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Chair

Mr. Tom Lukiwski

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• (0830)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Panellists, welcome.

As you know, the minister responsible for Canada Post has engaged in a series of very extensive consultations that takes basically two parts. The first part was the establishment of a task force to examine the financial viability and sustainability of Canada Post. The task force has completed its work. It has submitted a report that this committee has examined.

The second part, however, is a cross-country consultation with Canadians as individuals, organizations, and municipalities, asking them their views on the future of Canada Post, and trying to solicit their recommendations for the future of Canada Post. We're here today for the second phase of our consultations.

The process that we'll follow is fairly simple. We will ask each of you to offer a five-minute or less opening statement, and that will be followed by questions from all of our committee members. We have approximately one hour or so.

Time is fairly tight, and that's why I'm asking you to try and keep your opening comments to no more than five minutes. It has been our experience that even if you have more things that you think you want to say in an opening statement, that usually comes out in questions during the Q and A process.

I have a list of all of the panellists and we'll begin with Susan Sitlington.

Ms. Susan Sitlington (President, Canadian Union of Postal Workers): Thank you.

Canada Post delivers letters and parcels to homes and business every year. Many Canadians consider it a trusted and valuable service.

Home mail delivery is the most environmentally friendly way of moving parcels and letters from sender to receiver. Moving the delivery to five days a week is greener. Moving the delivery to three days a week would make a Canada Post parcel more expensive, which would result in the corporation losing market share to less environmentally friendly companies. More courier companies would step in to fill the gap, driving the same streets.

Fluctuation in volume is already built into the delivery system, so having carriers deliver fewer days makes it harder to reduce carbon footprint. From an environment perspective, Canada Post is the best delivery option. According to a 2011 report, getting a parcel

delivered by Canada Post can cause up to six times less CO2 emissions than an overnight carrier, and three times less than having a customer make a five-kilometre trip to pick it up in a store.

Our national president Mike Palecek says we have more outlets than Tim Hortons. We've got the biggest retail network in Canada. We deliver everywhere in this country. Imagine what we could do with these assets.

Postal banking would be a powerful, low-cost alternative. With profits earned, it could help keep post offices thriving as a public service and bring returns to communities. Canada Post ceased postal banking in 1968. As of July 31, 2016, Canada's six biggest banks reported a combined profit of \$10.4 billion, up 12.6% from last year's quarterly profit. Banking is the most profitable industry in Canada. Canadians pay some of the highest bank fees in the world. The average is \$185 per user per year.

Banks have also pulled out of rural communities to bigger metropolitan cities where customers are more likely to make higher purchases, generating more wealth. China's postal bank serves over 400 million customers. Japan post is the largest deposit holder in the world. New Zealand and Italy post have successfully offset mail volumes with banking. They are able to keep letter carrier and retail services while still showing profits. Revenues for U.K. postal banks have shown a 40% profit, while France has shown a 65% profit from banking services. France's postal bank also offers services for low-income customers to social service agencies.

John Anderson, an author at the Canadian Centre for Policy Alternatives, studied the postal banking of several countries. He believes adopting a similar service for Canada Post is a no-brainer.

Canada's vast geography leaves cities, towns, and villages with a lot of kilometres betwixt them. Big banks have moved out of many rural communities, and this is much more pronounced in the northern regions.

Altering the moratorium on retail post offices would do nothing but make these small villages into ghost towns, leaving residents with a feeling of loneliness. Canada Post is the only federal entity these small communities have connecting them with the federal government. Pulling out would give them a feeling of not belonging.

Canadians have told the government they want their service restored to how it should be, through door-to-door delivery and retail counters. Community mailboxes were and are a big failure for Canada Post. Many cities, towns, and municipalities from coast to coast to coast fought against these monstrosities. We're able to stop them with the promise of door-to-door delivery being restored.

Letter carriers become the eyes and ears on the street. Letter carriers can sense if something is out of whack because they are there every day. There are many stories of letter carriers saving lives and homes, averting danger, providing smiles, love, and laughter. For some, the only human contact is the letter carrier.

We must look at the real story of Canada Post finances, and not absurd losses portrayed to Canadians who are accepting less service for higher postage. It's funny, Deepak Chopra worked for Pitney Bowes before Canada Post. After his five-point action plan, you can send metered mail with Pitney Bowes for 85¢, but at a Canada Post retail outlet it's \$1.

●(0835)

Of the last 22 years, 20 years of that were profitable for Canada Post. In 2011, they did not have a profit because of the court case they lost with PSAC over pay equity.

Canada Post has returned over \$280 million to federal coffers through dividends and taxes. Even with its five-point plan, where it was portrayed that Canada Post was supposed to lose money, it has remained sustainable and profitable. Canada Post can be sustainable and can provide universal services for all Canadians from coast to coast to coast.

The Chair: Thank you very much.

Mr. Sutherland, you have five minutes, please.

Mr. Norm Sutherland (Business Owner, Petrolia, Ontario, As an Individual): Thank you.

Mr. Chair and committee members, my name is Norman Sutherland. I'm an Ontario land surveyor, a Canada land surveyor, professional engineer, and a small-business person residing in Petrolia, Ontario, near Sarnia. I'm presently a consultant to a small land surveying and engineering firm.

In my earlier career, I was employed by Polysar, a large crown corporation producing synthetic rubber in Sarnia and overseas. I have worked in England and Switzerland. I have reviewed the 94-page discussion paper entitled "Canada Post in the digital age". This is a well-documented and well-written paper and generally very clear, except for a few items of a technical nature.

My town of Petrolia, population 5,500, was just converted a few months ago from a post office box number system to a municipal address system. Although representing small business, I may make reference from time to time to items that are also of interest to individual small-town customers. Since the transition in Petrolia is very recent, I would like to make some observations.

Your discussion paper makes several references to the importance of transparency and good communications. Hopefully, Petrolia was a learning experience on how to make it better. More notice before the change and a better explanation on what was being done, and why,

would have been helpful. The Petrolia post office bore the brunt of a considerable amount of criticism, and the lines between local staff and Canada Post were not always clear.

The discussion paper also makes reference to the importance of a post office being a community centre. This is particularly important in a small rural centre. With the Petrolia transition, the community bulletin board and the sorting table for mail in the lobby have been removed. We hope that they can be returned. There is no need for further discussion here, but it does demonstrate those principles of importance that your task force has correctly identified.

I was pleased to learn that Canada Post realizes the importance of parcel delivery. From the beginning of this new development, Canada Post has had the infrastructure and network to have the inside track and be leaders in this area. I also believe that Canada Post already delivers more packages than FedEx or UPS and many people are not aware that Canada Post owns 93% of Purolator.

In our small operation of 20 employees, it's interesting. I had a survey done and our ratio of Canada Post usage to courier is 95% to 5%. I would also note that the usage of courier services increased greatly during the weeks when the Canada Post delivery was threatened by a possible strike.

Word is getting out. The *London Free Press*, on the opinion page last Saturday, had a point of view entitled "Status quo not option for Canada Post". Hopefully, such articles will have a positive spin to them.

We recognize the two main stumbling blocks to implementing meaningful change to our postal system. One is what I refer to as the political aspect. For example, with the recent change to our federal government, the plan to phase out door-to-door service across the country and install community mailboxes was put on hold. The other main resistance is the mindset that change is bad. Transparency, good communication, and marketing, will be of key importance here.

The current economic model that places profit over the common good of all human beings, so much in vogue today, must change in order to confront the challenges the world is facing today. I was heartened to see the statement on page 35 of the discussion paper, "Canadians clearly favour certain options. In fact, the majority of Canadians did not agree with changes to Canada Post if they resulted in mass layoff of postal employees or cutting Canada Post employees' pay and benefits." On the other hand, the research indicates that the majority of businesses are in favour of the realignment of Canada Post's labour costs. I will not repeat, but I will refer to the views and opinions on businesses, page 36 of the discussion paper.

Front and centre to this discussion is the statement made on page 57 of the paper, "The current business model of the Corporation does not generate sufficient income and cash to finance the realignment needed to continue its journey from a letter-centric to a parcel-centric business...."

●(0840)

In my previous experience with a large crown corporation, we found, to our dismay, it was not profitable to go into business with product lines with which we had little or no experience, or where we were competing with some of our main customers.

The delivery of flyers, also known as junk mail, which is increasing in volume and contributes very little to profit, could be reduced. In our small town, many of these are delivered door-to-door by news carriers.

I would finally suggest that in distributing the discussion paper, it would be helpful to have annex A entitled "Task Force Terms of Reference, pages 89 to 91" at the beginning because it clarifies at the outset the purpose of the exercise.

In conclusion, I would like to commend the task force and all others involved in this major study. Hopefully, it will not lose momentum.

The Chair: Thank you very much, Mr. Sutherland.

Mr. Frank Schiller, five minutes, please.

Mr. Frank Schiller (As an Individual): Mr. Chairman, Vice-Chair, and members of the committee, thank you for this opportunity to be heard as part of your important work on the future of Canada Post. Thank you, also, for visiting Windsor-Essex in your consultations. I hope more federal institutions will follow your example and visit and consult locally here.

The Government of Canada has important decisions to make on the future of Canada Post. I'm appearing today to urge you to recommend that Windsor—Tecumseh be fully accommodated as part of the government's plan for Canada Post moving forward, including, first, the full restoration of door-to-door mail delivery for all Windsor—Tecumseh households that abruptly lost their service over the 2015 federal election. Second, I urge that Canada Post be directed to co-operate with local governments on an immediate plan for the removal of the community mailboxes that were installed; and that compensation be paid, where appropriate, for the downloaded costs on local municipal governments because of Canada Post's poor local implementation of the community mailbox program. Third, I urge that Canada Post be directed to examine the feasibility of establishing a secure, pre-clearance hub facility in Windsor-Essex for incoming and outgoing Canada-U.S. mail and packages.

Windsor—Tecumseh is unique. I had the privilege to serve as the Liberal candidate in Windsor—Tecumseh over the last election. It was in the middle of that campaign, in August 2015, that Canada Post ended door-to-door delivery for many local households, mainly in the town of Tecumseh and in a small area in east Windsor. This was an intense local issue of concern. Canada Post so poorly managed the ending of door-to-door delivery and the switch to community mailboxes in Windsor—Tecumseh that it cannot be allowed to stand. The local decisions on door-to-door must be reversed; good governance moving forward demands nothing less.

Local decisions were driven by political imperatives—beating the election deadline—and not about service or even business. The proof of this is in the complete disregard demonstrated by Canada Post for public health and safety with the installation of the community

mailboxes. Safety concerns, something that should be paramount at all times for customers, employees, and the local community, were but secondary considerations. The imperative was to get the community mailboxes in the ground, by whatever means necessary, and not about safety and delivering a quality service for the local residents. This was bad faith. Local residents deserve better from Canada Post as a federal crown corporation that enjoys the privilege of the legislative monopoly. The political comparative, combined with poor local consultations and limited public information, led to the imperfect storm of poorly installed local community mailboxes.

The Liberal position on Canada Post improved over the election campaign, from supporting a moratorium on community mailbox conversions to a commitment to restore door-to-door mail delivery. That's critically important. The focus has to remain on services towards this end. Delivering the mail is a vital service for Canadians, and this is at the heart of Canada Post's mandate. Canada Post is not a private business, but a government agency providing a vital public service. No matter where you are in Canada, be it at the top in Alert, Nunavut, or down here at the bottom tip in Windsor-Essex, you should enjoy similar levels of service. Locally, in Windsor—Tecumseh, that means the restoration of door-to-door mail delivery to those households that lost it in August 2015, and the halting of further conversions from door-to-door to community mailboxes in the future.

Better consultations with the public and local governments are essential. Canada Post has to do a better job releasing information and consulting directly with the public and local governments. As part of the process of restoring local door-to-door service, Canada Post must be directed to work co-operatively with local governments on a plan for the removal of the community mailboxes, including those along Riverside Drive here locally, that were installed in the run-up to the 2015 August decisions.

There is a precedent for the restoration of door-to-door service in Windsor—Tecumseh. Past erroneous operational decisions have been overturned by Canada Post; this is not uncommon in government or business generally. Consider the recent federal government decision to reopen the veterans' office in Windsor. This was the right decision. Similarly, it's now the right decision to restore door-to-door delivery in Windsor—Tecumseh and to treat local municipalities fairly in the process.

Sustainability must form part of Canada Post's decisions moving forward. Canada Post should be directed to examine the feasibility of opening a new local mail hub in Windsor-Essex, a secure operation with custom pre-clearance for all Canada-U.S. letter and package deliveries.

●(0845)

Right now mail delivered in Windsor-Essex gets trucked up the 401, processed, and then trucked back down for local delivery. There has to be a better way, a more sustainable way. Canada Post should be in a position to better capitalize on the local benefits of the Windsor-Detroit gateway and our vital Canada-U.S. trade corridor. Equipped with the right technology, operated by the highly trained and experienced local postal workers, a secure Windsor-Essex mail hub would complement other government priorities in international trade, transportation corridors, sustainability, and innovation.

From 1993 to 1995, I had the privilege to serve as the legislative assistant to the federal minister for Canada Post. At the time, the government of the day passed a motion in the parliamentary process imposing on Canada Post a moratorium on rural post office closures. Although not a perfect mechanism, it was highly effective at significantly curtailing rural post office closures. The Government of Canada can now take a similar approach, imposing the restoration of door-to-door mail delivery, including in Windsor—Tecumseh, and a moratorium on future conversions. This could be subject to five- to 10-year reviews.

Thank you, and I welcome any questions.

The Chair: Thank you all for your presentations.

We'll now go into a seven-minute round of questions and answers.

Ms. Ratansi.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you all for coming. This is our third day of consultation across the country.

We have met with the task force, we have met with the corporation.

Mr. Sutherland, you have read the task force report very well. If I were to go back to the corporation, what question do you think I should ask them? We're hearing about their arrogance and their edicts and their top-down approach. Is it possible that they were told by the then-government to do it? What question do you want me to ask the corporation?

●(0850)

Mr. Norm Sutherland: That question is a difficult question to put it in one. This is a question you're suggesting to ask the task force?

Ms. Yasmin Ratansi: No, the corporation.

Mr. Norm Sutherland: The big thing is not so much a question, but a direction—it came out today—on better communication, better transparency, and more notice. As I mentioned, people don't like change, but it certainly helps a lot if there's good groundwork with due notice. It has to happen.

Ms. Yasmin Ratansi: Canada Post is stating, from a profit perspective, from a business perspective, it's not sustainable. But they have not looked at the service side of it. According to certain witnesses, they are not innovative in their thinking. The strategic direction they have is cut, cut, cut.

I come from a receivership environment, so, trust me, that's what I do. But this is not something that Canada Post, as a crown corporation, understands. If we were to go back to that management, do you think management has the goodwill to negotiate with labour,

to negotiate with the municipalities, to be able to communicate effectively?

I'll give each one of you probably 30 seconds.

