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Chair

Mr. Tom Lukiwski

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• (0800)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Ladies and gentlemen, colleagues, I think we'll get going now.

Thank you to our panellists for being here. As you know, the minister responsible for Canada Post, the Honourable Judy Foote, has initiated a widespread consultation process dealing with the future of Canada Post. Phase one of the consultation process was to establish a task force whose mandate was to examine the financial viability and sustainability of Canada Post. The task force has completed their work, they've submitted their report, and they have appeared before our committee. The second phase now is why we're here today. We're engaged in a cross-country consultation tour talking to individuals, organizations, and municipalities who have viewpoints on the future of Canada Post and who hopefully have suggestions as to the future of Canada Post. I thank all of you for being here to share your thoughts with us today.

The process is fairly simple. We will start with a five-minute opening statement from each of you. If you tend to go a little long, I will, unfortunately, have to jump in and see if we can rein you in. Then we will follow that with a question and answer period with all of our members of the committee participating. We have found—as I believe I mentioned to you earlier—that's really where a lot of the information comes out and we get your viewpoints, through the question and answer period.

With that brief introduction, I think we'll get going.

Ms. Moffat, we have you up first for five minutes, please. The floor is yours.

Ms. Lynda Moffat (President and Chief Executive Officer, St. Albert and District Chamber of Commerce): Good Morning.

I'm please to be here. I'm very pleased to welcome you to Edmonton and to thank you for the work you're doing. I think it's very important.

I'm Lynda Moffat. I'm here today speaking as the president and CEO of the St. Albert and District Chamber of Commerce.

For any of you who don't know, St. Albert is a city of approximately 65,000 people, located directly on the northwest boundary of the city of Edmonton.

We have a very vibrant and successful business community. The chamber of commerce represents over 970 members. In March 2016, we were pleased to send a letter to Canada Post concerning the

proposed closure of the St. Albert post office. In preparation for writing this letter, we did a survey of our chamber of commerce members to ascertain their views on this potential closure. In the informal survey, we asked if they were located in the downtown, as the post office is, and whether this decision would impact their business. The results of the survey were very surprising to me, and mostly the passion that came with the answers was very surprising to me.

Overall, the businesses who use the post office on a regular basis for shipping and receiving are passionate about keeping the post office open. The very idea of having to drive into Edmonton or visit a post office kiosk in a retail setting is both unacceptable and difficult to understand for them. To quote a comment from just one response, "The post office is their own worst enemy, because closing this location will force us to look to the private sector for the shipment and receipt of goods".

Another response included an indication that the business would move out of St. Albert if the post office was closed. The business owners genuinely appreciate the employees of Canada Post at this location, and they count on their professionalism and their knowledge to keep things running smoothly and efficiently. They receive very high praise from our business community.

Another group of people, whom we did not poll, are those living both in the downtown and in other areas of the city. We heard from many seniors who depend on the services of the post office, and particularly from those who do not have the freedom of transportation to visit the retail outlets. There are also post office box holders who value the address that they have and the convenience of receiving their mail there.

We first thought that we might hear more about the heritage of the post office and the symbolism of community and stability. Although we did hear some expressions in this direction, most of the input we received dealt with the functionality and great value that Canada Post provides. There was very little nostalgia involved in their views on saving that post office.

As a business where your product is being challenged, we would like to encourage Canada Post to look for new and innovative directions for providing services to Canadians, rather than eliminating the services that are so greatly valued.

I'm confident that your access to the brightest minds combined with your determination to be a great service provider can bring excellent results from your deliberations that will be met with overwhelming support from Canadians. The one thing businesses need to survive is stability. They need to know what's happening tomorrow. They need to know that the tools to prosper and to be profitable are there for them.

I'm willing to answer any questions that you have.

The Chair: Thank you very much.

Next up we have Ms. Mackintosh.

Five minutes, please.

Ms. Meghan Mackintosh (Manager, Billing Operations, EPCOR Utilities Inc.): Thank you.

My name is Meghan Mackintosh. I'm the manager of billing operations at EPCOR Utilities, which is based out of Edmonton. One of my responsibilities is regarding bill delivery, which includes managing our relationship with Canada Post and ensuring that our customers receive their utility statements.

We rely heavily on Canada Post to send the majority of our bills to our customers. To give you an idea of the volume, in 2015, we mailed out approximately 6.5 million paper statements to our customers. We sent an additional 840,000 statements using Canada Post's epost service.

