Communication Workers Union leaders hail completion of Kretinsky's EP Group buyout of Royal Mail

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The Communication Workers Union (CWU) on April 30 welcomed the news that Daniel Kretinsky's EP Group successfully completed their £3.6 billion takeover of Royal Mail—and parent company International Distribution Services (IDS)—with the buyout of 80.6 percent of shareholders.

The CWU statement from General Secretary Dave Ward and his deputy Martin Walsh is a cringing defence of their pact with multi-billionaire Kretinsky.

They claim, "The CWU have reached a groundbreaking agreement with EP Group that provides the platform of a fresh start and the rebuilding of Royal Mail."

Nothing could be further from the truth. EP Group has established sole ownership and delisted the company as the groundwork is laid to shelve the mail service. The price of a first-class stamp has been ratcheted up by 25 percent to £1.70 since the takeover bid began last May.

Kretinsky's decried the Universal Service Obligation (USO)—the statutory obligation to deliver letters six days a week to all addresses in the UK at a uniform price—as a "death grip", with its requirements the strictest in Europe.

This has been echoed by CWU leaders who repeat the mantra that the USO is "financially unsustainable". The dismantling of the mail service is baked into the Framework Agreement cooked up with EP Group by Ward and Walsh last December. This has been unanimously endorsed by the union postal executive but not put to a vote of the membership.

The downgrading of the mail service is to initiate a new stage of corporate warfare with thousands of job losses and the introduction of new exploitative work practices, along with automation, to transform Royal Mail into a parcel delivery network.

Ward and Walsh have spent the best part of a year in private talks with Kretinsky and EP Group to draw this up. But despite their PR hailing the successful buyout they acknowledge that "This is a development that many will greet with scepticism and uncertainty"

The CWU views basic class hostility to the carve-up of Royal Mail by billionaire asset strippers as an obstacle to be overcome through the methods and gaslighting and censorship. The union's formal commitment to renationalisation of Royal Mail is window dressing, to be shed in its alliance with the Starmer Labour government.

While the previous Conservative government gave its "in-principle" agreement to the Kretinsky takeover, it needed the rubber stamp of the Labour government last December in its Deed of Undertaking with EP Group, based on a bargain basement of short-term "protections", to install the oligarch and his private equity firm to sole ownership. It demanded the demobilising of all opposition to dismantling the USO as an example of the tripartite alliance Starmer promised to union leaders with the government and big business, with the CWU promised a seat at the corporate table with EP Group in return.

Ward and Walsh even present Kretinsky as a saviour figure, stating that "the truth is that the biggest threat to the future of our postal services is the status quo".

A concerted wrecking operation of the mail service has accelerated under Royal Mail to pave the way for Kretinsky. The current executives and wealthy investors will now gorge themselves on millions from the buyout.

The regulator Ofcom announced in January its support for Royal Mail's plans to downgrade the mail service to an alternate weekday delivery service for second class letters based on the Optimised Delivery Model (ODM). This is a blueprint to remove fixed duties for postal workers, increase call rates and delivery routes and eliminate one in four walks in a £300 million cost cutting

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exercise across Royal Mail. In addition, Ofcom has offered the watering down of quality-of-service targets including for first class post and delay of speed of delivery for both.

Walsh signed the Terms of Reference with Royal Mail in December to foist the ODM on 37 delivery offices in the "USO reform" pilots from February to June, as a testing ground for rolling this out across all 1,200 units in a national agreement with Kretinsky. Faced with dissent among postal workers, Walsh has doubled down on the message that the existing USO is "financially unsustainable". They declare, "The current Royal Mail Group Board have destroyed the service, turned on their own employees and grossly mismanaged the company from top to bottom."

This is shameless. This is what their pro-company agreement, co-authored with the self-same Board at ACAS to break the 2022-3 national dispute and enabled the biggest attack on the jobs, terms and conditions of Royal Mail workers in history. They then worked together to enforce this through the joint union-management groups.

What they describe as "gross mismanagement" was a £600 million looting operation by private investors, including Kretinsky. Then, as now, the CWU insisted that challenging the subordination of the mail service to the interests of the corporate oligarchy is impossible.

In the Letter to Branches attached to the CWU statement, Ward and Walsh state, "The next steps for the CWU will be to send to members home addresses an extensive communication explaining the terms of the CWU/EP Agreement and updating members on the USO. This will be timed towards the end of May and will be part of a series of communications to launch the new agreement."

This is not an engagement with members—who have been denied any say on either the Kretinsky takeover or USO "reform"—but a marketing exercise for EP Group to secure the CWU's privileged status as junior partners and make postal workers full in line.

Walsh has confirmed talks on pay recommenced from April 29, with EP Group over an "above inflation pay deal". The evasive wording is deliberate, it will not make up for the 14 percent real-terms pay cut imposed by the sellout agreement two years ago, which has dragged postal workers closer to the minimum wage.

Walsh has proclaimed the "aim" of reaching an agreement on May 14, to be endorsed by the postal executive and then be presented at a Special Briefing on May 21/22.

The pay talks are tied to Section 5 of the Framework Agreement, full of hollow pledges about "resolving outstanding issues" including cuts to sick pay and the two-tier workforce the CWU postal executive rammed through two years ago. Even this is tied to delivering "USO reform." The Framework Agreement says that any improvements are dependent on pushing through "transformation plans', e.g., removing fixed duties, hiking up call rates, and eliminating jobs.

Postal workers cannot afford a surrender document Mark II. Ward and Walsh avoided facing members at the *CWU Live* online meeting on Thursday, where they were billed to provide updates on the EP Group takeover. Instead, they sent pre-recorded videos full of dissembling from their joint statement and letter to branches.

The Postal Workers Rank-and-File Committee (PWRFC) was established in opposition to the sellout deal in 2023 to wrest control from the pro-company union apparatus and restore power to the shop floor.

What is needed is not compliance with Kretinsky's restructuring but building rank-and file-resistance. This needs to be based on two fundamental principles: The prioritisation of postal workers and the mail service, not the profits of the oligarchy—to defend jobs, demand an inflation busting pay increase, end the two-tier workforce and enforce safety against crippling workloads. Secondly, Royal Mail workers must link up their fight with postal and logistics workers internationally against similar efforts to privatise mail services and enforce brutal corporate cuts to jobs.

We encourage postal workers to contact the PWRFC and assist in building this collective resistance.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

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