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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Wednesday, October 5, 2016**

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**Chair**

**Mr. Tom Lukiwski**



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•(1000)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Ladies and gentlemen, we'll get the meeting started. Thank you for being here.

You probably know all of this, but by way of background, the minister responsible for Canada Post, the Honourable Judy Foote, has engaged in a very extensive consultation process on the future of Canada Post, trying to determine exactly what that future will hold. It has two phases. Phase one was the task force, which was assigned the mandate of trying to determine the financial sustainability and viability of Canada Post. The task force has completed its work and has submitted its report, which we have examined. Phase two is the cross-country tour, a consultation tour in which we speak with individuals, organizations, and urban and rural communities, including remote and first nations communities, to ask their opinions and for their suggestions on the future of Canada Post. That's why we're here today.

The process is quite simple. We're going to ask each of you to give a very brief, five-minute opening statement, to be followed by questions from our committee members. With that brief introduction, we will begin.

Ms. McGuire, I have you first on my list, so five minutes, please. The floor is yours.

**Mrs. Penny Walsh McGuire (Executive Director, Greater Charlottetown Area Chamber of Commerce):** Perfect, thank you so much.

Good morning, co-chairs, ladies and gentlemen, and honourable members of the Standing Committee on Government Operations and Estimates. Thank you for the opportunity to speak as a witness on the topic of Canada Post, an issue of significant concern for small and medium-sized businesses across the country, including many members of the Greater Charlottetown Area Chamber of Commerce.

The chamber serves as the voice of business on economic issues in the greater Charlottetown area. It provides services and opportunities for, and advocates in support of, its members to enhance their abilities to do business. Our jurisdiction is the greater Charlottetown area, which includes Stratford, Cornwall, and Charlottetown itself. We have close to 1,000 members, and the chamber reflects a diverse network of industry sectors and business professions.

We have taken the opportunity to review the discussion paper that was prepared by your independent task force. In response we'd like to present some of our initial observations, outlines, and some

guiding principles the chamber feels are necessary to consider as Canada Post operations and services are reviewed and adjusted to adapt to the digital age.

There is no question that this committee faces a formidable task in evaluating the future of the Canada Post Corporation, particularly in balancing its mandate to operate in a financially self-sustaining manner with a commitment to providing quality postal services that meet Canadians' needs. Initial observations by the chamber, particularly in the review by our policy committee, are that transition and adaptation by Canada Post Corporation are inevitable. It is clear from the task force review that current operations are unsustainable, and the organization will only face increased challenges as the digital world evolves. We fully accept that Canada Post must explore alternative options to continue to increase potential revenues and substantially increase their savings.

At the same time, we made note of the review's assertion that businesses make up the largest portion of the users of Canada Post's services. Businesses represent the corporation's largest source of revenue, and we believe the significance of the facts cannot be underestimated. As the largest users of the service, the needs of businesses must be given an appropriate level of consideration.

As the committee moves forward with its review, the chamber and particularly our policy committee would like to strongly suggest some guiding principles on behalf of the business communities here in the greater capital region.

The chamber recommends that the committee continue to consider the importance of public postal service to Canadians, and particularly to small business, and that the committee make decisions regarding the future of Canada Post that are based on sound fiscal management.

It's well known that many small businesses continue to rely on the postal service for essential activities, such as invoicing and receipt of payment. Many of these businesses straddle a fine line between profit and loss, and in these uncertain economic times they are vulnerable to even small increases in their cost of doing business. These same businesses are the lifeblood of our Canadian economy and individual communities, and every increase in costs for them spells decreased profits, delayed hiring, and lost jobs for the rest of the economy. For this reason, rate increases by Canada Post should be considered extremely carefully, if at all.

It was notable in the task force's review that the majority of Canadian businesses expressed a favourable view of peer pricing. We do believe it would be worthwhile for the committee to examine the feedback further. Meanwhile, we know that the task force's discussion paper was considering changes to Canada Post. Businesses also place a high value on speed of delivery, reliability, and customer service.

As for the second principle that was noted, the chamber would like to emphasize the importance of building a future for Canada Post on the foundations of sound fiscal management. We recognize that in the short term some subsidization may be necessary during the adaptation process for the corporation to continue to provide the services Canadians and businesses expect and require. On behalf of business, the chamber urges Canada Post to continue to seek out ways to increase efficiencies and cope with increasing delivery costs. It is clear that over the long term, substantial streamlining of operations will be necessary if the corporation is to remain in existence. If it is to be truly self-sustaining, then Canada Post faces a major transition.

● (1005)

We appreciate the committee's efforts to consult Canadians thus far, and it's our hope that with the collective wisdom of Canadians and the business community, innovative solutions will be devised that maintain the essential integrity of this important public service while providing the flexibility to adapt to a changing era of communications.

Thank you again for this opportunity to provide comments on behalf of the business community, and I look forward to any questions you might have.

**The Chair:** Thank you very much.

Now we have Ms. MacDonald for five minutes, please.

**Ms. Katharine MacDonald (Owner, Milk & Amber):** Good morning.

I have to apologize. I didn't prepare any notes. I never stick to them anyway.

**The Chair:** That's fine.

**Ms. Katharine MacDonald:** I'd like to thank the committee chair and honourable members for giving us this opportunity to speak.

I'd like to thank Penny for starting.

I come to you as a small-business person, I would even say a micro-business person. I'm also a graduate student at the University of Prince Edward Island, and I am studying youth and rural issues. As a small-business person and as someone who has academic interests in this area, I am really happy to be able to speak to you today.

I am part of a group of people who have small businesses on the island, and the group called the Etsy Artisans of PEI, and Etsy, as you might have heard, is an online company that facilitates artisans, makers, and craftspeople selling their wares online. I am part of that group.

The group on P.E.I. has about a hundred members spread across the island. It's predominantly young people, women, and people

living in rural communities, and for the most part, we rely on Canada Post to send our parcels. A lot of us don't have a brick-and-mortar presence on the island, so we rely solely on purchases from elsewhere, and through that, we rely on Canada Post.

It's an important service for a lot of us, and we see it as a public service. We don't necessarily see it as something that needs to be run completely as a private sector business. We tend to see it as something like a ferry service or as infrastructure. It's important for us to be able to market our products, and we see this as something that is as integral as health care or transportation.

Speaking to you as a graduate student studying rural and youth issues, services like this to people who want to live in a remote or rural area and start a business are of the utmost importance, and access to services in an equal and equitable way I see as being crucial for rural development and for youth retention on the island.

I really don't have much more to say, but I do believe that postal services like Canada Post are important for a rural place, and they're important for our island because we obviously have few connections to the mainland, and postal service is one of them.

I implore you to consider the impact of all the changes that are outlined in the discussion paper for young people, for rural businesses, and for small businesses and micro-businesses on the island.

Thank you.

● (1010)

**The Chair:** Thank you very much.

If I may say, Ms. MacDonald, you actually had quite a bit to say, and you said it very well.

We'll start with our first intervenor for seven minutes, Mr. Whalen.

**Mr. Nick Whalen (St. John's East, Lib.):** Thank you very much, Mr. Chair.

Thank you, both, for coming. It's great to hear from the business community. We hear from a lot of different groups of Canadians in the business community, towns, and municipalities, and groups representing the aged or the infirm. We also hear from unions, so different groups provide different perspectives.

I'm very interested in the notion that rural Canadians can have access to a high-quality distribution infrastructure so that they can sell rurally manufactured products around the world.

Ms. MacDonald, can you tell us a little bit about the volume of sales that your hundred members might have, the times of delivery, what customers buying from Charlottetown expect in terms of delivery times, whether or not you're getting the type of service you need now, and how the service would need to change for you to continue to compete in the global market?

**Ms. Katharine MacDonald:** That's a great series of questions.

To begin, I do notice that there has been a change in the way that deliveries happen from rural parts of the island to central parts of the island and off-island. It is my understanding that now any parcels or letter mail are not sorted on the island. They go off the island before coming back to be delivered. Just as someone who is in a Master of Arts in Island studies program, leaving the island in that way just seems inefficient to me.

I notice that my peers in this group have said that they've been finding that there are delays in their deliveries. Everyday matters when you're trying to make a customer experience positive.

I'm sorry, there was quite a series of questions.

**Mr. Nick Whalen:** Yes, that was my point. What do your customers expect? Do you find that you're able to be competitive with someone from Halifax selling to Charlottetown, versus your group wanting to sell into your region or trying to sell off-island? Where do your sales come from? We want to get a sense of the industry that your hundred members are a part of.

**Ms. Katharine MacDonald:** The bulk of sales by all members on the island are to the mainland, but usually to the United States or internationally. Speaking from my own experience, probably only about 1% of my sales would be in the Maritimes and then maybe 10% would be to the rest of Canada and a pretty solid 60% to 70% to the United States.

We predominantly sell off-island. In the last five years that I've been doing this, I've noticed that the average wait time of customers for their parcels has increased.

I can't speak to whether mainland businesses would have a different experience, but I assume that they would because there is that additional distance from P.E.I., that additional isolation. I'm not entirely sure how we could be more competitive, but I imagine that having some level of sorting and processing on the island would maybe speed things up.

• (1015)

**Mr. Nick Whalen:** Okay. We've also heard different groups across the country talk about how their region is a destination for sales from other areas. So you guys are outbound sales.

Maybe, Ms. Walsh McGuire, you can tell us a little about how your businesses are competing against the online sales inbound and how Canada Post facilitates other people competing against local businesses?

**Mrs. Penny Walsh McGuire:** Particularly online retailers?

**Mr. Nick Whalen:** Exactly.

**Mrs. Penny Walsh McGuire:** I don't have specific statistics on competition for online retailers. I know that one of our members, John Barrett of Vesey's Seeds, will be speaking a little more about his experience.

Similar to what Katharine has said, we have heard a little from our membership about some delays with the changes in operations of sorting off-island. How significant that is would need to be factored into further consultation with our members.

I did note in the report general satisfaction from the business community nationally with the service of Canada Post, but I don't have a specific finger on the pulse of what our online retailers are saying in terms of service.

**Mr. Nick Whalen:** You talked about financial management, and I guess one of the major reasons why this task force was struck is to find a direction for Canada Post and determine whether or not we maintain the current model, that it be self-sustainable, that it have the same universal service charge, or what changes to the models need to be made.

The task force has come up with some different options with different dollar values. There is some overlap and they're not all additive. You don't get all of the benefits from slipping to alternate day delivery; if you also make another change, you might get some lost revenues on the other side.

I know that the community mailbox conversion was quite contentious here. Some of the conversions happened after the election in that one week before the new Prime Minister put the moratorium in place. How do you think people will feel and how would your members feel about a \$400 million subsidy for Canada Post versus the complete move to community mailboxes across the country. What's the balance there?

**Mrs. Penny Walsh McGuire:** My general observations from the membership—and again it would just be anecdotal because we certainly haven't conducted the consultation that the task force has—is that the implementation of the community mailboxes had very little impact on the business community. It was very much a residential concern.

I noted in my speaking notes that subsidies in the short term may need to be considered as we change Canada Post's way of operations, but our policy committee observed many of the same concerns that the task force has. What is the long-term sustainable plan for Canada Post in terms of their operations and the makeup of those their operations between the overhead and revenue?

**Mr. Nick Whalen:** Similarly, we've heard a lot—

**The Chair:** You're out of time. It goes so quickly.

Mr. McCauley, for seven minutes, please.

**Mr. Kelly McCauley (Edmonton West, CPC):** Actually, it's Mr. Kmiec.

**The Chair:** Sorry, yes.

Go ahead, Mr. Kmiec.

**Mr. Tom Kmiec (Calgary Shepard, CPC):** Thank you, Chair.

Thank you very much for coming. It's nice to see someone from the chamber again. We heard from the Sydney chamber yesterday. I'm a former chamber guy, from the Calgary Chamber of Commerce. It's always nice to see business people as well coming in to present to the committee.

As my colleague mentioned, one of the reasons we're here is that there will be a \$700-million shortfall by 2026. There are only two ways to deal with this. We find areas for savings, cuts, reductions, or we find ways for Canada Post to earn new revenue and hopefully turn a profit that goes toward the bottom line.

First, you all mentioned that it's a public service and that you're quite proud of it. You like the service you're receiving so far. Would you agree to paying higher corporate taxes to finance the subsidy to Canada Post in the interim until it's sustainable?

• (1020)

**Ms. Katharine MacDonald:** I would say yes.

**Mrs. Penny Walsh McGuire:** I think that in the short term, until a solution is identified for how we get to a more sustainable Canada Post model, it is a service that the business community needs. That was apparent in the report. We heard that loud and clear. Whether it's an online retailer, a catalogue retailer, or just general invoice, payment, and receipt letter mail, the business community does need the Canada Post service.

I think in the short term, if we needed to look at that...and not just a corporate business tax. It would also have to be a general consumer tax. Understanding that, yes, we would have to look at that, but we would want a model that is looking at the long haul for Canada Post and the long-term sustainability.

**Mr. Tom Kmiec:** Perhaps I can follow up on that idea. Canada Post currently is the only organization allowed to deliver mail under 500 grams. This has come up repeatedly in terms of invoicing companies B2B, and invoicing their membership. Out west it's very common to do electronic invoicing, especially for business. The Chamber of Commerce in Calgary does e-invoicing for all the membership dues. At the organization I used to work for, with 6,000 members, we used to e-invoice.

Is that something your organization does?

**Mrs. Penny Walsh McGuire:** Absolutely. Yes, we do invoicing for our membership dues as well as other non-dues fees. A number of our members do require that. In fact, we find that larger corporations actually want no more letter mail invoices.

