

AJ COURIERS PTE. LTD.

TO

INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE ("IDA")

FOR THE

PUBLIC CONSULTATION ON PROPOSED AMENDMENTS TO LETTER BOX SPECIFICATIONS AND GUIDELINES

2 February 2009

This document is broken down into 3 Parts. Part 1 lay down the considerations that this revision of the **Letter Box Specifications** and **Guideline** ("**LSG**") must include. Parts 2 and 3 discuss the specific proposals that are based on two different assumptions on IDA's approach.

Part 1 - RELEVANT ISSUES

Examine the important issues and questions that must be asked to establish the backdrop to the purpose of the LSG.

Part 2 - LIBERALIZE LAST-MILE POSTAL DELIVERY SERVICE

The part assumes that IDA takes the view that Postal Liberalization is about liberalizing the last-mile postal delivery. Last-mile postal fulfillment by ALL Postal Service Operators ("**PSO**" or "**PSOs**") and Public Postal Licensee ("**PPL**", or Singpost) is a critical objective of postal liberalization. Existing and peripheral issues, if not fully justifiable, should not be allowed to hinder the liberalization objectives. Skip this Part if this is not a stance IDA will consider adopting.

Part 3 - MINIMAL CHANGE APPROACH

This part assumes that IDA view that not unsettling the antijunkmail system as paramount, Postal Liberalization notwithstanding. When it becomes convenient, IDA will consider facilitating PSO's ability to fulfill last-mile postal delivery. Ignore this Part if this is not IDA's stance.

We believe that the postal liberalization is largely about liberalizing the last-mile postal delivery; the majority of postal service turnover is attributable to the last-mile postal delivery service. The current anti-junkmail system that is standing in the way of true postal liberalization is not justified, not working, has many perverse effects and is controversial. We therefore recommend to IDA to adopt the assumptions and proposals presented in Part 2.

While we urge IDA to be conscious of the fact that the last-mile is central to postal service, we nevertheless are aware that IDA may adopt the assumed approach for Part 3. Given the anti-junkmail system, it may take many more years before we see true postal liberalization. But despite that, this revision of the LSG is where IDA must, at the very least, set in motion the necessary changes that will eventually allow the liberalization of the last-mile postal delivery service. Part 3 discusses the specifics of these proposals in more detail.

Part 1 RELEVANT ISSUES

The purpose of the LSG is to provide clear definition of acceptable features and state clearly letter box parameters for Developers/Owners and Estate Managements to adopt. At the next rational level, there are issues and consequently criteria that will form a guide to the construction of LSG. For instance, one criterion is that a letter box is for postmen to reach and then deliver postal articles into. Will there be postmen from just one company? Or will there many postmen from many companies? Depending on the answers to these questions, the LSG can be constructed in very different ways.

The following are questions that should be asked to form the guiding principles for the revision of the LSG.

Q1: What does postal service mean in a liberalized postal service sector?

This means that there will be a number of PSOs and one PPL (likely), whose postmen, <u>all</u> of them, will have to be able to reach and deliver postal articles into <u>all</u> letter boxes.

Q2: What are the features of letter box that are appropriate for monopolistic postal sector but are neither acceptable nor suitable for liberalized postal sector?

- (i) Letter boxes located inside secured compounds that do not allow postal delivery unless postman is first allowed inside the secured compounds.
- (ii) Pigeon-hole access to letter box contents.
- (iii) Masterdoors and central aperture locks. The number of keys to be managed between all PSOs, PPL, and all estate managements will be an administrative nightmare. (But we cannot then just say, because of this, let's just limit access to PPL that's plain laziness.)

Q3: How about the anti-junkmail system and its impact on postal service liberalization?

There are two possible approaches to this:

- (i) Work around the anti-junkmail system, assuming it is untouchable. Bear in mind that typically, "work-around" type solution compromises original objectives. With the added challenge, it is always tempting to just choose not to do too much.
- (ii) Review the validity and justification of the anti-junkmail system, and consider removing it. This, contrary to the easier option of the "work-around" approach, calls for tough decision making. To aid legislators to overcome this predicament, it may be useful to conduct a public consultation to examine and address the "conflicting objectives of anti-junkmail movement and postal liberalization".

