

**Canadian Union of Postal Workers
Calgary Local
Bay 109-5621-11th St. N.E.
Calgary Alberta
T2E 6Z1**

August 30th, 2008

**Canada Post Corporation Strategic Review
330 Sparks Street (HCCR)
Ottawa, Ontario
K1A 0N5**

Dear Panel Members:

The Canadian Union of Postal Workers Calgary local welcomes this opportunity to make a submission to the Canada Post Corporation strategic review panel.

Our local represents nearly 2300 postal workers in the city of Calgary and surrounding area. Our members are deeply concerned about the future of Canada Post not only from the obvious perspective of the jobs Canada Post provides, employment that benefits the entire Calgary community but equally the crucial role Canada Post plays in the daily lives of our fellow citizens.

While our local of CUPW appreciates its chance to express our views about our country's public post office we are concerned about the process surrounding this review. We are apprehensive that the government is not holding public hearings and that the review is taking place over the busy summer months. We believe it is incumbent on the government to allow the voices of ordinary Canadians to be heard into this critical review, it shouldn't be necessary to point out that ordinary Canadians own Canada Post and as such should have ample access to the review. This review process should be open and transparent and not risk being seen as biased in favour of the larger stakeholders which include Canada's largest corporate mailers, the federal government, or the unions representing postal workers. The government should also look at extending the deadline for submissions so individuals and groups could have more time in the fall to prepare submissions for the panel.

Canada Post operates in every part of the country and is recognized by Canadians as being one of the most trusted national public institutions. It is the nation's ninth largest employer and a crucial economic driver for both public and private enterprise. We believe that Canada Post should remain publicly owned and accountable and strongly relevant in all parts of the nation.

Our local sees postal deregulation as the greatest threat to our members and the valuable public-service Canada Post provides. When one looks at the issue of potential postal deregulation in Canada one must look at the effect of deregulation elsewhere in world.

Postal deregulation internationally has had a negative effect upon decent employment, poorer public service and an inflationary impact on postal rates for both the public and the small business community. An independent review of the United Kingdom's deregulated postal environment revealed no significant benefits to smaller businesses or domestic customers.

In Britain the Royal Mail has faced intense competition since deregulation took effect in 2006. The result of the deregulated environment was falling volumes and revenues for the Royal Mail increasing the possibility of higher postal rates and risking universal service to citizens of Great Britain.

Deregulation in Sweden resulted in postal rates dramatically increasing by 90% since it deregulated market was established in 1993. During the same period 1993 to 2005 Canadians witnessed postal rate increases of 21% in Canada's regulated postal system.

In New Zealand, postal deregulation resulted in the loss of nearly 16,000 unionized postal employees and saw the growth of postal employment that resulted in significantly lower wages and a decline in working conditions.

Deregulation also has the potential to be environmentally damaging with more competition comes the increase in greenhouse gases and demand on a diminishing resource. More people and vehicles chasing the same business isn't a sustainable option.

We believe there is no good argument to alter the mechanism that protects universal postal service in Canada the exclusive privilege over first-class letter mail. The exclusive privilege allows Canada Post to rely on the financial base free from outside competition. It is the only financial advantage the Crown Corporation has while servicing all Canadians. Canadians from coast to coast to coast benefit from one of the lowest standard postal rates in the industrial world. Our postal system is universal and affordable which is quite the accomplishment in the second largest country in the world.

Postal deregulation in Canada poses an enormous threat to both affordability and access. Canada Post's private competition largely foreign-owned and profit driven would likely cherry pick the most profitable routes and service in the countries largest urban centres while having virtually no interest in providing Canadians in mid-to small population centres with comparable service. This scenario would result in the death of universal postal services and a potential tiered pricing regiment that would also discriminate on the basis of where Canadians live. The exclusive privilege is a crucial part of the foundation that secures public postal service in our country, it must remain in place.

