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THE WAY FORWARD FOR CANADA POST

Report of the Standing Committee on Government Operations and Estimates

**Tom Lukiwski
Chair**

DECEMBER 2016

42nd PARLIAMENT, 1st SESSION

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THE STANDING COMMITTEE ON GOVERNMENT OPERATIONS AND ESTIMATES

has the honour to present its

FOURTH REPORT

Pursuant to its mandate under Standing Order 108(3)(c), the Committee has studied Canada Post and has agreed to report the following:

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THE WAY FORWARD FOR CANADA POST

1. EXECUTIVE SUMMARY

On 5 May 2016, the Minister of Public Services and Procurement Canada announced the review of the Canada Post Corporation (Canada Post) and created a task force, the Canada Post Corporation Review Task Force (the Task Force), whose mandate was to conduct a review of the Corporation. The Minister also asked the House of Commons Standing Committee on Government Operations and Estimates (the Committee) to examine the results of the Task Force and to consult Canadians on the future of Canada Post.

The Committee accepted to conduct a study on Canada Post and held public consultations across Canada and e-consultations with Canadians and Canadian organizations on the future of the national postal service. During the course of its study, the Committee heard a wide range of viewpoints and often heard conflicting testimony, even within the same community.

This report presents the findings of the Committee's consultations and its observations and recommendations. It also outlines recommendations from briefs submitted to the Committee by members of Parliament who held public consultations in their constituencies, as well as the results of the e-consultations.¹ The report is divided into two parts: the first part summarizes the witness testimony heard by the Committee, and the second part presents an analysis of that testimony that focuses on the following four themes: Canada Post's governance, the value of Canada Post to Canadians, the current service model and the Corporation's challenges and opportunities.

Based on the testimony heard, the Committee has concluded that the Corporation must make significant changes to honour its mandate and provide quality services that meet the needs of Canadians at a reasonable price and on a self-sustaining financial basis. Therefore, the Committee recommends that Canada Post implement several measures including that:

- To ensure better relations between the Corporation and its employees, Canada Post use arbitration and mediation processes effectively to enhance renewed co-operation and trust between Labour and management and provide a venue for discussion of creative ideas from employees.
- The federal government create a formal transparent and accountable, consultation process to ensure stakeholder engagement is significant and undertaken regularly in accordance with the *Canadian Postal Service Charter*.

1 For the full list of briefs submitted, see Appendix D.

Confederation and took over the postal service through the *Canada Post Office Act, 1867*⁹ on 1 April 1868.¹⁰

From 1854 to 1981, the mail delivery service evolved. Railway mail service was added in 1854 (and removed in 1971), money order services were offered at post office branches in 1855, parcel services began in 1859. The Post Office Savings Bank system was introduced in 1868, mechanical mail sorting began in 1896, and the first free rural mail delivery service¹¹ was offered in 1908. Parcel insurance was introduced in 1921 and Canada's first postal guide¹² was published in 1961 to ensure proper regulation. Postal codes were introduced in 1971, and the priority post was introduced in 1978 to compete with private couriers.¹³

However, a gradual decline in Canadian postal services occurred over the course of the second half of the 20th century. In 1950, Canada's smallest post office in Ocean Park, British Columbia, was closed. In 1951, letter carrier delivery was permanently reduced from two deliveries a day to one delivery a day, and in 1969, the Saturday delivery service was discontinued. In 1968, the Post Office Savings Bank system was also discontinued, and in 1972, the federal government departments' free franking privileges ended. Distribution challenges arose as the nation grew and became more urbanized, and as the type of mail changed.¹⁴

The frequency of labour strikes in the 1960s and 1970s affected the reliability of the postal service. The Post Office Department incurred losses approaching \$500 million in 1980-1981.¹⁵ After many deliberations,¹⁶ Canada Post became a Crown corporation in 1981.¹⁷ Canada Post has been a profitable corporation in almost every year since 1995.¹⁸

Today, Canada Post reports to Parliament through the Minister of Public Services and Procurement.¹⁹

9 The [Canada Post Office Act, 1867](#) provided a uniform postal system throughout the new Dominion effective on 1 April 1868.

10 Canadian Encyclopedia, [Postal System](#).

11 [Free rural mail delivery](#) was long lobbied for and first attempted on a selected Ontarian rural route in 1908.

12 The [Canadian Postal Guide](#) contained all the information concerning the processing of mail as well as regulations. Its precursor was contained on a single sheet of paper compiled by John Dewé in 1863.

13 Canadian Museum of History, [A Chronology of Canadian Postal History](#).

14 Canadian Encyclopedia, [Postal System](#).

15 Canadian Encyclopedia, [Canada Post Corporation](#).

16 Douglas K. Adie, [The Mail Monopoly: Analysing Canadian Postal Service](#), 1990.

17 Canadian Museum of History, [A Chronology of Canadian Postal History](#).

18 The year [2009](#) marked the 15th consecutive year during which Canada Post earned a profit. Since then, Corporation has registered losses only in 2011, 2012 and 2013 according to the [2011](#) and [2015](#) annual reports.

19 Canada Post Corporation (Canada Post), [Annual Report 2015](#), p. 42.

- baseless speculation regarding parcel and ad mail volumes.²⁵
- Canada Post does not have financial problems, because it earned a profit in 19 of the past 21 years. One of the years in which the Corporation did not make a profit was in 2011, when it locked out its workforce.²⁶
- According to the Task Force, 57% of all addresses receive their mail at the door, at a centralized point (such as apartment lobby lockboxes) or from a rural roadside mailbox. While the Task Force differentiated these forms of mail delivery in its discussion paper, they are in fact all forms of home delivery.²⁷
- The options examined and selected would lead to a form of deregulation and privatization of postal services.²⁸
- The conversion of 800 of the highest-volume corporate post offices into franchise postal outlets would result in Canada Post selling off some of the most lucrative parts of its business²⁹.
- To overcome its challenges, “Canada Post could diversify its services, as is being done around the world.”³⁰
- One of the partners at Ernst & Young who contributed to the Task Force’s study appears to have a conflict of interest because he was previously the chief financial officer of Canada Post.³¹

25 Mike Palecek, National President, Canadian Union of Postal Workers; and Geoff Bickerton, Director of Research, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 56, 3 November 2016.

26 Brenda McAuley, National President, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; Daniel Boyer, President, Fédération des travailleurs et travailleuses du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Susan Sitlington, President, Canadian Union of Postal Workers and Derek Richmond, Ontario Region Coordinator, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Alexander Lambrecht, President, Northern Territories Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016; and Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

27 Steve Ferland, National Coordinator, Save Canada Post, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

28 Daniel Boyer, President, Fédération des travailleurs et travailleuses du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; and Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

29 François Paradis, National President, Union of Postal Communications Employees; and Brenda McAuley, National President, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

30 Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

31 Steve Ferland, National Coordinator, Save Canada Post, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

- The methodologies used for the public opinion research and the cost savings estimates provided were not included in the discussion paper.³²
- The postal banking study carried out by Canada Post is not mentioned in the discussion paper.³³

3.2.3 From Researchers, Academics and Experts

Researchers, academics and experts made the following points about the Task Force's discussion paper:

- There was a lack of strategic creativity in the search for possibilities for Canada Post from the Task Force.³⁴
- The Task Force concentrated on reducing costs rather than expanding services.³⁵
- Postal banking was rejected based on research conducted by Yahoo Canada that seems to have been a survey of readers of Yahoo Finance. These readers are not representative of the Canadian population.³⁶
- The arguments against postal banking are not objective.³⁷
- The creation of a postal regulator would reduce federal management and oversight of Canada Post and would be undemocratic.³⁸

32 David Millar, President, Oakville District Labour Council, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

33 Ibid.

34 Carla Lipsig-Mummé, Professor, York University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and David Camfield, Professor, Labour Studies and Sociology, University of Manitoba, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

35 John Anderson, Research Associate, National Office, Canadian Centre for Policy Alternatives, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

36 David Camfield, Professor, Labour Studies and Sociology, University of Manitoba, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

37 Ibid.

38 Ibid.

answered the calls and dealt with each case under Canada Post's accommodation program⁴⁴ and according to individual needs.⁴⁵

Method of delivery

- The community mailbox rollout program focused on safety. Canada Post chose safe locations based on guidelines regarding distances from sidewalks and lighting that were developed and consulted with municipalities.⁴⁶
- Canadians with concerns about their community mailbox can call Canada Post toll free.⁴⁷

Financial situation and main costs

- Canada Post's management accounts for less than 5% of its workforce, and senior management, less than 1%. The cost of management salaries is about \$200 million annually. Management has been subject to a wage freeze for the past 30 months, has a defined contribution pension plan and has decreased in number by 20% since 2008.⁴⁸
- According to Ernst & Young, Canada Post's labour costs are 41% higher than those of its private sector competitors. Given that the average age of its workforce is 49 years, Canada Post could shrink its workforce through attrition.⁴⁹

Postal banking

- Canada Post already offers some financial services, including money transfers through a partnership with MoneyGram; money orders, which have evolved into a digital money transfer system; and prepaid debit cards.⁵⁰

44 Canada Post's accommodation program offers various solutions to improve access to mailboxes. It will be discussed in more detail in Part II: Analysis.

45 Susan Margles, Vice-President, Government Relations and Policy Framework, Canada Post Corporation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

46 Deepak Chopra, President and Chief Executive Officer, Canada Post Corporation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

47 Each community mailbox has a label that provides Canada Post's toll-free customer service number.

48 Deepak Chopra, President and Chief Executive Officer, Canada Post Corporation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

49 Ibid., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 55, 2 November 2016.

50 Ibid., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

- Labour relations at Canada Post have been tumultuous for the past 11 years because of the approach taken by senior management.⁵⁸
- “[P]art of the biggest problem we have with Canada Post is a lack of transparency.”⁵⁹
- Members of Canada Post management “present themselves as nimble, free-thinking, or whatever, yet when you try to present an idea to them, they don’t want to even look at it.”⁶⁰
- Canada Post’s senior executives collect large bonuses while employees receive minimal wage increases.⁶¹
- Canada Post forces its employees to work overtime rather than hire additional employees, which increases labour costs.⁶²
- Canada Post changed the work schedules of some employees following the community mailbox conversion without consulting them.⁶³
- “The [uncertainty regarding labour strife at Canada Post in the summer of 2016] was created by Canada Post, which sent messages to major mail users indicating that there would probably be a strike. They did not say that there would probably be a lockout, but mentioned a strike. However, we certainly never issued a 72-hour notice concerning a strike mandate.”⁶⁴

58 Michelle Gouthro Johnson, Second Vice-President, Local 630, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

59 Philip Lyons, President, Local 630, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

60 George Opstad, Employee, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016.

61 François Paradis, National President, Union of Postal Communications Employees; and Mike Palecek, National President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

62 Craig Dyer, President, Local 126, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

63 François Senneville, National Director, Quebec Region, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

64 Steve Ferland, National Coordinator, Save Canada Post, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

Stakeholder engagement

- Canada Post failed to consult Canadians regarding changes to mail delivery methods.⁶⁵

Franchise postal outlets versus post offices

- In recent years, Canada Post has been privatizing its services by opening franchise postal outlets near post offices, putting post offices in direct competition with franchise postal outlets, and then gradually reduced the operating hours of its post offices.⁶⁶

4.2.2 From Municipal Officials

Some municipal officials criticized Canada Post for not consulting municipalities or Canadians regarding the community mailbox conversion. Some said they felt as though they were simply informed about decisions that had already been made.⁶⁷ However, others said they were satisfied with their interactions and cooperation with Canada Post.⁶⁸

Some officials also stated that Canada Post did not consult municipalities about the conversion to community mailboxes in a consistent way,⁶⁹ which contributed to problems and disputes.⁷⁰

Lastly, one municipal representative said that Canada Post downloaded the costs of maintaining community mailboxes onto municipalities,⁷¹ while another municipal

65 Derek Richmond, Ontario Region Coordinator, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Craig Dyer, President, Local 126, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Scott Gaudet, Vice-President, Local 129, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; and François Senneville, National Director, Quebec Region, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

66 Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Kristen MacEachern, Coordinator, Save Canada Post, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016; and Jean-François Simard, Postal Worker, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

67 Lionel Perez, City Councillor, Member of the Executive Committee, City of Montreal; and Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Gary McNamara, Mayor, Town of Tecumseh, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

68 Debra Button, President, Saskatchewan Urban Municipalities Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

69 Cecil Clarke, President, Union of Nova Scotia Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016; Paolo Fongemie, Mayor, Municipality of Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016; and Myron Gulka-Tiechko, City Clerk and Solicitor, City of Moose Jaw, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

70 Myron Gulka-Tiechko, City Clerk and Solicitor, City of Moose Jaw, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

71 Gary McNamara, Mayor, Town of Tecumseh, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

representative explained that Canada Post is responsible for the snow removal around community mailboxes.⁷²

4.2.3 From Civil Society Organizations

Some representatives of civil society groups discussed Canada Post's failure to communicate with Canadians about changes to postal service and proposed that the Corporation work with them on future communication efforts.⁷³ Others said that Canada Post is violating Article 4 of the United Nations Convention on the Rights of People with Disabilities by ending home delivery for people with disabilities.⁷⁴ Finally, some civil society representatives argued that opening franchise postal outlets does not improve Canada Post's financial sustainability.⁷⁵

4.2.4 From Businesses

Some business representatives stated that Canada Post should be more transparent and communicate more with those affected by changes to its services or prices.⁷⁶ However, others believe that the Corporation communicates effectively with businesses to warn them about labour strife and the potential impact on its services.⁷⁷

Additionally, the Committee was told that Canada Post has to deal with a substantial level of bureaucracy.⁷⁸

4.2.5 From Aboriginal Groups

A representative of one Aboriginal community reported that Canada Post is not working cooperatively with the communities it serves and the entire relationship should be improved.⁷⁹

72 Myron Gulka-Tiechko, City Clerk and Solicitor, City of Moose Jaw, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

73 Anne-Marie Gammon, President, Réseau communauté en santé Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

74 Marcia Carroll, Executive Director, The PEI Council of People with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

75 Anne-Marie Gammon, President, Réseau communauté en santé Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

76 John Hinds, President and Chief Executive Officer, Newspapers Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Norm Sutherland, Business owner, Petrolia, Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; and Meghan Mackintosh, Manager, Billing, EPCOR Utilities Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

77 Steven Rosendorff, Vice-President, Business Development, CapieKonsult, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016.

78 John Barrett, Director of Sales, Marketing and Development, Vesey's Seeds Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

79 Jim Bear, Chief, Brokenhead Ojibway Nation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 49, 21 October 2016.

- Canada Post is a public service and should be preserved, even if that means subsidizing it.⁸⁴

Defined benefit pension plan

- Canada Post's defined benefit pension plan should be permanently exempted from the obligation to make solvency payments pursuant to the [Pension Benefits Standards Act, 1985](#), as the plan is fully funded on a going concern basis and the Corporation will not cease operating in the near future.⁸⁵

Method of delivery

- Home mail delivery is the most environmentally friendly way of delivering mail and parcels,⁸⁶ and it should be restored for all households that were converted to community mailboxes under Canada Post's Five-point Action Plan.⁸⁷
- The federal government must keep its promise to stop the conversion to community mailboxes and restore home mail delivery.⁸⁸
- The conversion from home mail delivery to community mailboxes has led to the loss of many well-paid jobs⁸⁹ with good working conditions.⁹⁰
- Community mailboxes have increased traffic congestion in many neighbourhoods, as well as the risk of mail, parcel and identity theft.⁹¹

84 Daniel Boyer, President, Fédération des travailleurs et travailleuses du Québec; Steve Ferland, National Coordinator, Save Canada Post, Canadian Union of Postal Workers; and Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

85 François Paradis, National President, Union of Postal Communications Employees; and Mike Palecek, National President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; and Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

86 Susan Sitlington, President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

87 Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016; and Kevin Rebeck, President, Manitoba Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

88 Derek Richmond, Ontario Region Coordinator, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; and Danny Cavanagh, President, Nova Scotia Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

89 Michael Keefe, First Vice-President, Local 096, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

90 Daniel Boyer, President, Fédération des travailleurs et travailleuses du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

91 Michael Keefe, First Vice-President, Local 096, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

- The locations of some community mailboxes have raised safety concerns,⁹² and they also pose accessibility problems for some people.⁹³
- Unlike community mailboxes, home mail delivery enables postal workers to observe their customers' daily routines and alert the appropriate authorities about anything unusual. Moreover, postal workers can help their customers when they are in danger.⁹⁴

Parcels

- Canada Post should deliver parcels in the morning, in the evening and on weekends including by using a temporary, part-time workforce because the Corporation delivers almost two thirds of all parcels that originate in e-commerce in Canada.⁹⁵

Frequency of delivery

- Alternate-day delivery is a solution to a non-existent problem, as Canada Post's route measurement system already takes fluctuations in mail volume into account.⁹⁶
- Separating mail and parcel delivery would increase operating costs significantly, as two postal workers would need to serve the same neighbourhood on some days.⁹⁷

92 Mike Palecek, National President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; Michelle Gouthro Johnson, Second Vice-President, Local 630, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Craig Dyer, President, Local 126, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Jean-François Simard, Postal Worker, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

93 Michael Keefe, First Vice-President, Local 096, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; and Amy Anderson, President, Atlantic Region, Local 12, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

94 Scott Gaudet, Vice-President, Local 129, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; and Frank Goldie, Former employee, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016.

95 Sylvain Lapointe, National Director, Metro-Montréal, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Derek Richmond, Ontario Region Coordinator, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; and Anna Beale, Former president, Local 710, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016.

96 Mike Palecek, National President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; and Susan Sitlington, President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

97 Mike Palecek, National President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

- Reducing its delivery frequency would make Canada Post less competitive and cost it revenue.⁹⁸

Mail processing operations

- As part of the postal transformation, local mail sorting was replaced by a centralized, regional model. As a result, mail must sometimes be shipped many kilometres before being sorted and then delivered. This has resulted in slower mail delivery.⁹⁹

Pricing strategy

- Canada Post should not vary its prices based on distance, because this would negatively affect seniors, people with low incomes and Canadians in rural, Northern and Aboriginal communities.¹⁰⁰
- Canada Post's price rises should be tied to inflation and increases in its input costs.¹⁰¹

The 1994 moratorium on the closure of rural post offices

- Despite the 1994 moratorium on the closure of rural post offices, over 350 rural post offices have been shut down.¹⁰²

98 Derek Richmond, Ontario Region Coordinator, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

99 Michelle Gouthro Johnson, Second Vice-President, Local 630, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Mary Aitken, President, Dryden Local, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Jeffrey Callaghan, National Director, Atlantic Region, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; Gordon MacDonald, President, Local 117, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016; Scott Gaudet, Vice-President, Local 129, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; Amy Anderson, President, Atlantic Region, Local 12, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016; Richard St-Onge, President, Quebec City and Chaudière-Appalaches Regional Council, Fédération des travailleurs et travailleuses du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016; and Gord Fisher, National Director, Prairie Region, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

100 Tim Armstrong, National Director, Pacific Region, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 42, 17 October 2016.

101 Ibid.

102 Brenda McAuley, National President, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; Jeffrey Callaghan, National Director, Atlantic Region, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; and Kristen MacEachern, Coordinator, Save Canada Post, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

Franchise postal outlets versus post offices

- When a post office is replaced by a franchise postal outlet, the new franchise outlet is very likely to disappear within a few years.¹⁰³
- Post office employees are more knowledgeable and provide higher-quality service than staff at franchise postal outlets.¹⁰⁴

Postal banking

The union representatives and employees supported postal banking for the following reasons.

- Many rural and Aboriginal communities do not have access to local financial services from a bank or credit union.¹⁰⁵
- Many Canadians do not have a bank account.¹⁰⁶
- According to the public opinion survey commissioned by the Task Force, 7% of respondents would certainly use postal banking and 22% would probably use it. Union representatives indicated that even if only a

103 Brenda McAuley, National President, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; and Shelly Krahenbil, President, Saskatchewan Branch, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

104 Lynda Lefrancois, President, Local 858, Yellowknife, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016; and Shelly Krahenbil, President, Saskatchewan Branch, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

105 Mike Palecek, National President, Canadian Union of Postal Workers; Brenda McAuley, National President, Canadian Postmasters and Assistants Association; and Jan Simpson, First National Vice-President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; Susan Sitlington, President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Danny Cavanagh, President, Nova Scotia Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; Kristen MacEachern, Coordinator, Save Canada Post, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016; Michelle Brousseau, Director, Alberta/Northwest Territories/Nunavut, Canadian Postmasters and Assistants Association; and Jacquie Strong, Director, Alberta/ Northwest Territories/Nunavut, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016; Julee Sanderson, President, Saskatoon Local, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016; Shelly Krahenbil, President, Saskatchewan Branch, Canadian Postmasters and Assistants Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016; Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016; and Kevin Rebeck, President, Manitoba Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

106 Mike Palecek, National President, Canadian Union of Postal Workers; Brenda McAuley, National President, Canadian Postmasters and Assistants Association; and Jan Simpson, First National Vice-President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; and Julee Sanderson, President, Saskatoon Local, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

smaller percentage of those interested availed of Canada Post's postal banking services, it would be one of the largest banks in the country.¹⁰⁷

- Canada Post could offer postal banking services by partnering with existing financial institutions.¹⁰⁸
- Canada Post employees already provide some financial services, such as money transfers and money orders. Some believe that Canada Post employees are qualified to provide banking services,¹⁰⁹ while others said that they could probably be trained to deliver complex financial services.¹¹⁰
- Given that bank fees in Canada are some of the highest in the world, more competition would benefit Canadians.¹¹¹
- Postal banking could be an alternative to payday lending.¹¹²
- Over 600 Canadian municipalities have adopted resolutions supporting postal banking.¹¹³

107 Mike Palecek, National President, Canadian Union of Postal Workers; Brenda McAuley, National President, Canadian Postmasters and Assistants Association; and Jan Simpson, First National Vice-President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; and Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

108 Derek Richmond, Ontario Region Coordinator, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

109 Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Craig Dyer, President, Local 126, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Anna Beale, Former president, Local 710, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016.

110 Mike Palecek, National President, Canadian Union of Postal Workers; Brenda McAuley, National President, Canadian Postmasters and Assistants Association; and Jan Simpson, First National Vice-President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

111 Mike Palecek, National President, Canadian Union of Postal Workers; Brenda McAuley, National President, Canadian Postmasters and Assistants Association; and Jan Simpson, First National Vice-President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; Susan Sitlington, President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Brad Pareis, Member, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Alexander Lambrecht, President, Northern Territories Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016; and Julee Sanderson, President, Saskatoon Local, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

112 Julee Sanderson, President, Saskatoon Local, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016; and Dave Sauer, President, Winnipeg and District Labour Council, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

113 Steve Ferland, National Coordinator, Save Canada Post, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; and Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

- Canada's big six banks made substantial profits over the past year.¹¹⁴
- Canada Post has a well-established infrastructure across Canada, with some 6,300 post offices.¹¹⁵
- Postal services in other countries are making profits from postal banking.¹¹⁶
- Loans to fund renewable energy projects could be offered.¹¹⁷

Community hubs

- Rural post offices should not be closed, but rather transformed into community hubs that offer Canadians a variety of services, because for many communities post offices already play a social role and serve as meeting and gathering places.¹¹⁸

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- 114 Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Susan Sitlington, President, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Craig Dyer, President, Local 126, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Julee Sanderson, President, Saskatoon Local, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.
- 115 Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Craig Dyer, President, Local 126, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Anna Beale, Former president, Local 710, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016; Dave Sauer, President, Winnipeg and District Labour Council and Kevin Rebeck, President, Manitoba Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.
- 116 Magali Giroux, Coordinator, Save Canada Post, Quebec, Canadian Union of Postal Workers; and Daniel Boyer, President, Fédération des travailleurs et travailleuses du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Craig Dyer, President, Local 126, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Richard St-Onge, President, Quebec City and Chaudière-Appalaches Regional Council, Fédération des travailleurs et travailleuses du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016; Donald Lafleur, Executive Vice-President, Canadian Labour Congress, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016; and Kevin Rebeck, President, Manitoba Federation of Labour, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.
- 117 Vincent Lambert, Postal Worker, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.
- 118 Mike Palecek, National President, Canadian Union of Postal Workers; and Guy Dubois, National President, Association of Postal Officials of Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016; David Millar, President, Oakville District Labour Council, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Mary Aitken, President, Dryden Local, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Karen Kennedy, Former employee, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016; Frank Goldie, Former employee, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016; and Lynda Lefrancois, President, Local 858, Yellowknife, Canadian Union of Postal Workers, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.

6. FROM MUNICIPAL OFFICIALS

6.1 In Urban Areas

The representatives of urban municipalities raised the following points, organized by theme:

Objects

- Some believe that Canada Post is an essential service,¹³⁵ while others see it as a business as well.¹³⁶
- The [Canada Post Corporation Act](#) and the regulations made pursuant to it should be amended to require Canada Post to consult with municipalities and Canadians before making any decision that affects service delivery, make the results of these consultations public and respect municipal jurisdiction, particularly as regards urban planning and land use.¹³⁷

Stakeholder engagement

- The moratorium on the end of home mail delivery and the community mailbox conversion should be in effect and adhered to until the federal government announces its decision on the future of Canada Post. This would give stakeholders a reasonable amount of time to organize.¹³⁸

135 Lionel Perez, City Councillor, Member of the Executive Committee, City of Montreal; and Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Paolo Fongemie, Mayor, Municipality of Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

136 Mike Nickel, Councillor, City of Edmonton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

137 Lionel Perez, City Councillor, Member of the Executive Committee, City of Montreal; and Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Lynn Dollin, President, Association of Municipalities of Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Alexandre Cusson, Mayor, City of Drummondville, Union of Quebec Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

138 Lionel Perez, City Councillor, Member of the Executive Committee, City of Montreal, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

Method of delivery

- Home mail delivery is an essential service that should be preserved,¹³⁹ or even restored,¹⁴⁰ as the federal government promised.¹⁴¹
- Home mail delivery should be retained in rural areas.¹⁴²
- Because of their high population density and a lack of space, the downtown cores of large cities cannot accommodate community mailboxes.¹⁴³
- Canada Post should work with municipalities when choosing where to put community mailboxes.¹⁴⁴
- Ending home mail delivery hurts seniors and does not help them remain in their homes.¹⁴⁵
- Ending home mail delivery has cost a lot of jobs.¹⁴⁶
- Canada Post should compensate municipalities financially for the use of their land for community mailboxes, as other Crown corporations do.¹⁴⁷
- Canada Post should provide recycling bins at or near community mailboxes to prevent littering.¹⁴⁸

139 Myron Gulka-Tiechko, City Clerk and Solicitor, City of Moose Jaw, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

140 Lionel Perez, City Councillor, Member of the Executive Committee, City of Montreal; and Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Lynn Dollin, President, Association of Municipalities of Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Mike Nickel, Councillor, City of Edmonton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

141 Gary McNamara, Mayor, Town of Tecumseh, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

142 Lynn Dollin, President, Association of Municipalities of Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

143 Lionel Perez, City Councillor, Member of the Executive Committee, City of Montreal; and Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

144 Debra Button, President, Saskatchewan Urban Municipalities Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

145 Myron Gulka-Tiechko, City Clerk and Solicitor, City of Moose Jaw, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

146 Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

147 Myron Gulka-Tiechko, City Clerk and Solicitor, City of Moose Jaw, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

148 Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

- Community mailboxes have created safety problems.¹⁴⁹ As a result, official from an urban municipality, asked Canada Post to review every community mailbox site with city officials to ensure they meet safety and traffic flow standards.¹⁵⁰
- Residents are contacting their municipal governments instead of Canada Post to complain about inadequate maintenance of community mailboxes.¹⁵¹
- Canada Post is doing a poor job of maintaining community mailboxes.¹⁵² The Corporation should be held responsible for maintaining them and ensuring they are accessible, or it should compensate municipalities for doing that work.¹⁵³
- Some community mailboxes are not in ideal locations. For example, some are located in poorly lit areas or on streets without sidewalks.¹⁵⁴
- Community mailboxes pose accessibility problems for seniors and people with disabilities, and there are questions about who is responsible for their maintenance and upkeep.¹⁵⁵
- Canadians who request accommodations for their mail delivery under Canada Post's accommodation program have to go to considerable lengths to be accommodated. The process for this program needs to be simplified.¹⁵⁶

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- 149 Gary McNamara, Mayor, Town of Tecumseh, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; and Paolo Fongemie, Mayor, Municipality of Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.
- 150 Marc Demers, Mayor, City of Laval, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.
- 151 Gary McNamara, Mayor, Town of Tecumseh, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.
- 152 Paolo Fongemie, Mayor, Municipality of Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.
- 153 Lionel Perez, City Councillor, Member of the Executive Committee, City of Montreal, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Lynn Dollin, President, Association of Municipalities of Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.
- 154 Gayle Jones, Diversity and Accessibility Officer, Corporation of the City of Windsor, Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; and Paolo Fongemie, Mayor, Municipality of Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.
- 155 Lynn Dollin, President, Association of Municipalities of Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Gary McNamara, Mayor, Town of Tecumseh; and Gayle Jones, Diversity and Accessibility Officer, Corporation of the City of Windsor, Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.
- 156 Gayle Jones, Diversity and Accessibility Officer, Corporation of the City of Windsor, Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

Franchise postal outlets versus post offices

- “Explore the option of shuttering assets and replacing with franchise locations. By and large, our residents are not as concerned if a post office is in its own building or if it sits in a corner of the local co-op, Northern store, pharmacy, or even the town office. They just want the Canada Post service they rely on.”¹⁵⁷

Postal banking

- Canada Post should offer postal banking.¹⁵⁸ This service could “remedy some of the difficulties faced by rural, remote and Northern communities, which have limited access to financial institutions.”¹⁵⁹
- If Canada Post were to offer postal banking, it would give the most marginalized Canadians access to banking services and compete with the payday loan industry.¹⁶⁰

Community hubs

- Post offices play a social role, as they serve as meeting and gathering places.¹⁶¹
- Canada Post should also provide government services.¹⁶²

Other options for Canada Post

- One official from an urban municipality suggested that postal workers could use a software application to report potholes or problems with infill housing to municipal authorities.¹⁶³

157 Debra Button, President, Saskatchewan Urban Municipalities Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

158 Paolo Fongemie, Mayor, Municipality of Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

159 Lynn Dollin, President, Association of Municipalities of Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

160 Matthew Green, Councillor, City of Hamilton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016.

161 Debra Button, President, Saskatchewan Urban Municipalities Association and Randy Dove, Vice-President, Saskatchewan Seniors Mechanism, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

162 Paolo Fongemie, Mayor, Municipality of Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

163 Mike Nickel, Councillor, City of Edmonton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

6.2 In Rural Areas

The officials from rural municipalities raised the following points, grouped by theme.

Objects

- Mail delivery is an essential public service in both urban and rural communities.¹⁶⁴
- A municipal representative said that if the privatization of Canada Post would allow the Corporation to “deliver efficiently and effectively, in a cost-effective manner, and give great-quality service, [he would] go for it.”¹⁶⁵ Another municipal representative agreed with that statement.¹⁶⁶
- The object of Canada Post is to provide postal services across the country at reasonable prices.¹⁶⁷
- “[W]e created a two-tier mail system. That will be a problem in the future, because people in Toronto are used to a whole different level of service from [people in rural areas].”¹⁶⁸

The value of Canada Post to Canadians

- Canada Post is an integral part of the communications and delivery service network in Canada’s North.¹⁶⁹
- Canadians in rural areas are satisfied with current postal service levels.¹⁷⁰
- Canada Post provides well-paying jobs with good working conditions to many Canadians; these jobs generate economic spinoffs for Canadian communities.¹⁷¹

164 Cecil Clarke, President, Union of Nova Scotia Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

165 Greg Wilson, Mayor, City of Dryden, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

166 Sandy Middleton, Deputy Mayor, Municipality of Red Lake, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

167 Mark Heyck, Mayor, City of Yellowknife, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.

168 Sandy Middleton, Deputy Mayor, Municipality of Red Lake, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

169 Mark Heyck, Mayor, City of Yellowknife; and Sara Brown, Chief Executive Officer, Northwest Territories Association of Communities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.

170 Ibid.

171 Charles Pender, Mayor, City of Corner Brook, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 34, 3 October 2016; and Mark Heyck, Mayor, City of Yellowknife, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.

Method of delivery

- Canada Post should maintain home mail delivery,¹⁷² at least for some Canadians,¹⁷³ as community mailboxes are not suitable for seniors, people with disabilities and certain rural areas because of their geography.¹⁷⁴
- Most Canadians do not need home mail delivery.¹⁷⁵
- End-of-driveway mail delivery is essential for most rural residents, as that is the safest delivery method.¹⁷⁶
- Community mailboxes pose certain challenges, including problems with snow-clearing and access.¹⁷⁷ Some community mailboxes are not in ideal locations. For example, some are located in poorly lit areas or on streets without sidewalks.¹⁷⁸
- Under Canada Post's accommodation program, a health professional must provide a medical certificate for people to have their mail delivered at home or to a post office. Yet many Canadians do not have access to a health professional, and some charge fees for this kind of documentation.¹⁷⁹
- Canada Post should continue the community mailbox conversion.¹⁸⁰

172 Lowell Cormier, Municipal Councillor, District 11, Cape Breton Regional Municipality, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

173 Hervé Esch, City Manager and Secretary-Treasurer, Municipality of Ristigouche-Sud-Est, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

174 Charles Pender, Mayor, City of Corner Brook, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 34, 3 October 2016.

175 Greg Wilson, Mayor, City of Dryden; and Sandy Middleton, Deputy Mayor, Municipality of Red Lake, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

176 Cindy Lunau, Councillor, Town of Milton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016.

177 Cindy Lunau, Councillor, Town of Milton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016; Lowell Cormier, Municipal Councillor, District 11, Cape Breton Regional Municipality; and Cecil Clarke, President, Union of Nova Scotia Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

178 Lowell Cormier, Municipal Councillor, District 11, Cape Breton Regional Municipality, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

179 Charles Pender, Mayor, City of Corner Brook, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 34, 3 October 2016.

