receiving their mail until after lunch, which he considered unacceptable. (At present it is delivered, 6 days a week, around 12 noon!)

Everyone dealing with this issue at Postcomm receives post every morning and has no experience of not receiving mail, and what that can mean. The daily delivery is taken for granted - an insignificant event in most people's lives. It is understandable that they are bemused by why it is of such concern for others. We have made representations to Postcomm, suggesting that a delivery frequency of three per week is the minimum requirement to meet senders' needs and ensure that recipients do not suffer the stress and hassle that results from failure to comply with administrators' deadlines. It is almost as if the few remote addresses form such a tiny part of the UK that they and their views are insignificant and can be ignored.

Where it is feasible, safe, practicable, and is proven to be possible to deliver mail to an address, there is no reason to limit delivery frequency to once a week. Postwatch has recommended three deliveries weekly to every address. This would seem to represent a reasonable balance between the needs of both senders and recipients of mail - the postal service users. It is also a compromise between the six deliveries mandated by law and feasible in practice and the one delivery Consignia has undertaken to provide.

## **Surname and address supplied to Postcomm**

### ***Addendum to response from an excepted address***

I apologise to Postcomm for adding this addendum after submitting my response to the USO consultation. However, having discovered two items on the Internet last night, I felt compelled to send them in support of my submissions.

1. In my response, I suggested that in my view Royal Mail's customers are the ones who purchase a stamp, and that it is inequitable to expect recipients to use their own resources to subsidise deliveries of mail, just to meet the needs of senders. I referred to the cross-subsidy, intended to ensure that deliveries in less profitable areas of the Universal Service were funded from those in the more profitable areas.

Below is an extract of the examination before a Parliamentary Select Committee on Public Accounts on 25 March 2002 of John Roberts (Chief Executive of Consignia):

512. I find it puzzling about this concept of the subsidy. It tells us in the report that 86 per cent of all mail delivered in the United Kingdom is for business customers, is that correct?

(Mr Roberts) That is correct.

513. So if you did not have a single private customer, non-business customer, you would still have to have basically the same network?

(Mr Roberts) Yes.

514. With the same costs?

(Mr Roberts) But it is not business to business.

515. No, I understand that. When the Gas Board wants to send me a bill, it is they who want to send me the bill, I am not saying to them "please send it to me", they are sending it to me. So if I happen to live in the Outer Hebrides I am not being subsidised as you can all these poor people in the rural areas that they are being subsidised, the subsidy is on most of the business mail that is coming into the rural areas.

(Mr Roberts) The subsidy in many ways is for the poster, the person who pays the price of the stamp.

516. Exactly right. So in effect it would be the exact opposite of what is generally supposed to be the situation with rural clients. The individual customer is a minor element in your cost, the major recipient in so far as there is a cross-subsidy is business which is cross-subsidising itself because it is urban based mainly, it is sending out to all parts of the country and, therefore, the myth of the rural subsidy should be exploded because we, the poor individual customers, are a marginal cost, are we not?

(Mr Roberts) If you are the recipient, yes.

517. Even as far as we are sending, to a large extent we are the marginal cost.

(Mr Roberts) Whoever pays the price of the stamp is paying an average price and they are paying an average price calculated on the average cost across every route. If you were sending a letter from one end of the city to another and that was all we ever did—

518. I understand all that. All I am trying to get at is this: we do tend to perpetuate a myth about who is subsidising who and who are the main beneficiaries of the universal postal system. The main beneficiaries of the universal postal system are businesses. I think that point needs to be borne in mind.

A questioner in London can be forgiven for citing the Gas Board (Electricity would have been more apt - there is no mains gas on this Hebridean island.) But the principle is clear and, apparently, undisputed by Consignia - the cross-subsidy, far from geographically subsidising the remote areas, as I had been 'conned' into imagining, is actually cross-subsidising business and government bodies like Inland Revenue and Customs & Excise.

In proposing only one delivery a week, clearly inconsistent with the need of any sender (of which there are several) requiring response within 7 days, Postcomm, by capping the cross-subsidy does not remove any cost from the mail delivery - it simply transfers those costs to the recipient.

2. I also mentioned that our difficulties are compounded by everybody's belief that, no matter what we say, post is delivered everywhere, every day. In a BBC interview with Gillian Wilmot, managing director of Royal Mail's business and consumer operations Ms Wilmot said, inter alia:

We're launching a new nationwide collection service for business customers - they can have documents or packages picked up from their office and delivered next day anywhere in the UK for under £10.

Why do Consignia's senior staff still insist that they deliver next day, *anywhere* in the UK?

Despite belonging to that strange breed of 'residents in isolated areas', others *do* frequently wish to send us things, which they pay Consignia to deliver and believe will arrive in time for us to deal with them. Odd, really! They get quite ratty when we don't respond by the date they dictate.

Apologies, but it is where Consignia has driven me.

## **Name and address supplied to Postcomm**

### **Member of the public, confidential**

#### **Introduction: Outline**

We would like to thank Postcomm for publishing its proposals for exceptions and giving us the opportunity to comment.

We believe that Postcomm's structural approach is good: to categorise exception conditions, to list specific exceptions, and to employ an appeals process. Postcomm's proposals for resolving health and safety issues seem sensible. However, we believe that Postcomm's detailed proposals for the

more distant addresses are not satisfactory; the proposals for appealing those cases also, we feel, merit some re-examination.

Whilst we are not suggesting that the USO should be completely divorced from its cost of provision, we do have concerns on aspects of the USO and its funding which Postcomm has not fully discussed in its document. In essence:

- Cost of all the deliveries that senders of mail need (which may be fewer than 6 each week) should be met from the USO revenues
- Delivery frequency provided for senders should be identical in comparable conditions
- Exceptions should be determined objectively, not arbitrarily

There is a clear basis for these points in the Directive. Unfortunately, PSA 2000 does not transpose all of Article 3, or any of Article 5, and hence these requirements are, incorrectly, sometimes overlooked.

#### USO funding principle

A fundamental principle of the USO is that the affordable tariff pays for the deliveries that are needed. Even though fewer than 6 deliveries weekly may be needed at exceptional locations, the affordable tariff pays for them.

Postcomm is proposing that some destinations will only be served once weekly. Postcomm has asked for details of time-critical mail, and we have provided examples showing that senders will require more frequent service than that. Postcomm's proposal means that senders of time-critical mail cannot reach those destinations within time - even though they pay the affordable tariff, much mail will be delayed beyond time, with arbitrarily serious consequences for sender, recipient, and in some instances wider society. It is unfortunate that in the consultation document Postcomm omits to examine the consequences for time-critical mail - but the result is that time-critical mail will have to be delivered using other resources than the service provider's. Yet Postcomm is not proposing to ensure that there will be funding from the USO revenues for the use of those resources.

We think it is nonsense for either

- senders to have to pay the full economic cost of delivery for time-critical mail, or
- recipients to pay for the extra, needed, deliveries, and in effect provide the cross-subsidy in order that senders of time-critical mail pay only the affordable tariff.

Both these situations contravene the requirement of Article 3 in the Postal Services Directive for 'users to enjoy the right to a USO' for conveyance at an affordable tariff.

#### Comment on other aspects

Our comments are in two parts. In part I we mention a number of related issues that we believe Postcomm should take into account. These comprise:

- Inconsistencies between the Directive and PSA 2000
- The Directive's Article 5
- The needs of senders
- The discretion to determine the USO
- The cross-subsidy
- The affordable tariff
- Necessity and proportionality
- Exceptions of 'delivery frequency'

In part II we make specific comments against paragraphs of the consultation document. The per paragraph comments in Part II draw on the principles we describe in part I, and a certain amount of repetition is inevitable when the same principle has application in different paragraphs. We ask Postcomm (and any other readers) to tolerate that form of presentation so that paragraphs can be considered in the light of all the relevant issues.

