



**Submission to the Canada Post
Corporation Strategic Review**

August 15, 2008

The Alberta Federation of Labour (AFL) welcomes this opportunity to make a submission to the Canada Post Corporation Strategic Review Advisory Panel.

The AFL is the largest labour organization in the province with a membership of over 140,000 trade unionists working in the public and private sectors and living in every geographic region in Alberta.

One of the most important mandates of the Federation is to represent the interests of our members and their families on issues that directly affect the quality of their lives at work and within their communities. Since the founding of the AFL in 1912, the organization has consistently striven to defend the rights of unorganized workers in the province as well.

Within this broad mandate, the AFL has provided briefs and submissions to all three levels of Canadian government on labour law, workers' rights, health care, education, public services, job creation, economic development and other areas that directly or indirectly impact our membership.

Since our membership includes postal workers living in the province of Alberta and given the vital service Canada Post provides all of our affiliates and their members, the Alberta Federation of Labour takes any examination of postal services and operations very seriously.

Part I: The Review Process

The operations of Canada Post are of vital interest to Canadians. No other country provides the challenges to postal communications that Canada does. Geographically compact, densely populated European nations with superior internal transportation infrastructures are not useful comparators for Canada. Even the U.S.A., although similar to Canada in geographic challenge to postal services, has an exponentially larger population base and more highly developed transportation infrastructure.

Simply put, Canada cannot look to other countries for postal policies or practices. We have a unique environment that will require "made in Canada" methods of meeting postal needs.

That is one good reason that this Advisory Panel should be conducting exhaustive public hearings before compiling its report to Government. The notion of inviting only chosen stakeholders to make presentations underestimates the importance of postal service to Canada. Our postal services are of vital importance to all citizens and the narrow interests of certain large postal users should no be allowed to dominate discussion. Further, placing a September 2, 2008 deadline on submissions will exclude many Canadians who have an interest in the postal service.

We submit that the short timelines of the committee and its narrow mandate are too restrictive to produce conclusion in the best interests of the Canadian people.

The Advisory Panel has decided to focus on only four areas:

1. Market and Competition;
2. Public Policy Objectives and Responsibilities;
3. Commercial Activities; and
4. Financial and Performance Targets.

The problem with these four areas is that they are almost exclusively focused upon financial determinations of postal operations. The AFL believes that a more thorough examination of postal policy and practice should be included in this review. For instance, how do the citizens of Canada view postal services? Are there regional differences in these views, and if so, why? What services would Canadians like to receive from Canada Post? What improvements in current services would they like?

The AFL submits that satisfaction with the postal service by the broad majority of Canadians provides a more significant indicator of potential areas of policy change than an accountant's examination of market forces, or government imposed constraints on investment and returns.

Part II: The Public Policy Role of Canada Post

The Advisory Panel wishes to examine the public policy objectives and responsibilities of Canada Post by examining the costs of the universal

service obligation and considering the revenues provided by the exclusive privilege to handle addressed letter mail.

Although the universal service obligation is not well defined, it seems clear that it has been interpreted very loosely by Canada Post. The closure of rural post offices, the patchwork of “privatized” postal outlets in urban drug stores and the refusal to extend door-to-door delivery in new suburban neighbourhoods has created grossly unequal levels of service for Canadians – hardly to be described as universal by any standard. Perhaps nation-wide service standards for delivery and postal outlet availability could help address this problem.

Improving postal services by expanding them so that all Canadians receive the best possible level of service would eliminate this inequality and actually meet the requirement for universal service.

It should be noted here that Canada Post has a subtle but important role in establishing the way Canadians perceive their federal government. For many Canadians, both rural and urban, the local post office and/or letter carrier is their only direct daily contacts with the government. It is a daily reminder of the beneficial role government can play in peoples’ lives. The importance of such a tangible benefit to the government should not be underestimated.

Improving and expanding the role of the postal service provides real public policy benefits to government, and conversely, any deterioration of those services will have a negative impact on how people see their government.

Part III: The exclusive privilege to deliver addressed letter mail

One of the fears that the current review has created, despite its “principle” opposing privatization of Canada Post, is that it is simply a smoke screen behind which real agenda – allowing the private sector to enter the addressed letter mail field – will be pursued.

The problem is that any opening of addressed letter mail to “competition” is a direct form of privatization. It will transform work done by public

employees working for a not-for-profit crown corporation into work done by private employees for a for-profit corporation.

Aside from being a contradiction of one of the “principles” of the advisory panel, such a policy change would also be guaranteed to cripple Canada Post’s ability to meet its social obligations.

Right now, Canada Post can use revenues generated from heavy traffic, profitable letter mail corridors to subsidize delivery to smaller more isolated and unprofitable regions and centres.

If private competitors are allowed to grab portions of the profitable major delivery corridors, Canada Post will be less and less able to serve the non-profitable areas.

From a labour perspective, the spectre of transforming well-paid unionized Canada Post workers with (if past experience of such experiments is any indicator) low-paid, non-union, insecure employees is a grim reminder that privatization all too often simply means more exploited workers.

Canada Post must not lose exclusive privilege to addressed letter mail!

Part IV: Financial and Performance Targets

The Alberta Federation of Labour strongly supports the role of Canada Post as an important public service provider. It should not be required to provide “dividends” to the federal government.

If, instead of returning over \$400 million to the government in the last decade, Canada Post had been able to re-invest that money in operations, many thousands of Canadians would have been enjoying far better postal services. Canada Post could have built more post offices, expanded door-to-door delivery, improved rural delivery and developed and new products and services.

For example, instead of retreating from existing service levels, Canada Post could have been improving parcel and courier services.

Conclusion

This review is both too narrow and “fiscal” in its mandate and too exclusionary in its consultation process and timelines.

The question that needs to be put before Canadians is: what can be done to make Canada Post more responsive to *your* needs as a citizen?

The Alberta Federation of Labour rejects any market-based policy prescriptions for Canada Post. Canada Post is a crown corporation that fulfills many vital public policy and public service roles. It cannot and should not be measured by private business standards.

The service of Canada Post should actually be universal – that is, all Canadians should enjoy the same level of service. Canada Post should expand its products and services and have a stronger public presence.

Canada Post should not be required to provide any “dividends” to the federal government. Surplus revenues should be used to fund service expansion.

As a crown corporation Canada Post should be strongly encouraged to provide model leadership in labour relations, environmental practices and good governance.