

Singapore, 06 November 2007

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

Dear Mr. Haire,

The AMA has studied the Consultation Paper and have met to consolidate their comments and concerns, of which the main ones are listed below.

A number of members of the AMA have submitted their concerns also separate from the common Industry position as outlined below.

As you are aware, the founding members of the AMA are Direct Link, Swiss Post International, DHL Global Mail, DPEX, Royale Asia and Citipost. The AMA had invited non-members to join the meeting, to which AJ Couriers responded positively.

1. Members felt that the 1st mile access to SingPost's network is more important than the access to the last mile for downstream purposes. However, there is commercial confidentiality concern when a variety of operators have no choice but to use the network of the Dominant Licensee and this issue is not at all covered in the proposed Code.
2. Members still see the revised definition of letters and "non-letters" as non-conducive to facilitate easy access for bulk mail customers who are looking for competitive alternatives.
3. With respect to IDA's position on the Master Door Key issue, both AMA members and the remainder of the private operators in Singapore unanimously consider this position to be counter-competitive. A number of alternatives and solutions had been proposed to IDA, not only from the AMA's side but also in separate letters from private industry operators over the last three years, and these, although considered by IDA, were rejected without a justification that was satisfactory to the private operators. Also, the cost of retrofitting the letterboxes to facilitate 3-way access to the estimated amount of SGD 20,000,000. In the view of the private operators this amount could be recovered in 1-2 years, considering the dynamics of the Singapore postal market.
4. In Section 2.2 of the Postal Services Code, the PSO is required to print an Identifier Mark. If downstream access can only be performed by SingPost, then 2 Identifier marks will appear alongside the PPI number: one from the operator and one from SingPost as the service provider for the downstream access on behalf of the operator. This is not only confusing for the customer, it is also counterproductive for competitive purposes. Members proposed that the current personalised logo be used as an alternative to multiple identifiers.

5. Currently, until the new Licensing system becomes effective, the incumbent is the only license holder under the current Act and as such has a “window” advantage over potential entrants waiting for the full and final version of the licensing system, including downstream process and prices. This “window” provides an “opportunity risk” for the aforementioned incumbent to go out in the market and conclude long-term bundled contracts taking advantage of the so-called “non-levelled playing field” as it stands today. Referring to Section 4 of the Postal Competition Code 2007, members raise the question what IDA’s position is or would be towards such practice, and would argue that validity of such contracts becomes void when the new Code comes into effect.
6. A serious cause of concern, in particular for operators providing international service is the use of the postal conveyance bill, called CN documents. Operators with international customers selling inbound services into Singapore and, for that matter, also outbound services globally with last mile delivery agreements with international incumbents should have the possibility to use those same CN documents in the light of the creation of a competitive and therefore level playing field. This issue is not at all covered in the proposed Postal Code. It is strongly suggested that IDA addresses this issue. If PSOs have to commercially carry and clear their consignments on the basis of a freight Air Way Bill – which incurs different conveyance and customs clearance processes, slower in time and higher in cost, there is no equal status nor equal approach and hinders competition.
7. With respect to the Reference Access Offer, SingPost had indicated that the Domestic Bulk Tariff applicable to Letters might be used to charge for downstream delivery on behalf of other Postal Licensees. Till date, these rates and details are not yet available neither from the part of SingPost nor from the part of IDA. It is requested that those become known as soon as possible so that potential entrants can evaluate the feasibility of entry into the domestic market.

The AMA will be convening again in full membership and will be submitting a follow up letter in which the concerns as voiced above will be explained in more accurate detail.

Sincerely yours,

Carl Schelfhaut
President