## **Part I: Review of some USO principles**

### **The European Directive**

The UK's postal services regime is motivated by the Postal Services Directive 97/67/EC. The Directive says more about the USO than PSA 2000 says, and places a duty on Postcomm to enforce all its articles; including those defining the USO, that are not, themselves, in PSA 2000. Article 22 requires the regulator to enforce the Directive in the Member State.

The Directive's description of the USO differs from that in PSA 2000 in ways that turn out to be directly relevant to Postcomm's proposals for Exceptions. Some details of Postcomm's proposals even appear to contravene the requirements of the Directive.

#### **Inconsistent UK transposition of the Directive**

In Article 3, the Directive grants 'users' a 'right' to a Universal Service (PSA 2000 does not grant any rights). It goes on to describe the USO in terms familiar because they are incorporated in PSA 2000: effectively a daily delivery everywhere, except in conditions decided by the regulator, at an affordable tariff. The central principle is that delivery from sender to recipient is paid for by the revenues from the affordable tariff. Only senders need a right to an affordable tariff, so 'users' in this context are the *senders* of mail. The absence of recognition in PSA 2000 of the rights of senders of mail is, we have found, one of the most damaging discrepancies between the EU and Domestic legislation. In practice, because of the absence of concern for the needs of senders, the regulator and service provider have continued to consider the USO as a service to recipients, rather than to senders, to whom it is vital for their own important needs, often statutorily based. This shifted (and flawed) aspect is visible in several parts of Postcomm's consultation document.

The Directive, however, goes further; Article 5, which does not appear in PSA 2000, places important extra requirements on the USO including (our sub-numbering):

- (a) Identical service in comparable conditions
- (b) Without discrimination of any kind, especially not ideologically founded
- (c) To evolve as needs evolve.

The absence of these requirements in PSA 2000 seems to have led to their being overlooked in Postcomm's proposals, despite the Article having 'direct effect'. This is the other damaging inconsistency between European and Domestic legislation

#### **Compliance with Article 5**

In the consultation document, Postcomm draws on Article 3, but makes no mention of Article 5; neither does the consultation document address the requirements of Article 5. We contend that the proposals should be revised to take account of both Article 5, and the right of senders embodied in Article 3.

#### **Article 5**

While Article 3 of the Directive sets out the scope of the right, Article 5 creates mandatory requirements on the nature of the USO. In full it states:

"Each Member State shall take steps to ensure that universal service provision meets the following requirements:

- it shall offer a service guaranteeing compliance with the essential requirements,
- it shall offer an identical service to users under comparable conditions,
- it shall be made available without any form of discrimination whatsoever, especially without discrimination arising from political, religious or ideological considerations,
- it shall not be interrupted or stopped except in cases of force majeure,
- it shall evolve in response to the technical, economic and social environment and to the needs of users."

At least one of Postcomm's detailed proposals is directly contrary to the requirements of Article 5. Article 5 was (according to DTI) not transposed into PSA 2000 because it has "direct effect"; hence its

requirements must be taken into account. In any event Article 22 directly requires Postcomm to enforce the provisions of Article 5.

#### Identical service in comparable conditions

One example of contravention is Postcomm's proposal that deliveries by boat should be only once weekly, adding that where different arrangements are already in place those will remain; this hardly accords with the Directive's requirement for identical service in comparable conditions.

#### Absence of discrimination

There are two significant instances within Postcomm's Consultation document where no evidence is cited for assumptions, and instead subjective reasoning is employed. Were those subjective or unsubstantiated assumptions to be ideologically based, the proposals would be uncomfortably close to the discrimination prohibition in Article 5.

In one case, Postcomm describes its proposals as a 'good offer' to addressees. Postcomm should not be making 'offers'; service levels are not a proper subject for negotiation. Article 3 has conferred a right on users to a USO at an affordable tariff - Postcomm has a duty to ensure that USO. Postcomm's perception that remote addresses are somehow different and merit 'offers', instead of addresses to be served in accordance with senders' requirements, may be an example of a pre-disposition that the remote addresses are not to be considered equally essential destinations for senders of time-critical mail. Yet Article 3 expressly confers the right to deliveries at 'all points in the territory', and does not suggest that some points should only be reachable by non-urgent mail. Furthermore it is not for the addressees to consider whether Postcomm's proposals represent a good offer - it is for Postcomm to ensure a USO that meets senders' needs.

In another paragraph, Postcomm asserts that in its opinion, residents in remote areas cannot and do not expect the same level of service as elsewhere, but cites no evidence to support this assumption. Postcomm asserts, but does not substantiate, that remote addresses may be too expensive to serve. Yet Postcomm has separately published research showing that the USO is a net benefit to the service provider, and the cost in the remote USO not to be significant. Postcomm's assessment of the costs and benefits of Consignia's current USP revealed that delivery to deep rural areas was not loss-making in aggregate, and that urban areas presented more of a challenge to profitability than did the deep rural areas. Our own estimates of the costs of adequate service to remote addresses shows them to be infinitesimal compared with the avoidable costs of the more general inefficiencies burdening the service provider. These *unsubstantiated* presumptions that remote addressees cannot be served, and do not expect service, reveals a subjective basis for exceptions within the remote addresses. Postcomm has a duty to ensure that *ideological* discrimination such that 'remote addresses cannot be served' (especially when evidence shows they can be served) has no role in objective determination of exceptions. Under Article 22, Postcomm in enforcing the Directive would be expected to stamp on instances of prejudice, or pre-determination such as addresses do not deserve to be served because they should not expect to be served. Meanwhile, of equal concern is, again, the apparent sidestepping of whatever the needs of senders of mail might be. Regardless of what our own expectations are for mail delivery, senders of mail have demanding expectations - Postcomm is aware of these and we have submitted evidence of them already.

#### Meeting the needs of senders

Postcomm is proposing that remote addresses should receive a delivery once weekly, which we have previously suggested to Postcomm would be inconsistent with the needs of senders. A USO that did not meet senders' needs today would immediately have to evolve in accordance with Article 5. Overlooking the needs of senders to reach remote addresses in a timely fashion seems to be inconsistent with both the senders' right to reach in Article 3, and the provision of a USO meeting the requirements of Article 5.

## The USO defined by the Directive

In essence, the USO created by Articles 3 & 5 provides for:

- Senders of mail to reach addresses within time
- While paying only the affordable tariff (uniform tariff, PSA 2000)
- With the cost of delivery met from the overall USO revenues
- With equivalent service levels in comparable conditions
- Without discriminatory limitation
- Everywhere except addresses or points defined by Postcomm
- Every day except where a lesser frequency is defined by Postcomm

The fundamental principle of the USO is that the affordable tariff pays for the deliveries that are needed. This point is so central to the USO, the essence of the USO as it were, that we referred to it in our Introduction. As we indicated, Postcomm's proposals mean that senders of time-critical mail cannot reach some addresses within time - even paying the affordable tariff some mail will be delayed beyond time, with arbitrarily serious consequences for sender, recipient, and in some instances wider society. This results in inequalities from a recipient point of view in that for example, some will be able to have a postal vote, some will not. It is unfortunate that in the consultation document Postcomm omits to examine the consequences of its proposals for time-critical mail, but the result of its proposals is that time-critical mail will have to be delivered using other resources than the service provider's. It is a nonsense to create a situation where senders have to pay the full economic cost of delivery for time-critical mail; the alternative is that recipients provide the cross-subsidy themselves (by paying for the timely deliveries) so that senders of time-critical mail pay only the affordable tariff. Both these situations contravene Article 3's requirement for 'users to enjoy the right to a USO' for conveyance at an affordable tariff. Postcomm has discretion only to determine delivery point and frequency - it has no power to frustrate the requirement that delivery should be funded from the USO.

