

Your response

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<p>Question 1: Do you agree that we have identified the correct aims, supporting principles and features of the USO? Do you consider that these should continue to be respected as far as possible when assessing potential changes to the USO?</p>	<p>Confidential? – N</p> <p>No. The public service obligation was part of the deal on which Royal Mail was sold at a particular price. A deal is a deal. A sale of public assets at a reduced price to reflect a deal is not something which can be reviewed without also reviewing that reduced price. Royal Mail should have a choice as to whether to</p> <ul style="list-style-type: none"> • adhere to the USO as agreed • pay the Treasury a sum reflecting the reduction the USO brought about in the price at which Royal Mail was sold • allocate shares to the Crown to the value of that sum
<p>Question 2: Do you agree with our assessment of the direction of change in postal needs of residential (including vulnerable) users and SMEs? Are there other factors relevant to their future demand which we have not considered?</p>	<p>Confidential? – Y / N</p> <p>Y to the question. N to whether our answer is confidential.</p> <p>As a public health organisation, we would emphasise the importance of social networks to health (strong social networks are one of the most important determinants of good health), the importance of mail to maintaining social networks, and the importance of letters to vulnerable users who find e mails difficult.</p>
<p>Question 3: Do you agree with our assessment of the bulk mail market? Are there other factors relevant to its future evolution which we have not considered?</p>	<p>Confidential? – Y / N</p>

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<p>Question 4: Are there specific events/changes that could trigger a significant change in demand for large mail users, including public services?</p>	<p>Confidential? – Y / N</p>
<p>Question 5: Do you agree with our proposed approach to estimating the financial burden of the USO?</p>	<p>Confidential? – N</p> <p>No. The public service obligation was part of the deal on which Royal Mail was sold at a particular price. A deal is a deal. A sale of public assets at a reduced price to reflect a deal is not something which can be reviewed without also reviewing that price. Royal Mail should do one of the following</p> <ul style="list-style-type: none"> • adhere to the USO as agreed • pay the Treasury a sum reflecting the reduction the USO brought about in the price at which Royal Mail was sold • allocate shares to the Crown to the value of that sum • agree to changes in the USO which compensate for any reduction by providing an increase in some other aspect of the USO as a quid pro quo.
<p>Question 6: Do you agree with our considerations regarding the unfairness of the financial burden of the USO?</p>	<p>Confidential? – N</p> <p>No. The public service obligation was part of the deal on which Royal Mail was sold at a particular price. A deal is a deal. A sale of public assets at a reduced price to reflect a deal is not something which can be reviewed without also reviewing that price. Royal Mail should do one of the following</p> <ul style="list-style-type: none"> • adhere to the USO as agreed • pay the Treasury a sum reflecting the reduction the USO brought about in the price at which Royal Mail was sold • allocate shares to the Crown to the value of that sum • agree to changes in the USO which compensate for any reduction by providing

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	<p>an increase in some other aspect of the USO as a quid pro quo.</p> <p>The changes which have increased the financial burden of the USO were entirely predictable at the time of the sale</p>
<p>Question 7: Do you agree with our considerations regarding the impact of the financial burden of the USO?</p>	<p>Confidential? – N</p> <p>No. The public service obligation was part of the deal on which Royal Mail was sold at a particular price. A deal is a deal. A sale of public assets at a reduced price to reflect a deal is not something which can be reviewed without also reviewing that price. Royal Mail should do one of the following</p> <ul style="list-style-type: none"> • adhere to the USO as agreed • pay the Treasury a sum reflecting the reduction the USO brought about in the price at which Royal Mail was sold • allocate shares to the Crown to the value of that sum • agree to changes in the USO which compensate for any reduction by providing an increase in some other aspect of the USO as a quid pro quo. <p>The changes which have increased the financial burden of the USO were entirely predictable at the time of the sale</p>
<p>Question 8: Do you agree with our analysis of the different options available to change the USO and the impact of those changes on residential (including vulnerable) users, SMEs and bulk mail users? If not, please explain why and set out any option(s) which we have not considered.</p>	<p>Confidential? – N</p> <p>We do not believe the USO should be eased. The public service obligation was part of the deal on which Royal Mail was sold at a particular price. A deal is a deal. A sale of public assets at a reduced price to reflect a deal is not something which can be reviewed without also reviewing that price. Royal Mail should do one of the following</p> <ul style="list-style-type: none"> • adhere to the USO as agreed • pay the Treasury a sum reflecting the reduction the USO brought about in the price at which Royal Mail was sold