180 Greg Wilson, Mayor, City of Dryden, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; and Maurice Quesnel, Chief Executive Officer, Baie-des-Chaleurs Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

- Canada Post should be held responsible for maintaining its assets and ensuring they are accessible, or it should compensate municipalities for doing that work.¹⁸¹
- People with disabilities or reduced mobility should receive home delivery free of charge or for a premium that is eligible for a tax credit.¹⁸²
- Canada Post should provide recycling bins at or near community mailboxes to prevent littering.¹⁸³

Frequency of delivery

- Canada Post should move to alternate-day delivery.¹⁸⁴
- Canada Post should loosen its delivery standards while offering a faster alternative for a higher price.¹⁸⁵

Mail processing operations

- As part of the postal transformation, local mail sorting was replaced with a centralized, regional model. Mail is sometimes shipped long distances to be sorted before being delivered, which has led to delayed mail delivery.¹⁸⁶

The 1994 moratorium on the closure of rural post offices

- Maintaining post offices in rural regions is essential so that residents have access to Canada Post services.¹⁸⁷

181 Cecil Clarke, President, Union of Nova Scotia Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

182 Greg Wilson, Mayor, City of Dryden, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

183 Cindy Lunau, Councillor, Town of Milton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016.

184 Greg Wilson, Mayor, City of Dryden; and Sandy Middleton, Deputy Mayor, Municipality of Red Lake, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Cecil Clarke, President, Union of Nova Scotia Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016; and Maurice Quesnel, Chief Executive Officer, Baie-des-Chaleurs Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

185 Greg Wilson, Mayor, City of Dryden, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

186 Sandy Middleton, Deputy Mayor, Municipality of Red Lake, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

187 Cindy Lunau, Councillor, Town of Milton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016; Maurice Quesnel, Chief Executive Officer, Baie-des-Chaleurs Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016; and Carmen Sterling, Vice-President, Saskatchewan Association of Rural Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

- Rural post offices fulfill a social role, because they are gathering places in their communities.¹⁸⁸

Franchise postal outlets versus post offices

- Canada Post should convert its highest-volume corporate post offices into franchise postal outlets.¹⁸⁹

Postal banking

- Canada Post should provide postal banking services if they would be profitable.¹⁹⁰
- Canada Post should provide postal banking services because many rural communities do not have bank or credit union branches, and many Canadians do not have access to the financial services they need.¹⁹¹
- Canada Post should provide postal banking services to compete with the payday loan industry.¹⁹²

Community hubs

- Canada Post should provide government services.¹⁹³

Other options for Canada Post

- Some people believe that Canada Post should sell advertising in its retail network,¹⁹⁴ but others disagree.¹⁹⁵

188 Sandy Middleton, Deputy Mayor, Municipality of Red Lake, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Mark Heyck, Mayor, City of Yellowknife and Sara Brown, Chief Executive Officer, Northwest Territories Association of Communities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.

189 Greg Wilson, Mayor, City of Dryden, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

190 Sandy Middleton, Deputy Mayor, Municipality of Red Lake, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Charles Pender, Mayor, City of Corner Brook, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 34, 3 October 2016; and Mark Heyck, Mayor, City of Yellowknife, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.

191 Gary Gosine, Mayor, Town of Wabana, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Carson Atkinson, Mayor, Village of Chipman, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

192 Gary Gosine, Mayor, Town of Wabana, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

193 Hervé Esch, Director General and Secretary-Treasurer, Municipality of Ristigouche-sud-Est, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

194 Greg Wilson, Mayor, City of Dryden, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

195 Maurice Quesnel, Chief Executive Officer, Baie-des-Chaleurs Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

- Canada Post should not diversify its services because its workforce is expensive and is not competitive.¹⁹⁶

Other comments

- Canada Post should return to date-stamping mail so that recipients can confirm when financial documents and payments were sent.¹⁹⁷
- Addresses in rural areas do not match municipal boundaries.¹⁹⁸

7. FROM REPRESENTATIVES OF CIVIL SOCIETY ORGANIZATIONS

7.1 From Representatives of Seniors in Urban Areas

Representatives of seniors in urban areas made the following points, grouped by theme:

Objects

- Canada Post is an essential service¹⁹⁹ and should not be privatized.²⁰⁰
- Canada Post is both a service and a business.²⁰¹
- Canada Post is an essential service that the government should subsidize.²⁰²

Canadian Postal Service Charter

- Any change to Canada Post's operations must respect the 2009 *Canadian Postal Service Charter*.²⁰³

196 Greg Wilson, Mayor, City of Dryden, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

197 Carmen Sterling, Vice-President, Saskatchewan Association of Rural Municipalities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

198 Cindy Lunau, Councillor, Town of Milton, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016.

199 Anne Corbin, Executive Director, Community Links Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; and Lori Friars, Coordinator, Moose Jaw & District Senior Citizens Association Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

200 Georges Flanagan, President, Association de l'Âge d'Or de Bois-des-Filion, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

201 Hugh Newell, President and Chairman, North Edmonton Seniors Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

202 Sharron Callahan, Chair, St. John's-Avalon Chapter, Canadian Association of Retired Persons, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

203 Lynn Dollin, President, Association of Municipalities of Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

Method of delivery

- Ending home mail delivery is detrimental to seniors and makes it more difficult for them to remain in their homes.²⁰⁴
- Canada Post should eliminate community mailboxes and re-establish home mail delivery.²⁰⁵
- Canada Post should provide home mail delivery for all seniors who request the service, at no extra charge.²⁰⁶
- Canada Post has done a poor job maintaining the community mailboxes, especially as regards snow and ice removal.²⁰⁷
- Unlike mail delivery to community mailboxes, home delivery is reassuring to seniors because mail carriers come by their home every day, can notice unusual behaviour and can alert the appropriate authorities about anything unusual.²⁰⁸
- Seniors feel safer receiving their mail at home than at community mailboxes because of strangers near community mailboxes and winter

204 Georges Flanagan, President, Association de l'Âge d'Or de Bois-des-Filion and Maurice Boisclair, President, Club Lorr "Aînés", [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Anne Corbin, Executive Director, Community Links Association and Bernie LaRusic, Past President, Senior Citizens and Pensioners of Nova Scotia, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; Judith Gagnon, President, Association québécoise de défense des droits des personnes retraitées et préretraitées, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016; Hugh Newell, President and Chairman, North Edmonton Seniors Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016; and Lori Friars, Coordinator, Moose Jaw & District Senior Citizens Association Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

205 Wanda Morris, Chief Operating Officer, Vice-President of Advocacy, Canadian Association of Retired Persons, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Judith Gagnon, President, Association québécoise de défense des droits des personnes retraitées et préretraitées, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

206 Georges Flanagan, President, Association de l'Âge d'Or de Bois-des-Filion, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; and Claude Godbout, Revenue and Tax Committee Representative, Association québécoise de défense des droits des personnes retraitées et préretraitées, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

207 Andrew DeFour, Secretary, Seniors Action Quebec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Maurice Boisclair, President, Club Lorr "Aînés", [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; and Hugh Newell, President and Chairman, North Edmonton Seniors Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

208 Anne Corbin, Executive Director, Community Links Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

- conditions.²⁰⁹ Many seniors have trouble accessing community mailboxes, especially in winter.²¹⁰
- Having a third party collect mail from a community mailbox on behalf of seniors increases the risk of fraud and restricts their independence.²¹¹
 - Canada Post's accommodation program should be advertised more, as many people do not know it exists.²¹²
 - Under Canada Post's accommodation program, individuals need a medical certificate to have their mail redirected to a post office or to arrange for home mail delivery. However, many Canadians do not have access to a health care professional, the forms to fill out can be complex and there may be costs associated with getting this documentation, all of which can be problematic for individuals using the accommodation program, as many of them are on a restricted income.²¹³
 - Canada Post's accommodation program does not include any appeal process if Canada Post decides to reject an individual's request to have their mail redirected to a post office or delivered to their home once a week. In addition, Canada Post does not have the social services or medical expertise it needs to determine the accommodations required for people with disabilities or reduced mobility.²¹⁴
 - Canada Post's accommodation program does not adequately meet users' needs, because once-a-week delivery is not enough.²¹⁵

209 Sungee John, City of Windsor Seniors Advisory Committee, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Sharron Callahan, Chair, St. John's-Avalon Chapter, Canadian Association of Retired Persons, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Anne Corbin, Executive Director, Community Links Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; and Judith Gagnon, President, Association québécoise de défense des droits des personnes retraitées et préretraitées, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

210 Lori Friars, Coordinator, Moose Jaw & District Senior Citizens Association Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016; and Randy Dove, Vice-President, Saskatchewan Seniors Mechanism, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

211 Sharron Callahan, Chair, St. John's-Avalon Chapter, Canadian Association of Retired Persons, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Anne Corbin, Executive Director, Community Links Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; and Judith Gagnon, President, Association québécoise de défense des droits des personnes retraitées et préretraitées, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

212 Andrew DeFour, Secretary, Seniors Action Quebec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Sharron Callahan, Chair, St. John's-Avalon Chapter, Canadian Association of Retired Persons, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

213 Richard Lavigne, Executive Director, Confédération des organismes de personnes handicapées du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Maurice Boisclair, President, Club Lorr "Aînés", [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

214 Richard Lavigne, Executive Director, Confédération des organismes de personnes handicapées du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

215 Lori Friars, Coordinator, Moose Jaw & District Senior Citizens Association Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

Parcels

- The frequency of parcel delivery should not be reduced, because small- and medium-sized businesses depend on this service.²¹⁶

Frequency of delivery

- Alternate-day mail delivery would be acceptable, as long as the schedule is consistent.²¹⁷

Franchise postal outlets versus post offices

- Service quality is higher in post office locations than in franchise postal outlet locations.²¹⁸

Community hubs

- Turning post offices into community hubs would be more appropriate in rural areas, because customers in urban areas already have a variety of services available.²¹⁹

Other options for Canada Post

- Canada Post should consider expanding its delivery options to include grocery delivery services.²²⁰
- Canada Post should offer a monitoring service for seniors.²²¹

216 Bernie LaRusic, Past President, Senior Citizens and Pensioners of Nova Scotia, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

217 Georges Flanagan, President, Association de l'Âge d'Or de Bois-des-Filion and Maurice Boisclair, President, Club Lorr "Aînés", [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Wanda Morris, Chief Operating Officer, Vice-President of Advocacy, Canadian Association of Retired Persons, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Sungee John, City of Windsor Seniors Advisory Committee, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016; Anne Corbin, Executive Director, Community Links Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; Bernie LaRusic, Past President, Senior Citizens and Pensioners of Nova Scotia, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; and Randy Dove, Vice-President, Saskatchewan Seniors Mechanism, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

218 Lori Friars, Coordinator, Moose Jaw & District Senior Citizens Association Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

219 Maurice Boisclair, President, Club Lorr "Aînés", [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

220 Richard Lavigne, Executive Director, Confédération des organismes de personnes handicapées du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

221 Sungee John, City of Windsor Seniors Advisory Committee, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

7.2 From Representatives of Seniors in Rural Areas

Representatives of seniors in rural areas made the following points, organized by theme:

Objects

- Canada Post is an essential service.²²²

The value of Canada Post to Canadians

- Canada Post is an important means of communication for seniors.²²³
- Post offices are very important in rural communities and have an effect on the community's economy.²²⁴
- Canada Post must develop services for people with reduced mobility, including seniors.²²⁵

Method of delivery

- Not everyone knows about Canada Post's accommodation program.²²⁶

Postal banking

- Canada Post could provide postal banking services by partnering with existing financial institutions.²²⁷

Other options for Canada Post

- Providing a monitoring service for seniors and people with disabilities;²²⁸ and
- Creating a digital Canadian cloud.²²⁹

222 Michael Leduc, General Manager, FADOQ-Région Laurentides, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

223 Jean-Luc Bélanger, Director General, Association acadienne et francophone des aînées et aînés du Nouveau-Brunswick, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

224 Garry Parkes, President, Vermilion Bay, Happy Go Lucky Seniors Club, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

225 Ibid.

226 Jean-Luc Bélanger, Director General, Association acadienne et francophone des aînées et aînés du Nouveau-Brunswick, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

227 Michael Leduc, General Manager, FADOQ-Région Laurentides, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

228 Ibid.

229 Ibid.

7.3 From Representatives of People with Disabilities

Representatives of people with disabilities provided the following comments, grouped by theme:

Objects

- Canada Post should not be privatized.²³⁰

Method of delivery

- Home mail delivery includes door-to-door delivery, delivery to a centralized point (e.g., apartment lobby lockboxes) and rural roadside mailbox delivery,²³¹ and maintaining this service is important for people with disabilities.²³²
- A number of safety issues are associated with mailboxes, including the distance travelled to collect mail, winter conditions and mailbox accessibility for certain groups of the population, such as people with disabilities.²³³
- The moratorium on ending home mail delivery and installing community mailboxes should be permanent.²³⁴

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- 230 Carmela Hutchison, President, DisAbleD Women's Network Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; John Rae, First Vice Chairperson, Council of Canadians with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Kimberly Yetman Dawson, Executive Director, Empower, The Disability Resource Centre, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Carlos Sosa, Manitoba League of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.
- 231 Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, and Kimberly Yetman Dawson, Executive Director, Empower, The Disability Resource Centre, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.
- 232 Edward Faruzel, Executive Director, Kitchener Waterloo Access Ability, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016; Terry Gardner, Former Vice-President, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 34, 3 October 2016; Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Carlos Sosa, Manitoba League of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.
- 233 Richard Lavigne, Executive Director, Confédération des organismes de personnes handicapées du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Carlos Sosa, Manitoba League of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016; Ann Bilodeau, Executive Director, KW Habilitation and Edward Faruzel, Executive Director, Kitchener Waterloo Access Ability, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016; Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Marcia Carroll, directrice exécutive, The PEI Council of People with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; and Kimberly Yetman Dawson, Executive Director, Empower, The Disability Resource Centre, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.
- 234 John Rae, First Vice Chairperson, Council of Canadians with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

- Community mailboxes should not clutter sidewalks to the point that people in wheelchairs cannot get by.²³⁵
- Unlike delivery to community mailboxes, home mail delivery is reassuring to people with disabilities and reduced mobility because mail carriers come by their home every day, can notice unusual behaviour and can alert the appropriate authorities about anything unusual.²³⁶
- Having a third party collect mail from a community mailbox on behalf of people with disabilities increases the risk of fraud and restricts their independence.²³⁷ In addition, people with disabilities have a limited number of hours for home care support, and they are intended for tasks such as meal preparation and housework.²³⁸
- Canada Post's accommodation program does not adequately meet users' needs, because once-a-week delivery is not enough, especially for people who receive cheques or medical supplies in the mail.²³⁹
- As part of Canada Post's accommodation program, individuals need a medical certificate to have their mail redirected to a post office or arrange for home mail delivery, but many Canadians do not have access to a health care professional and there may be costs associated with getting this documentation.²⁴⁰

235 Olivier Collomb d'Eyrames, Executive Director, Regroupement des organismes de personnes handicapées de la région 03, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

236 Carmela Hutchison, President, DisAbleD Women's Network Canada, and Ruth Pelletier, Former President, Seniors Action Quebec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Marcia Carroll, Executive Director, The PEI Council of People with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

237 Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Marcia Carroll, directrice exécutive, The PEI Council of People with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

238 Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

239 Carmela Hutchison, President, DisAbleD Women's Network Canada, and Ruth Pelletier, Former President, Seniors Action Quebec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Kimberly Yetman Dawson, Executive Director, Empower, The Disability Resource Centre and Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

240 Kimberly Yetman Dawson, Executive Director, Empower, The Disability Resource Centre and Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Marcia Carroll, Executive Director, The PEI Council of People with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; and Marg Friesen, Lead Consultant, Saskatchewan Voice of People with Disabilities Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

- Canada Post’s accommodation program should be advertised more, as many people do not know it exists.²⁴¹
- Canada Post should not require individuals to provide a medical certificate to have their mail redirected to a post office or delivered to their home if their disability has already been recognized, particularly as part of the federal Disability Tax Credit. The existing certification should be automatically recognized.²⁴²

Frequency of delivery

- Some witnesses said that alternate-day delivery would be acceptable,²⁴³ while others said that delivery was needed five days a week.²⁴⁴

Franchise postal outlets versus post offices

- People with disabilities have difficulty accessing some post offices.²⁴⁵

241 Kimberly Yetman Dawson, Executive Director, Empower, The Disability Resource Centre, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

242 Olivier Collomb d'Eyrammes, Executive Director, Regroupement des organismes de personnes handicapées de la région 03, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

243 Richard Lavigne, Executive Director, Confédération des organismes de personnes handicapées du Québec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Carmela Hutchison, President, DisAbled Women’s Network Canada, and Ruth Pelletier, Former President, Seniors Action Quebec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; Ann Bilodeau, Executive Director, KW Habilitation and Edward Faruzel, Executive Director, Kitchener Waterloo Access Ability, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016; and Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016.

244 John Rae, First Vice Chairperson, Council of Canadians with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Terry Gardner, Former Vice-President, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 34, 3 October 2016; and Olivier Collomb d'Eyrammes, Executive Director, Regroupement des organismes de personnes handicapées de la région 03, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

245 Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; and Marg Friesen, Lead Consultant, Saskatchewan Voice of People with Disabilities Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

Postal banking

- Canada Post should offer postal banking services as an alternative to payday loans²⁴⁶ and because many rural communities do not have banks or credit unions.²⁴⁷

Community hubs

- Canada Post should turn its post offices into community hubs and offer other government services.²⁴⁸

Other options for Canada Post

- Canada Post's delivery service should be expanded to include medication delivery²⁴⁹ and grocery delivery in Northern regions.²⁵⁰

7.4 From Other Representatives

Other civil society representatives discussed the following points, organized by theme:

Method of delivery

- Home mail delivery includes door-to-door delivery, delivery to a centralized point (e.g., apartment lobby lockboxes) and rural roadside mailbox delivery.²⁵¹
- Given the high population density and a lack of space, community mailboxes cannot be installed in the downtown cores of large cities.²⁵²

246 Carmela Hutchison, President, DisAbleD Women's Network Canada, and Ruth Pelletier, Former President, Seniors Action Quebec, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and John Rae, First Vice Chairperson, Council of Canadians with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

247 Kimberly Yetman Dawson, Executive Director, Empower, The Disability Resource Centre and Emily Christy, Executive Director, Newfoundland and Labrador, Coalition of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 35, 3 October 2016; Marcia Carroll, Executive Director, The PEI Council of People with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; and Carlos Sosa, Manitoba League of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

248 Ann Bilodeau, Executive Director, KW Habilitation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016; and Marcia Carroll, Executive Director, The PEI Council of People with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

249 Olivier Collomb d'Eyrammes, Executive Director, Regroupement des organismes de personnes handicapées de la région 03, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

250 Carlos Sosa, Manitoba League of Persons with Disabilities, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

251 Thomas Kozloski, Chair, Board of Directors, Feed Nova Scotia, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

252 Dany Harvey, President, Coopérative d'habitation Ludovica, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

- Some people have difficulty accessing community mailboxes,²⁵³ and they are less secure because mail is centralized in one location.²⁵⁴

Pricing strategy

- Canada Post should establish favourable rates for charitable organizations.²⁵⁵

Postal banking

- Canada Post should provide postal banking services as an alternative to payday loans²⁵⁶ to give low- and moderate-income households access to short-term loans²⁵⁷ and should charge lower fees than banks and credit unions.²⁵⁸

Another option for Canada Post

- Providing a monitoring service for seniors and people with disabilities.²⁵⁹

8. FROM BUSINESSES AND REPRESENTATIVES OF THE BUSINESS COMMUNITY

8.1 In Urban Areas

Business people and representatives of the business community in urban areas made the following points, grouped by theme:

Objects

- Canada Post should not be privatized.²⁶⁰

253 Ibid.

254 Ibid.

255 Thomas Kozloski, Chair, Board of Directors, Feed Nova Scotia, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

256 Donna Borden, National Representative, ACORN Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Jonethan Brigley, Chair, Dartmouth, ACORN Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016; and Anne-Marie Gammon, President, Réseau communauté en santé Bathurst, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 39, 6 October 2016.

257 Donna Borden, National Representative, ACORN Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016;

258 Jonethan Brigley, Chair, Dartmouth, ACORN Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 36, 4 October 2016.

259 Dany Harvey, President, Coopérative d'habitation Ludovica, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

260 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

- The federal government may have to subsidize Canada Post in the short term so that it can continue to provide the same level of service to its customers during a transition period.²⁶¹
- Canada Post's primary purpose is to provide a public service to all Canadians, regardless of where they live.²⁶² Canada Post should have new objects for rural and remote areas.²⁶³
- Canada Post is a business that offers two separate services: residential service and commercial service.²⁶⁴

The value of Canada Post to Canadians

- Canada Post is part of the social fabric that brings Canadians together.²⁶⁵
- Canada Post's mail delivery service is very reliable.²⁶⁶
- Canada Post has played a key role in the success of a number of Canadian companies.²⁶⁷
- Given that Canada Post is part of Canada's infrastructure, investments will have to be made in this service to maintain it.²⁶⁸

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- 261 Penny Walsh McGuire, Executive Director, Greater Charlottetown Area Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.
- 262 Matthew Holmes, President and Chief Executive Officer, Magazines Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.
- 263 John Hinds, President and Chief Executive Officer, Newspapers Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.
- 264 Réal Couture, President, Chambre de commerce et d'industrie Thérèse-De-Blainville, Christian Fréchette, President, Association des gens d'affaires de Blainville and Michel Limoges, Member, Chambre de commerce de Bois-des-Filion/Lorraine, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.
- 265 Daryl Barnett, Director, Labour Relations, AIL Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.
- 266 Meghan Mackintosh, Manager, Billing Operations, EPCOR Utilities Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.
- 267 John Barrett, Director of Sales, Marketing and Development, Vesey's Seeds Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; Nelson Leong, chef des opérations, Manitobah Mukluks, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016; and Andrea Stairs, Managing Director, eBay Canada Limited, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.
- 268 Andréa Alacchi, President, L'Encrier and Michel Limoges, Member, Chambre de commerce de Bois-des-Filion/Lorraine, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

Ombudsman at Canada Post and postal regulators

- An independent regulatory body should be established to oversee service standards, activities and postage rates, since the mandate of the Office of the Ombudsman at Canada Post does not cover these areas.²⁶⁹
- There is no way to repeal the sanctions imposed by the Ombudsman at Canada Post.²⁷⁰
- Canada Post establishes its own standards but is not required to respect them.²⁷¹

Building synergies with subsidiaries

- According to one business owner, Canada Post and its subsidiary Purolator already have excellent synergy,²⁷² although another representative said that Canada Post should collaborate more with Purolator, similar to how the United States Postal Service (USPS) has partnered with FedEx to deliver parcels.²⁷³

Management and labour relations

- Labour disputes at Canada Post have negatively affected Canadian businesses and have forced them to find alternative solutions.²⁷⁴ Therefore, Canada Post should enter into agreements with its employees before their collective agreements expire.²⁷⁵

269 John Hinds, President and Chief Executive Officer, Newspapers Canada, Patrick Bartlett, Executive Director, National Association of Major Mail Users, and Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Christina Falcone, Vice-President, Public Affairs, UPS Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

270 Patrick Bartlett, Executive Director, National Association of Major Mail Users, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

271 John Hinds, President and Chief Executive Officer, Newspapers Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

272 Stéphane Ricoul, President, eCOM MTL inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

273 John Barrett, Director of Sales, Marketing and Development, Vesey's Seeds Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

274 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

275 John Barrett, Director of Sales, Marketing and Development, Vesey's Seeds Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016; Meghan Mackintosh, Manager, Billing Operations, EPCOR Utilities Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016; and Maureen June Winnicki Lyons, Owner, McQueen and Mo Mater, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

- To reduce its costs, Canada Post should freeze employee salaries, because their pay and benefits are higher than that of their private sector counterparts.²⁷⁶

Defined benefit pension plan

- Canada Post should address the unfunded pension liabilities for its employees' defined benefit pension plan.²⁷⁷

Method of delivery

- Home mail delivery should be maintained because it is a convenient, safe and universal method of delivering mail.²⁷⁸
- Canada Post uses its monopoly over access to mailboxes in multi-family residential units for an unfair competitive advantage over private companies.²⁷⁹
- Concerns were raised that Canada Post is prioritizing flyer delivery over newspaper delivery, is refusing to distribute community newspapers, and is delivering mail inconsistently and late, and that rules are not consistently enforced.²⁸⁰
- Converting to community mailboxes is a good idea,²⁸¹ and mailboxes with compartments large enough for parcels are useful.²⁸²

Parcels

- Parcel tracking should be improved by adding a more affordable option that would provide this service for non-express delivery.²⁸³

276 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

277 Ibid.

278 Daryl Barnett, Director, Labour Relations, AIL Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016.

279 John Hinds, President and Chief Executive Officer, Newspapers Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

280 Ibid.

281 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, and Patrick Bartlett, Executive Director, National Association of Major Mail Users, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

282 Stéphane Ricoul, President, eCOM MTL inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

283 Réal Couture, President, Chambre de commerce et d'industrie Thérèse-De-Blainville, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Maureen June Winnicki Lyons, Owner, McQueen and Mo Mater, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 48, 21 October 2016; and Andrea Stairs, Managing Director, eBay Canada Limited, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

- Canada Post should increase advertising for its FlexDelivery service, which gives users the option of having their parcels delivered to the post office location of their choice.²⁸⁴
- Small- and medium-sized businesses are turning to Canada Post more and more for sending parcels.²⁸⁵
- Canada Post should deliver parcels in the morning, in the evening and on weekends.²⁸⁶
- Alternate-day delivery is acceptable for mail, but not for parcels.²⁸⁷
- The UPS Store Canada would like to establish a partnership with Canada Post to provide Canada Post services at its locations, especially in the parcel sector.²⁸⁸
- Delivery rates should not increase, because many businesses would switch to Canada Post's competitors for parcel delivery.²⁸⁹

Frequency of delivery

- Businesses should continue to receive mail five days a week so that they can remain competitive,²⁹⁰ but mail delivery could be reduced for the

284 Andrea Stairs, Managing Director, eBay Canada Limited, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

285 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

286 Kristi Kanitz, Board Chair, National Association of Major Mail Users, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Andréa Alacchi, President, L'Encrier, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

287 Stéphane Ricoul, President, eCOM MTL inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Andréa Alacchi, President, L'Encrier, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016..

288 David Druker, President, The UPS Store, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

289 John Barrett, Director of Sales, Marketing and Development, Vesey's Seeds Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

290 Christian Fréchette, President, Association des gens d'affaires de Blainville, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; Patrick Bartlett, Executive Director, National Association of Major Mail Users, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Matthew Holmes, President and Chief Executive Officer, Magazines Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Art Sinclair, Vice-President, Greater Kitchener Waterloo Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 31, 27 September 2016; and Bill Mackrell, President, Pitney Bowes Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

residential sector.²⁹¹ Other witnesses were of the opinion that alternate-day delivery would be acceptable.²⁹²

Mail processing operations

- As part of the postal transformation, local mail sorting was replaced with a centralized, regional model. Mail is sometimes shipped long distances to be sorted before being delivered, which has led to delayed mail delivery, especially over the winter.²⁹³

Pricing strategy

- Over the last few years, postage rates have increased at a faster pace than all other business expenses²⁹⁴ and are disproportionately high compared with courier service rates.²⁹⁵
- Canada Post rates must be predictable, stable and affordable.²⁹⁶ Some said that it was normal for them to increase, but that they must increase at a reasonable rate so that businesses are not negatively affected.²⁹⁷
- Raising prices would increase Canada Post revenues in the short term, but in the long term it would encourage users to switch to digital solutions.²⁹⁸
- Canada Post should plan to decrease the difference in price between sending a parcel a short distance and sending a parcel a long distance, and should follow the American model and offer a flat-rate box.²⁹⁹

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- 291 Christian Fr chette, President, Association des gens d'affaires de Blainville, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.
- 292 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; Anita Huberman, Chief Executive Officer, Surrey Board of Trade, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 42, 17 October 2016; and Meghan Mackintosh, Manager, Billing Operations, EPCOR Utilities Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.
- 293 John Hinds, President and Chief Executive Officer, Newspapers Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Penny Walsh McGuire, Executive Director, Greater Charlottetown Area Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.
- 294 John Hinds, President and Chief Executive Officer, Newspapers Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.
- 295 Harry Watson, President, Triple 4 Advertising Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.
- 296 Bill Mackrell, President, Pitney Bowes Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.
- 297 Hicham Ratnani, Chief Operating Officer and Co-founder, Frank + Oak, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Penny Walsh McGuire, Executive Director, Greater Charlottetown Area Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.
- 298 Matthew Holmes, President and Chief Executive Officer, Magazines Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.
- 299 Andr a Alacchi, President, L'Encrier, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

- Canada Post's price-based strategy, also known as distance-related pricing (DRP), would mean unfair and punitive rates.³⁰⁰
- There is no pricing relief or financial incentive for businesses that sort their parcels themselves before sending them to Canada Post.³⁰¹
- Canadians are at a disadvantage compared with Americans as regards postage rates and delivery time frames.³⁰²
- Under the terms of the Universal Postal Union, when a parcel arrives from abroad, Canada Post must deliver it at a fixed low price determined by the Union, to any location in Canada.³⁰³
- Canada Post can adjust postal rates only for domestic delivery, because prices for packages from abroad are set by the Universal Postal Union, which means Canadian businesses are less competitive.³⁰⁴
- Canada Post should have a coherent policy on customs duties and taxes for imported parcels.³⁰⁵

The 1994 moratorium on the closure of rural post offices

- The 1994 moratorium on closing rural post offices should be updated to better reflect the current situation.³⁰⁶

Franchise postal outlets versus post offices

- Some witnesses believe that Canada Post should turn post offices into franchise postal outlets,³⁰⁷ while others believe that this would encourage businesses to use competitors' services, because the level of service for

300 Matthew Holmes, President and Chief Executive Officer, Magazines Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

301 Ibid.

302 Andréa Alacchi, President, L'Encrier, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016; and Gary Kirk, Owner, A Good Read Bookstore, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

303 Andréa Alacchi, President, L'Encrier, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

304 Ibid.

305 Christina Falcone, Vice-President, Public Affairs, UPS Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

306 Patrick Bartlett, Executive Director, National Association of Major Mail Users, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

307 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Patrick Bartlett, Executive Director, National Association of Major Mail Users, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

parcel delivery is not the same at franchise postal outlets and traffic is higher.³⁰⁸

Financial situation and main costs

- Canada Post must reduce its operating costs³⁰⁹ and streamline its operations to ensure its long-term survival.³¹⁰
- Canada Post should find new, innovative ways to provide new services instead of eliminating services.³¹¹
- Canada Post should offer its services in other languages to increase their use by the immigrant population.³¹²

Postal banking

- Canada Post should not offer postal banking services;³¹³ rather, it should offer new products that build on its current capabilities.³¹⁴

Another option for Canada Post

- UPS Canada representatives said they supported additional agreements for last-mile delivery for third parties.³¹⁵

Other comments

- Some businesses' postal codes do not match their street addresses, which leads to various problems.³¹⁶

308 Lynda Moffat, President and Chief Executive Officer, St. Albert and District Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

309 Anita Huberman, Chief Executive Officer, Surrey Board of Trade, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 42, 17 October 2016.

310 Penny Walsh McGuire, Executive Director, Greater Charlottetown Area Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

311 Lynda Moffat, President and Chief Executive Officer, St. Albert and District Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

312 Anita Huberman, Chief Executive Officer, Surrey Board of Trade, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 42, 17 October 2016.

313 Daniel Kelly, President, Chief Executive Officer and Chair, Canadian Federation of Independent Business, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016; and Harry Watson, President, Triple 4 Advertising Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

314 Patrick Bartlett, Executive Director, National Association of Major Mail Users, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

315 Christina Falcone, Vice-President, Public Affairs, UPS Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

316 Harry Watson, President, Triple 4 Advertising Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

- Canada Post should do a better job of informing businesses about its marketing products.³¹⁷

8.2 In Rural Areas

Business people and representatives of the business community in rural areas made the following comments, organized by theme:

The value of Canada Post to Canadians

- The service quality offered by Canada Post is exceptional.³¹⁸
- Canada Post is a public service that is essential for small businesses in rural areas.³¹⁹
- Canada Post provides jobs with good working conditions and good pay for many Canadians, which generates economic spinoffs for Canadian communities.³²⁰

Building synergies with subsidiaries

- Canada Post should consider turning to its subsidiaries to meet its financial needs.³²¹

Management and labour relations

- Canada Post should find ways to reach agreements with its unions, because labour disputes that lead to service disruptions will lead Canada Post customers to use competitors' services instead.³²²

Mail processing operations

- As part of the postal transformation, local mail sorting was replaced with a centralized, regional model. Mail is sometimes shipped long distances

317 Christian Fréchette, President, Association des gens d'affaires de Blainville, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 29, 26 September 2016.

318 David Neegan, Owner, Norwest Printing and Publishing Group, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

319 Katharine MacDonald, Owner, Milk & Amber, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

320 Andrew Scribilo, President, Kenora & District Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

321 Norm Sutherland, Business Owner, Petrolia (Ontario), [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

322 David Neegan, Owner, Norwest Printing and Publishing Group, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

to be sorted before being delivered, which has led to delayed mail delivery.³²³

Pricing strategy

- Canadian businesses are not prepared to pay more for the services offered by Canada Post.³²⁴
- It is normal for Canada Post rates to increase, but they must increase at a reasonable rate so that businesses are not negatively affected.³²⁵
- The higher postage rates implemented in 2014 led many companies to switch to digital communication.³²⁶

Community hubs

- Rural post offices fulfill a social role, because they are gathering places in their communities.³²⁷
- Canada Post should turn post offices in rural areas into community hubs.³²⁸

Other comments

- Some rural businesses do not want Canada Post to make changes to the services it currently offers.³²⁹

323 David Neegan, Owner, Norwest Printing and Publishing Group, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; and Katharine MacDonald, Owner, Milk & Amber, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

324 Adrian White, Chief Executive Officer, Sydney and Area Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

325 Katharine MacDonald, Owner, Milk & Amber, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

326 Adrian White, Chief Executive Officer, Sydney and Area Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 37, 4 October 2016.

