

POSTAL SERVICES ACT 2000
SECTION 14
NOTICE
OF PROPOSAL TO MODIFY THE CONDITIONS OF A
LICENCE GRANTED TO
TNT UK LIMITED

Whereas –

- (1) TNT UK Limited, a company registered in England and Wales with number 1628530 and having its registered office at TNT House Holly Lane Atherstone Warwickshire CV9 2RY (“TNT”), on 21 June 2001, under section 11 of the Postal Services Act 2000 (“the Act”), was granted a licence enabling it to provide postal services to Lloyds TSB plc (“the Licence”).
- (2) On 25 July 2002 the Postal Services Commission (“the Commission”) with the agreement of TNT UK Limited modified the Licence to allow the conveyance of additional letters in times of disruption to the universal service.
- (3) TNT has asked the Commission to further modify the Licence in the manner described in this notice.

The Commission therefore gives notice as follows –

1. The Commission proposes, in the exercise of its function under section 14 of the Act and subject to consideration of representations made in accordance with this notice and not withdrawn, to make the following modification to the Licence, namely -

- (a) in condition 1, delete the term “the Customer” and its associated interpretation;
- (b) in condition 2, delete paragraph 1 and insert new paragraphs 1, 2, 3, and 4 as set out below and re-number original paragraphs 2 and 3 as paragraphs 5 and 6 respectively -

“1. The Licensee shall not, pursuant to this Licence, convey more than 40,500,000 letters in any continuous period of twelve months.

2. The Licensee shall not, pursuant to this Licence, convey any letter other than a letter that -

- (a) is required to be conveyed under a mailroom services contract of a duration from its commencement of not less than 12 months, and
 - (b) is conveyed in any of the circumstances described in subparagraphs (a) to (e) of paragraph 3 of this condition.
- 3. For the purposes of paragraph 2, a mailroom services contract means a contract between the Licensee and a user of postal services providing for the conveyance of letters -
 - (a) from a universal service provider to the user,
 - (b) from the user to a universal service provider,
 - (c) within any premises occupied by the user,
 - (d) between any premises occupied by the user, or
 - (e) between any premises occupied by the user and any premises occupied by the Licensee.
- 4. For the purposes of this condition -
 - (a) a universal service provider means the holder of a licence granted under the Act containing an obligation to provide a universal postal service,
 - (b) conveyance of a letter includes the performance of any of the incidental services of receiving, collecting and delivering a letter"; and
- (c) in condition 3, delete paragraphs 2, 3 and 4.
- 2. TNT has consented to the modifications proposed in this notice.
- 3. The effect of the modifications is that TNT will be able to convey letters under a mailroom services contract for customers other than Lloyds TSB, subject to the twelve month maximum of 40,500,000 letters proposed in the modification.
- 4. The reasons for the modification are as follows:
 - (a) TNT wish to pilot mailroom services with customers in addition to Lloyds TSB;
 - (b) the modifications will further the interests of users of postal services by promoting competition between postal operators.
 - (c) permitting mailroom services allows users to contract out an activity that to a considerable extent they presently do, or are permitted to do, themselves and therefore it is unlikely to have

any appreciable adverse impact on the provision of the universal postal service in the United Kingdom, especially with the volume limit contained in the modifications; and

- (d) the modifications are consistent with the Commission's long term policy for licensing which identifies mailroom services as a defined activity which it proposes to licence.

5. Representations regarding the proposed modification may be made to the Commission within the period commencing on and including the date of this notice and ending on and including the thirtieth day after the date of this notice.

6. Representations regarding the proposed modification should be made in writing to –

The Postal Services Commission
Hercules House
Hercules Road
London SE1 7DB

marked for the attention of Shahida Mukhtar.

Fax: 020 7593 2142, email smukhtar@psc.gov.uk

7. Telephone enquiries regarding the proposed licence may be made to Shahida Mukhtar 020 7593 2155.

Martin Stanley
Chief Executive
authorised by the Commission

Dated: 25 July 2002