



9 March 2007

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CONDITION 7 NOTIFICATION: Launch of Royal Mail Tracked™

Dear Derek,

In accordance with Condition 7 of the Royal Mail's licence I am writing to formally notify you, that from 11th June 2007, Royal Mail will be offering a new product called Royal Mail Tracked™. The product has been developed in response to a market demand from business customers (who are PPI licence holders) for a packet service that has 'track and trace' capability but does not have a next day guaranteed delivery.

Product Features

- Delivery within two to three working days
- Customers can choose the level of pre-sortation they can achieve or can present mail unsorted
- Tracking offered via reports or alternatively on line
- Compensation for loss or damage as per the Retail Scheme.
- Undeliverable items with a return address visible returned free of charge, as per any PPI item

Royal Mail Tracked™ does not feature proof of delivery or enhanced compensation rates.

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Access

- Available to customers with accounts posting items no larger than 610mm x 460mm x 460mm (for rolled shaped packets or tubes, it is the length plus twice the diameter which must not exceed 1.04m long). The maximum weight of an item is 5 Kg.
- The minimum volume that customers must post in order to be eligible for Royal Mail Tracked™ is 5,000 items per year.
- Customers are required to present their mail bagged, segregated from other mail streams, and identified by the application of Royal Mail Tracked™ labels to bags.
- Customers are required to present any Royal Mail Tracked™ pre-sorted mail, segregated from non-sorted Royal Mail Tracked™ mail and from all other mail streams, and identified by Royal Mail Tracked™ Pre-sorted Mail Centre destination labels.
- Suitable barcodes and PPI Indicia must be applied to all Royal Mail Tracked™ mail items
- The Mail addressing quality must be to 95% accuracy with the current Postal Address File (PAF) data file and new clients must be accredited, as per Mailsort, prior to posting commencing.

Pricing

The pricing is calculated according to the customer's own forecasted annual posting profile (which is sampled and assessed for accuracy on an ongoing basis by Royal Mail and reconciled upon demand, and in any event annually by Royal Mail).

The posting profile comprises an assessment of the average weight of items posted, likely annual mail volumes, likely volume range of daily postings, level of pre-sortation and destination mail zone.

The pricing zone definitions are in line with the Parcel industry standard of having the same price for the majority of the UK with separate zone prices for geographical extremities to reflect the additional cost incurred. The three zones used are the same as a leading UK parcel operator, Parcelforce Worldwide (valid on their [website](#) on 28/2/07), with one exception, the Bailiwick of Guernsey and States of Jersey (the Channel Islands). Parcelforce Worldwide treats the Channel Islands as International whereas Royal Mail treats Channel Islands traffic for its current mail products as Inland so has retained that consistency by allocating the Channel Islands to Zone 3 below. There are three price zones.:

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Zone 1

England, Wales and parts of Scotland, excluding Highlands and Islands. The zone is made up of all postcodes not mentioned in zones 2 and 3. No increased charge on unit price is made for conveyance within mainland Britain.

Zone 2

The Highlands and Islands of Scotland - postcodes IV, HS, KA27-28, KW, PA20-49, PA60-78, PH17-26, PH30-44, PH49-50, ZE. A surcharge of 100% will be made for mailings to such postcodes within this zone.

Zone 3

Northern Ireland, Isle of Man, Channel Isles and Isles of Scilly -postcodes BT, IM, TR21-25, GY, JE. A surcharge of 50% will be made for mailings to such postcodes within this zone.

Prices can be calculated from a pricing calculator that can be accessed via [Royal Mail's web site](#).

Full details of this product, including Terms & Conditions will be published on Royal Mail's website prior to launch.

This notification will be published on the Royal Mail website.

A copy of this letter has been sent to Postwatch.

Yours sincerely,



Mark Waples
Regulation & Commercial Policy Manager