### **The needs of senders**

We have previously provided Postcomm with a list of time-critical mail that we, for example, had received. It showed that senders require responses within as few as 3 days, and that that time is needed not simply for delivery, but also for action by the addressee, and often for response (to be posted back to arrive within time limits). Our list illustrated that mail delayed a single day (eg by a delivery frequency of 3 times weekly) causes much less difficulty than mail delayed by up to a week or more (eg by delivery frequencies of 1 a week). There is a disproportionate gradation of difficulty with increased delay.

That is why we believe a delivery frequency at least three times weekly to be essential.

Serving an address properly means with deliveries meeting senders' needs. Senders who consign mail at 'first class' do so in the expectation that it will be delivered the next day, or shortly thereafter.

There are even Statutory assumptions of this - some statutes and regulations call for 'notices' to be posted first-class and then take effect. A delivery frequency of 3 times weekly is the minimum frequency consistent with routing times of 2 days.

Hence, a minimum USO frequency of 3 deliveries weekly is needed at all addresses - that is what society, and senders, need today.

### **Discretion to determine the USO**

Public Law principles require that a discretion only be used to further the aims and objectives of the legislation. A discretion cannot be used in such a way that it frustrates those aims. (Authorities include the Wednesbury principle, Denning in *Breen v AEU*, Reid in *Padfield v MAFF*.)

Postcomm cannot exercise its discretion with the intention of limiting the burden on Consignia, say, by releasing it from the timely delivery of postal ballot forms to remote addresses. There are two reasons for this. Firstly, limiting the burden on Consignia is not an aim or objective of the legislation. The legislation asks Postcomm to encourage economy, which is different. Economy is to do with the internal efficiency of the provider in meeting the defined USO, not with the scope of the USO which is separately defined in the statute and is specifically protected from this subsidiary duty. Economy would demand that a route be served by vehicle (be it postvan or boat), not helicopter. Economy on

the part of the service provider cannot demand that a route simply not be served. Secondly, the USO has to meet senders' needs. Hence Postcomm must exercise its discretion in a manner that furthers the aim, instead of undermining it.

Similarly, Postcomm cannot exercise its discretion by mandating a service level to remote addresses rendering them, in effect, unreachable within time, with the intent to limit the cross-subsidy. Again, the same two principles apply: the intent has to be lawful, and the discretion must not frustrate the aim of the legislation. Capping the cross-subsidy for individual routes is not an objective of the legislation. And, the USO has to meet senders' needs and Postcomm must further that aim.

Both these examples of questionable discretion are proposed by Postcomm in the Consultation document, paragraphs 3.1, 3.34, 4.3 refer. Conspicuously absent is any evidence of the balance - between the private benefit to the service provider, and frustration of the public rights granted by the Directive for all users to reach all points in accordance with their needs. The discretion should not be used to assist the service provider, at the expense of users. The existence of a discretion does not mean it has to be used. Consignia used this argument - that because there is a discretion it must be used - in 2001. But there could be *no* exceptions if none is necessary.

### **The cross subsidy**

The principle of the legislation is that deliveries are procured from the sum of the revenues available to the USO provider (or from a USO fund if one is implemented). There is no legislation suggesting that recipients of mail should fund delivery.

The principle that deliveries on more expensive routes are subsidised by profits from less expensive routes is uncontroversial and widely accepted. All administrative mail, whether commercial or governmental, is sent on that assumption. For example, mailing systems are not separately programmed to deal with the procurement of delivery to a remote address at its unsubsidised full economic cost.

If senders need mail to be delivered to every address, which they clearly do, the deliveries have to be funded out of the USO revenues, because (a) legislation requires it, and (b) senders to remote addresses do not want to pay the full economic cost.

This funding requirement does not imply that Consignia has to be inconvenienced, or that its operations be disrupted to reach an address, say, many miles up a track. Others can undertake the delivery, as Postcomm suggests. Perhaps local labour could be used to perform the deliveries (or estate workers, forestry workers, for example); part-time multiple employment is common in the Highlands and Islands. The requirement that deliveries are cross-subsidised merely means that the delivery is procured from the USO revenues, not that a postman has to divert many miles or row a boat across the ocean!

Postcomm's proposals, however, seem to suggest that instead of procuring a delivery, Postcomm might seek to nominate a delivery point some considerable distance from the address; this would have two serious effects. Firstly, the transport of mail from the delivery point to the address would not be funded from the USO, but will nevertheless incur a cost of equipment, manpower, and fuel.

Secondly, the sender can no longer rely on delivery as a result of paying his 27p; instead he has to rely *also* on the addressee having sufficient resources to commit to transport the mail, and being able to do so. If the addressee cannot afford to transport it, or is unable to because he is ill, or his equipment breaks down, then the sender is potentially damaged because his mail does not get through. (So may the recipient be, if the undelivered mail contained, say, a demand for payment or a DVLA licence renewal form, etc.) All mail sent is in the senders' interest - some is also in the wider interest of Society, for example, most mailings from Government administrative processes.

It is the intention of the legislation that everywhere be reachable solely on the basis of payment of the affordable tariff. All the background material of UK white papers, and EC guidance and interpretation, underline the importance of post in social cohesion and inclusion, including the delivery of, say, a postal ballot paper to a resident deep in a forest. Obviously no difficulties arise through nominating alternative points provided they are within convenient reach of the addressee, and therefore do not require significant allocation of the addressee's resources to reach them. Using the discretion to limit

the USO to a delivery point outwith the addressee's convenient reach, though, does not further the aims of the legislation; using it to avoid inconvenience to the service provider is not consistent with legislation. It is perfectly sensible to propose that deliveries to seriously remote addresses be subcontracted so that efficient postvan runs are not disrupted, but it is not reasonable to limit the reach of the USO and hence its funding of the delivery, merely for the service provider's convenience. We contend that there is a difference between the USO reach for funding purposes, and the reach of the service provider's own staff. Postcomm recognises this distinction in practice, in that it acknowledges several instances where the service provider contracts addressees to transport the mail for themselves and sometimes others - a typical example of the USO reach achieved by USO funding of remote delivery without operational inconvenience to the service provider.

We offer a test that could be applied in determining exceptions:

"Is the timely transport of mail to the recipient fully funded from the USO revenues?"

### **The affordable tariff**

The only objective in the legislation that could require the USO to be limited is the requirement that the tariff be affordable. There is no requirement in the legislation that the tariff should reduce, neither is there a requirement that it should not rise provided that it remains affordable. In principle, the only economic case for limiting the USO is to ensure that the tariff remains affordable. The USO is intended to be 6 deliveries weekly, and although exceptions can be determined, they can only be determined to further the aims of the legislation. Furthermore, they have to be necessary.

Nowhere in Britain appears to be unreachable in any ordinary sense. Specifically, there is nowhere, where for example, normal postal operations or suitable delivery contractors cannot be employed or are not available. There is nowhere requiring specially built equipment, or specially trained staff to effect delivery. Delivery uses ordinary drivers, cyclists, pedestrians, mariners, etc. Postcomm has not tabled any evidence of the cost of an adequate remote USO - those of us who have provided estimates can show that the costs are trivial, and dwarfed by the efficiency savings that the service provider is about to accrue.