Q4: There are already a number of PSOs, and none of them appear to be interested in last-mile postal delivery. Why do we even need to consider last-mile delivery at all?

Postal services include handling of overseas incoming and outgoing mails, as well as mail-room services. Although these do not form the bulk of postal service, some PSOs may be there to be licensed to perform some of these services. There are no current PSOs interested in last-mile delivery because the last-mile delivery, which is really central to postal service, is not yet liberalized. The LSG affects directly last-mile postal delivery. It is imperative that the revision should fully consider its eventual impact on any PSOs (current and future) fulfilling last-mile delivery.

Consider what was previously regulated postal services, of these, the majority of the turnover is attributable to the last-mile postal delivery fulfillment. We would like to reiterate that the Postal Liberalization is largely about liberalizing the last-mile.

Q5: Will the appointed Public Postal Licensee (PPL be able to continue to fulfill its duties?

Yes, all options must continue to allow the PPL to fulfill its duties. However, the PPL's duties do not require their postmen to have, for instance, pigeon-hole retrieve access to letter boxes as long as there is an appropriate delivery access (such as those offer by our 3-way access letter boxes). We must therefore remove features that hinder postal competition, compromises mail integrity and security, and that are at the same time not necessary for the PPL to continue its function unhindered.

Q6: Why can't PSOs just deliver to those letter boxes with unlocked aperture-covers and redirect the rest through the PPI.?

When you have a batch of postal articles, you see only their addresses; nothing in the address tells you about the state of the letter box aperture-cover. The only way you would know is to actually attempt to deliver to all addressees. Let's say you successfully deliver into 20% of the letter boxes, and then pass the other 80% to the PPL. You have in reality done the job for 100% of the mails, but can only be paid for 20%. This does not make business sense. The other 80% re-routed ones will take at least 5 to 6 days to be finally delivered. This is inefficient postal service. The consumer will certainly not want this kind of service. This is not postal competition.

Q7: It does not look like there are many interested enterprises in last-mile postal fulfillment. Why bother?

You are tasked to feed the fishes in a pond, but they are all at the centre of the pond and you cannot reach them from the edge. Other than the one loitering near the edge that noticed you it does not look like many are interested. Why bother wasting food? No. You just drop the food from the edge, and the fishes will come. Over the past years, there were many private enterprises who have attempted to provide private postal delivery of printed-matters (unregulated) only to subsequently give up due to the anti-junkmail system (or more accurately, the anti-private-enterprise letter box design). There are fishes out there.

Q8: Will there be more advertisement mails (a.k.a. junkmails) if other PSOs can deliver mails into all letter box?

A simple answer to this concern is to disallow all PSOs from delivering unaddressed advertisement mails. Of course, this will be controversial. Why? Because we know that it is wrong to ban PSOs from carrying out a legitimate service. But while we are uneasy in disallowing PSOs from delivery advertisement mails, at the very same time, we are allowing an anti-junkmail system that is prohibiting all private enterprises and PSOs from providing any forms of perfectly legitimate postal services (advertisement mails, periodicals and basic mail services). There is obviously no elegant solution to this vexing situation, but these are possible options.

- (i) Stay with the status quo, and not let PSOs deliver into letter box, Postal Liberalization notwithstanding.
- (ii) Dismantle the anti-junkmail system to facilitate true postal competition.
- (iii) Facilitate true postal competition by proactively facilitating PSOs to deliver mails into letter box but disallow PSOs from delivering advertisement mails.
- (iv) Facilitate true postal competition by proactively facilitating PSOs to deliver mails into letter box but regulate conveyance of advertisement mails. We can borrow from the current situation on "junkmails" that is allegedly acceptable, where the "type" delivered by SingPost is allegedly not undesirable, but the "type" conveyed by private operators undesirable, allegedly. By regulating and defining the "type" acceptable, the "junkmail" situation will not then be worsen by postal liberalization, which seems to be the primary concern here.
- (v) Conduct rigorous study, analysis, and public consultation to address the conflicting objectives of anti-junkmail mindset and objectives of postal liberalization. Then, select one of the above.

Q9: More than one and half years after Postal Liberalization, are we beginning to see the objectives of liberalization being met?