From our standpoint, Canada Post's mail delivery service is mostly reliable. Considering the volume of physical mail that we send, we rarely incur issues or hear of lost mail.

However, having said that, we do experience some pain points with Canada Post. The first is regarding business continuity. It seems like every few years, when the postal worker collective agreement expires, we can expect to spend significant time and money preparing for a labour disruption. The uncertainty that this creates causes EPCOR a lot of work and takes us away from our core business functions.

The second pain point that we experience is regarding customer support. As an example, in March of this year, we experienced a technical issue with epost, which was customer-impacting, as customers were not receiving their EPCOR bills. There were EPCOR customers who had called Canada Post to report the issue, but the Canada Post agent redirected the customer back to EPCOR, assuming the issue was on our end. It took several calls to Canada Post's support centre by EPCOR management to escalate the issue and to find someone who would take ownership, investigate the problem, and work toward resolution. After investigating, the issue was deemed to be on Canada Post's end.

As our customer demographics shift, we are seeing customers move away from traditional mail service and opt for electronic mail. If we are not able to rely on Canada Post's technical support services, it makes it difficult to promote epost as a dependable option for our customers.

Our third pain point relates to the cost of postage. In December 2013, EPCOR was notified of the 2014 postage rate increase via media. We did not receive notification from Canada Post, and instead

heard the news from the media itself. As a regulated business, we need to forecast our costs. Unforeseen cost increases such as this make it difficult to manage our business. Every year we ask Canada Post for a pricing update, and the response is usually vague, if we get a response at all. While EPCOR understands that postal prices will increase—it makes sense—changes in price like those that occurred in 2014 are significant and they're challenging to manage.

After reading the discussion paper, we think the seven opportunities that are outlined seem appropriate and we don't have significant concerns over them. However, we do expect postal delivery to be reliable, and if issues occur, we expect that we will be able to receive assistance in a timely manner.

The Chair: Thank you very much.

Our final panellist will be Ms. Schinke, please, for five minutes.

Ms. Kristina Schinke (Former Vice-President, Cash Money Inc.): Thank you, Mr. Chair.

I am here just to offer some insight and education regarding the payday loans industry, which Canada Post has put forward as consideration for additional revenue. Just through a Q and A format.... The payday loan customer is your average Canadian who lives paycheque to paycheque. There are more of those than most of us probably realize. They have extended their credit, or they don't have any credit, so they haven't planned for unexpected expenses.

The demographics are half male, half female, and the age range is 35 to 45. They usually rent. Very few are homeowners, so they don't have additional lines of credit or home equity. The segment that's growing, in particular, is seniors on a fixed income. Living month to month, they don't have the resources for those unexpected expenses. It's something they don't expect: replacing a car, medical or dental bills they can't afford, or household expenses. The average income of the payday loan customer, nationally, is about \$35,000 a year. Until about a year ago, it was much higher in Alberta, as we might understand.

Why does one use a payday loan? Well, they are poor planners. They don't think of the future. Credit is easy to get, so they often abuse credit early on, and then they can't acquire additional credit. They live right to their means, sometimes slightly above their means, so at some point in time they need that extra money for unexpected expenses. They can't go to a bank and get a short-term loan, and clearly they don't have any savings.

The average customer uses a payday loan five times a year, and only half come back a second time. Many try it on, cover their expenses, pay it back, and then move on. There are really no alternatives besides pawn loans or family and friends.

As I said earlier, you simply can't go to the bank, ask for \$500, and promise to pay it back in two weeks, so there really aren't many options.

The Chair: Thank you very much.

Now we'll start with our seven-minute round of questions and answers.

Madam Ratansi, go ahead.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you all for being here, and thank you for your input.

Ms. Moffat, I'll start with you.

You've given a very good insight into what we've been hearing. The Canada Post workers are reliable, people like them, and they are efficient, but we are faced with some challenges: innovation, technology, less letter mail but maybe more parcels, etc. Would your businesses be willing to take alternate day delivery, which has been suggested, or maybe a delivery three times a week?

Ms. Lynda Moffat: The majority of the businesses that spoke in support of retaining our post office actually used the post office, rather than delivery to their business. It's because they are shipping and receiving goods for their business, and that's how they are doing it.

We heard from a couple about volumes—nowhere near the volumes that Meghan spoke of, of course. They take their invoicing and things like that down to the post office and have them processed that way. I am not sure whether the delivery aspect is actually relevant to them.