The Consultation document does not provide any illustration of the effects on the tariff of 6 weekly deliveries everywhere, nor of the effect on the tariff of (uniform and consistent) reductions to 5, 4, 3 or 2 weekly deliveries. Yet the document proposes that some addresses should have only 1 delivery a week. The only reasoning offered seems to be the assertion that residents in remote areas cannot expect the same level of service as provided in other areas (ignoring, surprisingly, the expectations/needs of senders of mail to those addresses). As already suggested, such reasoning comes uncomfortably close to the ideological discrimination explicitly barred in Article 5; it is unfortunate that Postcomm has not taken account of Article 5 anywhere in its consultation document. In the case of post, there is no reason why the service level in remote areas cannot be the same as anywhere else - it is perfectly possible to deliver, and the very few addresses affected implies that the total cost of the full service will have infinitesimal effect on the tariff. (The tariff is affected to a much greater extent by the service provider's internal efficiency. Postcomm implicitly recognises this in its refusal to countenance tariff increases, unless there are no efficiency savings that the provider can make.) The savings that the provider can, or will, make with manpower changes dwarf the cost of service to the remote addresses. Consignia say there are no other addresses as distant as ours (they should know), so perhaps the retirement of one staff member could enable delivery to all the few remaining addresses reachable only by sea. For example, four office staff retirees not replaced will save £100,000 per year - a sum that could provide deliveries to as many as 10 or 20 remote addresses. There probably are not many more addresses than that in this category. Consignia expect to save costs of thousands of staff, not just four.

Because delivery is feasible, and because no evidence is offered of unaffordability of the tariff, Postcomm's starting position that, in its view, residents in remote areas cannot expect the same level of service seems subjective. Postcomm should objectively justify its view, with the evidence that shows a reduction from the 6 day USO to be necessary.

## **Necessity and proportionality**

In making exceptions, Postcomm has to consider their necessity, and whether the effect of the exception is proportionate to the aim.

The necessity and proportionality tests would fail if Postcomm were to mandate delivery frequencies that did not meet the needs of senders. Senders expect uniformity of delivery times so they do not have to operate different, special, procedures to cater for delays to some addresses. Senders with time-critical requirements would have to keep records of those addresses for which they must employ non-standard procedures and non-standard mailing systems - such systems and procedures are costly, and costs would be incurred by virtually all administrations and companies. As mentioned above, senders may have to procure deliveries at the full economic cost, or may expect recipients to subsidise them - neither of which is consistent with the principle of the affordable tariff covering the cost of delivery (nor is it equitable). The damage caused to society by the difficulties arising from such administrative failures is likely to outweigh any societal benefit.

Postcomm has not undertaken any cost/benefit analysis in respect of the USO - we had expected it to do so before deciding any exceptions. Even the proposed appeals process only considers route costs, and does not consider the costs of the lost benefits foregone by senders and society. It is hard to see any public benefit arising from exceptions, but a private benefit to the service provider certainly accrues, albeit small. The cost savings would typically be a few hundred or few thousand pounds per year for each of the few tens of addresses affected out of the UK's total of 27,000,000. Postcomm has not said what the costs to the rest of the UK might be.

The public will never see these savings. The savings will simply be absorbed into profits by the service provider, effectively providing a private benefit. This is a double private benefit for the provider - the regulator limiting the USO saves the service provider making other efficiency savings.

## **Frequency exceptions**

We contend that, *in principle* (Health & Safety problems excepted), everywhere in Britain *could* receive 6 deliveries weekly by whatever means, paid for from the USO revenues (unless the cost of provision were to render the tariff unaffordable).

We contend that if any exceptions from that frequency are proposed, they must

- Be shown to be necessary to further the aims of the legislation
- Continue to meet the needs of senders
- Result in the same service level in comparable circumstances

We have previously shown that a minimum of 3 deliveries weekly is needed to meet senders' needs. For example, if some mail can time-expire (eg, a court summons, or requirement to return by post an official form within a certain time), then the service must meet those needs; the Directive is unequivocal.

For senders, administrative systems would have to change if there was no dependably quick mail delivery. Society as a whole would have to bear costs of alteration of computer systems, processes, pre-printed forms etc, and countless items of legislation (notice or summons assumed to have been received and consequent action taken) would need to be altered, simply to accommodate the effects of delivery delay. We believe the societal costs of introducing such significant delays will exceed any societal benefits; they will also exceed the savings to the service provider arising from the exceptions. As a result, we believe there is a minimum level of service that senders need (and that society also needs) in order to avoid the societal costs of dealing with the consequences.

We submit that 3 deliveries weekly to remote addresses are easily affordable, and represent the minimum that Postcomm should determine if Postcomm shows that frequency exceptions are necessary for remote addresses.

## **Conclusion**

The main points we wish Postcomm to consider are:

- All the necessary deliveries must be funded.
- Deliveries must meet the needs of senders.

- Exceptions must be objectively justified. Exceptions that are made simply for ideological reasons have no place.
- Exceptions must be shown to be necessary, and proportionate.
- The affordability of the USO should only be considered if it is likely to trigger a tariff increase, and in the same manner as Postcomm considers tariff increases proposed for any other reason. Postcomm would require evidence from the provider that there were no efficiency savings it could make.
- The affordability of the USO should be considered on aggregate, not on a route by route basis. No individual route will render the USO unaffordable - it would depend on which route was to be considered the 'critical' route, and there is no objective basis for that - the USO can only sensibly be considered as a whole.

**Part II: Comments on selected paragraphs**

Consultation reference	Response
2.6	<p>“competition rules of the treaty not to apply to postal services, to the extent necessary to ensure the provision of a universal postal service”</p> <p>Postal services can only be excluded from the Treaty’s competition rules to the extent necessary to ensure the USO. The European Commission published guidance notes on the application of Community Law to the Postal Services which usefully point out some of the abuses it seeks to avoid. Taking account of them helps avoid institutionalising as an exception what might previously have been a market abuse by a dominant provider. In practice, the Directive’s requirement for independent regulation is intended to limit the possibility of these abuses. The references are to the sections of the Commission’s guidance.</p> <p>[2 Market Definition and Position]</p> <p>(b) Dominant position, para 2.7, p14</p> <p>“Another type of possible abuse involves providing a seriously inefficient service [... ..] The examples given illustrate the possibility that where they are granted special or exclusive rights, postal operators may let the quality of service decline [referring to footnote 17] and omit to take necessary steps to improve service quality.” Footnote 17 states “... The exclusive rights of the postal organisations favoured a fall in quality, since they prevented other companies from entering the market. ...”</p> <p>The Commission goes on to observe, para 2.8 p13</p> <p>“Unjustified refusal to supply is also an abuse prohibited by Article 86 [now renumbered 82] of the Treaty. Such behaviour would lead to a limitation of services within the meaning of Article 86 [now 82], second paragraph, (b) and, if applied only to some users, result in discrimination contrary to Article 86 [now 82], second paragraph, (c), which requires that no dissimilar conditions be applied to equivalent transactions.”</p> <p>[6 Measures adopted by Member States]</p>

Consultation reference	Response
	<p>The Commission explains in para 6.4, p18, that Member States should employ an independent supervisory authority to monitor potential abuses.</p> <p>[8. Service of General Economic Interest]</p> <p>(a) Basic Principles</p> <p>The Commission describes the service of general economic interest as consisting “primarily in the provision and maintenance of a universal public postal service guaranteeing at affordable [...] tariffs [.....] the timely delivery of such items to the address indicated. [...] The universal service is to evolve in response to the social, economical and technical environment and to the demands of users.”</p> <p>(b) (ii) Conditions for the application of Article 90 (2) [now 86 (2)]</p> <p>The Commission gives as an example of an element of the universal service “the possibility of every citizen in the Member State concerned, and in particular those living in remote areas, to have access to newspapers, magazines, and books”. The Commission notes that “the Member State must take action” [referring in footnote 31 to the Directive’s Article 3 requiring that Member States ensure that users enjoy the right to a universal service].</p> <p>It is clear from this guidance that the European Commission expects a universal service to include all citizens, even in remote areas, reachable via a timely delivery. We submit that it would be inappropriate for the UK’s National Regulatory Authority to impose a limitation on the universal service such that senders of mail to some addresses would not have their needs met.</p>
2.7	<p>“Article 3 of the Directive provides for limitations to be set on the extent of the cross-subsidy”</p> <p>There are no such words in Article 3; Article 3 says nothing about cross-subsidy. We are unable to find in any legislation any explicit power of the NRA to impose an arbitrary limit the cross-subsidy. Article 3 requires that the postal tariff be affordable, and provides for exceptions from the nominal 6-day service.</p> <p>There is an established Public Law principle that a legal discretion is never unfettered. Postcomm would have no legal basis for seeking to achieve an objective of limiting the cross-subsidy on any route. Limiting the aggregate cost of the USO is a reasonable objective because of its link with the affordability of the tariff. If limiting any route cross-subsidy were to limit the USO such that users’ needs were not met, or different service levels were provided in comparable circumstances, contrary to Article 5, then the approach would contravene both the specific Domestic and European legislation as well as established principles of Public Law. Those principles require that discretion only be applied to</p>