That depends on your domain of measure. If you only count the number of PSO licenses, then yes, there are already four. If you consider the choice of postal service providers available to the general consumer, then the answer is no. Just go ask 20 private and business postal consumers out there what their choices are right now. It will be clear that there is still just one choice – monopoly. Further, try projecting for the next 5 to 10 years if this lack of choice will improve without any radical changes introduced.

The outlook will be as though there had never been any postal liberalization. What's worse about the current state of affairs is that the monopolistic nature of this market further deepens with each installation of Masterdoor type letter box.

Part 2 LIBERALIZE LAST-MILE POSTAL DELIVERY SERVICE

The part assumes that IDA appreciate and take the view that Postal liberalization is about the liberalizing the last-mile postal delivery. Last-mile postal fulfillment by PSOs (in addition to PPL) is a critical part of postal service competition. Existing and peripheral issues, the anti-junkmail system in particular, if not justifiable, should not be allowed to hinder the liberalization objectives. Skip this part if this is not anywhere close to IDA's position.

2.1 Remove anti-junkmail system (and regulate advertisement mails)

When we refer to anti-junkmail system/letter box/device, we are referring the letter box aperture-cover lock. This is there, ostensibly, to prohibit junkmails (i.e. unaddressed advertisement mails/flyers). While the anti-junkmail system is intended to prohibit advertisement flyers, it is, perversely, helping SingPost gain a critical advantage over all its competitor in the provision of this service.

There is no known policy that prohibits deliverance of advertisement flyers, or SingPost, our PPL, will not be providing such a service. The often quoted reason is that "some people don't like them" and they are often place together with electronic-spam and fax-spam.

Firstly, electronic- and fax-spam do not have incremental cost to them; sending out 1,000 cost about the same as sending 10,000. There is therefore a tendency to spam. Physical advertisement

flyers have incremental cost per copy; sending 10,000 pieces cost a lot more than 1,000 pieces as there is at least additional printing and delivery cost. Spammers do not use a medium that cost. The advertisement flyers are, quite simply, earnest low-cost advertisement that some SMEs can only afford to reach their target market.

Secondly, for any form of advertisement (TV, radio, newspaper, magazine, public transport, SMSs, etc) there are always some people who don't like them. Apart from advertisement flyers, no other media have been subjected to such concerted prohibition, especially not with tens of millions of dollars. The singling out of advertisement mail is puzzling.

Also worth mentioning here is the basis of the conclusion that "consumers are concerned with receiving junk mails" from the public consultation in August 2006. We recall that in August 2006 public consultation, there was one gentleman who represents "consumers" and stating a concern for more junkmails. The implicit message is that current situation is acceptable in which any junkmail that comes through the masterdoors are acceptable while those that come through the letter box aperture are not – clearly not an objective view. Advertisement mail is not without cost and the consumers can easily decide for themselves if the advertisement is wanted. If no one responds to an advertisement, the advertiser will stop because it does cost to advertise this way. If the advertising does not stop, it simply means that there are people out there who actually want it. We don't have to spend tens of millions to help consumers make that choice.

The junkmail issue, technically speaking, does not belong to IDA. However, we must acknowledge that this seemingly peripheral issue is having an enormous impact on the Postal Liberalization. Furthermore, the letter box specification and guidelines are approved by IDA. IDA, whether they want to or not, is the de facto authority as far as this issue is concern.

The justification of the anti-junkmail system is very weak. It had already cost taxpayers tens of millions of dollars. It is not even achieving its aim of reducing advertisement mails. Allowing it to continue will cost many more millions and it is road-blocking postal competition. The consumer will have to pay for all the additional cost of anti-junkmail system, albeit indirectly, in the end. And consumers will not be able to benefit from a postal competition that is never realized.

We need to make better sense of the advertisement mail (junkmail) issue. The costly anti-junkmail system is clearly not the answer. Our postal liberalization should not be undermined by something with doubtful justifications.

We propose that the new LSG state clearly that locking of aperture covers and disabling the functionality of the letter box aperture, which is required, is not allowed. Consequently, complex and costly multi-way access Masterdoor/Masterkeys will not be necessary and the new LSG should remove all mention of them.

With this, we will finally see a major step in the liberalization of last-mile postal delivery service, which is what the postal liberalization is all about.

