



22 September 2006

Mr Andrew Haire
Assistant Director-General (Telecoms)
Infocom Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower Three
Singapore 038988

Dear Sir,

**FEEDBACK – IDA’S PUBLIC CONSULTATION ON FURTHER
LIBERALIZATION OF THE POSTAL SERVICES SECTOR IN SINGAPORE**

1. We refer to the consultation paper titled “Public Consultation on Further Liberalization of the Postal Services Sector in Singapore” dated 18 August 2006 (“**Consultation Paper**”) by Infocomm Development Authority (“**IDA**”).
2. AJ Couriers Pte. Ltd. (*f.k.a.* AJ Couriers) has been providing private postal deliveries of printed-matters for many years and we have had to, as a result of the partial-liberalized environment, contend with a plethora of very challenging issues. The planned liberalization in 2007 is an event we naturally have been looking forward to for many years although with some apprehension at times. Having seen the proposed framework and the detailed considerations put into the Consultation Paper, we are generally pleased to note that many practical issues are considered and addressed by IDA. What is more significant from our viewpoint is that the proposed framework does reflect a decided move by IDA towards a liberalized postal services sector while at the same time, and rightfully too, retaining the general public and business consumer’s confidence in Singapore’s postal services.
3. While we are generally in agreement with the approaches and framework proposed in the Consultation Paper, there are naturally some issues where we have alternate views. Rather than dwelling on every single minor issue and risk diminishing the significances of key points that we feel more strongly about, we shall restrict ourselves to key points that we would like to suggest to IDA for further consideration.



FULL ACCESS CONTENTS IN LETTERBOXES

4. Although it is clear that it is an offence for any postmen to meddle with the contents in the letterboxes, we have to acknowledge that this is a situation where it is almost impossible to police – there are just too many letterboxes. The temptation can be too strong for any postmen of any of the eventual postal operators to take advantage of the situation to possibly sabotage the competition. The very simple act of removing, or exchanging between letterboxes, or even taking and putting into postboxes, will have a disproportionately large and damaging effect on the operator whose items are being meddled with.
5. The only reason for total access to letterboxes appears to be for the convenience of delivering the occasional parcels. But parcel delivery, by its nature, really ought to be delivered to the recipients' office or household. Besides, if all PSOs and PPLs have full access to the contents of letterboxes, we're not sure if any licensees will be at all comfortable about delivering parcels into letterboxes knowing very well that their competitor will have access to it. In other words, even the only reason for full access to letterboxes is not very compelling.
6. We would like to invite IDA to consider removing the ability to have full access to letterbox contents by any licensee as soon as possible.

LICENSE FEE

7. The proposed license fee for PSO License (with masterdoor key access to letterboxes for island-wide delivery) is 0.4% of Annual Gross Turnover ("**AGTO**") subject to minimum annual fee of S\$150,000, is high. Unless the PSO achieves an AGTO of more than S\$37,500,000, the license fee will be a significantly higher percentage than 0.4% of the AGTO. This can be an unnecessarily high financial burden that can hinder the growth of the PSO Licensee(s).
8. It is presumed that there is a preference for a higher fee to avoid issuing licenses to parties who may not be serious enough about providing a reliable postal service; that is understood, appreciated and agreed. However, in setting the fee, we hope IDA will again consider the financial burden and how it can hinder the progress of a smaller outfit that may be at the growth-stage of the operations. As we would know, the growth-stage of any business, under most circumstances, will already have more than its fair share of inherent challenges. In setting the license fee, can we suggest that IDA further consider the impact on any PSO Licensee(s) who will have an **AGTO** quite some way below the S\$37.5M mark. Even if any PSO Licensee is truly determined to grow a reliable and respectable postal service operation, it will take years, if not more, to achieve anything close to the S\$37.5M **AGTO** mark.



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CONCLUDE

9. As stated at the onset, we are pleased and in many ways relieved with the very sensible proposed framework that indicates IDA's will to address many real and practical issues that we have actually experienced over the years. For instance, it is good to see the very practical dual-license type approach; return mails through different network issue being addressed; the ability of deliver to PO Boxes being addressed; the return mails via different network being addressed; the willingness of not imposing the stringent time-criterion attached to QoS on all licensees to allow for flexibility in postal services.

Thank you.

Yours sincerely,
Kong Kim Kok
General Manager, AJ Couriers Pte. Ltd.