327 David Neegan, Owner, Norwest Printing and Publishing Group, and Andrew Scribilo, President, Kenora & District Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

328 Norm Sutherland, Business Owner, Petrolia, Ontario, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

329 Andrew Scribilo, President, Kenora & District Chamber of Commerce, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

9. FROM REPRESENTATIVES OF ABORIGINAL GROUPS

9.1 In Rural Areas

Representatives of Aboriginal groups in rural areas made the following comments, grouped by theme:

Objects

- Canada Post should privatize its services if the Corporation could carry out its operations efficiently and effectively while providing great-quality service.³³⁰

Frequency of delivery

- In some Aboriginal communities, mail is delivered only once a week to post office boxes, and it should be more frequent.³³¹

Franchise postal outlets versus post offices

- Post offices are open only a few hours a day, which is not enough to meet the needs of the population.³³²
- The community post office does not provide any financial services such as money orders and has not done so for several decades.³³³
- The post office building does not meet the needs of the community and should be moved to a better location.³³⁴

9.2 In Urban Areas

Representatives of Aboriginal groups in urban areas made the following comments, organized by theme:

330 Clifford Bull, Chief, Lac Seul First Nation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

331 Ibid.

332 Clifford Bull, Chief, Lac Seul First Nation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Jim Bear, Chief, Brokenhead Ojibway Nation; Debbie Chief, Director of Health, Medical Clinic/Pharmacy; Ashleigh Shultz-Bear, Manager, Entertainment Centre; Jackie Pommer, Director of Operations, Brokenhead Ojibway Nation; Angela Petrash, Development Corporation, Brokenhead Ojibway Nation; and Sandra Nault, Housing Clerk [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 49, 21 October 2016.

333 Clifford Bull, Chief, Lac Seul First Nation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016.

334 Clifford Bull, Chief, Lac Seul First Nation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 33, 29 September 2016; Jim Bear, Chief, Brokenhead Ojibway Nation; Debbie Chief, Director of Health, Medical Clinic/Pharmacy; Ashleigh Shultz-Bear, Manager, Entertainment Centre; Jackie Pommer, Director of Operations, Brokenhead Ojibway Nation; Angela Petrash, Development Corporation, Brokenhead Ojibway Nation; and Sandra Nault, Housing Clerk [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 49, 21 October 2016.

Objects

- Canada Post is a service.³³⁵

Method of delivery

- Accessing community mailboxes is an issue for some people.³³⁶
- Community mailboxes are more susceptible to mail fraud, because some keys can open more than one mailbox and mail for various residents is located in one place.³³⁷

Another option for Canada Post

- Canada Post should rent out office space at some of its locations.³³⁸

10. FROM CANADIANS

10.1 In Urban Areas

Canadians in urban areas shared the following comments, grouped by theme:

Objects

- Canada Post is a critically important public service.³³⁹
- Canada Post is both a service and a business.³⁴⁰

The value of Canada Post to Canadians

- Canada Post provides jobs with good working conditions and good pay for many Canadians, which generates economic spinoffs for Canadian communities.³⁴¹

335 Bernice Perkins, Vice-Chair, Wakamow Aboriginal Community Organization, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

336 Ibid.

337 Ibid.

338 Brenda Marshall-Colenutt, Secretary, Wakamow Aboriginal Community Organization, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 46, 20 October 2016.

339 David Bennett, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016.

340 Eric Oddleifson, Lawyer, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

341 Ken Lewenza, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

Stakeholder engagement

- Canada Post should consult Canadians and communities more.³⁴²

Method of delivery

- Canada Post should go back to providing door-to-door mail delivery for all households.³⁴³
- Community mailboxes create traffic problems, which puts the safety of mailbox users at risk.³⁴⁴
- Canada Post should cooperate with municipalities to remove community mailboxes and reimburse communities for the costs associated with installing them.³⁴⁵

Another option for Canada Post

- Canada Post should examine the feasibility of establishing a new secure pre-clearance sorting facility in Windsor-Essex for mail and parcels crossing the Canada–United States border.³⁴⁶

11. FROM RESEARCHERS, ACADEMICS AND EXPERTS

Researchers, academics and experts raised the following points, organized by theme:

Objects

- Canada Post's mandate is inherently contradictory, because the Corporation must provide universal service to all Canadians while competing with private, for-profit corporations that provide parcel delivery services, and it must do so without any subsidies.³⁴⁷
- Canada Post and its universal service mandate are essential, and the Corporation should not have to make a profit.³⁴⁸

342 Frank Schiller, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

343 Ibid.

344 David Bennett, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 44, 18 October 2016.

345 Frank Schiller, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 32, 28 September 2016.

346 Ibid.

347 Pamela Stern, Assistant Professor, Department of Sociology and Anthropology, Simon Fraser University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 42, 17 October 2016.

348 Ibid.

The value of Canada Post to Canadians

- Canada Post has symbolic meaning for Canada³⁴⁹ and is part of Canada's national heritage.³⁵⁰
- Canada Post should maintain its existing infrastructure.³⁵¹

Building synergies with subsidiaries

- Purolator has a consistent record of profitability over the last decade and contributes financially to Canada Post by paying roughly \$11 million in dividends every year. However, paying these dividends and increasing the synergy between Purolator and Canada Post is not enough to make Canada Post financially self-sufficient.³⁵²

Defined benefit pension plan

- The federal government regulates pension plans for Crown corporations and private-sector corporations in areas of employment subject to federal jurisdiction (telecommunications, banking and interprovincial transport) under the [Pension Benefits Standards Act, 1985](#). This legislation requires that defined benefit pension plans be funded both on a solvency basis (on the premise that, should the plan be terminated, it would be able to pay out the promised benefits immediately) and on a “going concern” basis (on the premise that the plan will continue its activities indefinitely). However, when there is a solvency funding deficit, the Act provides that the deficit can be funded over a five-year period.³⁵³
- With nearly \$22 billion in plan assets as of 31 December 2015, Canada Post's pension plan is the largest defined benefit plan under federal jurisdiction.³⁵⁴
- In the last decade, the federal government implemented reforms to ease the burden of solvency funding requirements for pension plans under federal jurisdiction. As a result, Canada Post was exempted from

349 Ibid.

350 Debby Kronewitt-Martin, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

351 Carla Lipsig-Mummé, Professor, York University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

352 Stewart Bacon, Chairman of the Board, Purolator Courier Ltd., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

353 Lynn Hemmings, Senior Chief, Payments and Pensions, Financial Sector Policy Branch, Department of Finance, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

354 Ibid.

eliminating its solvency funding deficit for its defined benefit plan between 2014 and 2018.³⁵⁵

- The primary factor affecting the solvency of Canada Post's defined benefit pension plan has been the low interest-rate environment in recent years. Removing the plan's solvency funding requirements will help the plan only in the short term, because significant risks remain over the long term. Representatives from Mercer (Canada) Ltd. proposed making other changes to the pension plan in order to mitigate the long-term risks, including gradually reducing its allocation to riskier assets, providing other types of pension plans, such as a defined contribution plan or a target benefit plan, and establishing joint governance and shared responsibility between plan members and the employer.³⁵⁶
- Canada Post's defined benefit plan should be permanently exempt from the requirement to make solvency payments under the [Pension Benefits Standards Act, 1985](#), because the plan is fully funded on a going concern basis and Canada Post will not be closing its doors in the short term.³⁵⁷
- The Ontario Teachers' Pension Plan has been exempt from solvency funding requirements since 2010 as a result of its joint pension structure, where the employer and plan members are co-responsible for governing and funding the plan.³⁵⁸
- Turning defined benefit plans into defined contribution plans could be expensive, because it would make the management of the current unfunded liability more risky and difficult, and it would significantly increase the cost of delivering a comparable pension benefit.³⁵⁹
- Canada Post's defined benefit plan could be reviewed to include joint sponsorship and governance between plan members and employer, which improves oversight and spreads risks. In addition, the federal government could make a move to exempt jointly sponsored plans from solvency funding requirements, as the Province of Ontario has done. Lastly, a "reformed Canada Post pension could be delivered by an

355 Ibid.

356 Cory Skinner, Actuary, Mercer (Canada) Limited, and Michel St-Germain, Actuary, Mercer (Canada) Limited, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

357 Simon Tremblay-Pépin, Professor and Researcher, Institut de recherche et d'informations socio-économiques, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

358 Mary Cover, Director, Pension Strategy & Enterprise Risk, Ontario Teachers' Pension Plan Board, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

359 Alex Mazer, Founding Partner, Common Wealth, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

independent fiduciary organization whose sole mandate is to deliver cost-effective retirement security for members.”³⁶⁰

- Canada Post could hire in-house professionals to manage its defined benefit plan for its employees, or it could consider having its assets managed by another public assets manager, such as PSP Investments, which manages assets for most federal public pensions.³⁶¹
- Canada Post could also make indexation for the defined benefit pension plan for its employees contingent on investment performance.³⁶²
- The federal government could establish a process to balance the financial sustainability of the defined benefit pension plan for its employees and the retirement security of its employees.³⁶³

Method of delivery

- Canada Post should continue its plan to switch to community mailboxes.³⁶⁴
- Mail delivery using self-driving technologies on sidewalks should be studied.³⁶⁵

Franchise postal outlets versus post offices

- Canada Post should convert 800 of its highest-volume corporate post offices into franchise postal outlets.³⁶⁶

Financial situation and main costs

- Canada Post’s business model should be reviewed in depth to address the problems associated with its labour costs, the solvency deficit of its defined benefit pension plan for its employees and its long-term financial viability.³⁶⁷

360 Ibid.

361 Ibid.

362 Ibid.

363 Ibid.

364 Benjamin Dachis, Associate Director, Research, C.D. Howe Institute, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

365 Louis Thériault, Vice-President, Public Policy, The Conference Board of Canada, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016.

366 Benjamin Dachis, Associate Director, Research, C.D. Howe Institute, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

367 Ibid.

Postal banking

A researcher and a university professor said they were in favour of postal banking services being provided for the following reasons:

- A number of rural and Aboriginal communities do not have access to financial services through banks or credit unions.
- Many Canadians do not have access to banking services.
- According to the public opinion survey commissioned by the Task Force, 7% of respondents said they would open an account, and 22% said they would probably use postal banking services.
- More than 600 Canadian municipalities have passed resolutions to support postal banking.
- Postal services in other countries generate profits by providing postal banking services.³⁶⁸

However, representatives of banks and credit unions were against post offices providing postal banking services for the following reasons:

- The Canadian financial services sector is highly competitive and well established.³⁶⁹ It would be difficult for Canada Post to enter the well-served banking sector, as the financial services sector is evolving rapidly.³⁷⁰
- Existing banking services are accessible, and 99% of Canadians have a bank account.³⁷¹
- The majority of Canadians, 55%, use the Internet as their preferred means of banking.³⁷²
- The process to establish a financial institution in Canada is very cumbersome in terms of regulations; significant investment is required.³⁷³

368 John Anderson, Research Associate, National Office, Canadian Centre for Policy Alternatives, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 40, 7 October 2016; and Pamela Stern, Assistant Professor, Department of Sociology and Anthropology, Simon Fraser University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 42, 17 October 2016.

369 Darren Hannah, Vice-President, Finance, Risk and Prudential Policy, Canadian Bankers Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

370 Keith Nixon, Chief Executive Officer, Credit Union Central of Saskatchewan, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

371 Darren Hannah, Vice-President, Finance, Risk and Prudential Policy, Canadian Bankers Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

372 Ibid.

373 Bernard Brun, Director, Government Relations, Desjardins Group, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

- The number of credit union branches in rural regions has dropped significantly in recent years, as members are doing more and more of their banking online or through applications on their smartphones.³⁷⁴
- If Canada Post offers postal banking services, it could amount to unfair competition and could force banks and credit unions to go out of business.³⁷⁵

Regarding the payday loan sector, experts raised the following points:

- The interest rates on payday loans are regulated by provincial governments.³⁷⁶
- Profits are quite low, because there is a higher risk that users will default on their payments and are far lower for payday lenders than for banks.³⁷⁷
- Unlike banks, credit unions and trust companies, the payday lending industry is not indemnified by the government for loss due to cashing fraudulent cheques.³⁷⁸
- Loan collection activities are a large part of the business, because about 20% of loans go to enforcement for repayment.³⁷⁹
- Payday loan services are increasingly available online.³⁸⁰
- Credit unions are already offering alternatives to payday loans.³⁸¹

374 Keith Nixon, Chief Executive Officer, Credit Union Central of Saskatchewan, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 47, 20 October 2016.

375 Ibid.

376 Kristina Schinke, Former Vice-President, Cash Money Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

377 Kristina Schinke, Former Vice-President, Cash Money Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016; and Tony Irwin, President, Canadian Consumer Finance Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

378 Tony Irwin, President, Canadian Consumer Finance Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

379 Kristina Schinke, Former Vice-President, Cash Money Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

380 Kristina Schinke, Former Vice-President, Cash Money Inc., [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016; and Tony Irwin, President, Canadian Consumer Finance Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

381 Robert Martin, Senior Policy Advisor, Canadian Credit Union Association, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

Community hubs

- Canada Post should turn its post offices into community service centres. Agreements could be made with other levels of government so that Canada Post could provide government services, such as those offered by Service Canada, through its post office locations,³⁸² in addition to a range of services adapted to the specific needs of each community. This could include providing services for federal programs, such as passport applications and employment insurance claims, as well as partnering with provinces and municipalities to provide services such as drivers' tests, vehicle registration, and marriage and birth certificate applications. Post offices could also have a small-scale business centre with high-speed Internet and all the technological tools that rural businesses, residents and students need.³⁸³
- Canada Post should take on the responsibility of delivering some social programs for the government, as La Poste in France does.³⁸⁴

Other options for Canada Post

- Using the existing delivery network for other purposes, such as delivering prescription medication, following the model of other postal services around the world;³⁸⁵
- Franchising mail collection and delivery;³⁸⁶
- Carrying out environmental audits of all Canada Post facilities;³⁸⁷
- Retrofitting all Canada Post postal facilities for energy conservation and sustainable practices;³⁸⁸
- Replacing Canada Post's fleet of 13,000 vehicles with environmentally friendly vehicles;³⁸⁹

382 Simon Tremblay-Pépin, Professor and Researcher, Institut de recherche et d'informations socio-économiques, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016.

383 Debby Kronewitt-Martin, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 43, 18 October 2016.

384 Carla Lipsig-Mummé, Professor, York University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

385 Simon Tremblay-Pépin, Professor and Researcher, Institut de recherche et d'informations socio-économiques, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 28, 26 September 2016; and Carla Lipsig-Mummé, Professor, York University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

386 Benjamin Dachis, Associate Director, Research, C.D. Howe Institute, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

387 Carla Lipsig-Mummé, Professor, York University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 30, 27 September 2016.

388 Ibid.

389 Ibid.

- Training Canada Post employees in safety monitoring and energy efficiency,³⁹⁰
- Providing a monitoring service for seniors and people with disabilities.³⁹¹

Other comments

- In the years ahead, digitization will continue, which will reduce the volume of mail being shipped.³⁹²
- Canada Post should continue to provide an international money transfer service, but it should use a non-profit model, such as the one provided by the Universal Postal Union.³⁹³

12. FROM MEMBERS OF PARLIAMENT

A number of members of Parliament held town-hall meetings in their ridings in the summer of 2016 to hear what their constituents had to say about Canada Post. Some of these members of Parliament submitted briefs to the Committee with their observations. In addition, as part of the Committee’s public consultation process, two members appeared before the Committee. This section outlines the main points raised by these members of Parliament, grouped by theme:

Objects

- Canada Post is an essential service³⁹⁴ whose purpose is not to make a profit,³⁹⁵ but rather to provide a universal service.³⁹⁶

Management and labour relations

- Canada Post should review the size of its board of directors.³⁹⁷
- The current President and CEO should be removed from office.³⁹⁸

390 Ibid.

391 Ibid.

392 David Mourinet, Director, Administrative Services Directorate, Desjardins Group, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 41, 7 October 2016.

393 Pamela Stern, Assistant Professor, Department of Sociology and Anthropology, Simon Fraser University, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 42, 17 October 2016.

394 Brief submitted by Marie-Claude Bibeau, Member of Parliament for Compton — Stanstead.

395 Sean Casey, Member of Parliament for Charlottetown, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

396 Kevin O’Reilly, Member of the Legislative Assembly, Frame Lake, Government of the Northwest Territories, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.

397 Brief submitted by Raj Saini, Member of Parliament for Kitchener Centre.

398 Brief submitted by Salma Zahid, Member of Parliament for Scarborough Centre.

Stakeholder engagement

- Canada Post should give municipalities the opportunity to participate in the Corporation's decisions that will affect their area,³⁹⁹ and it should communicate more with Canadians.⁴⁰⁰

Method of delivery

- The federal government should fulfill its promise by stopping the installation of community mailboxes and keeping home mail delivery.⁴⁰¹
- A number of safety issues are associated with mailboxes, including the distance travelled to collect mail, winter conditions and mailbox accessibility for certain groups of the population, such as seniors and people with disabilities. In addition, the locks are not secure, because some keys can open more than one mailbox.⁴⁰²

Frequency of delivery

- Mail delivery could be reduced⁴⁰³ and take place on a schedule that takes into account geographic location, demographics and the season,⁴⁰⁴ while parcel delivery should be increased and take place evenings and weekends.⁴⁰⁵

Mail processing operations

- Mail sorting should go back to being done at local post offices.⁴⁰⁶

Pricing strategy

- Postage rates should be universal and fair and vary only based on weight and the number of items to be mailed.⁴⁰⁷

399 Brief submitted by Marie-Claude Bibeau, Member of Parliament for Compton — Stanstead.

400 Brief submitted by Bernadette Jordan, Member of Parliament for South Shore — St. Margarets.

401 Sean Casey, Member of Parliament for Charlottetown, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 38, 5 October 2016.

402 Briefs submitted by Yves Robillard, Member of Parliament for Marc-Aurèle-Fortin; Fayçal El Khoury, Member of Parliament for Laval — Les Îles; and Angelo Iacono, Member of Parliament for Alfred-Pellan.

403 Briefs submitted by Raj Saini, Member of Parliament for Kitchener Centre and Bernadette Jordan, Member of Parliament for South Shore — St. Margarets.

404 Brief submitted by Robert Oliphant, Member of Parliament for Don Valley West.

405 Briefs submitted by Salma Zahid, Member of Parliament for Scarborough Centre and William Amos, Member of Parliament for Pontiac.

406 Briefs submitted by Marie-Claude Bibeau, Member of Parliament for Compton — Stanstead, and Raj Saini, Member of Parliament for Kitchener Centre.

407 Brief submitted by Marie-Claude Bibeau, Member of Parliament for Compton — Stanstead.

Franchise postal outlets versus post offices

Post office business hours should be more flexible and include evening and weekend hours to increase accessibility.⁴⁰⁸

Postal banking

- Many people are in favour of postal banking services and even suggested that these services could be provided at home for some segments of the population.⁴⁰⁹

Community hubs

- Canada Post should determine what services should be offered based on the demographics and the situation in the area.⁴¹⁰
- Canada Post should provide other federal government services.⁴¹¹

Other options for Canada Post

- Providing financial support for philatelic organizations across the country to promote Canada and celebrate its heritage, and participating in international philatelic exhibitions;⁴¹²
- Revitalizing the Nutrition North Program to provide affordable food to Northern communities;⁴¹³
- Providing Internet service in rural regions;⁴¹⁴
- Renting out electric vehicles from a fleet acquired by Canada Post;⁴¹⁵
- Providing insurance services;⁴¹⁶

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- 408 Briefs submitted by Marie-Claude Bibeau, Member of Parliament for Compton — Stanstead, and William Amos, Member of Parliament for Pontiac.
- 409 Briefs submitted by Salma Zahid, Member of Parliament for Scarborough Centre; Bernadette Jordan, Member of Parliament for South Shore — St. Margarets; Robert Oliphant, Member of Parliament for Don Valley West; William Amos, Member of Parliament for Pontiac; and Karine Trudel, Member of Parliament for Jonquière.
- 410 Brief submitted by Marie-Claude Bibeau, Member of Parliament for Compton — Stanstead.
- 411 Brief submitted by Bernadette Jordan, Member of Parliament for South Shore — St. Margarets.
- 412 Kevin O'Reilly, Member of the Legislative Assembly, Frame Lake, Government of the Northwest Territories, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 45, 19 October 2016.
- 413 Ibid.
- 414 Briefs submitted by Raj Saini, Member of Parliament for Kitchener Centre, and William Amos, Member of Parliament for Pontiac.
- 415 Brief submitted by Raj Saini, Member of Parliament for Kitchener Centre.
- 416 Brief submitted by William Amos, Member of Parliament for Pontiac.

- Providing tourism services;⁴¹⁷
- Collecting appliances and electronic waste;⁴¹⁸ and
- Providing electric vehicle charging stations.⁴¹⁹

PART II: ANALYSIS

1. CANADA POST'S GOVERNANCE

1.1 *Canada Post Corporation Act*

1.1.1 Background

Currently, Canada Post's activities are subject to the [Canada Post Corporation Act](#), to various regulations made under the Act and to the [Canadian Postal Service Charter](#), which will be discussed in greater detail in the next section.

According to the *Canada Post Corporation Act*,

5(1) The objects of the Corporation are

- (a) to establish and operate a postal service for the collection, transmission and delivery of messages, information, funds and goods both within Canada and between Canada and places outside Canada;
- (b) to manufacture and provide such products and to provide such services as are, in the opinion of the Corporation, necessary or incidental to the postal service provided by the Corporation; and
- (c) to provide to or on behalf of departments and agencies of, and corporations owned, controlled or operated by, the Government of Canada or any provincial, regional or municipal government in Canada or to any person services that, in the opinion of the Corporation, are capable of being conveniently provided in the course of carrying out the other objects of the Corporation.

Idem

(2) While maintaining basic customary postal service, the Corporation, in carrying out its objects, shall have regard to

- (a) the desirability of improving and extending its products and services in the light of developments in the field of communications;

417 Ibid.

418 Brief submitted by Christine Moore, Member of Parliament for Abitibi — Témiscamingue.

419 Briefs submitted by Raj Saini, Member of Parliament for Kitchener Centre and William Amos, Member of Parliament for Pontiac.

(b) the need to conduct its operations on a self-sustaining financial basis while providing a standard of service that will meet the needs of the people of Canada and that is similar with respect to communities of the same size;

(c) the need to conduct its operations in such manner as will best provide for the security of mail;

(d) the desirability of utilizing the human resources of the Corporation in a manner that will both attain the objects of the Corporation and ensure the commitment and dedication of its employees to the attainment of those objects; and

(e) the need to maintain a corporate identity program approved by the Governor in Council that reflects the role of the Corporation as an institution of the Government of Canada.

1.1.2 Consultations

Members of the Task Force and many witnesses agreed that Canada's postal service is and must remain an essential universal service in both rural and urban areas. Therefore, the Corporation should not seek to make a profit. According to some, Canada Post is a public service that should not be privatized and should be maintained by the federal government, even if that means subsidizing it. Others were of the opinion that privatization should be considered if it would mean that the Corporation could carry out its operations effectively and efficiently while providing quality service to Canadians.

Several witnesses said they saw Canada Post as having dual objects, as it is both a public service and a business. These witnesses added that providing postal service at reasonable prices across the country is central to those objects.

According to [Pamela Stern](#), Assistant Professor at Simon Fraser University's Department of Sociology and Anthropology, Canada Post's mandate is inherently contradictory because the Corporation must provide universal service and compete with private for-profit corporations for parcel delivery, and it must do so without subsidies from the federal government.

Lastly, some municipal officials suggested that the *Canada Post Corporation Act* and the regulations made under the Act be amended so that Canada Post is required to consult municipalities and Canadians before making any decisions that would affect service delivery, to make the results of these consultations public and to respect municipal jurisdiction, especially as regards urban planning and land use.

1.1.3 The Committee's Observations and Recommendations

Throughout its consultation process, Committee members heard about the importance of Canada Post. The validation from the Task Force, regarding Canada Post as being an important service was heard over and over again. Canadians are proud of their

postal service and its employees and they want Canada Post to remain a universal service which is sustainable. Witnesses from civil society groups, individuals, small- and medium-sized enterprises (SMEs) reiterated that Canada Post should remain a viable service.

Canadians need access to made and hosted in Canada free digital infrastructure to facilitate trusted communications between themselves and government and with each other. Canada Post could play a pivotal role in providing the basis for a Canadian social network – authentication service, email and block chain authority for the benefit of Canadians.

Therefore, the Committee recommends that:

RECOMMENDATION 1

Canada Post be maintained as a universal public service for all Canadians and conduct its operations on a self-sustaining financial basis while ensuring that profits generated are reinvested within the Corporation.

RECOMMENDATION 2

Canada Post prioritize and concentrate efforts in protecting its core mandate to provide high-quality, affordable letter and parcel delivery services to all Canadians in an innovative manner befitting the 21st century.

RECOMMENDATION 3

The Minister of Public Services and Procurement consider broadening the mandate of Canada Post to include delivering critical digital communications infrastructure to rural Canadians.

1.2 Canadian Postal Service Charter

1.2.1 Background

In September 2009, the federal government established the [Canadian Postal Service Charter](#) (the *Charter*), which outlines the government's expectations concerning the service provided by Canada Post.⁴²⁰ The *Charter* addresses various aspects of Canadian postal services to ensure:

- **Universal service:** In 2015, Canada Post served 15.8 million Canadian residential and business addresses.
- **Affordable rates:** The postage rates for letters of similar size and weight to Canadian addresses are uniform, regardless of distance.

420 Canada Post, [Annual Report 2009](#), p. 23.

- **Frequent and reliable delivery:** Letters, parcels and publications should be delivered five days a week (except for statutory holidays) to all Canadian addresses, with the exception of remote areas, where less frequent service may be necessary due to limited access to the community. The delivery standard is two days within a community, three business days within a province and four business days between provinces. In 2015, the standard was met 94.2% of the time.
- **Convenient access to postal services:** This includes a moratorium on the closure of rural post offices and a requirement that a set percentage of the Canadian population be within a certain distance of a post office or a franchise postal outlet. In 2015, 98.8% of Canadians lived within 15 km of a postal outlet, 90.6% within 5 km and 79.2% within 2.5 km.
- **Secure delivery:** Canada Post is subject to the [Privacy Act](#).
- **Community outreach and consultation:** Canada Post provides advance notice to affected customers and conducts extensive consultation before implementing changes.
- **Complaint response:** This response includes a complaint resolution process and the Canada Post Ombudsman.
- **Annual performance reporting.**
- **A five-year review of the *Charter*.**⁴²¹

1.2.2 Consultations

According to the Task Force, the Act, the regulations and the *Charter* do not adequately take Canada Post's current situation into consideration, and they prevent Canada Post from having the flexibility necessary to adapt its activities to a constantly changing environment and to ensure its long-term viability. Therefore, the Task Force believes that the *Charter* and the legislation governing Canada Post should be reviewed and made more flexible. For example, the *Charter* requires:

- that "last mile" delivery for letters, parcels and publications be provided five days a week;
- that the 1994 moratorium on the closure of rural post offices be maintained;
- that uniform postage rates be charged for letters of similar size and weight within Canada, regardless of the distance to reach the recipient; and
- that a set percentage of the Canadian population be within a certain distance of a post office or a franchise postal outlet.

421 Canada Post, [Annual Report 2015](#), pp. 36–39.

[Lynn Dollin](#), President of the Association of Municipalities of Ontario, told the Committee that any changes to Canada Post's operational services would have to respect the *Charter*.

1.2.3 The Committee's Observations and Recommendations

Canadians deserve quality postal services. The *Charter* is an important mechanism to ensuring that Canadians receive the services they expect and need, in a transparent and secure manner. Canada Post provides services to Canadians from coast-to-coast-to-coast who have differing needs. Canada Post should review its current *Charter* to reflect the new realities in the postal environment, to consider alternative service delivery models, ensuring maximum engagement with all stakeholders and partnership with the Corporation's unions.

Therefore, the Committee recommends that:

RECOMMENDATION 4

The *Canadian Postal Service Charter* be reviewed by the Minister of Public Service and Procurement to ensure that it is relevant for the 21st century and onwards.

RECOMMENDATION 5

The review of the *Canadian Postal Service Charter* by the Minister of Public Services and Procurement include a Gender-based analysis Plus.

1.3 Ombudsman at Canada Post and Postal Regulators

1.3.1 Background

1.3.1.1 Ombudsman at Canada Post

The role of the Ombudsman at Canada Post is to independently investigate complaints from Canada Post users that have not been resolved to their satisfaction.⁴²² The Office of the Ombudsman is independent and reports directly to the Chairperson of the Board of Directors.⁴²³ Table 1 shows the number of appeals received and investigations carried out by the Ombudsman at Canada Post in the last five years.

422 Canada Post, [Ombudsman](#).

423 Canada Post, [Annual Report 2015](#), p. 35.

Table 1 – Number of Appeals Received and Investigations Carried Out by the Ombudsman at Canada Post, 2011–2015

	2011	2012	2013	2014	2015
Total number of appeals submitted	9,163	6,482	4,756	4,885	6,092
Number of complaints that were investigated	2,835	2,720	2,436	2,708	2,847
Percentage of complaints that required corrective action	66%	Nearly 66%	60%	58%	48%

Sources: Table prepared using data from the Ombudsman at Canada Post, [Appeals to the Ombudsman in 2011](#), [2012 Annual Report](#), [Appeals to the Ombudsman in 2013](#), [Appeals to the Ombudsman in 2014](#) and [Highlight of the Appeals to the Ombudsman in 2015](#).

1.3.1.2 Postal Regulators

Several countries' postal markets are overseen by an independent regulatory body. For instance, in 1970 the United States established the [Postal Regulatory Commission](#), whose role is to review rate changes for different classes of mail by holding hearings on the rates proposed by the United States' Postal Service (USPS). Australia created the [Australian Competition and Consumer Commission](#) in 1995, and its role in the regulation of postal services is to "assess notifications of proposed price increases for Australia Post's reserved services, inquire into disputes about the terms and conditions on which Australia Post provides bulk mail services, and administer the record keeping rule for Australia Post."⁴²⁴

In the European Union, each of the 28 members has an independent national regulatory authority for its postal sector, and since 2010, the [European Regulators Group for Postal Services \(ERGP\)](#), composed of the 28 independent national regulatory authorities, "serves as a body for reflection, discussion and the provision of advice to the European Commission on postal services."⁴²⁵

According to Philippe De Donder, Research Director at the National Centre for Scientific Research at the Toulouse School of Economics, the introduction of an independent postal regulator in Canada would be beneficial since it would "help ensure that reforms remain compatible with Canada Post's financial viability as well as maintaining a level playing field and separating the influence of politics from decision-making."⁴²⁶

424 Australian Competition and Consumer Commission, [ACCC role in postal services](#).

425 European Commission, [The European Regulators Group for Postal Services](#).

426 Philippe De Donder, [Give Canada Post a Break: Allowing More Pricing Flexibility and Competition Could Help the Corporation Succeed](#), February 2016, p. 3.

1.3.2 Consultations

According to the Task Force, in order to ensure that the interests of the various stakeholders are taken into account, an independent regulator could be established to oversee postal services in Canada, or an existing regulator could take on the role of postal oversight. The regulatory body could determine the exact costs associated with distributing mail and could therefore set reasonable postage rates for various stakeholders and propose amendments to the legislation, as needed.

Business sector representatives criticized the fact that there is no way to appeal the sanctions imposed by the Ombudsman at Canada Post and that Canada Post establishes its own standards but is not required to respect them. According to some representatives, an independent regulatory body to establish service standards, activities and postage rates is needed because the mandate of the Ombudsman at Canada Post does not cover these areas.

However, [David Camfield](#), Professor of Labour Studies and Sociology at the University of Manitoba, is not in favour of creating a regulatory body because he believes a postal regulator would encourage the federal government to withdraw from managing and overseeing Canada Post, and would be undemocratic.

1.3.3 The Committee's Observations and Recommendations

Currently Canada Post has an Ombudsman, to whom SME's that feel unfairly treated can go for resolution. However, there is not a single body whose current function is to resolve issues in the area of standards of operation for mail, parcels, labour standards, complaints. In the current environment there appears to be a disconnect between labour and management and the understanding that both share the market and share the burden of service for all Canadians whether urban, rural, seniors, disabled, etc.

Greater oversight or formal engagement processes for standards of operation for mail, parcels, labour standards, complaints, and price setting is needed. This could be done by empowering Parliament with greater authority for oversight of Canada Post, or some other mechanism.

Therefore, the Committee recommends that:

RECOMMENDATION 6

The Minister of Public Services and Procurement investigate options for greater oversight of Canada Post, to ensure transparency, accountability and good governance through the establishment of a regulator.

1.4 Building Synergies with Subsidiaries

1.4.1 Background

The Canada Post Group of Companies includes Canada Post, which is its largest segment, and the following subsidiaries:

- [Purolator](#), 91% owned by Canada Post,⁴²⁷ provides integrated freight, parcel and courier solutions across the country;
- [SCI Group](#), 99% owned by Canada Post,⁴²⁸ offers “a suite of innovative logistics and transportation management solutions to help companies develop a supply chain that optimizes efficiency and minimizes operating costs”,⁴²⁹ and,
- [Innovapost](#) delivers information technology (IT) services on a cost-recovery basis to the Canada Post Group of Companies.⁴³⁰

Purolator is focused primarily on the business-to-business segment, which nicely complements Canada Post’s expertise in connecting businesses to consumers.⁴³¹ In 2014, this Canada Post subsidiary generated roughly \$1.7 billion in revenue.⁴³²

Canada Post and Purolator have been working together since 2010 to create synergies and reduce operating costs, especially as regards IT systems.