**Mr. Tom Kmiec:** I've noticed that too.

This monopoly they have right now in mail is also an opportunity, as I see it. I asked the Sydney chamber the same question. Right now businesses, if they need to send mail, actual mail, have no second choice. In the case of a labour disruption, what would your organizations do? Where would you go if you actually needed to mail something but there was no Canada Post service available, whether it was an employer-caused or employee-caused labour disruption?

**Mrs. Penny Walsh McGuire:** Earlier this summer we potentially faced this situation. We distribute a quarterly magazine. It's treated as letter mail. We were preparing an emergency response as to how we were going to push that out. We were actually looking at a delivery model that was very human resource-heavy.

**Mr. Tom Kmiec:** Was it using courier services?

**Mrs. Penny Walsh McGuire:** Yes. It was going to be a combination of courier services, staff, and other volunteers to distribute that.

**Mr. Tom Kmiec:** Would you support, then, the elimination of that monopoly on the 500-gram envelopes in order to allow the business community to figure out a solution, i.e., to allow the Uber of letter delivery to be like a side service?

The example I give is this. The committee heard about a service in France called Relais Colis, which provides the end or last stage of B2B delivery. If a package can't get through a postal service, they'll deliver to a local business. You indicate to them what you want. They text you afterwards. It's like an automated service. It's like a supplementary service to their postal service, which hasn't been privatized.

Would that be something of interest to the business community here?

**Mrs. Penny Walsh McGuire:** Although we represent what would be identified as an urban area, we have a lot of members in rural areas. Canada is a very rural nation. I think to respond to that question we would need to understand what the implications are for delivering to rural areas, and if it would exclude certain individuals from being on our distribution list.

On the question of moving to a model that opens it up, I don't know if we can answer yes or no to that. I think we need to understand who would maybe be excluded from that or what the implications would be for our rural membership and our rural communities in terms of delivery. I don't have a firm response on that.

**Mr. Tom Kmiec:** I imagine that Canada Post will continue having to deliver the mail, as it does now, but the monopoly would end, so that businesses could find a means or a solution to delivering to high volume areas and low volume areas as well. There's just that extra little bit of competition and innovation. Micro-businesses are usually really good at this, at finding a solution.

• (1025)

**Ms. Katharine MacDonald:** As someone who really rarely sends letter mail or only sends very small packages—which wouldn't be the case for the bulk of my group of makers and artisans I'm speaking for—I'm not really sure what the effect of that would be.

**Mr. Tom Kmiec:** How much time do I have, Mr. Chair?

**The Chair:** You have one more minute.

**Mr. Tom Kmiec:** I'm going to ask about your group. You mentioned Etsy, and I know Etsy because my wife has used it in the past. She has a micro-business as well.

We're trying to figure out how we make Canada Post sustainable for the next 20 to 30 years. For the younger generation—and I think you and I are part of that generation, sorry, Kelly—everything's on our smart phones. I have a BlackBerry, so I know I'm a Luddite. Everything seems to be moving to e-invoicing, e-sales, e-commerce. There's the parcel part of it, but there's also this letter part of it. Canada Post right now does a good job delivering the mail, but it's just that that part of the service is costing a lot of money. Do you have a solution that you could provide? Is there something that your organization, the people you interact with, would like to see that could also provide extra revenue for Canada Post to sustain itself into the future?

The Canada Post of the future is not the Canada Post we have now.

**The Chair:** It will have to be a very brief answer, Ms. MacDonald.

**Ms. Katharine MacDonald:** I don't have any ideas.

**Mr. Tom Kmiec:** Send me an email.

**The Chair:** Thank you, Madam.

Thank you, Tom, for throwing your youthfulness in the chair's face once again.

Mr. Duvall for seven minutes, please.

**Mr. Scott Duvall (Hamilton Mountain, NDP):** Thanks, Mr. Chair.

Thank you very much for coming. You have a beautiful province here. I really appreciate it.

You mentioned, Ms. McDonald, some of the delivery service you're unhappy with. You see a change in the way it's being delivered, that it's maybe taking a little longer. I notice that both of you—that is, Ms. McGuire also—have said the same thing. Would your organizations allow a small increase for better service? What do your members want? Is better service at a cost, or do they want better service at no cost?

**Mrs. Penny Walsh McGuire:** I can step in here. The observation from our committee, and in speaking to members, is that increased costs for using Canada Post is something they would want to be evaluated very carefully. As was noted, we're dealing with small businesses, and their profit/loss margins are very minimal. We know the impacts that can have if it changes significantly.

What we would consider and would perhaps look at, or encourage the task force to look at, is maybe a tiered-pricing model, as described in the task force report. In that model, users who are looking for enhanced service, which would relate to speed, or perhaps quality—I'm not sure, whatever the definition of quality is, but I'm thinking it would be more speed of service—could be considered in terms of price points in a tiered-pricing model. Again, we just want to understand what that looks like and how it would specifically impact our members and their businesses.

**Mr. Scott Duvall:** Okay.

**Ms. Katharine MacDonald:** Even a small increase to the base costs of sending parcels and letter mail would have an impact on a lot of the people I'm speaking for. If someone's earnings for a year might only be a couple of thousand dollars, paying even \$12 instead

of \$10 to send something really starts to add up. It makes it more of an expensive hobby than a business.

I think if there were more communication as to the changes in service, that could help, because we could then communicate that to our customers. But if we feel that we're not supposed to notice any changes in service, and these still happen, and we as business people have to be accountable for these but don't realize that....

So just communicating any changes in delivery would be helpful.

**Mr. Scott Duvall:** As you know, Canada Post has made a decision, with the previous government, to discontinue door-to-door delivery service and go to community mailboxes. That has caused a great angst amongst many people. Canada Post has a service that it charges for on your envelopes and parcels.

Now, when they go to community mailboxes, they take their responsibility and put the mailboxes up, but they put them in locations where people with mobility issues will have challenges. There is lack of parking, so people can't get to their mailboxes, because the parking is on the road allowance.

People then start calling their city hall officials: they want a light; there is too much garbage but no garbage containers; and with the graffiti there, the aesthetics are wrong for the business. All of this costs money and is now downloaded back to the municipal taxpayer, who is the business owner. Do you think it's fair that they have taken their responsibility and put it onto you so that they can save some money and say they want to be above the profit line?

• (1030)

**Ms. Katharine MacDonald:** I suppose that is the postal service's shared responsibility. Even though I realize it is a crown corporation, a federal responsibility, I see how the concept of being able to send and receive mail could be something that's shared—not necessarily always in cost, but in responsibility.

Do I think it's fair that it has to be downloaded? I suppose not. Whether residential delivery is door to door, or whether it is to a community mailbox, I can't speak to the impact on my business personally, or on other businesses. In that respect, I don't really know what the change has been for people.

**Mr. Scott Duvall:** Okay.

**Mrs. Penny Walsh McGuire:** We haven't had any significant negative feedback about the community mailboxes from the business community's perspective, primarily because a lot of the urban deliveries would be.... They wouldn't have seen a lot changed; they probably go to their post office. I haven't had a lot of feedback there.

The mailboxes were installed. It was a new initiative, and a certain level of responsibility by Canada Post Corporation as a crown corp is required for their maintenance, for communication, and for ensuring that this is not falling on the municipal government, which really doesn't need this additional impact and this financial responsibility. I wasn't aware that there was significant impact on the municipal governments. I haven't heard that locally, but I certainly feel that Canada Post has responsibility with this transition, for the short term and the long term, so that it is taken into care.

**Mr. Scott Duvall:** I just want to—

**The Chair:** Make it a very short question, Mr. Duvall.

**Mr. Scott Duvall:** I'll just make a comment. We heard from other people that the high cost has affected them as a council, as a municipality, because they are demanding this stuff. It has now come to who's paying, and whether it's the taxpayers or your businesses. It's either Canada Post, or they are going to be charging through another way that's downloading a cost to you. I just want to put that to you.

Thank you very much.

**The Chair:** Thank you.

[Translation]

Mr. Ayoub, you have the floor for seven minutes.

[English]

**Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.):** It would be better for understanding, yes.

[Translation]

Thank you very much, Mr. Chair.

I would like to thank the people of Prince Edward Island for welcoming us. It is very pleasant being here. I am from Montreal and this is the first time I have visited this province.

We are conducting nationwide consultations about Canada Post. Is this the first time you have been consulted about this national service company? Have you had the opportunity to discuss it before or share your positions?

•(1035)

[English]

**Mrs. Penny Walsh McGuire:** No.

[Translation]

**Mr. Ramez Ayoub:** Okay.

So this is a special opportunity that you have not had in the past, before we make important national changes. It is interesting to hear different points of view, especially those of the chamber of commerce and of small and medium sized enterprises.

Ms. McGuire, I would like to hear your opinion as a representative of a SME. When there are issues with cash flow, revenues or a drop in services, what steps can be taken to address them? Can you summarize in two or three steps?

[English]

**Mrs. Penny Walsh McGuire:** I think the reaction from the business community, when you're having challenges with cash flow,

as any SME has probably faced in its various life cycles, is to do just what Canada Post's task force is doing in this process, and that is to look at opportunities to increase revenue or reduce expenses. In line with the recommendation from our committee, I think we do need to look at the long-term sustainability and the costs. We are quite conscious of the makeup of Canada Post's overhead, and the need to also look at alternative solutions for revenue, whether it be a tiered-pricing model or other lines of business that perhaps were outlined in the task force.

I did note a lot of discussion around commercial banking, and many of our members are the commercial banks. The report suggested that that might not be an opportunity for all communities in Canada, but it might be something that could be looked at.

**Mr. Ramez Ayoub:** The status quo is not an option in those kinds of situations.

**Mrs. Penny Walsh McGuire:** Right.

**Mr. Ramez Ayoub:** We agree on that.

**Mrs. Penny Walsh McGuire:** Yes.

**Mr. Ramez Ayoub:** I'm going to switch to French, so maybe you can put on your ear piece.

I'm very tight on time, so I want to make sure that I make my point and have the right question.

[Translation]

That is an interesting parallel between public transit and service companies. It is a good comparison but it is not perfect. With regard to public transit, whether for buses, trains or the subway, the service level can vary depending on whether you live downtown where population density is high, or outside of the downtown area.

Is it a service model that could vary depending on the options chosen? If I want much faster service, I chose a personalized service that might be a bit more expensive, but it is faster and better for me. As a business, I am ready to pay it, but the service is based on what I pay. Basic service is always available. Could this model be studied and perhaps offered to businesses right across Canada?

My question is for either one of the witnesses.

[English]

**Ms. Katharine MacDonald:** I'll just share this very quickly.

I recently spoke at a legislative standing committee on a separate issue, but I'm realizing how many parallels there are. It was on the closing of the ferry for the summer. I see that there should be equitable access to service for rural and urban communities, regardless of where you live. I'm not sure how that can necessarily be achieved without having the costs distributed in such a way that no one is disproportionately affected by the rise in cost.

To speak to your question to Penny, I spoke recently to other members of my group of small business owners. They said that the way they first started to react to the hike in postal prices was to try to produce higher-value products to sell, so that each time they had to mail something, they were going to earn more revenue on the product itself. That's so the costs would be more proportional, I suppose, to the items they were mailing. However, that's a difficult thing for everyone to do.

In one way, it's not entirely fair for the people who produce smaller items and still want to rely on a fair, frequent, and fast service.

• (1040)

**Mr. Ramez Ayoub:** My question wasn't on not giving service or giving poor service. It was about giving the right level of service, and maybe a superior level of service if you're paying more.

**Ms. Katharine MacDonald:** Yes.

**Mr. Ramez Ayoub:** That kind of model of a business could be an option.

**Ms. Katharine MacDonald:** Ideally.

**Mr. Ramez Ayoub:** Madam McGuire, I have another question or maybe a comment. I just want to be sure of something, because sometimes we can discuss all kinds of options around the table. Privatization is not on the radar right now; it's not the way we want to go. I just want to make sure that it's not an option on the government side right now.

**Mrs. Penny Walsh McGuire:** It was noted by our policy committee in reviewing the task force report that privatization was not on the radar.

To speak to your question about enhanced service and the fee for enhanced service, which is essentially what you're saying, I think our membership in the business community would be supportive of that. Really, the way the private sector operates today is that you pay for an enhanced service.

I do note that the majority of Canadians and the business community are happy with the service, but to our point, we have noticed a change.

**The Chair:** Thank you very much.

We're down to our last two intervenors. They will be five minutes each.

We will go first to Mr. McCauley.

**Mr. Kelly McCauley:** Thanks for joining us. This is my first time in P.E.I. and the last province for me to visit.

**A voice:** Hear, hear!

**Mr. Kelly McCauley:** Thanks for having us here.

Mr. Ayoub was talking all last night about privatization, so I thought he would bring this up.

Thanks for being here. You have both spoken very well.

Ms. McGuire, you mentioned subsidies. We noticed that the P.E.I. chamber, in their submission for the budget, talked about making sure that the government continues with the promise to reduce taxes. It's a real—

**Mrs. Penny Walsh McGuire:** Contrast.

**Mr. Kelly McCauley:** Yes, and Ms. MacDonald, I'll get to you as well.

We see this a lot and it's human nature: I want this, I want this, but I want that guy to pay. Unfortunately, we're running out of that guy.

If we're going to subsidize Canada Post, it's going to have to from higher taxes, but at the same time you're calling for lower taxes.

That's the same with pricing: we want better, but, by the way, we don't want to pay because it's hurting our business.

**Mrs. Penny Walsh McGuire:** Yes, it is a challenge, and I think it speaks to the weight that the business community puts on Canada Post and its importance to all Canadians.