Ms. Susan Sitlington: Canada Post took all retail products out of retail counters in...I can't remember when. This was before the delivery of door-to-door. There went their revenue. The only thing that's left are the stamps, of course, and envelopes.

Ms. Yasmin Ratansi: What sorts of products were these?

Ms. Susan Sitlington: They took out the passport service, the fish and wildlife licences.

Ms. Yasmin Ratansi: So if I were to go back to them and ask them, would you reinstate retail service—

Ms. Susan Sitlington: Yes, retail service the way that it was. Now all that kind of stuff has gone to Shoppers Drug Mart.

Ms. Yasmin Ratansi: Especially with remote communities, that would be probably better.

Ms. Susan Sitlington: Yes.

Ms. Yasmin Ratansi: Mr. Sutherland.

Mr. Norm Sutherland: We all have wants and needs. To answer the first part of the question, yes, they're going to have to be more flexible, and certainly more attuned to dealing with employees and the public. When you set out the guidelines that there's not enough money, then maybe subsidies might be required to fill in some of the gaps—not tax dollars, subsidies—and there are going to have to be some adjustments. Somebody has to lay down the law.

Ms. Yasmin Ratansi: I'll come back to that question.

Mr. Schiller.

Mr. Frank Schiller: I think the government should be commended for implementing the independent review of Canada Post right away in the first part of its mandate. I think it's essential that Canada Post bow to the will of Parliament. I think as parliamentarians you all have such influence over the future direction. They have to be reminded from the top down that the focus and core mandate of the corporation is to provide a service to the people.

They approach their current projected revenues based on a mindset that is not focused on service. I think the most important clear direction that the committee can give is the restoration of door-to-door delivery through a motion in Parliament. That will provide a clear signal to the corporation that this government is interested in putting the focus on service.

Ms. Yasmin Ratansi: Canada Post corporation has done its review or it was given a mandate by the previous government to streamline operations and to make it more sustainable and to be profitable. Change is important. You can't stay in the 19th century. We're moving towards the 21st century. Canada Post has to reinvent itself.

The question I was asking is does management have the capacity to think outside the box? We were told no. But from a labour perspective, we've been told that its inflexibility, that the labour cost, or work, is basically dragging down the profitability.

Do you have any thoughts?

●(0855)

Ms. Susan Sitlington: Deepak Chopra, has one mindset and that was from the previous government. I don't think he's gotten the picture that it's the government of the day, the party of the day...and he needs to understand. I don't really think it's the labour cost. I think it's his mindset. It's, like you say, the business. He's not into service. Canada Post is for the people. It should be just sustainable. It's not a cash cow. It should not be over-profitable. It's there as a service to Canadians.

Ms. Yasmin Ratansi: Mr. Sutherland, going forward, what should Canada Post do? You mentioned community mailboxes. If they consulted again with municipalities and SMEs to say here is what is profitable, here is not what is profitable, and take the whole formula of services versus businesses....

What would you say the road moving forward would be for them?

The Chair: Unfortunately, Mr. Sutherland, Mrs. Ratansi has only left you about 15 seconds for a response.

Mr. Norm Sutherland: It's a balancing act. They have to admit that there have going to be changes and work both sides along the way.

The Chair: Thank you very much.

Next up is Mr. McCauley for seven minutes please.

Mr. Kelly McCauley (Edmonton West, CPC): Good morning, everyone. Thank you for inviting us. I've been all over Ontario, lived all over the province, but I hadn't been to Windsor yet. So thanks for inviting us to your wonderful city.

Ms. Sitlington, I'll start with you. Postal banking has come up a lot. We've all seen that both sides are being pushed hard by CUPW and other interested folks. What services do you see postal banking delivering to people?

Ms. Susan Sitlington: For lower-income people, people who don't have access to banks in the community—

Mr. Kelly McCauley: You'd make it available to all Canadians, not just low-income, right?

Ms. Susan Sitlington: Yes.

Mr. Kelly McCauley: What services do you see delivering to the low-income people that would generate enough profit to justify billions of investment in a postal banking system, with the training, the systems, the regulations, the higher costs?

Ms. Susan Sitlington: I'm sure in 1958 it was....

Mr. Kelly McCauley: It was ended by the Liberal government.

Ms. Susan Sitlington: Yes, it was ceased.

Now with a lot of these pay lender companies popping up where people in villages, because banks have pulled out of....

Mr. Kelly McCauley: Ninety-eight per cent of pay lenders are in the same vicinity as a bank. They don't operate on their own.

Ms. Susan Sitlington: Yes.

Mr. Kelly McCauley: How are you going to justify the billions of investment needed to set up postal banking and how is it going to be offset?

I know you're not an expert. I appreciate that, but you're testifying here that this will save Canada Post.

Ms. Susan Sitlington: I'm not an expert.

Mr. Kelly McCauley: I'd like to hear what ideas? How are you going to make your money, with what services? Mortgages?

Ms. Susan Sitlington: In the postal banking services, it gives....

Like in Italy, they are able to go to the bank and pay their bills, their gas bill, their hydro bill, that's done at the bank or at the post office. Everything in Italy is done—

Mr. Kelly McCauley: That's a privatized post office in Italy.

Ms. Susan Sitlington: It just said "Italy Post".

Mr. Kelly McCauley: Do you realize that every banking system you've mentioned, post banking, has been a privatized system, as well? Are you advocating that we privatize Canada Post?

Ms. Susan Sitlington: No, I'm not advocating that you privatize Canada Post.

Mr. Kelly McCauley: It's just that we get these examples put at us that we should do it the way it's done in foreign countries.

Ms. Susan Sitlington: This is just a way of revenue service to—

The Chair: I'm sorry, Mr. McCauley. Perhaps if you can let Ms. Sitlington respond fully, we might—

Mr. Kelly McCauley: We'll go back to the original one. Do you envision them doing mortgages or is it more cheque-cashing?

Ms. Susan Sitlington: Yes, small deposits, banking, chequing, and savings. I'm not so sure about mortgages, but that is an avenue.

Mr. Kelly McCauley: Okay.

Mr. Schiller, thank you for your warm welcome this morning. I didn't realize you were the local candidate.

We've heard several times, brought up by certain people, that the Liberals had promised a return to door-to-door, and all throughout Edmonton the candidates have promised full return of door-to-door. You've mentioned it yourself this morning. We've heard, also, that there was no such promise.

I'm wondering if you could elaborate a bit on what you, as a candidate, thought was going to happen?

Mr. Frank Schiller: I think that from the beginning of the campaign to the end of the campaign, you saw a strengthening of the Liberal position, where initially it was a moratorium on community mailbox conversions. Then it went to the restoration of door-to-door mail service.

In Windsor that had a very particular meaning. In Windsor it's a unique case, because the actual implementation was in the middle of the campaign, after the writ was dropped but before the vote. Also, there are other communities just a little further up the 401 that were in a similar situation a couple of weeks later. They didn't end door-to-door delivery there; they put up the postal boxes but they didn't use them.

However, in Windsor and Tecumseh, in particular, that wasn't the case. Right in the middle of the campaign they stopped door-to-door delivery, and they hastily installed these postal boxes in unsafe areas. As a local candidate, my interpretation of the Liberal position was that those households in Windsor—Tecumseh that lost door-to-door delivery during the campaign would have that service restored.

• (0900)

Mr. Kelly McCauley: Interesting.

Mr. Sutherland, thank you very much for your comments. They were very precise and open. I appreciate that.

How much of your area has been switched over from door-to-door? Do you recall?

Mr. Norm Sutherland: In our area we have Corunna, which is just south of Sarnia; Forest, which was done three years ago; Petrolia; and I believe there are one or two others.

Mr. Kelly McCauley: What's happened? Do you think it can be adjusted just by moving some of the boxes to different locations, or are the locations fine? What needs to be done to—

Mr. Norm Sutherland: No, basically we have a main post office, so we all got new post office boxes. Then we remove any post office box number from our address and use strictly a street address. That's how the mail is sorted. The whole purpose of that exercise was to make it more viable and efficient for packages. From where I sit, it's going to work out very well.

Mr. Kelly McCauley: Thank you.

Just really quickly, Ms. Sitlington, I'm sorry I was getting a bit aggressive earlier.

Ms. Susan Sitlington: It's quite okay.

Mr. Kelly McCauley: A lot has come up about the compensation and the pensions. We saw recently—just last week, I think—that General Motors and Unifor signed a contract. Everyone currently is grandfathered. Everyone new is put on a defined contribution plan, which CUPW rejects outright. Unifor and GM did it realizing it's needed to protect and save jobs. Do you not see CUPW doing the same, looking down the road of what's coming down with the changes and the loss of revenue from reduced door-to-door, or do you believe it should be a government service that should be subsidized by taxpayers?

Ms. Susan Sitlington: I feel that it should remain status quo. If I didn't want a pension, I would be working for a company like Walmart that didn't offer it. I chose to work at Canada Post. They have the pension—

Mr. Kelly McCauley: I meant for anyone new coming aboard, not affecting you.

Ms. Susan Sitlington: Anyone new coming in should have the same advantage I had.

Mr. Kelly McCauley: Do you think, going down the road, as losses happen—as has been projected—that the money should be made up by taxpayers?

Ms. Susan Sitlington: No, it should not be made up by taxpayers, hence the reason for generating revenue through other means like postal banking.

Mr. Kelly McCauley: I think—

The Chair: We'll have to end it there, Mr. McCauley. Those were your seven minutes.

Ms. Hardcastle, welcome to the committee, and you have seven minutes.

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Thank you so much for your indulgence. It's great to be here today. I've been pleased to attend this venue before. As my friend, Mr. Schiller, has mentioned, we've had the TPP here, and I've been a part of that committee, which was very welcoming at that time. When Minister Hehr was here he gave us the announcement with regard to veterans services being enhanced.

I'm glad that our federal government does see that Windsor is an important pulse of North America, and it is important that Canada Post does leverage all of its advantages with its existing infrastructure, especially in a community like Windsor.

My question is for Ms. Sitlington. You had a chance to touch a bit, with my honourable colleagues pressing the issue, on business viability. I know that for the flexibility of the CUPW there has been some innovation that's been brought forward. There has been some deception that's been clarified. I'd like to know what your union envisions as its role in helping Canada Post move forward, were it to try new ideas such as evening delivery and Saturday delivery, increasing parcel delivery, and with the argument for daily deliveries.

I'm sure you're well versed in all of these issues and haven't had the forum to dispel some of the positions that have been brought forward around the corporation. I would like to give you this opportunity to share with us the flexibility and innovation that is foreseen by CUPW.

• (0905)

Ms. Susan Sitlington: As far as CUPW, with the five-day delivery to help keep the post office green with letter carriers, our carbon footprint is zero. We deliver the parcels. We already have the mobiles and the trucks. We have the plants. We have the people. The service providers are there, and we just need to keep going forward. Maybe opening a plant in Windsor is a good idea to keep Windsor going. My post office has recently pushed back our start times. We used to start at 8 o'clock, and now as a carrier we start at 8:30 for highway services to get the mail and the parcels, because parcels are going to be big for Canada Post, and of course the Christmas season is coming. They've opened a plant, I think, in Scarborough and there was another one that they just opened that they had closed. All of these things tied together with the parcels, the possibility of postal banking, keeping letter carriers on the street, five-day delivery, and bringing services back that were taken away is all going to generate revenue for Canada Post.

Ms. Cheryl Hardcastle: Thank you very much.

You mentioned processing earlier. Some of the points that Mr. Schiller brought up in his presentation were astute. Can you tell us a bit more about whether you know the existing infrastructure in Windsor and how that's been eroded away—so that any kind of business viability has become precarious—and maybe tell us about processing plants and post offices? Are you familiar with any of that information that's happened in the recent past?

Ms. Susan Sitlington: No. I do know that when Deepak Chopra started with his five-point plan, his plan was to only have two plants in all of Canada.

Ms. Cheryl Hardcastle: Quickly, it was brought up by another of my respected colleagues here about the union working with the corporation around pensions and labour reduction in order for the corporation to adapt to lower mail volumes. Has this been an adaptive corporation? Has the union previously worked with the corporation in terms of adapting? Has that already taken place over time?

Ms. Susan Sitlington: I'm not going to answer that question. I have to think.

Ms. Cheryl Hardcastle: Okay, that's fine. Thank you.

The Chair: You've got about a minute left, Ms. Hardcastle.

Ms. Cheryl Hardcastle: Great, thank you.

I'd like to especially welcome Mr. Schiller.

Thank you so much for being here today, and thank you for your very astute comments. I'd like to hear a little bit more, basically for the benefit of the other members here who maybe don't have the cross-border experience that you and I both know so well from the Windsor area.

Could you talk a little bit more about how you think we can be leveraging the competitive edge and the location of Windsor for the viability of Canada Post?

Mr. Frank Schiller: Indeed. I think it goes back to a really excellent question by Madam Ratansi earlier on. What direction could the corporation receive from the government on facilitating growth and development? I think it's important. The government has set a new tone; adversarial approaches don't work. Even in a

business environment, a business that recognizes its employees as its greatest asset succeeds.

I think we have to bring in a business environment where we put a focus on our employees and customer service. Part of that is reassessing the hub network that has evolved at Canada Post. Right now mail that is delivered locally gets sent as far as Toronto and then sent back for local delivery. That pushes back the delivery times.

I think that there's a great opportunity here to capitalize on the existing Canada-U.S. trade corridor to have a pre-custom-cleared hub that would take and deliver all incoming and outgoing letters and packages into Canada and the U.S.

• (0910)

The Chair: Thank you very much, Mr. Schiller.

Thank you, Ms. Hardcastle.

Next up is Mr. Whalen for seven minutes.

Mr. Nick Whalen (St. John's East, Lib.): Thank you very much, Mr. Chair.

Thank you all for coming this morning so early to give us your thoughts on how the future of Canada Post can be improved.

We've heard from a lot of different witnesses who have taken a lot of different approaches. Some agree with the task force that the best way to manage the future is to contract costs, contract service, and try to deliver the service in different ways, such as partner and franchise.

We've also heard from people who say we need to grow, expand, improve the level and quality of service, and recognize the role of Canada Post as part of the e-commerce infrastructure of the country so that new and emerging businesses have access to customers in the country on the same basis that Americans have access to our customers or Americans have access to their own customers.

My first question would be for Ms. Sitlington. You've mentioned postal banking. We've heard an awful lot from people telling us that they don't want to see Canada Post enter into new lines of business where they don't have expertise and don't want Canada Post to compete with businesses that already exist in the markets because government doesn't have a good track record in entering new lines of business or competing with industry.

Could you comment on that for us, please?

Ms. Susan Sitlington: There is that side of it, devil's advocate, yes. There is that side of it where Canada Post does not have any expertise in banking. That ceased in 1968, and I don't think those people are around anymore, so it would have to start from scratch, yes.

Mr. Nick Whalen: And sort of capitalize on the market opportunity to subsidize other services.

Ms. Susan Sitlington: Yes, yes, subsidize, capitalize, yes.

