



ASSOCIATION OF INTERNATIONAL COURIER & EXPRESS SERVICES
578 SANDRINGHAM RD, HEATHROW AIRPORT,
MIDDLESEX TW6 3SL
TEL: 44 (0) 1865 400904 OR 44 (0) 7971 969650
EMAIL: INFO@AICES.ORG WWW.AICES.ORG
COMPANY REGISTRATION NUMBER 1634113

Gianpiero Roscelli
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA

8 July 2019

Dear Mr Roscelli

The Association of International Courier and Express Services (AICES) welcomes this opportunity to respond to Ofcom's "Recovering consumer advocacy costs: Further consultation on excluding international letters and parcels from Consumer Protection Condition 1".

AICES is the UK trade organisation for companies handling international express documents and package shipments. Our members provide door-to-door transport and deliveries of tracked next-day or time-definite shipments, including documents, parcels and merchandise goods. AICES members directly employ around 38,000 people and indirectly support a total of almost 82,000 UK jobs and are responsible for over 95% of the international courier and express shipments moved through the UK every day.

[REDACTED]

In response to Question 1: Do you agree with our proposed amendments to Consumer Protection Condition 1? AICES would like to make the following points:

1. AICES agrees with Ofcom's proposed amendments to Consumer Protection Condition 1.
2. AICES agrees with the statement that with regard to the cost recovery mechanism for consumer advocacy costs, Ofcom's:

"policy intention to exclude postal operators' turnover from providing international mail (letters and parcels) for the purposes of that mechanism has not been properly reflected in the regulatory condition implementing our statement, Consumer Protection Condition 1".

3. AICES agrees with the proposal to modify Consumer Protection Condition 1 so that international mail (both in respect of ‘relevant letters postal services’ and ‘relevant parcels postal services’) is excluded from the scope of the cost recovery mechanism.
4. Further AICES agrees that the textual amendments proposed in Annex 1 do succeed in clarifying the original policy aim that only UK domestic services are caught by the cost recovery mechanism ie parcels and letters conveyed between one UK address to another UK location.
5. AICES agrees that our international services should be outside the scope of the threshold calculation because express services are not the cause of consumer advocacy costs. This fact is acknowledged by Ofcom in the consultation when it is stated in paragraph 2.10:

“We focused on domestic mail because we did not believe that issues relating to international mail services materially drove the work of the CABs, and therefore capturing domestic services only would be consistent with our main principle of cost reflectivity.”

6. AICES therefore supports the proposed changes to CPC1 and agrees that the amendment to clarify that the threshold calculation is only based on domestic services meets Ofcom’s charging principles – although we continue to maintain these charging principles are breached with the original decision.

Overall, we do want to reiterate that as AICES argued in the original 2018 consultation on “Recovering postal regulation and consumer advocacy costs” express services should never have been scoped into consumer advocacy costs. Our Members primarily operate business to business services in a highly competitive marketplace. Express services are not the cause of consumer advocacy costs. Our Members strongly object in principle to being considered in scope to pay for costs and the draft Notice demonstrates the administrative burden this new requirement places on Members to establish they do not fall within the threshold set by Ofcom.

[Redacted signature block]

Yours sincerely,

[Redacted signature]