To your point about short-term subsidization, I think our observation in the report is that there are short-term, immediate concerns around the obligations to the pension plan, and then there are some long-term, serious concerns that we need a real-time solution for, as this is a process—

**Mr. Kelly McCauley:** You're thinking more of a...

**Mrs. Penny Walsh McGuire:** In the short term, how do we—

**Mr. Kelly McCauley:** Would you consider a short-term price bump in the cost of stamps, then, or a cost of service, if it's to get over a two year...and then some of it would be clawed back?

**Mrs. Penny Walsh McGuire:** I haven't seen the price of stamps go back down. That's the only concern.

**Mr. Kelly McCauley:** Things never go back down.

Ms. McGuire, what do you think the people you represent place more importance on with Canada Post: reliability, or a one- or two-day delay? We've seen some polling that says everyone wants it tomorrow for free, but it's fine if it's going to be there in two or three days. I'd rather know it's going to be there in two or three days for sure, rather than maybe tomorrow.

Ms. MacDonald, what do you place more importance on, greater reliability or a one- or two-day difference?

**Ms. Katharine MacDonald:** I'd say that people would definitely prioritize reliability. That is something that I've personally noticed. I've spoken to other people about this, and they've noticed that over the past few years, they have seen a rise in lost or broken packages, which usually has to come out of a business person's pocket. I would say reliability. As long as you can count on it getting there, then one to two days extra is....

**Mr. Kelly McCauley:** Who else have you used as alternatives to Canada Post for parcels? Is it like a UPS? Why is it Canada Post? Is it a cost issue?

**Mrs. Penny Walsh McGuire:** We, being a chamber attached to the national network of chambers, work with both Purolator and UPS. We do offer benefits to our members through that network.

**Mr. Kelly McCauley:** Okay.

Ms. MacDonald.

**Ms. Katharine MacDonald:** Are you asking if—

**Mr. Kelly McCauley:** For parcel delivery. You mentioned that 60% of your business was going down to the States.

• (1045)

**Ms. Katharine MacDonald:** Yes.

**Mr. Kelly McCauley:** Is it through Canada Post?

**Ms. Katharine MacDonald:** Always, yes.

**Mr. Kelly McCauley:** For pricing reasons, or...?

**Ms. Katharine MacDonald:** I guess I have lots of good reasons. It's out of principle, to support a national service.

**Mr. Kelly McCauley:** Would you continue using something even if it costs more, out of principle? You mentioned that pricing is obviously very important.

**Ms. Katharine MacDonald:** Yes, I suppose I would.

**Mr. Kelly McCauley:** Over the summer there was the threat of service disruption from Canada Post. I got the emails. My wife has a private business. She got the letters. I got the nagging from the bank that I would still have pay, etc. We've heard from some people that those notices were sent out to try to drive business down and to hurt Canada Post. I look at it as more of an important message, a heads-up. Did you get those notices?

**Ms. Katharine MacDonald:** I did. I did see it as a communication and not as something trying to influence my view of the service. However, I do feel as though some of their members did feel that way. They felt that that particular communication was not done to inspire confidence.

**Mr. Kelly McCauley:** Okay, thank you.

**The Chair:** The final intervenor will be Madam Ratansi, for five minutes, please.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you for being here. You give such a nice perspective. Small and medium-sized enterprises are the job creators and add to economic growth, especially the micro-enterprises because students coming out of university say, "Well, what can I do? There are just no jobs available." Therefore, I'm so glad. As an accountant previously, I used to help small and medium-sized enterprises.

For a quick answer, my question is, what made you think Canada Post was going to be privatized? Somebody thought it was going to be privatized, and I think you said in your statement that we don't want it privatized. It's not going to be privatized—I'm just letting you know. If anybody is asking you questions about competition with Canada Post, it's not a question of privatization, so let's settle that.

We are here to get very creative input from the two of you, from everybody. As small and medium-sized enterprises, you are creative because you face challenges and you have to balance everything. We look at Canada Post, not from the task force perspective, which is just a discussion paper that we park. It's our analysis that will count.

Look at Canada Post and say, yes, letter mail is falling ad mail is increasing, parcels are increasing, other options such as e-post and e-commerce are increasing. If you had the logistical network of Canada Post, if you had its assets—about \$7 billion—how would you leverage it? Nobody is even thinking outside the box. Everybody is so restricted within this financial mode, wherein we are being told to think along these lines. As an accountant, I would make you think this line because I would come up with accounting policies. But give me some creative answers. You have so much that is a positive in Canada Post. What are you going to do with it? How would you leverage it to make it better?

**Ms. Katharine MacDonald:** Something I've noticed is that there are huge physical or geographical infrastructures, particularly the buildings in which Canada Post is housed. In P.E.I., if you visit any small community, you will notice that there is always a Canada Post.

With the decline in the rural population, particularly on the island, sometimes Canada Post is the only business in some communities. I would imagine it's somewhat of a rural hub, so I would think that if there were a way to have something in those physical spaces, whether postal banking or other kinds of sales, that would be a huge opportunity.

**Ms. Yasmin Ratansi:** People have been pooh-poohing postal banking and saying that you would have to invest a billion dollars. That's nonsense, because Japan, Italy, and France all had the same problems as Canada Post and they turned it around. Japan now has \$196 trillion yen in assets in its postal bank.

I'm just asking you, if you don't have it here but you want to give us answers, please do, because we have to think outside the box. If the status quo is not appreciated, let's move forward and say "What is it? What would you do with that?"

• (1050)

**Mrs. Penny Walsh McGuire:** I'm kind of building on what Katharine was saying. There is huge infrastructure across Canada in very rural areas, and there are also small and medium-sized businesses perhaps looking for space. Is there a private-public partnership that could take place so that the infrastructure is not held at a loss and heavy cost to a public service that we hold dear? Is there another way to identify revenues through leasing or other options?

**Ms. Yasmin Ratansi:** Also, if you are going to populate the remote areas of Canada, you need something, because we are all along the U.S. border. What are we going to do? We need population. How are we going to think to send population to remote areas? What sorts of services do you think Canada Post's current infrastructure could help?

**Mrs. Penny Walsh McGuire:** I'd probably want to think a little bit about that in terms of the members that we represent and what kinds of services they could provide. I'm sure there are underserved areas of Canada, from a public service perspective, that could partner up with Canada Post.

**Ms. Yasmin Ratansi:** If you have more thoughts, we would welcome them.

**The Chair:** Thank you, both, for your presentations. They've been very helpful. We have enjoyed your perspective.

There's one thing I will suggest to you in particular, Ms. McGuire. You said you might have to talk to your members on some of the issues that were raised here today. Should you at any time have any additional information that you wish to give to our committee for the benefit of our deliberations, please contact our clerk directly. You can make submissions, and we will be tabling the report in Parliament probably before the end of the year. I would suggest that if sometime in the next couple of weeks you have additional information you want to submit, that you could do it in that timeframe, and that would be very much appreciated.

**Mrs. Penny Walsh McGuire:** Is there a time frame around phase II beyond the report? Does the committee have a time frame in terms of implementing change?

**The Chair:** I can't speak on behalf of the government, but certainly I don't believe the government is planning to make any changes right now. They want to see the report that we submit, and take some time to analyze that, so you would have additional time, I'm sure, but I'm just suggesting that if you want some of the information contained in the report that we're going to table in Parliament, if you could get it to us in the next couple of weeks, that would be helpful.

**Mrs. Penny Walsh McGuire:** Thank you.

**The Chair:** Thank you both.

We will suspend while the next panellists come to the table.

Thank you.

• (1050) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1055)

**The Chair:** Thank you very much.

I believe that both of you gentlemen have been in the room and have observed the first session and know how the process works here. I won't have to go into that. I'll just remind you that we'll ask each of you to give a very brief opening statement, hopefully five minutes or less, which will be followed by questions by our committee members. We hope to elicit information on your perspective on the future of Canada Post.

Mr. Barrett, I have you first on my list. You have the floor. Go ahead for five minutes, please.

**Mr. John Barrett (Director of Sales, Marketing and Development, Vesey's Seeds Ltd.):** Thank you.

Welcome to Prince Edward Island. I hope you grasped the significance of the room that we're in today on the verge of the 150th birthday of Canada. This is Memorial Hall, the tribute to the Fathers of Confederation. I hope you have an enjoyable time when you're here.

Since 1939, Canada Post has played an integral role in the operations and success of our business, Vesey's Seeds Ltd. Currently, through address ad mail and letter mail services, Vesey's distributes approximately two million catalogues and various sales materials each year. As well, our firm ships well over 90% of its parcel volume through the Canada Post expedited parcel service. While our firm has choices when it comes to parcel delivery, our catalogue and sales literature distribution is solely dependent on the existing Canada Post letter mail service.

When mail delivery is threatened in the media due to a potential strike or a walk-out, our business suffers in two ways. Firstly, we have no choice but to find alternative means by which to ship our parcel business. In the vast majority of instances, this becomes more expensive than our current rates with Canada Post, as alternative carriers increase their pricing due to higher demand, therefore taking advantage of Canada-Post-dependent customers like us. As Vesey's customers have already paid their shipping and handling fee, any increases in delivery costs are an added expense to Vesey's Seeds.

Secondly, when the public perceives that there will likely be a disruption in mail service, sales volume drops. Many of our customers are rural and older, and as such, they still use the mail to

send in their orders. As well, customers fear that they will not receive their order in a timely manner if there is a postal disruption. This problem is intensified for a company such as ours that ships living products, since the perception is that during a strike, the bulbs or the plants will sit at some Canada Post facility rotting. It would be my opinion that our firm has an excellent working relationship with both management and the union members of Canada Post. The president himself has visited our facility and we've spent a considerable amount of time over the years discussing the future of Canada Post with him and several other senior management people in the corporation.

I have no doubt that Canada Post is fully aware of the financial pressures under which they operate and that they've attempted to take the necessary steps to return the corporation to a profitable entity. However, I do believe that political interference and the strategies of Canada Post have hurt the image of the corporation and the profitability of their customers, and such interference has stood in the way of modernization and efficiency. Two such examples I'll highlight for you.

Regarding rural post offices and community mailboxes, I was asked a couple of years ago to meet with a senior management team at Canada Post to share any thoughts we might have on how the corporation might meet their goals of reducing expenditures. At that time, I cited the example of a rural post office I knew of that had a small number of mailboxes and employed two individuals. In this instance, I explained that a few decades ago, this location would have been considered rural, but now it services customers who regularly, if not daily, frequent an urban environment where there is a range of locations where parcels could be retrieved. When I explained how ludicrous it seemed that such a facility was still maintained by Canada Post, they were in complete agreement and explained that there were hundreds of similar situations across the country that were costing them millions of dollars a year to maintain. When asked why they weren't closed, the simple answer was that as soon as there's a hint that such a facility might close, the local MP will kick up a stink about losing possibly the two highest paid jobs in that rural community. If this is, in fact, the case, which I have no doubt it is, this form of political interference needs to stop and individual MPs need to take a big-picture view of Canada Post's mail delivery service.

Community mailboxes ended up being a political football during the most recent federal election. Various media outlets combed the woods for little old ladies and disgruntled postal workers to add fuel to the fire when it came to the planned switchover. In the case of Charlottetown, which already had a very large part of the urban centre served by community mailboxes, another crown corporation, the CBC, made it sound as if the world was coming to an end and that this was the first time anyone had ever seen or heard of the community mailbox. While, yes, there were some isolated instances of access problems, the implementation was blown way out of proportion. Again, we have another example of interference from an outside source.

• (1100)

I guess you're trying to get me to wind up here, but I do have a suggestion for you.

As a major mail order company in Canada—in fact, I think we've been told by Canada Post that we're their largest private sector client in Atlantic Canada—whether we like it or not, our firm's existence and profitability are tied to the continuation and the affordability of Canada Post's services. As such, we naturally have concerns when it comes to their efficiency, their pricing structure, and their uninterrupted service. It would be our hope that the threat of future labour interruptions be eliminated and that necessary steps be taken well in advance of contract deadlines to reach an equitable settlement for all parties concerned, especially their customers.

Canada Post's volume decreases dramatically during these times of uncertainty, and all customers do not return when that threat of disruption is removed. Obviously this has long-term ramifications for the corporation. My understanding of the current tentative agreement is that it will expire in a very short period of time, and we would urge government to take whatever action is required to eliminate the threat of potential service disruptions in the future.

**The Chair:** Thank you.

Mr. Barrett, I was encouraging you to wrap it up, but it has been our experience that even though you may have other things in your brief you didn't get to say in your opening address, these will probably come out in the question period. We're trying to get to questions from our members as quickly as possible.

Mr. Gaudet, you're up for five minutes, please.

**Mr. Scott Gaudet (Vice-President, Local 129, Canadian Union of Postal Workers):** Thank you.

Before I begin, I'd like to recognize that this meeting is taking place on the lands of the Mi'kmaq first nation.

Ladies and gentlemen of the committee, I'd like to thank you for giving me the opportunity to speak from a postal worker's point of view during this stage of your review. I have been working for the post office since 2001. In the last 15-plus years at the post office, I've seen many changes to services and a huge change in the actions of management.

For my presentation today, I wish to touch on two of the most concerning points of the current situation at the post office, namely, the effects of service changes on seniors, and the centralization of mail sorting and how this affects postal service on P.E.I.

In 2013 Deepak Chopra announced to Canadians that he would be changing the way Canadians receive their mail, and introduced draconian measures with the help of his Harper-government counterparts.

The implementation of community mailboxes began without any meaningful consultation with the public or the union. How could this happen? What would this mean for me and my co-workers? The post office isn't funded by taxpayers' dollars. It is a self-sustaining crown corporation. How could this guy lie to Canadians on CBC, telling us that he had talked to seniors and that they wanted this service? He implied that they looked forward to blizzards in January to go outside to get their mail, if only they could get into their boxes.