Regulate Advertisement Mail

We have to face the reality that removing the anti-junkmail system will be a rather difficult decision given the objection to junkmail by some (the actual number is really unknown). To mitigate the small possibility of public outrage to the removal anti-junkmail system and at the same time proactively facilitating PSO's ability to provide postal competition, IDA may want to consider regulating junkmail in conjunction with removal of anti-junkmail system. These are possible approaches.

- (i) Prohibition of conveyance of unaddressed advertisement mails unless licensed by IDA to do so. Further prohibit licensed PSOs from this service but do not apply this prohibition to the PPL. Retaining the currently (allegedly) acceptable situation and will at the same time prevent increase in junkmails by PSOs or private enterprises. And, this will save taxpayers millions with simplified letter boxes.
- (ii) Regulate the quality of junkmails as one of the main complaints (allegedly) is against those cheap-looking advertisements. IDA can list the quality of advertisement mails that are acceptable by defining some of their physical attributes:
 - a. Minimum paper size
 - b. Minimum paper density (i.e. minimum weight per square meter, or gsm)
 - c. Minimum number of colours to print
 - d. Frequency of posting

The junkmail issue will never be addressed by the anti-junkmail system. It will not go away if we simply ignore it. Postal competition will not happen until PSOs can provide competition and that can only happen if and when PSOs can deliver mails into all letter box. Regulating junkmails provide a good compromise to the vexing situation and we should not dismiss it just because there is no precedence – all revolutionary solutions do not have precedence.

In any case, there is already a common misconception that junkmails are prohibited by policy of some kind.

2.2 Unfettered reach to letterbox by PSOs and PPLs

Postal Liberalization's underlying principle is to facilitate postal competition. Having that in mind, planning of letter box locations must also consider that in future there will be a number of PSOs who will be delivering postal articles to recipients' letter box. All PSOs will need to reach all letter box unhindered (as required by the Postal Service Act).

For secured residential compounds, the current practice is for letter boxes to be located inside the secured compounds. For postmen to reach the letter boxes, they must first enter the secured compounds, via one of these two ways:

- (a) be given security code to enter secure compounds for unquarded compounds;
- (b) be allowed by security guards to enter compound.

The keywords here are "given" and "allowed", indicating that PSOs are really at the mercy of security guards and Managing Agents.

The management of such an approach – and to be fair to all PSOs and PPL – is to require clear communications and instructions to all estate managements by the Postal Authority; ensure all instructions are clear to each of the thousands of security guards; ensure all security codes are available to all PSOs and PPL and updated accordingly; ensure all updated information are promptly communicated to all PSO, PPL, security guards, estate managements. Given that IDA simultaneously have many other responsibilities, it is inconceivable that this will be managed properly. The very likely end-state will be that this situation will be largely neglected and the status quo of only the PPL having full accessibility to all letter boxes will prevail – retaining the preliberalization, monopolistic nature of the postal service sector.

One objective of our new LSG must be to facilitate a competitive postal service market.

We proposed that, in exactly the same way for landed properties, that the LSG mandates that letter box for gated communities (condominiums and private apartments) be located at a publicly accessible area. As with landed property, the most suitable locations will be along compound walls where delivery can be completed without needing to enter the secured compounds. Residents can retrieve their mails from within the secured compound.

This, together with the removal of anti-junkmail system, will mean that all PSOs and PPL will be able to fulfill their postal delivery to ALL letter boxes, further liberalizing the last-mile postal competition. And this will finally mean that we have a full postal liberalization.

2.3 Overhaul Letter Specifications Box Guidelines and conduct a follow-up public consultation

Given the above two proposals, it is anticipated that the LSG will have to be largely overhauled.

We propose a complete overhaul of the propose LSG, incorporating the proposals in Sections 2.1 & 2.2 and this to be followed by another public consultation for feedbacks in view of the major revision.

Part 3 MINIMAL CHANGE APPROACH

This part assumes that IDA view that not unsettling the antijunkmail system as paramount. When it becomes convenient, IDA will consider facilitating PSO's ability to fulfill last-mile postal delivery.

Although we do not agree with this approach by IDA, we are aware that there is a likelihood that IDA will continue to take this view. The feedback within this part is therefore written with this assumption in mind. We remind readers not to interpret nor quote our feedback within this part out of context. For instance, we do not agree with the anti-junkmail system, but if IDA chooses to allow it to continue, then we suggest IDA use the New Two-Way access letter box for future upgrades. Proposing the New Two-Way (Section 3.4) access letter box herein is not suggesting that we agree with having multi-way access letter box that further suggest agreement with anti-junkmail system.