Mr. Nick Whalen: As someone who works on the front lines and has members who work on the front lines in the postal service, can you provide us with some examples where Canada Post has eroded its service levels? Service to customers in all the businesses that I've been involved with is king. You really want to prevent churn and prevent people from leaving your products. It seems that, over the past number of years, there have been a lot of disruptions that have encouraged people, perhaps not unnecessarily but certainly more rapidly, to drop their letter mail service or move to couriers.

Could you talk about some of the service disruptions that you've seen or ways in which the corporation has not a client-first agenda?

Ms. Susan Sitlington: Yes, even with this last ending of our contract, Canada Post was in negotiations with CUPW, and Canada Post pushed that button a lot sooner and was telling large mailers that there was going to be a strike, so we did see a decline early in parcels and letter mail.

Mr. Nick Whalen: In your view, they unnecessarily disrupted their own revenue stream.

Ms. Susan Sitlington: Yes, they did. They unnecessarily did, because CUPW's Mike Palesek told the country that we were not going to... Yes, we did have a strike mandate, but we were not going to push it forward.

Mr. Nick Whalen: In your view, the crisis and the loss of revenues for Canada Post weren't part of the union agenda. The union wanted to maintain the revenues, maintain profitability, and believe in the company, while the corporation was doing what it could to thwart revenues and make the company look like it was in a worse financial position than it is.

Would you agree?

Ms. Susan Sitlington: Yes, I do. Canada Post generated its own decline in business.

Mr. Nick Whalen: Mr. Sutherland, what are the opportunities for Canada Post? As someone who lives in a community that must be growing if you've moved from post service to resident municipal address service, which is great to hear, what types of other services do you think your community would appreciate having at its postal outlets, or what other services might they be able to receive from Canada Post?

Mr. Norm Sutherland: I think just doing their usual business and doing it well. The package business is the one that's really moving ahead. I don't know if you're familiar with the system but, basically, I go to my box—I can go on the weekend—in the post office. I open it up and there's a key there and the key has a number. I go to another large box and it has my parcel, so I can pick up a parcel on Saturday or Sunday. It's a good system. As far as my knowledge of the actual sorting system, it's more efficient. There's a little bit of a learning curve, but it's all going to get better.

To be specific, I did refer to that community aspect of a post office in a rural community because we lost our community bulletin board. Everybody would come every day—in fact, I helped to look after it—to a table to search your mail, but the philosophy, apparently, at Canada Post is that they don't want any papers or any garbage or anything, so they removed the garbage pails. There is no recycling. You're supposed to take your mail out the door and take it home.

That doesn't work. You'll find it now on the floor or up on the window counter. That is a small aspect, but it's not so small when you think of small communities and it being a community centre. If we could have our bulletin board back and our table, we'd be happy.

• (0915)

Mr. Nick Whalen: Mr. Sutherland, it sounds very strange. Who do you think is responsible for these changes, and why would they do something that I would see as quite anti-social?

Mr. Norm Sutherland: I think Canada Post, out of the London office, has passed the word down to our municipal people that it's not a policy to allow bulletin boards in post offices.

Mr. Nick Whalen: They're defeating the purpose. They're actually making it an anti-hub. They want people to spend as little time in the hub as possible.

Mr. Norm Sutherland: Exactly. That's the only place I meet my friends—or maybe sometimes at the grocery store—but I look forward to meeting people at the post office.

Mr. Nick Whalen: Mr. Sutherland, who do you think is driving this agenda? Is this being driven by the union? Is it being driven by management?

Mr. Norm Sutherland: I would have to say that it's management, only insofar as they're the spokespeople that we contacted to find out. They did promise, after we had a meeting in Petrolia, that they would look into it. But that was last May and nothing has happened.

Mr. Nick Whalen: Ms. Sitlington, is your membership in favour or not in favour of having recycle containers at the locations and having community services at the locations?

Ms. Susan Sitlington: We are in favour of having recycle bins. We are in favour of having garbage pails. We are in favour of having tables and bulletin boards, because that's what Canada Post is. Canada Post should be the pulse of any town, city, village, wherever it is.

Mr. Nick Whalen: Thank you very much for your testimony, Mr. Sutherland. I'm very surprised at the types of anti-social things that management is doing in small rural postal outlets.

Thank you.

The Chair: Thank you.

We'll now conclude with two five-minute interventions.

The first will come from Mr. Brassard.

Mr. John Brassard (Barrie—Innisfil, CPC): Thank you, Mr. Chair.

First of all, let me start by saying it's good to be in Windsor today, a very important city in terms of the Canadian economy, where \$700 billion of trade between Canada and the U.S. happens every year and just \$150 billion of it less than a kilometre away, so it's an important part of our Canadian economy. I'm proud to be here today.

Mr. Sutherland, I want to start with you. You're a business owner. You understand that revenue minus expenses equals income, and when expenses exceed revenue you end up with a sustainability problem. We're here in large part to address the sustainability issues for Canada Post. As a business owner, if your business were facing these types of sustainability issues, what would you do?

Mr. Norm Sutherland: We've had these issues twice and the federal government came out with the work-share program on two occasions where you worked four days a week. The employees had a day off and reduced wages. That was done twice. It was very effective. That was a government program that worked well for small business.

As far as getting back to what we're dealing with here today, we almost have to bite the bullet and say, "Look, we may be allowed to have subsidies to cover some things, but we can't use tax dollars so we're going to have to make adjustments." Now, I think in the next five years, by attrition, won't Canada Post lose 25% of its employees? There is some natural reduction there, but then if you reduce employees, you have to be more efficient to get the work done, because there's nothing worse than putting stress on people by saying that of the five people there, two will be removed but those three will have to do the work that's still waiting to be done.

Mr. John Brassard: Mr. Schiller, I'll ask you the same question. I don't know your background but I assume you understand the principles of business.

• (0920)

Mr. Frank Schiller: I run a small business.

Mr. John Brassard: What would you do, sir?

Mr. Frank Schiller: I think the key to ensuring the viability of the operational long-term is having an accurate indicator of demand. I think that the corporation, over successive plans, has undermined demand for this service. That goes back to taking care of your employees and focusing on delivering a viable and reliable service for customers.

Mr. John Brassard: When you say "undermined demand", give me some examples of that.

Mr. Frank Schiller: Local delivery has been cut from three days to seven to nine days. If the post office had a three-day delivery schedule it could be very different from what they're looking at now. If, rather than pushing away from door-to-door delivery and making it more difficult for Canadians to receive their mail at home, they put the focus on how they could increase their service for Canadians at home, maybe that would drive innovation in the way that's core to the mandate. I think that's really key.

We have a Canada Post act and a mandate for a crown corporation because we've deemed this to be a vital service. I would encourage committee members to direct the corporation to keep the focus on delivering the service. The better they do that, the more their projections will improve. There is a requirement for mail delivery in the country, even with the Internet age and all the rest. If anything, some people look at it as only increasing the demand for a reliable postal mail and package delivery service.

I look here in Windsor at the cross-border trade you mentioned. If we want to send something to Detroit, it goes to Toronto and ends up in Chicago. That's the antithesis of integrating our supply chains for

further trade and development. The corporation has to look at ways to take advantage of these natural economies that are locally present and allow local businesses and local users to capitalize on that and get stuff across the border faster.

Mr. John Brassard: Thank you, Mr. Schiller.

Ms. Sitlington, you spoke about postal banking. I want to address that with you quickly.

In the task force report, Canada Post said it would be entering into a well-established banking market that would be highly competitive. The challenge with the banking industry is that salaries are traditionally less than those of Canada Post. I want to understand how Canada Post can compete in the banking sector when we already have these well-established banks in the system operating at far less cost.

Ms. Susan Sitlington: I'm not sure I can answer this one either.

If you want to be innovative, then put your foot forward and just do it.

Mr. John Brassard: Regardless of the cost?

Ms. Susan Sitlington: It may have to have a little trial in areas where big banks have pulled out.

The Chair: Thank you very much.

[Translation]

Mr. Ayoub, you have five minutes.

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Mr. Chair.

First, I'd like to thank the witnesses for being here. It's quite refreshing to hear about nation-wide concerns.

I'll reassure you right off the bat: all of your concerns are shared by lots of people. At the same time, we have the unique opportunity to sit down, as we are doing today, and see what hasn't been done previously. There has been no consultation, and there has been a radical change toward new ways of doing things. But no one is getting up in the morning to make changes, to improvise.

We spoke about all of this earlier, particularly Mr. Schiller, and I think we all agree.

Mr. Schiller, you are asking for the return of home delivery. Did you know that only 32% of Canadians receive their mail at home?

In your opinion, where should we draw the line to go back and have fair, cross-Canada service? Since the five-point plan was released two years ago, the percentage of citizens receiving their mail at home has dropped a few points. Mr. Schiller, where do you think we should draw the line?

Mr. Frank Schiller: Thank you for your excellent question. If you don't mind, I'll answer in English.

[English]

Mr. Ramez Ayoub: No problem.

Mr. Frank Schiller: When you say there's a difference between those who receive door-to-door delivery and those who don't, the reality is that those new communities were designed around non-door-to-door services. The postal boxes were installed in areas that considered traffic flows, and the development of that particular community.

What we're seeing now, particularly here in Windsor—Tecumseh, is they're trying to retrofit a community that was designed around door-to-door delivery to accommodate these community postal boxes. The challenges that they have in terms of safety is that the communities themselves aren't built to have community postal boxes.

Many of these are narrow or older streets, and they are more densely populated. That's why you have such absurd outcomes. It was a fiasco, locally, because they were putting them at the corners of intersections. They weren't considering the traffic flow and people stopping.

I appreciate that there is a difference the way mail is delivered and that it varies from community to community, but I don't think that it justifies the revocation of door-to-door delivery in a community like Windsor—Tecumseh. These people bought houses and paid their taxes. The design of the communities themselves has to be considered.

● (0925)

[Translation]

Mr. Ramez Ayoub: Based on what you're saying, we could have different types of service depending on the region.

Mr. Frank Schiller: Yes.

[English]

Mr. Ramez Ayoub: Maybe Mr. Sutherland has something to add on the delivery. Where do we draw the line?

Mr. Norm Sutherland: My knowledge of the situation, coming from a small town, is that people will accept delivery two or three times a week. You reduce time, and the question I was asked I didn't really answer clearly.

In the survey and engineering work, what did we do about costs? We used three-person crews. Now we use one. How do you do the same work or better work with one person? You use electronic equipment, some of which costs \$45,000 or \$50,000. We've had to invest in equipment that has reduced the labour intensity.

Maybe with the postal service we get more electronic or more mechanized, and that way you can still provide the service. I feel strongly from my survey that you don't really need delivery five times a week even from a business point of view, but there are ways to reduce the cost and still provide the service.

Mr. Ramez Ayoub: Do you have something to add, Ms. Sitlington?

Ms. Susan Sitlington: Door-to-door delivery should be restored into communities, like my colleague was saying, in newly developed cul-de-sacs, villages, and towns.

Mr. Ramez Ayoub: Do you see two different kinds of services?

Ms. Susan Sitlington: They're automatically putting in CMBs. Door-to-door delivery is taken right off the table.

Mr. Ramez Ayoub: And is that a good thing or not?

Ms. Susan Sitlington: No, it's not a good thing because if you were to ask Canadians, they like their door-to-door delivery.

The Chair: We'll have to end it there.

Thank you all for your presentations and information that you provided us. Your recommendations have been very valuable as we continue on with our consultation tour.

We will suspend for a couple of minutes.

I would ask the next set of panellists to please approach the table as quickly as possible.

● (0925)

_____ (Pause) _____

● (0930)

The Chair: Ladies and gentlemen, we'll reconvene.

Thank you to our panellists for being here. I believe most of you, hopefully all of you, were in the room for most of the previous presentation. If you were, you'll know how the procedure works around here.

We'll ask each of you to offer a five-minute opening statement. Hopefully, you'll keep it to five or less. That would allow for a series of questions from our committee members. If we can do that, we should be able to conduct this session on time.

First, we have Mr. McNamara from the town of Tecumseh.

Mr. Gary McNamara (Mayor, Town of Tecumseh): Thank you, Mr. Chair, and thank you to the committee for being here this morning.

On behalf of the town and our residents, I would like to take this opportunity to express our collective concerns regarding Canada Post's placement of community mailboxes in our neighbourhoods.

The government needs to follow through with its election promise to restore door-to-door delivery to our communities. Many of our older neighbourhoods were never designed to accommodate community mailboxes. Many of the community mailboxes have been installed in areas where there is no sidewalk and no designated area for parking, too close to an intersection, and in areas that offer little or no street lighting, etc.

Many of the community mailbox locations are in areas that are not accessible for, most importantly, our senior residents and the disabled. The status quo is simply not accessible to seniors, those who are dependent on home delivery.

I have provided a summary of complaints the town has received in regard to the mailbox locations. I've also included pictures of some of the community mailbox sites. The need to maintain safety is paramount at all times, and has not been the case in the conversion to community mailboxes in Tecumseh.

Canada Post has not given us the opportunity to build safety measures in the proposed mailbox locations. Canada Post has not carried out meaningful consultations with the town or its residents where they've denied public meetings with our constituents. They did not take any consideration and offer suggestions for alternatives, such as delivery every other day, or two to three times per week. Delivery every three days as opposed to every five days would probably have been more effective, and I firmly believe much more effective than the conversion to community mailboxes in those old neighbourhoods.

In my opinion, decision-making was not driven by business or service considerations, but rather politics. In the process, there has been an unreasonable downloading of costs from the federal crown corporation on to our own municipal government, including the Town of Tecumseh. Local government now has to clean up the mess with little co-operation from Canada Post. It has had a complete disregard for immediate and future impacts to our communities with the conversion to the community mailboxes.

I strongly believe the government should stand by what it promised, to restore door-to-door mail delivery.

Thank you, Mr. Chairman.

The Chair: Thank you very much.

Mr. Richmond, may I offer apologies. We have three representatives from your union here today, and we have them all in three different sessions. That was necessitated by a number of reasons, which I won't get into.

• (0935)

Mr. Derek Richmond (Ontario Region Coordinator, Canadian Union of Postal Workers): I could have been in Toronto.

The Chair: Anyway, you're up now, five minutes, sir, please.

Mr. Derek Richmond: I'm the CUPW Ontario region coordinator. I'd like to take this opportunity to thank the committee for coming out and allowing us to speak today. I'm here to share a viable future for Canada Post, one that is focused on expanding service and ensuring that Canadians receive benefits from expansion instead of decreasing service.

In December 2013 Canada Post and the Harper-led Conservatives announced a Canada Post five-point plan that included an increase in the price of stamps and eliminating door-to-door delivery across Canada. After this announcement, it was very clear that Canadians opposed this decision and voiced the concern that they wanted the service to remain.

CUPW launched a campaign to save door-to-door delivery. Canadians all across this country signed petitions, called their MPs, and created community groups dedicated to this cause along with many special interest groups publicly opposed to the elimination of this service. CUPW reached out into the community by going to several community events and canvassing, and received overwhelming support at every event we attended.

