



# British Telecommunications Act 1981

## 1981 CHAPTER 38

### PART II

#### THE POST OFFICE

##### *Powers of the Secretary of State over the Post Office*

#### **62 General control and supervision by the Secretary of State**

- (1) For subsection (1) of section 11 of the 1969 Act (which provides for general control and supervision of the Post Office by the Secretary of State) there shall be substituted the following subsections—

“(1) The Post Office shall give effect to any direction given to it by the Secretary of State under the provisions of this Part of this Act or Part II of the British Telecommunications Act 1981 and shall secure, so far as appropriate, that each of its wholly owned subsidiaries also gives effect to any such direction.

(1A) The Secretary of State may, after consultation with the Post Office, give to it such directions of a general character as to the exercise by it of its powers as appear to the Secretary of State to be requisite in the national interest.”

- (2) In subsection (4) of that section—

- (a) after the words " Post Office" where first occurring there shall be inserted the words " or any wholly owned subsidiary of its ";
- (b) for the words " the following provisions of this Part of this Act" there shall be substituted the words " the provisions of Part II of the said Act of 1981 ";
- (c) for the words " it ceases so to do " there shall be substituted the words " the Post Office or subsidiary ceases so to do ".

- (3) For subsection (5) of that section there shall be substituted the following subsections—

“(5) The Secretary of State may, after consultation with the Post Office, direct the Post Office—

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- (a) to make a scheme under subsection (1) of section 60 of the said Act of 1981, or to exercise its powers under subsection (4) of that section, for such purposes and in such manner as may be specified in the direction ; or
- (b) to dispose of any part of its undertaking or any assets held by it or to exercise its control over any wholly owned subsidiary of its so as to cause the subsidiary to dispose of any part of its undertaking or any assets held by it;

but the Secretary of State shall not give any direction under paragraph (b) above unless he is satisfied that he will not thereby impede or prevent the proper discharge of the Post Office's duty under section 59(1) of the said Act of 1981.

- (5A) The Secretary of State shall lay before each House of Parliament a copy of every direction given under subsection (5) above unless he is of opinion that disclosure of the direction is against—
  - (a) the interests of national security; or
  - (b) the commercial interests of any person.”

(4) In subsection (6) of that section—

- (a) for the word " directions " there shall be substituted the word " direction "; and
- (b) for the words " it is against the interests of national security to do so " there shall be substituted the words “disclosure of the direction is against—
  - (i) the interests of national security ; or
  - (ii) the commercial interests of a person other than the Post Office and its wholly owned subsidiaries”.

(5) Subsection (7) of that section shall be omitted.

(6) For subsection (9) of that section there shall be substituted the following subsection—

- “(9) The Post Office, in such manner and at such times as the Secretary of State may specify in writing to it, shall furnish him with such information—
  - (a) as he may so specify, and
  - (b) as the Post Office has or can reasonably be expected to obtain,
 with respect to such matters relating to the Post Office or its subsidiaries or the activities (past, present or future), plans or properties of any of them as the Secretary of State may so specify.”

(7) In subsection (10) of that section, for the words "performance by it of its functions " there shall be substituted the words " performance by it and its subsidiaries of its and their functions ".

(8) In subsection (11) of that section —

- (a) for the word " section " there shall be substituted the words " Part of this Act or Part II of the said Act of 1981 "; and
- (b) for the words " subsection (6) above " there shall be substituted the words " subsection (6)(a) above ".

(9) This section shall come into operation on the appointed day.

### **63 Activities requiring consultation with the Secretary of State**

- (1) The Post Office shall consult with the Secretary of State before it and all of its wholly owned subsidiaries taken together (in this section referred to as " the group ") during any accounting year construct, manufacture or produce, for the relevant purpose, things of any kind to an extent substantially greater than that to which the group constructed, manufactured or produced, for that purpose, things of that kind during the relevant period.
- (2) The Post Office shall also consult with the Secretary of State before the group during any accounting year constructs, manufactures or produces to a substantial extent, for the relevant purpose, things of a kind that the group did not construct, manufacture or produce for that purpose during the three accounting years immediately preceding that year.
- (3) In this section—
  - " the relevant period " means, in relation to things of any kind and any accounting year, whichever of the three accounting years immediately preceding that year was the one in which the group constructed, manufactured or produced, for the relevant purpose, things of that kind to the greatest extent;
  - " the relevant purpose " means the purpose of—
    - (a) use by the Post Office or any of its wholly owned subsidiaries;
    - (b) supply by the Post Office or any of its wholly owned subsidiaries to British Telecommunications or a subsidiary of British Telecommunications; or
    - (c) supply by the Post Office or any of its wholly owned subsidiaries to outside persons for use by such persons in connection with services provided by the Post Office or any of its wholly owned subsidiaries ;and for the purposes of this section the assembly of an article in the course of its installation at the place where it is to be used shall not be taken to constitute its manufacture, construction or production.
- (4) This section shall Come into operation on the appointed day.

### **64 Activities requiring approval of the Secretary of State**

- (1) Neither the Post Office nor any of its wholly owned subsidiaries shall, except with the approval of the Secretary of State, construct, manufacture, produce or purchase, otherwise than for the relevant purpose, things of any kind to a substantial extent.
- (2) The Secretary of State—
  - (a) may give approval for the purposes of subsection (1) subject to such conditions (if any) as he may think fit; and
  - (b) notwithstanding the giving of approval, may at any time, after consultation with the Post Office, direct it to discontinue or, as the case may be, to exercise its control over any of its wholly owned subsidiaries so as to require the subsidiary to discontinue, any activity that the Post Office or, as the case may be, the subsidiary is carrying on with approval.
- (3) The Secretary of State shall publish, in such manner as he thinks fit, particulars of any approval given by him under subsection (1).
- (4) In carrying on any activities to which subsection (1) applies, the Post Office shall act as if it were a company engaged in a commercial enterprise, and it shall so exercise its

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control over each of its wholly owned subsidiaries that carries on any such activities as to ensure that the subsidiary so acts.

- (5) In this section " the relevant purpose " has the same meaning as in section 63.
- (6) This section shall come into operation on the appointed day.