Comments on Consultation Paper on Further Liberalisation of the Postal Services Sector in Singapore

Views as follows on following questions:

Q7 IDA welcomes views and comments on IDA's proposal to liberalise the Basic Mail Services market in a single step and not in phases, unless compelling reasons have been identified for specific segments of the market to be reserved.

Reflecting on the telecom liberalising back in the late 90's, we introduced competition for Singtel thru M1 (1996) and Starhub (2000). Its coming to a decade now and we have seen that the incumbent's pricing for services only went down marginally each time there was a new competitor. What this means is that consumers would have been been better served with full competition at the beginning thru lower pricing of services.

This could have been avoided at the onset if we had just thrown the gates open fully and watch the telcos engage in full competition with IDA refereeing the game with the necessary regulations.

Singpost would likewise do the same if the market is open bit by bit. It will nitpick new competitors by setting high charges for mail interconnection. It might delay delivery of competitors mail where possible.

IDA should open the floodgates fully after setting the regulations in place and let full competition take place.

Q16 IDA welcomes views and comments on whether access to P.O. boxes/mailboxes will be an issue that needs to be addressed by IDA. IDA welcomes proposals on how such access should be implemented and charged.

P.O. boxes/mailboxes are a primary concern which IDA should address fully before the liberisation. This is so that the incumbent may then not be allowed to nitpick on interconnection charges when competitors process incoming mail. The incumbent can set a profitable high charge that benefits itself against competitors doing interconnection if there are no barriers set in place. Further businesses, being major users of P.O. boxes most likely would see their mail hanging whilst the incumbent bickers with new competitors on its charges for them to access its mailboxes. Likewise, consumers mailboxes would very likely face this scenairo if their mail comes in via a competitor.

IDA should also take into account the use of V (virtual) boxes. This is another form of mailbox which Singpost has created in which the (e.g VBox 123456) numbers indicated actually represent the users correct address, though hidden. Competitors would have to fork out a higher interconnection charge to have

Singpost process such mail as Singpost is the only one who knows where the mail will end up in, ultimately.

Therefore please address the P.O. boxes/mailboxes issue and not wait for conflicts to appear, as they surely will.

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