I'd also like to point out a letter by Justin Trudeau prior to the federal election, dated September 25. It was an open letter to public service unions. In this letter the Liberal government made it very clear they wanted a better service for Canadians, and they also

stopped the Harper plan to end door-to-door and assured Canadians they would receive the postal service they rely on. This topic should not have been up for the postal review in phase one. This was an election promise that should be honoured.

Between December 2013 and election day, several cities were chosen to lose their home mail delivery, including parts of Windsor. Municipalities started to see the impacts from installing CMBs and the costs downloaded on to municipalities, which resulted in over 600 municipalities across Canada submitting resolutions to keep the current door-to-door delivery mode. The public and municipal councillors started calling the union offices on a regular basis, frustrated with Canada Post's decision and lack of compassion with regard to not only losing this service but also with the locations where Canada Post was installing these community mailboxes. Many complaints came into our office in regard to Canada Post not getting back to residents with regards to complaints, so they felt they needed to contact the local to vent their frustrations and have a compassionate ear to listen to their complaints. After CMBs were implemented, we also fielded calls about frozen locks, lack of ice and snow removal, lighting, vandalism, vehicle traffic, litter, illegal dumping of garbage, and unsafe access.

Canada Post failed in this attempt to convince Canadians that increased costs and decreased services is a good thing. Canada Post failed to consult with Canadians, especially the most vulnerable Canadians like seniors and people with disabilities. Canada Post had little regard for seniors, people with disabilities, and homeowners while making these decisions.

Another important issue surrounding the post office is ensuring that Canada Post continues to not only maintain the current five-day delivery but expands to the growing needs of Canadians who make online purchases. Businesses and Canadians rely on daily delivery for sensitive material. Addressed and unaddressed ad mail is an effective marketing tool for large and small businesses that stimulates sales and job growth.

Canadians are more and more using e-commerce, and the essential demand is to receive these items more quickly. Canada Post must expand parcel delivery to evening and weekends to meet these demands and ensure customers receive items straight to their front door. Weekend and evening parcel delivery will decrease the need for customers to travel to a retail counter to pick up their item. It's an additional chore. Imagine now having to go pick up your mail at a CMB and then having to travel to a retail counter to pick up your parcel. This is extremely frustrating for Canadians who deserve a better service.

Again we ask Canadians to pay more for a service but receive less service. Canada Post is the number one parcel company across the country in Canada and must expand to meet the growing needs of Canadians for e-commerce. If we do not expand service, Canadians will go elsewhere for delivery needs.

Alternative-day delivery would force our customers to use alternative delivery companies that provide daily delivery but at a higher cost than Canada Post. These costs would be downloaded on the customer, a further revenue loss for Canada Post.

The declining volumes of letter mail can be attributed to large corporations that charge anywhere between \$2 and \$4 to mail statements. This encourages Canadians to sign up for e-billing as they do not wish to pay gouging fees for service.

● (0940)

This practice should be stopped by the federal government immediately. With the insecurity of the online world, the safest way to transmit important sensitive material is still the mail service.

Canada Post also needs to expand into postal banking. All over the world, postal banks are thriving, bringing additional revenue to expand service. Those countries are India, Italy, Switzerland, and Taiwan.

Many different options on how to create postal banks need to be considered, including aligning with a credit union or branching on our own. Postal banking would provide basic banking services, like savings and chequing, bill payments, cheque cashing, ATMs, and other fees.

I'm running out of time, aren't I?

The Chair: You're actually out of time.

Mr. Derek Richmond: Okay, I'll get to the end.

Canada Post has profited in 19 out of the last 21 years. In 2015, it was about \$100 million. In this year alone, the first quarter was \$42 million. There's no reason that these profits shouldn't be invested into expanding service and good-paying jobs for the future of Canadians.

It's now time to end Canada Post's manufactured crisis to set up the privatization of Canada Post. Privatization will only increase costs to Canadians and further decrease services. Canadians deserve a post that meets their needs, and not the needs of big corporations only thinking of profits over service. This postal review can be an historic time for the future of Canada Post. It's time that Canada Post delivers on the needs of Canadians.

I ask the OGGO committee, the postal review committee, the Canadian government, and Canadians to stand up, speak in favour of the initiatives put forward today, and support Canada Post and a better service for all Canadians.

The Chair: Thank you very much.

I will remind all panellists, if it's possible, to try to keep under five minutes, because we do want to allow enough time for questions. We find that the real information transfer comes during the question-and-answer process rather than the opening statements.

We now have, from the Corporation of the City of Windsor, Ms. Jones.

You're up for five minutes, please.

Ms. Gayle Jones (Diversity and Accessibility Officer, Corporation of the City of Windsor (Ontario)): Thank you for letting me have the opportunity to speak today. I am the diversity and accessibility officer for the City of Windsor. My background is as a lawyer with an undergraduate degree in sociology, and I'm passionate about human rights and accessibility issues. I offer my input today with the utmost respect.

As a diversity and accessibility professional, I have a number of concerns related to discontinuing Canada Post's door-to-door service for the remaining citizens who are currently in receipt. I believe the choice to discontinue this service would disproportionately affect seniors and individuals with various disabilities.

The intent behind the decision might not be to have a negative impact on these populations, but the reality is that it will. The previous correspondence from Canada Post to municipalities stated the following:

Canada Post will be sensitive to the needs of seniors and of disabled Canadians. Canada Post is developing alternative approaches for people with significant mobility challenges, who lack viable alternatives and upon whom delivery to a community mailbox would impose an unacceptable hardship.

It concerns me greatly that it's only mobility challenges that are mainly being focused on, as there are many individuals with various disabilities for whom it could pose a substantial barrier. I'm referring to individuals with various mental health disabilities, disabilities involving fatigue, disabilities that affect mobility and agility, and visual disabilities, just to name a few.

I do note that in "Canada Post's Five-point Action Plan: Our progress to date", there does appear to have been progress made. However, from what I can see—because there's not a lot online to even be able to tell—it seems that process that has been created would take quite some effort on the part of an individual who's requesting the accommodation.

First, the individual might find out that they actually have an option. That might not happen. It might sound easy for an individual who is knowledgeable about government processes, but for some elderly persons or individuals with a disability, it might be very challenging.

Then the person has to call a designated number and request an information package and the questionnaire. For an individual who also has language barriers, that could be another barrier. I spent a few minutes doing a search online to see if I could get a copy of that information package and questionnaire. It's nowhere to be found. I could not find it and I'm pretty adept at finding these types of things.

Then the individual must understand the information, complete the questionnaire, and send it back to Canada Post. It's reasonable to assume that they would have to provide some sort of verification from a medical professional. It is understandable that it would be required. However, it's another step, another barrier.

Then a representative from Canada Post has to review and discuss options with the individual. This takes time and effort, and involves very personal information. It likely requires individuals requesting accommodation to advocate for themselves. Many individuals would give up by this time and fail to request the accommodation that they need. That is a concern, a big one.

But let's assume the individual got through the process this far and discussed his or her individual needs with a representative. It appears as though that individual will be asked whether he or she exhausted all other reasonable possibilities prior to being considered for an alternate approach.

The truth is not everyone has someone who can help them pick up mail. Mail is a very personal and sometimes confidential thing. Requiring these sometimes vulnerable persons to consider having someone else handle their mail for them is a concern. Bills and government documents are very important to receive.

What about email delivery as an option? The ironic thing is that individuals who have less access to computers are the ones who are more likely to be reliant on Canada Post delivery. For these individuals who might not own a computer or might not even know how to use one, email is not a reasonable or accessible alternative.

I'm not stating in any way that Canada Post is trying to put up barriers for seniors and persons with disabilities. I actually think the corporation is trying to figure out something workable. But I know from experience and working in the field how difficult it can be for individuals to ask for help, especially requiring personal accommodations related to their health. It takes much effort, many feel they are being a burden, and many will give up or never ask in the first place.

There are some very viable alternatives that were presented in the plan, such as sliding trays and key-turning aids, but I fail to understand why an individual who has provided verification from a medical professional would have to consider options such as redirecting their mail to a post office or someone else.

I worry about those individuals who really need door-to-door as an option, whether they'll be questioned about every other option first before they're given an option. For a senior or a person with a disability who has no one to help, has much reduced mobility, and has no email access, mail delivery once a week could really result in some hardships.

● (0945)

I would suggest that the process needs to be streamlined and that it is important that it could be accessed in many ways, once the individual gets that verification from a medical professional.

Let's imagine a situation. Can you imagine how vulnerable a senior person or a person with a disability—or anyone, for that matter—would feel if they had to reveal to a stranger over the phone that they have no one to help them and that they are alone? The representative has their address and personal information, and now details that could put that person at risk.

Most of the points I want to make I'll state in some of the answers, because a lot of them are repeated by other people. I wanted to cover the portion I thought other people were not going to cover.

The Chair: Thank you very much, Ms. Jones. You're right. Hopefully, during the question and answer period, you will be able to communicate whatever else you have remaining.

Now we go to our final panellist, Ms. Sungee John, from the City of Windsor Seniors Advisory Committee.

Go ahead, please. You have five minutes.

Ms. Sungee John (City of Windsor Seniors Advisory Committee): The City of Windsor Seniors Advisory Committee, which I'll shorten to SAC, welcomes this opportunity to make its

presentation to the Standing Committee on Government Operations and Estimates.

The SAC is an appointed committee of the City of Windsor and comprises a cross-section of seniors, representatives of seniors groups, and agencies representatives, all of whom are fully committed to working toward the betterment of the life and living environment of seniors in this community. The SAC believes that all older adults have the right to multiple opportunities for healthy aging and a full range of supports to assist them.

This brief before the committee will focus on the impact of proposed changes to the Canada Post Corporation's service delivery to the Canadian public as it affects seniors and marginalized and disenfranchised older adults in our community.

For the SAC, the corporation's decision to eliminate its door-to-door service delivery will be felt most acutely by seniors. Seniors are in an especially vulnerable situation when it comes to mail delivery. While many are living independently and enjoying new lives and challenges in retirement, a significant number of seniors also face increasing health setbacks and isolation. It is this segment of the senior population that Canada Post has not given in-depth thought to in its proposal to eliminate door-to-door service and establish community mailboxes.

Many seniors face health struggles while maintaining their own home. It is these seniors who rely on door-to-door service and are physically unable to make the trip to a community mailbox. These are individuals who are housebound for a number of reasons, due to their physical disability, diminishing cognitive skills, and general frailty. For them, community mailboxes are not an option.

Moreover, for these vulnerable seniors, there is an element of safety in being able to receive their mail at their home. Community mailboxes pose potential security risks, whether from opportunistic strangers or the unpredictability of the weather, especially during the winter.

In these times of diminishing public use of the regular mail system, the SAC understands that this has an impact on the corporation's fiscal outcome. However, the needs of vulnerable Canadians should not be overlooked and cast aside for the bottom line.

Instead of a total elimination of door-to-door service, perhaps a reduced mail service can be implemented, two or three times a week rather than daily. This will maintain the sense of security that vulnerable residents have of their mail service and continue to keep jobs through letter carriers.

Finally, another thing the corporation may consider for our increasingly aging population is a rethinking of how postal workers engage with vulnerable seniors who live at home. Currently, letter carriers will notify homeowners if there are aspects of exterior maintenance that may hinder their ability to deliver the mail, such as unshovelled snow or unleashed animals. If the corporation empowers and trains its employees to be more observant of conditions of neglect that may raise possible concerns about residents within these homes, this would bring a new level of social responsibility that may enhance the corporation's role and relevance.

For the standing committee's consideration, the SAC therefore recommends the following: that the corporation consider making an exemption for vulnerable seniors to continue receiving door-to-door service, that the corporation consider reducing the frequency of its door-to-door service instead of outright elimination, and that the corporation train its letter carriers to be more attentive when delivering mail to homes where seniors live.

In closing, the SAC appreciates that the committee took the time to make a visit to Windsor and hear our voices—rather than for us to travel to Ottawa—and we would be pleased to discuss this with you at a future time.

Thank you.

● (0950)

The Chair: Well, that future time may be this afternoon—right now, in fact.

We will go into our seven-minute rounds, and Mr. Whalen, you're first up.

Mr. Nick Whalen: Thank you, Mr. Chair.

Thank you all for coming. It's great to hear such a diversity of voices. We're hearing from lots of different groups in the Windsor area, and these views are appreciated because Windsor is one of these areas, like my own riding, that saw change in its service during the election. There are also lots of different types of services that are present here in the greater Windsor area, and I appreciate the Mayor of Tecumseh coming, because the views of the municipalities are also important.

In terms of what the Liberal Party position is—and I want to clarify this for a reason—it was correctly stated by Mr. Richmond that we promised to stop Stephen Harper's plan to end door-to-door mail delivery in Canada and undertake a new review of Canada Post to make sure that it provides high-quality service at a reasonable price to Canadians no matter where they live. That was our commitment. Some people have interpreted that to mean that we're committed to a particular view of restoring home mail delivery. I want to say that from my perspective I don't feel bound by that. I think it's important for me to say that because I want the committee's work to be open. We're open to all options. We're not bound by the task force report. We're not bound by any perceived commitment to restore.

We said “save” it by doing two things: stopping the rollout of the transition, which we did in the first week of the new mandate; and holding these consultations to find a new path forward for a sustainable Canada Post. From my perspective, we've delivered on the campaign promise, and now we are open, as a committee, and

certainly on the government side, to move forward fairly and openly to examine all possibilities.

I have so many questions, but first I want to focus on Mr. McNamara. On the cost to municipalities, can you walk us through some of the costs associated with the move to community mailboxes? If you have any facts or figures related to how much it costs per winter to manage and maintain these community mailboxes on behalf of Canada Post, that would be very informative.

Mr. Gary McNamara: I'll give you some examples. When they were putting the boxes in position and so forth, very little input took place. They came in and they did a cut in the curb. Then we came to find out it's less than nine metres away from one of the busiest intersections. It makes absolutely no sense. The cut's been done. Now that has to be restored. Who restores it? Does Canada Post send a contractor to dig out the curb and gutter which now is compromising the asphalt of the road itself? No, it's the municipality that goes in. We have to repair it.

● (0955)

Mr. Nick Whalen: Do you have some costs, any figures, on what you spent last year in fixing errors?

Mr. Gary McNamara: I can certainly get that to the committee. I do have a lot of pictures that are probably self-explanatory when you see them. I can get you the numbers. We'll do that.

Mr. Nick Whalen: What about responding to complaints for cleaning up the snow and ice around them? Does that fall on the city or has Canada Post been picking up that part?

Mr. Gary McNamara: It's the responsibility of Canada Post, but there are times where it's not timely. I understand. There are circumstances, depending on the severity of the storm and so forth. Sometimes our plows are out maybe two or three times in a day. We get that, but we still get a lot of complaints where, two or three days later, even for the community boxes that we have now, it's an ongoing dialogue with Canada Post to send somebody to clean it up. At times, our own crews will do it because we get the phone calls. Canada Post doesn't get the phone calls.

