



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **Standing Committee on Government Operations and Estimates**

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OGGO • NUMBER 034 • 1st SESSION • 42nd PARLIAMENT

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**EVIDENCE**

**Monday, October 3, 2016**

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**Chair**

**Mr. Tom Lukiwski**



## Standing Committee on Government Operations and Estimates

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• (1000)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Thank you, everyone.

My understanding is that Mr. Peddle is not here but, hopefully, will be arriving shortly. We will get going. I like to ensure that all our meetings start on time and end on time.

My name is Tom Lukiwski. I'm the chair of the government operations and estimates committee, which is travelling across Canada talking and consulting with Canadians, organizations, individuals, those affected by Canada Post, and those who use Canada Post about how they want to see the future of Canada Post unfold.

The minister has engaged in a very extensive consultation process. Phase one was the establishment of a task force charged with the responsibility of examining the long-term financial viability of Canada Post. The task force has completed its report. That report has been tabled. This committee has had a chance to examine that report.

Now we're in phase two, where we are talking to Canadians from coast to coast to coast, and getting their views on what they would like to see as far as what Canada Post's future may hold. That's why we're here today.

The process we will follow today is fairly simple. We'll ask all of our panellists to give a brief five-minute or less opening statement. Following that, we will have questions and answers sessions with our committee members. Hopefully, the session will wrap up in about an hour.

The first speaker on the list is His Worship Mayor Pender.

Mayor Pender, you have five minutes or less, please.

**Mr. Charles Pender (Mayor, City of Corner Brook):** We'll do our best.

[Translation]

Good morning, and welcome to Corner Brook.

[English]

I'm here to represent the City of Corner Brook, obviously. I just want to acknowledge your visit here and thank you for taking the time to come and listen to the people of our community.

About this time last year, the City of Corner Brook was advised that Canada Post had the intention of implementing the community mailbox program in our community and eliminating the door-to-door

service that had existed for some 50 or 60 years, I guess, since we've been a city. During that time we had consultations with a number of people—interest groups, businesses, and individuals—who felt they would be negatively impacted by that change and lobbied strongly not to see that implemented.

The majority of the feedback we received was opposition to the elimination of the door-to-door service. We have an aging community. We have a community that has challenges, I'll say, when it comes to topography. We live in a bowl, and I hope you have the opportunity to get out and look. We have streets that are at 20% grade, so we have some very difficult terrain. We don't have sidewalks on all our streets. We are a rural community, even though we're the regional hub. We get 16 feet of snow in an average winter; sometimes we get a little less. We do get 20-odd feet of snow sometimes. All of these things present very grave challenges for us as a city.

The elimination of door-to-door service, then, also meant that these challenges would be amplified for people who depend on door-to-door service. We particularly had concerns about our aging population, people with mobility issues, people who found it, on a good day, difficult to get around. Combine the terrain, the weather, and the lack of proper infrastructure in an urban setting and challenging seniors and other people to attempt to get to a community mailbox was just not going to happen. For many of our residents, including people with disabilities who found it challenging to get around our community, that was one of the biggest concerns that was brought forward.

We had some concerns brought forward about the cost and the additional stress placed on residents, and of course the cost to businesses as well. One of the things we heard from our seniors, in particular, and people with mobility issues is the need to have documentation for medical reasons to continue to have door-to-door service if the community mailboxes were implemented, and even that was a challenge in a community that's lacking doctors for about 9,000 people. We have a number of challenges.

This one decision, if it had been implemented, would have created a lot of difficulties for residents of this area, in particular the aging population. We are an aging community. We'll see when Statistics Canada comes out with the numbers, but our average age, I think, is about 50 years old. We are one of the older communities in Newfoundland and Labrador. Those things were brought to our attention.

As we know, right now, in the latest numbers from the federal government, seniors are now outnumbering children for the first time in recorded history, especially in our province. That is a concern for us. We would like you to consider how we reorganize things based on an aging population, a senior population, especially in rural Canada, rural Newfoundland and Labrador. We consider ourselves to be in rural Canada.

From an economic perspective, a decline or elimination of door-to-door mail service would have a negative impact on our community. Postal carrier positions as well would be eliminated, which was also a concern for us. Again, we have seen in this community the elimination of federal positions all across the board. We have a big federal government building that's almost empty. Luckily, the Veterans Affairs office was recently reopened, but we've seen a continual decline in all federal services in this area.

There are other things that we could talk about, and I'm sure you'll get to them in the questions.

One option we just want to touch on is the possibility of Canada Post implementing postal banking in rural areas. I'm not sure whether that's feasible or not, but we've seen this in other countries and it works. There may be an opportunity, if you're looking for revenue generation, to look at that type of opportunity as well, and I would encourage that.

I think my five minutes are pretty well up, so I am going to hold it there. I welcome your questions.

•(1005)

**The Chair:** Thank you very much, Your Worship.

Next we have Mr. Gardner for five minutes, please.