1.4.2 Consultations

According to the Task Force, Canada Post could pursue further synergies with Purolator and could generate annual savings of \$16 million. However, the current corporate structure and certain collective agreements would have to be revised.

Purolator’s Chairman of the Board, [Stewart Bacon](#), explained to the Committee that the organization has been consistently profitable for the past 10 years and contributes financially to Canada Post, delivering roughly \$11 million in dividends every year. However, he believes that these dividend payments and increased synergies between Purolator and Canada Post are not enough to make Canada Post financially self-sufficient.

[Stéphane Ricoul](#), President of eCOM MTL Inc., believes that the synergies between Canada Post and its subsidiary Purolator are already excellent, while [John Barrett](#), Director of Sales, Marketing and Development at Vesey’s Seeds Ltd., believes that

427 Canada Post, [Annual Report 2015](#), p. 47.

428 Ibid.

429 Innovapost, [About – Group of Companies](#).

430 Canada Post, [Annual Report 2015](#), p. 25.

431 Canada Post, [Summary of the 2015 to 2019 Corporate Plan](#), p. 6.

432 Purolator, [Financial highlights](#).

Canada Post should collaborate more with its subsidiary Purolator, following the example set by the American postal service, USPS, which partners with FedEx, a private company, to deliver parcels.

1.4.3 The Committee's Observations and Recommendations

The Committee observed that the various subsidiaries of Canada Post are not properly synergized. The Task Force report observed the same concerns.

Therefore, the Committee recommends that:

RECOMMENDATION 7

Canada Post examine better synergy with Purolator, SCI Group and Innovapost for augmenting revenue and efficiencies.

1.5 Management and Labour Relations

1.5.1 Background

Canada Post's corporate governance structure includes the Board of Directors, the management team, the Minister responsible for Canada Post Corporation, the Minister of Public Services and Procurement.⁴³³ While the Corporation operates at arm's length of the federal government, ministerial approval is necessary for activities such as the capital budget, borrowing activities and regulated rate changes.⁴³⁴

Canada Post's management team is accountable to the Board of Directors for the Corporation's business performance and its strategic objectives, and it provides recommendations to the Board.⁴³⁵ The Board of Directors has eleven members appointed for a term of up to four years by the minister, with the exception of the Chairperson and the President and CEO, who are appointed by the Governor in Council for a term they deem appropriate.⁴³⁶

The Canada Post Group of Companies is one of the largest employers in Canada, employing close to 64,000 people.⁴³⁷ In 2015, about 51,000 employees of the Canada Post segment were covered by collective agreements, and 79% of them were represented by the bargaining agents the Canadian Union of Postal Workers – Urban Postal Operation and the Canadian Union of Postal Workers – Rural and Suburban Mail Carriers.

Table 2 shows the number of full-time and part-time employees represented by the top five unions at Canada Post, as of 31 December 2015, as well as the expiry date of their collective agreement.

433 Canada Post, [Corporate](#).

434 Canada Post, [Summary of the 2015 to 2019 Corporate Plan](#), p. 8.

435 Canada Post, [Annual Report 2015](#), p. 33-34.

436 Canada Post, [Corporate](#).

437 Canada Post, [Annual Report 2015](#), p. 42.

Table 2 – Number of Unionized Employees at Canada Post, by Bargaining Agent, as of 31 December 2015

Bargaining Agent	Type of Employees Represented	Number of represented employees	Expiry Date of the Collective Agreement
Canadian Union of Postal Workers – Urban Postal Operation (CUPW – UPO)	Plant and retail employees, as well as letter carriers and mail service couriers	32,934	31 January 2016 ^a
Canadian Union of Postal Workers – Rural and Suburban Mail Carriers (CUPW – RMSCs)	Mail delivery couriers in rural and suburban areas	7,482	31 December 2015 ^a
Canadian Postmasters and Assistants Association (CPAA)	Rural post office postmasters and assistants	5,381	31 December 2014
Association of Postal Officials of Canada (APOC)	Supervisors and supervisory support groups (trainers, route measurement officers and sales employees)	3,555	31 March 2018
Public Service Alliance of Canada/Union of Postal Communications Employees (PSAC/UPCE)	Administrative employees (call centres, administration, pay and production, control and reporting) and technical employees (finance and engineering)	1,279	31 August 2016
Total		50,631	

Note a: On 30 August 2016, Canada Post reached two-year agreements in principle with the Canadian Union of Postal Workers (CUPW). For more information, see Canada Post, [Canada Post and the Canadian Union of Postal Workers reach two-year agreements](#), 30 August 2016.

Source: Table prepared using data from Canada Post, [Annual Report 2015](#), p. 59.

Since 2004, there has been one major labour disruption at Canada Post. In June 2011, after eight months of collective bargaining negotiations, the Canadian Union of Postal Workers initiated a series of rotating strikes. This was followed by a nationwide lockout. Employees were eventually legislated back to work by the federal government through the adoption of [Bill C-6, An Act to provide for the resumption and continuation of postal services](#), on 26 June 2011.

In 2016, after many months of negotiations between Canada Post and the Canadian Union of Postal Workers, another labour disruption was looming, but was avoided. The main sticking points in the negotiations had been the issue of pension plans for future employees and pay equity for rural letter carriers, most of whom are female. A special mediator was appointed by the Labour Minister, and an agreement was reached after extended bargaining sessions.

However, relations between Canada Post management and the Canadian Union of Postal Workers remain tense. The Canadian Union of Postal Workers and Canada Post's management have different visions about the future of the Crown corporation. For example, Canada Post was planning to scale back home delivery services to reduce its cost of operation, while the Canadian Union of Postal Workers was advocating for expanded services to raise Canada Post's revenues.

1.5.2 Consultations

Various union representatives and employees indicated that the lack of consultation and communication between Canada Post managers and employees did not promote good labour relations. Some said that Canada Post did not consult its employees when it implemented its [Five-point Action Plan](#), although [Guy Dubois](#), National President of the Association of Postal Officials of Canada, said that members of the Association were involved in discussions at the development stage of the plan.

Some union representatives and employees criticized Canada Post's management structure, saying it was very top-heavy, and they suggested that the structure be changed. They thought making changes would generate considerable cost savings.

In addition, some witnesses said that Canada Post managers lack the vision to expand services and find innovative solutions to increase the Corporation's revenues. For example, [Magali Giroux](#), Coordinator for the Save Canada Post campaign in Quebec for the Canadian Union of Postal Workers, said that Canada Post managers' sole vision was "to cut services and the labour force instead of advocating a more positive and proactive solution when it comes to creating new services."

Representatives of the business community confirmed that the labour disputes at Canada Post have had negative effects on some Canadian businesses and have forced them to find alternative solutions and use competitors' services. They suggested that Canada Post sign agreements with its workers before their collective agreements expire.

[Sean Casey](#), Member of Parliament for Charlottetown, asserted that "a defiant, arrogant action on the part of Canada Post" was done when the Corporation chose to continue the conversion of community mailboxes, after the 2015 federal election, despite the elected government's promise to save home mail delivery.

1.5.3 The Committee's Observations and Recommendations

Canada Post and its tens of thousands of employees work hard to provide valuable services to Canadians from coast-to-coast-to-coast. As a Crown corporation, the federal government expects Canada Post management and employees to work collaboratively for the success of the Corporation.

The threat of strike and labour disruption was identified by many Canadians outside the labour process as a threat to Canada Post's market share and revenue, and also to their own ability to carry on business. As such, mandating that Canada Post's services be classified as essential services would protect Canada Post revenue and also satisfy an

essential business need of SMEs. Much like Air Canada, the higher salaries paid to Canada Post employees already compensates them for properly designating their service as essential. Unions and management should be working in partnership to ensure the success of the Corporation and to provide the services Canadians deserve.

It is the normal practice of government departments, agencies and Crown corporations to enter care taker mode when the writ is dropped so that they do not bind any new government policy which is inconsistent with the promises it had made during the election. This care taker rule applied to Canada Post and should have been followed by its management, who should have halted any projects which were implicated in the political debate of the election. The rollout of the community mailbox conversion program was a hotly contested election issue, and it was incumbent on Canada Post to treat it as such. The program should have been put on hold on the first business day following the drop of the writ – i.e. 3 August 2015.

Therefore, the Committee recommends that:

RECOMMENDATION 8

To ensure better relations between the Corporation and its employees, Canada Post use arbitration and mediation processes effectively to enhance renewed co-operation and trust between Labour and management and provide a venue for discussion of creative ideas from employees.

RECOMMENDATION 9

Canada Post appoint a labour representative to the Canada Post Board and that they meet regularly.

RECOMMENDATION 10

The Minister of Public Services and Procurement establish a tripartite advisory council composed of the federal government, the various unions representing Canada Post employees and Canada Post Corporation for the expansion and implementation of new service offerings at the Corporation. The council's goal would be to develop a more proactive, collaborative relationship between employees and management, anchored by specific governance reforms that formalize this partnership.

1.6 Stakeholder Engagement

1.6.1 Background

Stakeholders can be affected by or can affect an organisation's activities. The level of stakeholder engagement shows how responsive a company is to the needs and concerns of its stakeholders. As such, stakeholder engagement is "the process used by an organisation to engage relevant stakeholders for a purpose to achieve accepted

outcomes.”⁴³⁸ As a national institution and as reflected in the testimony received by the Committee, all Canadians have a legitimate stake in the future of Canada Post.

Among other things, effective stakeholder engagement must focus on issues that are important to the organization, create opportunities for dialogue and be transparent, flexible and responsive. The value of the stakeholder engagement process can be greatly enhanced by implementing a formal stakeholder engagement policy.

Canada Post has many stakeholders, including the general public, municipalities, elected officials, businesses, Canada Post employees and Aboriginal people. The Task Force recognized that, with complex challenges in the future, the partnership between Canada Post and its stakeholders will be essential to finding ideal solutions. In its [Summary of the 2015 to 2019 Corporate Plan](#) (p. 3), Canada Post recognizes that stakeholder engagement is essential.

For instance, this was the case when Canada Post went ahead with converting one third of addresses receiving door-to-door delivery to community mailboxes under its Five-point Action Plan. Canada Post did engage with stakeholders by working with municipalities and gathering feedback and preferences from transitioning households through online surveys and face-to-face meetings with its customers, as outlined in its [Summary of the 2015 to 2019 Corporate Plan](#) (p. 3), but many Canada Post stakeholders criticized the level of transparency, lack of communication and lack of consultation regarding that particular initiative. In short, Canadians voiced their concerns, that the consultations undertaken by Canada Post were not meaningful.

1.6.2 Consultations

A number of witnesses criticized the fact that Canada Post did not inform them or consult them about recent changes to its services, especially as regards the community mailbox conversion under the Five-point Action Plan. A few members of Parliament pointed out in briefs to the Committee that Canada Post should give municipalities the opportunity to participate in decisions that have an effect on land use and should communicate more with Canadians.

Moreover, [Françoise Bertrand](#), Chair of the Task Force on Canada Post Corporation, as well as a variety of union representatives and employees, confirmed that Canada Post did not hold meaningful consultations with Canadians about the decision to convert to community mailboxes. Similarly, some municipal officials criticized the lack of consultation and said they felt they had simply been informed of decisions that had already been made, which led to the community mailboxes being placed in problematic locations. However, other municipal officials said they were satisfied with their interactions with Canada Post and the way it had worked with them over the course of the conversion process.

438 AccountAbility, [AA1000 Stakeholder Engagement Standard 2011](#), p. 6.

Representatives from civil society organizations mentioned that Canada Post did not communicate enough with Canadians about changes to postal service and suggested that the Corporation collaborate with them on future communications.

In addition, some business people said that Canada Post should be more transparent and should communicate more with stakeholders when it is making changes to its service or its rates. However, [Steven Rosendorff](#), Vice-President of Business Development at CapieKonsult, said that the Corporation is good at alerting businesses about labour disputes and the potential effects they will have on its services.

Lastly, Aboriginal representative [Jim Bear](#), Chief for the Brokenhead Ojibway Nation, said that Canada Post does not work with the communities it serves and that the entire relationship needs to be improved.

1.6.3 The Committee's Observations and Recommendations

In its dealings with key stakeholders, Canada Post should comply with the *Charter* by providing meaningful consultations prior to making firm decisions affecting the jurisdiction of such stakeholders. Stakeholders need a process by which they can raise issues of *Charter* breach, such as through the recourse of an ombudsman.

Therefore, the Committee recommends that:

RECOMMENDATION 11

Canada Post develop a defined and rigorous collaborative process with municipalities, respecting their fundamental jurisdiction over land use and planning, in order to reach agreements with them, and avoid litigation, regarding conditions for the installation of equipment as it is already the case in the telecommunications sector.

RECOMMENDATION 12

The federal government create a formal, transparent and accountable, consultation process to ensure stakeholder engagement is significant and undertaken regularly in accordance with the *Canadian Postal Service Charter*.

1.7 Defined Benefit Pension Plan

1.7.1 Background

The federal government regulates pension plans for Crown corporations and for private-sector corporations in areas of employment subject to federal jurisdiction (telecommunications, banking and interprovincial transport) under the [Pension Benefits Standards Act, 1985](#). This legislation requires that defined benefit plans be funded both on a solvency basis (on the premise that, if the plan were terminated, it would be able to pay out the pension benefits immediately) and on a “going concern” basis (on the premise that

the plan will continue its activities indefinitely). When a pension plan has a solvency funding deficit, the Act provides that the deficit can be funded over a five-year period.

In the last decade, reforms were implemented by the federal government to ease the burden of solvency funding requirements for pension plans under federal jurisdiction. As part of these reforms, Canada Post was exempted from paying its solvency funding deficit for its defined benefit plan from 2014 to 2018.⁴³⁹

As of 31 December 2015, Canada Post's pension plan, which is the largest defined benefit plan under federal jurisdiction with nearly \$22 billion in plan assets, had a solvency funding deficit of \$5.9 billion, compared with a surplus of roughly \$1.2 billion if it was calculated on a going concern basis.⁴⁴⁰ That means that the pension plan would be in deficit if the plan immediately terminated its activities, but it would be profitable if it continued in the long term.

Given its solvency funding deficit, Canada Post will have to make special payments in the coming years. However, according to Ernst & Young, Canada Post does not generate enough profits to meet its financial obligations.

1.7.2 Consultations

[Ms. Bertrand](#) explained that Canada Post's defined benefit plan currently has a solvency deficit that is estimated to be \$8.1 billion. Since the federal government approved temporary relief measures, Canada Post was able to defer payments of \$1.4 billion in 2015. She also confirmed that Canada Post would not have enough cash to fund its operations when it resumes making solvency payments unless interest rates improve significantly.

[Krystyna Hoeg](#), Member of the Task Force on Canada Post Corporation, added that Canada Post must look to attrition as a way to solve its pension solvency deficit. She reported that, since Canada Post has competitors in the private sector, parcel delivery businesses want to ensure that the rules are fair and, as a result, they do not agree with Canada Post being exempt from solvency requirements. In addition, these competitors said that Canada Post should be subject to the same measures as other Crown corporations.

Some union representatives and Canada Post employees, as well as [Simon Tremblay-Pépin](#), Professor and Researcher at the Institut de recherche et d'informations socio-économiques, believe that Canada Post's defined benefit pension plan should be permanently exempt from the obligation to make solvency payments under the *Pension Benefits Standards Act, 1985*, as the plan is fully funded on the going concern basis and Canada Post will not be terminating its activities in the short term.

439 Lynn Hemmings, Senior Chief, Payments and Pensions, Financial Sector Policy Branch, Department of Finance, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

440 Ibid.

According to [representatives from Mercer \(Canada\) Limited](#), the actuarial firm responsible for the valuations of Canada Post's defined benefit pension plan, the primary factor affecting the solvency of Canada Post's defined benefit pension plan has been the low interest rates in recent years. In addition, they said that removing the solvency requirements would not help the pension plan beyond the short term because significant risks would still be present in the long term. Therefore, they proposed that other changes be made to the pension plan to address the long-term risks, including the gradual reduction of volatile assets, offering other types of pension plans, such as defined contribution plans or target benefit plans, and establishing a joint governance structure where responsibility is shared between plan members and the employer.

With regard to joint governance and shared responsibility for the pension plan, [Mary Cover](#), Director of Pension Strategy and Enterprise Risk for the Ontario Teachers' Pension Plan Board, explained that the Ontario Teachers' Pension Plan Board has been exempt from solvency funding since 2010. This exemption was granted due to its joint pension structure, where the employer and plan members are co-responsible for governing and funding the plan.

[Alex Mazer](#), Founding Partner of Common Wealth, a company that focuses on expanding access to pensions, also suggested that Canada Post's defined benefit plan be reviewed to include the principles of joint sponsorship and governance between plan members and the employer, which improves oversight and spreads risks. In his opinion, the federal government should also consider exempting jointly sponsored plans from solvency funding requirements, as the Government of Ontario has done. In addition, Mr. Mazer said that "[a] reformed Canada Post pension could be delivered by an independent fiduciary organization whose sole mandate is to deliver cost-effective retirement security for members."

Lastly, [Mr. Mazer](#) suggested making indexation for Canada Post's defined benefit plan contingent on investment performance.

1.7.3 The Committee's Observations and Recommendations

Canada Post employs thousands of Canadians in good, middle-class jobs. Helping its employees prepare for a secure and predictable retirement is an important part of the compensation package Canada Post offers. All the financial experts have advised the Minister of Public Services and Procurement that the solvency aspect of the defined benefit pension plan is untenable.

Therefore, the Committee recommends that:

RECOMMENDATION 13

Canada Post and the federal government take steps to modernize Canada Post's defined benefit pension plan so that it can operate on a going-concern basis and no longer be subject to solvency funding requirements, including examining the feasibility of the following options:

- **Adopting a shared-risk model between the employer and plan members;**
- **Pursuing joint management between the employer and plan members; and,**
- **Incorporating the Canada Post defined benefit pension plan into the Public Service Pension Plan.**

2. THE VALUE OF CANADA POST TO CANADIANS

2.1 Core Principles

In light of the testimony heard, the Committee identified several principles that Canada Post should consider:

- **Good communication:** maintaining transparent and constant communication between Canada Post and its employees, customers and stakeholders is essential because they can help the Corporation make the best choices about planned changes to its services. In addition, a lack of communication often leads to misinformation and problems that could have been prevented. According to its [2015 to 2019 Corporate Plan](#) (p. 3), Canada Post “has pursued a robust consultation and communication process” as part of its Five-point Action Plan.
- **Reliable service:** reliable service is definitely one of the most important principles for postal service users. Having a standard/consistent, accurate and reliable service encourages loyalty among users. In its [Annual Report 2015](#) (p. 61), Canada Post indicated it had invested in its facilities and in mail processing equipment, which has increased the accuracy and reliability of mail processing.
- **Mail security:** Canadians are concerned about protecting their personal information, and some believe that community mailboxes increase the risk of mail fraud, especially among seniors and people with disabilities. In its [Annual Report 2015](#) (p. 66), Canada Post said that it has “invested heavily in physical and electronic security, the protection of employee and customer data and the avoidance of fraudulent use of its products

and services.” In addition, the Corporation regularly conducts threat and risk assessments regarding security and privacy interests.

- **Infrastructure safety:** Canadians believe that Canada Post locations must be safe and secure, especially for seniors and people with disabilities or reduced mobility. Canada Post union representatives and employees agreed.
- **Unique infrastructure:** Canada Post has a well-established communication infrastructure and has a presence in most Canadian communities, with roughly 6,300 post offices across Canada.⁴⁴¹

Every day, millions of Canadians use various Canada Post services to send and receive mail and parcels. However, Canadians do not all have the same needs: their requirements vary greatly based on several factors, in particular their location, age, health, mobility, job and ties to the Corporation. In the Committee’s opinion, this means that it is very important for Canada Post to understand the various needs of its users and to adapt its services to meet those needs. For example, with the emergence of digital technologies, communication methods have diversified. Young people and technologically savvy people have a tendency to prefer digital means of communication, while on the other end of the spectrum, seniors and residents in rural or remote areas where Internet access is more limited rely more on the postal system.

In addition, some Canadians see Canada Post as an essential service, while others believe it is a symbol of national unity that is part of our national heritage, bringing together the many regions within Canada.

2.1.1 The Committee’s Observations and Recommendations

Canada Post provides quality services at a reasonable price to Canadians, no matter where they live. Through this review, the Committee has heard directly from Canadians on the future of their Canada Post. Through its public consultations, the message the Committee heard is clear: Canada Post is a critical communications infrastructure, and a pillar of communities.

Canada Post provides valuable services to Canadian citizens and businesses across the country. As the postal needs of Canadians change, Canada Post should be equipped to deliver dynamic and responsive services. Canadians expect Canada Post to operate by the core principles of ensuring reliable and secure delivery of mail and parcels from coast-to-coast-to-coast, ensuring nation-wide and the last mile delivery of mail, which are important to Canadians.

Therefore, the Committee recommends that:

441 Canada Post, [Summary of the 2015 to 2019 Corporate Plan](#), p. 22.

RECOMMENDATION 14

Canada Post maintain its focus on excellence in service in its core competencies in meeting the *Canadian Postal Service Charter* standards and explore additional venues of revenue within those competencies, e.g. e-commerce.

2.2 Rural Communities Versus Urban Communities

As previously discussed, a number of witnesses believe that Canada's postal service is and must remain an essential universal service, both in rural and urban areas.

Witnesses from rural and remote areas told the Committee that Canada Post services play a crucial role in their daily lives. Some witnesses said that the delivery service was important because it gave them a way to maintain personal and business ties with cities. In addition, some witnesses pointed out that remote regions rely heavily on Canada Post for mail and parcel delivery, because no courier services have a presence in these areas. For example, [Mark Heyck](#), Mayor of the City of Yellowknife, said that "Canada Post has long been an integral part of the communications and delivery service network throughout northern Canada."

According to some witnesses, Canada Post also contributes to the local economy through the wages and benefits it pays its employees.

The Committee also heard that Canadians in rural and remote areas place a high value on their post offices, seeing them as serving a community function and acting as a social gathering place. These same Canadians said they were satisfied overall with Canada Post's services and have a strong desire to keep their local post offices.

On the other end of the spectrum, many Canadians in urban areas do not feel the need to have access to a post office. They are satisfied overall with the services they receive from various franchise postal outlets, which are more common in cities.

2.2.1 The Committee's Observations and Recommendations

The committee clearly heard about the rural/urban divide with regards to service delivery. Many of the rural and remote areas do not have access to essential services including banking. The local post office is their only economic and social hub for many of these underserved areas. In order for the middle-class to grow and to ensure a social and economic cohesion across Canada, Canada Post should take into account both qualitative and quantitative data when implementing strategies, e.g. rural postal box, rural hubs, closing of post offices etc. Canadians expect a reliable secure, cost-efficient mail and parcel delivery services, whether in urban, rural or remote areas, and in a manner appropriate to the needs of the population. On the urban side, one of the main challenges is the urban planning required for the mailbox implementation. Canada Post should understand that a one-size fits all is not the approach they should use.

Therefore, the Committee recommends that:

RECOMMENDATION 15

Canada Post continue investing in the growth of its parcel/e-commerce services, which provide needed infrastructure for Canadian businesses.

RECOMMENDATION 16

Canada Post look to other industry leaders that have successfully adopted innovative service models, to develop a more innovative growth agenda to expand its services, without marginalizing rural and remote areas.

2.3 Seniors and People with Disabilities or Reduced Mobility

In general, seniors and people with disabilities or reduced mobility use Canada Post's various services, and they view the Corporation as an important means of communication. They greatly appreciate home mail delivery and depend on this service to meet their needs.

The Committee heard that Canadians in this group are not in favour of community mailboxes. They fear for their safety and their security, and some of them think this service is ill-suited to their situation. In addition, many representatives of seniors and people with disabilities said that home mail delivery is reassuring to them because a mail carrier comes to their house every day, can notice unusual behaviour and can alert the appropriate authorities about anything unusual.

A number of representatives of seniors and people with disabilities reported that they did not know Canada Post had an accommodation program and therefore suggested that it be better publicized. However, [Susan Margles](#), Vice-President, Government Relations and Policy Framework, at Canada Post Corporation, explained that "[e]very person who was being converted received a number of communications that had a toll-free number that they could call" and that a team was answering these calls and dealing with each case based on individual needs.

Yet, few of the representatives of seniors and people with disabilities said that the program adequately meets the needs of its target audience, and many believe it should be simplified. For example, some witnesses criticized the requirement that a health professional provide a medical certificate for mail to be forwarded to a post office or delivered at home. In particular, they noted that many Canadians do not have access to a health professional, that these forms can be complicated and that fees may be charged for such documentation even though the program's beneficiaries often have limited incomes. According to [Richard Lavigne](#), Executive Director of the Confédération des organismes de personnes handicapées du Québec, Canada Post's decisions to grant or deny people's requests to have their mail delivered to a post office or to their home once a week cannot be appealed. He also questioned whether Canada Post has the necessary social services and medical expertise to determine what accommodations people with disabilities or reduced mobility need.

In addition, [Olivier Collomb d'Eyramès](#), Executive Director of the Regroupement des organismes de personnes handicapées de la région 03, said that existing verification methods should be automatically applied to this program so that Canada Post does not have to ask people for documentation from a health professional if their disabilities are already recognized as part of programs such as the federal Disability Tax Credit.

Finally, many argued that weekly home mail delivery is insufficient, especially for those who receive cheques by mail.

2.3.1 The Committee's Observations and Recommendations

The ad hoc processes by which Canada Post provides accommodation to persons with disabilities who have difficulty accessing their community mailboxes or post offices should be formalized within the *Charter*, with a process for complaints to be resolved and applications to be managed in a way which preserves the dignity and privacy of applicants. Currently community mailboxes are not conveniently located for people with accessibility issues. There are safety concerns as well as the question of their dignity. Canada Post is obliged to provide accessible service to all Canadians and ensure that seniors and people with disabilities and reduced mobility have easy access to their mail.

Moreover, the Committee recommends that:

RECOMMENDATION 17

Canada Post consult with stakeholders on placement and accessibility of the community mailboxes as well as door-to-door delivery to meet the needs of seniors and people with disabilities and reduced mobility.

RECOMMENDATION 18

Canada Post communicate options available to seniors and people with disabilities and reduced mobility.

2.4 Businesses

Business people and business community representatives who appeared before the Committee expressed their high level of satisfaction with Canada Post services. They said that the quality of services offered is excellent and that Canada Post was an essential service for the Canadian business community. [Andréa Alacchi](#), President of L'Encrier, said that "Canada Post is the only carrier that covers every household in Canada. It's the only carrier that will take our parcels throughout the country. Canada Post is therefore a vital infrastructure that drives the e-commerce industry." Some business people even said that Canada Post played an essential role in the success of certain Canadian businesses.

Business people and business community representatives said it is essential to their operations to have mail delivered five days a week so that they can meet their delivery standards and receive important mail without delay. Some of them proposed that Canada Post could deliver parcels in the morning, in the evening and on weekends so that Canadians could receive their parcels as soon as possible.

Canada Post was identified as a key part of the business plans of certain SMEs. For example, [Nelson Leong](#), Chief Operating Officer, Manitobah Mukluks, said that the e-commerce business of his company has grown significantly over the last four years. He added: “We have been very successful because we have been able to reach out and have our products delivered in the most rural areas where no one else would deliver – not Purolator, not FedEx, and not UPS. Canada Post has provided us with commendable delivery execution to our customers.”

2.4.1 The Committee’s Observations and Recommendations

Canadian business, especially SMEs, rely on the communications infrastructure that Canada Post provides. The Committee’s overall impression of the management practices of the Corporation over the last seven years is one of a retraction of the service offering and a reduction in overall service levels, the impact of which is not reported or measured in the annual reports. In order to assess Canada Post’s performance going forward, the Corporation should report on revenue sources and market shares based on delivery to persons served by the different modes of delivery (door-to-door, community mailboxes, common area of multiple dwelling units, rural delivery to mailbox on lane way, and to post office delivery). By abandoning the highest level of service to a third of Canadians, there is a concern that Canada Post has lost a disproportionate amount of market share from the community mailboxes households as compared to other forms of delivery. If this is the case, the future of Canada Post may actually reside in a restoration of door-to-door delivery so as to best preserve market share in the parcels market.

Therefore, the Committee recommends that:

RECOMMENDATION 19

Canada Post focus on expanding services to the small- and medium-sized enterprises and provide excellence in service so that businesses have confidence in Canada Post’s service delivery model.

RECOMMENDATION 20

Canada Post review the impact on efficiency of delivery before implementing strategies, e.g. local processing versus centralized processing.

2.5 Canada Post Employees

Canada Post employees said that they want the Corporation to succeed. They also said that they are proud of the important role they play in their communities and feel that they make a difference in the lives of their customers, because customers tell them that they appreciate their interactions. The employees are also proud to represent Canada Post, as they consider it to be an essential service that all Canadians should have access to and that should not be privatized.

In addition, Canada Post employees believe that the financial viability of the Corporation can be ensured by diversifying its activities. To that end, they proposed a

variety of new services that Canada Post could offer, which will be addressed in the upcoming sections.

2.5.1 The Committee's Observations and Recommendations

Canada Post and its tens of thousands of employees work hard to provide valuable services to Canadians from coast-to-coast-to-coast. As a Crown corporation, the federal government expects Canada Post's management and employees to work in tandem towards a common goal. That goal should be excellence in service, and sustainability for the benefit of the Corporation and employees. Labour unions should adopt a more open attitude to changes from management. Labour needs to be part of the solution to the challenges facing Canada Post – it is a shared obligation. While Labour can be considered the most important asset of Canada Post, the position of Labour must be cooperative for future success. Labour cannot have "opposition to management" as its objective. In order to protect the ability of the Corporation to deliver the service, the pension entitlements of past, present and future employees, and to meet the future needs of Canadians, organized Labour needs to be open to technological and logistics changes.

Therefore, the Committee recommends that:

RECOMMENDATION 21

Canada Post provide training on different aspects of business to its employees as the Corporation moves into newer areas.

RECOMMENDATION 22

Canada Post align the interests of employees with those of the Corporation by including labour representatives at the design stage of any change management project and not simply at the implementation stage.

3. THE CURRENT SERVICE MODEL

3.1 Method of Delivery

3.1.1 Background

Canada Post operates five types of letter mail service to Canadians which were analyzed by the Task Force as shown in Table 3, which also presents the number of addresses served, by mail delivery method and the average annual cost per address.

Table 3 – Number of Addresses Served by Canada Post by Delivery Method and Average Annual Cost per Address, as of 31 December 2015

Delivery Method	Number of Addresses	Percentage of Total Addresses	Average Cost per Address (\$)
Door-to-door	4,255,742	27	286
Centralized point (e.g., apartment lobby lockbox)	4,033,516	26	121
Group mailbox, community mailbox, kiosk	5,060,871	32	127
Delivery facility (postal box, general delivery)	1,754,973	11	72
Rural mailbox	708,909	4	196
All methods	15,814,011	100	170

Source: Table prepared using data obtained from Canada Post, *Annual Report 2015*, p. 39.

As part of its [Five-point Action Plan](#), released in 2013, Canada Post indicated it would transition from home mail delivery to community mailboxes for 5 million additional addresses (approximately 32% of all addresses served) by 2019.⁴⁴² The Task Force indicated that this project would involve significant investments up front, but would lead to annual cost savings of \$400 million to \$450 million at most. A number of factors would reduce the potential savings including accommodation measures and fewer synergies in urban environments.

According to the figures published by Canada Post, home mail delivery costs an average of \$286 a year, compared with \$127 for centralized delivery to mailboxes.⁴⁴³ Most witnesses considered door-to-door mail delivery, delivery to a centralized point, and delivery to a rural mailbox to the end of a laneway, to be equivalent to door-to-door delivery, and so the average delivery costs noted above are skewed.

To date, only 830,000 addresses have been converted, which will result in annual savings of \$80 million. The project was suspended in October 2015 so that the government could determine “the best path forward given the ongoing challenges faced by the Canadian postal system.”⁴⁴⁴

442 Centralized mail delivery has been around for approximately 30 years in Canada, mostly in new residential developments that must adopt centralized mail delivery, pursuant to Canada Post’s [Delivery Planning Standards Manual for Builders and Developers](#). As of 31 December 2015, Canada Post was using 193,722 group and community mailbox sites, according to its [Annual Report 2015](#) (p. 60).

443 Canada Post, [Annual Report 2015](#), p. 39.

444 Canada Post, [Statement from Canada Post regarding community mailbox program](#).

3.1.1.1 Accommodation Program

To make it easier for seniors and people with disabilities or reduced mobility to access their mailboxes, Canada Post implemented an accommodation program, which provides a variety of solutions. Accommodations include installing a sliding tray to make it easier to get mail from their mailbox; providing customers with a compartment at the height or in the section of the mailbox they deem appropriate; providing a key-turning aid to assist in inserting, turning and pulling out the key; providing braille tags for keys to the parcel compartments; redirecting mail to a post office or a trusted person they designate; and collecting mail from the compartment and delivering it to their door one day a week. The last two options require a medical certificate from a health care professional (occupational therapist, nurse practitioner, doctor, ophthalmologist, optometrist, physiotherapist, or a psychologist or therapist certified in vocational rehabilitation).⁴⁴⁵

All of these accommodation measures are provided free of charge to those who need them, and they can be offered permanently or temporarily, such as during the winter.⁴⁴⁶

3.1.2 Consultations

According to the Task Force, approximately 800,000 of the targeted addresses are in high-density areas and, given the challenges this represents and the lower cost savings that would result (\$32 million per year), they should be excluded from the community mailbox conversion program.

The Committee heard that while most Canadians would be satisfied to receive their mail through community mailboxes, they would prefer door-to-door delivery in all three forms noted above. [Jim Hopson](#), Member of the Task Force on Canada Post Corporation, said that most people are very satisfied receiving their mail at a community mailbox. [Mr. Chopra](#) said that the satisfaction rate for community mailboxes was between 86% and 91%. Some witnesses, such as [Stéphane Ricoul](#), President of eCOM MTL inc., said that they were in favour of community mailboxes that have compartments large enough for parcels.