Ms. Yasmin Ratansi: Okay, no problem.

In terms of consultation with Canada Post, were you advised that they were going to close down the post office, or did it come as a surprise?

Ms. Lynda Moffat: It came as a surprise. We heard about it from one of our city councillors. It was totally out of the blue for me. I had heard nothing. I thought, "Well, before I jump in with my own views, I'd better find out what our business community thinks of it." As I said earlier, I expected a lot of "motherhood and apple pie" type of feelings about having a post office in our downtown. There were a few statements about how important it was as a heritage thing, how important it was, years and years ago, for a community to actually have a post office and what it meant to the growth and stability of the community. It was that important.

Today, although there is some heritage connection, it is primarily that they are using it and depending on it. They were almost panic-stricken at the thought that someone would take it away.

Ms. Yasmin Ratansi: You have especially the fear that people might move out. We're trying to ensure that small communities stay stable and they have good-paying jobs, but we also need to find some creative solutions.

Ms. Mackintosh, you talked about its reliability, but the concern you have occurs when there is collective bargaining and there are negotiations. You also talked about customer service and the increase to the postal rate. How would you like Canada Post to engage with businesses? It appears that there is sometimes an edict, and

sometimes you don't have a clue what's going on. How would you like to be engaged with them?

Ms. Meghan Mackintosh: I think from our standpoint it's really about opening up the lines of communication. As an example, on the customer support issue I spoke about, it's really having one point of contact and having a dialogue versus finger pointing in either direction. I think discussion is important.

Ms. Yasmin Ratansi: Have you ever made that suggestion to them? Has there been a dialogue, facilitated sessions, between your businesses and Canada Post?

Ms. Meghan Mackintosh: We have had debriefs. On the issue in March, after the dust settled we did go back. We involved a couple of technical members from Canada Post to discuss, decide, and come up with a plan on what we could do going forward. We do now have the names of some more senior technical staff who probably would be able to help us out a little bit faster.

Ms. Yasmin Ratansi: Thank you.

I have a brief question for you, Ms. Schinke. You talk about Cash Money Inc. We have a lot of people in the low-income arena. How much interest does your company charge to anybody borrowing money?

Ms. Kristina Schinke: It's regulated by each province. As of August 1 in Alberta, for example, it's \$15 on each \$100.

Ms. Yasmin Ratansi: Okay, so it is 15%. Now, that's a very high rate. I'm an accountant, so I understand that people don't have financial literacy and then they can get in debt, but to charge somebody 15%....

I know you're trying to protect your investment, but would there not be some way of negotiating whereby they probably would not go into that spiral deficit? That's what Canada Post is saying. The employees are coming up with that idea, that maybe they could give better bang for the dollar. What are your thoughts on that?

Ms. Kristina Schinke: What one has to keep in mind is that it's meant to be a short-term loan. The average loan is 10 days. You have to be cautious not to annualize it, because it's like saying that a hotel room, for example, at \$200 a night would cost you x dollars over a month. It's not intended for a long-term stay. It's a short-term stay.

Ms. Yasmin Ratansi: How many of your clients come back and back again? Do you have any idea? I've seen people go back to payday loans. It's really problematic.

Ms. Kristina Schinke: Well, it's the minority. As I mentioned, the average has dropped. Ten years ago the average payday loan consumer came in seven times a year. Most recently it's been five times a year. There are people, in the minority, who do get back-to-back loans, but the service was never intended for that.

● (0815)

Ms. Yasmin Ratansi: Thank you.

The Chair: Thank you very much.

Next up we have Mr. McCauley.

Mr. Kelly McCauley (Edmonton West, CPC): Thank you, Chair.

It's nice to be back in Edmonton.

Ms. Moffat, speaking as a former member of your chamber, it's nice to have you here. Just very quickly, I understand the comments you're making. How would it be different for your members if that post office were just replaced at a location at a Shoppers Drug Mart just down the road from downtown St. Albert, where services are identical? Is it a lack of knowledge that the retail ones offer identical services, or is it emotional attachment, do you think?

Ms. Lynda Moffat: From what I understand—I don't know this personally, but this is what I hear from the business people—they don't offer identical services when it comes to the shipping and receiving of goods. I may be misled on that, but this is my understanding.

Another thing they don't like is to have to be in a retail outlet where they often have to stand in line. They're busy. They're just trying to run their business, and for them, in their mind, the quickest and most efficient way is to go to the post office.

