

In the Terms of Reference document, in section IV. Scope, sub-section C. Commercial Activities, the following questions are asked:

Which activities or services currently provided should be preserved as exclusive privileges and which ones should be provided in a more competitive environment?

Does Canada Post have sufficient latitude/flexibility to perform successfully in a competitive market environment?

What concerns me both as citizen and as postal worker is that deregulation seems to be taken for granted. Yet the government has not, to my knowledge, given sufficient reasons to justify a major change in postal service policy. I would understand the need for change if there were major problems with the postal service, but the Canada Post Corporation (CPC) has paid millions in dividends to the Canadian governments for the past decade while still upholding the quality of its services and providing great jobs to Canadians. The CPC made profits despite the growing popularity of internet, the price cap, and the rural moratorium (the latter two introduced in 1996). So where is the problem that deregulation is supposed to address?

The government should rigorously analyse and debate the deregulation of first-class mail before mandating it. The focus of such an analysis shouldn't be exclusively commercial – as seems to be the current perspective of the government – but should also take into consideration the effects of deregulation on universal service, employment, and prices. In the Scope section of the Terms of Reference document, no questions are asked – no questions at all ! – about the effects of deregulation. This is unsettling, especially since postal deregulation in other parts of the world seems to have some adverse effects while only having marginal beneficial effects for a handful of players. According to the CUPW's 2006 review of third-party analyses of postal deregulation in New-Zealand and Sweden<sup>1</sup>, deterioration of services, job losses, and price increases have followed deregulation. The only plus side: reduced prices for large volume business mailers.

The Canada Post Corporation Strategic Review's focus should not be on deregulating postal services in Canada, but should be on rebalancing commercial objectives to place more importance on service to the public.

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