

No: 017/25

30th January 2025

TO: ALL BRANCHES

Dear Colleague

OFCOM ANNOUNCEMENT ON THE FUTURE OF THE UNIVERSAL SERVICE

All branches will have seen that OFCOM has announced their expected consultation today on the future of the USO.

The Unions response is attached to this LTB and we would ask all branches to ensure that this is conveyed to all CWU Representatives and every workplace.


The Unions position on the USO has also been explained previously and is set out in both the trial agreement and the recent agreement reached with EP Group. This positions us strongly to deal with the issues of job security, benefits for our members and the need to fully restore Quality of Service.

The trials are an essential next step and will assist in testing Royal Mail's assumptions, particularly on the operational impact and whether or not workload will be manageable for our members.

As part of this consultation we will ensure that feedback from our members is put in front of OFCOM and we will be encouraging the regulator to visit sorting offices and talk directly to the members involved in the Pilots.

During the consultation, we will also be making strong points that OFCOM's own promotion of artificial competition has contributed to Royal Mail's financial position. We will continue to make the point that Royal Mail has been grossly mismanaged and that whilst we recognise that the company now operates in a permanently changed world of communications, there needs to be a completely fresh approach to the way the company is run and a new vision that sets out a serious growth strategy in the development of new products and services. In our view, this should include tailored services to the NHS and greeting card industry. Further information will be provided in due course.

Yours sincerely



DAVE WARD
GENERAL SECRETARY



MARTIN WALSH
DEPUTY GENERAL SECRETARY (POSTAL)



CWU RESPONSE TO
OFCOM ANNOUNCE

CWU RESPONSE TO OFCOM ANNOUNCEMENT ON FUTURE OF ROYAL MAIL USO.

Responding to today's announcement, "We recognise Royal Mail now operates in a permanently changed world of communications. The mix of letter decline and parcel growth does present a legitimate challenge to securing the future of the universal service obligation - something that remains a crucial part of our national infrastructure and a major contributor to the UK economy."

However, it's also true that Royal Mail has been grossly mismanaged in recent years and the Board have deliberately manufactured circumstances to make a purely financial case for change. This includes abandoning customer quality, attacking postal workers terms and conditions and pursuing a pricing strategy designed to accelerate letter decline in favour of parcels.

The role of the regulator, OFCOM, must also be exposed. They have pursued a relentless drive to promote artificial competition in a declining market, allowing competitors to cherry pick profits through downstream access of Royal Mail's network, thus inflating the cost of the last mile delivery.

In this environment, it is only the strength and support of our members that has defended the service and moved the company away from a 3 or 4 day use proposal which would have devastating results for customers and jobs. The proposal being trialled in the UK sees first class letters and parcels continue to be delivered six days a week and second class delivered to the current specification, with the exception of Saturdays.

The trials that we have agreed with Royal Mail are strictly conditional on the basis that we see a significant improvement in service reliability for customers, the terms and conditions for postal workers are improved - including improved attendance patterns and more Saturdays off, long term job security is agreed and a genuine platform for growing the company is created. Any failure to abide by these conditions will see our support withdrawn.

This moment is a real test for many groups. OFCOM need to step up and allow Royal Mail to build innovation into this proposal that would include bespoke and advanced letter delivery services (The NHS and card industry as examples). Our members also want to see the Labour government take a real oversight and involvement to ensure that a key part of the UK infrastructure is protected. The prospective owners of Royal Mail – EP Group – have committed to restoring faith in the UK postal service – we will hold them to this."



Dave Ward
General Secretary



Martin Walsh
Deputy General Secretary
(Postal)

