



Submission to the

Canada Post Corporation
Strategic Review Committee

by the

New Westminister & District
Labour Council

September 2nd, 2008



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Introduction

On behalf of over 65,000 members of the New Westminster & District Labour Council, we appreciate the opportunity to present our views on the strategic review of the Canada Post Corporation by the Minister of Transport, Infrastructure and Communities and Minister responsible for the Canada Post Corporation. The Labour Council is a chartered body of the Canadian Labour Congress and represents unionized workers within thirteen communities in the Lower Mainland region of British Columbia.

In a letter dated July 4, 2008, we called on the Minister to expand the scope of the Strategic Review to allow for broader public input. We believe that a majority of Canadians, stakeholders of the public system, are unaware of the government's decision to undertake a comprehensive review of Canada Post. The limited opportunity for public consultation and time frame disenfranchises Canadians who consider the strategic review a critical public policy discussion.

We are disappointed the reply to our July 4th letter arrived 7 weeks later on August 28th only days before the deadline for submissions. In addition, there was no acknowledgement that public hearings are a critical aspect to allow for broad public input. Without a comprehensive public dialogue and a deadline immediately following the peak two month vacation period, the review appears disingenuous to our membership.

The members of the New Westminster & District Labour Council represent a diverse cross section of our communities. We value our national postal service and support a universal and affordable postal system. In order to maintain that universality and affordability for all Canadians, we support the exclusive privilege of Canada Post to handle addressed letters.

Without a strong commitment to that exclusive privilege, we are concerned that Canadians would no longer have an affordable service wherever they live in this country. A deregulated system is not in the best interest of Canadians and would have a profound affect on people and businesses in small or isolated communities.

For over two decades the Corporation has eroded services, closed post office outlets and eliminated door to door delivery. These cuts to services and job losses have occurred while millions of dollars in Corporate profits are transferred to the Federal government.

We believe the profits generated by the Corporation must be reinvested to improve and expand postal services that meet the modern needs of Canadians. Canadians expect more from our public system and fail to understand how a deregulated system is the answer to an improved system.

Historical Role of Canada Post

Historically, the postal service has played an important role in building our nation by uniting our vast territories and regions. From confederation until recently, the postal service linked together virtually every community in the country.

As the second largest landmass in the world and one of the smallest population densities, access to a universal and affordable postal service is an important piece of public policy required to maintain a healthy social and economic network within Canada.

Postal employees are proud of the important and positive contributions made by the postal service in their community. They provide an important communication link for friends, families and communities.

The Canada Post Corporation provides thousands of jobs for Canadians, particularly for women and people in rural communities. Canada Post is often one of the few potential employers in rural communities.

Canada Post provides for the efficient and secure delivery of Canadian mail. It is a reliable and cost efficient system that provides quality service and job opportunities that are in the best interest of Canadians.

Canada Post Mandate

The mandate of the Canada Post Corporation sets out three basic objectives: maintain and improve service, achieve financial self-sufficiency and improve labour relations. As stipulated in Section 5 of the *Canada Post Corporation Act*, the objectives of the Canada Post Corporation are 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. The mandate of Canada Post includes 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. The Corporation also has the obligation to utilize the employees of the Corporation in a manner that will both attain the objectives of the Corporation and ensure the commitment and dedication of its employees to achieving those objectives.

In order to do this, Canada Post was granted, in 1981, the sole and exclusive privilege of collecting, transmitting and delivering letters. The exclusive privilege to deliver letters was introduced as a means to redistribute the cost of delivering letters in all parts of the country, while providing equal access to postal service to all Canadians. At that time, legislators understood that market forces alone could not guarantee a reasonable level of service at affordable prices to all Canadians, especially those living in rural or remote areas. It has been estimated at that time that the cost of servicing rural and isolated areas was six to ten times the existing postage rate of a first class letter.

Many postal observers believe that the deregulation of the Corporation's exclusive privilege would lead Canada Post into a downward spiral, as private sector competitors focus on profitable areas and services, leaving the unprofitable parts to our public postal service. With fewer profits, Canada Post would find it increasingly difficult to provide public postal services, especially in rural and remote areas. It is the postal service's exclusive privilege on letters that allows it to generate enough revenue to provide universal postal service.

Deregulated Postal Services

In countries with a deregulated postal service, there is no economic benefit for the citizens. In fact, the experiences from around the world are that deregulation leads to a deterioration of postal service, higher rates and a deterioration of the labour market conditions.

With the proliferation of electronic communications, Canada Post must develop new products and services to expand the public postal system. An investment in the public system should be at the top of the agenda, rather than a focus on the level of profits returned to the federal government.

The Future of Our Postal Service

The quality of our public postal service, access to an affordable postal service for all Canadians and many good jobs are at risk if Canada Post were to be deregulated. Canada Post should continue to reinvest in the expansion of services in the interest of all Canadians from coast to coast to coast.

And, if there are to be changes to Canada Post's mandate, it must only be at the direction and consent of consumers, stakeholders, members of the public and Members of Parliament.

Respectfully submitted by the
New Westminster & District Labour Council

Carolyn Chalifoux,
Secretary-Treasurer

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