**Mr. Terry Gardner (Former Vice-President, Newfoundland and Labrador, Coalition of Persons with Disabilities):** You're going to have to bear with me a little bit. This is probably as much reading as I've done in the last 12 years. It's really tough stuff here.

Dear members of Parliament, and the Government of Canada's Standing Committee on Operations and Estimates, first I would like to thank you for this opportunity to speak in front of you today on behalf of persons with disabilities.

Today I want to try to take you from what you're going to hear as you cross Canada—a lot of numbers, and a lot of different means and ways to do different things—down to a personal perspective. I want you to really try to imagine where a person with disabilities is coming from when this is presented to them.

As a person living with a visual disability, and having been connected to the disability community for some 12 years, I would like to make a case for the issues of inequality and hardship involved with the introduction of community mailboxes as opposed to home delivery service.

The federal office responsible for persons with disabilities is currently also planning and/or holding cross-Canada consultations on how the federal office can improve equality for persons with disabilities, and certainly the postal service would fall under these criteria, because hardships encountered physically, emotionally,

visually, and mentally would infringe on the rights to equality in our society that our Charter of Rights and Freedoms guarantees us.

I want you to try to picture in your own mind what it would be like if you actually had to do this, especially if you were in a wheelchair and especially if you were in a rural area where a proper sidewalk would likely be non-existent, and you had to trudge through mud or snow to get to a mailbox only to find out the mailbox is probably too high to get at, or maybe a vehicle is parked in the way so the mailboxes are inaccessible. Persons with a visual impairment who have to go out in the wintertime face the same situation as somebody in a wheelchair does.

The vision-loss community is not a very select group. It encompasses the better part of our society from the young to the old, so imagine those kinds of persons. For somebody with a mental disability, who sometimes finds it hard to get to the door whether because of depression, anxiety, or whatever the mental disability, can you imagine the struggle of trying to get out to a mailbox? Image being a person with hearing loss. As Mayor Pender said, in certain places, we have four-lane intercommunity roads. Imagine the stress for these people as they go up onto a major road to try to get to a mailbox as opposed to having home delivery.

I'm sure a whole lot of numbers will be presented to you, but probably this number should shock you: there are some 3.5 million Canadians living today with disabilities. That's basically 10% of our society, so if we take away the home delivery service and put in these mailboxes, 10% of people right off the bat are going to encounter certain hardship.

Thanks.

•(1010)

**The Chair:** Thank you very much.

Colleagues, I should also make mention that His Worship was very kind and he kept his remarks to about five minutes, but he has provided a written submission. There are a number of other elements in that submission which we will take into account as we're doing our deliberations, but just for your benefit, he wanted to talk a little bit about mailbox placement, the alternative-day delivery suggestions, the lack of consultation exhibited by Canada Post, and the way we should be looking at Canada Post as an essential service rather than just looking at whether it is profitable as the key consideration.

Mayor Pender, I hope I summarized your points fairly well.

We'll go into the question and answer process.

The first intervener will be Mr. Whalen, for seven minutes, please.

**Mr. Nick Whalen (St. John's East, Lib.):** I'd like to thank Mr. Gardner and Mr. Pender for coming today to provide their unique viewpoints on how changes to Canada Post will affect their communities.

Certainly, Mr. Gardner, there's no need to apologize if our process makes you feel in any way uncomfortable about trying to get your remarks out. Our apologies for that. You were very eloquent, and thank you for your perspective.

Mr. Pender, as the mayor of Corner Brook, I'm assuming you have a fairly good understanding not only of the services available in Corner Brook, but also throughout the Long Range Mountains region in terms of what's available in the different communities. Is that a fair assessment?

**Mr. Charles Pender:** In the larger communities I would, yes.

**Mr. Nick Whalen:** In terms of the lack of funding and financing that Canada Post has available to it to carry on its operations, the task force suggests that 10 years out it will be looking at a \$700-million deficit in a business-as-usual scenario. The task force provided a number of possible options, and even if all of those options were implemented, it wouldn't be enough to overcome the deficit. There's still a real problem and a real challenge that faces us in terms of the continuation of Canada Post.

You view it as an essential service. How do the businesses in Corner Brook use Canada Post to generate revenue?

**Mr. Charles Pender:** I wouldn't know how the businesses use it in particular. I do know, though, that my father operated a business for 50 years here in Corner Brook and he went to the post office twice a day, because a lot of his payments at that time came through cheques and things like that. Obviously the world has changed since, and there are opportunities for Canada Post to change with that.

One of the biggest impacts that I think the business community would have noticed in Corner Brook was when the decision to move Canada Post from the Main Street location where they'd been for, I guess, 50 years, to an obscure location on the periphery of the city killed our downtown because you had all of the business people, all of the community, heading to the post office every day, probably twice or three times a day, and then that was eliminated.

The postal carriers were also moved to the periphery so the taxi business would have seen a change, the restaurants would have seen a change, and the business people in the downtown would have seen a change. That would be direct in the city of Corner Brook.