3.1 Define Aperture Cover Locks

As we all know, the aperture-cover lockable features (a.k.a. antijunkmail system) in our letter boxes are common. But this is not mentioned at all in the old as well as the Proposed LSG. To avoid ambiguity and doubt, we suggest that this feature be stated in the LSG, together with clear definition of acceptable functionality of such a locking device. It is an integral part of the letterbox and affects functionality of the required aperture, it is therefore important the LSG defines the features of the aperture-cover lock.

We propose that the LSG should provide clarity to the aperture lock device on the following.

- (a) Default status of aperture-cover lock. We further propose that this should be the unlocked state, leaving the choice to lock for the resident.
- (b) Clear instruction on the inside of letterbox on how to lock and unlock aperture covers, permanently. (This is in view of the fact that there is currently a type of letter box aperture lock that can be unlocked in two positions; one permanent, another temporary that will be re-locked on the next Masterkey use. To give residents the choice, we must also let them know how to choose.)
- (c) Masterkeys must not be able to lock aperture-covers that were already unlocked by the resident.

The new LSG must also be clear that aperture-cover lock is an acceptable but optional feature and should not be presented in such a way that it wrongly gives the impression that it is mandatory.

IDA needs to be clear with the guidelines, especially when it comes to a feature that has a major impact on the effectiveness of postal liberalization. Further, clarity on lockable aperture-cover will also help avoid questions like

"You state that there must be an aperture, therefore implying that it must also be functional. Isn't it a problem to you when someone disables the function of something that is mandatory?"

3.2 Unfettered reach to letterbox by PSOs and PPLs

Postal Liberalization's underlying principle is to facilitate postal competition. Having that in mind, future planning of letter box locations must also consider that in future there will be a number of PSOs who will be delivering postal articles to recipients' letter box. All PSOs will need to reach all letter box unhindered (as required by the Postal Service Act).

For secured residential compounds, the current practice is for letter boxes to be located inside the secured compounds. For postmen to reach the letter boxes, they must first enter the secured compounds, via one of these two ways:

- (c) be given security code to enter secure compounds for unguarded compounds;
- (d) be allowed by security guards to enter compound.

The keywords here are "given" and "allowed", indicating that PSOs are really at the mercy of security guards and Managing Agents.

The management of such an approach – and to be fair to all PSOs and PPL – is to require clear communications and instructions to all estate managements by the Postal Authority; ensure all instructions are clear to all the thousands of security guards; ensure all security codes are available to all PSOs and PPL and updated accordingly; ensure all updated information are promptly communicated to all PSO, PPL, security guards, estate managements. Given that IDA simultaneously have many other responsibilities, it is inconceivable that this will be managed properly. The very likely end-state will be that this situation will be largely neglected and the status quo of

only the PPL having full accessibility to all letter boxes will prevail – retaining the pre-liberalization, monopolistic nature of the postal service sector.

One objective of our new LSG must be to help us move a little closer to a competitive postal service sector.

We proposed that, in exactly the same way for landed properties, that the LSG mandates that letter box for gated communities (condominiums and private apartments) be located at a publicly accessible area. As with landed property, the most suitable locations will be along compound walls where delivery can be completed without needing to enter the secured compounds. Residents can retrieve their mails from within the secured compound

Depending on IDA's eventual approach, even if letter boxes are deliverable from public area adjacent to secured compound, existing features like lockable-aperture-cover and Masterkey access can still be implemented. What is important is that this addresses the issue of PSOs and PPL reaching letter box unhindered, without further intervention or oversight necessary from IDA.

3.3 No pigeon-hole retrieve-access allowed

Retrieve-access, or pigeon-hole access, allows postman to deliver into the letter box but more critically, it also allows postmen to retrieve any items already inside the letter box. This issue have been discussed and commented time and again ever since the initial postal liberalization related feedback in 2006.