Not one senior I know agreed with Deepak. The percentage of the population aged 65 and over in my home community of Summerside was 18.2% in 2011, compared with the national average of 14.8%.

I have come to know many seniors and their daily habits through my personal interactions. Seniors are vulnerable to many dangers in my community during the winter season. I've had to help blind ladies on two occasions who were disoriented outside. I entered a seniors' apartment building only to smell smoke, and then alerted the residents. Their neighbours had left the stove on and a small fire had started. We contacted the residents in time to avert disaster. These are only a couple of examples of the above-and-beyond service letter carriers going door to door provide a community. Many examples happen every day across Canada. Just ask any postal worker.

In the 1980s, a pilot program was started by the Letter Carriers Union of Canada—now CUPW—the Canadian Labour Congress, and the United Way of Canada, called the letter carrier alert program. A similar program has been adopted by many countries in the world. This program works as a first step, or in a supporting role, to provide information for specialized service givers to react to the needs of seniors. I've provided more details about this system in the supporting documents for the committee.

With today's technology, the post office should be looking at expanding services, not cutting services and increasing rates. I could be going door to door, checking in on your aging parents, and immediately being in contact with you, your family, or health care providers about their needs. If the post office were properly managed we would still have postal banking, and I could provide services to seniors at the door, such as paying bills, doing money transfers, and so on. Many of the G-20 countries have postal banking. Why not Canada?

Pharmaceutical companies are some of the wealthiest companies in the world. Why not collaborate with them to create a pharmacare program that delivers medication to seniors at their door? A lot of postal outlets are located at Lawtons Drugs or Shoppers Drug Mart.

From 2008 to 2011 the post office invested \$2.5 billion in capital investments to modernize the postal system. This money was used to purchase multi-line optical readers, mechanized machinery.

Here on P.E.I. every community with a post office has seen a dramatic cut in hours of service and a reduction in paid hours. In 2013, the post office implemented a centralized sorting machine in Halifax, Nova Scotia, exactly 300 kilometres or a three-hour car ride from my hometown of Summerside. All the mail is now trucked to Halifax from the island and then returned to P.E.I. for delivery. It now takes three to five days to deliver mail that once took one day.

The carbon footprint of trucking the mail back and forth from P.E.I. to Halifax is outrageous. We need to be moving toward a greener environment. In my depot, this has eliminated two full-time positions.

Local businesses have suffered from these changes. The post office has an obligation to its owners—the public. This is a crown corporation, not a non-government organization, as Deepak and his buddies wish it were.

Thank you for giving me the opportunity to speak at this session. I welcome any questions you may have.

• (1105)

**The Chair:** Thank you both very much.

We'll start our questions right now.

Our first intervenor will be Mr. Whalen, for seven minutes.

**Mr. Nick Whalen:** Thank you to both of you for coming here today.

As we go across the country, we see a lot of similar themes develop, but there's no cookie-cutter solution to the problems that face Canada Post. Also, the types of services people want to see and how they're affected by Canada Post are slightly different everywhere.

Mr. Barrett, I want to start with you. We've heard a bit across the country from different types of businesses that the moving of sorting out of their local communities harmed the service level they could provide to their local customers. Have you seen that as a problem in your business in selling to people on the island?

**Mr. John Barrett:** No.

**Mr. Nick Whalen:** Another thing we heard from people was that because the U.S. Postal Service has better rates, and because of the Universal Postal Union standards that are applied when Americans use the postal services that go into Canada, Canadian businesses feel undercut. Do you see that as an issue that has affected your ability to sell into the U.S. versus Americans selling into Canada? How may that have affected you? Are you aware of the issue?

• (1110)

**Mr. John Barrett:** Oh, I'm aware of the issue. We do business in the U.S. We have a U.S. company that I just returned from last night in Hartford, Michigan, where we ship tens of thousands of parcels through.

To directly answer your question, no, I've not seen that as a problem, in part because of the nature of our business. It's not like we're selling apparel or computer equipment. There are a lot more issues to ship the type of product that we sell from the U.S. into Canada than there would be with most mainstream catalogues, and for that reason, even if there were a difference between delivery costs, that would not be something that affects us.

There is a service we utilize in our U.S. operation, which I have suggested in the past would be great for us and, I'm sure, other people as well. It's called the FedEx SmartPost system. This is the most efficient and affordable system we have been able to find in the U.S., and it enables us to send small parcel shipments across the United States. Simply put, the service is a combination of efforts between Federal Express and the USPS. When each address is scanned in the system, the system determines how far the parcel will travel with FedEx and at what point it will handed off to the USPS for eventual home delivery. FedEx does the pickup and the

invoicing, and somehow their system calculates the revenue share between the two companies.

Given the connection with Purolator, our country is far behind the U.S. in developing and promoting such a service offering. If a private company like FedEx can align itself with the USPS, one would think that Canada Post and its sister company Purolator could easily do the same. Should a system like that be offered by Canada Post, then we would change the manner in which we ship to the wide variety of business that we do.

In one particular case, we had a large fundraising program across the country wherein we shipped everything a school or a group might have sold. We shipped it in bulk on pallets by transport companies to that organization. In the U.S. we're able to offer the service that eliminates that hassle for the organization, and we're able to ship every one of their customers their product directly to their homes. Currently in Canada, however, we're unable to do that because it's cost prohibitive. The FedEx SmartPost system makes it affordable. We would love to see this—

**Mr. Nick Whalen:** That's interesting.

When we look at some of the things that have been proposed by the task force, they talked about further streamlining of processing operations and further synergies with Purolator, with those two combined items providing up to \$82 million in annual savings. It must be on their radar because you've spoken with them about it.

When it comes to franchise outlets—and maybe this is more a question to you as a consumer—when you think of going to Canada Post, is it important to your business whether or not you're walking into a Canada Post that is associated with another corporation like Shoppers Drug Mart or that you're walking into a corporate store? Do you feel you're getting better service at one versus the other? How has past franchising of operations affected your business, and has it been significant or not?

**Mr. John Barrett:** We have a large sampling. We're in every nook and cranny in this country. We don't have any complaints with the service. The delivery service standard is well within what we think is acceptable. We have an active customer base of 250,000 Canadians, and if there's an issue or if things are slow, then we hear from them because they are charged the shipping and handling rate, but it's not an issue for us. Only very rarely will something go missing. It will usually show up eventually.

**Mr. Nick Whalen:** Have you seen any differential between franchise operations versus corporate operations when those errors arise?

**Mr. John Barrett:** No, and I'm not sure we would know what the end delivery point was anyway.

**Mr. Nick Whalen:** Okay.

Mr. Gaudet, on the issue of franchising, when the jobs are moved from corporate stores to a Shoppers Drug Mart or other franchise partners, how has that affected your membership? How does it affect pay levels? Do you represent the workers who are in the Shoppers Drug Mart and who work for Canada Post? How does it all play out from a labour-management perspective?

•(1115)

**Mr. Scott Gaudet:** Once a franchise is created, it is up to that franchisee to staff it. The Canadian Union of Postal Workers loses a member and then they go into the private sector. If they are a non-unionized worker who works in a franchise, their pay scale is quite a bit lower.

I know that in Summerside at the Murphy's Pharmacy, which is independent but similar to companies like Lawton's Drugs, the worker in there gets about \$17 an hour compared to about \$26 an hour, which is what a corporate retail worker would get. Obviously, that affects our membership as far as numbers go, but it also creates this divide since that person is doing the same work that CUPW workers are doing, but they're getting paid far less. Their benefits package would also be quite a bit less. It has a great effect on our membership.

**The Chair:** Thank you very much.

Mr. McCauley, I believe you're up for seven minutes.

**Mr. Kelly McCauley:** Gentlemen, thank you for being with us today. It's a beautiful city, and I'm very happy to be here.

Mr. Barrett, thank you for your comments. I'm looking at your website right now, and I've already forwarded it on to my wife. She's an avid gardener. I unfortunately have the black thumb of death when it comes to gardening, so unfortunately I think a lot of this stuff would be going to waste.

You mentioned that 90% of your parcels go through Canada Post. Is that including Purolator or is it pure postal service?

**Mr. John Barrett:** It's Canada Post.

**Mr. Kelly McCauley:** Who does the other 10% go through?

**Mr. John Barrett:** There a number of items that we sell and they're rather large and heavy.

**Mr. Kelly McCauley:** Oh, so they just can't...?

**Mr. John Barrett:** We use FedEx Ground, or whatever it may be. It might even be Purolator Ground. There are a number of items that have to be shipped that way.

**Mr. Kelly McCauley:** I assume you have 90% going through Canada Post because that has the best pricing?

**Mr. John Barrett:** Canada Post does offer a system of discounts to its corporate customers. We're very fortunate being located here for two reasons. One is that our volume is relatively high, so that helps toward establishing our discounts. Also, we're shipping stuff from here west. My understanding is that Canada Post trucks are not as full going from the east to the west as they going from the west to the east. If I were based in Mississauga, my rate might not be as good as my rate is now. So we do use Canada Post because of the rate, but, while we have UPS and everybody else knocking on our door every few months, we're also very happy with the service.

**Mr. Kelly McCauley:** Right.

How much do you ship down to the U.S.?

**Mr. John Barrett:** We ship some things from here to the U.S., but then we have a distribution facility in the U.S. for the bulk of things that are shipped.

**Mr. Kelly McCauley:** You mentioned the FedEx service. I'm looking at it. It looks fantastic.

We've heard one thing over the last few days about the U.S. offering three different bags for parcels. There's one parcel for up to this weight and there's another one for this weight, and there's one that's a flat rate throughout the country. I think Australia just has a pre-bought bag that will fit up to  $x$  number of pounds anywhere.

Would something like that help you or is the way it is currently set up right for your business now?

**Mr. John Barrett:** We have done some shipping on behalf of some U.S. partners and we've taken advantage of a program similar to the one-pound flat fee and also the "cram as much stuff as you want inside this parcel for a flat fee" thing. For our core business, each box is a different size and a different weight. We're not like a publisher's clearing house that sends out 100,000 of the same item. Those sorts of programs are a little more efficient for that kind of thing.

**Mr. Kelly McCauley:** Okay. That's interesting, because you are such a large customer of theirs, but it wouldn't be a great option here?

**Mr. John Barrett:** No, it's just not a fit.

**Mr. Kelly McCauley:** Do you do a lot of catalogues and stuff?

**Mr. John Barrett:** Yes.

**Mr. Kelly McCauley:** Where do you ship your catalogues? Obviously, it's on the island, but...?

**Mr. John Barrett:** No, primarily we're operating with two major printers, Lowe-Martin in Ottawa and St. Joseph in Toronto or Concord. When the bulk of the catalogues are printed, maybe 50,000 to 60,000 are sent to our mailing house in Halifax for daily request fulfillment, but the bulk of them go straight into cases. They go straight to the gateway postal facility in Toronto and are inducted into the system right there, so they never come here.

•(1120)

**Mr. Kelly McCauley:** But it all goes out through Canada Post.

**Mr. John Barrett:** There is no other choice.

**Mr. Kelly McCauley:** Are you happy with the service you're getting for that?

**Mr. John Barrett:** Yes.

**Mr. Kelly McCauley:** To touch briefly on what they do in Australia, you mentioned the FedEx system. Is there anything else that you see Canada Post doing that would help you greatly, or help other businesses that are similar to what you're doing—

**Mr. John Barrett:** No.

**Mr. Kelly McCauley:** —or what else else they could offer?

**Mr. John Barrett:** I don't spend a lot of time thinking about what they could be doing, but—

**Mr. Kelly McCauley:** Why not? Come on, we do.

**Mr. John Barrett:** The FedEx SmartPost is probably the one that would affect us the most, and the one where we would probably offer a rather major change to one of our core business components.

**Mr. Kelly McCauley:** Do you chat with other like businesses across Canada? I know Canada Post has consulted you a lot because you're such a large customer.

Have you chatted with other associations or other like businesses about how we can improve service?

**Mr. John Barrett:** Yes, it's interesting. I guess maybe because it's gardening and we're all a little folksy or something, but we're actually very good friends with all of our competitors, both in Canada and the U.S.

That subject comes up all the time. You know, everybody has their frustrations, and it always starts with price.

**Mr. Kelly McCauley:** That's one of the things that has come up.

We've heard, "Our business is open to a higher stamp price." However, the surveys and polling we've done says letter mail businesses don't want to pay higher stamp prices. They also don't want higher taxes to subsidize or to offset that.

Are you in the same boat, or would you pay a higher—

**Mr. John Barrett:** The answer is not increasing prices. The answer is running the company more efficiently.

**Mr. Kelly McCauley:** Right.

**Mr. John Barrett:** If it takes closing rural post offices, implementing community mail boxes, further mechanization of processing the mail, that's what needs to be done.

Eventually, you'll price yourself out of the market. Canada Post has come very close a couple of times to pricing themselves out of the market with us, particularly when the guys at UPS are drooling over the account and they're doing whatever they can to get that business.

It's a very fine line as to when all of a sudden that extra cost becomes critical. I mean, we're subject to price increases, and I don't know of another supplier who does this. We're subject to automatic price increases annually. It's guaranteed. It's the single most guaranteed item in our entire business.

**Mr. Kelly McCauley:** Right.

**Mr. John Barrett:** Every year, within the first or second week of January, addressed admail is going to take a hike, and there's nothing we can do about it.

**Mr. Kelly McCauley:** Right.

I have one quick last question.

You touched upon the summer service disruption, and I'm asking for your opinion. Previously, Canada Post was legislated back to work. This time it was just kind of let go.