As to other areas, obviously we've had changes in how the delivery happens with parcels and things like that, so that would have a big impact on the small businesses in particular. When there was a pending postal strike, for instance, I am aware of a number of small businesses that relied exclusively on Canada Post to deliver their parcels scrambling to find a way to get their parcels delivered. When you're a small business and you have orders and all of a sudden you have to change and you don't have the ability to do so, it was quite an impact on them.

**Mr. Nick Whalen:** Is that because the sorting isn't happening locally? Why is it that local businesses couldn't rely on Canada Post for parcel delivery?

**Mr. Charles Pender:** That's a very good question. Because if I mail a package here, my understanding is it goes to St. John's and then comes back. It doesn't go up the street.

**Mr. Nick Whalen:** So it's quicker—

**Mr. Charles Pender:** That can't be very effective.

**Mr. Nick Whalen:** —for somebody in St. John's to make a sale to local businesses using the post than local people.

**Mr. Charles Pender:** If you're in a small business in Stephenville or in Gros Morne, or anywhere like that, in a small community, it's

the same thing. It's not going to go across the street or to the community you're sending it to directly. It's going on a truck to St. John's to be sorted, and then it's coming back.

• (1015)

**Mr. Nick Whalen:** With seeing Canada Post actually having operated as a hub in your community, and having seen that already pulled away from operating as a hub, if it was to be restored, what additional types of services do you feel that the post office can or should offer? I'm assuming that the banking services in Corner Brook are sufficient.

**Mr. Charles Pender:** In Corner Brook, yes.

**Mr. Nick Whalen:** What types of services do you feel that hub could offer to reinvigorate your downtown and, by extension, maintain the main streets of rural Canadian communities?

**Mr. Charles Pender:** Whether it's in Corner Brook or one of the other communities where postal services have been reduced, I think there are always opportunities for other federal government services that perhaps are not currently available in those smaller communities.

I've spoken of the J.R. Smallwood building here in Corner Brook where the services of the federal government have been pretty well eliminated, except for a few small ones, and they've been basically sent to St. John's. Everything that we do, and we're the second-largest municipality in the province, everything that we rely on from the federal government, except for a couple of services, are basically handled in St. John's now. Somebody might say that's not that far away, but it's 700 kilometres across very difficult terrain and very difficult weather at the best of times, and it does create complications.

I'll point to the veterans, for instance, and their successful lobbying in having the Veterans Affairs offices reopened because of the absolute hardship that was placed on them when they were closed. We see the same thing from Canada Post, from small businesses in particular.

**Mr. Nick Whalen:** What about things like Internet service, the banking service along the coast? Do you find that your community's happy to have the foot traffic in Corner Brook to provide those services?

**Mr. Charles Pender:** Absolutely.

**Mr. Nick Whalen:** Do you think those services should be better provided in those communities?

**Mr. Charles Pender:** We're expanding broadband across the province here, now, especially in communities that haven't had it. There are still communities that don't have access to Internet service. They have dial-up modems if they're lucky. You don't have cell service everywhere. So having government services in at least the regional centre in the rural areas of Newfoundland and Labrador would be beneficial.

**Mr. Nick Whalen:** What about things like hunting and fishing licences? Where would they get them, if they were from Corner Brook, Curling, or L'Anse-au-Loup?

**Mr. Charles Pender:** The post office is where you get a lot of those fishing licences and things, or at least we did. I don't know what the new system is, but at one time you went to the Main Street post office if you wanted to buy coins, get something from the Canadian Mint, or get a parcel or a package, a postal order, or a fishing licence. Any of those things you could have done at the main post office.

Whether you can still do that today is beyond me, but there are perhaps other services government could look at that could be offered.

**Mr. Nick Whalen:** Mr. Gardner, in terms of the future of Canada Post, different options were put on the table by the task force. One of them was alternate-day delivery, and of course, Canada Post does have a mechanism by which, if it was better handled, people with disabilities could get some form of limited door-to-door delivery. What do you think your members would be okay with in terms of the number of visits per week to their homes for mail delivery, if community mailboxes were expanded to include Corner Brook?

**Mr. Terry Gardner:** The very first thing I would say is that it would be the last option for persons with disabilities. The life of a person with a disability on a daily basis is so complicated that if you are going to do alternate-day service or something, that in itself would extend the troubles or the difficulties that persons with disabilities have in their lives.

Yes, alternate-day delivery would be better than no home delivery service, but we would advocate for home delivery service every day.

**The Chair:** Thank you very much.

Mr. McCauley, you have seven minutes, please.

**Mr. Kelly McCauley (Edmonton West, CPC):** Good morning, gentlemen.

It's great to be here. I haven't been in Corner Brook since 2002. Everything is just as beautiful, though it was sunny the last time I was here. It was in July.

**Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.):** It's getting there.

**Mr. Kelly McCauley:** It's great to be back.

Mr. Pender, you talked about Canada Post having discussed switching to community mailboxes in Corner Brook. How long ago was that? How far down the path did they get with that?