Consultation reference	Response
	<p>further the objectives of the legislation, eg PSA 2000 requires that provision of the USO takes precedence over, for example, economy on the part of the operator.</p> <p>As stated, Article 3 requires the USO to be affordable; and Article 5 requires it to meet needs and provide consistent service in comparable circumstances. These two requirements mean that Postcomm must determine consistent and non-discriminatory service levels which meet users' needs (provided that the USO remains affordable). If some service levels (rather than lack of 'economy and efficiency', <i>pace</i> PSA 2000 s5, on the part of the service provider) would require the USO to become unaffordable, then Article 3 allows Postcomm to reduce service levels consistently until the USO becomes affordable.</p> <p>Postcomm has not offered any evidence that the present USO tariff is unaffordable - indeed we are unaware of any complaint that it is unaffordable today, or would be unaffordable with 3 deliveries a week to the 10 or 20 remote addresses that Postcomm proposes should receive only one. Postcomm's own process for determining the USO tariff (and thus any potential unaffordability) recognises that users should not pay increased postal charges if the service provider remains inefficient, implying that price increases (or the market equivalent of limiting service to avoid cost) should not be endorsed by Postcomm unless it is satisfied that no more efficiency savings can be achieved.</p>
2.8	<p>"Postcomm has powers ... to determine these exceptions."</p> <p>Postcomm's discretion to determine the USO is constrained by Article 5 of the Directive. There are also Human Rights implications if access to correspondence were, in effect, to be 'impeded'.</p> <p><b>Article 5</b></p> <p><i>"1. Each Member State shall take steps to ensure that universal service provision meets the following requirements:</i></p> <ul style="list-style-type: none"> <li><i>- it shall offer a service guaranteeing compliance with the essential requirements,</i></li> <li><i>- it shall offer an identical service to users under comparable conditions,</i></li> <li><i>- it shall be made available without any form of discrimination whatsoever, especially without discrimination arising from political, religious or ideological considerations,</i></li> <li><i>- it shall not be interrupted or stopped except in cases of force majeure,</i></li> <li><i>- it shall evolve in response to the technical, economic and social environment and to the needs of users."</i> <p>DTI's consultation paper on Post Office reform, (<a href="http://www.dti.gov.uk/poreform/regs/emdircl3.htm">http://www.dti.gov.uk/poreform/regs/emdircl3.htm</a>, unfortunately</p> </li></ul>

Consultation reference	Response
	<p>no longer there, but a copy printed at the time is available from us), explained that:</p> <p><i>“Finally, as this Article has direct effect it follows that the universal service must meet the requirements laid down.”</i></p> <p>Although Article 5 was not transposed into the domestic legislation, its requirements are nevertheless binding on Postcomm because the article has 'direct effect', and Article 22 requires that Postcomm enforces it anyway.</p> <p>Together, Articles 3 and 5 of the Directive give senders of mail a right to reach at an affordable tariff in accordance with their needs. In essence, the USO is a <i>“right to reach”</i>.</p> <p>In respect of Exceptions, Postcomm should not:</p> <ul style="list-style-type: none"> <li>• cause correspondence of senders of mail, or correspondence intended for any addressee to be impeded,</li> <li>• cause an addressee to suffer loss</li> </ul> <p>unless there is</p> <ul style="list-style-type: none"> <li>• an overriding societal advantage at stake, and</li> <li>• there is no other way in which society could achieve its needs, such as the service provider becoming more efficient, and</li> <li>• there is provision in law to cause that damage, and</li> <li>• the degree of damage is proportionate, ie the damage is the minimum necessary</li> </ul> <p>In essence, these are the public policy necessity and proportionality principles.</p>
2.9	<p>Postcomm’s obligation to consult with Consignia in determining exceptions has no explicit basis in law, and is only to be found in Consignia’s licence. Article 22 of the Directive requires that Postcomm be legally separate from and operationally independent of the service provider. In law, Postcomm is separate. But, Postcomm is independent only if it makes decisions without simply adopting the suggestions of the service provider at the expense of the public interest of senders of mail. But Postcomm appears to have adopted Consignia’s suggestion of 1 delivery weekly without any objective rationale.</p> <p>While consultation with Consignia does not impair the regulator’s independence from the service provider, bowing to pressure would do so. Consignia is well placed to inform Postcomm about aspects and facts of the postal industry - for example, Consignia can very usefully inform debate about quantitative aspects of the USO. Caution might be appropriate when allowing Consignia to seek to suggest exceptions; service provider attempts to limit service are exactly the abuses that the Treaty provisions and the Directive seek to avoid (see comments on para 2.6, above).</p>

Consultation reference	Response
	<p>Service provider preferences are irrelevant. Some service provider cost implications can usefully inform the discussion, but it can be dangerous to pay too much attention to service provider advocacy. Article 22 requires exception decisions to be made independently of the service provider - ie the regulator must independently determine what the exceptions should be, using his own, independently derived, objective assessments including review of the available alternatives. Reading of the Consultation document does not suggest that Postcomm has done this.</p>
2.19	<p>“Evidence in different areas of the country of inconsistent treatment.”</p> <p>Postcomm has observed evidence that there was inconsistent treatment of comparable conditions within different parts of the country.</p> <p>Postcomm, Postwatch and Consignia are also aware that, although in several districts Consignia procured remote deliveries by ‘outpayment’ to addressees to perform deliveries for it, Consignia refused to do so in similar circumstances in a different district. This was a clear breach of the requirement in Article 5 for identical service in comparable conditions.</p> <p>Postcomm’s proposal to limit deliveries to one weekly at addresses accessed by boat <i>except where other existing arrangements apply</i> simply perpetuates this breach. A sender’s need to reach in time is not restricted to addresses within an area historically better served by Consignia’s local management.</p>
2.31	<p>“.. respondents in Scotland indicated they were not happy ...”</p> <p>Table 2.2 indicates that 95 addressees in Scotland are unhappy with current delivery arrangements. Para 2.31 states 45 of these receive 6 deliveries but want delivery to their door. The remaining 50, presumably, are addressees who receive fewer than 6 deliveries a week and believe something can be done about it.</p> <p>Paras 2.28 &amp; 2.29 reveal that of the 149 ‘unhappy’ addressees in England &amp; Wales, 44 + 14 + 7 + 51 = 116 receive some form of daily delivery although perhaps not to their door. The remaining 33, presumably, are addressees who receive fewer than 6 deliveries a week and believe something can be done about it.</p> <p>In total, we deduce that 83 addresses receive fewer than 6 deliveries a week, and presumably fall into the ‘access difficulty’ category.</p> <p>We are not sure whether that figure is correct (we expected it to be lower, especially in England), but assuming, for example, that the average cost of resolution is £1,500 per year (only one or two will be higher, many much lower), those 83 addresses together would require a cross-subsidy of only £125,000. This is equivalent to the savings Consignia will achieve through losing 4 staff by natural</p>

