



PEI Federation of Labour's Submission to the Canada Post Corporation Strategic Review

August 7, 2008

Introduction - The PEI Federation of Labour welcomes this opportunity to make a submission to the Canada Post Corporation Strategic Review. However, we would like to express our extreme concern and disappointment that this review into something as important to all Canadians as our public postal service is being done in such a short time frame and without public hearings. Considering the broad mandate this advisory panel has been given and the potential damage that it could inflict on this very important public service, to rush through this process without allowing all citizens of this country sufficient time and opportunity to express their feelings on this issue is very disappointing to us.

Canada's Postal System Not Broken - The PEI Federation of Labour would like to express our full support of maintaining and expanding Canada's Public Universal Postal Service. In a day and age where email and other forms of electronic communications were supposed to make regular mail obsolete, the facts that in the 2007 fiscal period, Canada Post Corporation processed 11.8 billion parcels and messages and recorded its 13th consecutive profit for the year returning a dividend of \$47 million to the Government of Canada show that this is obviously not the case. These facts also show how respected and important Canada's public postal system is to its citizen's and business community.

The PEI Federation of Labour is very proud of the hardwork, knowledge, and skill that our affiliated members of the Canadian Union of Postal Workers (CUPW), Canadian Postmasters & Assistants Association (CPAA), and Public Service Alliance of Canada (PSAC) on PEI put into helping create one of the most efficient, reliable and affordable (see table1) postal systems in the world. These distinctions are especially impressive when you consider that Canada's public postal system has to service the second largest country in terms of land mass in the world. Also adding to the challenges is our distinction of having one of the lowest population densities in the industrialized world (see Table 2) and the climatic challenges of Canadian winters.

Recommendations - As the panel can see from these facts, they need to go into this review not looking to fix a postal system that is broken because it is obviously not broken far from it. Instead, this panel needs to go into this review looking to maintain, improve, and expand the system we have, so all Canadians can continue to have a public postal service that effectively and efficiently meets their needs. In order to do this, this panel must:

- outright dismiss any idea of deregulation and removing Canada Post's exclusive privilege to handle addressed letters and opening the letter market to competition. Canada Post needs the exclusive privilege to handle letters so that it is able to generate enough money to provide affordable postal service to everyone, no matter where they live in our huge country. It will become increasingly difficult for our

public post office to provide universal postal service if the government erodes or eliminates the very mechanism that funds our universal postal service. Being from Canada's lowest populated province with a large amount of small rural communities, this issue is of the greatest importance to the PEI Federation of Labour and our members because we know that under deregulation PEI's postal service will suffer greatly. The system does not need to be fixed because it is not broken however if deregulation does come into effect in this country, Canada's universal public postal system will not be broken it will be destroyed. Deregulation would raise prices, reduce service, destroy jobs, hurt the environment and reduce the security and privacy of the mail. We hope that this is not this panel's vision of the future of Canada's postal system.

- look at how this public service can be maintained and expanded to best serve the needs of the citizens and businesses in this country and continue to provide and create more good paying and stable employment for its workers.
- remind Canada Post and our Federal government that our postal system's top priority is to service the citizens and businesses of this country and not to maximize profit. While Crown corporations like Canada Post have both public and commercial activities, they are distinct from commercial enterprises in that they are designed to serve the public interest, not maximize profit. While Canada Post must be run with an eye to making enough profit to ensure that they are fiscally sustainable, they can provide the services that Canadians need and deserve, and they can provide their current and future employees with fair wages and good and safe working conditions, however the top levels of Canada Post and the Federal government seem to be moving towards a misguided goal of putting profitability and returning the highest possible dividend to the Federal Government above all else and this must be stopped.

Improving The System - The PEI Federation of Labour would also like the panel to take into consideration a couple of suggestions to improve our Public Postal Service from situations that we have seen on PEI.

We would like to see this panel recommend that:

- Canada Post stop the practice of subcontracting retail postal outlets to private interests. These private outlets have a much higher employee turn over rate and do not offer their employees anywhere near the training or support that is standard for Canada Post employees. These factors makes our postal system more open to costly errors and inefficiency. It also makes ensuring the security and privacy of

our postal system much harder and replaces good paying jobs with ones that pay barely above minimum wage.

- Canada Post stop using the legitimate health and safety concerns of its rural mail carriers as an excuse to remove home delivery service to rural customers. While we do want these safety concerns addressed through proper consultation with the workers and their union, here on PEI, it has been made very clear that Canada Post’s true objectives with their review of Rural Mail Delivery have very little to do with the safety of their employees. The actions that Canada Post have taken here by replacing home delivery with community boxes has led to them in many cases violating provincial regulations and in a lot of cases the location of the community boxes have put their employees and their customers in much more jeopardy than the home box that they have replaced. Canada Post’s true objectives here on PEI with the review of rural mail delivery are clear, they want to do more with less while reducing service to rural customers. Canada Post must be committed to servicing all Canadians equally unfortunately the decisions coming out of this review have shown how little commitment the top levels of Canada Post have to this concept and this must change.

Conclusion - In the end, the Federal government and the top management of Canada Post seem to be forgetting that the main goal of Canada’s Universal Public Postal Service is to service all Canadians equally and efficiently. Our postal service is not supposed to be about profit making above all. It is meant to be run in the best interest of this country’s citizens . The PEI Federation of Labour urges this panel to make recommendations that respects these interests, rejects deregulation and ensures that we continue to have an universal, public postal system that all Canadians can continue to be proud of.

(Table 1) Comparison of 20 g First-Class Postage Rates in 11 Industrialized Countries	
Country	20 g Rate in CAD\$
Finland	\$1.08
Italy	\$0.94
Sweden	\$0.92
Germany	\$ 0.86
Austria	\$0.86

France	\$0.86
Japan	\$0.77
United Kingdom	\$0.71
Canada	\$0.52
United States	\$0.42
New Zealand	\$0.39

(Table 2) Comparison of Population Density in 11 Industrialized Countries	
Country	Density(people/km²)
Japan	338
United Kingdom	248
Germany	232
Italy	195
France	111
Austria	99
United States	31
Sweden	20
Finland	16
New Zealand	15
Canada	3