Mr. Nick Whalen: Mayor McNamara, you probably have a fairly extensive call centre to manage a place like Tecumseh. Do you have a cost associated per call to the call centre that you use to manage complaints? Do you track the cost to manage that?

Mr. Gary McNamara: Let me tell you, I wish we had the big call centres of a big city. We're a small community, and our directors, for example, wear multiple hats, plus we have four CSRs, customer service representatives, who are at the front. They spend quite an amount of time answering calls about snow removal because people can't access their boxes, and so forth.

We've gone through the first winter and we were very fortunate here. It wasn't a bad winter. But if it had been two years' prior, we would have had a tremendous number of calls.

Mr. Nick Whalen: Thank you, Mr. McNamara. It's a download, certainly.

Ms. Jones and Ms. John, you talked about risk associated with these community mailboxes. Of course, in the Windsor area there are areas that have always had community mailboxes and there are areas that have just gotten them. And there are areas that probably still have some home delivery. Just like St. John's, there are all methods. Do you have any evidence of comparative risk associated with harm, or access, or slips and falls, or assaults, occurring at the existing community mailboxes that you can compare or that show that there's actually a real risk with those as compared to home delivery? Do you have facts and figures for the city of Windsor?

Ms. Gayle Jones: I don't. It's not within the scope of my job that I would have such figures. I do note that most of the community mailboxes that exist right now were built into the neighbourhood, they were built in to fit into those neighbourhoods. We're dealing right now with something very different, we're dealing with retrofits.

Mr. Nick Whalen: Actually, it was the same question.

Ms. Gayle Jones: There are things that you need to have for safety. You want to make sure you have the lighting, you want to make sure you have accessible pathways, a hard surface. You want to make sure there's no barrier such as snow and so on.

Mr. Nick Whalen: But you don't have data on that.

Ms. Gayle Jones: No, we were only given several days and I've been moving this week, so I had about one day to prepare.

Mr. Nick Whalen: That's fine.

If the city does have some type of a record of assaults, or records of slips and falls at the mailboxes, it would be nice to know.

Ms. Gayle Jones: I don't think it's even relevant, though, because it's a very different situation. The point I wanted to make was Canada Post says they want to put these new mailboxes in areas with lighting and they want to put them in areas where there are municipal sidewalks. But I'll tell you that in review of the locations chosen, most of the chosen locations were not along municipal sidewalks and, when I looked at the photos, there was not reasonable lighting in those situations.

The Chair: I'm sorry but we're past the time. Hopefully, Ms. John will be able to make a response in subsequent questions.

We're over to Mr. McCauley, for seven minutes, please.

• (1000)

Mr. Kelly McCauley: Thanks for being with us today. Mr. McNamara, I can imagine how busy you are, so it's great to have you with us.

I'll start with Mr. McNamara. We've heard from other municipalities and pretty much they say that the boxes are there, some are working, some are not working, but they need more consultation. They were willing to send their engineering people to meet Canada Post to select the right areas, even provide monster recycling boxes for ad mail. Do you get a sense that a reset can be done where

everyone can move forward better with the community mailbox system?

Mr. Gary McNamara: If you're talking about the recycling—

Mr. Kelly McCauley: By that I mean having a little piece of tape, for you, Ms. Jones, and Ms. John, where the city will say, "Put it here. I know your rules for this, but this is where we need it for mailboxes." and "No, this is not going to work."

Mr. Gary McNamara: In a perfect world, that would have been nice, but I could tell you it was always a reactionary type—

Mr. Kelly McCauley: We can't change the past, but for the sake of argument, if we have a complete reset do you see a more workable success if we can approach it along the way that you're talking about now?

Mr. Gary McNamara: Probably a large portion of them have to be moved, to be quite honest, so that's going to take labour costs—

Mr. Kelly McCauley: Again, that's we want to hear.

Mr. Gary McNamara: Dollars have to be expended. The reality is that you'll see from some of the pictures...I mean, we have some where we actually have disabled people who can't even reach their box to start with. Some of them are 18 inches above the roadbed.

I think you mentioned recycling. That's a bit of a difficult one, because ads are a great generator of revenue for Canada Post. I asked why they don't have refuse containers or recycle containers right at the boxes. They said that if ABC business ends up looking at the boxes and they're paying x number of dollars and they're seeing all their material not even make it to the house, that's a problem.

Mr. Kelly McCauley: I suspect a lot of times it makes it to the house and only makes it to the house's blue box anyway.

Mr. Gary McNamara: But it's the non-opportunity collaboration from the town and our engineers and Canada Post. That's a huge disconnect.

Mr. Kelly McCauley: We need a reset and reconnect.

Mr. Gary McNamara: That has to be looked at.

Mr. Kelly McCauley: Ms. Jones, Ms. John, thanks for being with us again.

Did you want to comment on that as well?

Ms. Sungee John: Yes.

In terms of certain seniors, as I mentioned in my presentation, there are the seniors who are housebound, who physically cannot leave their homes. They have no options. The association that I belong to, the Essex County Chinese Canadian Association, did a survey last year, and many of the concerns that seniors raised talked about this fear. Many of them do live in their own homes. They take pride in the fact that they were able to pay for their house. To ask them to move to a retirement community or whatever is not an option.

However, they are increasingly frail. Their mobility becomes an issue. For them, the concern about the total elimination of mail is really tough.

Mr. Kelly McCauley: I understand. In a past life, I was head of very large hospital foundation for seniors, but also for the severely disabled, so I understand.

There is the system, and you talked about it, where Canada Post will do—from my understanding—a delivery every day to the community mailbox, and then once a week they'll collect it all and deliver it to the house. I haven't looked at it, but you were saying it's a very cumbersome system. I imagine anything related to government paperwork is cumbersome.

If it's simplified properly, as you see it, what consultation and input from groups such as yourselves is needed so that Canada Post knows what people have to go through to get it done? Do you see that as viable alternative or something that will help? Then seniors don't actually have to leave.

• (1005)

Ms. Gayle Jones: I think it would be helpful, absolutely.

Anything you can do to allow an individualized accommodation is what you want, and make it simple and easy for that person to access. That person should have a menu of options. Some might choose to have the lower mailbox because we've consulted with the public.

If we get a better consultation and they're able to go there, and it's a little more accessible, and we have worked out between the municipalities and the homeowners and Canada Post who's going to shovel snow and stuff...

Mr. Kelly McCauley: In hearing from other advocates, I think it needs to be simplified. It needs to be a lot more direct and right in front, so people can find it immediately.

We have to let people know. We met with CARP yesterday, the Canadian Association of Retired Persons, and they were not aware of it. They're going to put it on the front page of their website now to let seniors know that this is available.

Is it fair to say that with proper consultation with stakeholder groups we can make it workable?

Ms. Gayle Jones: It would help.

I think a better option would be reduced days of service, but if that's not a possibility, that's what I would suggest.

Mr. Kelly McCauley: It's one of the things that has come up, and that's what's great about meeting so many people.

One of the suggestions that came up was summertime community mailbox, wintertime home delivery, for affected people.

Ms. Gayle Jones: That's another good option.

Mr. Kelly McCauley: There are a lot of ideas getting thrown out by people, and that's the value of having you here today. Your time is well spent with us. Thanks.

Mr. Richmond, one of the things we've heard about from some of the business groups was weekend delivery for boxes and parcels.

Did I hear you say that it already exists?

Mr. Derek Richmond: Currently, no.

Evenings—

Mr. Kelly McCauley: Sorry, I misheard. I thought you said there were boxes delivered on Saturdays too.

Mr. Derek Richmond: We want to expand service into weekends, and I believe a provision in our collective agreement that we just signed allows for weekend delivery. We can expand weekend delivery. We can expand evening delivery.

Mr. Kelly McCauley: That's parcel service, right?

Mr. Derek Richmond: That's correct, parcel service.

Mr. Kelly McCauley: And you folks are fine—?

The Chair: We'll have cut it off there.

We'll go now, for seven minutes, to Ms. Hardcastle, please.

Ms. Cheryl Hardcastle: Thank you, Mr. Chair.

These are intriguing presentations. In particular, Mr. Chair, I would like to thank the mayor of the Town of Tecumseh for being here.

For the benefit of the committee, I would like to clarify that Mr. McNamara and a presenter in the previous session, Mr. Schiller, are astute and politically engaged gentlemen who do have connections to the governing party. When they have a clear recollection of the campaign promise, I feel it gets a bit uncomfortable when we have other members coming up with a revised recollection, because it detracts from the issue here today. I would like to thank Mr. McNamara for his involvement.

In the respected position that Mr. McNamara has, and even as an Association of Municipalities of Ontario president, he does have a connection to other municipalities. Some of those municipalities, Mr. McNamara, have talked about postal banking. There are 600 municipalities that have passed resolutions to support postal banking.

I'm not sure where Tecumseh sits on that, but I'd like to hear from you the importance of postal banking that you mentioned earlier of consultation. There was a task force at one time that did talk about postal banking, and some of those findings have been limited.

I'm sure you're aware of that situation, and I'd like to hear your stance on how Canada Post can leverage in the future and have a role with municipalities with things like postal banking.

Mr. Gary McNamara: There are a lot of things I'm well aware of, and then there are others I'm not. I know in the lead-up to the community box issue in our community, we did meet with members of Canada Post and the CUPW individuals.

The only thing I can add is that leading up to this type of business where the crown corporation felt they could improve, their bottom line was the elimination of door-to-door delivery and expanding the community boxes, but not looking at all alternatives for revenue generation.

For me, on the personal side, during the run-up to the election it was almost, “giddy-up and go, and this is the only thing we're going to talk about”. You could see the government was putting a lot of pressure on Canada Post that if they could get these postal boxes up prior to the election, once they are there, they are there, and you have to live with them.

The ongoing dialogue we were trying to get with Canada Post was an opportunity to have a public meeting, but they shied away from it because they felt they would have been attacked because of what they are doing.

As a municipal politician—and many of you here probably went up the ranks from municipal politics—could you imagine setting up by-laws or changes in business acumen within the municipal sector without dialoguing with your public? You wouldn't be a municipal politician very long. You would be out the door. The point being, we should not dismiss opportunities to try to improve the business. I get it. At the end of the day, you want to make sure that the bottom line is improved.

One thing government sometimes forgets is there are services you cannot measure in dollars, and Canada Post is one of them about the delivery from door to door. It's no different than what we do. We provide transit to our residents. Is that money making for municipalities? There isn't a transit system in the world that makes money, but it's a service that's essential, and essential to who? The most vulnerable in society, seniors and disabled.

Canada Post has forgotten that, and government sometimes forgets. They had good intentions, and yes, we're only one taxpayer in the whole issue. We get all that, but sometimes we forget the people we should be serving, who are the most vulnerable in our communities. What they are doing to Tecumseh is in the oldest part of our neighbourhood with the highest concentration of seniors and disabled.

That's what I'm fighting for, and for my constituents to make sure we're reminded sometimes we have to pay a little more to make sure the most vulnerable in society get the service they deserve.

•(1010)

Ms. Cheryl Hardcastle: Thank you so much.

My next question is for Mr. Richmond.

We haven't heard a lot of representation here from the business community and small and medium-sized enterprises, Mr. Richmond. I'm wondering if you can talk to us a little bit about the importance of daily delivery.

We have an existing Canada Post infrastructure that needs to be leveraged, as we've heard before. I know that CUPW is very innovative and very eager to be a part of the new reality and of keeping Canada Post current.

I'd like you to talk a bit about the significance of daily delivery and some of the nuances around that in terms of a business argument.

The Chair: It would have to be very quick. You have about 20 seconds, sir.

Mr. Derek Richmond: To be brief, the junk mail—we call it “junk mail”—is actually a revenue tool for small businesses. Pizza companies or Bell and Rogers all provide information to customers. In turn, those customers use those sales and everything else to generate business for corporations and to generate jobs. Companies like Bell and Rogers rely on call centres, and pizza delivery relies on the delivery of those flyers daily to generate business and job growth, to be brief.

The Chair: Thank you very much.

We have now Mr. Ayoub.

[*Translation*]

You have seven minutes.

Mr. Ramez Ayoub: Thank you, Mr. Chair.

I'd like to thank the witnesses for being here today. I'll be brief because seven minutes goes quickly.

Mr. McNamara, you are mayor, I have been a mayor and, as you said, many of us have municipal experience. I fully agree with you about the importance of being in touch with the people because, if you aren't, you won't be re-elected. Fortunately, there are people like you on the ground to gather the opinions of citizens and share them.

Unfortunately, the other side of the coin is that you get the complaints and suffer the consequences of the lack of consultation by Canada Post about installing community mailboxes. As a mayor, you often hear this kind of thing. You may get results, but you need to suffer the consequences that you did not cause, whether it's financial or has to do with services. In the case of Canada Post, if you had been consulted and if there had been a discussion like the one we're having today, we wouldn't be here.

I see that we're quickly getting to the end. Our colleagues from the various opposition parties are telling us to act on our promises immediately and that we promised this or that.

Ultimately, we are discussing solutions and best practices for Canada Post for the next 10, 20 and 30 years. We aren't going to hold more consultations like this in two or three years. That's not true.

If the process had been taken further and Canada Post had consulted you, would there have been the means to arrive at solutions, because I presume that the status quo isn't possible?

•(1015)

Mr. Gary McNamara: Thank you for your question. It's a good one.

There's nothing like a good discussion with stakeholders. In the case of Canada Post, the situation with installing community mailboxes in Tecumseh and Windsor might have been improved.

As for finding solutions that make sense and working with us on that, that's another thing. My colleague spoke earlier about seniors and more vulnerable people in our communities. They never had the opportunity to talk to Canada Post about the installation of community mailboxes, and I don't understand why not.

Mr. Ramez Ayoub: Does it seem to you that everything was already decided in advance, regardless of the solution that might be considered? Canada Post employees came by and the community mailboxes were installed.

The message really came from senior management. As I understand it, even the unions weren't consulted. The message came from senior management or elsewhere. It's a crown corporation, so someone's responsible for the decision. A decision was imposed. Do you agree with me about that?

Mr. Gary McNamara: I totally agree with you. There was an election in October 2015. The installation began in September, and I'll tell you that the community mailboxes were installed quickly.

Mr. Ramez Ayoub: We have a new government now.

As for the expectations of the new government, would I be wrong in saying that we want more transparency, more consultations and better listening to the population to find solutions that are lasting, not temporary, and that will please everyone? Do you want a responsible government? That's what I understand from the discussions we're having.

Mr. Gary McNamara: Absolutely. I want to thank the government for giving us the opportunity to speak to the committee about the problems we're having in our municipalities. I think that Canada Post certainly has a responsibility in that respect. Canada Post's communication with communities is lacking. I think that—

Mr. Ramez Ayoub: I have to interrupt you, Mr. McNamara. That's what I understood.