Consultation reference	Response
	<p>wastage; Consignia has announced that it is to lose not just 4, but 10,000 times that number, 40,000 staff. The cost of the remote USO pales into insignificance compared to savings that can be made from the service provider's inefficiency.</p> <p>In mandating independent regulation, the European Commission sought to prevent a service provider reducing service to users to avoid confronting its inefficiencies. It is inappropriate, we feel, for the regulator to do precisely that for a provider at the expense of users.</p>
3.1	<p>"It is essential that Postcomm exercises its exception powers in a reasonable manner, in particular so that undue burdens are not placed on Consignia."</p> <p>Any burden on Consignia should only be Postcomm's third priority after:</p> <ul style="list-style-type: none"> <li>(a) the needs of senders of mail, and</li> <li>(b) the needs of recipients</li> </ul> <p>The requirements of the Directive, the competition guidance issued by the EC, HMG's requirements for social inclusion together with the role of postal services in those, and the requirements of the ECHR all stress the primacy of effective postal services, irrespective of the burden on the provider. PSA 2000 makes it clear that Postcomm's secondary duties to the providers are without prejudice to its first duty. Postcomm must determine a USO without letting secondary considerations guide it to unnecessary limitations of the USO as a result. Public Law principles (the Wednesbury principle, Denning in Breen v AEU, Reid in Padfield v MAFF) require that Postcomm direct itself in accordance with the statutes. The exceptions have to meet users' needs, be consistent, and only be proposed if essential to ensure that the tariff remains affordable and uniform.</p> <p>Consignia is guaranteed the financial resources to meet its Universal Service needs, hence it is protected from the effects of any burden, however small (or imagined) - only a nominal number of addresses (83 out of 27,000,000) are "problematic". Consignia is not at risk from the USO. Users most certainly are.</p>
3.5	<p>"will be able to appeal that decision"</p> <p>Postcomm's proposals for categories of exception effectively provide a 'baseline' USO. The appeal process, as proposed, does not allow for variation of that baseline but seems only to allow for re-categorisation of an address. There appears to be no mechanism for reviewing the appropriateness and transparency of the baseline USO associated with each category.</p> <p>Neither does there seem to be a mechanism for implementing the Directive's requirement for evolution of the USO as users' needs</p>

Consultation reference	Response
	change.
3.11	<p>“a neighbour who is able to take the mail to an address”</p> <p>In the more rural area, even a neighbour (who will be a mile or two away) will incur significant costs. The source of funding for mail transport to remote addresses has not been discussed in the document, yet is central to</p> <ul style="list-style-type: none"> <li>• the USO principles of affordable tariff (senders do not have to meet the full economic cost of a remote delivery) and</li> <li>• set-aside of the competition rules (so that the service provider can achieve ‘excess’ profits on most routes to pay for the full costs of the other routes).</li> </ul> <p>While the <i>social, administrative, and commercial</i> basis of the USO is timely delivery to any address, the <i>economic</i> basis is that costs of delivery are met from the USO revenues.</p>
3.12	<p>“Comments ... welcome from senders of time-critical mail.”</p> <p>We have submitted to Postcomm a table (in a confidential annex) listing correspondents who have requirements for time-critical mail.</p> <p>We contacted some who have needs for timely delivery to ask them to respond to the consultation. In several cases we were unable to get further than the ‘customer help desk’ who could not find anyone to ring back. Even staff who signed letters requiring an urgent response either considered it not their place to respond to the consultation, or were simply too busy to bother. Many had not heard of Postcomm, all had assumed that everywhere receives 6 deliveries weekly.</p> <p>This lack of engagement is not indifference - these organisations have genuine needs for timely delivery. Their failure to advise Postcomm must not be allowed to result in exclusion, from administrative and social norms, of remote recipients whom senders cannot reach in time.</p>
3.27	<p>“delivery service [...] once a week. [...] Note this would not affect existing arrangements ..”</p> <p><b>Once a week</b></p> <p>The table we have submitted to Postcomm shows, as in indicated in part I, that mail delayed a single day (eg by a delivery frequency of 3 times weekly) causes much less damage than mail delayed for a week or more (eg by delivery frequencies of 1 a week). There is a disproportionate gradation of damage with increased delay.</p> <p>Delivery frequency proposed must nevertheless meet the needs of senders; if some mail can time-expire (eg, a court summons, or requirement to return an official form within a certain time), then the service must meet those needs.</p>

Consultation reference	Response
	<p>The Directive is unequivocal.</p> <p><b>Existing arrangements</b></p> <p>The USO is intended to enable senders of mail to reach destinations. Postcomm states that delivery to addresses accessed by boat should be once a week unless alternative arrangements are already in place. This is discriminatory and means that senders' needs will be met where there is already an arrangement in place, but not if they want to reach an address previously badly served by Royal Mail. In those instances they will have to cope with an inadequate service, which contravenes the non-discrimination requirements of Article 5 of the Directive. Access to correspondence should not be more impeded in areas of less historically enlightened Post Office administration. Certainly, senders should not have to depend for prompt delivery on the lottery of which Royal Mail district addresses happen to be located within. The reason for Article 5 is to ensure that senders can expect a consistent service irrespective of Royal Mail's administrative or historic arrangements.</p> <p>Social cohesion and economic development are more important.</p>
3.28	<p>"a reasonable offer"</p> <p>Making 'offers' is inappropriate, and redolent of suggestions that deliveries to remote areas are</p> <ul style="list-style-type: none"> <li>• some sort of privilege for remote addressees, instead of viewing delivery to remote addresses as</li> <li>• essential for senders of mail who require to reach those addresses,</li> </ul> <p>an important difference in outlook and judgment.</p> <p>Viewing delivery as a privilege raises questions of whether or not this or that address (or addressee) is 'deserving' - such value judgments are not mentioned in the Directive, the domestic legislation, or in the Government's social and environmental guidance to Postcomm.</p> <p>Rather the opposite - both the domestic legislation, and the Social and Environmental guidance, make direct reference to the needs of people in rural areas, implicitly acknowledging the likelihood that commercial pressures make sparse communities an easy target for a cost-cutting service provider wanting to avoid engaging its more fundamental inefficiencies.</p> <p>Highlands Council made the same point in comments on Consignia's draft licence.</p>
3.28 (contd)	<p>"residents in isolated locations who cannot and do not expect ..."</p> <p>This phrasing is unfortunately ideological, and has no basis in fact. Such ideological basis for reduced service is explicitly barred in Article 5 (and would probably also contravene Postcomm's duty</p>

Consultation reference	Response
	<p>under HRA 6(1)). It is perfectly practicable to procure deliveries to isolated locations. And regardless of what "we" expected in terms of delivery, senders of mail have completely different expectations!</p> <p>Businesses can encounter problems with, say, Inland Revenue, Customers &amp; Excise, DTI, if urgent notices are not received in time. Whilst these problems may subsequently (often neither quickly, cheaply nor easily) be resolved, compliance records may be compromised.</p> <p>And it is not only business issues that require prompt response. For example the Scottish Executive may seek local opinion on a particular proposal affecting the local community, as it once did here. It sent out a form to be returned within 7 days. A remote address served only weekly might not even receive the notice in that time. Banks and other financial institutions often refuse to accept a faxed letter and want an original signature on a paper form they send.</p> <p>For postal votes, ballot papers are posted by the returning officer 6 days before the election (4 in future, according to the Electoral Commission website) - they could arrive after the election!</p> <p>Postcomm's proposals will exclude from a Postal vote addressees served only once a week.</p> <p>DVLA is another example - the form is not sent out until 14 days before the tax disc is due. Local sub-post-offices cannot issue tax discs but, by the time the form is delivered, the cheque written and handed back to the boatman a week later to be posted, the fortnight is up.</p> <p>Most book clubs send the editor's choice if they don't receive the form back in time. But the book has been despatched by the time the form arrives, and it is a hassle for an addressee to send back an unwanted volume each month. The EC places a high value on cultural matters (displaying, as it were, extraordinary prescience when particularly mentioning rural areas), specifically mentioning books in its guidance on the competition rules.</p> <p>There are dozens of examples of senders expecting and in effect requiring mail to be received within a certain time, none of which would be a problem with three deliveries per week. Postcomm acknowledges in 3.28 that Postwatch recommended a minimum of 3 deliveries nationwide; Postwatch did not suggest only one for a few addressees.</p>
3.28 (contd)	<p>"Good example of why Exceptions"</p> <p>Paragraph seems to justify exception because remote addressees cannot and do not expect same level of service, whereas Postcomm would normally be expected to show an exception is necessary, and proportionately defined. No evidence is offered to</p>

