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27 September, 2002

Dear Marie

**Consignia Response to USO Exceptions Consultation**

Please find attached our response to the Consultation document on USO exceptions.

Please be aware that Consignia reserves its legal position on Postcomm's right to specify minimum levels of service and alternative arrangements for exception addresses. We hope that in practice this will not need to become an issue.

We would like to meet with you during October or November to discuss implementation timescales for any changes arising from your determination.

Yours sincerely

Elizabeth Payling  
Service Performance Measurement Manager  
Regulation

Ref: Marie Whitley 30 09 2002.doc



# **Exceptions to the Universal Service Obligation**

Consignia Response

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## Introduction

There are exceptions to the Universal Service Obligation (USO) to deliver to all addresses in almost every European country. This has been a long-standing practice and is provided for under both the Postal Services Act and EC Postal Directive.

Exceptions to the USO in the UK comprise a small number of addresses. Consignia goes to considerable lengths on a daily basis to deliver to remote and isolated communities around the country, starting with the presumption that we will make every reasonable and practicable effort to deliver to every address, no matter how remote. This position remains unchanged.

The task facing Postcomm with the assistance of Consignia and Postwatch is to provide a consistent approach to defining and dealing with exceptions, whilst preserving flexibility where possible. Care also needs to be taken to balance customer needs and employee safety without placing too onerous a burden upon Consignia or other potential universal service providers.

**Consignia believes that in general Postcomm's proposals strike a reasonable balance between the various needs. Consignia is also grateful to Postwatch for their very comprehensive survey of exception addresses.**

In reviewing the list of exception addresses provided to Postcomm and Postwatch in July 2001 it is clear that there is a certain level of inconsistency in how exceptions are defined and in the alternatives customers are offered.

As decisions in the past have been devolved to local level it is not surprising that there is some variation in the outcome. This local approach has however enabled greater flexibility in dealing with customers' individual circumstances. Our experience has been that in most cases customers are content with the arrangements provided, a view supported by the Postwatch survey findings.

A recent survey of rural addresses suggests that there are also a small number of addresses where USO delivery is currently taking place but at risk to the health and safety of employees or incurring substantial vehicle damage. Adopting a more consistent approach will result in such addresses becoming exceptions.

Our comments on the consultation document follow, grouped by topic.

## Comments on the Consultation Document

### Alternative Arrangements

Paragraph 3.17 states that a long term exception may only be made on health and safety grounds if there is no practicable alternative route into the property

In a small number of addresses with health and safety or difficulty of access problems, an alternative route to the address may involve operational or postcode changes. Consignia considers that if the customer refuses to accept such changes they are effectively blocking access to their address and should be treated as such under the exception process.

Paragraphs 3.17 and 3.39 state that the customer must be offered reasonable alternative delivery arrangements.

In some cases there is no customer. Where a property has health and safety or poor access problems and is permanently unoccupied or derelict, mail will be returned to sender.

### Difficulty of Access

Summary Paragraph 11 and Paragraphs 3.25 to 3.28 refer to Consignia's proposal to provide deliveries to islands on the days when a ferry service is available.

Consignia remains committed to this proposal. Although the proposals made to Postcomm only mentioned ferries, the omission of scheduled air services was not intentional and the same general

principals apply. The extent to which Consignia can make use of the ferry and scheduled air services is subject to the timetables being compatible with the delivery operation and our ability to recruit staff or extend contractor hours to make the deliveries, as well as the willingness and ability of the carrier to take the mail.

In particular Postcomm should be aware that ferry timetables to outlying islands may be subject to frequent change. Timings may also be too early or too late to connect with mail distribution and delivery schedules. Therefore there may be days on which a ferry service is available but transportation and delivery of mail may not be practicable. Scheduled plane services may not always have capacity to carry mail or may be subject to cancellation if bookings are insufficient. Consignia's ability to deliver to islands served by plane will be subject to practical considerations of this nature.

Summary Paragraphs 11 to 12 and Paragraphs 3.25 to 3.28 refer to Consignia's proposal to provide wherever practicable a weekly delivery service to islands or other addresses only accessible by boat.

One of our considerations will be the availability of a suitable and reasonably priced service. Where Consignia believed the only suitable service providers were charging an unreasonable sum, we would consider this grounds for going to appeal.

Summary Paragraphs 13, 20, Paragraph 3.36 and Table 3.1 give Postcomm's proposals for remote addresses with good access and addresses with poor access via a private road. The former should not be subject to any limit in terms of time or distance to make the delivery. The latter will become exceptions if the time per address exceeds 15 minutes.