However, according to [Ms. Bertrand](#) and some municipal officials, large Canadian cities such as Toronto, Montreal and Vancouver do not want community mailboxes in their downtown areas because of high population density and a lack of space.

3.1.2.1 Home Mail Delivery

Many witnesses said they thought home mail delivery was an essential service, and therefore, they wanted to see it maintained or re-established as a delivery method. Other witnesses said that home delivery should be maintained for seniors and people with disabilities because stopping home mail delivery makes it more difficult for them to stay in their homes.

445 Canada Post, *Accommodation for Seniors and Persons with Disabilities or Reduced Mobility* [not available online].

446 Canada Post, [Canada Post's Five-point Action Plan: Our progress to date, March 2015, p. 7.](#)

According to the Task Force, 57% of Canadian addresses receive their mail at their door, at a centralized point (e.g., apartment lobby lockboxes) or from rural roadside mailboxes. According to the witnesses questioned, these three delivery methods are considered home mail delivery.

Some representatives of rural municipalities and [Benjamin Dachis](#), Associate Director of Research at the C.D. Howe Institute, stated that Canada Post should continue its community mailbox conversion plan.

Several witnesses, including those representing seniors and people with disabilities, addressed the safety aspect of home mail delivery. Having a mail carrier come to their home every day reassures these individuals because the mail carrier can notice unusual behaviour and alert the appropriate authorities about anything unusual. Some union representatives and employees confirmed that they help their clients when they are in danger.

According to [Marcia Carroll](#), Executive Director for The PEI Council of People with Disabilities, Canada Post is contravening Article 4 of the United Nations [Convention on the Rights of Persons with Disabilities](#) by eliminating home mail delivery for people with disabilities.

3.1.2.2 Community Mailboxes and their Upkeep

According to municipal officials, Canada Post should work in collaboration with municipalities to determine where community mailboxes should go, because some mailboxes have not been installed in the optimal locations. For example, some are located in areas where there is not enough lighting or there are no sidewalks. [Ms. Bertrand](#) believes that planning the location of community mailboxes with input from communities would make the initiative more successful.

Canada Post is responsible for maintaining community mailboxes, including snow and ice removal. A number of municipal officials said that the community mailboxes have not been maintained properly and that residents contact them frequently to complain.

Some witnesses said that litter accumulates near the community mailboxes. They suggested that Canada Post provide recycling bins either at or near the community mailboxes to address this issue.

A number of witnesses also said that the mailboxes are a safety hazard, whether in terms of the distance traveled to collect their mail, winter conditions or accessibility for some segments of the population, such as seniors and people with disabilities. [Marc Demers](#), Mayor of the City of Laval, asked that Canada Post systematically review each of the community mailbox locations with city officials to ensure that they meet safety requirements and do not impede traffic.

[Mr. Chopra](#) explained that the safety and security of mail and mail users was a very important part of the community mailbox rollout program and that Canada Post ensured it chose the safest locations using guidelines for distance from sidewalks and lighting.

He added that these guidelines were developed in consultation with municipalities and that, if there is a concern, Canadians can contact Canada Post by calling a toll-free number.⁴⁴⁷ The Committee heard conflicting testimony in this regard, and it should be noted that while some communities were satisfied, many were not. Among communities abruptly transitioned throughout the community mailbox implementation project including the 2015 federal general election, such as the northeast Avalon, Newfoundland and Labrador, and Charlottetown, Prince Edward Island, there was a concern that changes were rushed through despite legitimate complaints made to Canada Post as to the safety of community mailbox location.

3.1.3 The Committee's Observations and Recommendations

Canada Post provides valuable services to Canadian citizens and businesses across the country. As the postal needs of Canadians change, Canada Post should be equipped to deliver dynamic and responsive services. There appears to be a failure on Canada Post's part in maintaining its service standards.

The financial information provided by the Corporation and the Task Force was weak, especially comparative costs between the five different methods of delivery and the cost of the accommodation program for seniors, people with disabilities and reduced mobility receiving special services in order to facilitate access to community mailboxes. There may be other revenue opportunities in connection with a door-to-door service which do not exist in service areas covered by community mailboxes delivery. In order to assess the differential impact that the community mailboxes conversion program may have on the demand for Canada Post services in the parcels market, other lost opportunity costs, and the true value of any savings of community mailboxes conversion need to be assessed.

Legitimate community concerns regarding safety and security need to be taken seriously by the Corporation and used in relocating community mailboxes.

Therefore, the Committee recommends that:

RECOMMENDATION 23

Canada Post continue the moratorium on community mailboxes conversion, and develop a plan to re-instate door-to-door delivery for communities that were converted after 3 August 2015.

RECOMMENDATION 24

Canada Post consider greening its operation through addition of recycling containers and garbage containers at community mailboxes.

447 Each community mailbox has a sticker with Canada's toll-free number printed on it.

3.2 Parcels

3.2.1 Background

E-commerce is growing around the world, and Canada is no exception. Increasing numbers of consumers are making purchases on the Internet, and experts predict that online retail sales will rise further in the near term. As a result, parcel deliveries are increasing since retailers are shipping their products to their customers.

Canada Post plays an important role in e-commerce, as it delivers nearly two thirds of all parcels originating in online sales, despite being in competition with global companies such as UPS, FedEx and DHL.⁴⁴⁸ In its [2015–2019 Corporate Plan](#) (p. 22), Canada Post indicated that it has made investments in recent years to develop its products, services and operations to take advantage of the growth in e-commerce. For example, as noted above, Canada Post launched its Delivered Tonight service in 2013 and its FlexDelivery service in 2015.

3.2.2 Consultations

The testimony on market demand for different levels of service was mixed. [Mr. Hopson](#) believes that Canadians want parcels to continue to be delivered five days a week in a fast, reliable and cost-effective manner. In addition, some business people and representatives of the business community, as well as union representatives and employees, suggested that the Corporation deliver parcels more frequently by offering this service in the morning, in the evening and on weekends. According to the union representatives and employees, this increase in delivery frequency could be implemented using a temporary, part-time workforce.

[Andrea Stairs](#), Managing Director of eBay Canada Limited, suggested better publicizing Canada Post's FlexDelivery service, which enables customers to have their parcels delivered to the post office of their choice. [Christina Falcone](#), Vice-President, Public Affairs, UPS Canada, stated that "increasingly, consumers are ordering parcels, and increasingly, couriers, including UPS...our final delivery is made to residential areas. This infrastructure could also support acceptance of courier packages, parcel packages, as it is doing today for Canada Post. Canada Post has an opportunity to open up to private couriers to access that infrastructure for final-mile delivery, making it more accessible for consumers to retrieve their parcels regardless of who is carrying the shipment."

[Ms. Bertrand](#) informed the Committee that Canada Post currently uses the same system to deliver both mail and parcels. She believes the Corporation should study the possibility of delivering these items using two separate systems. However, according to [Mike Palecek](#), National President of the Canadian Union of Postal Workers, dividing mail and parcel delivery would raise operating costs substantially because two postal workers would have to visit the same neighbourhood on some days.

448 Deepak Chopra, President and Chief Executive Officer, Canada Post Corporation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

Some businesses spend considerable amounts each year to ship parcels and are required to use a parcel tracking service to ensure their customers receive their products and to find delayed or lost parcels. Yet the only parcel tracking service that Canada Post offers is linked to express delivery. Some business people asked for better parcel tracking services, including an option that allows them to track parcels without having to pay for express delivery.

Lastly, [John Barrett](#), Director of Sales, Marketing and Development at Vesey's Seeds Ltd., said that parcel delivery prices should not increase, as many will switch to Canada Post's competitors if that occurs.

3.2.3 The Committee's Observations and Recommendations

Demand for parcel delivery from Canada Post has been growing. Canada Post should continue investing in the growth of its parcel/e-commerce services, which provide needed infrastructure for Canadian businesses. Some businesses' representatives highlighted the market need for a low cost tracking option on all parcels and mail.

Therefore, the Committee recommends that:

RECOMMENDATION 25

Canada Post continue to focus on growing its share of the parcel market through new and innovative services to meet market and customer expectations.

3.3 Frequency of Delivery

3.3.1 Background

As previously discussed, under the *Charter*, Canada Post must deliver "letters, parcels and publications five days a week (except for statutory holidays) to every Canadian address, except in remote areas where less frequent service may be necessary due to limited access to the community." In addition, Canada Post must deliver letters within a community within two business days, within a province within three business days and between provinces within four business days.

However, the volume of mail being delivered by Canada Post has been declining for several years, and with the development of new information and communications technologies, this trend is expected to continue. Between 2007 and 2015, the average number of letters that Canada Post delivered per address decreased by 38.7%.⁴⁴⁹

In light of the above, one of the options the Task Force proposed was alternate-day mail delivery. Parcels would still be delivered five days a week, however. The Task Force pointed out that this option posed certain challenges: the *Charter* would need to be revised to change the provisions relating to mail delivery five days a week and possibly those

449 Canada Post, [Annual Report 2015](#), p. 5.

pertaining to delivery times; letter carrier routes would need to be combined; some collective agreements would need to be renegotiated; and a different delivery method would need to be used for parcels.

While the Task Force asserted that this option would enable Canada Post to save up to \$74 million per year and reduce the environmental impact of its vehicle fleet, the Corporation and its unions felt that the impact on revenues and the complexity of operations would outweigh any cost savings. This option is also supported by 73% of Canadians, according to the Task Force's survey results.

3.3.2 Consultations

According to [Mr. Hopson](#), Canadians are, overall, extremely satisfied with the services that Canada Post provides and would remain satisfied if the Corporation changed its mail delivery schedule to once every two days. Some municipal officials, seniors, people with disabilities, business people and representatives of the business community said they supported alternate-day delivery. However, some seniors need regular mail delivery. One member of Parliament suggested in a brief to the Committee that mail delivery frequency be based on geographic location, demographics and season.

Conversely, many witnesses were opposed to a reduction in delivery frequency. Some union representatives and employees argued that alternate-day delivery is a solution looking for a problem, as the route measurement system already takes mail volume fluctuations into account and this option would make Canada Post less competitive and lead to a loss of revenue.

Moreover, some business people and representatives of the business community stated that businesses should have their mail delivered five days a week in order to keep operating efficiently and stay competitive.

Finally, [Clifford Bull](#), Chief of the Lac Seul First Nation, explained to the Committee that, in some Aboriginal communities, mail is delivered only once a week into post office boxes at the post office. He asked that this frequency be increased.

3.3.3 The Committee's Observations and Recommendations

Canada Post should continue to manage mail delivery on a dynamic basis, and in a manner to meet the service levels established by its business plans. It should be noted that reducing service standards may accelerate the decline in lettermail demand. Although Canadians are open to the change as recipients of mail, reducing the frequency of delivery does not fit the business models of either Canada Post or its paying customers.

Therefore, the Committee recommends that:

RECOMMENDATION 26

Canada Post work with businesses to ensure that it maintains a level of service commensurate with business and Canadian needs when looking at frequency of delivery.

3.4 Mail Processing Operations

3.4.1 Background

Since 2008, Canada Post has gone to great lengths to modernize its mail processing facilities, automate manual parcel sorting and centralize its processing operations in large facilities to achieve economies of scale. According to information that Canada Post provided to the Committee, the Corporation invested \$1.8 billion between 2008 and 2014 in this postal transformation program and reduced its workforce by nearly 3,400 full-time employees, primarily through attrition.

As part of this program, Canada Post built two new processing plants, one in Winnipeg and one for the Pacific region in Vancouver, which some Committee members were able to visit. Canada Post currently has 21 processing plants and 485 depots across the country.

3.4.2 Consultations

According to the Task Force, Canada Post could achieve additional savings worth \$66 million per year by reducing the number of processing plants and depots and by optimizing and simplifying its processing operations.

Numerous witnesses, including some union representatives and employees, business people and representatives of the business community, explained to the Committee that the postal transformation replaced local mail sorting with a centralized, regional model. As a result, mail must sometimes be shipped many kilometres to be sorted before being delivered, which many said has caused delays in mail delivery, especially in the winter. Some suggested returning mail sorting to local post offices.

3.4.3 The Committee's Observations and Recommendations

There is insufficient transparency around how service delivery rationalization may have disproportionately affected Canadians in smaller population areas of the country. In order to properly evaluate the impact of processing consolidation, for instance, the performance of Canada Post against the *Charter* obligations should be reported in a way that evaluates rural service areas, communities more than 50 km away, from a sortation centre, and communities within 50 km of a sortation centre separately.

Therefore, the Committee recommends that:

RECOMMENDATION 27

Canada Post look at ways to make its processing more efficient, while maintaining its delivery standards, especially in rural areas, where depot rationalization may have negatively impacted service standards.

RECOMMENDATION 28

Canada Post be transparent about the service-level impact of processing plan rationalization on different communities.

RECOMMENDATION 29

Canada Post examine ways to provide more services and meet service level commitments in all types of communities using its existing retail network.

3.5 Pricing Strategy

3.5.1 Domestic Pricing

3.5.1.1 Background

Under the *Charter*, Canada Post must charge “uniform postage rates for letters of similar size and weight, so that letters to Canadian addresses will require the same postage, regardless of the distance to reach the recipient.” In addition, Canada Post must charge rates that are fair and reasonable and that enable it to cover the costs of its operations.

In 2013, Canada Post released its Five-point Action Plan, which included a new price structure. The price of stamps in booklets or coils increased from 63¢ to 85¢ on 31 March 2014, while the price of single stamps rose to \$1.00.

On 9 July 2015, Canada Post proposed raising postage rates again. The price of stamps in booklets and coils was to increase from 85¢ to 90¢ as of 11 January 2016.⁴⁵⁰ Owing to the federal government’s current review of Canada Post, the proposed rate changes were not implemented.⁴⁵¹

Despite these large increases, postage rates in Canada remain relatively low compared with those in other countries, while delivery costs are higher because of Canada’s low population density, vast area, remote regions and occasionally extreme weather.

450 Canada Post, “[2016 postage rates proposed](#),” 9 July 2015.

451 Canada Post, [Annual Report 2015](#), p. 36.

The *Canada Post Corporation Act* sets out a process for changing regulated prices that takes nearly an entire year.⁴⁵²

3.5.1.2 Consultations

Canada Post's rates elicited a great deal of discussion among business people and representatives of the business community because, for some, these rates have a major impact on their operating costs.

According to the Task Force, Canada Post should consider varying its rates for mail with distance and speed of service, as it does for parcels. However, this would require changes to the *Charter*. Some witnesses were opposed to this strategy. [Tim Armstrong](#), National Director for the Pacific Region at the Canadian Union of Postal Workers, argued that it would negatively affect seniors, people with low incomes and Canadians in rural, Northern and Aboriginal communities. [Matthew Holmes](#), President and CEO of Magazines Canada, said that "distance-related pricing" results in punitive and needless rates.

The Task Force also found that annual increases that reflect the increasing cost of the service should be considered. According to the survey results obtained by the Task Force, only 34% of Canadians support a large increase in stamp prices. However, 76% support the creation of a graduated rate structure that enables people to pay more for faster delivery. [Ms. Bertrand](#) believes that Canadians would accept having stamp prices indexed. Likewise, [Mr. Armstrong](#) stated that rate hikes should be tied to inflation and increases in the Corporation's costs.

Some feel that rate increases are acceptable, while others do not. For example, [Hicham Ratnani](#), Chief Operating Officer and Co-founder of Frank + Oak, [Katharine MacDonald](#), Owner of Milk & Amber, and [Penny Walsh McGuire](#), Executive Director of the Greater Charlottetown Area Chamber of Commerce, stated that it was normal for postage to rise. However, it should rise in a reasonable way so that it does not hurt businesses.

According to [John Hinds](#), President and CEO of Newspapers Canada, postal rates have increased more rapidly than all other business expenses over the past few years. [Harry Watson](#), President of Triple 4 Advertising Ltd., added that postal rates are excessive when compared with those of courier services.

452 The process begins with the proposed rate changes being submitted to the Corporation's Board of Directors in the spring of each year for internal approval. Second, the Minister of Public Services and Procurement is informally informed of the proposed regulated rates. Third, a 30-day consultation period begins once the rate increases are published in the *Canada Gazette*, Part I, along with a news release, a Regulatory Impact Analysis Statement (RIAS) and an explanation of the consultation procedure. The Corporation may adjust its proposal based on the comments submitted by interested parties. Fourth, the final version of the rate increases and a report summarizing the comments gathered during the consultation period are provided to the Board of Directors. Once approved by the Board, the rate changes are deemed to have been made by the Corporation. Fifth, the Governor in Council is given 60 days to study the draft regulations once the Board of Directors provides them to the Clerk. Finally, the approved regulations and the RIAS are published in the *Canada Gazette*, Part II, two weeks later, generally in December, and the new rates take effect on the second Monday following 3 January. Source: Information provided by Canada Post, *Rate-Setting at Canada Post Corporation*.

Furthermore, [Mr. Holmes](#) believes that a rate increase would benefit digital alternatives.

Finally, a few business people commented on the differences in pricing between Canada and the United States and explained that postage is cheaper in the latter. [Andréa Alacchi](#), President of L'Encrier, suggested reducing the difference between the rates for delivering parcels over short and long distances.

3.5.1.3 The Committee's Observations and Recommendations

Postal rates should be allowed to rise with inflation. The cost of providing the letter mail service may need to be subsidized by Canada Post profits in parcel delivery and other services, or through regulation of the parcel market, which requires all market participants to subsidize the lettermail service. However, Canada Post should not improperly subsidize its competitive parcel services using revenue from its monopoly lettermail service when setting postal rates.

Therefore, the Committee recommends that:

RECOMMENDATION 30

Canada Post be permitted to raise postal rates based on the rate of inflation, while maintaining a single price for lettermail delivery across Canada.

RECOMMENDATION 31

Canada Post work at being competitive in the parcel delivery area and utilize its distribution network and last mile delivery services to its advantage, when working with its competitors, e.g. UPS, FedEx, DHL, etc.

3.5.2 International Pricing

3.5.2.1 Background

The quality of international mail services depends primarily on a functional communication platform and significant cooperation between countries. The Universal Postal Union, a United Nations Specialized Agency, is the organization which offers, monitors and regulates this universal network spanning 192 member countries, including Canada.⁴⁵³

Since 1969, terminal dues, the remuneration given to an international destination for the processing and delivery of mail, and transit charges, the costs of delivery covered by the country of origin, make up the overall postal charges for international mail. In 2004, the process for determining terminal dues has changed to account for the quality of

453 Universal Postal Union, [The UPU](#).

services provided and actual mail processing costs.⁴⁵⁴ During the 24th Congress of the Universal Postal Union in 2008, the classification of countries based on their gross national income per capita, fixed costs (e.g., percentage of the population with home delivery, surface area and other country characteristics) and variable costs (e.g., the number of letter-post items) was approved.⁴⁵⁵ The classification methodology was reviewed in 2012, and terminal dues are now calculated using appropriate business rules for countries under the target system and the transitional system to allow developing countries to better integrate into the market by allowing them to pay fixed terminal dues per kilogram.^{456,457}

According to information Canada Post provided to the Committee, this methodology for determining terminal dues is inadequate, as it does not address ease of processing, which is affected by the format and dimension of an item in the mail stream, nor the cost of delivery. This view is supported by the American postal service, USPS, which also finds itself at a disadvantage, especially when it comes to small parcels originating in China, as the same e-commerce parcel could cost much more to send within the United States than it does from Beijing.⁴⁵⁸

At the 2016 Universal Postal Congress, Universal Postal Union member countries agreed that, beginning in 2018, bulky letters and small parcels will be priced differently from other letter-post formats to better reflect the cost of processing and delivering such items from all countries.⁴⁵⁹ In addition, according to information Canada Post provided to the Committee, the Universal Postal Union will be phasing in higher levels of compensation for registered mail items that many countries use for international e-commerce items, including China, starting in 2018.

3.5.2.2 Consultations

A few business people commented on international pricing. In particular, [Mr. Alacchi](#) lamented the fact that, under the Universal Postal Union rules, when a parcel enters Canada from another country, Canada Post must deliver it at a fixed low price established by the Union, no matter where it arrives in Canada. In his view, because Canada Post may adjust only domestic prices, it has to raise them to compensate for the losses incurred in delivering mail from other countries, and this hurts the competitiveness of Canadian businesses.

454 Universal Postal Union, [About terminal dues and transit charges](#).

455 Universal Postal Union, [Country classification methodology for the future terminal dues system](#).

456 Universal Postal Union 25th Congress, [UPU terminal dues system for the period 2014-2017](#).

457 Copenhagen Economics, [The Economics of Terminal Dues](#), 30 September 2014, p. 21.

458 Bill McAllister, [UPU seeks to address international rates that put USPS at a disadvantage](#), 20 September 2016.

459 Universal Postal Union, [Member countries adopt new terminal dues system](#), 29 September 2016.

3.5.2.3 The Committee's Observations and Recommendations

In some sense, the agreements reached under the Universal Postal Union to assist developing countries are an indirect type of foreign aid. Global Affairs Canada is responsible for negotiating the rates and should take this downloading of the costs on Canada Post into account.

Therefore, the Committee recommends that:

RECOMMENDATION 32

Canada Post work with Global Affairs Canada officials to ensure either:

- **that international postal rates from other countries reflect the true delivery cost; or**
- **that Global Affairs Canada compensate Canada Post for the cost of delivering mail at a lower cost, which is offered to other countries as a form of development assistance.**

3.6 The 1994 Moratorium on the Closure of Rural Post Offices

3.6.1 Background

In 1994, the federal government adopted a [moratorium on the closure of rural post offices](#). This moratorium prevents Canada Post from closing or franchising nearly 3,600 post offices that were identified as being in rural areas in 1994. This moratorium was incorporated into the *Charter*.

3.6.2 Consultations

[Ms. Bertrand](#) explained to the Committee that some communities that were considered rural when the moratorium was established in 1994 are not rural today. As a result, she and [Patrick Bartlett](#), Executive Director of the National Association of Major Mail Users, believe that the moratorium should be reviewed to more closely reflect the current situation.

However, a number of officials from rural municipalities asserted that retaining rural post offices is essential in order for their residents to have access to Canada Post's services. They added that these post offices play a social role, as they serve as meeting places.

Lastly, some union representatives and employees pointed out that, despite the moratorium, over 350 rural post offices have been closed since 1994.

3.6.3 The Committee's Observations and Recommendations

The management decision to severely restrict and eliminate service levels at rural post offices accelerated the decline of rural Canada and the perception that they do not deserve a level of service comparable to more densely populated areas. The Committee believes that the detrimental reduction of rural service was an inappropriate action by the Corporation to circumvent the moratorium on the closure of rural post offices by attrition. These actions disproportionately affected women. The moratorium on the closure of rural post offices needs to be reviewed in light of the changing population growth. However, the Committee heard time and again that the moratorium on the closure of rural post offices is beneficial for social and economic cohesion of rural and remote areas.

Therefore, the Committee recommends that:

RECOMMENDATION 33

Canada Post undertake a demographic analysis to ensure rural areas are truly protected and reflected in the moratorium on the closure of rural post offices.

RECOMMENDATION 34

Canada Post examine ways to increase the hours of operations in rural post offices, and perform more regional sortation of mail and packages so that rural customers can access their local market easily.

3.7 Franchise Postal Outlets Versus Post Offices

3.7.1 Background

The Task Force found that Canada's postal network consists of over 6,200 post offices. Canada Post manages 3,700 of these offices, and the remainder, about 40% of the total, are franchise postal outlets managed by authorized dealers. Canada Post operates 880 post offices in urban areas and 2,860 in rural areas.

The operating costs of post offices managed by Canada Post are significantly higher – between \$30,000 and \$140,000 more per year – regardless of the number of transactions. Accordingly, the Task Force concluded that converting the 800 highest-volume post offices into franchise postal outlets would save Canada Post on the order of \$177 million per year and potentially provide better service to Canadians.

However, Canada Post must comply with the requirements of the *Charter*, which provides that 98% of Canadians must have a franchise postal outlet within 15 km, 88% within 5 km and 78% within 2.5 km.

3.7.2 Consultations

The Task Force reported that franchise postal outlets are generally viewed favourably by Canada Post's customers, as they offer extended operating hours and are generally well-located.

Some witnesses supported the conversion of 800 of the highest-volume post offices into franchise postal outlets, including certain municipal officials, business people and representatives of the business community, as well as [Benjamin Dachis](#), Associate Director of Research at the C.D. Howe Institute.

However, the union representatives oppose this conversion because they believe it will cost Canada Post some of the most lucrative parts of its business. Some union representatives argued that, when a post office is replaced by a franchise postal outlet, the new franchise outlet is highly likely to disappear after a few years. Furthermore, some employees explained that in recent years Canada Post has been privatizing its services by opening franchise postal outlets near post offices, putting post offices in direct competition with franchise postal outlets, and then gradually reduced the operating hours of the post offices.

Certain union representatives and [Lori Friars](#), Coordinator at the Moose Jaw & District Senior Citizens Association Inc., also noted that the quality of service provided by post offices is in their view higher than that offered by franchise postal outlets. [Lynda Moffat](#), President and CEO at the St. Albert and District Chamber of Commerce, added that the level of parcel delivery service provided at franchise postal outlets is inconsistent and franchise postal outlets are busier than post offices.

Finally, some representatives of Aboriginal groups expressed disappointment with the operating hours of their post offices, and some representatives of people with disabilities reported that certain post offices are not fully accessible.

3.7.3 The Committee's Observations and Recommendations

Whether offered at corporate locations or on other business models in partnership with local communities, the goal of creating community hubs in small communities centred around a collection of services which include the post office is a laudable proposal to create social cohesion. As the Committee heard from those communities where this type of community hub might be a priority, in fact, the communities see this as an opportunity to create revenue for the community and improve the level of service from Canada Post.

The Committee recognizes that post offices as core components of communities and important gathering place that are an integral part of communities' identity.

As heard repeatedly during the consultations, Canadians are satisfied with the services and professionalism of Canada Post employees.

Therefore, the Committee recommends that:

RECOMMENDATION 35

Canada Post develop synergistic partnerships for increasing revenue at each location and optimize usage of its real estate in areas where there are multiple post offices.

RECOMMENDATION 36

Canada Post preserve its post offices, along with the associated moratorium on the closure of rural post offices, even in areas where there are franchise postal outlets.

4. CHALLENGES AND OPPORTUNITIES

4.1 Financial Situation and Main Costs

4.1.1 Background

Pursuant to the [Canada Post Corporation Act](#), Canada Post has a mandate to operate the postal service on a self-sustaining financial basis while providing postal services to all Canadians.

Canada Post is also responsible for providing certain federal government programs, such as parliamentary mail⁴⁶⁰ and postage-free materials for the blind.⁴⁶¹ In return, the Corporation receives a little over \$22 million in annual funding from the federal government.⁴⁶² Finally, Canada Post provides reduced rates for certain eligible library materials circulated between a library and its patrons; it receives no appropriation or compensation from the federal government for offering this service.⁴⁶³

Canada Post's unions contend that the Corporation's financial situation is sound, as it has earned a profit in 19 of the past 21 years. However, the past is no guarantee of the future, and the analyses of Canada Post's financial situation forecast a drop in revenues and higher costs in the years ahead.

According to Ernst & Young, Canada Post's current model is not viable in the long run without increased revenues or significant cost reductions. Annual losses of more than \$700 million by 2026 are forecast. Ernst & Young asserts that, in addition to the decline in direct marketing and transaction mail volumes, in part because of the use of electronic communications that are hurting Canada Post's revenue, the Corporation's costs are

460 Parliamentary mail includes free mailing of letters between Canadians and the Governor General, members of Parliament, the speakers of the Senate and House of Commons, the Parliamentary Librarian and the Ethics Commissioner. In addition, pursuant to the [Canada Post Corporation Act](#), Members of the House of Commons may send up to four free householder mailings (unaddressed ad mail) to their constituents in any calendar year. For more information, see Treasury Board Secretariat, [2016–17 Estimates](#), pp. II-19–20.

461 Canadians with visual impairments and many libraries across the country, including that of the Canadian National Institute for the Blind, may send audio books and other materials free of charge. For more information, see Treasury Board Secretariat, [2016–17 Estimates](#), pp. II-19–20.

462 Treasury Board Secretariat, [2016–17 Estimates](#), pp. II-19–20.

463 Canada Post, [Annual Report 2015](#), p. 39.

continually rising, owing to the roughly 170,000 new addresses being added to its delivery network each year, its elevated labour costs and its burdensome retail network.

Labour is Canada Post's main expenditure item, accounting for nearly 70% of its total operating costs.⁴⁶⁴ According to Ernst & Young, Canada Post's labour costs are 41% higher than those of comparable private sector organizations, such as UPS and DHL. Canada Post's benefit costs are 60% higher than those of its competitors, and the difference is mainly due to the cost of its defined benefit pension plan, which is showing a solvency deficit, as discussed above. Ernst & Young's assessment shows that Canada Post is not generating enough profit to fulfil its obligations under this pension plan.

4.1.2 Consultations

[Marena McLaughlin](#), Member of the Task Force on Canada Post Corporation, explained that Canada Post derives most of its revenue from mail and related transactions. Yet, over the past 10 years, the volume of mail has declined by 33%, and she believes this decline will continue, as people increasingly turn to digital communications. Ms. McLaughlin added that 70% of Canada Post's operating costs are labour costs and that the time is ripe for the unions, the Corporation and stakeholders to study the situation and make changes, as nearly 70% of the Corporation's employees will be retiring within the next decade.

[Ms. McLaughlin](#) also noted that delivering direct marketing mail requires a lot of employees but brings in very little revenue.

Regarding labour costs, [Mr. Chopra](#) noted that Canada Post's management, which accounts for less than 5% of its workforce and about \$200 million in salaries per year, has been subject to a wage freeze for the past 30 months, has a defined contribution pension plan and has decreased in number by 20% since 2008.

Some business people and representatives of the business community stated that Canada Post should reduce its operating costs and streamline its operations to ensure its long-term survival. According to [Ms. Moffat](#), rather than eliminate some services, Canada Post should focus on providing new services. Moreover, [Anita Huberman](#), CEO of the Surrey Board of Trade, suggested that Canada Post services be provided in more languages to increase their use by immigrants.

Finally, according to [Mr. Dachis](#), Canada Post's business model should be overhauled to address the problems relating to labour costs, the solvency deficit in its defined benefit pension plan and its long-term financial viability.

464 *Ibid.*, p. 101.

4.1.3 The Committee's Observations and Recommendations

As a critical communications infrastructure and pillar of communities, Canada Post should look at ways to grow the business and increase its revenue streams, without compromising its core business. This could include partnerships or through more aggressive e-commerce strategies. Recognizing that Canada Post needs to manage mail volume reductions by managing labour in accordance with the existing agreements and by growing other revenue sources in the parcels market, logistics market and revenue growth from partnerships such as one with The UPS Store.

Therefore, the Committee recommends that:

RECOMMENDATION 37

Canada Post focus on investing in growth in parcel services, e-commerce and exploring partnerships to remain competitive, without sacrificing its core business.

4.2 Postal Banking

4.2.1 Background

Over 60 countries around the world use postal banking. The services provided vary from nation to nation and are generally profitable. Canada previously had a postal bank, which offered savings accounts and operated from 1869 to 1969.⁴⁶⁵ Today, Canada Post offers secure funds transfers and bill payment through MoneyGram and money orders.⁴⁶⁶ It also sells prepaid debit cards.⁴⁶⁷

The Canadian application process for establishing a federally regulated financial institution is rigorous and comprises a number of phases.⁴⁶⁸

465 Canadian Museum of History, [A Chronology of Canadian Postal History](#).

466 Canada Post, [MoneyGram and Money Orders](#).

467 Deepak Chopra, President and Chief Executive Officer, Canada Post Corporation, [Evidence](#), 1st Session, 42nd Parliament, Meeting No. 27, 21 September 2016.

468 *The Guide for Incorporating Banks and Federally Regulated Trust and Loan Companies* published by the Office of the Superintendent of Financial Institutions (OSFI) outlines the three phases (Pre-Application, Letters Patent and Order) of the process to establish a federally regulated financial institution under the *Bank Act* or the *Trust and Loan Company Act*. The first phase, Pre-Application, includes the submission of information regarding ownership and financial strength, a business plan and other information, such as trading and investment strategies and an exit strategy. The second phase, Letters Patent, requires further information regarding the business, such as the sources of initial and future capital, and calculations of risk-based capital ratios, as well as details concerning hiring and the staff complement, risk management policies and procedures, information technology and much more. The final phase, Order, consists of a review of the entire application to ensure that it complies with legislation, but does not include provincial requirements or Canada Deposit Insurance Corporation (CDIC) and Canadian Payments Association (CPA) applications, which must be made separately by the applicant. CDIC offers insurance against losses of up to \$100,000 per account per bank and is mandatory for any applicant who wishes to accept deposits of less than \$150,000. All Canadian banks are automatically members of the CPA, membership of which is necessary to obtain an institution number in order to process electronic payment transactions and cheques. For more information, see OSFI, [Guide for Incorporating Banks and Federally Regulated Trust and Loan Companies](#).

According to the Task Force, the only viable postal banking model for Canada Post would be a partnership with three or five large banks or credit unions to provide a low-cost extension of their branch network in less profitable areas. The Task Force determined that the other options studied – developing a low-cost proprietary product offering similar to the Italian postal banking model, providing a lower-cost alternative to payday lenders and partnering with a single large bank or credit union to provide a low-cost extension of its branch network in less profitable areas – would not be viable.

The vast majority of the experts the Task Force consulted agree and believe that a Canadian postal bank would not produce significant revenue for Canada Post and would carry significant financial risks.