Coming in, I think I saw community mailboxes further out, so I think some other communities have them. How far along did they get with you here?

**Mr. Charles Pender:** In the newer developments, we have community mailboxes, and we have accepted that Canada Post will install community mailboxes when we build new subdivisions, new roads, and new areas to live in. Some of the rural communities around us have had community mailboxes since they were implemented, and then they lost their local post office. Across to the north shore, Irishtown-Summerside and places like that would have community mailboxes long before we would in Corner Brook.

• (1020)

**Mr. Kelly McCauley:** Do you have some here already?

**Mr. Charles Pender:** We do have some. As I said, they would be in the newer subdivisions that have been recently built.

However, when the process started, I guess two years ago, community mailboxes were put in the downtown near some of the seniors' homes or affordable housing, I would say. One was installed on Park Street, because the mail carriers had some issues about no sidewalks when they were delivering mail on a busy street, West Valley Road, and for us to put in a sidewalk to accommodate that was a \$100,000 expense, so a mailbox went in. The difference is that this mailbox is close to a kilometre away from people living in that area, which is an older, well-developed area of the city with many older people and people with disabilities.

**Mr. Kelly McCauley:** It's difficult, because we can't have everything, of course. You mentioned, and we hear it too, that they want more consultation. From a municipality point of view, if it is going to happen, what would work best? Would the two of you, Canada Post and yourselves, each have a veto on where it goes, or is it just more discussion with the engineering folks or other groups? What would work best for you as a city mayor?

**Mr. Charles Pender:** I think the initial contact was, "We are going to put these in, and we want to work with the city." I guess the feedback from residents was that they didn't want them, so we weren't apt to be very co-operative in terms of turning over all our documents, maps, and so on.

**Mr. Kelly McCauley:** I hear that a lot as well.

**Mr. Charles Pender:** In some cases, we probably didn't have up-to-date mapping either, because we are just converting all our files to GIS, so we are probably behind larger communities in that respect.

However, one of the issues that our engineers came back with was that we don't have sidewalks on every residential street. We actually keep space on the sides of the roads and at the end of each street for snow clearing. Canada Post may walk in and say, "Oh, there's a nice spot to put a mailbox." Well, if you want to take it out with a loader in the winter, yes, that's a good spot.

It's very difficult to coordinate. We saw the experience in Montreal and we saw it in St. John's where they just decided they were going to put a mailbox somewhere, whether the community agreed to it or not. I think the last conversation or indication we had from Canada Post was, "If you don't agree with where we are going to put them, we are going to put them there anyway."

Of course, they have the right to put the mailboxes on public property wherever they see fit.

**Mr. Kelly McCauley:** They have the right, but I think the idea is that if they want to put it somewhere, they need to find out the local knowledge.

**Mr. Charles Pender:** Exactly, and if you want to have a box buried in snow or taken out with a snowplow in the middle of winter, put it where you want and see what happens.

**Mr. Kelly McCauley:** It needs a lot more community input.

Earlier Mr. Whalen observed that the numbers going forward do not look very good. It's three-quarters of a billion, or some are saying \$1 billion in losses, and the money has to come from somewhere. Cities are screaming for infrastructure, but we're also looking for health care, palliative care, and so on.

It is the reality. I see that the gas taxes have been jacked up so much. Faced with that, is the community willing to accept higher stamp prices or higher taxes to offset that, or do you think, with the realities we face, we might have to change the—

**Mr. Charles Pender:** The reality is that things go up. Things do cost more, and I think everybody accepts that. That's part of reality. The other point is, though, that Canada Post is a federal government service, and we seem to have forgotten the word "service" in everything we look at when it becomes government services. I deal with the same issue. In the municipality, we have to provide service and that comes at a cost. So what is the cost of service?

By doing what you're doing here today, talking to Canadians about what that level of service is, that should answer your question on what the federal government should be spending, or Canada Post should be spending, on that service. You represent us and we expect a certain level of service, and it's Canada Post's mandate to deliver.

**Mr. Kelly McCauley:** Yes, that's one of the reasons we're out here, to hear from people. We've done extensive consulting and surveying, and unfortunately, probably as you're seeing here, people don't want to pay more for stamps. They certainly don't want to pay taxes to subsidize it, but by the way, they don't want us to touch the service. That's where we're stuck right now. People are saying they don't want to pay more and they don't want to pay higher taxes.

**Mr. Charles Pender:** I'm going to offer a local comment.

**Mr. Kelly McCauley:** Yes, please.

**Mr. Charles Pender:** They shut down the main post office, yet we have a federal government building, the Joseph R. Smallwood building, pretty well empty of government services. To put that offer out to tender for space for a post office on the periphery of the city when you had a perfectly good, brand new government building sitting on a main thoroughfare, just doesn't make any sense.