If you see this as an essential service, do you think it should be subject to being legislated back to work, or should we just let things go?

**The Chair:** A very brief answer, if we could, sir.

**Mr. John Barrett:** My understanding this time around was that while it wasn't a binding arbitration process, there was an arbiter added at the last hour, something that probably should have been

done months previous. Everybody knew where everybody stood for a long, long time, and then there was no movement.

**Mr. Kelly McCauley:** I'm afraid we're out of time.

**Mr. John Barrett:** I understand.

Thanks very much, and, again, thanks for having us here.

**The Chair:** Mr. Duvall, seven minutes, please.

**Mr. Scott Duvall:** Thank you, gentlemen, and thank you for your time today. I appreciate it.

Mr. Barrett, you stated that you feel it should run more efficiently, and I think we all agree with that. You also believe that there was political interference, I heard you say, and some of it was blown out of proportion when it came to the community mailboxes.

Are you aware that this went right across Canada and there was an outcry with all Canadian citizens that this was happening?

**Mr. John Barrett:** Oh, yes, certainly. I mean, obviously I saw the local coverage more than I would have seen the coverage, let's say in Hamilton, but it was certainly fuelled by the media. I think the implementation of that attempted efficiency was blown out of proportion.

• (1125)

**Mr. Scott Duvall:** Okay.

We heard this even yesterday from some of the politicians that have been going around and are still going door to door. I know I heard it when I was running for election, as well as a few others. This was a concern to Canadians, that we're losing their door-to-door service.

In fact, it became a platform for one party to say that we would continue with door-to-door service, because it was harming a lot of people. I wanted to mention that, because people say they still want that service.

I want to ask for your comments. Do you think it should be the people's decision, or Canada Post's decision?

**Mr. John Barrett:** As Mr. MacAulay brought up today and in the previous session, people would like to have improved service, but they don't want to have to pay for it. The public's decision would be, "Yes, I like the service, but I don't want to pay for it; in fact I'm not very happy with the price of stamps right now."

I think Canada Post is in the best position to judge what it thinks it needs to do in order to avoid this eventual billion-dollar loss that it's talking about. I think it's in a better position perhaps than Parliament, and I think it's probably in a better position than its customers.

**Mr. Scott Duvall:** Speaking of the loss, I understand Canada Post has made profits in 20 years out of the 22. It projected losses, but made great profits of millions of dollars. How is it that in the future, all of a sudden, it's going to be making billion-dollar losses, when it hasn't shown that to be correct in the first—

**Mr. John Barrett:** I think you would have to ask that of Deepak, not of me.

**Mr. Scott Duvall:** Okay.

**Mr. John Barrett:** I'm trying to run our company, not Canada Post.

**Mr. Scott Duvall:** I agree with that, but you're making comments, you're projecting their losses, and you're concerned about that, yet those losses have never shown up.

**Mr. John Barrett:** I'm concerned about the losses, because all I have to go on is that I'm approached by people like the president and those at the vice-president level of Canada Post, explaining to us that they are facing  $x$  number of losses, and this is why. They ask what contributions we have to help them in their decision-making process of what they're going to implement to avoid the loss.

**Mr. Scott Duvall:** Okay, thank you.

Mr. Gaudet, you mentioned earlier the difference of pay for some people. Can you just further elaborate on that? Why is that happening? Is it the same union, or is it different companies?

**Mr. Scott Gaudet:** They're franchise workers. Workers who work in a postal franchise, such as a Shoppers Drug Mart or Lawtons, are not unionized. When Canada Post sets up a franchise, it's up to that franchise owner, be it Lawtons or Shoppers Drug Mart, to staff that position. Canada Post comes in, gives them their training, sets the computer up, and then they agree on what they're going to pay those individuals. It's up to the franchise owners to pay those individuals. In a corporate retail outlet, we're bound by collective agreement, so this is what we get paid. These people are getting paid far less for doing the same work.

**Mr. Scott Duvall:** Mr. Gaudet, Canada Post, as you know, has made an announcement that it wants to discontinue door-to-door service and go to community mailboxes, but there are some challenges that people would have mobility issues; and Canada Post has made some type of an application form so that people could get that service maybe once a week, instead of having to go to a community mailbox. But apparently they have to prove that they're disabled, and there's a cost to this.

Do you think it's fair for Canada Post to change the rules in the middle of the game, where people were getting service, and then expect them to prove, at a cost to them, why it should maintain that one-day-a-week service?

**Mr. Scott Gaudet:** I deliver to quite a few disabled people in my community, and I think it's against their privacy rights for them to have to stand up and prove what disability they have. There are individuals who I deliver to who live in a community called Independence Place. They go there so that they can have their independence. For Canada Post to demand that they prove they have a disability for us to deliver to their door when the sky is not falling....

Like you said, the post office has made tremendous profits over the last 19 out of 22 years. For somebody to have to prove they have a disability, it's very similar to the veteran who has to prove every year that he doesn't have two legs. Why should someone who is trying to be independent...? Most people with disabilities who I speak to don't want to be a burden and they don't want people to take notice. They just want to live their lives and receive the services they currently get. Going door to door is essential for these individuals.

I have individuals who are bound to a wheelchair and look forward to me coming to the door every day. It's a simple "Hello, how are you?" but I'm pretty sure I'm probably the only person who says hello to them during the day and throughout the rest of the week. Mondays are usually exciting for some people. I have one lady who waits outside for me if it's a nice day. She gives me cookies every now and again, which is cool, too.

People shouldn't have to prove that they have a disability when the service is already there. The company is profitable, has been profitable. It's not broken. We don't need to fix it. Obviously Deepak is going around to companies such as Mr. Barrett's at Vesey's Seeds. We are extremely proud to deliver his products every day. They are such beautiful, colourful magazines and his little parcels are great things to see.

We shouldn't be knocking on people's doors and saying "Really, do you have a disability? Do you really need this service?"

The service was put there so that we're the eyes on the ground. I'm a member of my community, and I'm the eyes of that community. I see when there's a dog loose. I see when there's a child outside unsupervised ready to run across the street. Like I mentioned in my presentation, there are two blind ladies on my route. One was outside one day. It was storming, and she went to put her garbage out. She got disoriented and fell to the ground and started to panic. If I hadn't been there at that exact time, what would have happened to that lady?

• (1130)

**The Chair:** We're out of time.

**Mr. Scott Gaudet:** Thank you.

**The Chair:** You may wish, unless you're fluently bilingual, to put on your translation devices.

[*Translation*]

Mr. Ayoub, you have the floor and you have seven minutes.

**Mr. Ramez Ayoub:** Thank you, Mr. Chair.

Thank you, gentlemen, for welcoming us to your beautiful island.

Mr. Barrett, I looked at your website and it is quite user-friendly. It is impressive. I was not familiar with your company but, no pun intended, it seems to be a successful and flourishing business. You use Canada Post services. That shows that Canada Post services can be used to reach out around the world.

You are successful. Without disclosing any secrets, can you tell me about the working conditions in your company as compared to those of your competitors? How do you view your employees as compared to what your competitors do to remain competitive and to stay in the business line that you know well? How do you compare to your competitors?

[English]

**Mr. John Barrett:** I guess there were two questions there. One was how we stand out from our competitors. There was something that I didn't 100% grasp, something to do with how we would treat our employees in comparison to how our competitors might treat theirs.

**Mr. Ramez Ayoub:** To stay competitive, I mean.

**Mr. John Barrett:** To stay competitive?

Being located in York, Prince Edward Island is probably one of the top reasons why we're competitive. Our operating costs, our taxes, our labour rates, and everything else would be considerably higher if we were in Pacific Circle in Mississauga or somewhere in Vancouver. That's why you see some companies locating to Prince Edward Island.

We're in a unique position. While we have a number of companies that compete against us in Canada, we're the only company that offers the full range of gardening things. While we don't have a direct competitor, we have two or three bulb competitors, two or three seed competitors, and two or three tool competitors.

• (1135)

[Translation]

**Mr. Ramez Ayoub:** You treat your employees in a certain way and rely on concentration to keep costs under control. You keep them as competitive as possible in order to make a profit. To keep going, your business has to make a profit. My point is that you maintain your base activities, deliveries, bulbs, and so forth.

I will now turn to Mr. Gaudet.

You talked about the pharmacies Jean Coutu and Shoppers Drug Mart, which are Canada Post subcontractors. You even said that the hourly wage is \$16 or \$17 as compared to \$26. As members of the public, we go to the drug store, do our postal business, and do not know the difference, but the cost is lower. What does that tell us? Does that wage keep people under the poverty line? Are they temporary and precarious jobs that do not provide for a decent living and is it only Canada Post employees who are paid what they should be?

[English]

**Mr. Scott Gaudet:** I don't think the average person knows the pay difference when they go into a franchise, as they would if they went into a corporate retail outlet. I think they're more worried about the service they're receiving. The training level at a franchise is not equivalent to the training you would receive in a corporate retail outlet.

I've mentioned to a couple of people who work in franchises that I have done exactly the same work as they have and been paid \$8 or \$9 more. They were quite shocked that we were paid more than they were.

[Translation]

**Mr. Ramez Ayoub:** I don't want to put you on the spot, but I will continue with my question.

There is also talk about postal banking services. Bank cashiers are paid wages that are competitive with what other banks pay. Their

salaries are not subsidized. From one bank to another, the working conditions are essentially the same.

The unions talk a lot about preserving employees' rights, and that is to be expected. I can understand that. Yet they are also talking about moving toward postal banking services. Are we to understand that the same conditions will apply, which are better than what the banks offer, and that subsidies will still be required?

Banking services are not part of Canada Post's core business; banks provide that service. Ultimately, if postal banking services were offered, subsidies would still be required. Does that mean we are still stuck in the spiral of subsidies and cost differences? Despite what certain studies say, the breakeven point will never be reached. Whether you believe in a study or not, there might be other studies that show the opposite.

Do you see the paradox here?

[English]

**The Chair:** I would remind members that when you're given a time allocation, it's for both for questions and the answers.

Mr. Gaudet, I'll give you time for a brief response, if you could, please.

**Mr. Scott Gaudet:** I'm not an accountant and not a businessman.

I think that paying workers a living wage is of the utmost importance to sustaining a business. When we're talking about postal banking, the revenues that other countries have shown have proven it would work. We could be paying those living wages for service to the public. I think the workers deserve to be paid a fair wage for the work that's done.

• (1140)

**The Chair:** I have to interrupt you there. I'm sorry, Mr. Gaudet.

**Mr. Scott Gaudet:** Yes.

**The Chair:** We'll go to our last two intervenors, both of whom will have five minutes.

Mr. Kmiec, for five minutes, please.

**Mr. Tom Kmiec:** Thank you, Mr. Gaudet, and thank you, Mr. Barrett, for coming and speaking to us today. This is my second time on P.E.I. and it's nice to be back. I used to work with an islander and she used to say great things about all the places I should visit when I come back.

I want to start by saying that the past year's performance of a corporation is not an indication of future success. You could look at Nortel, and look at BlackBerry, you could look at Canada 3000. Quarter after quarter, Canada 3000 was successful and the last quarter bankrupted the company.

I come from the chamber of commerce world. I come from the HR world where salaries and wages are always the most expensive line item in every single business.

Mr. Barrett, I want to pick up on something Mr. McCauley was talking about, which is the bargaining process that Canada Post goes through. They're trying to work out an agreement. They're trying to avoid a labour disruption, both employer and employee, but there's always the potential for one. They do have a monopoly over the delivery of mail, and in the middle is the customer waiting to see what happens. So over the summer what was your company doing? What were you doing in terms of planning to try to take into account that there might be a labour disruption?

**Mr. John Barrett:** We moved some of our parcel delivery over to alternative services, particularly at times leading up to the expiration of a 72-hour notice or an eventual notice. So Canada Post lost some business from us. We incurred higher costs as a result of having to do that.

When it came to various address to admail deadlines, we had no options at all. Fortunately, we had mail dates in May and mid-July and August, and we were able to make all of those address to admails. We can't make alternative arrangements for those sorts of things.

I will note, though, as I mentioned in my brief, that when there is uncertainty across the country, people don't like to order. The particular catalogue that we're fulfilling orders for right now would be considered our fall bulb catalogue. That season runs from May 1 until about October 15 and our business from that catalogue is down about 10% or 12% this year. That's a catalogue from which business traditionally increases every year, by 5%, 6%, 8%, 9%.

I really don't have anything I could suggest for why business from that particular catalogue is down the amount it is, other than the threat of disruption.

**Mr. Tom Kmiec:** That doesn't sound very fair. You were stuck in the middle as the customer, the client—

**Mr. John Barrett:** You got it.

**Mr. Tom Kmiec:** —between the two parties. But you also said in your testimony that your rates go up every single year. It's the thing that you count on the most. You know those are going to go up for your admail. Can't you get an agreement? Can't Canada Post give you a better deal because of this cost to you, basically? You bear the cost as a business.

**Mr. John Barrett:** I do get a better deal. I'm at rate group 11, or whatever it's called, which is the best discount rate on parcel products that you can get across the country. Canada Post's hands are tied. It's not like a business, where we can write you a cheque or we can discount this or that. There are certain regulations. It's postage. We're really talking about currency here.

Their hands are tied on certain aspects, but there are other considerations that we get, whether it's cubing or whatever.

**Mr. Tom Kmiec:** You mentioned in your opening statement the postal office in an urban area.

**Mr. John Barrett:** It was in a rural area.

**Mr. Tom Kmiec:** It was in a rural area, but it has an urban feel now, like it's a corporate post office.

**Mr. John Barrett:** No, that's not what I said, actually. I cited the example of a very tiny post office in a rural area whose clientele

would regularly visit an urban area. So I guess on the surface it looks like a redundant outlet.