Lastly, according to the Task Force's survey results, less than 50% of Canadians believe that new banking products or services and cheque cashing would be a good fit for Canada Post. In all, 29% of Canadians would certainly (7%) or probably (22%) use Canada Post's banking services.

4.2.2 Consultations

[Ms. Hoeg](#) explained that banking services today are a matter of risk management, which is not Canada Post's strength. To address this challenge, Canada Post could partner with a group of banks or a credit union. However, the benefits of providing postal banking services would be small compared with the operating costs. As a result, Ms. Hoeg does not see it as a viable solution.

[Ms. Bertrand](#) added that the Task Force consulted other postal services that offer banking services, including those of France and the United Kingdom. The conclusions were clear: establishing postal banking is complex and costly because of regulatory compliance requirements, the need to provide advanced IT security and the skills required. According to [Bernard Brun](#), Director of Government Relations at Desjardins Group, the process for establishing a financial institution in Canada is complex from a regulatory standpoint and requires substantial investments.

[Bruce Spear](#), Partner in the Transportation Practice at Oliver Wyman, said he did not support this option because Canada Post would have to develop a number of new, non-core capabilities and take on substantial risk. He also noted that the postal banking services provided in other countries are directly subsidized by the government or have been established for a number of years, or even decades.

On the other hand, the union representatives, the employees who appeared, some municipal officials, [John Anderson](#), Research Associate at the National Office of the Canadian Centre for Policy Alternatives, and [Pamela Stern](#), Assistant Professor in the Department of Sociology and Anthropology at Simon Fraser University, support postal banking because many rural and Aboriginal communities do not have access to financial services from banks or credit unions. For example, [Lynn Dollin](#), President of the Association of Municipalities of Ontario, said that these services could "remedy some of the difficulties faced by rural, remote and Northern communities, which have limited

access to financial institutions.” However, a number of witnesses made it clear that postal banking should be offered only if it would be profitable.

Union representatives, Canada Post employees, Mr. Anderson and Ms. Stern added that over 600 Canadian municipalities have adopted resolutions supporting the creation of a postal bank, other countries’ postal services have profitable postal banking operations and many Canadians do not have access to banking services. However, according to [Darren Hannah](#), Vice-President of Finance, Risk and Prudential Policy at the Canadian Bankers Association, existing banking services are accessible: 99% of Canadians have a bank account, and a majority (55%) use the Internet to do most of their banking. This is consistent with the information provided by [Keith Nixon](#), CEO of Credit Union Central of Saskatchewan, who stated that the number of credit union members who use their branches in rural areas has dropped significantly in recent years as more and more of them conduct their financial transactions online or using smartphone applications.

Union representatives and employees, as well as some representatives of civil society organizations, believe that postal banking would provide an alternative to payday loans. But [Kristina Schinke](#), former vice-president of Cash Money Inc., and [Tony Irwin](#), President of the Canadian Consumer Finance Association, explained that profits on payday loans are quite modest because of the high risk of default and are far lower than bank profits. Moreover, Ms. Schinke noted that Cash Money Inc. does a great deal of loan recovery work, as about 20% of the loans it issues go to collections. Finally, according to [Robert Martin](#), Senior Policy Advisor at the Canadian Credit Union Association, credit unions are already offering alternatives to payday loans.

Some business people and representatives of the business community and some bank and credit union officials expressed their opposition to postal banking. In their view, the Canadian financial services market is highly competitive and well-established, and it would be difficult for Canada Post to enter this market, already well-served by financial institutions, as it is a rapidly evolving sector.

4.2.3 The Committee’s Observations and Recommendations

Rural Canadians are interested in better access to competitive banking services on the same basis as offered in more urban areas. Although Canada Post does have a large retail network, many locations in rural Canada are actually operated out of homes, or small shacks, not appropriate for the provision of a physical banking location. The market need for banking services would be immediately met in a competitive way by improving the broadband Internet access to rural communities so broadly needed, and to facilitate the trust network needed to authenticate identities on the Internet for the purposes of engaging in financial transactions. Canada Post can play a meaningful role in both of those areas (without engaging in the large capital expense of starting a bank) by enabling the critical digital infrastructure our rural communities so desperately need. It is in its core areas of expertise in logistics, communications and trust, and not in the field of banking where it has limited expertise – that Canada Post can play a transformative role.

The Committee heard evidence on a regular basis about Canada Post moving into the postal banking business to increase its revenue. Witnesses cited the examples of other countries like U.K., Ireland, France, Italy, Switzerland, Japan, New Zealand and Australia where the postal system faced similar issues as Canada Post. The Committee also heard from a number of witnesses who thought Canada Post should stick to its core business and not venture into banking including representatives from the Canadian Federation of Independent Business, National Association of Major Mail Users, Pitney Bowes and eBay Canada.

The Committee repeatedly heard from the unions about the 900 page Access to Information release which included reports commissioned by Canada Post on the issue of postal banking. The witnesses stated that the reports had been redacted and that the government of the day had decided not to follow through with it, despite its advantage. The Centre for Policy Alternatives also reported about the possibility of pursuing this option as did the Task Force.

Committee members reviewed all evidence and requested Canada Post to make available to Committee members an unredacted copy of the report. Members of the committee were given an opportunity to review the reports in full, in camera, in order to maintain the confidentiality of these documents, which contain commercially sensitive information.

Having reviewed it, Committee members concluded that Canada Post did its due diligence in reviewing the possibility of postal banking and that their conclusion to not pursue it further, but focus on its core competencies was a reasonable decision.

Therefore, the Committee recommends that:

RECOMMENDATION 38

Canada Post focus on its core competencies to help Canada meet the challenges of the 21st century.

4.3 Community Hubs

4.3.1 Background

Many rural and remote communities have limited access to government services. Canada Post could use its vast network of post offices to deliver these services. The services offered could include Internet access, online access to government services, document downloading and printing, training, and even community event posting. Canada Post could also enter into agreements with provincial and territorial governments to provide services relating to drivers' licences and hunting and fishing licences, among others. This would result in more activity at post offices and justify the existence of a vast network that includes locations in a number of remote communities. According to the Task Force's survey results, 75% of Canadians support this option.

4.3.2 Consultations

Numerous witnesses, including some union representatives, employees, as well as municipal officials, business people and representatives of the business community in rural areas, underscored the fact that post offices in rural areas play a social role and serve as meeting and gathering places. Many of these witnesses suggested turning rural post offices into community hubs.

Some municipal officials and representatives of people with disabilities proposed that post offices provide government services. [Simon Tremblay-Pépin](#), Professor and Researcher at the Institut de recherche et d'informations socio-économiques, suggested that Canada Post reach agreements with other levels of government to deliver government services, such as those provided by Service Canada, through its post offices.

Moreover, [Debby Kronewitt-Martin](#), a change management expert who appeared as an individual, suggested that Canada Post offer at its post offices a variety of other services that are tailored to the specific needs of each community. For example, they could provide a range of services for federal programs such as passports and employment insurance, and provincial and municipal services such as drivers' tests, vehicle registration, marriage forms and birth certificate applications by partnering with municipalities and the provinces and territories. She also proposed that Canada Post create small-scale business centres that provide high-speed Internet access and other technologies that rural students, residents and businesses need.

4.3.2.1 Federal Departments and Agencies

The Committee asked federal departments and agencies whether they believed they needed to or could use Canada Post's network to deliver programs and services in urban, suburban, rural and remote areas. Among the responses received, several departments and agencies, including the Department of Justice, stated that they did not envision using Canada Post's services to deliver their programs. In addition, the Canada Revenue Agency indicated that it was already using over 6,000 Canada Post retail locations to make tax forms and guides available to Canadians. Lastly, Environment Canada informed the Committee that the Canadian Wildlife Service "uses Canada Post's vast network delivery to undertake surveys in support of program and service delivery," and Parks Canada "has an administrative agreement with Canada Post for the distribution of Parks Canada's annual Discovery passes, merchandise and other promotional material."⁴⁶⁹

4.3.3 The Committee's Observations and Recommendations

Canada Post should also explore location-specific opportunities for post offices to act as community hubs and respond to the local needs of its surrounding community through pilot projects of the community hub model for franchise postal outlets in a representative sample of urban, suburban, rural and remote post offices. Canada Post

469 Letter sent to the Committee by Michael Martin, Deputy Minister, Environment Canada, on 22 November 2016.

should look at ways to partner with other levels of government to offer services such as Internet access, social insurance number kits, employment insurance applications, Canada Pension Plan and Quebec Pension Plan applications, Old Age Security applications, passports, specialized or general income tax forms, student loans paperwork, motor vehicle registration, insurance renewal, fishing, hunting and marriage licenses, among others. Partnership with private sector entities, such as banks, should also be explored to deliver additional services in a mutually beneficial way.

Therefore, the Committee recommends that:

RECOMMENDATION 39

Canada Post explore location-specific opportunities for post offices to act as community hubs and respond to the local needs of its surrounding community.

RECOMMENDATION 40

Canada Post leverage its reputation and extensive network to identify customized solutions that its post offices can offer as community hubs.

RECOMMENDATION 41

Canada Post explore partnering with government departments and agencies at all levels, to provide services and enhance the use of post offices as economic hubs.

RECOMMENDATION 42

Canada Post pilot the community hub model for franchise postal outlets in a representative sample of urban, suburban, rural and remote rural post offices, operating on both a corporate and franchised service model, with a view to increasing profitability.

4.4 Broadband Internet Services

4.4.1 Background

According to the Canadian Radio-television and Telecommunications Commission's *Communications Monitoring Report 2016*,⁴⁷⁰ 98% of Canadian households have access to broadband service of at least 5 megabits per second (Mbps);⁴⁷¹ however, this availability can vary depending on their province or territory of residence.⁴⁷² For example, some regions do not have access to fixed broadband (i.e., cable, digital subscriber line [DSL] or

470 Canadian Radio-television and Telecommunications Commission (CRTC), [Communications Monitoring Report 2016](#), Telecommunications Sector, Sector Overview.

471 According to the CRTC, broadband Internet service is defined as any service that provides a 1.5 Mbps or greater download speed. That is a speed sufficient to accommodate Internet email services.

472 The statistic accounts for each province separately, and the northern territories are grouped into one category.

fiber-optic transmission to the home) and must instead rely upon cellular connectivity; this is the case in Newfoundland and Labrador, where 12% of the population does not have access to fixed broadband.⁴⁷³

The monthly cost of broadband Internet can also vary from one region to another. For 5 Mbps service, prices range from \$25 to \$85 per month. Furthermore, in rural areas, residential broadband Internet is generally more expensive, at \$30 to \$85 per month.⁴⁷⁴ Lastly, it should be noted that in Iqaluit, prices range from \$80 to \$180 per month.⁴⁷⁵

4.4.2 Consultations

During the study, some witnesses suggested that Canada Post could offer broadband Internet service in Canada's rural and remote communities, including in areas where this service is not currently available. Some argued that this would allow Canada Post to diversify its operations to become an Internet service provider through its post offices.

4.4.3 The Committee's Observations and Recommendations

The Committee recommends that:

RECOMMENDATION 43

The federal government examine, with the Minister of Innovation, Science and Economic Development Canada and the Canadian Radio-television and Telecommunications Commission, the possible delivery of broadband Internet and improved cellular service to rural Canada using Canada Post real estate to house servers and offer retail services to customers.

4.5 Other Options

4.5.1 Background

As discussed above, Canada Post's financial situation was described by Ernst & Young as not being viable over the long term. To address the problem, the Corporation must make changes to either reduce operating costs or increase revenues, or to achieve some combination of the two. Introducing new services could be one way for Canada Post to generate more revenue.

Among the other options proposed, the Task Force suggested that Canada Post:

- sell advertising at its retail outlets and on its delivery trucks to generate additional revenues of some \$19 million per year. However, this would

473 CRTC, [Communications Monitoring Report 2016](#), Figure 5.3.10.

474 Ibid, Figures 5.3.3 and 5.3.4.

475 Qiniq, Services, [New Internet Plans](#).

- involve some risks and challenges, such as risks to Canada Post's brand and reputation and the need to obtain permission for outdoor advertising;
- enter into additional "last-mile" delivery agreements with third parties by expanding the scope of the agreements, which cover less than 30% of the Canadian population and primarily rural remote regions, to other areas, including the suburbs of Canada's large cities.⁴⁷⁶ Through these agreements Canada Post could deliver an additional 1.4 million parcels annually, worth some \$10 million. However, this strategy has risks, as it could foster the emergence of new competitors that take advantage of densely populated markets, which are generally more lucrative, and leave the costlier and less attractive ones to Canada Post; and
 - deliver a significant portion of recreational marijuana shipments if this drug is legalized in Canada.

4.5.2 Consultations

Numerous witnesses proposed options for Canada Post to consider.

- [Ms. Hoeg](#) suggested selling off some of Canada Post's fixed assets.
- Some union representatives, employees and seniors' representatives and [Carla Lipsig-Mummé](#), Professor at York University, proposed that postal workers be trained to monitor the seniors and people with disabilities.
- Some union representatives and employees suggested restoring the Food Mail Program, which was replaced by the Nutrition North program, while [Kevin O'Reilly](#), Member of the Legislative Assembly for Frame Lake and the Government of the Northwest Territories, proposed revitalizing the Nutrition North program by providing affordable food to Northern communities.
- Some union representatives, employees, representatives of people with disabilities and university professors proposed expanding Canada Post's delivery service to include food and medication.
- [Jean-François Simard](#), a postal worker, and Christine Moore, Member of Parliament, in her brief, suggested establishing an appliance and electronic waste collection service.
- Some union representatives and employees suggested greening the postal service by:

476 Under existing agreements, Canada Post sometimes delivers parcels and courier products on behalf of other companies, such as FedEx and Purolator. These businesses use Canada Post mainly to cover the last few kilometres in rural and remote areas that are costly to serve, especially when delivery volumes are small.

- reducing greenhouse gas emissions by expanding home mail delivery and allowing Canada Post to perform the last portion of parcel delivery;
 - installing charging stations for electric vehicles in post office parking lots; and
 - replacing delivery vehicles with electric or hybrid vehicles.
- [Mike Nickel](#), Councillor for the City of Edmonton, proposed that postal workers use a software application to report potholes and problems with infill housing to municipal authorities.
 - [Mr. O'Reilly](#) suggested that Canada Post provide financial support to Canadian philatelic organizations to promote Canada and celebrate its heritage, and take part in international stamp shows.

However, [Greg Wilson](#), Mayor of the City of Dryden, argued that Canada Post should not diversify its services because its workforce is too costly and uncompetitive.

4.5.3 The Committee's Observations and Recommendations

Canadians from coast-to-coast-to-coast shared their views during this study and in the last election. The message was clear: Canadians want Canada Post to continue to serve communities, now and in the future. In order to do so, Canada Post needs an innovative agenda that meets the needs of all Canadians.

Therefore, the Committee recommends that:

RECOMMENDATION 44

Canada Post look at new revenue streams from government customers such as expanding the Nutrition North Program.

RECOMMENDATION 45

Canada Post explore the possibility of partnering with e-commerce companies to expand the footprint and synergize services that add value and revenue.

5. CONCLUSION

Canada Post is an essential public service that Canadians across the country rely on to communicate with each other and with various levels of government. The Committee believes that, by implementing the recommendations outlined in this report, Canada Post will be able to better meet the needs and expectations of Canadians by providing quality services while ensuring the Corporation is financially self-sufficient over the long term.

In the Committee's opinion, Canada Post's priority must continue to be providing quality mail and parcel delivery services at affordable prices. To accomplish this, the Corporation should focus on the following five themes:

- Align the interests of management and Labour;
- Update the *Canadian Postal Service Charter* to meet the demands of the 21st century;
- Modernize Canada Post's defined benefit pension plan;
- Focus on excellence on its core competencies and generate additional revenue in the digital markets; and,
- Continue the moratorium on community mailbox conversion and reinstate home mail delivery services.

Canada Post is important to Canadians. The Committee is of the opinion that it is essential for Canada Post to maintain good communication with its employees, clients and stakeholders. In addition, the Corporation should focus its activities and decisions on maintaining reliable service, on mail security, on infrastructure safety and on its unique, well-established communication infrastructure that extends across Canada. Furthermore, Canadians' needs are affected by where they live, how old they are, their state of health, their mobility, and their ties to Canada Post. As a result, Canada Post cannot use a one-size-fits-all approach; it must adapt its services to the specific needs of its clients, offering solutions tailored to rural communities and businesses, as well as seniors and people with disabilities or reduced mobility. The Corporation's success depends on its employees, as they are its most valuable resource.

With regard to the current service model, the many witnesses who appeared as part of this study made it clear that delivering mail to community mailboxes was not acceptable to everyone, and that certain changes will have to be made due to the various issues associated with the community mailbox conversion plan. In addition, given its well-established infrastructure, Canada Post is in a position to build on and profit from providing parcel delivery services to meet the increased demand. The Committee believes that the current five-day-a-week delivery schedule should be maintained, because cutting delivery frequency could accelerate the decline of mail volume. Furthermore, service standards must be maintained and must be taken into consideration when the Corporation consolidates its processing activities, and postage rates should increase based on the rate

of inflation. Moreover, the Committee believes that the 1994 moratorium on closing rural post offices should be updated to reflect demographic changes, and that it would be beneficial to make the best use of the Corporation's real property holdings, such as its post offices.

Lastly, with regards to the Corporation's challenges and opportunities, the Committee believes that Canada Post must find ways to increase its revenues without jeopardizing its core business by exploring private-sector partnerships, as well as focus its activities on its areas of expertise, explore the possibility of converting some post offices into community hubs, and consider the possibility of providing broadband Internet services and cellular services.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

Canada Post be maintained as a universal public service for all Canadians and conduct its operations on a self-sustaining financial basis while ensuring that profits generated are reinvested within the Corporation..... 66

RECOMMENDATION 2

Canada Post prioritize and concentrate efforts in protecting its core mandate to provide high-quality, affordable letter and parcel delivery services to all Canadians in an innovative manner befitting the 21st century. 66

RECOMMENDATION 3

The Minister of Public Services and Procurement consider broadening the mandate of Canada Post to include delivering critical digital communications infrastructure to rural Canadians..... 66

RECOMMENDATION 4

The *Canadian Postal Service Charter* be reviewed by the Minister of Public Service and Procurement to ensure that it is relevant for the 21st century and onwards. 68

RECOMMENDATION 5

The review of the *Canadian Postal Service Charter* by the Minister of Public Services and Procurement include a Gender-based analysis Plus..... 68

RECOMMENDATION 6

The Minister of Public Services and Procurement investigate options for greater oversight of Canada Post, to ensure transparency, accountability and good governance through the establishment of a regulator..... 70

RECOMMENDATION 7

Canada Post examine better synergy with Purolator, SCI Group and Innovapost for augmenting revenue and efficiencies..... 72

RECOMMENDATION 8

To ensure better relations between the Corporation and its employees, Canada Post use arbitration and mediation processes effectively to enhance renewed co-operation and trust between Labour and management and provide a venue for discussion of creative ideas from employees. 75

RECOMMENDATION 9

Canada Post appoint a labour representative to the Canada Post Board and that they meet regularly. 75

RECOMMENDATION 10

The Minister of Public Services and Procurement establish a tripartite advisory council composed of the federal government, the various unions representing Canada Post employees and Canada Post Corporation for the expansion and implementation of new service offerings at the Corporation. The council's goal would be to develop a more proactive, collaborative relationship between employees and management, anchored by specific governance reforms that formalize this partnership. 75

RECOMMENDATION 11

Canada Post develop a defined and rigorous collaborative process with municipalities, respecting their fundamental jurisdiction over land use and planning, in order to reach agreements with them, and avoid litigation, regarding conditions for the installation of equipment as it is already the case in the telecommunications sector. 77

RECOMMENDATION 12

The federal government create a formal, transparent and accountable, consultation process to ensure stakeholder engagement is significant and undertaken regularly in accordance with the *Canadian Postal Service Charter*. 77

RECOMMENDATION 13

Canada Post and the federal government take steps to modernize Canada Post’s defined benefit pension plan so that it can operate on a going-concern basis and no longer be subject to solvency funding requirements, including examining the feasibility of the following options:

- **Adopting a shared-risk model between the employer and plan members;**
- **Pursuing joint management between the employer and plan members; and,**
- **Incorporating the Canada Post defined benefit pension plan into the Public Service Pension Plan..... 80**

RECOMMENDATION 14

Canada Post maintain its focus on excellence in service in its core competencies in meeting the *Canadian Postal Service Charter* standards and explore additional venues of revenue within those competencies, e.g. e-commerce. 82

RECOMMENDATION 15

Canada Post continue investing in the growth of its parcel/e-commerce services, which provide needed infrastructure for Canadian businesses..... 83

RECOMMENDATION 16

Canada Post look to other industry leaders that have successfully adopted innovative service models, to develop a more innovative growth agenda to expand its services, without marginalizing rural and remote areas..... 83

RECOMMENDATION 17

Canada Post consult with stakeholders on placement and accessibility of the community mailboxes as well as door-to-door delivery to meet the needs of seniors and people with disabilities and reduced mobility..... 84

RECOMMENDATION 18

Canada Post communicate options available to seniors and people with disabilities and reduced mobility..... 84

RECOMMENDATION 19

Canada Post focus on expanding services to the small- and medium-sized enterprises and provide excellence in service so that businesses have confidence in Canada Post’s service delivery model..... 85

RECOMMENDATION 20

Canada Post review the impact on efficiency of delivery before implementing strategies, e.g. local processing versus centralized processing. 85

RECOMMENDATION 21

Canada Post provide training on different aspects of business to its employees as the Corporation moves into newer areas..... 86

RECOMMENDATION 22

Canada Post align the interests of employees with those of the Corporation by including labour representatives at the design stage of any change management project and not simply at the implementation stage..... 86

RECOMMENDATION 23

Canada Post continue the moratorium on community mailboxes conversion, and develop a plan to re-instate door-to-door delivery for communities that were converted after 3 August 2015..... 90

RECOMMENDATION 24

Canada Post consider greening its operation through addition of recycling containers and garbage containers at community mailboxes..... 90

RECOMMENDATION 25

Canada Post continue to focus on growing its share of the parcel market through new and innovative services to meet market and customer expectations. 92

RECOMMENDATION 26

Canada Post work with businesses to ensure that it maintains a level of service commensurate with business and Canadian needs when looking at frequency of delivery..... 94

RECOMMENDATION 27

Canada Post look at ways to make its processing more efficient, while maintaining its delivery standards, especially in rural areas, where depot rationalization may have negatively impacted service standards. 95

RECOMMENDATION 28

Canada Post be transparent about the service-level impact of processing plan rationalization on different communities. 95

RECOMMENDATION 29

Canada Post examine ways to provide more services and meet service level commitments in all types of communities using its existing retail network..... 95

RECOMMENDATION 30

Canada Post be permitted to raise postal rates based on the rate of inflation, while maintaining a single price for lettermail delivery across Canada..... 97

RECOMMENDATION 31

Canada Post work at being competitive in the parcel delivery area and utilize its distribution network and last mile delivery services to its advantage, when working with its competitors, e.g. UPS, FedEx, DHL, etc..... 97

RECOMMENDATION 32

Canada Post work with Global Affairs Canada officials to ensure either:

- that international postal rates from other countries reflect the true delivery cost; or**
- that Global Affairs Canada compensate Canada Post for the cost of delivering mail at a lower cost, which is offered to other countries as a form of development assistance. 99**

RECOMMENDATION 33

Canada Post undertake a demographic analysis to ensure rural areas are truly protected and reflected in the moratorium on the closure of rural post offices. 100

RECOMMENDATION 34

Canada Post examine ways to increase the hours of operations in rural post offices, and perform more regional sortation of mail and packages so that rural customers can access their local market easily. 100

RECOMMENDATION 35

Canada Post develop synergistic partnerships for increasing revenue at each location and optimize usage of its real estate in areas where there are multiple post offices. 102

RECOMMENDATION 36

Canada Post preserve its post offices, along with the associated moratorium on the closure of rural post offices, even in areas where there are franchise postal outlets. 102

RECOMMENDATION 37

Canada Post focus on investing in growth in parcel services, e-commerce and exploring partnerships to remain competitive, without sacrificing its core business. 104

RECOMMENDATION 38

Canada Post focus on its core competencies to help Canada meet the challenges of the 21st century. 107

RECOMMENDATION 39

Canada Post explore location-specific opportunities for post offices to act as community hubs and respond to the local needs of its surrounding community. 109

RECOMMENDATION 40

Canada Post leverage its reputation and extensive network to identify customized solutions that its post offices can offer as community hubs. 109

RECOMMENDATION 41

Canada Post explore partnering with government departments and agencies at all levels, to provide services and enhance the use of post offices as economic hubs. 109

RECOMMENDATION 42

Canada Post pilot the community hub model for franchise postal outlets in a representative sample of urban, suburban, rural and remote rural post offices, operating on both a corporate and franchised service model, with a view to increasing profitability. 109

RECOMMENDATION 43

The federal government examine, with the Minister of Innovation, Science and Economic Development Canada and the Canadian Radio-television and Telecommunications Commission, the possible delivery of broadband Internet and improved cellular service to rural Canada using Canada Post real estate to house servers and offer retail services to customers. 110

RECOMMENDATION 44

Canada Post look at new revenue streams from government customers such as expanding the Nutrition North Program..... 112

RECOMMENDATION 45

Canada Post explore the possibility of partnering with e-commerce companies to expand the footprint and synergize services that add value and revenue. 112

APPENDIX A PUBLIC CONSULTATIONS

The Committee held 22 meetings in 21 different Canadian communities between 26 September and 21 October 2016. Table A.1 provides a list of the communities the Committee visited in order to hear directly from individuals and organizations regarding the future of Canada Post.

Table A.1 — Canadian Communities Visited

Date	Community and Province
26 September 2016	Blainville, Quebec
26 September 2016	Montreal, Quebec
27 September 2016	Toronto, Ontario
27 September 2016	Kitchener, Ontario
28 September 2016	Windsor, Ontario
29 September 2016	Dryden, Ontario
3 October 2016	Corner Brook, Newfoundland and Labrador
3 October 2016	St. John's, Newfoundland and Labrador
4 October 2016	Sydney, Nova Scotia
4 October 2016	Halifax, Nova Scotia
5 October 2016	Charlottetown, Prince Edward Island
6 October 2016	Bathurst, New Brunswick
7 October 2016	Lévis, Quebec
7 October 2016	Quebec City, Quebec
17 October 2016	Surrey, British Columbia
18 October 2016	Edmonton, Alberta
18 October 2016	Edmonton, Alberta
19 October 2016	Yellowknife, Northwest Territories
20 October 2016	Regina, Saskatchewan
20 October 2016	Moose Jaw, Saskatchewan
21 October 2016	Winnipeg, Manitoba
21 October 2016	Brokenhead Ojibway Nation, Manitoba

APPENDIX B

E-CONSULTATIONS

A. Highlights of the Canada Post E-Consultation Results

Canadians were invited to participate in the Committee's study of Canada Post through e-consultations between 26 September and 21 October 2016. It should be noted that e-consultations are not scientifically designed surveys, and as such do not provide a representative sample of the Canadian population.

This appendix presents the main findings of the e-consultation and focuses on three issues: method of mail delivery, federal subsidies and pricing strategies. It also provides a brief overview of the characteristics of individual and organizational respondents.

1. Characteristics of Respondents

A total of 5,332 individuals¹ responded to the e-consultation on Canada Post. About 50% of respondents have indicated that they or a member of their family have worked for Canada Post or one of its subsidiaries or competitors. About 55% of the respondents were female and 45% were male (20 respondents identified as other). About 73% of respondents were from urban areas (see Table B.1).

Overall, 195 organizations² responded to the e-consultation on Canada Post. About 70% of these respondents were from rural areas. The great majority of organizations had between 1 and 49 employees and are from rural areas. Larger organisations were mainly from urban areas (see Table B.2).

2. Methods of mail delivery

About 60% of individual respondents indicated that they prefer door-to-door delivery of their mail. That percentage falls to 35% for individuals living in rural areas. Almost 75% of both women and men with reduced mobility prefer door-to-door delivery of their mail. Overall, 34% of individuals living in rural areas prefer to receive their mail in a post office box (PO box). Overall, there are not a lot of differences between the preferences of women and men except for that related to PO boxes: About 14% of women prefer to receive their mail in a PO box compared with 6% of men (see Table B.3).

Overall, about 52% of organizational respondents have indicated that they prefer PO box delivery of their mail while 30% have indicated that they prefer door-to-door. In rural areas, 70% of organizations of 1 to 49 employees have indicated that they prefer PO box delivery, whereas 66% of urban organizations of the same size have indicated that

1 After treatment of incomplete questionnaires.

2 Ibid.

they prefer door-to-door. Most organizations of 500 employees or more prefer door-to-door delivery of their mail whether or not they are located in a rural or urban area (see Table B.4).

3. Federal subsidies

About 63% of both rural and urban individual respondents agree or strongly agree that the federal government should subsidize the delivery of mail to maintain the existing level of service. That percentage is slightly lower for respondents who have indicated that they or a member of their family have worked for Canada Post or one of its subsidiaries or competitors. Seventy percent of women who have indicated that they or a member of their family have not worked for Canada Post or one of its subsidiaries or competitors agree or strongly agree that the federal government should subsidize the delivery of mail to maintain the existing level of service (see Table B.5).

About 68% of organizational respondents agree or strongly agree that the federal government should subsidize the delivery of mail to maintain the existing level of service. That percentage is not significantly different between rural and urban organizations. Organizations with 500 employees or more are more in favor of federal subsidies to maintain the existing level of service (see Table B.6).

4. Pricing strategies

About 48% of individual respondents strongly disagree or disagree with an increase in the price of stamps to better reflect the cost of services while 30% of respondents neither agree nor disagree. The percentage of men that agree or strongly agree with an increase in the price of stamps is almost double the percentage of women (30% and 17% respectively). The data does not show significant differences between rural and urban respondents (see Table B.7) in this regard.

About 50% of organizational respondents strongly disagree or disagree with an increase in the price of stamps to better reflect the cost of services while 32% of respondents neither agree nor disagree with such a proposed change. That percentage is not significantly different between rural and urban organizations (see Table B.8).

When asked if Canada Post should determine the price of mail delivery depending on the destination, as it does with parcels, about 54% of individual respondents strongly disagree or disagree; 33% of men and 24% of women agree or strongly agree with this proposal. The data does not show significant differences between rural and urban respondents (see Table B.9).

About 43% of organizational respondents strongly disagree or disagree with the price of mail delivery being based on the destination, as it is with parcels. But opinions on this issue appear to be not one-sided: 30% of respondents agree or strongly agree and 27% of respondents neither agree nor disagree with the price of mail delivery being dependent on the destination. Opinions are also split among organizations with 500 employees or more, wherein 33% of respondents are found in all three levels of breakdown (see Table B.10).

When asked if Canada Post should reduce the frequency of mail delivery to every other day to improve its financial sustainability, about 60% of individual respondents strongly disagree or disagree. This figure is higher, standing at about 77%, among respondents who have indicated that they or a member of their family have worked for Canada Post or one of its subsidiaries or competitors. Although 27% of both men and women agree or strongly agree with reducing the frequency of mail delivery to every other day, that figure is higher among men (43%) and women (38%) who have indicated that neither they nor a member of their families have a professional connection to Canada Post. The data does not show significant differences between rural and urban respondents in this regard (see Table B.11).

About 50% of organizational respondents strongly disagree or disagree with reducing the frequency of mail delivery to every other day to improve the financial sustainability of Canada Post, and organizations with over 500 employees are more against it than other organizations. That percentage is not significantly different for rural and urban organizations in this regard (see Table B.12).

When asked if persons wishing to obtain mail delivery at home should pay additional costs of service, about 71% of individual respondents strongly disagree or disagree. The data show significant differences between rural and urban respondents on this issue. Urban respondents (77%) are more likely to strongly disagree or disagree than rural respondents (55%). The highest percentage of respondents who agree and strongly agree with paying additional costs for door-to-door delivery is among men in rural areas who have indicated that have no professional connection to Canada Post (42%) (see Table B.13).

About 51% of organizational respondents strongly disagree or disagree with persons paying additional cost for door-to-door delivery. The data shows significant differences between rural and urban respondents on this issue. Urban respondents (70%) are more likely to strongly disagree or disagree than rural respondents (43%). Overall, 40% of rural respondents also agree and strongly agree with additional costs being charged for door-to-door delivery (see Table B.14).