**Mr. Kelly McCauley:** Yes.

**Mr. Charles Pender:** Maybe the decision-making process itself with how Canada Post spends its money should be reviewed as well.

• (1025)

**Mr. Kelly McCauley:** Certainly a lot more closely with the people affected.

Do I have 30 seconds?

**The Chair:** About that.

**Mr. Kelly McCauley:** Mr. Gardner, thanks for being here. It's wonderful to know that you did the Ironman with Simon Whitfield. That's amazing.

**Mr. Terry Gardner:** Thank you.

**Mr. Kelly McCauley:** Very quickly, regarding the community mailboxes, Canada Post does have a system set up where they do once-a-week delivery. Do you think if Canada Post made it more accessible, easier to fill out the forms, and so on, that might be more acceptable to people, to the seniors or the handicapped or disabled?

Mr. Pender, you could chime in as well.

**Mr. Terry Gardner:** No, not at all, because as Mr. Pender mentioned, our community is aging. The average age is 50.

**Mr. Kelly McCauley:** It's the same situation everywhere else.

**Mr. Terry Gardner:** So the people who are using home delivery are people who are in a position where technology is probably not a big part of their lives. Home delivery is what they've had all their lives, what they depend on, what they expect.

No. It is what it is, so to speak, and the change in it at all, from home delivery service as opposed to the mailbox service, I just don't think is going to fly.

**The Chair:** Fair enough. Thank you very much.

Mr. Weir, for seven minutes, please.

**Mr. Erin Weir (Regina—Lewvan, NDP):** I'd like to thank you for your compelling presentations in favour of door-to-door mail delivery. Certainly it's a vital public service and one that would be taken for granted in every other G7 country.

In a way, it's strange that we're even discussing this, given that we have a federal government that was elected on a promise to restore home mail delivery. There has recently been some attempt to reinterpret that promise. I wonder if you could speak to your understanding of the Liberal platform on home mail delivery and what you expect of the new federal government.

**Mr. Charles Pender:** I'll just say that when that promise, if you want to call it that, was made, it certainly lightened the load on me as the mayor and on our council and on our city with respect to this issue. We had a lot of representation. We had public meetings as well. I don't know if you realize it, but in Corner Brook, if you can get 10 people out to a meeting, that's a crowd. We'd have 60, 70, or 80 people out, or more. Most of them were seniors or people with disabilities who were going to be challenged by this change.

The promise, then, to maintain door-to-door service meant to us that what we have now we would keep. I would expect that in new subdivisions where you put in the amenities such as sidewalks, you would put community mailboxes where it would be logical to place them. We don't have an issue with that going forward, but we would see it as an impact on those who have that service now, who would lose any level of service.

**Mr. Terry Gardner:** Absolutely. Not only would the Coalition of Persons with Disabilities see it that way, but also many other organizations involved with persons with disabilities, or the elderly, or whatever the case may be. Just when people got together through general discussion about what was going to happen with the community mailboxes and how they thought they were going to be forced upon them, just the stress and people generally talking about how they were going to manage, how they were going to take care of this, wondering if they were going to have to depend on somebody else again to go to the mailbox and take away their independence, so to speak....

When the Liberal government promised to put it back, people assumed it was going to be put back to the way that it was. To talk now about a combination of both or, as the question referred to earlier, a decrease in home delivery service, makes people uneasy about that. It's not what they're expecting from what they were told.

**Mr. Erin Weir:** Absolutely.

Mayor Pender, you raised the possibility of postal banking as an option to make better use of Canada Post's infrastructure. I got to Corner Brook a little bit early and had the opportunity to see some of the outlying communities. I noticed that many of them did not have bank branches, but all of them had post offices. I wonder if you might elaborate a little on the potential for postal banking here in Newfoundland and Labrador.

**Mr. Charles Pender:** I don't want to take any business away from regional banks, or the banks here in Corner Brook, but I've lived and worked in Burgeo, Baie Verte and Gander, and other communities that did have banks at one time and have seen the banks close down. Those people are obligated to come to a larger centre, such as Corner Brook, which could be a two-hour-plus drive each way. In the winter you could be stuck on the road overnight, which has happened to me more than once.

To be able to at least look at that as an option and whether it's viable.... I know there are set-up costs and things like that, but we do have a large rural community in Canada and, in particular, in Newfoundland and Labrador and Atlantic Canada. Maybe that's an opportunity, where post offices do exist. My wife is from France so I have used the postal banking over there quite a lot and in other European countries. It's very convenient because you can find them in a small community, where you need it and when you need it, and you do not always have to go to the large centres.

● (1030)

**Mr. Erin Weir:** I'd also like to touch on the question of alternate-day delivery. Mr. Gardner, I think you made it clear that you would regard that as better than no home delivery, but certainly inadequate compared to delivery every day. I wonder if you would like to chime in on that as well, Mayor Pender.

**Mr. Charles Pender:** I would say that probably what we actually have right now is alternate-day delivery, since we don't get mail every day because there's not enough mail to be delivered every day. If that's currently happening, I don't know whether the cost savings have been calculated, if there are any, but currently if I get the mail three days a week, I'd be surprised, and that's about it.