**Mr. Tom Kmiec:** Okay. Thank you for that clarification.

Over 40% of Canada Post's retail postal operations are actually contracted out. The rest are part of Canada Post itself. It owns the building. Usually they're historical buildings. Right now there's a 20-year moratorium on shutting down rural post offices. The 20 years have passed. A lot of these rural post offices are in urban areas today.

I'll give you examples: Brampton, Saskatoon, and Halifax. Do you think it would be a good idea to reduce costs by adjusting this moratorium in order to allow for savings on one end in these larger urban centres to preserve some of the rural areas that may need the service?

• (1145)

**Mr. John Barrett:** I'm not really sure or fully grasping what you're saying. You're saying that savings should be made in the urban area to maintain the rural facilities. It seems, on the surface, to be the opposite way of going about it. Again, I'm not running Canada Post, thank goodness.

**Mr. Tom Kmiec:** Perhaps you should be. Maybe they'll want to hire you.

**The Chair:** Thank you very much.

Our next intervention will come from Madame Ratansi, for five minutes, please.

**Ms. Yasmin Ratansi:** Thank you very much. I'm glad you're running your business, because it's doing wonderfully well.

Do you just supply seeds across Canada and the U.S.?

**Mr. John Barrett:** Yes.

**Ms. Yasmin Ratansi:** I was looking at your website, and you do something called "Farmers Helping Farmers".

**Mr. John Barrett:** We don't market to other countries besides Canada and the U.S. We have isolated or one-off customers here and there, too, such as in Japan. At the end of seasons, as well, seeds that might not hold their germination rates to the standard we want to sell commercially, we will utilize in places such as Kenya and Tanzania with Farmers Helping Farmers, or another third world area, so that people can actually grow food rather than the seed going to waste.

**Ms. Yasmin Ratansi:** Thank you. That's what we are looking at. There is a qualitative analysis and a quantitative analysis. In the quantitative analysis, we look at the financial situation of Canada Post, the figures and thought processes. In the qualitative analysis we're looking at the tangible impacts on people's lives. I thank your company for helping farmers build a better life and better crops, because that will help build sustainability and their levels of income and, therefore, their economic potential.

In that regard I have a question for you. You probably have a very good network of distribution. You also have a very good sales force. If you wanted to bring about any change, would you consult your sales force or would you make the change by edict?

**Mr. John Barrett:** Our sales force is our printed catalogue.

**Ms. Yasmin Ratansi:** Oh, is that right? How do you create that catalogue, with input from whom?

**Mr. John Barrett:** It's from the experts in the gardening field who work for us, my observation of what the competition is doing, what is new around the world....

**Ms. Yasmin Ratansi:** So it's a collective effort, with input from everyone. It's not you saying, "Here is what I want in the catalogue."

**Mr. John Barrett:** Sometimes it is—

**Ms. Yasmin Ratansi:** Well, I'm glad you're not running Canada Post.

**Mr. John Barrett:** —or it's what my wife wants in the catalogue.

**Voices:** Oh, oh!

**Mr. John Barrett:** We have a very large team within our marketing and horticultural divisions. That's why we run a 40-acre research farm where we have trials of new varieties that you might not even see for four or five years. We have trial gardens in Holland and in the United States for new products. Yes, it's a complex thing, but we don't have any salespeople.

**Ms. Yasmin Ratansi:** Anyway, that's fine, because the focus, or where I was going with this, is that we have to think outside the box. Yes, there is a quantitative analysis of what the financial situation is and how to improve it. You're in the business; you're saying here is a plateau that you have reached, and in order to reinvent yourself.... Well, Canada Post has to.

Everybody's talking about how bad it is. It isn't. You talked about it. It has potential; it has a network; it has logistics. Japan actually bought Australia's logistics. If everybody has this desire to buy logistics, how do we make this corporation better?

We've heard about non-consultation with labour. We keep on hearing the same themes. We hear from municipalities that Canada Post didn't consult with them before putting in the community mailboxes. Yes, we've heard it. They've spent so much, billions of dollars, and it has created inefficiencies, and not efficiencies.

How do you move forward? What would you do if you had such a beautiful network and advantages?

**Mr. John Barrett:** As you know, a crown corporation is a very odd entity.

**Ms. Yasmin Ratansi:** Yes.

**Mr. John Barrett:** In private business we can make a decision at noon and have it implemented at two o'clock, whether it was smart or not. At five o'clock, if we found out it didn't work, we could change our mind the next day.

There's such a bureaucracy within Canada Post, and then you add the aspect of its having major union, like the car industry has. Then you add parliamentary oversight to it. If you ask me, you'd have to be out of your mind to be in the senior management of Canada Post.

• (1150)

**Ms. Yasmin Ratansi:** They have a charter to operate within, so that's why it's that way. Its charter might have to move into the 21st century, because they're told to be sustainable, and they're told to fund their pension liabilities or to account for them as if they were

going into insolvency, and so on. Those are things that you think about.

**Mr. John Barrett:** I'd like to add one thing.

Despite how the union might feel about Deepak, we've had such a close connection with Canada Post for such a long time that we see a genuine interest in making things better, and perhaps a little more long-term, down-the-road thinking than we've seen in the past. Of course, some of that is forced on them fiscally.

We have confidence that they're looking the right way.

**The Chair:** Gentlemen, thank you so much for your presentations and being here today. I'll give you the same standing offer we do to everyone who presents before us. Should you have any additional information that you wish to bring to the attention of our committee members, please submit that as quickly as you can directly to our clerk.

We are suspended for our next panellists.

• (1150)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1155)

**The Chair:** Colleagues, if we could have you back at the table, then I would appreciate it.

Thank you.

Good morning, Ms. Carroll and Mr. Casey, and a particularly warm welcome to you from this committee. It's unusual for a member of Parliament to be sitting where you're sitting, but my understanding is that you've been asked to be here to represent the City of Charlottetown. Is that correct?

**Mr. Sean Casey (Charlottetown, Lib.):** I think that's correct.

**The Chair:** Thank you for that.

I'm sure that you are aware of the process we have here. We're asking all of our panels to start with a five-minute opening statement, to be followed by questions from all of the committee members. We're looking for you to assist us in our deliberations on the future of Canada Post.

Ms. Carroll, I think we'll start with you. If you could give us your views in five minutes or less, I would appreciate it.

**Ms. Marcia Carroll (Executive Director, The PEI Council of People with Disabilities):** Okay. That's a challenge for me to do it in five minutes or less, but I'll do my best.

**The Chair:** Thank you.

**Ms. Marcia Carroll:** Thank you to the members of Parliament and the committee members for inviting me here today to present the views of people with disabilities in Prince Edward Island in regard to Canada Post. I'd also like to briefly recognize that we are in Mi'kmaq territory, our first nations people here. We honour them for allowing us to be here today.

I'm sure you all know and have heard in your consultations across the country that there are just under four million people living with disabilities in Canada. There are just under 4 million people living with disabilities in Canada, or 3.77 million to be precise. It is a huge community of individual Canadians who depend on door-to-door postal service. In article 4 of the UN Convention on the Rights of People with Disabilities, under general obligations, it says that no corporations or no state partners will refrain from engaging in acts or participating in things that are inconsistent to the UN convention. We believe, as an organization and as a community, that ending door-to-door service to people with disabilities will be in direct opposition of article 4 of that convention.

We believe that door-to-door service is essential for people with disabilities to enjoy full citizenship in this province and this country. There are four key areas where you see that play out. One is safety. People with disabilities are extremely vulnerable in our communities. They're more vulnerable than an able-bodied Canadian, and you see that twofold for women with disabilities. Crime is increasing at the community mailboxes, especially when we see people approaching on cheque day. There are systematic criminal elements in our society who watch the mailboxes on cheque day, and they watch for people who are particularly vulnerable approaching those mailboxes. Those are the first people who fall victims to crime. They are people with mobility issues and people with hearing impairments. They can't hear somebody coming up behind them. Criminals can steal their cheques, as well as from people with physical impairments who are struggling to work their community mailboxes.

Another key point why we feel that door-to-door service is essential is accessibility. Community mailboxes are placed in communities quickly. There's no consultation with city officials or other individuals. It doesn't appear that universal design principles have been used at all when we look at where they are placed, how they are placed, and the access leading up to them. We all live in this country. We all know what Canada is like in the wintertime, and if you read the Farmers' Almanac, it's going to be another bad one this year. Snow removal, the removal of ice, and the freezing of the boxes can be a problem. I know that a considerable effort was made to look at the design elements so that cool packs wouldn't freeze, but getting access to the mailboxes is a challenge for people with disabilities.

Another thing that happens is that when people are feeling particularly vulnerable, or they feel they can't access their mail, they lose their autonomy and their dignity because they have to reach out to other people to look after getting their mail for them, which opens them up to financial fraud and makes them more vulnerable.

We believe that we should be increasing the services that the post office offers and not decreasing them. We have seen that trend start to happen in a number of countries, such as France, Italy, and Japan. We believe that our local post offices could do banking, process passport applications, supply fishing and hunting licences, and do photo registration. All kinds of different services could be provided in tandem with our local post offices. We also know that our Canadian postal services are the greenest services in the country and are central to doing effective delivery of parcels and reducing CO2 emissions. Our valued postal workers and postal carriers walk those routes five days a week, and they do that in fast and efficiently.

● (1200)

I guess my time is up, but let me just very quickly add that the postal workers are seen as community watch people in our community. They are absolutely the first point of contact for people with disabilities in terms of identifying homes that aren't picking up mail. Maybe there's trouble inside, or a person has fallen and needs help. If we remove that service, we will break that chain of safety.

I believe those are fundamental principles that guide us and make us a great country.

● (1205)

**The Chair:** Thank you—

**Ms. Marcia Carroll:** Part of that is the postal service.

**The Chair:** Thank you very much. My apologies, but again, we're at five minutes.

**Ms. Marcia Carroll:** That's hard.

**The Chair:** Five minutes can go by quite quickly

**Ms. Marcia Carroll:** Yes.

**The Chair:** I'm sure that, as we have found, a lot of the information that you want to transmit to this committee will come out during the question and answer period.

**Ms. Marcia Carroll:** Okay. Great.

**The Chair:** Mr. Casey, five minutes, please.

**Mr. Sean Casey:** Thank you very much, Mr. Chair.

Colleagues, I want to start by asking each of you with a device in front of you to please Google "2015 Liberal Party platform". If you do that, right at the very top you'll see the PDF with the Liberal Party platform.

Once you have that, I would ask you to go to page 34. You'll see, in red, "Canada Post", and then, in bold print, "We will save home mail delivery."

Welcome to Charlottetown, folks, the birthplace of Confederation and a riding where 100% of the people do not have home mail delivery. Charlottetown became a riding where 100% of the people do not have home mail delivery six days after the Liberals won the election. During those six days, there was a full-out effort by Canada Post to pop up these community mailboxes. They popped up like dandelions all over the place. People were working overtime to ensure that it would happen.

At the end of this process that you're presently engaged in, you'll be making recommendations to government. Given what you are reading on page 34, we're not talking about "whether" to save home mail delivery but "how". It's for you to decide how home mail delivery will be saved.

When you do, I would ask that you bear in mind what the situation was in this country on October 19, not six days later, because if you decide that we're frozen as of the date of the moratorium six days after the election, you will have validated a defiant, arrogant action on the part of Canada Post that betrayed the voters in this riding, 84% of whom voted for parties that were in favour of saving home mail delivery.

Section 22 of the Canada Post Corporation Act and of course the charter make some allowances for government to provide direction to Canada Post. True, as a crown corporation, there is some degree of separation. But whether it be through legislation, through policy, or through a face-to-face meeting between the minister and senior officials of Canada Post, I would ask that you include in your recommendations something that ensures that this does not happen again—ensures that Canada Post is not allowed to thumb its nose at the government as it did in the six days following the election.

Thank you for listening. Thank you for coming to Charlottetown. Good luck with your deliberations. Enjoy your time in our fair city.

**The Chair:** Thank you very much.

We'll now start with the question and answer process.

Mr. Whalen, once again you're first up.

**Mr. Nick Whalen:** Thank you very much for coming here today. It's always nice to hear from representatives of seniors' groups and groups representing the disabled and other disadvantaged groups. They experience and use the postal service in different ways and have different needs.

It's also a bit surprising to see Mr. Casey here today. His name has been on the list for a while, but it's interesting, and typically the point that Mr. Casey makes is the one that Mr. Weir normally does here at committee. Of course, I will pose the same challenges as I did to Mr. Weir.

St. John's was in exactly the same situation as Charlottetown was during the election. We asked them point blank what they felt it meant when we said that we would save home mail delivery. They talked about how we were not as strong on this point as the NDP had been during the election.

What it meant was that we would put a moratorium in place, which we did six days after the election, and that we would do this very consultation process. Why should Charlottetown be treated differently because their changes happened over the span of, say, from October 17 when the holes were dug to October 26 when the installation of the boxes was finished, versus some other community whose mailboxes were installed in August or September?

• (1210)

**Mr. Sean Casey:** I believe we should keep our word. Indeed, throughout the campaign we campaigned on saving home mail delivery. People voted for us and for the NDP on that basis. The very reason you put yourself there, the very reason people put us in Ottawa, was to keep our word. I think that given the explicit promise we made, given that we were continually challenged as to whether it was genuine, that anything else would be a deception, quite frankly.

