



DAVE COLES
President/président

August 28, 2008

Dr. Robert Campbell
President
Canadian Post Corporation Strategic Review
330 Sparks Street
(HCCR)
Ottawa, Ontario K1A 0N5

Dear Mr. Campbell,

Please find attached the submission of the CEP to the Canadian Post Corporation Strategic Review.

Yours truly,

Dave Coles
President
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Encl.

**SUBMISSION
TO THE
CANADA POST CORPORATION STRATEGIC REVIEW**



Submitted by:

Communications, Energy and Paperworkers Union of Canada

August 28, 2008

Introduction

The Communications, Energy and Paperworkers Union of Canada (CEP) is pleased to have the opportunity to make this submission to the Canada Post Corporation Strategic Review (CPCSR), concerning the very important issue of postal services in this country.

The CEP represents over 150,000 members and is one of Canada's largest unions. Our members work in many industries, including pulp and paper mills, sawmills, telecommunications and cable companies, oil refineries, petro-chemical plants, newspapers, television and radio stations. They live across Canada in every province.

The CEP and the Post Office

As a union, with the responsibility of representing our members and their concerns, the CEP must be in regular contact with our members and our staff across the country. With our head office in Ottawa, this means that we use the postal services every day.

The CEP uses Canada Post in over 95 percent of our mailings. In the past twelve months we have sent over envelopes and parcels through Canada Post. Our mailings are made using Canada Post's Expedited Parcel, Xpresspost and Priority Courier.

The vast majority of our mailings are sent to our 18 regional offices and over 700 local unions across the country, many in rural areas. We also send hundreds of items to the United States and other countries.

Our organization supports a universal, public post office that provides an affordable service to reach everyone across our vast country. This is the system that has served us well.

However, as a major user of the service, we are concerned by the kind of changes being considered by the CPCSR, in particular the deregulation of our public post office.

Why Deregulate?

The CEP is convinced that deregulation would negatively affect our ability to communicate with our members. As it stands, Canada Post has the exclusive privilege to handle addressed letters. It is this regulation that allows the corporation to generate enough money to provide an affordable service to everyone, including those in rural and isolated communities. If the postal service were to be opened to competition, private companies would be interested in the more profitable urban mail delivery. Left with only the more expensive delivery areas, Canada Post would find it increasingly difficult to provide postal services at a reasonable cost to many rural and remote parts of the country.

It is precisely in many of the rural and isolated parts of the country that a large number of CEP members live and work. Many work in pulp and paper mills, sawmills, oil refineries, on small town newspapers and remote radio stations. Our telecommunications workers are to be found in many small communities, as well as large urban centres. The CEP feels that deregulating the post office by removing its monopoly on letters would therefore undermine our capacity to communicate with many of our members.

These concerns are not based only upon educated speculation. Deregulation elsewhere has not proved to be a positive experience for the public. People who use deregulated post offices tend to pay a higher postage rate than we do. The Swedish post office was deregulated in 1993 and over the 12 years to 2005 the standard postage increased by 90 percent. Meanwhile, the Canadian rate has increased by only 21 percent during the same period. Since the post office in Britain was deregulated in 2006, it has faced intense pressure from competitors, resulting in falling mail volumes and revenues. Royal Mail says higher prices for stamped letters are inevitable and universal service is at risk.

We currently have one of the lowest standard postage rates in the industrial world. Our postal services are universal and affordable, no small feat in the second largest country in the world. The CEP sees no reason for a drastic change like deregulation, particularly given its poor performance record in other countries.

Public Hearings

Given the importance of the post office for communicating across Canada, the CEP asks why there are no plans for public hearings as part of the review on the corporation's service and its future. The members of CEP are also part of the public that would be concerned about changes to post office services. Any review of our public post office should include the opportunity for Canadians to express their opinions. The government should not make any decisions about our public post office until it has properly consulted with the public.

Conclusion

Since our post office is not broken, it does not need to be fixed with any drastic changes. One of the CPCSR's own documents points out that Canada Post "is doing well financially" and that it "has been profitable for the past 12 consecutive years and has paid more than \$400 million in dividends to the Government of Canada since 1998". ("Canada Post Corporation and the Government of Canada", Backgrounders, April 17, 2008)

The CEP has difficulty understanding how Canada Post will be able to maintain and improve our public postal service if the government erodes or eliminates the mechanism that funds the service, namely the exclusive privilege.

We oppose deregulation of the post office and the introduction of private postal services, for the sake of our own members and for all Canadians, especially those who live outside of large urban centres.

Thank you for considering our submission.