Deregulation we believe also jeopardizes the very existence of rural post offices. In rural Canada the post office plays a unique and significant role, one need only speak to rural Canadians about the possibility of losing their post office and you see the importance of Canada Post. In the Alberta context, rural post office closures simply don't make sense. The growth of rural economic diversification as well as support for Canada's beleaguered agricultural sector require a strong and vital post office. Rural Canadians need the post office to help them overcome the economic and communication challenges they face. As a public utility, Canada Post should consider these rural Canadians to matter as much as their urban counterparts. In Alberta the deregulation of public utilities including the telephone sector has not resulted in the improved benefits promised by the proponents of deregulation. Higher power rates and the lack of high speed Internet are perfect examples in Alberta where deregulation has not been advantageous for rural citizens. Rural post office closures would result in a political firestorm benefiting no one.

As a union it's obvious the effect of deregulation in the postal industry would have a negative impact on our members. As earlier mentioned the 2300 postal workers in the city of Calgary and area, generate a tremendous economic benefit to the local economies. These are well-paying benefit providing jobs that are secure and reliable. Private companies have consistently paid lower salaries with fewer benefits and less security; it's obvious what is more beneficial to the community.

Canada Post should look positively at expanding postal services. Currently a large segment of the Alberta postal delivery system is in the hands of private contractors; these contractors have not gone through the proper security clearance nor have been provided with the necessary training to deliver the public's mail. Contractors generally provide an inferior service to a growing segment of the population. Canada Post should endeavour to increase door-to-door delivery and provide more corporate owned wicket service. This would result in better service and more business opportunities for the corporation. Many Albertans are not satisfied with their current mail delivery and Canada Post can ill afford to treat the citizens this way. The Crown Corporation should look for ways to hire more full-time permanent postal employees especially rural suburban mail courier workers.

The Calgary local of CUPW believes that Canada Post is also handicapped by the federal government's financial and policy framework for Canada Post. The framework calls on the post office to provide a commercial rate of return of 11% and pay an annual dividend of 40% of net profit. The Crown Corporation has paid 547 million in dividends over the past decade. This is over and above its corporate income tax, CUPW wants Canada Post to act like the public service it is. Canada Post certainly has an obligation to the Canadian people, however the obligation should be in service and not simply as a revenue generator for the government. Canada Post would have better used the 547 million dollars in dividend payments in improving the service and working conditions. Canada Post should be distinct from its private competitors and should facilitate a public role and not simply try to maximize profits.

In conclusion, before writing this letter of submission I had the opportunity to speak to a number of fellow citizens from diverse perspectives. I traveled to small towns like Acme Alberta, struggling in changing economic times to maintain its community vitality. I visited residents and local politicians in High River, who are battling unprecedented population growth and the challenges of providing the multitude of services, needed by the citizens. I spoke to farmers

concerned about the future of their communities and future generations remaining on the land. Calgary Seniors voiced their concerns about isolation within their city and maintaining the ability to be self-reliant and remain in their homes. The Chamber of Commerce in Didsbury told me about the obstacles facing small-business owners to generate the customer base needed to sustain their enterprises. Throughout these discussions I was struck by how important these divergent groups felt their post office was, while legitimate criticisms of Canada Post were raised, no one questioned the relevance of the post office. If my conclusions are correct and I believe they are, Canada Post is not broken, it's only need is to strengthen the institution to serve all Canadians equitably.

The public is always sceptical when government announces a public review or commission to examine an issue however I would hope the findings of this review are balanced and reflect the true expectations of Canadians towards its post office. The timing of the results of the panels review will hopefully provide Canada Post with the direction it needs to properly fulfill its mandate moving ahead in this new century. One also hopes the public will have the opportunity to address the issue of Canada's Crown corporations in the upcoming federal election campaign, this would allow the people to have the proper venue for such discussions, only time will tell.

We wish the panel members the best in their efforts and deliberations.

Yours sincerely,

**Robert Scobel
President**