These proposals do not cover the situation where an address or group of addresses have poor access on a public road. This is an unusual situation affecting probably only a small number of addresses. Consignia proposes that Postcomm's 15-minute rule should apply to both public and private access roads.

Summary Paragraph 21 and Paragraphs 3.32, 3.35 refer to Consignia's proposals to use four wheel drive (off-road) vehicles where there are five or more addresses on a route requiring the use of such vehicles.

Consignia's proposals referred to off-road vehicles, not specifically four wheel drive vehicles. Consignia will use whatever type of off-road vehicle it considers appropriate to deliver in difficult conditions.

As stated in the paper at paragraph 3.33, Consignia considers that customers have a duty to maintain access to their premises in good order and that without this Consignia should not be obliged to deliver. We have proposed a compromise to this position, based around extending the use of off-road vehicles to some addresses that have not maintained good access. Postcomm have suggested an alternative approach based on the time to deliver. Consignia finds this approach acceptable but as a replacement for, rather than a supplement to, its proposal to extend the use of off road-vehicles. (This does not affect Consignia's existing use of off-road vehicles, typically in remote areas subject to extreme weather conditions, which will continue.)

## Special Needs Customers

Summary Paragraph 19 and Paragraph 3.11 deal with the arrangements for customers with special needs living at an exception address.

Consignia would define special needs cases as households where all occupants were registered disabled or otherwise infirm through age or illness. Where special arrangements were agreed, these would be for the benefit of the individual(s) with the special needs, not the address. The delivery arrangements should be reviewed when that person leaves the address. In cases where Consignia goes beyond what it is required to do in order to meet special needs, this arrangement will not set a precedent for the address itself and will be reviewed if the circumstances of the household change.

Consignia will not enter into any arrangements for customers with special needs that compromise the health and safety of its employees.

## Customer Request

Paragraphs 3.42 to 3.44 deal with temporary suspensions to the USO at the customer's request, rather than due to conditions at the address.

Where Consignia is willing to provide USO delivery and a customer instead chooses to have an alternative delivery point or arrangement, the normal product terms and conditions will apply, including any fees payable.

## Alternative Delivery Points

Paragraph 3.46 discusses the designation of alternative delivery points for the situation where one postal address is a delivery point for a number of individuals or organisations.

Consignia holds the view that in these circumstances it is only required to deliver the mail to the postal address as the USO does not require a universal service provider to deliver to rooms within an address. Consignia considers that the proposals for a generic designation of alternative delivery points in office blocks/residential homes and similar premises are recognition of this position.

Paragraph 3.50 deals with the generic approval of alternative delivery points for exception addresses.

Where Consignia is not able to provide USO delivery and a customer chooses to have an alternative delivery arrangement, the normal product terms and conditions will apply, subject to any amendments concerning daily delivery to the door.

Paragraph 3.51 states that if Consignia consider a receptacle to be insecure or otherwise unsuitable and the customer refuses to change it, Consignia will want to waive their liability for items correctly delivered to that receptacle but which are then lost or damaged.

Consignia's approach in the case of an insecure delivery point would be to advise the customer of the problem and suggest a solution. If they were unwilling to make changes and there were concerns about liability for loss Consignia would consider asking the customer to sign a disclaimer.

Paragraphs 3.52 to 3.55 say that where Consignia instigates any of the processes outlined in the paper so that it does not need to deliver to a home or premises, it should meet the cost of any agreed or determined alternative delivery point.

Where Consignia has reason to believe a customer has deliberately engineered a Consignia-initiated exception in order to gain a service they would otherwise have to pay for, we would not be willing to provide this service without payment.

## Other Areas

Paragraphs 2.5 and 3.12 refer to the expectations of mail posters that items will arrive the next day or without undue delay.

While customers may have a natural expectation that all first class mail will be delivered next day this is not actually the service standard. Matters such as geographical location are one reason why Consignia has a service standard of 92.5% next day and not 100%. The Special Delivery product has different guaranteed times for remote locations, taking account of reduced delivery frequency for island communities.

The majority of addresses on the current list do receive a six day delivery. If Postcomm continue to publish a list of excepted addresses, posting customers will be able to gather high level information on addresses with less frequent delivery from this.

Paragraph 4.3 states that the European Postal Services Directive requires a geographically uniform price.

The Directive does not require a uniform tariff: A12 provides that "member states may decide that a uniform tariff should be applied throughout their national territory". However, section 4 of the PSA does require a uniform tariff in the UK. So Postcomm are right in saying that there is a uniform tariff requirement in the UK and the reasoning they discuss in the paragraph is relevant in a UK context. However, as Postcomm are not correct in stating that the requirement is in the Directive, the reasoning does not necessarily hold together in the context of the Directive.

**Consignia**

September 2002