



# Edmonton & District Labour Council

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Canada Post Corporation Strategic Review  
330 Sparks Street (HCCR)  
Ottawa ON K1A 0N5

Dear Sir or Madam:

The Edmonton & District Labour Council (EDLC) is pleased to have the opportunity to comment on the issues in the review as they impact significantly on the life of Canadians. Our submission is attached.

We hope it assists with your deliberations and we look forward to your report.

Yours truly,

Tom Olenuk, President  
Edmonton & District Labour Council



# SUBMISSION TO THE CANADA POST STRATEGIC REVIEW COMMITTEE

from the

*EDMONTON & DISTRICT LABOUR  
COUNCIL*

The Edmonton & District Labour Council (EDLC) is pleased to have this opportunity to comment on certain aspects of the issues being considered by the Canada Post Corporation Strategic Review Committee. The Edmonton & District Labour Council is comprised of 115 affiliate union Locals with a membership of over 39,500 working men and women in the greater Edmonton area. Our members are employed in both public and private sector work, with employer in every sector of the economy. We share a common vision of a City, a country, and a society in which work is valued as the primary generator of wealth and prosperity, in which working people share in the wealth they generate through fair wages and salaries and through a fair taxation system that reinvests the wealth workers have helped create back into our lives through public services, roads, transportation, public education, public medical care, and emergency protective services. In our vision of society,

issues like fair wages, equality, dignity and quality of life are as important as fiscal responsibility.

Despite advances in communication technology, largely through the Internet, Canada Post still plays a vital role in Canadian society. At last reckoning, around 35% of Canadian households did not have a computer or internet connection. And in all non-metropolitan areas of the country, private sector service is either non-existent or limited to the profitable areas of dropping off parcels to a local agent from which people must then retrieve them. (Interestingly, UPS, FedEx, and DHL do not service most of rural Canada: they accept items for those destinations but buy the actual transportation and delivery of them from Canada Post.) For better or worse, Canada Post is still the only corporation that provides communication connections to the entire country.

The EDLC applauds the decision that the mandate of the Review Committee excludes privatization of Canada Post and any consideration of an end to its universal service coverage of the country. There is no doubt in the collective minds of the EDLC that any government incursion into these areas would result in poorer service, higher costs to the consumer, and increased costs for the taxpayer. While pro-business think tanks are fond of promoting these ideas, their rationale is clouded and ill informed. You will no doubt hear that more private sector involvement in this marketplace will lead to service improvements and lower costs, the common mantra of business thinking. But the fact is that since 1988, Canada Post has invested heavily in service improvement, meeting delivery standards, information tracking and market trends. It is unlikely that any significant benefits could be realized by greater competition from the private sector.

The EDLC believes that, given the importance of Canada Post in our economy and society, that any recommendations coming from the Review Committee should be vetted through public hearings. The current model, while it doubtless tries to be inclusive as possible, will not give many of those affected by any changes an appropriate voice.

The EDLC is not able to comment on several of the questions the Review Committee is tasked with considering. We will however comment on the ones we have knowledge of.

The Universal Service Obligation (USO) ensures all Canadians can mail a letter at the same rate. It also creates a network of post offices in small rural communities that often serve as a focal point for their communities. The two roles are inseparable. Those who prefer to measure sustainability and value by balance sheets, not only overlook this contribution from Canada Post, they do not consider it significant. In fact, this contribution to our country seems rarely considered. Canada Post presents business plans to parliament or cabinet; but such social and economic impacts are not part of a business plan. Service standards and reviews also do not evaluate this impact. In fact, except for a Review Committee like the current one, most major decisions are made in isolated silos of thinking: the bigger picture does not receive consideration. In fact, historically, the first class exclusive mailing privilege was created to ensure sufficient funds for the USO, and particularly service to rural areas (regardless of what private sector groups say).

But there is another impact that arises from the USO and the network of post offices it creates. Communications (we must remember that rural residents are largely without internet service, particularly high-speed connections) are a pivotal part of economic development in an area. This issue is better expressed in the negative. The loss of the USO, or deregulation of postal services, would almost certainly deprive Canada Post of the profitable large markets, thus making it necessary to increase prices for what areas remain. Non-metropolitan areas would then find efforts to attract new investment less successful as they don't have the same services to offer at the same prices as large urban centers do. Many rural areas already struggle with a disadvantage when it comes to new investment because of their isolation. Making postal service less accessible or more expensive would amplify this problem.

We therefore urge the Committee to add other questions to its deliberations. The current obligations of Canada Post were created for good and valid reasons. Have those reasons changed? What are the social and economic impacts of changing the current balance of services? Would the taxpayer end up footing the bill to "relevel" the playing field if suggested changes leave large areas of the country disadvantaged? We are sure that in this context that the appropriate recommendation from the Committee is "status quo".

Under the heading of "Commercial Activities", the Committee is to consider 4 questions, one of which appears to leave the door open to recommendations for deregulation of services. In fact, there is only one exclusive privilege: the collection, transportation and delivery of first class mail, which includes international mails. Given the fourth mandate of the Committee that Canada Post must continue to generate a "reasonable rate of return" and dividends to the government, its only shareholder, we suggest it is absurd to consider deregulating the exclusive privilege in any way. Such a move would only deprive Canada Post of the best markets, from which it generates the funds to maintain services in rural areas of the country. The Committee will, we are sure, receive ample examples of the adverse effects of such moves in other countries, particularly in the area of increased costs to the consumer. It should dismiss any suggestions of deregulation as contrary to the best interests of Canadians at large.

The EDLC feels the current external challenges to Canada Post's efforts to generate reasonable rates of return are pressures by business groups who want Canada Post excluded from certain markets, like courier and parcel services. Canada Post is hamstrung by these debates and the restrictions placed on it about what types of businesses it can or should be involved in. People are talking out of both sides of their mouths at once. They want a return on investment and dividends but insist Canada Post cannot or should not operate in certain markets. We at the EDLC disagree. IF Canada Post is to generate a return on investment and dividends to the government, it should not be restricted from pursuing business opportunities as it sees fit. This means that Canada Post should be allowed to initiate new services, buy a cell phone company if it finds a good opportunity, and even buy the post office of another country if that appears a prudent move. No government in this country restricts businesses from pursuing investments and services as the business sees fit: it should not happen to Canada Post either. The EDLC urges the Committee to include this recommendation in its final report.

In conclusion, I would like to thank the Committee for its time and attention. We look forward to a final report that reaffirms the importance of Canada Post and its services to our country; and that leaves it with the resources and flexibility of any other business in the country.

Respectfully submitted  
On behalf of the Executive Council  
and Membership of the Edmonton & District Labour Council  
Tom Olenuk, President.