I do particularly subscribe to.... All my banks and whatever I deal with, I always ask for it to be sent to me in the mail. I don't use the electronic.... I can. I have that option. But I believe in supporting Canada Post as well. So it is in existence right now. I don't know if we would see much of a change in the level of service than what we're seeing right now, if we did go to alternate-day banking, but that's from my point of view. I'm sure Mr. Gardner would have a different point of view about that.

**Mr. Terry Gardner:** Again, and to repeat myself really, in the everyday life of a person with disabilities the importance of having that, I guess, is probably too good really, if you want to look at it that way. But it's what we've come to expect. It's what we expect now to be done, to be put back to where it was.

People with a disability have to be able to structure their lives in a way to make things work for them in a certain way in order to maintain a reasonable level of equality in our world, to maintain a certain amount of integrity in themselves. If you have to change all that because of the mail delivery service, and you don't know when it's going to be, it would just make things so much harder.

**Mr. Erin Weir:** Absolutely, and well said.

Mayor Pender, I understand you had some additional points in your written submission. I think we've drawn some of them out in the questions. Is there anything else in your submission that you'd like to mention, given a little bit more time?

**Mr. Charles Pender:** We've already discussed the idea of service and that Canada Post is a federal government service. When you offer a service, we expect, I guess in rural Canada, rural Newfoundland and Labrador, to see that service continue.

There was a promise made by the current government during the campaign, and we took that to mean that this service would be maintained on a go-forward basis, so we would like to see that as the status quo.

**The Chair:** Thank you very much.

We will now go to Mr. Ayoub.

[*Translation*]

You have seven minutes.

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

Gentlemen, I thank both of you for being here with us. I am very pleased to be here in the city of Corner Brook, in Newfoundland and Labrador, for the first time. It is a great honour for us to do this tour, to meet with you and to be able to take stock of the reality on the ground.

This is the beginning of the second week of our tour. We have already been talking about Canada Post for a week now, and we see a certain evolution. This is really giving us an opportunity to get a reading on the situation.

Before asking my questions, I would summarize the facts by saying that everywhere, we hear from citizens who want to keep a quality postal service in its entirety. That is the case everywhere. However, I note that resistance to change varies from one place to the next.

Mr. Mayor, concerning the changes Canada Post has asked you—and your citizens—to accept, would you have been more open to a gradual change, to new solutions, if a consultation like this had been held at the outset, if you had been asked about your needs, and if, in particular, the impact and consequences for persons with mobility impairments had been taken into account?

Could the solutions have been anything besides the status quo? In my opinion you would probably have been more open if progressive changes had been proposed, and new solutions. Canada Post has evolved over the past 50 or 100 years. The status quo does not seem to be the answer.

What would you think of a prior consultation aimed at jointly agreed upon changes?



•(1035)

**Mr. Charles Pender:** There is no doubt that discussing things in advance with people and considering possible solutions to existing problems can provide some relief to the population. People resist change, that's normal. However it is always a positive thing to take the time to consult people, to go into the community to discuss problems rather than to simply announce a change, without any possible discussion. Even if in the final analysis people do not accept the change, they are better informed about the process and have a better understanding of why the changes were made.

**Mr. Ramez Ayoub:** And that was not done.

**Mr. Charles Pender:** One of the biggest problems is that people seem to have been forced after the fact to deal with a situation they did not want.

**Mr. Ramez Ayoub:** Mr. Gardner, you have the floor.

[English]

**Mr. Terry Gardner:** Yes, absolutely. You mentioned change and progress, and moving forward. In the disability world, persons with disabilities, we've been left so far behind for so long that we haven't had a chance to catch up. In our society, which is considered to be probably one of the better ones in the world, when it comes to dealing with persons with disabilities, we haven't had a chance to catch up. You're actually moving so far ahead that we'll never catch up, and we'll never have the opportunity to catch up.

I do apologize if this comes out the wrong way, but somebody needs to stop and listen to the people, and listen to what they're saying, and what they need. Persons with disabilities need to be given a chance to catch up to mainstream society. Until that happens, we'll always be behind with the postal service, and I'm sure I could talk about a whole lot of other things.

That has to be given consideration. Give us a chance to catch up.

[Translation]

**Mr. Ramez Ayoub:** My question is addressed to the mayor and to Mr. Gardner. If we take a broader view of the situation, because we have to consider Canada-wide solutions, would you like to see more personalized solutions, tailored to particular regions?

Let's take Corner Brook, for instance. This city is characterized by more frequent bad weather, and a larger number of mobility-impaired aging citizens. Is this the type of discussion and solutions you would like to see, rather than a one-size-fits-all, blanket approach? Given the vastness of Canada, Canada Post may not have such solutions. I would even go so far as to say that that is a foregone conclusion.

Does that potential approach interest you?

