



**First Nations of Quebec and Labrador  
Economic Development Commission**

**Submitted to the  
Standing Committee on Indigenous and Northern Affairs**

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## ISSUE #1

### PREJUDICIAL SHIPPING COSTS

***First Nations businesses and members in certain communities pay significantly higher shipping costs than do residents of neighbouring cities and towns. This situation, due in part to the pricing policies of major shipping companies, further hinders economic development in First Nations communities, especially given the growth in e-commerce.***

Postal codes used by Canada Post are made up of two sequences of letters and numbers. The first sequence, the prefix, corresponds to the Forward Sortation Area, and the second, the suffix, refers to a specific geographic location (Local Delivery Unit). In Quebec, all postal codes begin with the letters G, H or J, followed by a number between 0 and 9. Rural and remote areas are assigned a 0 as the second digit of their prefixes. Since Indigenous communities (reserves) were expressly established by the Government of Canada in rural and remote areas, they have postal codes with a 0 as the second digit of their suffixes. However, as populations grew, communities that were once rural have become urban, as is the case with Wendake and Kahnawake. Despite that, these communities' postal codes have never been changed.

In Canada, the major shipping companies (Purolator, UPS, FedEx, etc.) set their pricing policies based on six criteria, three of which (distance between origin and destination, distance from a postal sorting station, and population density) factor in only the prefix of the sender's postal code. This means that for postal codes with a 0 in its prefix, the delivery/shipping costs are automatically higher, even if the community is within an urban area. For example, it costs \$14.77 to ship a package from Wendake to Sherbrooke. However, shipping a package from Quebec City, where the Huron-Wendat community is located, to Sherbrooke costs \$12.02 (a difference of 23%). Another example: shipping a package from Wendake to Wendake costs \$14.06, while shipping a package from Quebec City to Quebec City costs \$9.41 (a difference of 49%).

For a company operating mainly online and shipping several packages a day, this higher cost can add up to thousands of dollars per year. This also impacts Indigenous individuals, who also pay higher delivery rates for their everyday purchases. The financial losses for First Nations businesses and members due to this racism inherent in courier pricing policies can run into the millions of dollars.

There are two possible solutions. The first would be to change the postal codes of urban Indigenous communities from rural to urban, but this would require coordination of different levels of government with band councils, businesses and individuals. A simpler alternative would be for the government to require carriers to include the full postal code (prefix and suffix) in the charters used to set pricing policies.

## ISSUE #2

### ACCESS TO THE JOBS AND GROWTH FUND

***The Jobs and Growth Fund eligibility criteria provide exceptions for First Nations recipients. However, these exceptions are not explained. The program guidelines should outline the situations in which these exceptions may apply, and the criteria used for determining whether or not an application is eligible should be spelled out.***

The Jobs and Growth Fund, administered by Canada Economic Development for Quebec Regions (CED), is designed to future-proof businesses, help them build resiliency and prepare for growth. In the “eligible applicants” section, it clearly states that “Indigenous-led organizations and/or businesses are strongly encouraged to apply.” However, at the end of the list of ineligible clients in the Applicant’s Guide, there is a note stating that exceptions may be made for Indigenous recipients, although there is no information as to what these exceptions could be. This lack of clarity may discourage Indigenous businesses from applying to the program. CED should be more transparent, by specifying what these exceptions are and the criteria for determining whether or not a business is eligible. That way, Indigenous applicants could see whether they are eligible simply by reading the program information document. This would also prevent applicants from thinking that the decision by a government official was arbitrary, instead of based on specific criteria, thereby increasing the confidence of First Nations people in the government.