Table B.1 – Characteristics of Individual Respondents to the Canada Post E-Consultation, percentage of grand total, 2016

	No working relationship with Canada Post			Working relationship with Canada Post			Grand Total
	Rural	Urban	Total	Rural	Urban	Total	
Female	10.86%	17.80%	28.66%	6.70%	19.37%	26.07%	54.73%
Female with reduced mobility	1.11%	3.30%	4.41%	0.66%	1.91%	2.57%	6.98%
Male	5.23%	13.90%	19.13%	3.71%	22.06%	25.77%	44.90%
Male with reduced mobility	0.58%	1.39%	1.97%	0.38%	1.48%	1.86%	3.83%
Other	0.08%	0.21%	0.28%	0.00%	0.09%	0.09%	0.38%
Other with reduced mobility	0.04%	0.06%	0.09%	0.00%	0.04%	0.04%	0.13%
Grand total	16.17%	31.90%	48.07%	10.41%	41.52%	51.93%	100.00%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.2 – Characteristics of Organizational Respondents to the Canada Post E-Consultation, percentage of grand total, 2016

Number of full-time equivalent employees	Rural	Urban	Grand Total
Between 1 and 49	67.69%	23.59%	91.28%
Between 50 and 99	0.51%	2.56%	3.08%
Between 100 and 499	0.51%	2.05%	2.56%
500 or more	0.51%	2.56%	3.08%
Grand total	69.23%	30.77%	100.00%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.3 – Preferred Methods of Letter Mail Delivery for Individuals, 2016

	Centralized point within building (e.g. lock boxes found in lobbies of buildings)			Community, group or kiosk mailboxes			Door-to-door delivery			No preference			Other			Post Office box		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Female	3%	8%	6%	17%	17%	17%	32%	70%	58%	4%	3%	3%	5%	1%	2%	39%	2%	14%
Female with reduced mobility	1%	10%	8%	10%	8%	9%	56%	77%	72%	0%	2%	2%	5%	1%	2%	28%	1%	8%
Male	1%	8%	7%	21%	18%	19%	42%	69%	64%	4%	3%	3%	5%	0%	1%	26%	1%	6%
Male with reduced mobility	6%	9%	8%	6%	5%	5%	45%	85%	75%	4%	1%	1%	16%	0%	4%	24%	1%	6%
Other	0%	6%	5%	0%	0%	0%	75%	88%	85%	25%	0%	5%	0%	6%	5%	0%	0%	0%
Other with reduced mobility	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Grand total	2%	8%	6%	18%	17%	18%	35%	70%	60%	4%	3%	3%	5%	1%	2%	34%	2%	10%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.4 – Preferred Methods of Letter Mail Delivery for Organisations, 2016

Number of full-time equivalent employees	Centralized point within building (e.g. lock boxes found in lobbies of buildings)			Community, group or kiosk mailboxes			Door-to-door delivery			No preference			Other			Post Office box		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Between 1 and 49	6%	2%	5%	4%	6%	4%	14%	66%	29%	4%	4%	4%	3%	0%	2%	70%	14%	56%
Between 50 and 99	0%	20%	17%	0%	0%	0%	0%	60%	50%	0%	20%	17%	0%	0%	0%	100%	0%	17%
Between 100 and 499	0%	75%	60%	0%	0%	0%	0%	0%	0%	0%	25%	20%	0%	0%	0%	100%	0%	20%
500 or more	0%	20%	17%	0%	0%	0%	100%	80%	83%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Grand total	6%	9%	7%	4%	5%	4%	14%	63%	30%	4%	6%	5%	3%	0%	2%	70%	11%	52%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.5 – Opinion of individuals on federal government subsidies to Canada Post to maintain the existing level of service

	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Female	12%	15%	14%	5%	5%	5%	17%	16%	17%	17%	14%	15%	49%	49%	49%
Female with no working relationship with Canada Post	7%	9%	8%	6%	5%	5%	16%	15%	16%	17%	17%	17%	54%	54%	54%
Female with a working relationship with Canada Post	19%	21%	20%	4%	6%	6%	18%	17%	18%	17%	12%	13%	41%	44%	43%
Male	22%	18%	19%	8%	6%	6%	12%	14%	13%	13%	13%	13%	46%	50%	49%
Male with no working relationship with Canada Post	18%	13%	15%	8%	6%	7%	14%	12%	13%	11%	15%	14%	50%	53%	52%
Male with a working relationship with Canada Post	26%	21%	21%	8%	5%	6%	10%	15%	14%	15%	12%	13%	40%	47%	46%
Other	0%	6%	5%	0%	0%	0%	0%	13%	10%	50%	19%	25%	50%	63%	60%
Other with no working relationship with Canada Post	0%	9%	7%	0%	0%	0%	0%	18%	13%	50%	18%	27%	50%	55%	53%
Other with a working relationship with Canada Post	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	20%	20%	0%	80%	80%
Grand total	15%	16%	16%	6%	5%	6%	15%	15%	15%	16%	14%	14%	48%	49%	49%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.6 – Opinion of organizations on federal government subsidies to Canada Post to maintain the existing level of service

Number of full-time equivalent employees	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Between 1 and 49	6%	9%	7%	7%	2%	6%	21%	13%	19%	17%	24%	19%	49%	52%	50%
Between 50 and 99	0%	20%	17%	0%	0%	0%	0%	40%	33%	0%	20%	17%	100%	20%	33%
Between 100 and 499	100%	50%	60%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	40%
500 or more	0%	20%	17%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	80%	83%
Grand total	7%	13%	9%	7%	2%	5%	21%	13%	18%	16%	20%	17%	50%	52%	50%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.7 – Opinion of individuals on price of stamps increase to better reflect the cost of services

	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Female	38%	35%	36%	18%	19%	19%	31%	28%	29%	10%	12%	11%	3%	6%	5%
Female with no working relationship with Canada Post	39%	32%	34%	20%	21%	20%	28%	28%	28%	11%	13%	12%	2%	6%	5%
Female with a working relationship with Canada Post	35%	39%	38%	15%	17%	17%	35%	27%	29%	10%	11%	10%	5%	6%	6%
Male	26%	24%	24%	16%	15%	15%	31%	31%	31%	15%	18%	17%	13%	13%	13%
Male with no working relationship with Canada Post	29%	25%	26%	15%	14%	15%	28%	28%	28%	14%	19%	18%	14%	13%	13%
Male with a working relationship with Canada Post	21%	23%	23%	16%	15%	15%	35%	32%	33%	17%	17%	17%	12%	12%	12%
Other	50%	31%	35%	0%	13%	10%	25%	6%	10%	25%	31%	30%	0%	19%	15%
Other with no working relationship with Canada Post	50%	27%	33%	0%	9%	7%	25%	9%	13%	25%	36%	33%	0%	18%	13%
Other with a working relationship with Canada Post	0%	40%	40%	0%	20%	20%	0%	0%	0%	0%	20%	20%	0%	20%	20%
Grand total	34%	30%	31%	17%	17%	17%	31%	29%	30%	12%	15%	14%	7%	9%	9%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.8 – Opinion of organizations on price of stamps increase to better reflect the cost of services

Number of full-time equivalent employees	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Between 1 and 49	32%	28%	31%	20%	17%	20%	34%	30%	33%	10%	20%	12%	4%	4%	4%
Between 50 and 99	0%	0%	0%	0%	0%	0%	0%	20%	17%	0%	60%	50%	100%	20%	33%
Between 100 and 499	0%	75%	60%	0%	0%	0%	0%	25%	20%	100%	0%	20%	0%	0%	0%
500 or more	0%	20%	17%	100%	40%	50%	0%	20%	17%	0%	20%	17%	0%	0%	0%
Grand total	31%	28%	30%	21%	17%	19%	33%	28%	32%	10%	22%	14%	4%	5%	5%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.9 – Opinion of individuals on the price of mail delivery being dependent on the destination

	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Female	41%	41%	41%	16%	15%	16%	18%	19%	19%	15%	14%	14%	9%	10%	10%
Female with no working relationship with Canada Post	40%	38%	39%	16%	18%	18%	21%	20%	20%	14%	15%	14%	9%	10%	9%
Female with a working relationship with Canada Post	44%	45%	44%	17%	13%	14%	13%	18%	17%	16%	13%	14%	10%	11%	11%
Male	35%	35%	35%	17%	14%	14%	16%	18%	18%	20%	17%	18%	13%	16%	15%
Male with no working relationship with Canada Post	35%	33%	34%	15%	16%	16%	14%	18%	17%	24%	17%	19%	12%	16%	15%
Male with a working relationship with Canada Post	34%	36%	36%	19%	12%	13%	18%	18%	18%	15%	18%	18%	14%	16%	16%
Other	75%	44%	50%	0%	6%	5%	0%	19%	15%	25%	25%	25%	0%	6%	5%
Other with no working relationship with Canada Post	75%	45%	53%	0%	0%	0%	0%	18%	13%	25%	36%	33%	0%	0%	0%
Other with a working relationship with Canada Post	0%	40%	40%	0%	20%	20%	0%	20%	20%	0%	0%	0%	0%	20%	20%
Grand total	39%	38%	39%	17%	14%	15%	17%	18%	18%	17%	16%	16%	11%	13%	12%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.10 – Opinion of organizations on the price of mail delivery being dependent on the destination

Number of full-time equivalent employees	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Between 1 and 49	30%	39%	33%	13%	4%	11%	30%	24%	28%	17%	22%	19%	10%	11%	10%
Between 50 and 99	0%	40%	33%	0%	20%	17%	0%	0%	0%	0%	20%	17%	100%	20%	33%
Between 100 and 499	0%	50%	40%	0%	0%	0%	0%	0%	0%	100%	50%	60%	0%	0%	0%
500 or more	0%	0%	0%	0%	40%	33%	0%	40%	33%	100%	0%	17%	0%	20%	17%
Grand total	30%	37%	32%	13%	8%	11%	29%	22%	27%	19%	22%	19%	10%	12%	11%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.11 – Opinion of individuals on the reduction of mail delivery frequency to every other day to improve Canada Post financial sustainability

	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Female	47%	50%	49%	10%	10%	10%	17%	13%	14%	13%	12%	12%	13%	16%	15%
Female with no working relationship with Canada Post	34%	31%	32%	11%	11%	11%	21%	17%	19%	16%	17%	16%	19%	24%	22%
Female with a working relationship with Canada Post	70%	68%	68%	8%	9%	8%	10%	8%	9%	9%	6%	7%	4%	9%	7%
Male	45%	56%	54%	10%	8%	8%	13%	10%	11%	14%	10%	11%	18%	15%	16%
Male with no working relationship with Canada Post	30%	35%	34%	9%	9%	9%	16%	14%	15%	21%	17%	18%	24%	24%	24%
Male with a working relationship with Canada Post	66%	69%	68%	11%	7%	8%	8%	8%	8%	5%	6%	6%	10%	10%	10%
Other	25%	38%	35%	0%	6%	5%	50%	19%	25%	25%	25%	25%	0%	13%	10%
Other with no working relationship with Canada Post	25%	36%	33%	0%	9%	7%	50%	18%	27%	25%	27%	27%	0%	9%	7%
Other with a working relationship with Canada Post	0%	40%	40%	0%	0%	0%	0%	20%	20%	0%	20%	20%	0%	20%	20%
Grand total	47%	53%	51%	10%	9%	9%	15%	11%	13%	13%	11%	12%	15%	16%	15%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.12 – Opinion of organizations on the reduction of mail delivery frequency to every other day to improve Canada Post financial sustainability

Number of full-time equivalent employees	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Between 1 and 49	29%	39%	31%	20%	4%	16%	27%	17%	25%	17%	20%	17%	7%	20%	10%
Between 50 and 99	100%	40%	50%	0%	20%	17%	0%	0%	0%	0%	0%	0%	0%	40%	33%
Between 100 and 499	100%	75%	80%	0%	0%	0%	0%	0%	0%	0%	25%	20%	0%	0%	0%
500 or more	0%	40%	33%	0%	20%	17%	0%	20%	17%	0%	20%	17%	100%	0%	17%
Grand total	30%	42%	33%	20%	7%	16%	27%	15%	23%	16%	18%	17%	7%	18%	11%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.13 – Opinion of individuals on paying additional costs to obtain home mail delivery

	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Female	46%	72%	63%	9%	8%	8%	15%	6%	9%	9%	6%	7%	21%	9%	12%
Female with no working relationship with Canada Post	40%	68%	57%	11%	9%	10%	18%	7%	11%	11%	6%	8%	22%	9%	14%
Female with a working relationship with Canada Post	56%	75%	70%	7%	6%	6%	11%	5%	7%	7%	6%	6%	19%	8%	11%
Male	43%	66%	62%	10%	8%	8%	11%	7%	8%	10%	6%	7%	25%	13%	15%
Male with no working relationship with Canada Post	35%	65%	57%	11%	8%	9%	12%	7%	9%	13%	7%	8%	29%	13%	17%
Male with a working relationship with Canada Post	55%	67%	65%	9%	7%	7%	11%	7%	8%	6%	6%	6%	20%	13%	14%
Other	75%	81%	80%	0%	6%	5%	0%	13%	10%	25%	0%	5%	0%	0%	0%
Other with no working relationship with Canada Post	75%	82%	80%	0%	9%	7%	0%	9%	7%	25%	0%	7%	0%	0%	0%
Other with a working relationship with Canada Post	0%	80%	80%	0%	0%	0%	0%	20%	20%	0%	0%	0%	0%	0%	0%
Grand total	45%	69%	63%	10%	8%	8%	14%	7%	9%	9%	6%	7%	22%	11%	14%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

Table B.14 – Opinion of organizations on paying additional costs to obtain door-to-door mail delivery

Number of full-time equivalent employees	Strongly disagree			Disagree			Neither agree nor disagree			Agree			Strongly agree		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Between 1 and 49	34%	59%	40%	8%	11%	9%	17%	22%	19%	15%	2%	12%	25%	7%	20%
Between 50 and 99	0%	60%	50%	0%	0%	0%	0%	20%	17%	0%	0%	0%	100%	20%	33%
Between 100 and 499	100%	50%	60%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	40%
500 or more	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Grand total	35%	62%	43%	8%	8%	8%	17%	18%	17%	15%	2%	11%	25%	10%	21%

Source: Table prepared using data obtained from the Canada Post E-Consultation results, 2016.

B. Comments Received

Many individuals and representatives of organizations added comments to their electronic questionnaires. The most frequent comments were as follows, organized by theme.

Objects

- A number of respondents said that the postal service is a public service that should not need to be profitable or financially self-sufficient.
- One individual suggested splitting Canada Post in two. The public part would deliver letters, while a privatized part would carry out the remaining activities.

Management and labour relations

- A number of respondents criticized the current president and chief executive officer and vice-presidents of Canada Post.
- The unions and management should work together more effectively to eliminate problems such as the payment of large amounts of overtime, which some believe has become the norm; an excessive number of managers; a lack of accountability; and an inability to restructure duties according to needs. An audit team could even be hired to assess the situation.
- The structure for awarding bonuses to senior management should be reviewed.
- Many union members would like their union to be more transparent, flexible and honest during negotiations.

Stakeholder engagement

- Canada Post should solicit more feedback from its customers, using a meaningful, rigorous and scientific process.

Method of delivery

- A number of respondents said they liked community mailboxes and agreed with the conversion initiative. However, they said that these mailboxes must be located and maintained appropriately. They noted that this mail delivery method does not work in all circumstances.
- Numerous Canada Post employees said that community mailboxes save them time and prevent many workplace accidents.

Frequency of delivery

- A number of respondents said that alternate-day delivery would be a good compromise if it enables them to save home mail delivery.

Financial situation and main costs

- Numerous respondents believe that Canada Post is in a solid financial position, as the Corporation has run deficits only a few times since it was created in 1981.
- Various statutes and regulations prevent Canada Post from having the flexibility it needs to ensure its long-term financial viability.

Postal banking and other options for Canada Post

- Among the options proposed to help Canada Post become financially viable in the long run were postal banking (the option mentioned most frequently), the provision of broadband Internet service (another common suggestion), the restoration of the Food Mail Program that was replaced by the Nutrition North program and the provision of a three-dimensional printing service.

Other comments

- A number of respondents expressed the view that the questions posed in the e-consultation were biased, while others added that the Committee did not adequately announce or publicize the consultation.
- Numerous respondents said they were opposed to direct marketing and believe that Canada Post should abandon this service.
- One respondent noted that Canada Post's customers are those who send mail, not those who receive it.

C. Questionnaire Used for the E-Consultation

The House of Commons Standing Committee on Government Operations and Estimates is conducting a study on the Canada Post Corporation. Individuals and organizations are invited to participate by sharing their needs for postal services and opinions on Canada Post in the following questionnaire.

Please note that the information collected is confidential and will not be used for other purposes.

The online questionnaire must be completed by 23:59 EDT on October 21, 2016.

Paper copies of the questionnaire can also be completed and must be received by October 21, 2016. To obtain a paper copy, please print the online questionnaire, email OGGO@parl.gc.ca, or send a request by mail to the address below. Completed questionnaires can be sent by mail to:

Standing Committee on Government Operations and Estimates
House of Commons
6th Floor, 131 Queen St.
Ottawa, ON K1A 0A6

Questionnaire

The following two bullet types will be used:

- Respondents can select several options.
- Respondents can select only one option.

Question 1: Are you answering this questionnaire as an individual or as an organization?

- Individual (Go to “Section A. Questions for Individuals”)
- Organization (Go to “Section B. Questions for Organizations”)

a. Questions for Individuals

Question 2: Please provide the following information*.

First Name:	<input type="text"/>
Last Name:	<input type="text"/>
Email address:	<input type="text"/>

**Please note that this information is confidential and is only requested to ensure that a person answers the questionnaire once.*

Question 3: What is the postal code of your primary residence?

Question 4: Do you or a member of your family work or have worked for Canada Post or one of its subsidiaries or competitors?

- Yes
- No

Question 5: What is your age?

- Under 18
- 18 to 29
- 30 to 49
- 50 to 64
- 65 or older

Question 6: What is your sex?

- Male
- Female
- Other

Question 7: Do you have reduced mobility*?

- Yes
- No

** A person, whether with or without disabilities, is deemed to experience reduced mobility if he/she encounters obstacles when moving about and/or using transportation.*

Question 8: What Canada Post services have you used in the last 12 months?

Check all that apply:

- Letter mail
- Parcels
- Money orders
- Other products (e.g., retail purchases of collectable stamps, coins, mail and shipping supplies, etc.)
- None

Question 9: How do you currently receive your letter mail at your primary residence?

- Door-to-door delivery
- Centralized point within building (e.g. lock boxes found in lobbies of buildings)
- Community, group or kiosk mailboxes
- Post Office Box
- Other, please specify:

Question 10: How would you like to receive your letter mail at your primary residence?

- Door-to-door delivery
- Centralized point within building (e.g. lock boxes found in lobbies of buildings)
- Community, group or kiosk mailboxes
- Post Office Box
- Other, please specify:
- No preference

Question 11: Do you agree or disagree with the following statement: *The federal government should subsidize the delivery of mail to maintain the existing level of service?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 12: How often have you gone to a Canada Post office or franchise (e.g., a postal outlet in a drug store) in the last 12 months?

- At least once per week
- At least once per month
- Every few months
- Once
- Never

Question 13: If your local Canada Post office or franchise (e.g., a postal outlet in a drug store) closed, how would it impact you?

Check all that apply:

- Use the services of the nearest Canada Post office or franchise still open
- Use less letter mail services from Canada Post
- Use less parcel services from Canada Post
- Use less money order services from Canada Post
- Use less retail purchases of collectable stamps, coins, mail and shipping supplies from Canada Post
- Use the services of a private courier (e.g., FedEx, DHL, UPS)
- Other, please specify:
- There is no local Canada Post office or franchise where I live

Question 14: How satisfied or dissatisfied are you with Canada Post services?

- Very satisfied (Go to Question 16)
- Satisfied (Go to Question 16)
- Neither satisfied nor dissatisfied (Go to Question 16)
- Dissatisfied
- Very dissatisfied

Question 15: What are the reasons why you are dissatisfied?

Check all that apply:

- Costs of services
- Reliability of services
- Availability of services
- Accessibility of services
- Hours of operation
- Customer service
- Other, please specify:

Question 16: Do you agree or disagree with the following statement: *Canada Post should increase the price of stamps to better reflect the cost of services?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 17: Do you agree or disagree with the following statement: *Canada Post should determine the price of mail delivery depending on the destination, as it does with packages?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 18: Do you agree or disagree with the following statement: *Canada Post should reduce the frequency of mail delivery to every other day to improve its financial sustainability?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 19: Do you agree or disagree with the following statement: *Persons wishing to obtain mail delivery at home should pay the additional costs of service?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

**Question 20: Do you have any other comments you would like to share with us?
(Maximum of 500 words)**

b. Questions for Organizations

Question 2: Please provide the following information*.

First Name:	<input type="text"/>
Last Name:	<input type="text"/>
Email address:	<input type="text"/>

**Please note that this information is confidential and is only requested to ensure that a person answers the questionnaire once.*

Question 3: What is your organization's postal code?

Question 4: Is your organization a competitor or a supplier of Canada Post or of one of its subsidiaries?

- Yes
- No

Question 5: How many full-time equivalent (FTE) employees does your organization employ?

- Between 1 and 49
- Between 50 and 99
- Between 100 and 499
- 500 or more

Question 6: What Canada Post services has your organization used in the last 12 months?

Check all that apply:

- Letter mail
- Parcels
- Money orders
- Direct marketing
- Logistics and supply chain services
- Other products (e.g., retail purchases of collectable stamps, coins, mail and shipping supplies, etc.)
- None

Question 7: How does your organization currently receive its letter mail?

Check all that apply:

- Door-to-door delivery
- Centralized point within building (e.g. lock boxes found in lobbies of buildings)
- Community, group or kiosk mailboxes
- Post Office Box
- Other, please specify:

Question 8: How would your organization like to receive its letter mail?

- Door-to-door delivery
- Centralized point within building (e.g. lock boxes found in lobbies of buildings)
- Community, group or kiosk mailboxes
- Post Office Box
- Other, please specify:
- No preference

Question 9: Do you agree or disagree with the following statement: *The federal government should subsidize the delivery of mail to maintain the existing level of service?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 10: How often has someone in your organization gone to a Canada Post office or franchise (e.g., a postal outlet in a drug store) in the last 12 months?

- At least once per week
- At least once per month
- Every few months
- Once
- Never

Question 11: If the local Canada Post office or franchise (e.g., a postal outlet in a drug store) closed, how would it impact your organization?

Check all that apply:

- Use the services of the nearest Canada Post office or franchise still open
- Use less letter mail services from Canada Post
- Use less parcel services from Canada Post
- Use less money order services from Canada Post
- Use less direct marketing from Canada Post
- Use less retail purchases of collectable stamps, coins, mail and shipping supplies from Canada Post
- Use the services of a private courier (e.g., FedEx, DHL, UPS)
- Other, please specify:
- There is no local Canada Post office or franchise where my organization is located

Question 12: How satisfied or dissatisfied is your organization with Canada Post's services?

- Very satisfied (Go to Question 14)
- Satisfied (Go to Question 14)
- Neither satisfied nor dissatisfied (Go to Question 14)
- Dissatisfied
- Very dissatisfied

Question 13: What are the reasons why your organization is dissatisfied?

Check all that apply:

- Costs of services
- Reliability of services
- Availability of services
- Accessibility of services
- Hours of operation
- Customer service
- Other, please specify:

Question 14: Do you agree or disagree with the following statement: Canada Post should increase the price of stamps to better reflect the cost of services?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 15: Do you agree or disagree with the following statement: Canada Post should determine the price of mail delivery depending on the destination, as it does with packages?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 16: Do you agree or disagree with the following statement: *Canada Post should reduce the frequency of mail delivery to every other day to improve its financial sustainability?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 17: Do you agree or disagree with the following statement: *Persons wishing to obtain mail delivery at home should pay the additional costs of service?*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 18: Does your organization have any other comments it would like to share with us? (Maximum of 500 words)

APPENDIX C LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
Task Force on Canada Post Corporation Françoise Bertrand, President Krystyna T. Hoeg, Member Jim Hopson, Member Marena McLaughlin, Member	2016/09/20	26
Association of Postal Officials of Canada Guy Dubois, National President Michael Ling, First Vice-President	2016/09/21	27
Canada Post Corporation Deepak Chopra, President and Chief Executive Officer Susan Margles, Vice-President Government Relations and Policy Framework Wayne Cheeseman, Chief Financial Officer		
Canadian Postmasters and Assistants Association Brenda McAuley, National President Daniel Maheux, National Vice-President		
Canadian Union of Postal Workers Mike Palecek, National President Jan Simpson, First National Vice-President		
Union of Postal Communications Employees François Paradis, National President		
Public Service Alliance of Canada Howie West, Work Re-Organization Officer National Programs Section		
Canadian Union of Postal Workers Sylvain Lapointe, National Director Metro-Montréal	2016/09/26	28
City of Laval Marc Demers, Mayor Martin Gratton, Professional Advisor Planning and Land Management		
City of Montreal Lionel Perez, City Councillor Member of the Executive Committee		

Organizations and Individuals	Date	Meeting
<p>Confédération des organismes de personnes handicapées du Québec Richard Lavigne, Director General</p> <p>DisAbled Women's Network Canada Carmela Hutchison, President</p> <p>eCOM MTL inc. Stéphane Ricoul, President</p> <p>Frank + Oak Hicham Ratnani, Chief Operating Officer and Co-Founder</p> <p>Seniors Action Quebec Andrew DeFour, Secretary Ruth Keathly Pelletier, Former President</p> <p>As individuals Alain Duguay, Former President Canadian Union of Postal Workers, Metro-Montréal Simon Tremblay-Pepin, Professor and Researcher Institut de recherche et d'informations socio-économiques</p>	2016/09/26	28
<p>Association de l'Âge d'Or de Bois-des-Filion Georges Flanagan, President</p> <p>Association des gens d'affaires de Blainville Christian Fréchette, President</p> <p>Canadian Union of Postal Workers Steve Ferland, National Coordinator Save Canada Post Magali Giroux, Coordinator Save Canada Post, Quebec</p> <p>Chambre de Commerce de Bois-des-Filion / Lorraine Michel Limoges, Former Co-President</p> <p>Chambre de commerce et d'industrie Thérèse-De-Blainville Réal Couture, President</p> <p>Club Lorr « Aînés » Maurice Boisclair, President</p> <p>FADOQ-Région Laurentides Michael Leduc, General Manager</p> <p>Fédération des travailleurs et travailleuses du Québec Daniel Boyer, President</p>	2016/09/26	29

Organizations and Individuals	Date	Meeting
L'Encrier André Alacchi, President	2016/09/26	29
ACORN Canada Donna Borden, National Representative	2016/09/27	30
Association of Municipalities of Ontario Lynn Dollin, President		
C.D. Howe Institute Benjamin Dachis, Associate Director Research		
Canadian Association of Retired Persons Wanda Morris, Chief Operating Officer Vice-President of Advocacy		
Canadian Federation of Independent Business Daniel Kelly, President Chief Executive Officer and Chair		
Common Wealth Alex Mazer, Founding Partner		
Council of Canadians with Disabilities John Rae, Second Vice-Chairperson Chairperson of Social Policy Committee		
Magazines Canada Matthew Holmes, President and Chief Executive Officer		
National Association of Major Mail Users Kristi Kanitz, Board Chair Patrick Bartlett, Executive Director		
Newspapers Canada John Hinds, President and Chief Executive Officer		
Oakville District Labour Council David Millar, President		
As individuals Gary Kirk, Owner A Good Read Bookstore Carla Lipsig-Mummé, Professor York University		
City of Hamilton Matthew Green, Councillor	2016/09/27	31

Organizations and Individuals	Date	Meeting
Greater Kitchener Waterloo Chamber of Commerce Art Sinclair, Vice-President	2016/09/27	31
Kitchener Waterloo Access Ability Edward Faruzel, Executive Director		
KW Habilitation Ann Bilodeau, Executive Director		
Town of Milton Cindy Lunau, Councillor		
Canadian Union of Postal Workers Susan Sitlington, President Derek Richmond, Ontario Region Coordinator Philip Lyons, President Local 630 Michelle Gouthro Johnson, Second Vice-President Local 630	2016/09/28	32
City of Windsor Seniors Advisory Committee Sungee John		
Corporation of the City of Windsor (Ontario) Gayle Jones, Diversity and Accessibility Officer		
Town of Tecumseh Gary McNamara, Mayor		
As individuals Ken Lewenza, Vice-President of the Windsor and District Labour Council Frank Schiller, Business owner Norm Sutherland, Business owner Petrolia, Ontario		
City of Dryden Greg Wilson, Mayor	2016/09/29	33
Happy Go Lucky Seniors Club Garry Parkes, President Vermilion Bay		
Kenora & District Chamber of Commerce Andrew Scribilo, President		
Lac Seul First Nation Clifford Bull, Chief		

Organizations and Individuals	Date	Meeting
Municipality of Red Lake Sandy Middleton, Deputy Mayor	2016/09/29	33
Norwest Printing and Publishing Group David Neegan, Owner		
As individuals Mary Aitken, President Dryden Local, Canadian Union of Postal Workers Brad Pareis, Member Canadian Union of Postal Workers		
City of Corner Brook Charles Pender, Mayor	2016/10/03	34
Coalition of Persons with Disabilities Terry Gardner, Former Vice-President Newfoundland and Labrador		
Canadian Association of Retired Persons Sharron Callahan, Chair St. John's Avalon Chapter	2016/10/03	35
Canadian Union of Postal Workers Craig Dyer, President Local 126		
Coalition of Persons with Disabilities Emily Christy, Executive Director Newfoundland and Labrador		
Empower, The Disability Resource Centre Kimberly Yetman Dawson, Executive Director		
Town of Wabana Gary Gosine, Mayor		
ACORN Canada Jonethan Brigley, Chair Dartmouth	2016/10/04	36
Canadian Union of Postal Workers Jeffrey Callaghan, National Director Atlantic Region Michael Keefe, First Vice-President Local 096		
Community Links Association Anne Corbin, Executive Director		

Organizations and Individuals	Date	Meeting
Feed Nova Scotia Thomas Kozloski, Chair Board of Directors	2016/10/04	36
Nova Scotia Federation of Labour Danny Cavanagh, President		
Senior Citizens and Pensioners of Nova Scotia Bernie LaRusic, Former President		
Canadian Union of Postal Workers Gordon MacDonald, President Local 117 Kristen MacEachern, Coordinator Save Canada Post Campaign	2016/10/04	37
Cape Breton Regional Municipality Lowell Cormier, Municipal Councillor District 11		
Sydney and Area Chamber of Commerce Adrian White, Chief Executive Officer		
Union of Nova Scotia Municipalities Cecil P. Clarke, President Sean Casey, Member of Parliament Charlottetown	2016/10/05	38
Canadian Union of Postal Workers Scott Gaudet, Vice-President Local 129		
Greater Charlottetown Area Chamber of Commerce Penny Walsh McGuire, Executive Director		
Milk & Amber Katharine MacDonald, Owner		
The PEI Council of People with Disabilities Marcia Carroll, Executive Director		
Vesey's Seeds Ltd. John Barrett, Director of Sales Marketing & Development		
Association acadienne et francophone des aînées et aînés du Nouveau-Brunswick Jean-Luc Bélanger, Director General	2016/10/06	39

Organizations and Individuals	Date	Meeting
Canadian Union of Postal Workers Amy Anderson, President Atlantic Region, Local 12	2016/10/06	39
Municipality of Bathurst Paolo Fongemie, Mayor		
Réseau communauté en santé Bathurst Anne-Marie Gammon, President		
Union of Municipalities of New Brunswick Tracy Culligan, First Vice-President		
Village of Chipman Carson Atkinson, Mayor		
Association québécoise de défense des droits des personnes retraitées et préretraitées Judith Gagnon, President Claude Godbout, Revenue and Tax Committee Representative	2016/10/07	40
Canadian Centre for Policy Alternatives John Anderson, Research Associate National Office		
Comité d'action des personnes vivant des situations de handicap Simon April, Project Manager and Communications Officer		
Municipalité de Ristigouche-Sud-Est Hervé Esch, Director General and Secretary-Treasurer		
Regroupement des organismes de personnes handicapées de la région 03 Olivier Collomb d'Eyrammes, Director General		
The Conference Board of Canada Louis Thériault, Vice-President Public Policy		
Union of Quebec Municipalities Alexandre Cusson, Mayor City of Drummondville		
Canadian Union of Postal Workers François Senneville, National Director Quebec Region	2016/10/07	41
Chambre de commerce Baie-des-Chaleurs Maurice Quesnel, Director General		

Organizations and Individuals	Date	Meeting
Coopérative d'habitation Ludovica Dany Harvey, President	2016/10/07	41
Desjardins Group Bernard Brun, Director Government Relations David Mourinet, Director Administrative Services Directorate		
Fédération des travailleurs et travailleuses du Québec Richard St-Onge, President Regional Council		
As individuals Vincent Lambert, Postal Worker Jean-François Simard, Postal Worker		
Canadian Union of Postal Workers Tim Armstrong, National Director Pacific Region	2016/10/17	42
Simon Fraser University Pamela Stern, Assistant Professor Department of Sociology and Anthropology		
Surrey Board of Trade Anita Huberman, Chief Executive Officer		
City of Edmonton Mike Nickel, Councillor	2016/10/18	43
EPCOR Utilities Inc. Meghan Mackintosh, Manager Billing Operations		
North Edmonton Seniors Association Hugh Newell, President and Chairman		
St. Albert Chamber of Commerce Lynda Moffat, President and Chief Executive Officer		
As individuals Karen Kennedy, Retired Postal Worker Debby Kronewitt-Martin, Consultant Change Management Eric Oddleifson, Lawyer Kristina Schinke, Former Vice-President Cash Money Cheque Cashing		

Organizations and Individuals	Date	Meeting
Canadian Postmasters and Assistants Association Michelle Brousseau, Director Alberta/Northwest Territories/Nunavut Jacquie Strong, Director Alberta/Northwest Territories/Nunavut	2016/10/18	44
Canadian Union of Postal Workers Anna Beale, Former President Local 710		
CapieKonsult Steven Rosendorff, Vice-President Business Development		
As individuals David Bennett, Retired Postal Worker Frank Goldie, Retired Postal Worker George Opstad, Postal Worker		
Kevin O'Reilly, Member of the Legislative Assembly Frame Lake, Government of the Northwest Territories	2016/10/19	45
Canadian Union of Postal Workers Lynda Lefrancois, President Local 858, Yellowknife		
City of Yellowknife Mark Heyck, Mayor		
Northern Territories Federation of Labour Alexander Lambrecht, President		
Northwest Territories Association of Communities Sara Brown, Chief Executive Officer		
Canadian Postmasters and Assistants Association Shelly Krahenbil, President Saskatchewan Branch	2016/10/20	46
Canadian Union of Postal Workers Julee Sanderson, President Saskatoon Local		
City of Moose Jaw Myron Gulka-Tiechko, City Clerk and Solicitor Michelle Sanson, Director of Planning and Development Services		
Moose Jaw & District Senior Citizens Association Inc. Wayne McGregor, President Lori Friars, Coordinator		