**Mr. Charles Pender:** You have really hit on it. What would work in Montreal or Calgary would not work here, clearly. If there is some way of finding local solutions for local populations, it would be much easier for people to accept them, and would facilitate the evolution of Canada Post in our region.

No one has ever suggested that possibility before. Instead, we were told "This is what we are going to do, and that's that". Canada Post forces people to adapt against their will, rather than listening to the population and adapting solutions.

Of course, we pay taxes for services that do not always generate revenue. As mayor, I can tell you that when we offer services, be it snow removal or public transit, it costs money. Those services do not generate any revenue to cover these costs. The same thing applies to Canada Post.

•(1040)

**Mr. Ramez Ayoub:** Yes, I agree, there is the service aspect.

Would the fact of being part of the solution and of looking for the best solutions under the circumstances lead you to consider that the promise, the one that seems to have become an obsession for my neighbour across the way, of returning to quality service would in the end be kept? The ultimate objective is to provide quality, reliable service, to have Canada Post continue to provide quality service. Could part of the answer be to seek solutions jointly with Canada Post? Is this a possibility that might suit you?

**Mr. Charles Pender:** In my opinion, we have to first determine the level of service and quality that citizens expect, and then look for solutions. But if you don't have the level of service to begin with, or aren't promised quality service, it will be difficult to find solutions that will help people.

**Mr. Ramez Ayoub:** I agree. Thank you.

[English]

**The Chair:** We are now going to our final two interventions. Our first will be a new committee member.

Welcome, Mr. Kmiec. You have five minutes, please.

**Mr. Tom Kmiec (Calgary Shepard, CPC):** Thank you, Mr. Chair.

Thank you, gentlemen, for coming in today.

I was reviewing the committee transcript in getting ready for this, and I want to pick up on the consultation component to begin with.

I have a public document that shows Canada Post did in fact consult. It was a consultation in September 2013. There were 46 communities. They had 30,006 online comments, 868 letters.

Your Worship, I just heard you say that big city mayors and mayors in sort of urban regions were refusing to consult and interact with Canada Post on this transition to CMBs. Can you talk a little more about that? If Canada Post is trying to consult or get input, especially with big city mayors, and they're refusing, wouldn't that make it more difficult to figure out local community need?

**Mr. Charles Pender:** Well, I'll just speak for myself.

From a City of Corner Brook point of view, we had a clear indication from the community that they did not want to travel this path, that they felt the consultations came after the decisions had been made, that there was little effort to consult with the general population.

That was translated, I guess, into a commentary to us as a council, who felt that we should not be involved in moving this process forward. As a mayor who is duly elected by the residents of this community, I have to respond to those comments and that input.

**Mr. Tom Kmiec:** To pick up on something Mr. Whalen said about the financial sustainability of Canada Post in the long term, we all know that Canada Post is not financially sustainable. Basically, an option or several options have to be taken to reduce costs or to get into new lines of business.

I want to pick up on postal banking, because you mentioned there may be that possibility. I know the New Democrats are big on this, and they use Europe as an example. However, every single post office in the European Union, by a directive of the European Union, is being privatized or has been privatized at this point.

Would privatization then be the option?

**Mr. Charles Pender:** I wouldn't be able to answer that question because I'm not familiar enough with it, other than the fact that I use it when I'm there.

**Mr. Tom Kmiec:** Another thing is that, in Alberta, credit unions are really popular. Credit unions are in every single small town. I used to live in small-town Alberta. They're very, very popular.

Instead of Canada Post getting into the business of banking, would offering the option of kiosks at credit unions or banks be an acceptable secondary one, if it made money? I mean, the leasing space....

Setting up a postal banking system is not just about having a trained agent. I used to work in HR, so it's training and getting your people up to speed on what you're doing. It's certification, licensing. You need SAP banking software. You need compliance certification. You need cash and cheque reconciliation. It's a lot of work.

Instead of getting into the business of it, would kiosks satisfy a small town like Corner Brook?

**Mr. Charles Pender:** I would say that postal banking probably wouldn't be viable in Corner Brook because we have all of the major banks here. However, if you look at smaller areas, maybe in St. Anthony or Port aux Basques, or other areas, Burgeo, Baie Verte, that are large but not as large as Corner Brook, the offering of some sort of kiosk service, whether it's in combination with a bank.... It could be as simple as leasing space in the existing postal office to a banking organization, or some sort of combination.

There are opportunities, and not just with the postal service. It could be any other service that the federal government could offer, using available space that already exists.

**Mr. Tom Kmiec:** That concept of a one-stop shop for federal, and maybe also provincial or even municipal services is something that has been done in Alberta, although we have partially independent registry offices for our driver's licences and hunting and fishing licences.

They could all be consolidated into one spot where people could go in order to pick up their mail and maybe buy their hunting licences. Maybe there could be a pharmacy there as well. Would that be an option?

