

ROYAL MAIL WHOLESALE

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14th September 2012

Dear Customer,

An update on OCR and CBC specification processes and our new approach to checking and surcharging mail

Last week I wrote to share with you the progress we have made whilst listening to our customers, and the mail industry, and how we have been working together to improve the processes around compliance to specifications for OCR and CBC product variants. We have now published more details about these changes.

Table of most common faults and our programme of checks – now available

To help customers improve the quality of their bulk mailings, we have now published our first **table of the most common faults** that occur in achieving product specifications. We have also published a **programme of product specification checks**¹ that our revenue protection teams will focus on, over the following six months. This will give our customers and the industry an opportunity to focus their mail production improvement activity in the right areas and to help keep specification failures to a minimum. This information is available on www.royalmailwholesale.com and will be updated on a monthly basis.

More about how we will surcharge DSA Mail

As explained last week that there will be charges based on low, medium and high volumes of mail that has failed to meet the relevant product specification. In addition, specification failures will be categorised into those which have a high impact on our ability to handle mail efficiently and those which have a lesser impact. We can now confirm that the charges applied to mail which fails specification will be as follows:

- Mailings which fail a 'low impact' element of the specification will be surcharged **per bag** for low volumes and **1p** per item for medium and high volumes.

¹ Please note these checks are in addition to and do not replace the basic quality checks we will carry out for volume, weight, machinability etc.

- Mailings which fail a 'high impact' element of the specification will be surcharged **per bag** for low volumes. For medium volumes, **one or mail centres will be reverted** to the relevant product for which it meets specification. For high volumes, **100%** will be reverted.

Reminder about changes to sealing specification and the re-introduction of surcharging

As a reminder, we have already announced an improvement to the envelope sealing specification following testing of the current requirement. Again, full details of this and other specification changes are available at insert site here.

Please remember that we will recommence charges for sealing specification faults from 17th September as follows:

17 th Sept – 31 st Oct	20% of normal surcharge
1 st Nov – 31 st Dec	50% of normal surcharge
2nd Jan 2013 onwards	100% of normal surcharge

If you have any queries, please do not hesitate to get in touch with your Access Account Manager.

Yours sincerely

Jenny Ledger
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