Industry players cautioned that this compromises mail integrity and security. IDA agree too that this compromises mail integrity and security. And yet, firstly, pigeon-hole access by the PPL postmen continues to be allowed even for those 3-way access types where there is a perfectly good alternative for the PPL to deliver. With the 3-way access letter box, PPLs postmen can use the Aperture Masterkeys to access hidden apertures to fulfill their postal duties. There is no need at all for them to have pigeon-hole access. Secondly, the proposed LSG continues to mention 3-way access letter boxes, which means that the new LSG will still continue to accept and allow pigeon-hole access.

This blatantly ignores the issue of mail integrity and security where the PPL's postmen are concern. If it is the CEO of the PPL (Singpost) having this type of access, we may be less worried. But how can we to be certain that none of the hundreds of postmen, current and future, will be able to resist the temptation to interfere with competitors' mails?

Postmen only need to deliver postal articles to letter boxes. This is the same whether they are from PSOs or PPL. There is absolute no justification for any postmen (to be clear, this means all postmen from all operators) to have pigeon-hole access.

For the current 2-way access letter boxes, we are perfectly aware that there is no choice but to allow the PPL to continue to have such pigeon-hole access until they are replaced. But this is not true for 3-way access letter boxes.

The important point here is that the new LSG cannot be suggesting that pigeon-hole access will continue to be an acceptable feature of new letter boxes. The current state of affairs does call for certain amount of compromise, but moving forward, the new LSG must make it clear that the pigeon-hole access will not be acceptable.

We propose that, where there is a perfectly good alternative available, no pigeon-hole access be allowed for any PSO and PPL.

- (a) LSG to state that the current 3-way access letter box will not be acceptable; use only simple 1-way access or New Two-Way access letter box (Section 3.4 below).
- (b) PPL must immediately switch to delivery access only for existing 3-way access letter box.
- (c) LSG to state timeline for current 2-way access (with pigeon-hole access for PPL) to be replaced.
- (d) Consequently, all references to the acceptability of pigeon-hole access should be removed.

The issue of mail integrity and security compromise will be addressed with the removal of pigeon-hole access. At the same time, the PPL can continue to fulfill its job without compromise or hindrance and their postmen will not be subjected to the lure of tampering with mails delivered by others; incident had happened before and we are sure IDA, PPL and all PSOs will want to avoid such recurrence. Further, this also paves the way for a possible liberalization of last-mile postal delivery competition.

3.4 New Two-Way access

For postal service fulfillment, the postmen need to be able to

- (i) reach letter boxes, and
- (ii) deposit postal articles into letter box.

Another consideration here is also the intention to continue to allow Property Developers and Estate Managements the choice of installing aperture-cover lockable letter box for their residents, to give residents a choice. At the same time, we also must eliminate pigeon-hole access to letter boxes.

We propose a New Two-Way access letter box that allows Masterkey delivery-only access for all PSOs and PPL postmen – which is all that is needed. The two ways for the New Two-Way access are:

- (a) Aperture access when aperture is not locked.
- (b) Delivery access to letter box, via either a hidden set apertures accessible by Aperture Masterkey, or Aperture Masterkey that unlocks all aperture covers (a feature that is already in current letter box designs).

Compared to 3-way access, the New Two-Way access letter boxes will have a much simplified functionality and therefore will cost Developers and estate managements less to install or upgrade to. At the same time, it meets all necessary considerations in the liberalized postal service sector and it removes the controversial

pigeon-hole retrieve-access by PPL postmen. It also put in place the necessary environment that allows IDA to liberalize the last-mile postal delivery when it becomes convenient for IDA to decide.

Furthermore, Town Councils who are now are in a dilemma about keeping a set of Masterdoors keys for themselves (to letter boxes they paid for) because of the pigeon-hole access issue will no longer have this problem with the change; they can subsequently have more choices on how to deliver their own Town Council newsletter. The many advantages to remove pigeon-hole access without a doubt far outweigh any excuse for having it.

3.5 Remove "recommendation" of masterdoors

There should not be any "recommendation" statements within the LSG. This is especially more important given the current (and foreseeable future) status where the PPL is the only operator with masterdoor access and recommending a masterdoor type letter box clearly tilts the critical advantage towards the PPL. This is as good as recommending to Developers to install the letter box type that only the PPL can deliver into.

Given the assumptions for this Part of the feedback, it also implies that IDA wants to remain neutral as far as the junkmail issue is concern. It is therefore imperative that the LSG is not advocating one type over another but it is sufficient just to state the acceptable types.