•(1045)

**Mr. Charles Pender:** In my opinion, anytime you combine services and work with other orders of government, it makes sense. However, you also have to have the assurance that those levels of government are not going to bail on you three years later or five years later.

We have combined services in Newfoundland and Labrador in various areas. It's not a far stretch to see the post office combined with other government services in any order of government, whether municipal or provincial, in these smaller communities. Whenever you can rationalize services, then it makes sense to do so if you cut the costs and still provide the same service at the same level of quality.

**Mr. Terry Gardner:** If I could just add one little word to what the mayor was saying, what you're speaking of also creates community because it creates a central point in the community, as was the post office before it moved and the business went away with it.

**The Chair:** Thank you very much.

Our final intervention this morning will be from Madam Ratansi, for five minutes please.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you both for coming and thank you for your presentations. They have been an eye-opener.

As has been mentioned, this is our second week. Prior to this, we consulted with Canada Post and we consulted with the task force. As a clarification, I think the promise or our policy on Canada Post was that we would put a moratorium on the stoppage of the door-to-door delivery because we understood from the people that there was no consultation.

Canada Post tells us that they did many consultations and so on, but according to you, Mayor, it was a fait accompli because there was a consultation while telling you exactly where they were going to put the mailbox, correct?

**Mr. Charles Pender:** They did not say exactly where they were going to put it, but that they were going to move forward.

**Ms. Yasmin Ratansi:** They were going to move forward.

Did they consult you as to where they were going to put it?

**Mr. Charles Pender:** I don't think we got to that point because once the election campaign started, everything stopped.

I think they had looked at two locations to test over the winter, and it never got done.

**Ms. Yasmin Ratansi:** In terms of the disability community, Mr. Gardner, were you ever consulted?

**Mr. Terry Gardner:** No.

**Ms. Yasmin Ratansi:** You do not remember being consulted.

**Mr. Terry Gardner:** No, not once.

**Ms. Yasmin Ratansi:** That's where we have a situation where we are out there consulting people because we have to, and we have to find a solution. We're listening to labour. We're listening to businesses. We're listening to everybody, people with disabilities, rural communities. Everybody has a different need. We have to combine those needs and acknowledge that financial sustainability is what Canada Post presented. The task force was limited to that concept. Then we heard from labour that the labour costs, which I guess are 70% of Canada Post's costs in their profit and loss statement, are the biggest problem. I wish labour were here so I could talk to them, but they're not.

The issue we're talking about here is thinking outside the box and being creative. You said you haven't been consulted, so how would you be creative if you leave out financial sustainability? Labour has told us that there have been crises created, warehouses created. You explained that your mail goes to St. John's to come back to Corner Brook. That's totally ineffective and inefficient, and then you have to pay labour to get it. They cut down on the motorized vehicles that were delivering.

In a small municipality, how would you manage things? What would you do? What solutions would you find?

**Mr. Charles Pender:** That's a very good question. As mayor of a small community, I can tell you that most of our costs are labour costs. You have to pay people to do the job, deliver services. That's the reality. Is it a reality that Canada Post can be financially viable with no debt or deficit, or should they be funded by the federal government's tax dollars, and what is the right level of subsidization? What we do in this building is public transit. We subsidize it because we know it's a service that's required, but we'll never recover the cost of offering those services. That's just one issue. What you would do to cut those costs is a measurement and labour issue, and how you reduce it, I couldn't tell you.

• (1050)

**Ms. Yasmin Ratansi:** Both of you regard it as an essential service. Would you be willing to subsidize Canada Post, Mr. Gardner?

**Mr. Terry Gardner:** Absolutely, I would, for so many reasons. It has to do with what was promised to us, what people have come to expect, the ease as opposed to the hardships that it would cost to put it back, what it would give to a person as a regular Canadian, what they create within themselves as a part of who they grow to be as a person with a disability. It is essential and being essential is something that has to be. So if we have to subsidize it...I spoke earlier about being, or conceived to be, a subsection of society as a person with disabilities. If it takes that to get back up to an equal basis, then yes, absolutely.

**Ms. Yasmin Ratansi:** Thank you.

**The Chair:** Thank you very much.

That ends our session today, gentlemen. I want to say, number one, particularly to you, Your Worship, you have a beautiful community here. Thank you for welcoming us. It's the first time I've been to Newfoundland and I have to say I like what I see. It's really a spectacular part of Canada.

My thanks to both of you for your presentations. I'll evoke the right of the chair for a quick one-word answer to get you to finish up with what Madam Ratansi was saying. Your Worship, Mr. Gardner said that he would be willing to subsidize Canada Post if all options fail and we need to make Canada Post sustainable. You call it an essential service and I think most Canadians would agree with you. If all else fails and we're not able to generate new revenue or cut costs to achieve financial stability, would you agree or disagree with a direct government subsidy to keep Canada Post afloat?

**Mr. Charles Pender:** I would absolutely agree with it.

**The Chair:** Thank you very much.

Gentlemen, it's been a great morning. We thank you for your information.

The meeting is adjourned.

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