



6 February 2008

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Copied for information to:

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**CONDITION 7 NOTIFICATION:
Reduction in mandatory scope of accreditation for machineable products**

Dear Caroline,

I am writing to notify you, under Condition 7 of Royal Mail's Licence, of a relaxation of the current mandatory accreditation requirements for customers wishing to use Royal Mail's products that offer discounts for machineable mail.

Customers currently have to pass two, or in the case of Mailsort 700 mailings three, checks to have a machineable product added to their account and so start to post using this service. The three stages are described below.

1. If the customer is not using recognised Address Management software (see the Approved Mailsort Suppliers Directory at www.mailsorttechnical.com) they have to submit a data file for Address List quality checks to be done ie do the address and postcode accuracy surpass the minimum threshold for that product.
2. The customer must provide 210 sample mailpieces for each of the machineable products which they wish to have added to their account. These are passed through a machine to check that they are physically machineable and they undergo a number of manual checks to ensure that they meet specification.
3. Customers sending Mailsort 700 are required to either use accredited software, again, from the Approved Mailsort Suppliers Directory or send in their software to be tested. This stage checks that sortation to approx 700 selections is carried out correctly. If the

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software passes these checks the software can, should they wish, be added to the Directory and the customer listed as an Approved Supplier.

Once the customer passes the checks required for the product applied for they are added to Royal Mail's internal database and the product is added to their account. Once confirmation is received then the customer can start to mail using that product. This process can take a number of weeks.

In order to make Royal Mail 'easier to do business with' the first two steps discussed above will become optional rather than mandatory for mailings that will be made on or after the 7th May 2008.

For clarity the third check for potential Mailsort 700 customers is to remain mandatory.

The benefits to customers are as follows:

- Customers will have quicker access to products
- Customers will be able to post on their own accounts if they wish to rather than rely on external suppliers who have been through the accreditation process.
- An option will remain in place to allow customers to have mailpieces and the quality of address data checked if advice is required.

Customers will need to do the following:

- If they wish to have Mailsort 700 added to their account they will need to have their software checked by Mailsort Technical but the two remaining checks for Address Quality and submitting sample mailpieces will be optional.
- If a customer wishes to have any other machineable product, as listed below, they do not need to go through the accreditation process. They would request the required service be added to their account through their normal channels.
- If at any time a customer would like a 'peace of mind' check done, they should go through the normal channels to request this.

This change will affect:

Mailsort 700 CBC

Mailsort 120 OCR

Mailsort 120 CBC

Packetsort 8

Cleanmail

Cleanmail Plus

Royal Mail will now rely solely upon Mails Verification & Revenue Protection processes to ensure that customers abide by the presentation requirements for the product in question. Any failures will continue to be dealt with under existing processes.

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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,

A handwritten signature in black ink, reading "M Waples". The signature is written in a cursive style with a large, stylized 'M' and 'W'.

Mark Waples
Regulation & Commercial Policy Manager