Organizations and Individuals	Date	Meeting
Triple 4 Advertising Ltd. Harry Watson, President	2016/10/20	46
Wakamow Aboriginal Community Organization Bernice Perkins, Vice-Chair Brenda Marshall-Colenutt, Secretary		
Canadian Labour Congress Donald Lafleur, Executive Vice-President	2016/10/20	47
Credit Union Central of Saskatchewan Keith Nixon, Chief Executive Officer Leslie Trobak, Manager Government Relations		
Saskatchewan Association of Rural Municipalities Carmen Sterling, Vice-President Shelley Kilbride, Director Policy and Research		
Saskatchewan Seniors Mechanism Randy Dove, Vice-President Holly Schick, Executive Director		
Saskatchewan Urban Municipalities Association Debra Button, President Sean McEachern, Director Policy and Communications		
Saskatchewan Voice of People with Disabilities Inc. Marg Friesen, Lead Consultant		
AIL Canada Daryl Barnett, Director Labour Relations	2016/10/21	48
Canadian Union of Postal Workers Glenn Bennett, President Prairie Region, Local 856		
Manitoba Federation of Labour Kevin Rebeck, President		
Manitoba League of Persons with Disabilities Carlos Sosa, Member and Former Co-Chair		
Manitobah Mukluks Nelson Leong, Chief Operating Officer		

Organizations and Individuals	Date	Meeting
<p>McQueen and Mo Mater Maureen June Winnicki Lyons, Owner</p> <p>Winnipeg & District Labour Council Dave Sauer, President</p> <p>As an individual David Camfield, Professor Labour Studies and Sociology, University of Manitoba</p>	2016/10/21	48
<p>Brokenhead Ojibway Nation Jim Bear, Chief Angela Petrash, Development Corporation Jackie Pommer, Director of Operations</p> <p>As individuals Debbie Chief, Director of Health Medical Clinic/Pharmacy Sandra Nault, Housing Clerk Ashleigh Shultz-Bear, Manager Entertainment Centre</p>	2016/10/21	49
<p>Canadian Bankers Association Darren Hannah, Vice-President Finance, Risk and Prudential Policy</p> <p>Canadian Consumer Finance Association Tony Irwin, President</p> <p>Canadian Credit Union Association Robert Martin, Senior Policy Advisor</p> <p>Department of Finance Lisa Pezzack, Director Financial Systems Division, Financial Sector Policy Branch Lynn Hemmings, Senior Chief Payments and Pensions, Financial Sector Policy Branch</p> <p>eBay Canada Limited Andrea Stairs, Managing Director</p> <p>Ernst & Young Uros Karadzic, Partner People Advisory Services Pierre Lanctôt, Partner Advisory Services Charles-Antoine St-Jean, Partner Advisory Services</p>	2016/10/31	53

Organizations and Individuals	Date	Meeting
<p>Mercer (Canada) Limited Cory Skinner, Actuary Michel St-Germain, Actuary</p> <p>Oliver Wyman Bruce Spear, Partner Transportation Practice</p> <p>Ontario Teachers' Pension Plan Board Mary Cover, Director Pension Strategy & Enterprise Risk</p> <p>Pitney Bowes Canada Bill Mackrell, President</p> <p>Purolator Courier Limited Stewart Bacon, Chairman of the Board</p> <p>The UPS Store David Druker, President</p> <p>UPS Canada Cristina Falcone, Vice-President Public Affairs</p>	2016/10/31	53
<p>Association of Postal Officials of Canada Guy Dubois, National President Michael Ling, First Vice-President</p> <p>Canada Post Corporation Deepak Chopra, President and Chief Executive Officer Susan Margles, Vice-President Government Relations and Policy Framework Wayne Cheeseman, Chief Financial Officer</p> <p>Canadian Postmasters and Assistants Association Brenda McAuley, National President Daniel Maheux, National Vice-President</p> <p>Public Service Alliance of Canada Howie West, Work Re-Organization Officer National Programs Section</p> <p>Union of Postal Communications Employees François Paradis, National President</p>	2016/11/02	55
<p>Canadian Union of Postal Workers Mike Palecek, National President Geoff Bickerton, Director of Research</p>	2016/11/03	56

Organizations and Individuals	Date	Meeting
Task Force on Canada Post Corporation	2016/11/03	56
Françoise Bertrand, President		
Jim Hopson, Member		
Marena McLaughlin, Member		

APPENDIX D LIST OF BRIEFS

Organizations and Individuals

Amos, William, MP, Pontiac

Anderson, John

Association des gens d'affaires de Blainville

Association québécoise de défense des droits des personnes retraitées et préretraitées

Bibeau, Marie-Claude, Honourable, MP, Compton — Stanstead

Camfield, David

Canada Deposit Insurance Company

Canadian Credit Union Association

Canadian Labour Congress

Canadian Marketing Association

Canadian Postmasters and Assistants Association

Canadian Union of Postal Workers

Chambre de commerce Baie-des-Chaleurs

Chambre de Commerce de Bois-des-Filion / Lorraine

Chambre de commerce et d'industrie Thérèse-De-Blainville

City of Montreal

City of Moose Jaw

City of Toronto

Coalition of Persons with Disabilities

DisAbled Women's Network Canada

Federation of Canadian Municipalities

Jordan, Bernadette, MP, South Shore — St. Margarets

Organizations and Individuals

L'Encrier

Lipsig-Mummé, Carla

McQueen and Mo Mater

Moore, Christine, MP, Abitibi — Témiscamingue

Oakville District Labour Council

Oliphant, Robert, MP, Don Valley West

Opstad, George

Robillard, Yves, MP, Marc-Aurèle-Fortin

Saini, Raj, MP, Kitchener Centre

Saskatchewan Association of Rural Municipalities

Saskatchewan Seniors Mechanism

Schinke, Kristina

Syndicat de la fonction publique et parapublique du Québec

The UPS Store

Town of Wabana

Trudel, Karine, MP, Jonquière

Union of Postal Communications Employees

Union of Quebec Municipalities

Village of Chipman

Zahid, Salma, MP, Scarborough Centre

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings ([Meetings Nos. 26 to 49, 53 to 57, 61, 63, 65 and 66](#)) is tabled.

Respectfully submitted,

Tom Lukiwski
Chair

Conservative Dissenting Report

Preamble and Summary

The House of Commons Standing Committee on Government Operations and Estimates (the Committee) began its study of the Canada Post Corporation (CPC) in fall 2016, following the release of the Canada Post Task Force report. The purpose of the Committee's study was to conduct a discussion, grounded in the Task Force Discussion Paper, to clearly lay out the facts and viable options for the future of Canada Post.¹ The mandate of the Committee's study was to hear the views of Canadians and other stakeholders on the future of the CPC, and submit its recommendations to the Government of Canada by the end of 2016. The reason for this dissenting report is that it is the conviction of the Conservative members of the Committee that the majority report does not adequately reflect the testimony received by the Committee nor does it lay out viable options for the future success of the CPC; on the contrary, the majority report simply presents a wish-list of incoherent proposals, and ignores credible recommendations that would help the CPC create a sustainable business model, grounded in the evolving demand for the products they offer. The Committee has a responsibility to accurately report on what was heard in its consultations, and to recommend what it sees as the most effective ways to provide well as a fiduciary responsibility to fulfill the mandate of the study, and lay out facts and viable options for a sustainable future for the CPC.

The Committee heard clear testimony that Canadians value the CPC as a postal institution. Canadians believe that the CPC should both continue to deliver their mail and should work to ensure the sustainability of its future.² Canadians also clearly indicated, however, that they do not support government subsidies, underwritten by tax dollars or higher taxes, to support the CPC's operations. Further, Canadians do not want the CPC to pursue avenues of revenue that do not fit within the mandate of a postal delivery corporation.³ We are troubled by the fact that the majority report dismisses the practical solutions that the CPC had implemented or begun implementing, to secure its future simply because of poorly thought out campaign promises by the Liberal Party of Canada. The majority report is a fantasy example of political damage control that will not benefit the position of the CPC, nor secure its future. The Conservative Members of the Committee, therefore, feel compelled to offer the following reasonable, responsible recommendations to help ensure the future of an institution greatly valued by the vast majority of Canadians.

Canada Post Consultations by the Numbers

Over the course of fall 2016, the Committee heard from 190 witnesses, of whom roughly one-quarter were women, fewer than 10 were Indigenous Canadians, and almost one-third were representatives from organized labour.⁴ This summary does not mean that

¹ Government of Canada, *About the Canada Post Review*.

² Francoise Bertrand, Chair, Task Force on Canada Post Corporation, *Evidence*, 1st Session, 42nd Parliament, Meeting No. 26, 20 September 2016.

³ *Ibid.*

⁴ For a full list of public consultations, see Appendix A of the Committee's full report.

the testimony given by those who appeared before the Committee is not valid; rather, that it is neither a balanced representation of all stakeholders, nor proportional to the Canadians who have a vested interest in the CPC's success. In comparison, the Task Force Discussion Paper's public opinion research includes the following:

"The views of Canadians living in urban, suburban, rural, and remote communities were gathered through a national telephone survey conducted with 2,246 randomly selected Canadians with an over-sampling of autonomous seniors, cell phone only users, youth 18 to 34, people with mobility issues, rural Canadians, and Canadians living in the North. Overall survey results are considered accurate within a margin of error of plus/minus 2.0% at the 95% confidence interval.

"The views of Indigenous peoples living on- and off-reserve across Canada were gathered through a national telephone survey with a random sample of 401 Indigenous peoples. The margin of error for the total sample is plus/minus 4.9%, and for the on- and off-reserve samples is plus/minus 6.9%, both at the 95% confidence level.

"Finally, the views and opinions of small, medium, and large businesses in the private, public, and not-for-profit sectors across Canada were gathered through a national telephone survey conducted with 1,202 randomly selected businesses. Overall survey results are considered accurate within a margin of error of plus/minus 2.8% at the 95% confidence interval."⁵

It is therefore important to contextualize the Committee's recommendations within both the broad sampling of Canadians conducted by the Task Force, representing 35 million Canadians, as well as the more focused testimony of the witnesses who appeared before the Committee, to generate comprehensive recommendations regarding the future of the CPC.

General Overview

Canadians are highly satisfied with the performance of the CPC; however, most Canadians recognize that they use letter mail much less frequently than they used to, given increasingly easy access to electronic mail services. Canadians accept that the CPC faces significant financial pressures that threaten its long-term viability, and that operational changes to the CPC are necessary to increase its sustainability.⁶ The Task Force's survey on recommendations, as well as testimony provided by witnesses before the Committee, demonstrate that there was a clear consensus that the CPC should be open to adapting its services, hours, and costs, especially if this adaptability ensures that Canadians do not pay higher taxes or higher stamp prices for core CPC services.⁷ This view is evident in the opinion that everyone in urban and suburban areas should switch to a community mailbox (agreed to by 67% of those surveyed by the Task Force); that the CPC could reduce delivery to every other day (agreed to by 73% of those surveyed); and that the CPC could add a day or two to the time it takes for a letter

⁵ Bertrand, Francoise, Ksystyna T. Hoeg, Jim Hopson, and Marena McLaughlin. 2016. "Canada Post in the Digital Age." Discussion Paper.

⁶ Ibid.

⁷ Ibid.

to get to its destination (agreed to by 65% of those surveyed).⁸ These measures do not require taxpayer financing, and Canadians are supportive of more adaptability in place of higher taxes.

From a financial perspective, without a comprehensive overhaul of its existing structure, the CPC faces serious fiscal pressures in the years ahead. In public testimony heard by the Committee in late-October, representatives from Ernst & Young, the firm retained by the Task Force to conduct an audit and provide a 10-year financial projection of the CPC, said the following:

“Looking ahead, the financial position’s projection to 2026 paints an unsustainable future, with over \$700 million per year of ground-rate loss. Drivers for these negative results are multiple, but include the continuing mail erosion driven by electronic communication; inflationary cost pressures; the network growth linked to the Canadian population increase; competition, including new service providers, lower cost service providers, and disruptive technologies; and the funding requirements of the pension plan. **Our analysis leads us to believe that Canada Post’s projected loss is at the optimistic end of the acceptable range of estimates; it could be higher.**”⁹ (emphasis added)

This financial outlook grounded the Task Force’s report, and is shared by the CPC’s own fiscal projections.¹⁰ This negative financial view was not, however, shared by the Canadian Union of Postal Workers who noted that the CPC generated profits in 17 of the last 20 years, and must not, therefore, be facing serious financial challenges. However, the Committee in general, and its Conservative members specifically, agree that unless operational costs are contained, severe financial shortfalls are inevitable. With declining demand for high-profit letter mail, the CPC’s current model is not sustainable in the short- or long-term.

The Majority Report

The Conservative Members of the Committee cannot in good conscience endorse the opinion put forward by the majority of the Committee, as it does not seriously address the financial shortfall that the CPC faces. The majority opinion rejects several initiatives that would tangibly improve Canada Post’s financial position, and includes many value statements that are inconsistent with meaningful recommendations, mostly redundant, and, in some cases, completely unrelated to the ensuing recommendation. Conservative Members of the Committee do not reject every recommendation of the majority opinion; however, it would be irresponsible to endorse a document so out of touch with the harsh realities facing the CPC.

That said, Conservative Members of the Committee agree with and fully endorse the following majority opinion recommendations:

⁸ Ibid.

⁹ Pierre Lanctot, Partner, Advisory Services, Ernst & Young; Charles-Antoine St-Jean, Partner, Advisory Services, Ernst & Young; and Uros Karadzic, Partner, People Advisory Services, Ernst & Young, *Evidence*, 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

¹⁰ Bertrand, Francoise, Ksystyna T. Hoeg, Jim Hopson, and Marena McLaughlin. 2016. "Canada Post in the Digital Age." Discussion Paper.

Recommendation 1: Canada Post be maintained as a universal public service for all Canadians and conduct its operations on a self-sustaining financial basis while ensuring that profits generated are reinvested within the Corporation.

Recommendation 2: Canada Post prioritize and concentrate efforts in protecting its core mandate to provide high-quality, affordable letter and parcel delivery services to all Canadians in an innovative manner befitting the 21st century.

The Task Force evaluated options using three criteria: potential to increase operating income, market dynamics, and fit within the CPC's existing capabilities.¹¹ Two more important criteria were included when drafting this dissenting report: potential to increase savings, and whether or not the option is desired by Canadians. The two recommendations noted above are the only ones contained within the majority opinion that fit within this evaluative structure. There are several value statements throughout the majority opinion that are reasonable, but they are already existing practice within the CPC and not substantive recommendations worthy of including in this report. Unfortunately, most of the recommendations in the majority opinion ignore the costed financial projections for the future of the CPC, and, therefore, do not have a meaningful chance of helping improve (let alone stabilize) the CPC's fiscal fortunes. The analysis of the Task Force report, Ernst & Young, and public opinion suggests that the CPC should end the moratorium on conversion from door-to-door mail delivery to community mailboxes (CMB). This directly contradicts the majority report, which unreasonably and irresponsibly assumes that the majority's other recommendations will more than make up the significant savings shortfall that CMB installations would have realized. The majority report justifies continuing the CMB moratorium through flawed analysis in the preambles to recommendations 19 and 23, which assumes that the future of the CPC may actually reside in a restoration of door-to-door delivery to preserve market share and recoup lost revenue. The Committee heard no credible evidence that the CPC has *lost* revenue because of ending door-to-door delivery, and the majority's assertions otherwise indicates a blind disregard for the financial facts.

The majority opinion then advocates utilizing the CPC's network of post offices to provide broadband and wireless cellular services to rural and remote locations. On the face of the recommendation, using the CPC's broad network of post offices is not objectively irresponsible. However, the Committee did not hear substantive testimony to indicate that there is a widely-held desire for, or financially sustainable means of providing such services. The technical possibility of this proposal is also questionable. This is another example of a recommendation that is untested, uncosted, and lacks clear supporting information to make the case for such services.

The final contentious recommendation in the majority opinion worth mentioning is regarding the CPC's pension plan, which faces a significant funding shortfall in order to

¹¹ Ibid

fulfill its solvency requirement. The majority opinion recommends both ending the solvency requirement, as well as incorporating the CPC pension plan into the Public Service Pension Plan. Notwithstanding the fact that it would be an unfair competitive advantage for the CPC to be exempt from solvency requirements, where its direct private competitors are not, neither of these recommendations provides for any sustainability for the fund as a whole.

The majority opinion seems intent on providing recommendations to advise the Minister of Public Services and Procurement Canada, who oversees the CPC, to use the opportunity of this consultation to restructure the administration and mandate of the CPC. However, it was not the purpose of the study to direct or advise the Minister to make structural changes, and if the Minister or the Government wishes to pursue a restructuring of the CPC or redefine its mandate, they should simply do so. Providing a recommendation to legitimize a decision that is not otherwise supported by Canadians as a whole is not part of the Committee's mandate.

Recommendations

Background to Recommendations 1 and 2: Traditional Services

Canadians have clearly voiced their opinion that there is a continued need for a public letter-mail and parcel delivery provider in Canada, and that the CPC should specifically ensure the financial sustainability of its core services prior to engaging in anything that exceeds its mandate. The CPC should focus its efforts on protecting its traditional services, and recognize the importance of rural post offices for small-towns and communities. During rural consultations, the message from the witnesses who testified was consistent with a desire to maintain traditional postal services. There is a divide between the desires of urban and rural Canadians on the future of the CPC; while urban Canadians have access to hundreds of postal outlets and franchises within a short distance, rural Canadians regularly travel a substantial distance to the single post office in the region. This dissenting report therefore reiterates the need for the CPC to protect and maintain its position in rural and remote areas of Canada. Given that the CPC provides, in some cases, the only link between these communities and the rest of the country, it is important that initiatives implemented regarding the CPC's future focus on protecting postal delivery in rural Canada.

It is also important to note that the CPC is an independent Crown corporation. It was separated in 1981, after previously operating as a department within the Government of Canada. One of the primary motivations underpinning Crown corporations is to ensure the corporation is free to make decisions that are in the best interest of the corporation itself and not at the direction of the political interests of the Government of the day. As previously pointed out, it is troubling that the current Government is attempting to impose a specific, politically-motivated direction on the CPC. It is very important that the CPC remain independent.

Recommendation 1: Canada Post is an independent crown corporation, and the Government of Canada ought to refrain from limiting the autonomy of a crown corporation in its affairs and the direction it chooses for conducting its business.

Recommendation 2: That Canada Post focus on its traditional purpose, to provide high-quality, affordable postal delivery services to all Canadians.

Background to Recommendation 3: Innovation and Sustainability

The Committee heard an extensive amount of testimony from the CPC regarding its initiatives to raise revenues. Many of these initiatives were generated by employees of the CPC, which is why a recommendation to simplify communication between employees and employers regarding innovation is reasonable. However, witnesses that testified before the Committee demonstrated a disconnect in ideas of innovation, with postal banking repeatedly mentioned as something worth exploring given that countries similar to Canada with national postal services have postal banking regimes. Conversely, other witnesses, including those from the Canadian Federation of Independent Business, national banking associations, and various credit unions expressed skepticism toward the idea of postal banking, and recommended that the CPC focus on its core business model.¹²

The CPC provided postal banking services from 1869 to 1968, which were ended under then Prime Minister Pierre Trudeau. Legislation enacted in 1968 prevents the re-establishment of a postal bank, as it would contravene the *Bank Act*, the *Trust and Loan Companies Act*, and the *Financial Administration Act*. The CPC examined postal banking options that would not contravene these Acts, which include partnering with either one financial institution exclusively, or as a service provider for a plurality of financial institutions. The Committee saw evidence of a push to form relationships between the CPC and financial institutions in 2010, but this was not met with enthusiasm by the banking sector. This sentiment was expressed clearly by the banking representatives when they testified before the Committee. The studies conducted by the CPC regarding postal banking contain commercially sensitive information, and cannot be reproduced in this report. However, it is worth noting that documented public support for postal banking is weak, as those surveyed were uncomfortable with the CPC making a foray into an industry wholly separate from mail. After reviewing extensive research conducted by the CPC in the late 2000s, including several pilot programs, as well as consulting research conducted by Oliver Wyman regarding postal banking, it is clear that Canada Post has all the relevant information regarding the potential benefits of it pursuing postal banking. This dissenting report agrees with the findings of the CPC and the Task Force, in that postal banking is not a silver bullet idea that will save Canada Post and put it on secure footing for decades to come; rather, it is a flawed utopian idea that, at best, might be revenue neutral if structured correctly. Most likely, however, postal banking would be financially risky for taxpayers.

¹² Krystyna Hoeg, Member, Task Force on Canada Post Corporation, *Evidence*, 1st Session, 42nd Parliament, Meeting No. 26, 20 September 2016.

The Committee also heard testimony regarding the possibility of incorporating other types of Government services into the CPC's operations to generate revenue by capitalizing on the CPC's extensive retail network. Indeed, this large-scale network is what is often cited as the CPC's primary advantage as a Corporation (after name recognition), and much of the innovation-related testimony focused exploiting the CPC's significant retail footprint. However, there was not widespread interest on part of Canadians to conduct more Government business out of a CPC location, as it detracts from the CPC's traditional business framework.¹³

It is also relevant to note a few findings regarding leveraging the CPC's retail network to conduct Government services out of Canada Post locations in rural and remote areas. Conservative Members on the Committee are not opposed to the CPC providing basic capabilities, such as a computer and printer, at rural and remote locations to facilitate access to online Government services. However, it is important to note that the Committee surveyed every Government Ministry, of whom many expressed no interest whatsoever in conducting Government business out of a CPC outlet, save for one. The CPC ran a pilot program providing passport services, but decided to abandon the program due to lack of demand; Canadians had easier and less expensive online access to fulfill the same function. Further, workers told the Committee that providing additional services on behalf of the Government would require more staffing and training at a cost to the CPC, despite the relative sporadic use of such services. It makes little sense for the majority to expect that new services offered by the CPC on behalf of the Government would be used any more than they have been in the past, to expect that these services would generate meaningful revenue without cost, or to expect that Government ministries would pay the CPC for the ability to use CPC real estate. This idea would not generate revenue. Therefore, given the innovation already shown by the CPC, as well as the hesitation demonstrated by Canadians toward initiatives that fundamentally redefine or, in some cases, are entirely inconsistent with, the CPC's traditional business activities, this report reaches its third recommendation:

Recommendation 3: That Canada Post find innovative, yet reliable, ways to remain sustainable, while staying true to its traditional, core mandate.

Background to Recommendation 4: Sustainable Operations

The Committee heard testimony from several individuals who spoke about the cascading fiscal shortfall that the CPC faces over the next decade. These individuals are experts from inside and outside of the CPC, including the witnesses from Ernst & Young. In addition to the Committee's testimony, the Task Force report enumerated several proposals that have received serious study, offer tangible solutions, and are properly costed, audited, and verified. The Task Force is clear, however, in admitting that these proposals do not address the entire projected shortfall, but constitute a meaningful start. The Task Force report notes that continuing CMB conversions will have a revised an-

¹³ Bertrand, Francoise, Ksystyna T. Hoeg, Jim Hopson, and Marena McLaughlin. 2016. "Canada Post in the Digital Age." Discussion Paper.

nual savings target of \$400 to \$450 million by the time the CPC reaches a steady state after door-to-door delivery has ended.¹⁴ This number has been revised, because of unanticipated reactions to the initial CMB installations, which forced the CPC to adjust its savings target. Ernst & Young assessed the revised target to be reasonable. The Task Force report is clear that ending the CMB conversions would necessitate that the CPC find an additional \$370 million in projected savings per year, given that CMB conversions to date have already saved \$90 million over 2014-2015.¹⁵

However, some of the testimony the Committee heard noted that CMBs were not a welcome addition to the CPC delivery model, and some witnesses expressed a preference to return to door-to-door delivery. In contrast to the testimony from these witnesses, public opinion and the Task Force demonstrate that two-thirds of Canadians are in favour of continuing CMB conversions, particularly if it positively impacts the CPC's fiscal future.¹⁶ Considering the fiscal opportunity created by the CMBs, as demonstrated through the analysis heard by the Committee, it is difficult to reconcile the majority's recommendation to continue the moratorium on CMB conversion. It is important to recognize, however, that there are Canadians who cannot access CMBs, and the CPC ought to continue its door-to-door accommodation programs for elderly and disabled Canadians, and for those who are otherwise unable to access CMBs. The CPC should also better communicate accommodation options, as the Committee heard testimony that suggests the CPC did not adequately communicate the options available to seniors or persons with disabilities, who cannot easily access a CMB.

In addition to analysis regarding CMB conversions, the Task Force report reviewed converting corporate post offices into franchise post offices in recommended regions. Financial analysis provided to the Committee showed that corporate outlets are needlessly expensive, particularly when the same services can be provided in franchised outlets.¹⁷ Canadians surveyed indicated that they were marginally less satisfied with service from a franchise outlet than a corporate outlet, though the difference is not substantially meaningful to warrant outright disregard of the idea. In fact, CPC customer satisfaction surveys demonstrated that urban franchised post offices have equal satisfaction to corporate stores, and get higher praise for their longer operating hours. In addition to corporate office conversions, the Task Force report and witnesses from the CPC proposed streamlining the CPC's processing centres, to make its business more efficient, and to account for continued, and necessary, growth in parcel delivery. The Task Force's recommendations are reasonable, and should therefore be considered. Most importantly, however, the Task Force report conducted widespread consultations representing the diversity of Canadians, while the committee only surveyed a narrower subsection of individuals highly interested in the CPC. Because the Task Force's recommendations more accurately represent the views of Canadians, their analysis is more consistent with what Canadians want. This leads to the fourth recommendation:

¹⁴ Bertrand, Françoise, Ksystyna T. Hoeg, Jim Hopson, and Marena McLaughlin. 2016. "Canada Post in the Digital Age." Discussion Paper.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

Recommendation 4: That Canada Post considers implementing the sustainable operation measures proposed in the Task Force report.

Background to Recommendation 5: Protecting Taxpayers

The Committee heard that the CPC's primary area of growth is in parcel delivery; however, competition within this industry is fierce and growing, and the margins are much slimmer than with letter mail.¹⁸ To remain competitive in the parcel delivery sector, the CPC must continuously focus on eliminating waste and pursuing efficiencies, and would be unwise to expect or rely on Government subsidies. The Committee heard repeated testimony demonstrating that Canadians are not interested in paying higher taxes or substantially higher stamp prices to subsidize the CPC's operations. Excess profit should be reinvested within the CPC itself for needed capital improvements and efficiencies, and to keep stamp prices at a reasonable rate, as those who are still required to mail a letter should not be gouged when doing so if the CPC is profitable.

The CPC must also take steps to address its looming pension problem, in a manner that does not make taxpayers ultimately responsible. The Committee heard testimony from financial experts external to the CPC, as well as experts from within the CPC, that the pension solvency deficit continues to hamper the CPC's financial position.¹⁹ Steps need to be taken to mitigate this risk. Conservative Committee members do not accept the testimony from some individuals who argue that the CPC ought to disregard this solvency gap, given that it only becomes pertinent if the CPC must pay out its pension obligations at once. This financial leniency is not consistently applied in the private sector, meaning the CPC would have an unfair advantage in labour costs when compared to its competitors should it be exempt from pension solvency requirement. As well, the majority report's recommendation 13 states that the CPC pension plan should be incorporated into the Public Service Pension Plan. This recommendation is unwise, given that there are roughly 50 existing federal Crown corporations, with dozens of subsidiaries, each with its own unique pension plans. It would set a dangerous and expensive precedent to include the CPC pension plan in the Public Service Pension Plan, and open the possibility that every Crown corporation should be incorporated into the Public Service plan. Given that Crown corporations are fundamentally supposed to operate independent of the Federal Government, the majority's recommendation is poorly chosen. In light of the existing pension shortfall, however, the CPC could look at stabilizing its pension plan by considering a shared-risk model, or a defined contribution plan for new employees.

Recommendation 5: That Canada Post ensure that any steps it takes to modernize its operations remain revenue neutral for the sake of taxpayers.

¹⁸ Pierre Lanctot, Partner, Advisory Services, Ernst & Young; Charles-Antoine St-Jean, Partner, Advisory Services, Ernst & Young; and Uros Karadzic, Partner, People Advisory Services, Ernst & Young, *Evidence*, 1st Session, 42nd Parliament, Meeting No. 53, 31 October 2016.

¹⁹ Ibid.

Conclusion

The Committee heard from fewer than two hundred individuals, over the course of several weeks of consultations. The Committee visited fifteen Liberal ridings, five Conservative ridings, and two NDP ridings. It had one stop in British Columbia, and one stop in Alberta, representing a constituent base of nearly nine million Canadians, compared to two in Nova Scotia, two in Newfoundland, and one in Prince Edward Island representing a constituent base of less than two million Canadians. The testimony received is valuable, and we appreciate the work of the Committee and witnesses; however, as already mentioned, the testimony should not be viewed as entirely representative of what Canadians truly think and want from the CPC. The Committee's findings must be taken in concert with the findings within the Task Force report, which contacted and surveyed a much broader and more representative section of Canadians. There is a large disconnect between what witnesses of the Committee gave in testimony for what they believe the future holds for the CPC, as well as the surveyed views of Canadians, and the fiscal reality that faces the CPC. After hearing significant and studied testimony, the Conservative Members, are secure in the financial analysis completed for the Task Force, as well as analysis completed for the CPC itself in its ongoing studies of its own future. This analysis does not predict a stable, fiscally sound future for the CPC if no significant changes are undertaken.

The sensible recommendations listed in this report, the recommendations from the majority opinion of the Committee study highlighted in this report, and the extensive consultative analysis prepared by the Task Force report provide an acceptable beginning for the CPC to continue to seek innovative new ways to strengthen its finances. It is not evident that a strong subsection of Canadians desire that the CPC should reinvent itself, change its traditional mandate, or provide services unrelated to postal delivery. As well, it is not the mandate of the Committee (or our right) to dictate what courses the CPC pursue. It is the Committee's mandate to provide feedback to the Government as to the desires of Canadians, and the Conservative Members of the committee are confident that this dissenting report encompasses the most commonly heard opinions of all Canadians. It cannot be stressed enough that evidence-based decisions are what will ultimately provide fiscal strength to the CPC and ensure that it will continue providing Canadians from coast-to-coast with the ability to send and receive mail.

Dissenting Report by the New Democratic Party of Canada

Canada Post Review: A Service-Oriented Approach

Background

On May 5, 2016, the government launched a review of Canada Post. This review was undertaken in response to Canadians' dissatisfaction with the Five-point Action Plan announced in 2013 by the Canada Post Corporation.

The Liberal government missed a great opportunity to fulfill its campaign promises by reinstating home mail delivery. It seems obvious that people voted for MPs and a Prime Minister who had said very clearly they would reinstate door-to-door mail delivery.

It is important to note that the NDP made a commitment to reinstate home mail delivery. It is a simple matter of fairness. Eliminating this service affects seniors and people with disabilities the most. For them, door-to-door mail delivery is an essential service.

The NDP firmly believes in the public nature of Canada Post's services. We want Canada Post to continue offering quality services at reasonable prices. In addition, with its existing network of post offices, Canada Post should explore offering new services.

A number of options were presented, but very few were examined in depth. The government rejected postal banking services outright even before the Committee had seen the secret studies carried out by Canada Post. The NDP remains convinced that postal banking would be a valuable service for Canadians.

Process

The discussion paper entitled *Canada Post in the Digital Age*, published by the government's Task Force, was submitted to the OGGO Committee in late September. The discussion paper referenced a number of studies and analyses by consultants, as well as opinion surveys, without identifying their sources. The Committee was not given access to some of these sources. Therefore, there was no way of verifying the accuracy of the results and conclusions presented by the Task Force.

In addition, the approach taken was to reduce operating costs rather than to increase revenues. Focusing on using franchise locations and converting from

home mail delivery to community mailboxes would eliminate many good jobs in favour of precarious work at much lower salaries. Potential new services were mentioned in the Task Force's discussion paper, but were not closely examined.

It is very unfortunate that the Committee did not receive access to the various secret studies carried out by Canada Post regarding postal banking until very late in the review process. In addition, these documents were submitted in English only.

Our Findings

During the consultations, the unions representing Canada Post employees made it clear that Canada Post is a Crown corporation, and that the government has no intention of privatizing it. Therefore, the Canada Post pension fund should be treated as a public pension and should not be subject to the solvency funding requirements applied to private-sector pensions. We are pleased to note that the report recommends this change to the Canada Post employees' pension plan.

The report proposes to restore door-to-door mail delivery, which is welcome. However, we are disappointed to note that this return to home mail delivery will be limited to communities where the conversion to community boxes took place after August 3, 2015.

We are also pleased to note that the government seems open to the idea of establishing a tripartite advisory council to improve communication between the itself, the unions representing Canada Post employees and the Canada Post Corporation.

What is Missing

We are quite disappointed that neither the Liberal Party nor the Conservative Party were open to pursuing postal banking services. This option was summarily rejected by both parties at the beginning of the consultation period. They were not willing to change their minds, even when a survey showed that a significant number of Canadians would be interested. According to a survey carried out by the Task Force, 7% of respondents said that they would certainly use postal banking services. Another 22% of respondents said that would probably use postal banking. We believe that the 29% of Canadians who are interested in this service represent a fairly significant market share.

Postal banking is especially appealing since the six largest banks in Canada made nearly \$35 billion in profits in 2015, which leaves plenty of room for competition. Brenda McAuley, the National President of the Canadian

Postmasters and Assistants Association, mentioned during the consultations that a study of 3,260 rural communities showed that 1,200 did not have a bank or credit union. Of 615 Aboriginal communities, only 54 (or only 9% of the total) had a bank or a credit union. Therefore, we are disappointed that postal banking was not studied further.

Conclusion

The report's recommendations lack direction. The report gives the Minister of Public Services and Procurement too much discretionary power in interpreting these recommendations. It is nearly impossible to predict with any certainty how these changes will be applied.

We sincerely hope that the Minister of Public Services and Procurement will be vigilant in her approach. We would also like to emphasize once again that the NDP firmly believes in the public nature of Canada Post's services. It is important for Canada Post to continue offering quality services at reasonable prices. With regard to being financially viable over the long term, postal banking should have been considered more seriously.

