



**Asian Mailing
Association**

Singapore, 28/09/2006

Asian Mailing Association

8 Robinson Road #10-00 ASO Building Singapore 048544
Tel: 6236 2847 Fax: 6538 0703

**Mr. Andrew Haire
Assistant Director-General (Telecoms)
Infocomm Development Authority of Singapore
8, Temasek Boulevard
#14-00 Suntec Tower 3
Singapore 038988**

SUBJECT: Public Consultation Paper on further liberalisation of Postal Services Sector in Singapore

Dear Mr. Haire,

With this letter I am pleased to submit to you the comments of the Asian Mailing Association. The Asian Mailing association groups a number of private mailing operators in Singapore and across the region. I am attaching the introductory letter that was sent to IDA earlier this year for your reference.

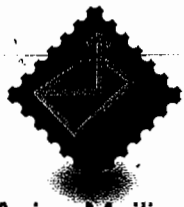
Comments:

Taking the current postal market development in Europe as an example, AMA feels that a selective service in addition to an island wide service proves to be a sustainable option. There is an opportunity for the customer to select different service providers according to the Service levels that are required for particular types of mail. All PSO applying for a license should be able to offer dedicated services besides island wide services, as we have stated above, this would open up a selection of choices for the customer to choose from, according to the level of service that he requires.

For the domestic delivery, service providers can segment their product offerings into island wide / district related and therein Time Definite, Day Definite and even opt for a deferred service amongst others, as Unique Selling Proposals in the types of Service Levels they offer.

Also, AMA welcomes the suggestion to remove the existing price floors for Express deliveries, leaving the price setting to the service provider according to the service levels that are offered.

If inbound mail would remain under the monopoly, AMA seeks clarification whether all inbound mail regardless of its commodity and / or weight would fall under the exclusive license of the current PPL. How will the differentiation be made between licence subjected mail and others, since all inbound mail will come to the current PPL before delivery if under coverage of a CN document. This may lead to a potential conflict of commercial interest since the current PPL would be privy to customer details of the sending operator.



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Outbound liberalisation would require a revision of the current position on the use of UPU documents (CN) and the acceptance of the receiving PPL. It would require Singapore's Regulator to inform the UPU countries of the licensed operators and solicit for the acceptance of their mail under the UPU Acts.

Inbound liberalisation may also require a revision of IDA's current stance on the acceptance of CN from a private operator. The current position is that all inbound mail coming from private operators / ETOE should travel on Air or Road Waybill and customs cleared as freight. We are concerned that it would create an imbalance and distort the principles of creating a level playing field in mail services.

Likely segments of the market that will attract more players are in the field of Business mail and e-commerce. The potential demand certainly is in the area of promoting and developing Singapore as regional hub for printing of any nature of statements and loyalty programmes amongst others.

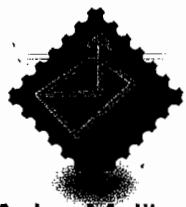
AMA strongly believes in the liberalisation of the BMS in Singapore. How this will change the competitive landscape in the provision of postal services largely depends on how the liberalisation is being introduced. Ideally there is a level playing field for all players who are applying for an island wide license offering similar services as the current PPL. For potential service providers specialising in offering only segmented mail service, a specific regulation needs to be construed.

AMA does not see any benefit in a phased implementation process, and therefore agrees to a full liberalisation in one single step. However, we would like to point out that considering the advanced time and the short period between any final decisions / regulation and the time they need to take effect, IDA may consider requesting the incumbent PPL to extend access to the BMS to the potential market entry applicants.

With regards to the proposed licensing objectives and the proposed changes to the scope of licensing jurisdiction, AMA recommends allowing full deregulation of both inbound and outbound market.

The redefinition on weight rather than on content deals away with the current confusion of what exactly is current and personal, but causes serious concern with respect to proposed weight limit. This would be amongst the highest in the region, although any service provider could opt for a license, which is unlike for example India, Indonesia and China where all mail under a given weight would simply be monopolised without any option for an alternative licensee. Europe's current monopoly, which should fully end by 2009, is between 20, 50 to 100 grammes.

AMA recommends caution with respect to the proposed amounts for licensing as they could be understood to serve no other purpose than to limit access to large companies only, giving way to an anti-competitive interpretation. Delivery of mail items to private mailboxes should



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be free of any restrictions since it is arguable that the application of annual fees would only increase costs to the end consumer.

