

31 August 2021

## Royal Mail Wholesale

4<sup>th</sup> Floor 185 Farringdon Road London EC1A 1AA

## 'SIMPLIFYING THE ACCESS LETTERS CONTRACT' CONSULTATION - ROYAL MAIL WHOLESALE RESPONSE

Dear Customer.

I would like to thank you for your valued feedback provided via the consultation and subsequent 121 engagement activity as part of the simplification of the Access Letters Contract (ALC).

We published the consultation document in September 2020, seeking your views on change in two areas – commercial and operational. The consultation proposals built on feedback we received from customers during 121 engagement sessions in 2019, and a customer workshop held in March 2020, as well as other improvement opportunities we identified through our own internal scoping.

We received responses to the consultation document from 11 Access customers across all customer segments – carrier, intermediary and direct. We also invited all customers to participate in post-consultation 121s, and we held 121s with 8 customers.

We have carefully considered our proposals in light of all customer comments and this has significantly influenced the decisions on the proposals and how to progress with them. Our decision document, which you can find <u>here</u>, contains a summary of the proposals we are taking forward to include in the future terms of the ALC.

There are also some consultation proposals which are more complex in nature and require further customer engagement as well as internal assessment to determine the viability of any changes. The decision document sets out the plan for progressing those proposals as part of a second phase of this ALC review.

Additionally, at the price plan workshop held on 9 June 2021, some customers identified non-price plan related areas of the ALC which they felt could be simplified and support efficiency within the supply chain. We are keen to understand these areas in more detail and as part of the second phase of this ALC review we will be engaging with customers to discuss this further.

## Next Steps

We are now working on developing the contract changes for those proposals that we are taking forward at this stage, with a view to issuing a formal contract notice to customers in October 2021, for changes to become effective from May 2022.

I would like to thank you once more for taking the opportunity to help shape the ALC and our commercial offering moving forward, so that Access continues to play an important role in the postal industry, and in the sustainability of the universal service. I look forward to continuing to engage with you as part of the second phase of this ALC review.

## Access Price Plan Review

I would like to thank customers again for their valuable contributions during both the 121 sessions and the customer workshop in June, to discuss the Access price plans. We have thought long and hard about how we proceed taking into account all of the feedback that has been provided.

In particular, we have decided not to proceed with any further discussions or consultation around a move to a single price plan option. We appreciate that, for some customers, a dual price plan approach works well

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therefore we feel there is merit in further customer discussions regarding the options for a dual price plan approach which meets both customers' and Royal Mail's aims. This includes looking at further simplification opportunities within the existing price plan structure, as suggested by some customers at the workshop.

We will be inviting customers to further 121 sessions in September and October to discuss the above in more detail.

Yours sincerely,

Tim Cable Wholesale Products Director Royal Mail Wholesale tim.cable@royalmail.com

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