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	<ul style="list-style-type: none">• allocate shares to the Crown to the value of that sum• agree to changes in the USO which compensate for any reduction by providing an increase in some other aspect of the USO as a quid pro quo. <p>The changes which have increased the financial burden of the USO were entirely predictable at the time of the sale.</p> <p>However, it is important to reduce the amount of traffic generated by the process of deliveries. The USO should be expanded so that the obligation to deliver parcels is increased to 6 days a week and so that there is an explicit duty laid on Royal Mail to organise collaborative arrangements for deliveries by different couriers to reduce the traffic generated. As these expansions of the USO would not be covered by the sale price of Royal Mail it would be necessary to fund them separately. This should be done by a fee for use of the collaborative arrangements and by a tax on deliveries that take place outside the collaborative arrangements.</p> <p>We are aware of the proposal from postal workers to finance an increase in the USO for parcels to 6 days a week by reducing the USO for letters to 5 days a week. As that would involve a quid pro quo it would not fall foul of our comments that a deal is a deal. Provided there was a quid pro quo we would not be opposed to reducing the USO for letters to 5 days a week. There is however a problem that some small parcels are sent letter post. It would be necessary to have a system of identifying those and ensuring that the USO for parcels applied to them.</p>

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<p>Question 9: Which option(s) do you consider would be most appropriate to address the challenges we have identified, while also ensuring that users' needs are adequately met?</p>	<p>Confidential? – N</p> <p>We do not believe the USO should be eased. The public service obligation was part of the deal on which Royal Mail was sold at a particular price. A deal is a deal. A sale of public assets at a reduced price to reflect a deal is not something which can be reviewed without also reviewing that price. Royal Mail should do one of the following</p> <ul style="list-style-type: none"> • adhere to the USO as agreed • pay the Treasury a sum reflecting the reduction the USO brought about in the price at which Royal Mail was sold • allocate shares to the Crown to the value of that sum • agree to changes in the USO which compensate for any reduction by providing an increase in some other aspect of the USO as a quid pro quo. <p>The changes which have increased the financial burden of the USO were entirely predictable at the time of the sale</p> <p>We are aware of the proposal from postal workers to finance an increase in the USO for parcels to 6 days a week by reducing the USO for letters to 5 days a week. As that would involve a quid pro quo it would not fall foul of our comments that a deal is a deal. Provided there was a quid pro quo we would not be opposed to reducing the USO for letters to 5 days a week. There is however a problem that some small parcels are sent letter post. It would be necessary to have a system of identifying those and ensuring that the USO for parcels applied to them.</p>
<p>Question 10: Do you have any other views about how the USO should evolve to meet users' needs?</p>	<p>Confidential? – Y / N</p> <p>Y to the question. N to whether our answer is confidential.</p>

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	<p>(a) It is important to reduce the amount of traffic generated by the process of deliveries. The USO should be expanded so that the obligation to deliver parcels is increased to 6 days a week and so that there is an explicit duty laid on Royal Mail to organise collaborative arrangements for deliveries by different couriers to reduce the traffic generated. As these expansions of the USO would not be covered by the sale price of Royal Mail it would be necessary to fund them separately. This should be done by a fee for use of the collaborative arrangements and by a tax on deliveries that take place outside the collaborative arrangements.</p> <p>(b) We are aware of the proposal from postal workers to finance an increase in the USO for parcels to 6 days a week by reducing the USO for letters to 5 days a week. As that would involve a quid pro quo it would not fall foul of our comments that a deal is a deal. Provided there was a quid pro quo we would not be opposed to reducing the USO for letters to 5 days a week. There is however a problem that some small parcels are sent letter post. It would be necessary to have a system of identifying those and ensuring that the USO for parcels applied to them.</p> <p>(c) We believe that collaborative management of the USO involving local communities would be of value.</p> <p>(d) As a public health organisation, we are concerned by the high pressure mode of management of postal staff currently used by Royal Mail which we believe is likely to be damaging to morale and to health.</p>

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