I have other questions to ask, especially about people with reduced mobility. My questions are for Ms. Jones and Ms. John.

We've been told that there is a relationship between Canada Post and more specialized or adapted services for individuals with reduced mobility. Has Canada Post provided you with any information on this, and have you had the opportunity to discuss these issues with the managers? Did you know that Canada Post has addressed and resolved some specific cases? Have there been any particular cases so far that have been addressed and resolved with Canada Post? If so, do you have a tracking record of it?

• (1020)

[English]

Ms. Gayle Jones: Absolutely not, I've had no consultation whatsoever. I had to do the research to find the process. Unless you're an individual who has received mailboxes in your area, it's not easy to even find the process.

Mr. Ramez Ayoub: Are you aware that there are those kinds of services? Are you aware of that?

Ms. Gayle Jones: I'm absolutely aware there are accommodations. What I was going through in my submissions earlier were processes that can seem simple and thorough, but can be very challenging to individuals. I was trying to highlight some of the challenges that these processes have, however well-intentioned, and that more consultation at the beginning of these processes would really help.

The problem that your government has right now is that even today when I told some of my colleagues I was coming here, they

said, "What's the point, the decisions have already been made?" It's not your fault, but the fact is that the impression was that decisions were made before, and now that we're doing the consultation—

Mr. Ramez Ayoub: We're kind of cleaning up the mess.

Ms. Gayle Jones: Yes, but you have to deal with the skepticism as an aftermath.

The Chair: Thank you very much.

Mr. Brassard, for five minutes.

Mr. John Brassard: Thank you, Mr. Chair.

Ms. John, I want to pick up on something that you brought up in terms of the exception for vulnerable seniors. I know you spoke about seniors. I don't think you quite used the words "fragility, housebound", but are there any other circumstances other than that? How would you classify vulnerable seniors to receive that exception other than those two that you mentioned there? Are there any other examples?

Ms. Sungee John: I would also include language barriers as an example because we have a growing number of ethnocultural seniors in Windsor. In the case of our community survey, we found that many seniors came as sponsored parents.

However, the economic downturn over the last few years has made it difficult for the children who sponsored them to keep their jobs here, and those children have moved to other communities while their parents stay here. They're further isolated with the language barrier which makes it difficult for them to access the web, or access other means to understand how their accommodations could be made.

Mr. John Brassard: We're speaking specifically to exceptions to door-to-door delivery. You said that there are seniors who are vulnerable and in fragile states. Your suggestion is that language should also be included as a part of that exception.

Ms. Sungee John: Yes.

Mr. John Brassard: Mr. McNamara, yesterday we had your successor, Lynn Dollin, speak to the committee with respect to the planning process. In your experience as president of AMO, and even your experience as a mayor in dealing with plans of subdivisions, how much communication has there been with Canada Post and municipalities around the province as it relates to these types of mailboxes, both as part of the process of planning a subdivision and as an afterthought?

Mr. Gary McNamara: In terms of the subdivisions, we plan them, obviously. It's very easy to put the infrastructure in place by keeping—

Mr. John Brassard: Is Canada Post included in the planning process, though?

Mr. Gary McNamara: I'll give you a good example. Carmelita Court is a new subdivision. We looked at areas where the infrastructure came after the fact, so we knew going in. We worked with them, mailboxes were provided for the new subdivision that was being built, and then the developer built the infrastructure to sustain it, close to a sidewalk, good lighting, and so forth. They're built to deal with it.

AMO's position during my tenure was to, basically, find suitable alternatives, and if the last, best resource was putting mailboxes in, ensure it was not downloaded to municipalities in terms of infrastructure.

One of the biggest concerns we have in Ontario is joint and several liability. As you know, it's about \$250 million a year just to insure Ontario's municipalities. It's because of weak legislation, but that's not your responsibility. It's on the province, and we've been fighting that.

Having said that, obviously, it's easy because you know going in, the developers know, the people moving in know, everybody knows there are community mailboxes that are being built in that area. They're designed and built. There is no question about that.

Would I like door-to-door? Absolutely, but that's not the case.

• (1025)

Mr. John Brassard: I want to address something that you brought up earlier with respect to transit. Part of the mandate of this committee is to look at the financial sustainability of Canada Post. I was chair of the transportation committee in the city of Barrie. We carried out a complete review of our transit system. I know you spoke in terms of vulnerability, and the service of Canada Post, the service of the transit system.

As the mayor of a municipality, if your transit service—with an understanding that there's only one taxpayer—wasn't performing to the degree or extent that you hoped, would you not go through a review, or would you keep pouring money into that service in order to ensure that it keeps going at whatever cost?

The Chair: Mr. McNamara, I'm afraid I'm going to ask you, in response to that, to give a written submission, just because we're over time. I'll be speaking about that, your opportunity to provide a written submission, when we conclude.

Mr. John Brassard: I have a quick question, though. I want seven minutes of time.

The Chair: That's why we want written submissions.

Ms. Ratansi, for five minutes.

Ms. Yasmin Ratansi: Thank you all for coming.

Ms. Jones, I can appreciate your skepticism because the previous Harper government did not believe in consultation. This is a new approach. We are here to consult. We did say in our platform we would consult, so we are here.

Mayor, you talked about the politics. Everybody's blaming Mr. Chopra. Mr. Chopra is a civil servant. He is at the command of whichever government is in power.

Do you think he was politically motivated to take on an agenda? Somebody made the assumption of privatization. Was he given that

political agenda because everything Canadian was to be dismantled? Is that your perception?

Mr. Gary McNamara: Well, let's put it this way, it's a crown corporation. The marching orders still come from the government.

Ms. Yasmin Ratansi: That's right.

Mr. Gary McNamara: There's no question that the orders came from them. Let's put it this way, the mailboxes grew in my municipality faster than the dandelions.

Ms. Yasmin Ratansi: And that came before the election.

Mr. Gary McNamara: Exactly. There was no consultation. I shouldn't say there was none. They came, they reported they're coming, and it's too bad.

Ms. Yasmin Ratansi: Okay, so this was an edict-down approach. As a mayor, you would never do that because you need to consult your stakeholders, you need to consult everybody.

Mr. Gary McNamara: Correct. I love my job; I'd like to keep it.

Ms. Yasmin Ratansi: That's right.

We talked about crisis, as somebody mentioned. Do you have a perception here that Canada Post is creating a crisis? We have challenges to the financial statements, and I've now looked at the financial statements. Is this financial sustainability a crisis created to cut down services or create a crisis and blame it on labour? What's your perception? I'll hear from the two of you.

Mr. Derek Richmond: My perception is that it's a manufactured crisis. They want to provide less service to Canadians and more profits in their pocket.

Ms. Yasmin Ratansi: But the profits aren't going into their pockets, they are going back to the.... A crown corporation, when it doesn't make a profit, it has to be somehow subsidized, right? So we have to be careful there. I'm balancing the books in my head.

The reason I am saying it is a crisis is, we talked about, for example, the ad mail, which is bringing in money. The task force says its ad mail is declining. I spoke to some of the businesses yesterday and they said it was not declining, so maybe it's a manufactured crisis for a different purpose. We've put a stop to it, so hopefully you guys will help us.

Mayor.

• (1030)

Mr. Gary McNamara: I remember in the 1990s a provincial politician basically said that if you want things done, create a crisis or chaos. In reality, I get it. This is 2016. It is a crown corporation. You don't want it to be a sinkhole, a money pit, or whatever you want to call it. I get that. But I find that there has to be a better way. If cutting door-to-door delivery is going to be the be-all and end-all on the bottom line, and you're thinking 30 years down the road, what's the next step? Eliminate the mailboxes, and then we'll all have pigeonholes at the post office? There are other ways.

Ms. Yasmin Ratansi: So consultation is very important—

Mr. Gary McNamara: Absolutely.

Ms. Yasmin Ratansi: —because basically they are creating these mailboxes, then you have to reinvest, and then your infrastructure funding gets eliminated.

Ms. Jones and Ms. John, do you have an assessment of how many seniors live in seniors buildings versus independently at home?

Ms. Sungee John: Well, I can't speak for the general seniors population, but for, say, many of the ethnocultural populations, it's split. Some live in downtown apartments, senior-oriented apartments, and others do maintain homes. I would say it's fifty-fifty.

The Chair: Ladies and gentlemen, thank you very much for your presentations. The information you provided has been extremely informative and helpful. I would add to that, however. Should you have additional information that you think would be of benefit to the committee in our consultations, please submit that directly to our clerk.

Mayor McNamara, you've already done so, so I thank you for that.

But if there's other information any of you have that you wish to bring to our attention, please submit it to our clerk, and that will help us in our deliberations.

Once again, thank you all for being here.

We will suspend for a few moments, and I will ask the next panellists to please approach the table.

•(1030) _____ (Pause) _____

•(1035)

The Chair: Thank you.

I'm quite confident that all of you have been here for the last couple of sessions and know how these things work. I know there are three of you here, but I believe there will be only two presentations. If each of you would keep your comments to five minutes or less, I would appreciate that, and then we'll go into our round of questions.

First on my list is Ms. Johnson.

Ms. Michelle Gouthro Johnson (Second Vice-President, Local 630, Canadian Union of Postal Workers): Hi, I'm Michelle Johnson, second vice-president of the Canadian Union of Postal Workers in Windsor. With me is our local president, Phil Lyons. I am a retail clerk at Canada Post. Phil is a letter carrier. He is also astute on questions of pension and sustainability.

I'll begin with a few points. Corporate interests have gutted our postal system, decreasing services but increasing associated costs. Many balk at paying 85¢ for a stamp to pay a bill, but not at paying \$40 or more to pay bills by purchasing Internet and paying online.

In Windsor's experience, since 2013 we have lost one corporate retail office—which was Sandwich post office, the oldest post office west of Montreal, over 100 years old—and our mail processing plant. Residents of Sandwich Town, a service-deprived area, no longer have banking services or postal services.

Some of our Windsor-to-Windsor mail, which supposedly maintains a service standard of two days, now takes seven to 10

days via Toronto. The service decline encourages people to not use the mail if feasible in their case.

Many seniors and new Canadians still rely heavily on postal service, as do people whose income levels prevent them from purchasing Internet services. There are still communities without reliable Internet. Canada Post and their corporate partners have offered incentives to pay bills online. Again, these incentives are limited to those with access. Aging parents, seniors, and the poor are disadvantaged.

Further to our Windsor story, in August 2015, as you heard earlier, Canada Post converted the town of Tecumseh, which is part of the Windsor post office, to community mailboxes. A strident community fight-back campaign went unanswered. In the middle of the federal election campaign, CPC rushed to shoddily install these postal boxes. Little safety forethought was utilized in their Google map planning of these installations. Many are traffic and safety hazards due to locations. CPC didn't even follow their own criteria in regard to access, traffic, and lighting. As well, contractors perched these boxes in locations with no sidewalks, on uneven mounds of loose gravel, at precarious angles. To this day, one year later, most issues are not resolved.

A new letter carrier restructure has been set up for this fall, 2016, and a few of the more dangerous ones will return to door-to-door delivery. Unfortunately, we feel that some of this is due to the affluence of the complainants, as well as the safety aspects. We feel many in the core of town who are seniors are being needlessly put out by these hazardous boxes. Seniors who receive medical dispensation will have to reapply each winter for weekly home delivery.

The former Letter Carriers' Union of Canada used to work in conjunction with Canada Post on a program called letter carrier alert. Under this program, letter carriers acted as a lookout for things amiss while delivering mail on their routes: an ailing senior, mail piling up in a mailbox, fires, loose dogs, etc. The current Canadian Union of Postal Workers has a new proposal to revive this program as a community elder watch.

Our corporate retail post offices offer a different perspective than contracted-out retail outlets. Our highly trained clerks have usually worked in the post office for more than 20 years. Their experience is not just retail, but includes postal systems and services, starting from their previous work in processing plants or letter carrying. In addition to detailed product and service knowledge, staff must know over 60 complex, but required, corporate procedures. When clerks have the knowledge of the path of letters and parcels and all the quirks of the postal service, they are more capable of serving their retail customers, providing an all-round positive customer experience.

The public retail postal network plays a role in representing a respected federal institution to the Canadian public, in providing a stable infrastructure that communities need to thrive and businesses need to grow.

In terms of labour relations, Canada Post has taken a cynical tack in dealing with its workers over the past 11 years as it tries to dismantle the service in a very negative way, dragging down the morale of workers, taking away the tools of their work, cutting staff, closing plants and retail offices, and cutting services such as door-to-door delivery. This makes for a very demoralized workforce.

Many of us have been postal workers for decades. Management actions have us all swimming upstream. The service under the Canada Post Corporation Act is provided from coast to coast, to every Canadian, even the most remote. The post office needs a positive agenda to move things forward with expanded services, some of which will be mentioned later today, such as postal banking, nutrition north, or grocery delivery. The post office connects communities, people, our country, face to face, unlike any other entity we know of.

● (1040)

Thank you for your time.

The Chair: Thank you very much, Ms. Johnson.

Mr. Lewenza, please, for five minutes.

Mr. Ken Lewenza (As an Individual): Thank you.

I'm the vice-president of the Windsor and District Labour Council. I'm also a part of an organization in Windsor-Essex called Making Waves Windsor Essex. Some of our focus has been to really have a conversation about what's happening in terms of the undermining of our jobs, our democracy, and our public services, and in terms of our health, our relationships with one another, and even what the future looks like for future generations and how we move forward.

Long before any discussion at all about postal banking, I can say that I was active in my community in fighting against predatory lenders in terms of what that meant for the most marginalized people in our community, what that meant for people who were on social services and had to go to a predatory lender just to cash their cheque. It cost them \$30 just to cash their cheque. We were actively involved in that, so I think this is a really neat and innovative thing that needs to be looked at.

In relation to that, I have a bit of history too. I was a city councillor for seven years. From that perspective, I can speak to a couple of interesting points that I think you would like to hear. I also come out of Unifor. My father was the president of the former CAW. On your comments around labour, I'd like to share some innovative ways in terms of how you can overcome some of the impasse that I heard you mention earlier.

If I had more time, I'd like to share with this committee two of the best success stories in our community. They come from the innovative thinking of different stakeholders that you would never expect to come together in a non-divisive way in order to think about how we can work together and collaborate better.

I'd like to tell you about two of those stories. One is in manufacturing, and one relates to a benefits company. We're working on another innovative project in our community that starts to address many complex questions and allows many stakeholders to see the benefits of collaboration.

One point I want to make is that Canada Post is a success story. If Canada Post disappeared today, imagine what the consequences would be for the Canadian population and for all of the spinoff benefits that I'm sure you're going to hear about through the various presentations when you go throughout the country. I won't speak to that today.

When I think of how governments today are trying to create jobs in communities, here's an excellent example. Just here in Windsor and Essex County, at a time when we're bleeding jobs, Canada Post provides 500 jobs in our community. They are well-paid jobs with spinoffs for our community that even go beyond the public service.

