

For immediate release – 16 January 2008

Postcomm announces simplification of licensing framework

- A better balance sought between detailed rules and Postcomm's will to minimise 'red tape'.
- Customer protection already in place will not be substantially reduced.

Postcomm, the independent regulator for postal services, has today announced changes that will simplify procedures for licensing non-universal service operators. (The universal service is the geographically uniform postal service that is provided by Royal Mail.)

In 2007, Postcomm responded to suggestions that its current licensing arrangements did not go far enough in facilitating market entry for some small and medium sized potential mail operators. A consultation was launched on proposals to move to less prescriptive licensing for those seeking to enter the postal services market. Several of these amendments were meant to eliminate unnecessary regulation, thus helping to encourage competition to the benefit of all customers.

The changes described in today's document – *Amendment of the 2006 licensing framework* – include:

- a reduction in application fees from £1000 to £50, which it is hoped will help encourage small businesses to enter the market, and
- the removal of the licence requirement on all licensees to have guarantees or contractual arrangements in place to ensure the delivery of mail if an operator fails so that, in future, other operators can respond directly to what the market demands, rather than to regulatory requirements.

Postcomm believes that effective competition can better protect the interests of postal customers than regulation and is aiming to ensure that its licensing rules support the developing competitive market. Nothing being proposed will affect Postcomm's ability to enforce licence conditions or lead to any substantial reduction in protection for mail customers.

These amendments to the current licensing framework will be implemented in early 2008.

Notes for editors

The full document, *Amendment of the 2006 licensing framework*, is available on Postcomm's website, at www.psc.gov.uk. Hard copies are available from Postcomm at Hercules House, 6 Hercules Road, London, SE1 7DB.

These amendments will not affect Postcomm's regulation of, or the requirements on, Royal Mail. As the UK's dominant postal operator and provider of the universal postal service (which includes the 'one price goes anywhere' stamp and daily collections and deliveries for all UK addresses), the company must be subject to more rigorous regulatory requirements to protect the interests of customers.

More information on Postcomm's regulation of Royal Mail's standards and prices is available at www.psc.gov.uk.

Postcomm – the independent regulator for postal services

Postcomm is the independent regulator for postal services in the UK. Its primary job is to protect the universal service and make sure that postal operators, including Royal Mail, meet the needs of their customers throughout the UK. Postcomm is also responsible for introducing choice for customers to a market that has been a closed monopoly for 350 years.

The UK postal market

- Over 80 million items are delivered each day six days a week to more than 27 million addresses;
- The letters market was opened to full competition on 1 January 2006;
- Postcomm has licensed 17 companies to compete with Royal Mail;
- Royal Mail is by far the biggest operator with more than 90% of the market.

For more information

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