With regards to the proposed BG requirement and the necessary safeguards to ensure end-users interests, AMA has no additional comments and agrees with IDA on the principle as stated in Paragraph 88 of the Public Consultancy Paper, but expresses concern over the amounts proposed as this again may be considered as only favourable and sustainable by the big market players in the mail industry. Also, assuming that the master key procedure would be abolished, the BG and proposed amounts would become questionable.

The proper identification of the PSO licensee is an issue to which the AMA agrees that this needs to be carefully constructed in order to avoid confusion. A unique registration number as or on the postal identifier for the domestic service may be the option.

AMA feels that, since it is not the practice in other countries, in principle there is no compelling need for master doors which give access to the nest of letterboxes and that licensed operators should have access to the letter boxes without the need for a key. The owner of the letterbox has his individual key which should suffice. AMA is concerned that the use of increasing numbers of keys will become very difficult to manage. In the event that the current practice cannot be amended for whatever reason, governance and procedures should be regulated and organised through IDA.

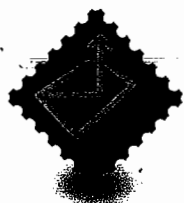
Downstream access on the SingPost network should be made available to third parties under a bilateral commercial agreement that is both fairly priced and practicable. The process terms and conditions might be guided by IDA but the commercial arrangements should be concluded on bilateral basis.

Access to P. O. Boxes is an issue which will need to be addressed by IDA. Currently the incumbent PPL holds keys and in a new environment, 3rd party operators will not have any access. 3rd party operators should be able to deliver to SingPost POB and only pay for the production of the additional key since the customer already pays a fee to SingPost for the use of the box. There is no compelling additional cost that needs to be covered other than that.

With respect to the redirection of mail, AMA suggests to consider a change in the current system that in general would benefit all residents and the authorities:

Today, when someone moves house, that person would register the change of address with the nearest NPP causing all major Government Institutions to be informed automatically through this process as a public service at no cost. The resident does not necessarily registers the change of address with the PPL, possibly because of the cost involved.

AMA suggests taking the optional redirection service- offered solely by SingPost - away from the incumbent, and extending it to be included in the police database, automatically passing on the information to SingPost and the other licensed operators in the market. This would also help the authorities in keeping an accurate maintenance of its address data base.



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Access to the Postal Code System should definitely be considered as basic common denominator for all operators. This is the case in all countries in Europe where mail services enjoy full or partial liberalisation. Examples are New Zealand and Sweden amongst others in an unconditional liberalised environment.

AMA is of the opinion that a Code of Practice is absolutely mandatory and inherent for the protection of the mail user. This should be initiated, chaired and controlled by the regulator in common discussion and agreement with the operators and must include the current PPL incumbent.

AMA feels that ensuring fair competition is definitely recommendable. However, we wonder whether a sectoral framework would be necessary in a fully liberalised market.

AMA agrees with the suggestion to establish a Quality of Service for all potential entrants and that the minimum standards should be no less than what they are today.

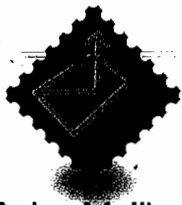
AMA agrees that the images inherent to national symbols such as the flag or landmarks on the postage stamps should only be allowed for any PPL offering services mandatory including USO. We do agree that guidelines are necessary for PSO PPI imprints.

With regards to the remailing issue and the alleged problems that such activities would create AMA members argue that in today's environment, the fixing of uniform delivery costs (TD) valid across the board has become obsolete, and that UPU should only govern and rule on standard Operational Procedures and Processes applicable world wide and to be adhered to by all postal operators, be they private or public. Costs of collection and delivery are by far country specific and depend on the national infrastructure of the operator or the system in place.

AMA members believe that each operator, public or private, should have the right to determine his own delivery cost, albeit in a fair and reasonable way.

AMA argues that the statements made in paragraph 136 of the Public Consultation Paper are partly incorrect, reflected in the table below:

SDR 3.727/KG = \$ 8.72 Rate of Exchange 22 Sep 06	Number of items per kg	SingPost Standard		SingPost Non standard	
		S\$/pc	S\$/ kg	S\$/pc	S\$/kg
20G	50	0.23	11.50	0.50	25.00
30	33	0.31	10.23	0.50	16.50
40	25	0.31	7.75	0.50	12.50
50	20	0.50	10.00	0.80	16.00



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The current TD level inbound is SDR 3.727 per kg. Ventilating same of different weight classes per item, the domestic rate is higher than the TD per item.