Mr. Kelly McCauley: I'll do a shameless plug; you have a fantastic chamber of commerce.

Ms. Lynda Moffat: Thank you.

Mr. Kelly McCauley: Ms. Mackintosh, welcome. I have to say I don't enjoy receiving your green bills every month, but I do. You mentioned 6.5 million bills, which is amazing, and only 840,000 on epost. What would it take to get epost instead of...? Is it just more understanding from the customers or...?

Ms. Meghan Mackintosh: In full disclosure, we do have the 840,000 epost customers but we have about an equal amount in a separate electronic billing service that EPCOR developed in-house. For us, it's easier to set up or to encourage a customer to go with the EPCOR e-bill internal version because we can enrol them over the phone.

Mr. Kelly McCauley: That is going to grow a lot more than the 6.5 million?

Ms. Meghan Mackintosh: It will, yes.

Mr. Kelly McCauley: That leads to my second question. The Ernst & Young forecast shows Canada Post in nine years being in a deficit of about \$1 billion a year, which has to be made up by higher stamp prices or other efficiencies. Would you be interested in paying higher stamp prices?

Ms. Meghan Mackintosh: I don't think anyone would.

Mr. Kelly McCauley: The answer is no.

Ms. Meghan Mackintosh: It's not ideal.

Mr. Kelly McCauley: Thanks very much.

Ms. Schinke, welcome.

One of the things we're hearing from certain proponents of Canada Post postal banking is that they could set up in remote rural areas not served by banks, or they could set up beside a payday loan, offer a lot less expensive loans, take on higher risk loans, serve a different demographic, and still make enough money to offset this \$1 billion potential loss down the road.

In your mind, knowing the payday loan system, is it doable that they could make up this ton of money while undercutting payday loan services and taking all this additional risk? Is it feasible?

Ms. Kristina Schinke: It's a very complex business, much more so than most people think. Because really the eligibility is simple, one has to have a source of income and a bank account, it does make the risk quite high. You've seen in Canada alone, American players who have come here thinking that they can make a good go in the payday loan industry. Several have come in and moved out right away because they realize that the risk is high.

Although the fees sound quite steep, by the time you cover expenses, it's not quite as profitable as everyone thinks. It would only be profitable in very big volumes and with very specialized not only systems but the ability to hold cash. Of course collections is a big part of it. Most of the payday loan lenders have very large and specialized call centres, so it's not quite as simple as it might sound.

Mr. Kelly McCauley: One of the interesting questions posed was if there was postal banking, what would happen the very first time the Government of Canada tried to repossess grandma's car?

Ms. Kristina Schinke: Exactly.

Mr. Kelly McCauley: The comment came back that we wouldn't, we would never take, we would just give. I'm not sure if that's possible.

On the small rural areas that aren't served by banks, it has been suggested that Canada Post can set up postal banking in a small town that might only have five or 10 people a day visiting. Is that feasible? Could that be profitable even for a payday loan company without the huge...?

Ms. Kristina Schinke: Again, there might only be five or 10 people visiting during normal business times, but when it's busy is after work. That's when people do their postal, probably, and then they would do their loans at the same time. Waiting in lineups is not something that the payday loans...

Mr. Kelly McCauley: But in a small town without...?

Ms. Kristina Schinke: I think it could be feasible but keep in mind now that like many other industries, it's shifting online, so that anyone in Canada can be served online.

Mr. Kelly McCauley: Ms. Moffat, I'll just bounce back to you very quickly. I just wanted to touch back on the pricing, and Ms. Mackintosh brought it up as well. One of the things we're hearing from various chambers across the country is that they do appreciate Canada Post. It's very important, especially with e-commerce. They want better services but they want someone else to pay.

Do you think your members would be willing to pay higher stamp prices, higher shipping prices, to maintain perhaps the post office downtown or maintain the current service centres we have right now knowing, again, we have projected a \$1-billion loss down the road?

Ms. Lynda Moffat: The timing of that question is very poor, because today we have a very poor economy. We have a provincial government that has some new programs in place that are challenging to businesses, particularly small businesses, and very costly. To add another cost to their ability to create a profit out of their business is pretty scary. If you had asked me that question three years ago, I would have told you that all entrepreneurs are very hard workers and that business they have is their future and their family's future and the community's future, and if there is an additional cost for being able to operate successfully and efficiently—and where Canada Post comes in is on the efficiency part of it—then I believe they would have gladly paid an extra fee. But now, under the circumstances today, it's a very different story.

