



FACTSHEET



Post Office closures - the destruction of the Royal Mail.

How do you destroy a profit-making, universally-liked and fair-priced business network that is not only the best in the world but also an integral part of British life?

Simple. You bankrupt it.

How do you do that? Easy. Just hand over control to unelected foreign bureaucrats and allow foreign companies to seize the profitable areas of business, forcing the remainder into debt.

Crazy? Not at all. That is precisely what has happened to the Royal Mail and its network of Post Offices over the past eleven years.



How it used to be.

Up until the late 1990's Royal Mail had a monopoly of the British postal service. Because of that it was able to provide a universal delivery and collection service, common to all, regardless of where you lived in Britain. There were twice-daily deliveries and collections and, even in the smallest hamlets, a Post Office could be found.

The whole thing worked beautifully. The profitable urban and city services off-set the less profitable rural and countryside operations. Like the village pub and the bobby on the beat, the network of Post Offices throughout the United Kingdom became an integral part of British life **AND MADE A PROFIT!** It was, quite literally, the best and most reliable postal service in the world.

The European Union (EU), however, has an obsession with imposing competition regardless of whether or not a national monopoly, like the Royal Mail, is beneficial and works. In 1997, after publishing a press dossier on '*competition rules to the postal sector*', the EU Directive 97/67/EC '*Privatisation of Postal Services*' introduced an EU-wide postal service. This was completely at odds with the unique British system.

What to do? Quite simply, the Royal Mail had to go. This was achieved by gradually and secretly dismantling it.



The break-up.

The first step was the imposition of Directive 97/67/EC which reduced the Royal Mail's monopoly to mail weighing less than 350 grams. All other areas were made available to privatisation. This opened the door wide for public sector companies, mainly the Dutch TNT and German Deutsche Post DHL, to cherry-pick the profitable areas, leaving the less profitable to the Royal Mail.

More damage was inflicted with a second EU Directive 2002/39/EC calling for a *'step-by-step approach to further market-opening'*. In non EU-speak this meant a further chunk of Royal Mail business being made accessible to the private companies.

Within less than a decade the once profitable Royal Mail and its Post Office network was fractured and losing money.



Making things worse.

To add still further to its woes British politicians withdrew areas of business from the Post Offices. Among other changes, pensioners were nudged into having pensions paid into bank accounts and the purchase of TV licences was taken away from Post Offices.

Amazingly, the private postal companies can require Royal Mail to handle post on their behalf at a price to them of up to 9 pence a package cheaper than 2nd class charges. In reality this means the Royal Mail and the British taxpayer are subsidising the competition. Not surprisingly this arrangement has resulted in an 86% loss of profitability for the Royal Mail in the first half of 2006/07.



EU rules!

Westminster has been forced to seek EU approval to subsidise Post Offices to keep them open, albeit temporarily. Approval has come at a heavy price. In a letter (C(2007)5623final 28.11.07) to David Miliband, Neelie Kroes, EU Competition Commissioner, stipulated *'the transformation programme (subsidy) will involve reducing the Post Office network by around 2,500'*. The subsidy is further restricted by EU 'state aid' rules and cannot continue indefinitely. It must end soon. What happens then? No-one is saying.



The future?

In October 2007, the Minister for Employment Relations and Postal Affairs, Pat McFadden, when asked at a meeting at the Local Government Offices in Smith Square, London if he could guarantee that the current programme of closures would be the last, stated that he *'could not say that'*.

The EU has set 2009 as the year *'for the full accomplishment of the internal market for postal services'* (art.14, EU Direct. 2002/39/EC). This means that, within less than twelve years, the destruction of the Royal Mail will be virtually complete and all achieved with the British public blissfully unaware of what has been really happening and why.

New Labour, the Conservative and Liberal Democrat parties are all committed to Britain remaining in the European Union and subject to rule from Brussels, even if it means that, for yet another area of British life, the Royal Mail and its Post Offices, **there is no future.**

That's how the EU and British politicians destroyed the Royal Mail.

For more information on Post Office closures and advice and assistance on trying to save your Post Office, please contact us on free-phone 0800 587 6 587. We're there to help you. You can also visit Communities Against Post Office Closures (CAPOC) at www.postofficeclosures.org.uk