**Mr. Nick Whalen:** I've been saying at committee now for a few weeks that we did keep our promise. As soon as we were in office, one of the first things the Prime Minister did was to say there would be a moratorium on this. That was put in place before the cabinet was even sworn in. The second thing was that consultations would happen to determine the future of Canada Post. We're seeing those consultations now. I've been saying for a number of weeks that we have kept our promise and now we're moving on to the next stage and that we're open to all possibilities.

When we look at the financials that have been presented by the task force, it's quite clear that unless something has changed, there is going to be a severe financial impact on the corporation to the point where it won't be able to be self-sustaining. One of the proposals is the possibility of achieving an additional \$320 million in savings per year. They've already notionally earned \$880 million in savings through the community mailbox transformation. If we don't go this route, are the people of Charlottetown amenable to tax increases or other subsidies to help fund the \$400 million shortfall that our not moving to community mailboxes would require?

**Mr. Sean Casey:** Government is all about making choices.

Mr. Whelan, when you say that we've kept our promise, in bold letters on page 34 it says that we will save home mail delivery. We had home mail delivery on election day and now we don't. To say that maintaining that status quo would allow us to say with a straight face that we've kept our promise, I beg to differ. In terms of the dollar trade-offs, Canada Post is a crown corporation, but it's there to provide a public service, a public service that is near and dear. Our election commitment was for home mail delivery.

Will there be trade-offs? Of course there will be trade-offs; that's all part of governing.

**Mr. Nick Whalen:** We've also heard from different groups who talked about the relationship between management and labour, between management and the government, between management and people in the consultation process. From your understanding, even if we move in a new direction for Canada Post that requires an expansion rather than a contraction of service, do you feel that the current management can deliver on that promise?

**Mr. Sean Casey:** After what happened in the six days after the election, I have no faith in the management of Canada Post. I think for them to have thumbed their nose with such an arrogant and disdainful attitude when....

You're a lawyer, Mr. Whalen, and you'd be well-familiar with the concept of judicial notice. It was so open, notorious, and well-known across the country that the incoming government had committed to saving home mail delivery. The management and the leadership of Canada Post thumbing their nose at the government has poisoned my view of their capability to behave responsibly going forward.

• (1215)

**Mr. Nick Whalen:** Thank you.

Ms. Carroll, turning to the fear and safety issues surrounding community mailboxes, this is a question that I have been asking in the different communities we've gone to. Does your organization have statistics, or is it collecting data on actual thefts, muggings, or assaults that are occurring at the community mailboxes in this area in Charlottetown?

**Ms. Marcia Carroll:** No, we don't have the capacity to do that. We have anecdotal information, as people have called us and told us their story. We always encourage them to contact the police. It's not our role in the community to collect statistics. That's not what we're doing.

**Mr. Nick Whalen:** How many incidents would you say you get in a year of a person, one of your members, being—

**Ms. Marcia Carroll:** We haven't had the community boxes in Charlottetown for a year. Has it been a year?

**Mr. Sean Casey:** In two weeks it will be.

**Ms. Marcia Carroll:** Yes, so we probably have had 10 to 15 incident reports in that time.

**Mr. Nick Whalen:** Before that period, there would have been community mailboxes in other neighbourhoods on Prince Edward Island. You're a pan-Prince Edward Island organization.

**Ms. Marcia Carroll:** Yes.

**Mr. Nick Whalen:** There would have been community mailboxes across the province in different neighbourhoods. Any new housing development since, I guess, the 1990s would have them.

**Ms. Marcia Carroll:** Yes, that's right.

**Mr. Nick Whalen:** What would be the rate then for assault and muggings at those community mailboxes?

**The Chair:** Make it a brief answer if you could, please.

**Ms. Marcia Carroll:** Traditionally, we got calls about access to those mailboxes, not necessarily about incidents of crime.

**Mr. Nick Whalen:** Thank you.

**The Chair:** Mr. McCauley, for seven minutes, please.

**Mr. Kelly McCauley:** Thanks for joining us today. Mr. Casey, thanks for welcoming us to your beautiful city. It's a pleasure for me to be here for the first time.

Ms. Carroll, thank you for your advocacy for seniors and the disabled. I have a background in that care as well. It's nice to see so many people coming out to every one of our meetings.

The door-to-door delivery for people with mobility issues, I understand. Canada Post will deliver daily to the community mailbox. Arrangements can be made that once a week, they will pick it up and deliver it to a person's house. This is available across the country; it's not just here, but in my own riding.

Are you aware of that being available? Do you think it's a suitable alternative or compromise? The community mailboxes are becoming reality, and this service is available.

**Ms. Marcia Carroll:** Yes. One of the issues that we heard around that particular process is the medical documentation for who actually has a disability and who should receive that service.

The question becomes: do we put a big sign on their house that says this is a person with a disability and they need to have their—

**Mr. Kelly McCauley:** I think we need to do a better job through the Canada Post reorganization to communicate that. There is a lot of misinformation. We've heard fables about it costing \$300 to a \$1,000 to get a note for home delivery, when nothing is required for that financially.

**Ms. Marcia Carroll:** Right.

**Mr. Kelly McCauley:** If that could be properly communicated to the groups, would that help?

**Ms. Marcia Carroll:** It could potentially help. The challenge that you're going to have is how to identify people with disabilities.

**Mr. Kelly McCauley:** They have to apply.

**Ms. Marcia Carroll:** Well, we usually use a medical certificate for any type of application that involves disability. Doctors are now charging to fill out that paperwork.

**Mr. Kelly McCauley:** I don't think that's required. We will certainly follow up. I think we just have to communicate better through organizations like yours that are helping out so much.

I just want follow up on Mr. Whalen's question, although he did take my question. It's just about the crime at the mailboxes that you're mentioning. That has come up. We ask each time, "Are there statistics?", and the answer is, "No, we heard it through such and such." I know it's a concern, but I'm looking at the police themselves, who stated to the local paper that it hasn't been an issue. In fact, even cleanliness hasn't been an issue. Do you think people just aren't reporting it to the police? Is it just more of a feeling?

**Ms. Marcia Carroll:** Yes, I think it's more of a feeling. I think very often what will happen, at least from the stories that we've been told, is that people felt they were going to be robbed. Then somebody else came along and the person left. It's the sense of vulnerability that the person has. It could be elevating their fear.

**Mr. Kelly McCauley:** I'll just ask quickly, but you may not have the answer.

We heard again about ice on the sidewalks, etc. A friend of mine lives here, so he toured me around here today. I saw quite a few of the mailboxes and took some pictures. They're all just on sidewalks.

Before the mailbox showed up, who cleared those sidewalks? They're not new sidewalks getting added.

**Ms. Marcia Carroll:** No, they're not.

**Mr. Kelly McCauley:** Who was responsible for clearing the sidewalks before these mailboxes popped up?

**Ms. Marcia Carroll:** It depends on the community you live in. If you live in Charlottetown, it would be the City of Charlottetown. They do the road cleaning first, and they do the sidewalks afterwards. It's still not done really well. We have many issues around accessibility in this city. Clearing the sidewalks in the winter time is certainly one of them. When you add to that the need to get your essential service of mail and you have to get out to that mailbox, it's just another barrier.

•(1220)

**Mr. Kelly McCauley:** It sounds like the city needs to step up, but I understand that it's not just for the mailbox. It's for every time—

**Ms. Marcia Carroll:** It's for all aspects, yes.

**Mr. Kelly McCauley:** Thank you again for your advocacy.

Mr. Casey, welcome. I wasn't quite expecting another MP here.

We hear back and forth about different promises. The lady I campaigned against federally had it on her literature, full 100%. I know it's different from what's on the web page, but her impression was for a full 100% return for everyone. You're saying a similar thing. You comment that the government should keep its word.

What will you do if your party doesn't keep its word?

**Mr. Sean Casey:** As you know, our Prime Minister has indicated that all members of Parliament have the freedom to vote as they wish, except on matters that relate to the budget, the platform, and the charter. When you look at the platform, as best I can tell, any matter that comes up regarding home delivery for Canada Post will be a whipped vote because we have to keep our platform commitments. I can't imagine that there's going to be a problem. I will be voting in accordance with the platform, and I can't imagine there would be any sanctions or ramifications throughout Canada.

**Mr. Kelly McCauley:** Do you promise to return full door-to-door delivery if your party doesn't, or will you go along with the whip?

**Mr. Sean Casey:** What we said was that we would save home mail delivery. That's how I'll vote, and according to the policy of the Prime Minister, that's what he expects. That's what I would think the whip is going to direct.

**Mr. Kelly McCauley:** For Charlottetown, you were expecting and campaigned on the expectation that they would all go back to door-to-door delivery, or stay door-to-door and not go to CMBs.

**Mr. Sean Casey:** It's for you and for the government and for Canada Post to determine what saving home mail delivery means. I'm pretty darn sure that that it doesn't mean being converted to a community mailbox six days after the election. I don't know what it will look like. That's for you to recommend, and it's something that will come out of this, but it isn't what we have now.

**Mr. Kelly McCauley:** Okay. Does that mean you've gone from keeping your word to taking our recommendation?

**Mr. Sean Casey:** We can define what constitutes home mail delivery. Is it the 100% door-to-door delivery that people had before the election? Is it alternate day delivery? Is it something else? I think there would be patience and acceptance on the part of the electorate to accept something other than 100% door-to-door daily delivery. I do think that, but not for what we have now.

**The Chair:** Thank you very much.

**Mr. Kelly McCauley:** I'll follow up on that, but we're out of time.

**The Chair:** Mr. Duvall, you have seven minutes, please.

**Mr. Scott Duvall:** Thank you very much, to both of you, for coming. Thank you for your beautiful province here. It's really something.

Ms. Carroll, you made your statements about people with disabilities, and I certainly agree with you in every respect. One of

the things I felt funny about when listening to the question—and I even see this in the report—is the option they use for people with disabilities to go forward and make an application and get delivery once a week to their homes.

Do you think that's fair when everybody else has access to everyday delivery, Monday to Friday, yet if you're disabled, you can only have it once a week?

**Ms. Marcia Carroll:** I think you have to look at your definition of fair. For my organization and the people I represent, door-to-door delivery is a fundamental service that needs to continue in this country. It's about dignity and autonomy, for people to be able to receive their mail and open their mail every day in the safety of their homes. It's also about community building. That's what we do as a country in Canada. We have door-to-door services around civil society.

Do I think it's fair that it's cut? No, I don't. Do I think that it's putting people with disabilities who are already vulnerable in more vulnerable situations? Yes, I do.

•(1225)

**Mr. Scott Duvall:** Right, and our goal in life is to take any barriers away and make it as accessible as possible, with everything we can do for people with disabilities.

**Ms. Marcia Carroll:** Yes.

**Mr. Scott Duvall:** Mr. Casey, I listened to you very closely, and I really want to comment on your honesty and integrity, for one thing.

**Mr. Sean Casey:** Yes.

**Mr. Scott Duvall:** I read a statement in the paper that you had made. You felt this was a temporary situation when they put those CMBs in. You said that:

We committed during the election to save home mail delivery. That remains our commitment. Our commitment has not been fulfilled by this decision by Canada Post. The next step is for the new government to review the mandate of Canada Post and to fulfill our election commitment to save home delivery, and that's what we'll do.

Then you've guided us today to your platform, for which I thank you.

I look at that as two different statements. One was that you're saving home delivery. There was no question about it. Then, we were going to look at reviewing the whole situation, make Canada Post profitable, and make sure the people get the best service for their money.

My question to you is this. Why is this committee even discussing home delivery, when it should only be reviewing what it's doing wrong and making recommendations for Canada Post going forward? The home delivery is automatic. There are no changes in this. That's what your government said, that's what I believe you're saying, and that's what I believe your platform is saying. So, why is this committee reviewing and making recommendations for home delivery when your government already said that it was going to keep it?

**Mr. Sean Casey:** I have no idea. You shouldn't be.

**Mr. Scott Duvall:** Thank you very much for that. It's a great answer.

One of the other things with moving home delivery to community mailboxes is that the decision has created a cost for Canada Post. It was its obligation and its onus, and it's created a cost to the municipal taxpayer for garbage collection, street lighting, and snow removal. I heard my colleague here asking, who did it before? Well, the city does its stuff, and the people do their own. The people are supposed to remove the snow that's in front of their homes on the sidewalk. But it could be piled over. It could be a snow berm or anything. It's Canada Post's responsibility to get access to that, to salt the area, and to make sure it's safe; that's not anybody else's. However, all those things cost money. It was its plan that it did this, saying this is the best way to do it. Do you think it is right that the responsibilities now become those of the municipal taxpayers, and not Canada Post, for the service we pay them for?

**Ms. Marcia Carroll:** No, I don't think it's right. We see it all the time, where things are downloaded onto the smallest form of government to take on more responsibility. It's not correct. I'm a community advocate, not a business person, but I think there need to be ways that we look at efficiencies within Canada Post; and I don't think that necessarily means cutting postal workers.

As a corporation, maybe it should be looking at growth as opposed to reduction. How does it better build its business? How can it use a better business model and still honour the workers and services it has? Maybe it needs to cut some middle or upper management; I don't know. Those are the things that should be drilled down to and looked at, not just broad sweeping changes where there's no consultation—and certainly no consultation with the people who are mostly affected, the most vulnerable in our society.

**Mr. Scott Duvall:** Mr. Chair, I won't have any more questions, but as Mr. Casey said, I wonder if this committee can find out if we have the mandate to talk about and discuss saving door-to-door delivery service, when this government has already made that commitment.

• (1230)

**The Chair:** The mandate of this committee is to consult, not to direct.

Quite frankly, in my view—and I've been around this game a long time—the end result will be a political decision as much as anything. That's where the government will have to make some choices, some difficult choices.

However, in terms of this committee, Mr. Duvall, we will be reflecting the views of those people who have appeared before us, and that will be our report.