Consultation reference	Response
	<p>show that same level of service cannot be provided. No evidence is offered to show that recipients do not expect adequate level of service. No consideration is included of senders' needs.</p> <p>In Lord Denning's words, a discretion is never unfettered - there is a well established principle that discretion must be applied reasonably (ie, with sound reasoning) and proportionately (specifically to further the aims of the legislation, which is primarily to ensure universal service meeting society's needs). Exceptions which merely enable the service provider to avoid cost and thus avoid having to grapple with more fundamental inefficiencies to meet the affordability objectives, or to fend off competition, merely institutionalise a private benefit.</p>
3.30	<p>"If it's possible, it should be reached, and the cross-subsidy used where necessary"</p> <p>Senders require to reach addressees irrespective of whether the address is situated in a sparsely populated area. Hence, any attempt to limit the USO on a specific route cross-subsidy basis should be viewed with extreme caution.</p> <p>Focus on costs of a specific route will necessarily/intrinsically discriminate against sparse communities, where by their nature, total costs of a route could be 'allocated' to very few delivery points. Sparse communities are only found in rural areas, and legislation provides for the needs of rural areas to be taken into account. It is likely that this guidance is provided because of the possibility of rural addresses appearing to be attractive targets for a cost-cutting service provider unwilling to grapple with more entrenched inefficiencies.</p> <p>For example, cost of delivery to a particular address may be higher than elsewhere, but well within the capability of the USO funds, and, as suggested in part I, could be paid for four times over, simply by not replacing the next middle manager who retires, and merging two small departments.</p> <p>When in summer 2001 Consignia announced 2,000 job losses through natural wastage, they justified it not by pointing to the need to serve a remote address, but to meet the threat of competition. There were clearly sufficient revenues for the cross-subsidy - the only cost reduction Consignia considered necessary was to provide more competitive retail offers. This underlines Postwatch's point that the cross-subsidy is always available to Consignia for its deliveries - Consignia didn't seek to save costs to underpin the USO.</p> <p>Hence the need for independent regulation to make sure that service requirements are not obstructed by the service provider choosing an easy way to cut costs for its own purposes.</p>
3.31	"not be practical [...] to incorporate a remote address."

Consultation reference	Response
	<p>Para 3.31 misses the point that Postwatch meant, quoted in 3.30 - that Consignia has resources (financial) available.</p> <p>Consignia's objection cites operational convenience. But delivery to a remote address need not interfere with an efficient post round - another contractor (or the addressee) could be contracted to accept a handover from the postman (or from a post pouch) to make the final delivery. (This already happens in many instances in rural Scotland.)</p> <p>The intention of the legislation is to ensure timely delivery of mail consigned at the affordable price - the economic rationale of the USO is that the cost of deliveries are met from the USO revenues.</p>
3.33	<p>"possibly just to deliver one letter"</p> <p>There is no provision in the Directive for absence of delivery unless there is more than one letter to be carried. The proposal takes no account of the possibility that the letter might be vital to the sender meeting some essential statutory obligation, or even bring some relief to a lonely or worried citizen. It is extraordinary that such wide ranging needs, whether of administration, or of inclusion in a caring society, are simply cast aside, when there is no evidence cited of unaffordability, or incapacity to deliver.</p> <p>Consignia's concern with the number of postal packets, rather than with the need of the sender to communicate by post, has no bearing on the societal importance of every item of mail, whether in social, cultural, administrative or commercial domains. It might be a birthday card - or an enforcement order. The number of letters is not material.</p>
3.34	<p>Postcomm views it "unreasonable to expect Consignia to spend significant time"</p> <p>Consignia's time is not the issue - as mentioned above, sub-contract arrangements can assist smooth operations. Instead of looking at the problem from the supply side, it can be helpful to look from the demand side. Why is it not reasonable to deliver, for example, a postal ballot form? Where in the legislation is there any provision for this type of social exclusion - from the most fundamental element of a democratic and inclusive society? The right to participate in general and local elections is absolute. The need for delivery is clear - and those deliveries can be procured/arranged in many different ways.</p> <p>We are of the opinion that there are distribution efficiencies to be gained if Consignia's distribution routes are arranged to ensure prompt carriage of mail to different communities, and we recognise that carriage may be delayed if postvans spend a lot of time reaching remote properties. The solution - to make another arrangement - must ensure there is no impediment to the sender or addressee that might affect the timely delivery of mail. In practice</p>

Consultation reference	Response
	<p>the costs of the equipment, fuel, insurance and manpower expended in performing the final remote delivery should be paid for out of the USO revenues. Otherwise, delivery of mail is in effect impeded. If delivery is only possible if the addressee pays for it, the subsidy that the sender needs to be able to consign at 27p comes from the addressee, not from the USO. That would not be a reasonable exception for Postcomm to make. It would amount to a transfer of property from addressees to Consignia (and subsequently to Government in the form of a dividend) in a manner not authorised by parliament (and, therefore, in breach of a Convention right).</p>
4.3	<p>“recognition [...] too much of a burden for the rest of the community to bear”</p> <p>Article 3 does <i>not</i> imply that for any particular country, the full USO will inevitably reach the point where the USO tariff becomes unaffordable. It does not follow therefore that some exceptions, of arbitrary effect, must be made irrespective of need. Instead, the geographical exception is recognition that if the tariff necessary to fund the USO were to become unaffordable, then a mechanism is permitted to reduce the scope of the USO to alleviate the problem. Contrary to Postcomm’s view, a need for an exception should first be adduced.</p> <p>Assuming, in the absence of analysis and only for the sake of argument and purposes of this response, that delivery 6 times weekly everywhere might require an increase in the USO tariff, Postcomm should analyse whether 5, 4, or even 3 deliveries weekly everywhere have any material effect on the affordable tariff.</p>
4.4	<p>“customer’s delivery entitlement”</p> <p>Postcomm is using ‘customer’ here to mean recipient, but it is a sender’s delivery entitlement - the customer is the sender.</p> <p>There will be very few addresses where cost is material, hence any ‘burden’ is imagined not real. (In any event, customers will not see the benefit of any cost avoidance - cost avoidance is simply absorbed into the service provider’s funds, enabling the provider to avoid grappling with its internal inefficiencies).</p>
4.5	<p>“Postcomm will need to decide”</p> <p>Exceptions, once decided, must still enable senders to fulfil their needs. In deciding to except addresses, Postcomm needs to assess what arrangements senders of mail can fall back on to meet their needs if the exception fails to do so.</p> <p>Time-critical mail includes DVLA, Postal Votes, Statutory notices, insurance companies, legal notices, birthday cards, etc</p>
4.7	<p>“if application of the criteria”</p>