The Chair: Thank you very much.

Ms. Duncan, welcome to our committee.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Thanks.

Yes, I'm an interloper here, because I'm an Albertan.

It's great to see three women appearing here and testifying. I appreciate it.

My first question is to Ms. Mackintosh and Ms. Moffat. One of the proposals by Canada Post is to get rid of the uniform rate of postage and let it vary with the cost of delivery, based on distance or speed of delivery. What's your perspective on that?

Ms. Meghan Mackintosh: I think for EPCOR it's not a bad option. I think we would be open to it. It would create the need for us to alter the way that we forecast our costs, as an example, because right now we don't necessarily differentiate between, say, sending a bill in Edmonton versus elsewhere in the province. I think we'd be open to the idea.

Ms. Linda Duncan: Your business is essentially just mailing across the province.

Ms. Meghan Mackintosh: For the majority, yes.

Ms. Linda Duncan: So it wouldn't be as big of an issue for you.

Ms. Meghan Mackintosh: Exactly. We don't have a lot of long-distance mailing.

Ms. Linda Duncan: Okay.

Ms. Moffat?

Ms. Lynda Moffat: I wish I had the opportunity to ask that question to my members, particularly today when you see so much electronic-goods transfer. People are ordering online and they're receiving their goods by mail, by Canada Post often. Also, people are ordering online from businesses located within our community, so they have to now ship the goods out. I would really like to have the opportunity to ask our business community how much that would impact their bottom line and whether that's something that's acceptable to them, because I think it's an interesting proposal.

Ms. Linda Duncan: Of course, people are mobile now. A grandmother can be sending a package to St. John's, Newfoundland —

Ms. Lynda Moffat: Yes, exactly.

Ms. Linda Duncan: —and probably couldn't afford to pay more. Also, it is supposed to be a public service.

Interestingly, in the newspaper just yesterday there was a forecast of adding 120,000 seasonal workers to Amazon. Nowadays there's a huge increase in buying online. Do you think there's a lot of potential for Canada Post to actually.... First of all, I'd like to get on the record that I find the forecast deficit highly questionable. There are lots of ways to generate that revenue, including the postal banks. But given how much shopping is going on online, do any of you have a comment about that? There will probably be a lot more parcels, which are of course shared between Canada Post and other companies.

Ms. Lynda Moffat: I think it's an amazing opportunity for Canada Post. What I think you need to be doing is probably expanding the mandate of what you're doing right now, and speak directly with entrepreneurs who operate small and medium-sized enterprises, as well as the larger enterprises, and really do some serious brainstorming on innovation and how this can work as a profit centre for Canada Post, because it is an opportunity. There's nobody better than an entrepreneur to know how to take advantage of an opportunity and turn it into....

Those are the kinds of minds I suggest you need to be tackling this, the people who think that way. You almost can't learn it. Either you think that way, or you don't. If that's the way your brain works and you're entrepreneurial, and you grab at an opportunity, then you know how to make that work. Those are the people you need to ask, as far as I'm concerned.

Ms. Linda Duncan: My final question is about postal banking. Apparently this is very common around the world, and apparently 71% of Switzerland's postal profits are from postal banking, for New Zealand it is 70% of profits, in Italy it is 67% of profits, and even Britain has 25% of sales.

This is for anybody who would like to answer, but probably mostly Ms. Schinke. If it's not profitable to set up payday loans, say, on aboriginal reserves or in far northern communities, doesn't it make sense then for Canada Post to be stepping in? My understanding from talking to Councillor Nickel is that we already have some level of postal banking.

What do you think about that proposal? There's a number of people saying that if it's happening around the world, why not in Canada? It could help make Canada Post more affordable to the ordinary user.

Ms. Kristina Schinke: When it comes to postal banking, I'm wondering if specifically it's postal payday loan banking or just other banking services? I think we need to differentiate between the two services.

Ms. Linda Duncan: This is specifically postal banking, and I presume around the world they do small loans. I know the United States has been considering it. One of the senators has been proposing that particularly for things like electric plug-ins for cars, or for solar panels.

My brother's a small business owner. I know he has a struggle getting loans from a bank even though he has been in business a long time, but he doesn't necessarily want to go to a payday loan place. People trust the post office.

Do you think that's an option Canada Post should be thinking about? There would be competition and maybe the rates would go down for the payday loans.