We propose the following.

- (a) Remove the statement "Masterdoors are not compulsory but are strongly recommended." from the LSG, beginning of Section 3 of the proposed LSG.
- (b) Do not include "recommendation" statements to avoid conflict of interest issues. LSG should just state the mandatory features and acceptable optional features of letter boxes.

This public consultation is for an update of the LSG in view of the Postal Liberalization. The new LSG must not recommend any features that continue to retain elements that create a monopolistic market. In fact, the new LSG should not even recommend any acceptable optional features. As long as they are acceptable, stating them is all that is necessary.

3.6 Be clear on acceptable letter box type

It is our understanding that the following letter box types are acceptable.

- (a) 1-way access letter box without aperture-cover locking device and hence without master key access that are simple and less costly.
- (b) Multi-way access letter box with aperture-cover locking device and hence with masterkey access.

In the LSG, it is clear that (b) above is acceptable, but it is not clear at all that the less costly option of (a) above is also acceptable. On

the contrary, it is conceivable that a reader can interpret that the masterdoor type is the only acceptable type. The only hint that (a) is acceptable is in Section 7 of the current LSG, that states "Developers can write to SingPost for consideration of other letter box designs that may meet the basic specifications". In the liberalized competitive market that IDA hoped to facilitate, this potential conflict of interest issue cannot be ignored.

Additionally, the current and proposed LSG places the description of Masterdoors as a main Section – in Section 3 of the LSG. This inappropriately elevated status to a Section (Section 3 of LSG) for the description on "Masterdoor letter box" together with the omission of clearly stated acceptability of the simple 1-way letter box, wrongly give the impression that masterdoor type letter box is the only choice and is perhaps mandatory. The new LSG must remove this misconception.

We propose that that there should be clarity on the acceptable type of letter boxes without requiring developers to seek clearance from SingPost. We propose that one addition section should be added clarifying that the letter box types acceptable are the following.

- (a) One-way access letter box without aperture locking device and therefore no Masterkey.
- (b) New Two-Way (Section 3.4) access letter box with Masterkey.

Further description of the acceptable features of Masterkey access and/or Masterdoors should be placed as a sub-sub-section under the sub-section of the optional New Two-Way access (or Multi-way access depending on IDA's final decision) letter box option.

In this way, the new LSG will be clear on the type of acceptable letter box Developers can install. Additionally, SingPost, the appointed administrator of letter box specifications, will not be put in a difficult position of conflict of interest to approve acceptability of a type of letter box that is clearly acceptable but is not clearly stated in the LSG.

3.7 IDA to decide on Masterkeys for PSOs

The proposed LSG states that Masterdoor access keys be handed to SingPost, being the only PPL and being the only operator that IDA stated that shall have Masterdoor and Masterkey access.

Section 3.8 of the proposed LSG <u>recommends</u> by encouraging Developer/Owner or appointed Managing Agent to allow other PSOs licensed by IDA access to Aperture Masterkeys or Aperture Masterdoor Keys to facilitate their delivery.

The difference here is for the case of SingPost, it is clearly stated that keys must be handed to them, but for PSOs, it is encouraged – i.e. ambiguous. The new LSG is going to be the rule-book that PPL, PSOs, Developer/Owners and Managing Agents will abide by. They are all looking to IDA to give clear unambiguous instructions, and IDA needs to clear. Does IDA want them to hand those relevant keys to licensed PSOs who are wants to provide local postal delivery service, or not?

We propose that the new LSG should state clearly, without being ambiguous, if Developer/Owners and Managing Agents should hand over Aperture Masterkeys or Aperture Masterdoor Keys to other PSOs licensed by IDA to facilitate their delivery.

If IDA is planning to wait until all HDB/Private-Apartments/Condominium/Commercial-Building letter boxes to be upgraded to a type more convenient for IDA to decide, then perhaps IDA should be stated that keys will not be available to PSOs until then. By being ambiguous, the IDA can send interested enterprises on a wild goose chase and inadvertently passing the problem over to PSOs, Developer/Owners and Managing Agents. Naturally, there is always a preference for the status quo, i.e. no keys given, hence the wild goose chase by interested enterprise.

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