Consultation reference	Response
	Process will only result in basic USO - there is effectively no appeal against the basic USO
4.13	<p>“appeals cases on costs grounds”</p> <p>This process ignores needs of senders, and senders’ wish that their needs for timely delivery be met at 27p. The right of senders to send mail to a remote address is not diminished because one route is more costly than another. That is why the geographic cross-subsidy exists, irrespective of the practical and realistic costs of delivery routes in the UK. The criteria proposed seem not to reflect the legislation. Comparison or equality of cross-subsidy is not an appropriate decision basis - Article 5 calls for equality of service (while affordable - Article 3). PSA 2000 guides Postcomm to encourage efficiency instead of limiting the USO.</p> <p>Most appeals are likely to be necessary because, historically, the service provider has badly served the very remote addresses. Comparison with existing costs elsewhere, or average costs, will therefore reveal that some routes are, inevitably, more expensive than others. The process as proposed would stop at that point, and seems relatively fruitless.</p> <p>Postcomm has a range of decisions open to it - reducing frequency to 5, to 4 even to 3 or to 2 - each of these will have a cost effect. Postcomm has not taken account of the fact that costs will vary between short and long run - initially costs on a route may be high, but in the long run they can fall as operators become more efficient or develop the route. Comparing short run costs on a new route with long run costs elsewhere is not meaningful, and misleading.</p> <p>Costs also depend on the operators’ arbitrary routing decisions - an address might not be so far if the operator had a route passing close to it, as may be possible in our case, for example. Routing decisions will historically have been made in the context of not serving a particular address, or not serving it well. Under the requirement to serve properly, an operator might choose to alter its distribution route, and the costs of serving any single address might drop.</p> <p>An example is our own address. An excepted island (receiving only 3 deliveries weekly) is adjacent to us. If that island were served from the port near us instead of from Oban, the delivery route would directly pass us, and the cost of delivery here would reduce to a few pence. And the other island could be served 6 days weekly instead of 3 - removing 84 addresses from the exception list.</p> <p>But the cost of delivery is not the point - the senders of mail need to reach the address, in a timely manner. (It is clear from the EC’s guidance that the intention of the legislation is to ensure that senders can reach addresses within time even where service</p>

Consultation reference	Response
	<p>providers have historically let standards decline.)</p> <p>Elsewhere we have pointed out that the legislation provides no basis for Postcomm to limit the delivery cost of any route - nowhere is that in itself an aim of the legislation. The legislation's only <i>financial aim</i> is that tariffs be affordable while the <i>performance aim</i> is that everywhere is reached.</p> <p>Tariffs paid are affected more by efficiency of provider, and by overall volumes (of mail, and route kilometres) than by the costs of any particular route. Considering one particular route in isolation simply focuses on the direct, incremental cost (where the inefficiencies do not, in general, lie) instead of on the other costs of the service provider, where more opportunity is likely to exist for cost savings without damaging the USO service levels.</p> <p>If there are to be exceptions, then the appeal process must have the confidence of society as a whole: Government (committed to social inclusion), senders (many of whom have statutory obligations to include and inform) and recipients. The appeal process must be seen to include a diligent assessment of whether the exception is necessary, and if so, whether appropriately cast.</p> <p>The assessment should show</p> <ul style="list-style-type: none"> <li>• There is a societal advantage in having the exception (and not simply a private benefit to the service provider)</li> <li>• The damage caused by the exception is lawful</li> <li>• The damage caused by the exception is not disproportionate</li> <li>• The damage caused is inevitable - nothing else could reasonably have been done, to provide the societal benefit, and lessen the damage</li> <li>• Selection of the excepted addresses involved no overt, intrinsic, or implied bias or prejudice</li> <li>• The exception service level still meets needs of senders especially for time-critical mail</li> <li>• The exception service level is comparable to others in similar conditions</li> <li>• The exception has been determined in a manner that is wholly independent of the service provider, ie draws from the needs of society rather than being constrained by service provider attitudes, inefficiencies, historic or current practices, or by service provider's present cost estimates and network routing designs, or convenience</li> </ul> <p>In conclusion, an Exception should be objectively justified in terms related to the affordability of the USO as a whole, and not in terms of affordability of an individual route. The need and right of senders to send mail to an address is not diminished because one route is more costly than another - different routes will always</p>

Consultation reference	Response
	<p>incur different costs.</p> <p>We suggest that the Regulator should avoid limiting the USO through capping the cross-subsidy in order to limit the service provider's expenditure - doing so would effectively safeguard the service provider's existing inefficiencies, and let the service provider avoid serving.</p> <p>We think society would instead expect the Regulator to encourage the provider to seek more efficient ways of serving the address, rather than rewarding its inefficiency and denying senders the opportunity to send mail timely to the address.</p> <p>Test for an exception should be simply - is it un-affordable (ie, does it raise the tariff by, say, 1p or more), and is it necessary and unavoidable?</p>

**Surname and address supplied to Postcomm**

**Member of the public, confidential**

I have not had time to read the full document but make the following observations on what was sent to me via the post.

I have listed them according to their number references in the consultation document. If the number has a \* then I agree with the statement and no further comment was necessary.

1\*

2\*

3\*

4\*

5\*

6\*

7\*

8\*

9 Living in a rural and fairly crime free area I find it difficult to imagine anyone delivering post should be subjected to such circumstances and whole heartedly support temporary suspensions in such instances.

10 \*

11 \*

12 \*

13 (1) I am pleased to see that distance should not be an issue where good access is concerned.

13 (2) \*

14 \*

15 This is a good point and shows the service to see its customers as individuals.

16 I believe we come into this category. On a personal point we decided to have a box at the beginning of our 1/4mile drive. Our reasons were 2 fold - initially we were (to be perfectly honest) fed up of having to constantly repair our gravel drive because of the speed at which the postal van was driven - also it meant we didn't have too many visitors during the foot and mouth crisis. Our only concern is that although our arrangement with our local sorting office is that items too large for the box are to be taken back to the office and we will collect. We are finding that post and parcels are just left on top of the stone wall by the box and in full public view. We have of course spoken to our local office but it still happens. Perhaps there could be a form that customers fill in and the sorting office then makes sure that anyone making deliveries is aware of the conditions.

17 This seems to link with (16) I am sure we have helped our local service to be more time efficient by not requiring the post to be delivered to the main house. As our immediate neighbours have the same system we must have given back a 10 minute saving at least.

18 \*

19 \*

20 (1) in agreement

20 (2) in agreement

20 (3) in agreement

20 (4) in agreement

20 (5) in agreement

20 (6) in agreement

21 (1) I believe this links with (15) I feel I would want to know how many people would be affected by a 5 mile limit and how they would get their post.

21 (2) in agreement

21 (3) in agreement if this is appropriate

22 (1) in agreement - this takes into consideration the customer as an individual

22 (2) \*

22 (3) meeting the cost - is this the cost of providing a suitable box - if so fine - or is it to pay for the service - if so I would have to disagree.

22 (4) \*

22 (1) \*

23 (2) \*

23 (3) \*

## **Surname and address supplied to Postcomm**

### **Member of the public, confidential**

#### Paragraph 20

Very reasonable, except that the limit of 15 minutes would be very different if applied to the walking and by vehicle – i.e. could walk so far, longer time needed. Where, as in own case, the access is a public right of way the highways authority might be persuaded to ensure that it is possible to walk easily to deliver the mail.

#### Paragraph 21

We don't think that there should be a time limit to the road distance, as all service vehicles would travel the same (assuming that the access was good).

Query: If half a mile is measured to the first property, would the next half mile to the second property still be a half mile journey? That is, would the delivery only be to the first property?

If it was necessary to use a 4WD vehicle, shouldn't Consignia try to have one available.

Paragraph 22

All very reasonable.

Paragraph 23

Yes, please. We have both worked as temporary postman/woman in the past. Consignia should be very jealous of the high regard that the postal service has in this country.

Elderly or disabled people are comforted by the efforts made by the postal services-the letter always comes. But the safety of the man and his vehicle comes first.

Please keep the exceptions to delivery to the very minimum.

Individual cases do need an appeals process.

**Surname and address supplied to Postcomm**