On the whole question about public and private, I always find it interesting in our country that suggesting that the public sector start going into new business is like trampling on business, but somehow business can always put forward lobbyists, think tanks, and everything on why they should be delivering public services.

I'm curious about this. When you talk about innovation, everyone says that we need change. Sure, we need change, but that change can't always be tilted in one direction in terms of who benefits and who doesn't. In this country, we all see the growing gaps in political and economic inequality. The question is, how does that conversation start to tilt back to where we can actually use government to think about how it can benefit the widest interests of citizens? Why is it that when we have profitable entities, things that have a success story, they're under attack?

I want to comment quickly on democracy, and again, I will say congratulations and thank you for hosting this event. I want to share this with you. Today when I walked in I saw my neighbour from across the street who's going to be speaking to you later on disability issues. I love coming in and listening to Gary's comments. I don't even know who else is going to be in today, but it would have been ideal for the people who made presentations today to have more time from our community perspective to put forward recommendations whereby we can learn from one another.

We all come from these little narrow perspectives that you hear from. I guess if we were going to have true meaningful engagement, what we would have is our community having the opportunity to put forward some suggestions that come from all of us on things that we agreed on and that actually tackled some of the very difficult questions. Today, we're hearing this divisiveness on all sides, whether it's management, whether it's political, or whether it's union. We need to start thinking of new ways that communities can advance ideas.

●(1045)

Before I leave here today, I'm going to ask you to please consider if somebody can facilitate a conversation where our community can come together—the people who presented here today—to actually have a conversation, and then I would invite you back to Windsor. I can assure you, before you submit your final report, that we can certainly submit some ideas and come up with some things that we have consensus on that I hope would make a difference.

Lastly, when I heard someone say earlier that it's not performing, that Canada Post has some challenges, I say, to what standard are we setting that opinion on?

Again, I look forward to answering some questions and giving some examples on how collaboration can put forward truly meaningful results for the public, for our country, and our future.

The Chair: Thank you so much. I appreciate those comments.

We will now start with our seven-minute round of questions and answers.

[*Translation*]

Mr. Ayoub, you have seven minutes.

Mr. Ramez Ayoub: Thank you, Mr. Chair.

I'd like to thank all three of you for being here today. I greatly appreciate your determination. Your presence here speaks volumes.

I really liked Mr. Lewenza's comments. The message I got from it is one of hope. You came here with hope. You expect the members of the committee to be open to your comments and to eventually come up with some solutions. There's nothing perfect in this world, but at least there's a consultation. We are here to listen and hear your concerns. This seems very positive to me. We are trying to do the best possible to achieve a pan-Canadian picture of the situation. This has never been done before with Canada Post. Still, you consider this institution a success, and its history spans 100 of the past 150 years. However, a company that grows must eventually re-energize itself and sometimes take one step back so that it can take two steps forward.

I was saying earlier that we have to plan the Canada Post Corporation of the future. To help us with this, I will address my questions to the union representatives.

Earlier, some of your colleagues showed some openness and proposed offering parcel delivery on Saturday and maybe Sunday. That would be an improvement.

Do you think it would be possible to reduce the number of days of delivery during the week to two or three days, and to work Saturday and Sunday? Is the union open to that idea?

Fewer letters are being sent. Letter mail has decreased significantly. How flexible are you on this?

●(1050)

[*English*]

Ms. Michelle Gouthro Johnson: We currently have a tentative agreement with Canada Post, and we have agreed to be able to use part-timers and temporary workers on the weekends. In the past few

years, Thanksgiving is when we start to see the parcel business towards Christmas explode, by hundreds of per cent. Even in Windsor, a small city, there have been millions of parcels. We're open to that. People who are hired currently are hired at a lesser rate; that's happened since 2011. The idea about alternate-day delivery doesn't make sense in a carbon footprint kind of way. There may be parcels going to a house on a Thursday, and unless you're changing your delivery standards, they're not getting letter mail that day. Say, they have letter mail on a Thursday, but that's not a delivery day; they're also not going to get their parcel on that day. For the five-day or the seven-day delivery, I think they're looking at evenings, and actually they're looking at Sundays as opposed to Saturdays. Right now, when you get a parcel delivered to your door, you're at work, so you get a card and you have to go to a postal outlet to pick up your parcel. They think they can increase deliverability of parcels with Sunday delivery because people are home.

[*Translation*]

Mr. Ramez Ayoub: How do you think Canada Post will remain competitive when some studies indicate that employee salaries and benefits are 40% higher than those of the competitors?

I understand that these are very good jobs and that people want to keep them. You also said that Canada Post recruits employees that it pays less to do some of the work. So there is an imbalance in how to address the situation.

What is your opinion on this?

●(1055)

[*English*]

Ms. Michelle Gouthro Johnson: I've been at Canada Post for a very long time, over 30 years, and the idea that we are overpaid has kind of dwindled over the years.

Granted, I challenge anyone here to make \$19 an hour as a temp employee—your trainer tells you not to quit your day job to deliver parcels on Sunday for Canada Post—and you live in, say, Vancouver or Toronto and be able to support a family. We are flexible.

Our rate of pay has not kept up with inflation, I'd say in the last 15 years. I have a comparison to the auto industry. In 1984, my husband at the time was hired at Chrysler Corporation. There was about 60 cents difference in our hourly rates. Currently, an auto worker in Windsor makes about \$7 an hour more than we do, and that's at our top rate.

So, we are flexible. I am a retail clerk. I am all about public service. I believe that every customer I have should be given dignity and respect.

We are dealing with challenging times. People who use the post office may be disadvantaged financially, or may be from other countries and have difficulty speaking in one of the two official languages that we use in our post office. We work very hard to serve those people.

Mr. Ramez Ayoub: Thank you.

I have question about confidence.

[Translation]

You just signed a new collective agreement for the next two years. As part of the negotiations, decisions were made without consultation and without informing you. Even still, I'm hearing that you aren't getting information on certain issues.

How much do you trust the senior management regarding the negotiations that would allow you to see a future with Canada Post?
[English]

Ms. Michelle Gouthro Johnson: I think most of us, unless you're reading Facebook, have faith in our national negotiating committee. We have had something like 85 bulletins since July 2.

The Chair: Thank you very much.

Mr. McCauley, seven minutes, please.

Mr. Kelly McCauley: Good morning. Thanks for joining us. That was well spoken.

Mr. Lewenza, I will get to you and you can share some of your ideas, but I'm short of time, so I'll ask witnesses to answer briefly.

On the issue of revenue at Canada Post with the door-to-door delivery, we've seen the stats that the revenue is dropping.

Do you accept Canada Post's long-term projection of the dropping of that revenue from the door-to-door? The reason I ask is that we're hearing some commentary, almost a conspiracy theory, that Mr. Chopra is causing the drop in door-to-door mail by different actions. I believe it's because people just aren't mailing the letters like they were before. They're e-billing.

Do you accept that it is dropping and that we need to change?

Ms. Michelle Gouthro Johnson: I think nationally we have to accept that mail has dropped.

However, there is other mail that has increased, such as addressed ad mail, which is mail to the occupant. It's addressed. It goes to your address.

Mr. Kelly McCauley: But not enough to offset—

Ms. Michelle Gouthro Johnson: It's not enough to offset, but the parcels more or less.... You spend \$10 for a parcel to go to Toronto, or you could spend 85 cents for a letter to go to Toronto.

You know, a lot of this stuff that has been put out by The Conference Board of Canada, which was a report that was commissioned by Canada Post—and Deepak Chopra sits on the board of directors—is very self-serving.

I think Phil can probably add a few words about it.

Mr. Kelly McCauley: There's a lot of self-serving information being put out, I'll be honest with you. If you put three CUPW people up, they say everything's great. You put three other people up, they say everything's not great, so that's harassing with questions—

Ms. Michelle Gouthro Johnson: You can speak to our customers.

Mr. Kelly McCauley: —and we repeat the questions again and again.

Have you looked at the long term? You've seen the report the task force has put out that shows this widening gap in sustainability. In 2026, I think, they're predicting...I can't remember, but I think it's a \$750-million shortfall. Do you accept that? Do you accept that as close, or...and Ernst & Young put out the numbers as well.

• (1100)

Mr. Philip Lyons (President, Local 630, Canadian Union of Postal Workers): I think part of the biggest problem we have with Canada Post is a lack of transparency. We simply can't trust the figures they put out. They never back them. I think they've used the figure of a \$1-billion loss four times since the mid-nineties, that this will cost us \$1 billion if we don't do something.

There has always been a lack of transparency with the union. There are 51,000 of us from coast to coast to coast. In larger terms, they don't listen to us, period. We're the ones out on the street, we're listening to the customers, and they don't want to hear it. We've suggested pilot projects to them a number of times.

In terms of the earlier question in terms of... We're willing to try anything. Beggars can't be choosers.

Mr. Kelly McCauley: Yes, it's a difficult situation for everyone then, taxpayers as well.

Do you think Canada Post is something that should be...? The price of stamps, in a way it's paid for by Canadians. It's simply another form of a tax. Whether it's higher taxes subsidizing Canada Post, increasing the price of stamps, etc. in the end it comes out of one pocket.

Do you think we've reached that point—if it is \$750 million as Ernst & Young suggested, the report suggests, or \$100 million—that this should be made up by a subsidy or an infusion from the taxpayers, or from cuts, or from stamp-price increases? It's a difficult question and you're seeing off 10 years, but a general quick opinion, because I want to give Mr. Lewenza a chance.

Ms. Michelle Gouthro Johnson: I believe postal banking is an answer. I know it was mentioned earlier that Italy Post is privatized. In Britain, Moya Greene, a former CEO of Canada Post, has also privatized Royal Mail, which delivers banking services. The banking services are public. Post offices around the world—

Mr. Kelly McCauley: We can privatize Canada Post and have a public bank.

I'm teasing you.

Ms. Michelle Gouthro Johnson: Not necessarily, but the postal banking.... As a retail person, I know we offer financial services already. We do money orders. We do money transfers. We do pin changes. We authorize bank accounts through online banks—

Mr. Kelly McCauley: I'm going to Mr. Lewenza, I'm sorry.

Very quickly, and I brought it up earlier and you may have heard it before, we saw Unifor and GM go to new employees—they weren't grandfathered, I believe it's fair—to help sustain and to land the new job contract, go to a defined contribution plan.

If it gets to that, if it's one of the solutions to maintain jobs, is that something that could be considered? Or does that have to wait for two years to the next negotiation?

Mr. Philip Lyons: Again, with us I think it's a lack of transparency. We had defined benefit that worked for 40 to 50 years, now all of a sudden it doesn't work and we're not being told why it doesn't work. I think we're comparing apples to oranges with Unifor. You can't pick up Canada Post and move it to Mexico, and that's being held over Unifor's head at every negotiation.

Mr. Kelly McCauley: But you can pick up and fortunately go to community mailboxes, though, but I understand what you're saying.

I'm sorry, we have very little time. Can you maybe share one of your stories quickly?

Mr. Ken Lewenza: It's kind of unfortunate, but I'll give you an example when it comes to innovation—

Mr. Kelly McCauley: Do that on someone else's time, but—

Mr. Ken Lewenza: No, the minivan plant, for example. We have the three-shift operation. Forever and ever we told the company when they were building minivans that we can three-shift an operation, and it was the company that said it's absolutely impossible because you have to do maintenance.

Workers got together with the company and for three years argued that they could actually do this. What happened was they actually were successful in convincing the company they could three-shift an operation. It started to become an industry standard and the reason that we're still producing minivans here in Windsor-Essex County is because of that level of innovation and productivity that's coming out of that workplace.

Going back into the 1960s, Green Shield Canada started up a benefits corporation. The workers there are innovating technologies. It's kind of set up as a co-operative non-profit. They just got a \$1-billion contract from Toronto. We just hired another 100 people, paying \$32 to answer a phone. Non-profit, the CEO's doing very well. The workers are doing well. The community's doing well, and essentially a lot of the people who are searching for benefits now are coming here to Windsor-Essex County to get this type of benefits plan. Today we're actually starting to work on a new co-operative model that brings a whole bunch of stakeholders together.

That's fine, so—

Mr. Kelly McCauley: We're out of time. Maybe somebody else can follow up. Thanks.

The Chair: Our next seven-minute intervention will come from Ms. Hardcastle.

Ms. Cheryl Hardcastle: Thank you, Mr. Chair.

Actually, that's a really great segue for me. I can just say to Mr. Lewenza, take it away.

I do have comments for the other guys. I'd like to hear from them.

• (1105)

Mr. Ken Lewenza: I'll make a couple of points, even on your labour dilemmas. I sat on the management side when I was a city councillor and I've sat on the union side being with the union. I can give you an example. For example, when you use numbers, they use the term “legacy costs”.

In our community we had a 100-day strike going back to 2007-08 over post-retirement benefits. When you actually look back on it, I can guarantee and show you a clear picture of how both sides were just insane. We were in this protracted battle. CUPE offered that they would have a revenue-neutral agreement for two years, and the city wanted the post-retirement benefits. CUPE said we wouldn't take any wage increases.

At the end of that 100-day strike, the city ended up giving a 7% wage increase. They took away the post-retirement benefits, but when you actually times the number of hours and what that wage increase was worth, you could purchase those post-retirement benefits two times over. It's insane for the taxpayer. It was just an insane fight that absolutely made no sense.

So when you look at these numbers, in terms of the skepticism that people here are seeing.... We'll see in the press this is what CUPW is saying and this is what the management team is saying. Here in Windsor-Essex, we can simply get people together and ask if we agree on these types of numbers, because we all know what the reality is. For example, in my workplace in the private sector, the business can't lose money if they're going to continue to have jobs.

In the public sector it's a little bit different, but I think there are opportunities there. I think that we're getting into these divisive fights when I think there are solutions to actually start working on what the challenges are of Canada Post moving forward and how we can respond.

The last part is about community democracy. I am absolutely confident that after this meeting today, we'll get together with those community stakeholders and we'll try to put forward something that makes sense that we all kind of agree on or some things that need to be explored further.

I'm worried that this report will go back rushed under these narrow confines that all of you are kind of pressured into, and say that this is your analysis, when this should be an ongoing process that continues into the future.

Ms. Cheryl Hardcastle: Thank you.

I'd like to ask either Mr. Lyons or Ms. Johnson, or between the two of you.... I'm sure the committee has more insight with some of the members, but I know Canada Post in the future.... Canada Post, as we all know, is something that Canadians can really get engaged in. There are a lot of Canadians who are very knowledgeable in business. A lot of Canadians are very astute about the vastness of the country and how we have had to socialize what we call social infrastructure. Even railways in the past, building a nation....

I know there are two visions, obviously, that come forward now, like take the most profitable part, which seems to be the parcel delivery, lop it off and privatize it. The other one is a really innovative, really intriguing vision that CUPW has.

You mentioned it a little bit earlier, Ms. Johnson, with regard to nutrition north, the potential daily delivery. I'd like to hear you guys talk a little bit more about the real vision for the existing infrastructure and how to leverage it.