Onward delivery of mail to IC countries at favourable TD rates would only be applicable to DC receiving incumbents, and not to IC or REIMS receiving incumbents. Singapore Post currently operates two different pricing schemes, protecting themselves against bulk mail penalties against receiving countries.

AMA would be pleased to elaborate and discuss this further with the IDA, if necessary together with the current incumbent PPL.

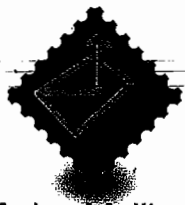
Consequently, AMA does not agree to the statements made in Paragraph 142 and also given the above, the statement made in Paragraph 149 becomes obsolete and should be further discussed in detail with IDA.

Also, the argument in Paragraph 147 is not correct since in a liberalised environment, the sending operator will be charged and not SingPost.

In the light of the above, the AMA members would welcome further dialogue with IDA at your earliest convenience, and we look forward to hearing from you soon.

Sincerely yours,

Carl Schelfhaut
President



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Attention: Mr. Andrew J. Haire

Dear Mr. Haire,

I have the pleasure to inform you that earlier this year, four of the leading private postal operators who are active in the Asia Pacific Region, founded the Asian Mailing Association (AMA) as a non-profit organisation, with its registered office in Singapore. The four founding members are, in alphabetical order:

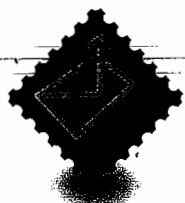
- Deutsche Post Global Mail Australia Pty Ltd (Deutsche Post)
- Direct Link Worldwide Distribution Pte Ltd (Sweden Post)
- Royale Logistics Pte Ltd (Royale Asia)
- Swiss Post International Singapore Pte Ltd (Swiss Post International)

Behind the initiative lies the firm belief that although all stakeholders operate independently, there are pressing issues that need to be addressed commonly. This can only be done properly under the umbrella of **a common and neutral platform** which:

1. Consolidates all issues that arise as a result of the rapidly changing industry environment, be that regulatory or other.
2. Co-operates or affiliates with other professional commercial and industrial organizations where such liaison, co-operation or affiliation is of benefit and interest to the Industry.
3. Provides a liaison with the authorities relevant to the Mail Industry for socio-economic, regulatory legal and other matters affecting the Industry in the region and subsequently disseminates the results to its Members.

With the help of our founding member's Parent Companies, the AMA over time will develop and provide programs for the sharing and the exchange of local and foreign knowledge and experience among members and to the Developing and Least Developed Countries in the Region.

Last, but certainly not least, the AMA has set itself the clear goal of advancing the efficiency and proficiency of the **"Code of Conduct"** in and for the Industry.



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AMA has no intention whatsoever to copy or duplicate existing organisations, but rather assist and complement them.

A few examples where we see the involvement of the AMA as coordinating or advisory organisation in the Region:

In the step-by-step liberalisation process of the postal market in the region, there remain a number of "grey areas" that call for clear and transparent Regulatory guidelines and definitions. Initiatives should be undertaken to create a level playing field in the postal sector in which both Public Postal Operators and properly established and licensed entrants are able to work fairly and effectively.

Liberalisation of the Direct Mail sector throughout Asia will substantially improve quality as the service providers will spare no effort to create reliable, integrated, innovative and cost effective end-to-end services for their cross border business. In this area there are multiple opportunities for synergies, networks to name one.

With the know-how and expertise of its members, the AMA will offer assistance and advice to National Regulatory Authorities and incumbents on how to stimulate an effective legal environment. This will facilitate fair access and provide new and value-added innovative products for users.

Consequently, the AMA will also organize and/or participate in Industry events, seminars and conferences, invite experts and people within and from outside the Industry to speak about and discuss legal issues. In addition, it will organize social and networking events for members as well as activities in conjunction with other organizations and service providers. It has however, no intention to commercially exploit such purposes.

The AMA's website www.asianmailingassociation.org is currently under construction, and is targeted to be completed towards the end of August 2006. More detailed information will be shared there for members to consult.

Until then, it will be my pleasure to personally provide you with more detailed information and I look forward to receiving such requests.

In the mean time I remain,

Sincerely yours,

Carl J. Schelfhaut
President

secretariat@asianmailingassociation.org