



11 June 2010

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**CONDITION 7 NOTIFICATION:
Product extension of Royal Mail Tracked[®]**

Dear Philip,

I am writing to notify you formally, under Condition 7 of Royal Mail's Licence, that from 13th September 2010 we will extend the capability of the Royal Mail Tracked[®] product portfolio to provide a next day service. This will initially be available to customers with their own despatch systems. Royal Mail's new despatch system (Despatch Manager Online) will enable other customers to access the next day product extension; it is hoped that this will be available later this year. The extension has been developed in response to a market demand from both large and small business customers for a non-time specific next day tracked service with the same attributes as the existing Royal Mail Tracked[®] 2-3 day service. Royal Mail would like to launch this product as soon as possible to provide customers with the capabilities they demand but is mindful of its obligations under Condition 7. A summary of this product extension is provided below.

Product Features

- Delivery the next working day, to the majority of UK destinations, with remote geographic areas delivered within 2-3 days.
- Individual item tracking via Royal Mail's online Track & Trace system. Customer specific reconciliation reports will be available via the customer's Online Business Account (OBA).
- Compensation for loss or damage i.e. the cost of the postage paid plus up to 100 times the price of a first class stamp or the market value of the goods, whichever is lower. Royal Mail Tracked[®] Next Day is not part of the bulk compensation scheme.

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- A range of alternative delivery locations via Local Collect™ and Safeplace™ (for non signature items only).
- Latest Acceptance Times in line with existing Outward Mail Centre acceptance times.
- Monday to Saturday Delivery.
- All items will be tracked up to 5 times from acceptance to delivery.

Paid-for additional attributes

- Signature capture at the doorstep.
- Text and e-mail notification options.

Access criteria for use of the service

- Available to account customers, posting a minimum volume of 5,000 items per annum.
- The maximum size of items is 610mm by 460mm by 460mm and the minimum size of any dimension is 15mm. The maximum single item weight is 15kg.
- Customers must present their items to us in clearly labelled mail bags or Yorks and segregated from other mail products (including Royal Mail Tracked® 2-3 day service).
- A unique barcode and address label must be affixed on each item to the specification provided by Royal Mail.
- A PPI licence number must be applied to all items.
- We will accept items for handing over to BFPO (British Forces Posted Overseas) addresses subject to customers conforming to the current specification on the [BFPO website](#).
- There will be three areas from which items can be posted and we will charge either inter (between two or more areas) or intra (within one area) rate according to the sending and receiving locations. Posting area detail is available on the pricing calculator.
- Items are accepted via Royal Mail's Mail Centres. Customers should liaise with Royal Mail to arrange collections where one doesn't already exist.
- Mail addressing quality must be to 95% accuracy with the current postal address file (PAF).
- A return address must be on the outside of the packaging to ensure the return of undeliverable items. An additional charge may be levied for items returned to sender.
- Customers will not be able to send any hazardous goods via the next day service due to air restrictions.
- Customers must provide an electronic pre-advice posting manifest file in the format specified by Royal Mail for their daily postings.

Pricing

Pricing is calculated according to customer's own forecast annual or quarterly posting profile of volume, daily volumes, average weight, posting origin and destination. Each quarter we will review the customer's posting profile and set a price for the following quarter.

Pricing for a term deal of two or three years is available for annual posting volumes in excess of 300,000 items. This gives a discount of 1.4% p.a. for a three-year deal and 0.9% p.a. for a two-year deal. This calculation is included on the Royal Mail Tracked calculator which can be accessed via [Royal Mail's website](#) and is consistent with the term deal for Royal Mail Tracked® 2-3 day service.

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Full details of this product including a complete set of terms and conditions will be published on Royal Mail's website prior to launch.

A copy of this letter has been sent to Consumer Focus and will be published on Royal Mail's website within four working days. Changes will be made to all relevant publications prior to deployment.

Yours sincerely,

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

Mark Waples
Head of Regulation and Compliance