



30 October 2007

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CONDITION 7 NOTIFICATION:

- 1. Extension of ability to use trays with Mailsort 3 120 and Mailsort 3 700**
- 2. Further Changes to Royal Mail's automation specification for OCR & CBC**

Dear Caroline,

I am writing to formally notify you, under Condition 7 of Royal Mail's licence, that on or after 30th January 2008 Mailsort 3 120 and Mailsort 3 700 customers will be able to present their mail in trays as an alternative to bags. The entry level volume for this facility will be for mailings of twenty thousand or more items for Mailsort 3 120, and one million or more items for Mailsort 3 700 (where a mailing is defined as a single set of directs and residues).

Mail must be presented pre-segregated according to the outward segregation alpha codes in place at the time of the mailing and within each alpha segment the selections should be loaded in selection code (ie numerical) order. At this stage the ability is not available to customers posting to/from Jersey, Guernsey or the Isle of Man owing to tray repatriation issues so these selections should continue to be bagged.

Since August 2007, the ability to use trays has been available to customers using Mailsort 1 & 2 120 & 700. This is part of Royal Mail's ongoing aim to make access to our products and services as easy as possible and Royal Mail may seek to lower or remove the limit of 1 million items and other entry criteria at some point in the future.

Changes to Royal Mail's literature and website, regarding this change will be made in due course.

Cont...

2. Further to my letter of 18 May 2007 entitled 'Further changes to Royal Mail's automation specification for OCR & CBC including a move to 90% and 95% DPS Accuracy', Royal Mail will make the final change to the automation specification allowed under Licence Condition 21 (3) application made in March 2007. From 30th January 2008, a mail-piece should contain no more than two distinct windows. For clarity when taken together these windows should not make up more than 50% of the surface area of the mail-piece.

Customers who use the following Royal Mail services are affected by the change above.

- Cleanmail® OCR
- Cleanmail® CBC
- mailmedia® 700
- Mailsort® Light
- Mailsort® 120 OCR
- Mailsort® 700
- Cleanmail Plus™ OCR
- Cleanmail Plus™ CBC
- mailmedia® Clean
- International Bulk Mail™
- Mailsort® 120 CBC

Communications will be made to affected customers in due course.

A copy of this letter has been sent to Postwatch and will be published on Royal Mail's website within four working days.

Yours sincerely,



Mark Waples
Regulation & Commercial Policy Manager