Ms. Michelle Gouthro Johnson: Canada Post has 6,300 retail post offices across the country, whether they be urban or rural, and we're everywhere in the country. The national union has teamed up with the Leap Manifesto about building community power and having the post offices as a hub.

The businessman earlier from Petroliia spoke about his post office once being a community hub. We've talked about expanding, not only into postal banking, but into grocery delivery to the north by teaming up with nutrition north. We know that the north is subsidized through other programs, but who better to deliver that than the post office that is in every community?

That's why we think of postal banking to indigenous communities and into the far north communities.

Cottam, Ontario, which is a small town probably 35 kilometres outside of Windsor, just lost its only bank. Here's a community in southwestern Ontario without a bank.

We also talked about greening our fleet. We have the largest fleet, the largest logistics fleet in the country. Much of it has been converted to electric or hybrid vehicles. We talked about having charging stations for other vehicles around the country, not just postal vehicles, and maintaining an elder watch postal hub as a public postal service available to all Canadians.

• (1110)

Mr. Philip Lyons: I think the sky is the limit with what we can deliver, and I'd like to thank the committee for going around the country and asking Canadians do you think we can get into grocery delivery, almost delivery right off of farms? And I really don't think there's anything we can't get into, and we need to ask Canadians. We need to say this is your service, it hasn't cost you a dime—popular belief is it has but it hasn't—so what do you want from this service?

Hopefully that comes out of this committee.

Ms. Cheryl Hardcastle: On that really positive note, on behalf of CUPW you've read and looked into a variety of information, and you've seen where the profits are and where the potential is. You haven't just seen financial crisis, and maybe I'll give you this last opportunity to dispel a myth or talk about how you've worked on pensions with the company. I know there are a few of those factors that are very important in mitigating the whole issue.

Mr. Philip Lyons: Obviously we're at odds over the pension and how they're calculating the solvency. We have a lot of financial experts who have said the solvency shouldn't even be part of Canada Post's calculation, that there are municipalities, there are universities, that aren't subject to it. We're an ongoing business, not looking to wrap up business. In 2015 we had a \$1.2 billion surplus in the ongoing concern. We don't feel that we should even be subject to that calculation.

The Chair: Thank you very much.

Ms. Ratansi, seven minutes, please.

Ms. Yasmin Ratansi: Thank you, all, for being here, and thank you for your different views.

I'll start off with you, Mr. Lewenza. You talked about collaboration and taking into consideration the widest interests of citizens. Are you familiar with the pension issues at Canada Post?

Mr. Ken Lewenza: Yes, I've followed the arguments. I couldn't provide a type of expertise, but I would suggest that outside of the management structure or even outside of the CUPW structure there would be an opportunity to pick almost like a panel to do an independent assessment on those numbers and how you move forward. Because those numbers, I am familiar, can be so misleading as if to give the impression that if everyone were to live to 90 years old, if Canada Post simply packed up and finished today, this is what the liability would be. So I think for the everyday average citizen to understand those things it just turns it into a fight instead of thinking about what's a more prudent approach moving forward.

Ms. Yasmin Ratansi: It was interesting when you talked about how these insane fights take place. We had some pension experts talking to us about how moving it from DB to DC will make no difference. So you are right, this is an approach that we need to take, because that's where the sustainability issue comes, a pension liability projection of making Canada Post unsustainable.

Mr. Kelly was saying that one says we're very good, and one says, no, your services are not good. The task force did a review, and the task force found that Canada Post is an essential service, it is a symbol for Canadians, and that 91% of Canadians agreed that this is a very good service. However, when we talk to businesses, the businesses were saying, you know what, they're not giving us timely service, they're not efficient, they have declined, they have a monopoly therefore they can do this.

What is your sense of that criticism against your services?

Ms. Michelle Gouthro Johnson: What happened was before the five-point plan, Canada Post had started to close processing plants. And talking about financial sustainability, they were building billion-dollar plants in Montreal, Vancouver, Winnipeg, and Edmonton, and then closing a lot of the smaller plants, say Windsor, Quebec City, Halifax, and basically, in essence, shipping the mail, in Windsor's circumstance, to Toronto and back, thus affecting delivery standards for Windsor.

So Canada Post has gone from 21 processing plants across the country down to five mechanized. They have a lot of really state-of-the-art equipment, but it's very concentrated and we all know the size of Canada compared to, say, Great Britain or Finland. In trying to get mail logistically down the 401 and back...and everyone who might have come down the 401 today knows, there's construction everywhere.

• (1115)

Ms. Yasmin Ratansi: It's like the super jails they were proposing, like super processing plants. That's interesting.

Now that you do not have the corporate plants here, how would you propose to provide the extra services that you're talking about? Should we close those super jails or super plants, or what is the cost that's going to occur?

Mr. Ken Lewenza: These are the types of things where there needs to be an ongoing conversation. For example, when there are ideas on how to do things more efficiently and effectively, I am well aware that there is a contentious relationship between Canada Post and the union that has gone on for a long time. Phil is my friend. I've had an opportunity to have a conversation with him, and I sometimes can't believe the labour relations climate that exists. I think there are many times when the union has concrete ideas around how things could be more efficient. The question is, how do we keep some type of process or dialogue going so that you can advance those ideas and you don't always need some type of committee that goes around once every 10 years? There has to be space to share these ideas on how to do things differently.

Ms. Yasmin Ratansi: It's because of management's fault...to get buy-in or to consult. We've been told it's arrogant, it's not innovative, and things like that. We don't want this discourse to be tied up in adjectives that are not conducive to a working environment.

You have an issue at the moment. Yes, we are here, but we want to see from you how would you manage within the environment. You want to provide more services, so how would you manage in the current environment?

Ms. Michelle Gouthro Johnson: Canada Post moved the mail to London when they closed our plant in March of 2013. In August of 2013, they decided to also take some mail out of London, Ontario's plant. Then they moved our mail to Toronto, and now our mail goes to Toronto. Canada Post—I've been there a long time—does a lot of what we call “rearranging deck chairs”. They try something, it doesn't work, they go back, they try something else. What they're now trying to do is pull out Windsor mail that begins with N codes because from Windsor to Owen Sound to Kitchener, the postal codes start with N. At one point, they had a Kitchener plant that did premium products, such Xpresspost, expedited, and priority courier in a plant in Kitchener. They closed that plant and moved it all to Toronto. They have recently reopened—the physical plant is still there—the Kitchener plant, and now they're talking about a personal product in Windsor where they bring stuff back.

Ms. Yasmin Ratansi: There was no consultation on that?

Ms. Michelle Gouthro Johnson: No.

The Chair: We will now conclude with two five-minute interventions. The first intervenor will be Mr. Brassard.

Mr. John Brassard: Thank you, Mr. Chair. I'm going to focus my attention on Mr. Lewenza because I want to pick up on something you said in your opening remarks. It's amazing how eerily similar our paths are. I was a union president and I was also a city councillor for nine years in the City of Barrie, although our politics may be a little bit different, I suspect, being a member of the Conservative Party as I am.

I'm a guest on this committee, Mr. Lewenza, and one of the things I've observed, and I think you picked up on, is the politics at play with respect to this review. As an objective observer, I see one side blaming management. I see promises that were made that perhaps are not being kept. I've seen accusations of that. From another side, I've been listening intently to that, but one of the things that you said is the need to come together regardless of our political beliefs to better this system. I want you to expand on that given your experience, as has been my experience, of being on both management side and the union side, and understanding that there's always two sides to every story as it relates to not just labour, but also management. I'm giving you an opportunity to expand on what you think is needed in order for us to move forward, and understanding that this is a highly charged political environment.

• (1120)

Mr. Ken Lewenza: You mentioned politics, but I think there was a review done on postal banking under Stephen Harper, and it comes back—

Mr. John Brassard: Are you referring to the 2013 report?

Mr. Ken Lewenza: Yes. It comes back and it's all blacked out, so you start asking yourself why all those areas are blacked out—

Mr. John Brassard: That was 2009.

Mr. Ken Lewenza: —which gives an indication that there are some real benefits to this.

I argue that at a time when people are really concerned about jobs, the economy, democracy, and people are frustrated, one of the things that I've learned is we need to trust people. When you provide everyday, ordinary people the access to information and you consult with them, more often than not they make the right decision, and I can give you concrete examples. I think it's when we get lost in our bureaucracies and we get lost in our ideologies that we start behaving poorly. The more we can have open conversations and dialogues in communities and we try to find solutions... And let's even agree to set the objectives. Are these our objectives? When one side believes from the very beginning, ideologically, that a public service should be private, and the other side believes that they should deliver every service, I don't think that creates a healthy environment to find a solution.

I think it has to be grassroots. Communities have to start thinking about how we can at least agree on the facts, at least agree on the objectives, and start making decisions. I can't help but think in these types of cases that there should be an independent space. I'll give you an example with Phil. The gentleman from the business community comes forward and makes a presentation. I think his remarks are wonderful. He has a perception that the post office is sometimes slow. I would suggest to Phil, as the union president, not to wait for Canada Post to contact him. Have a conversation. Is this myth? Is this perception? Is this real? Because if I'm Phil, I'm starting to think about, if there are inefficiencies, or if that is in fact true, how can we fix that? I think we need to start breaking the mould and start having conversations.

In the past few years I've been working with odd bedfellows, and it's really interesting when you start thinking about areas where we actually agree. I think today, more than ever, people are looking for solutions. They're looking for co-operation. They're frustrated with government. They see things falling apart. I would argue to all of you that the best thing we can do is start finding a way to include people in the conversations. There are some very tough decisions that need to be made. Democracy is not easy. But when people are far removed from the process and they just see fighting, people turn skeptical and they check out.

I can't help but to say today, look what's happening in the United States. Democracy has completely collapsed, and you're looking at the consequences of that. That's why I say that citizens have to be engaged in the process, and we need to find new approaches on how we can work together around common goals.

The Chair: Thank you very much.

Our final intervention will be from Mr. Whelan.

Mr. Nick Whalen: Thank you.

I just want to start off by saying that I believe in Canada Post. I believe it has a history of nation-building. I'm looking forward to this committee's exploring in an in-depth and unrestrained way all possible futures for Canada Post.

In that, Mr. Lewenza, you talked about community involvement. We hosted round tables in St. John's East. We had a very good turnout and we talked about the future of Canada Post. All MPs have been encouraged to do that. I'm sure if you reached out to your MP, he or she would host a town hall to make sure that this happens with your involvement.

Having said that, not everyone can be involved in the same level of in-depth conversation that we are having. We're going to have over 100 hours of testimony.

On that point, I'd like to thank our interpreters for the last 14 hours of simultaneous translation that you've done for us to make sure that everyone in the country can understand and appreciate the testimony that we're hearing.

It's a surreal conversation for you, I understand. We're asking the questions that we feel are important, based on having already participated in 14 hours of conversation just in this week alone, and you're only getting to see one hour of it.

On pensions, we heard some very interesting testimony yesterday about joint management of pensions and decoupling the pension conversation from the labour negotiation. I would really like to hear the thoughts of Mr. Lyons, because Ms. Johnson had mentioned that he's a pension person; also, Mr. Lewenza, and any experience he's had in the collaborate approach to joint pension management.

• (1125)

Mr. Philip Lyons: I think the biggest issue the union has is to be blind-sided by this issue. It was brought to negotiations. There should have been a committee formed a year or two ago, or we could have worked collaboratively and identified the issues. It is a real issue; we know that. We just see, again, the lack of transparency from the corporation. That trust factor has to be built. It's great that this committee is coming together, but the one thing I haven't heard about is the labour relations of this company. We're all kidding ourselves if we think that 19 labour disruptions over 46 years is going to turn anything around. I don't know how we get the confidence of business, of customers, when there's a threat of a labour dispute every three years. I think by working together, forming committees long ahead of negotiations—

Mr. Nick Whalen: Mr. Lyons, in general, do you feel that the union would be in favour of joint pension plan management and decoupling the pension issue from the labour negotiations, to have that pushed?

Mr. Philip Lyons: Yes, I think we would.

Mr. Nick Whalen: Okay.

Mr. Lewenza, in your history in the labour movement, have you been involved in any joint pension management, or a transition from a corporate-managed pension plan to a joint union-corporate plan?

Mr. Ken Lewenza: That's not one of my areas of expertise, but obviously I am around a lot of conversations thinking about what the challenges are. To comment on the recent negotiations, I want to paint a picture of my community. Because we had a high concentration of unionization—auto plants, public services here in Windsor, in this county—we have many people living in our community today who are actually making more wages in pension than the average person who is working. This whole conversation about what the future holds for people without.... We all know there is a pension dilemma and a crisis in our country, so I think we need to start having very broad conversations about how we move forward with this approach.

I'll give you an example of Unifor's conversation. There is no sense in negotiating or trying to negotiate a pension plan if you don't have workers. Today, the corporations have a lot of options, where they can go to Mexico.... I heard Ramez make a comment about how you compete. I'll give you an example. Someone in Mexico today makes three dollars an hour making a car. How do you compete? You don't.

The question is, what type of society are we heading toward, and how do we start finding solutions?

Mr. Nick Whalen: Thank you, Mr. Lewenza.

I think this is something we are hearing on both sides of the table. We have to make sure that these jobs are important, that they are efficient, and that you can pay higher wages by delivering greater value.

It's difficult for me, as a politician, after so many hours of testimony not to get a little partisan, but when I talk about management and past performance, it's really with a view to whether our current management structure and the current management in place are the appropriate vehicle for future change in delivering on the future vision. You look at the vision they were asked to deliver upon, and it seems that they pursued it with gusto. It was the vision that was laid before them. Are they the appropriate vehicle for a new vision? This is one of the questions I have. If we want to expand, does that necessarily mean that we can't work with management? If management comes back to the table, in a real and meaningful way, and accepts the recommendations that have been put forward, can it be trusted to pursue a new direction?

My question would be for the three of you. Do you see an opportunity to work with current management to resolve these problems, move forward in a collaborative way, and jointly manage things like industrial improvements? Is management consulting with the expertise on the ground, with the union, on how to—

The Chair: I'm afraid you'll have to leave that question as unanswered as it is important, unless you want to have a private conversation with Mr. Whalen, but he is far over time.

Ladies and gentlemen, thank you very much for your appearance here and for the information you provided.

I have a couple of quick comments. As I say to all our panellists, should you have additional information that you wish to provide for the benefit of this committee in the deliberations, please do so—particularly you, Mr. Lewenza. You mentioned on a number of occasions that if you had enough time, you could get the community together to start talking about what they can think of in terms of innovation and possible solutions. You may not have enough time. We have been charged with the responsibility of tabling a report before Christmas. However, I can assure you of this, sir. If you want to pursue that line of consultation and you develop a report, even though it may be past our deadline, I assure you, sir, that I will get that directly to the eyes of the minister.

Thank you again. It has been a great morning, in my estimation.

We are adjourned.

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