**Mr. Scott Duvall:** Okay.

**The Chair:** Now we'll go on to Monsieur Ayoub.

[*Translation*]

You have the floor for seven minutes.

**Mr. Ramez Ayoub:** Thank you, Mr. Chair.

I would like to thank the two witnesses and my colleague for welcoming us.

To begin, I will address Marcia Carroll.

Thank you for your work on defending the interests of seniors and persons with disabilities. Not everyone has a functional limitation, but we could all find ourselves in that situation some day.

I thought about these people a great deal when Canada Post made the changes and imposed its five-point plan. There was no consultation or information provided and it was done at the last minute. I was the mayor of a municipality that lost home delivery service. I can tell you that I experienced it first-hand. Mr. Casey, on the other hand, experienced it in a special way in Charlottetown, six days after the federal election. It happened extremely quickly.

A number of witnesses have talked about individuals with special needs. Given that 32% of mail is home delivery and 68% to community mail boxes, in the case of buildings with multiple units or in other situations, could Canada Post potentially offer personalized service for persons with reduced mobility and those with special needs?

[*English*]

**Ms. Marcia Carroll:** I'm sorry, I had trouble hearing you.

Did you say a phone line service or a first line service?

**Mr. Ramez Ayoub:** I referred to home special delivery, a special or adapted service for use by disabled persons. Is it a way to answer the loss of home delivery?

**Ms. Marcia Carroll:** You could use a couple of different lenses to answer that question, and one is a lens around accommodation. Would Canada Post then be making accommodations to have a specialized service for people with disabilities? Yes, that would be the case, but if you really look at it from an equal rights perspective, the door-to-door service allows people with disabilities to have the same service as anybody else who receives door-to-door service. Then there is no singling out of a group of people; there's no special sign that you have to put on your house; there's no special application that you have to go through to get the service. It's the same service as everybody else. That's what equal rights are, so that people have the same rights as everybody else.

[*Translation*]

**Mr. Ramez Ayoub:** Are there persons with disabilities who are among the 68% of Canadians who do not receive home delivery? Are there people with special needs in that group? I would expect so.

[English]

**Ms. Marcia Carroll:** Yes. There are people who live in communities who have had community mailboxes for a long time, and they've had to go to their community mailboxes. Most of those community mailboxes, before the city of Charlottetown lost door-to-door delivery, were in the suburbs. Individuals who live in the suburbs traditionally own vehicles, so they could drive to their community mailboxes. The issue then was around access, the snow removal, the garbage removal, the safety piece as well, and the lack of universal design in the placement of those boxes. There were issues then, but not everybody had door-to-door delivery.

[Translation]

**Mr. Ramez Ayoub:** Thank you.

Mr. Casey, it is unusual for you to appear before the committee, yet your experience was similar to that of many other people.

Canada Post's plan was not implemented as initially planned. A moratorium was declared and we are very happy about that. Right now, we have the privilege of examining Canada Post's services. It is something that has not been done for many years. We are examining the outlook for Canada Post.

What do you think about the fact that 68% of people do not get home delivery while 32% still do? The service is not equal for everyone. Should we return to a single service type—based on your opinion and the party's platform—so that 100% of the population has home delivery? What are your thoughts on that?

• (1235)

**Mr. Sean Casey:** Thank you for your question, Mr. Ayoub.

It is up to the committee to recommend how to follow through on our promise. It is a clear promise to save and restore home delivery. It is true and you are right. Before October 19, that is, before the federal election, about a third or half of households had to use community mail boxes. Six days later, it was only community mail boxes here.

**Mr. Ramez Ayoub:** Excuse me for interrupting. Yes, it was converted. But there is a margin of difference between saving and restoring something.

**Mr. Sean Casey:** Yes, of course.

**Mr. Ramez Ayoub:** There are also people who lost home delivery. There are people who were opposed beforehand and there are people who ultimately lost the service and who did not see a difference. That is why I am interested in the case of people with disabilities, which Ms. Carroll discussed.

**Mr. Sean Casey:** Yes.

**Mr. Ramez Ayoub:** Perhaps home delivery is extremely important to them and it should be continued.

In our meeting today, we have to consider recommendations to improve service and to maintain the quality of service Canada Post offers. Up until now, it has not been a one size fits all approach.

**Mr. Sean Casey:** Okay.

**Mr. Ramez Ayoub:** Can I conclude quickly since my time is nearly up?

We talked about it before you began your testimony. There are different types of services, even for businesses. There is a multitude ...

[English]

**The Chair:** We are out of time.

[Translation]

**Mr. Ramez Ayoub:** That is what I wanted to say.

Thank you.

[English]

**The Chair:** Mr. Casey, I think Mr. Ayoub raised a very important point. Perhaps you'll want to clarify for the record if, in your opinion, the government's commitment is to restore home delivery or to save it.

**Mr. Sean Casey:** Page 34 says “save”.

**The Chair:** Save. Thank you.

We'll now go to a five-minute round with Mr. Kmiec.

**Mr. Tom Kmiec:** Thank you, all, for coming in today.

Mr. Casey, I know we sparred in the past in the House on the custom of appointing judges from Atlantic Canada, but I'm not going to talk about that today. We can do that off-line again.

**Mr. Sean Casey:** You'll have to speak with Mr. Nicholson on that.

**Mr. Tom Kmiec:** Good. I'm glad. I still haven't looked at his transcript from yesterday.

I have two questions for Ms. Carroll and three questions for you, Mr. Casey.

I'll start with you, Mr. Casey. I only have five minutes.

Why didn't you pick up the phone on October 19 and just get the Prime Minister to basically stop the changes?

**Mr. Sean Casey:** He was busy.

**Mr. Tom Kmiec:** Okay.

Are you happy with the progress that's been made to save home delivery? It's been almost a year and as far as I know, there's been a stop to it but nothing else has been done.

Are you satisfied with the government's progress so far?

**Mr. Sean Casey:** Not at all.

**Mr. Tom Kmiec:** Last, do you think the government prejudged the committee's findings? I ask this because you sit as the parliamentary secretary to the Minister of Justice, and you are much closer to the government than any member in this room. The committee's findings are independent of whatever the government may wish, including what's in that platform. Because I'm not a member, I'm not bound by the past.

Do you think it's been prejudged?

**Mr. Sean Casey:** I wish it were.

It appears that your mandate is such that it hasn't been prejudged, but it should have been. I don't understand why the committee would be given the latitude to make a recommendation that runs counter to the platform, but it appears that you have.

• (1240)

**Mr. Tom Kmiec:** Are you satisfied with Minister Foote's performance, then?

**Mr. Sean Casey:** Sorry.

**Mr. Tom Kmiec:** Are you satisfied with Minister Foote's performance?

**Mr. Sean Casey:** That's a tough one.

I have raised this on several occasions directly with Minister Foote. I'm not happy with how this file is progressing. Can I pin it on her personally? I don't think that's fair.

**Mr. Tom Kmiec:** Okay.

Thank you, Mr. Casey.

Ms. Carroll, thanks very much for coming.

We've heard from a lot of seniors' organizations. I always appreciate hearing different points of view.

I come from a large urban Calgary riding that has mostly community mailboxes. Some of them are like yours here, in that they just sit on the sidewalk. Some of them are centrally located. They have roofs over them, some of them have walls, and some have excellent lighting. Some of them are very well thought out and some of them were just built by the developer and placed there with the help of Canada Post.

Do you think the issue of placement and where CMBs are located is an insurmountable problem in doing it in a place like Charlottetown?

**Ms. Marcia Carroll:** I'm not an urban planner, so it's a challenge for me to answer that.

What I can tell you is that it creates insurmountable problems for the people I serve. People with disabilities are finding it a real challenge, particularly in the wintertime, to get their mail. They're feeling vulnerable at the boxes and they're feeling vulnerable when they have to turn to caregivers or family members to ask them to collect their mail. It's a loss of dignity and autonomy when we used to have a perfectly good service that worked. That was door-to-door service.

**Mr. Tom Kmiec:** Can I ask a follow-up question, then? I have many seniors in my community. Communities on the west side of Calgary Shepard are on a slope. There are six of them, and they are all on a slope, so obviously all seniors who live in those communities would have difficulty getting to their CMBs. They do it anyway, because that's the way it is. If we are going to be fair and equitable to all seniors, shouldn't we expand it to everybody who currently has CMBs to get door-to-door delivery?

**Ms. Marcia Carroll:** Ideally, yes.

**Mr. Tom Kmiec:** You would expand it to every single place right now that is served by a community mailbox.

**Ms. Marcia Carroll:** Yes, I would. It probably wouldn't be a good business decision, but it would be the decision I would make.

**Mr. Tom Kmiec:** Okay. I have another question, if I have time.

**The Chair:** You have one minute.

**Mr. Tom Kmiec:** If Canada Post, seniors organizations, and local municipalities got together, sat down, and planned out where the community mailboxes would be, and agreed to the lighting and how the boxes were going to be cleared of snow and ice; put in recycling bins for the flyers; and perhaps covered them with roofs, like they did in Douglas Glen in Calgary, so you could actually get there and it would be pretty darn clean, would that be a solution that even groups such as yours would support or participate in?

**Ms. Marcia Carroll:** If that's the recommendation by this committee and that's how you've decided to move forward, that would be a process we would be committed to and participate in. Do we see that as the right solution? Absolutely not.

**Mr. Tom Kmiec:** Okay.

**The Chair:** Madam Ratansi, this is our last intervention, for five minutes, please.

**Ms. Yasmin Ratansi:** Thank you, both, for being here. Do you know the poverty rate or the unemployment rate in Charlottetown?

**Ms. Marcia Carroll:** I don't know that. I know that people with disabilities who live in this province are 50% more likely to be underemployed or unemployed, and we have 20,000 people with disabilities.

**Ms. Yasmin Ratansi:** Okay, 20,000 in a population of...?

**Ms. Marcia Carroll:** It's 140,000.

**Ms. Yasmin Ratansi:** Okay, so that's nearly one-fifth.

In terms of door-to-door delivery, do most of the people with disabilities live in a building, or do they get mail delivered at their door or down the driveway?

**Ms. Marcia Carroll:** People with disabilities on Prince Edward Island are just like you and me. They live in a variety of different situations.

**Ms. Yasmin Ratansi:** Okay, fair enough.

Mr. Casey, I am very surprised to hear that Canada Post was so arrogant in installing the community mailboxes.

**Mr. Sean Casey:** I'm glad you were here to hear it.

**Ms. Yasmin Ratansi:** I am, because we thought we were working in good faith with them. Why did management become so arrogant, thinking they could thumb their noses at the government?

**Mr. Sean Casey:** I don't know. As I say, I think they have some explaining to do.

**Ms. Yasmin Ratansi:** Okay, so when we speak to Canada Post next time, that's the question we might ask them.

**Mr. Sean Casey:** Please do.

**Ms. Yasmin Ratansi:** Is it because his contract was renewed, and he thought he could get away with it because nobody was going to fire him?

**Mr. Sean Casey:** I have no idea.

**Ms. Yasmin Ratansi:** Okay.

**Mr. Sean Casey:** I don't know the president, and even if I did, I'm sure I couldn't get inside his head.

**Ms. Yasmin Ratansi:** As a committee, we are coming up with different recommendations or will come up with recommendations, and we hope they will not be political but be based on fact. We look at the quantitative analysis that Canada Post and the task force have looked at, and we think fine, they are saying it's not financially sustainable, blah, blah, blah, and everybody is challenging it. Therefore, the premise of their calculations may be different if you look at it differently. If we come up with a different solution, do you think that under the current management they will be able to implement it, or if they might thumb their noses at us?

• (1245)

**Mr. Sean Casey:** That's extremely difficult to predict, but I'll repeat what I said earlier. After what we witnessed and experienced here in the six days following the election, I have no faith in the leadership of Canada Post.

**Ms. Yasmin Ratansi:** Labour unions have been telling us that they've come up with creative ideas and nobody wants to listen to them. We have been trying to gauge whether there is a midpoint between labour and management to come up with a solution moving forward. We need to balance not only quantitative or financial stability, but also qualitative factors, because we need to create jobs and move forward. What are some of the options that Canada Post can utilize to reinvent itself, to be sustainable, with all the positives and opportunities? Yes, it has some challenges with some of the opportunities. Do you have any thoughts?

**Mr. Sean Casey:** Well, first of all, I would say that I'm not sure if I'm the best person to respond to that. I think very good work has been done by the task force, which should guide your thinking, as well as the work you're doing in calling witnesses before the committee.

What I would say is that I think it's important to step back and see the forest, to acknowledge right up front that this isn't a private corporation. It doesn't, and shouldn't, have a profit motive. It's a public service. The question is, how much do we want to pay for that public service and what are the trade-offs to get the level of service that we want?

I do think you're going to get better advice from other sources as to how to deliver that, but I think the philosophical question about the role of Canada Post is fundamental and that the answer to that is that it isn't profit-motivated, and it shouldn't be a profit-motivated, quasi-private corporation.

**Ms. Yasmin Ratansi:** Thank you.

**The Chair:** Thank you.

Madam Carroll, Mr. Casey, thank you very much.

It's been informative, and illuminating from my perspective at least. I will give the same standing offer that I have to all of our panellists. Should you have any additional information that you wish to bring to the attention of this committee, please forward your comments or your briefs directly to our clerk. We will be tabling a report in Parliament, my best guess is by late November or early December. So if you could get those comments—should you have any—or recommendations or suggestions to us as quickly as possible, we would appreciate it.

Once again, thanks for your participation.

Thanks for being here, and, Mr. Casey and Madam Carroll, you do have a very, very beautiful province.

We are adjourned.

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