Ms. Kristina Schinke: As I said earlier, the industry is more complex than many realize. If Canada Post is willing to take that risk and handle the default without taking any type of collateral, then that's something to think about.

The Chair: Thank you very much.

We'll go to Mr. Whalen for seven minutes, please.

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

Thank you all for coming here today early on a Tuesday morning to help us figure out a future for Canada Post.

Ms. Moffat, you talked about your members saying the post office is its own worst enemy. Can you elaborate a little bit on what you mean by that?

Ms. Lynda Moffat: Sure. That was when the discussion was whether or not the post office was going to close. It was relative to how, if the post office closed, these business people would have to seek private companies to fulfill the activities Canada Post was providing.

Mr. Nick Whalen: Is there a sense amongst your membership that Canada Post bites the hand that feeds it in some way? It sort of diminishes its own demand, reduces its own demand, or drives its business towards its competitors?

Ms. Lynda Moffat: I don't think so. I think that was really directed at that one discussion, which was the closing of the post office. We have business parks and things. Those guys drive downtown to the post office all the time, and so for them.... It was pretty surprising to me how big a deal it was to the business people. I had no idea.

But I don't think they have that attitude overall about Canada Post. I really believe it had to do with that one discussion.

Mr. Nick Whalen: If Canada Post offered banking services, do you think your members would be interested in using Canada Post as their bank, or do you think they're satisfied with the level of banking service they currently get?

Ms. Lynda Moffat: It offers them another option. I'm more interested in looking at it from the perspective of Canada Post. Here

you are looking for new and innovative ways to increase your revenues, so that you can continue to offer the kinds of services that perhaps are not the big revenue generators. If you come across an idea, you've done the homework on it, and you can see that it offers a good opportunity, then I don't know why you wouldn't go ahead with it.

I don't know what's possible through Canada Post, and whether you can possibly do a test somewhere in this country to better give yourself an idea of how the uptake would be on it, or whether, if you decide to go that way, you have to just, boom, do it. I don't know what you have to do.

Mr. Nick Whalen: Ms. Mackintosh, we've learned that the rate of decrease in letter mail is 5% to 6% a year, and that doesn't seem to be abating. Have you seen the same trend within your organizations with the uptake in epost or your own electronic billing service online? Does it match what we're hearing from Canada Post, in that every year one in every 20 of your customers is moving over?

Ms. Meghan Mackintosh: I think we've seen more than that. As an example, last year our e-bill adoption at the end of 2015 was around 18%, and we're currently at 25%. I would say we've seen more.

Mr. Nick Whalen: Did you feel the labour disruption this summer drove more people to migrate?

Ms. Meghan Mackintosh: It definitely did, yes.

Mr. Nick Whalen: Would you blame that scenario on the labour disruption as being the approximate cause? Or had you guys done your own independent efforts to drive e-billing, which might have done the work?

Ms. Meghan Mackintosh: We've done both. We encourage customers to go on whatever form of electronic billing they choose, because it is a cheaper option. We have internal promotions with our contact centre agents, as an example, and advertisements, but I do think that the potential labour disruption did cause a bump for us, as well. It caused an increase.

Mr. Nick Whalen: Okay.

From your perspective, as someone who's involved in mailing 6.5 million pieces of mail a year, if you were going to point a finger, would you point the finger at labour or management, or would you say there's a shared responsibility for that drop in volume?

Ms. Meghan Mackintosh: I'm not sure, to be fair. I don't know that I can name one particular group over the other.

Mr. Nick Whalen: Okay, fair enough.

Ms. Schinke, it's interesting, this notion about the payday loan. About how many of your loans require additional enforcement to be paid? Would you be able to give me a percentage in your industry?

Ms. Kristina Schinke: It's about 20%.

Mr. Nick Whalen: Okay, so 20% of the time you would have to go to enforcement, which justifies the high interest rate. Are there additional fees on top of the 15% that are allowed in Alberta, like a start-up fee or an initiation fee?

Ms. Kristina Schinke: No, only if the loan is in arrears. Then there's interest that can be charged.

Mr. Nick Whalen: Okay. You don't pay \$10 to get in. Is that 15% annually, or is it 15% on the loan?

Ms. Kristina Schinke: On the loan.

Mr. Nick Whalen: Okay, so if it's a 10-day loan, then it's 15% on 10 days.

Ms. Kristina Schinke: Period, yes.

Mr. Nick Whalen: Okay, fair enough.

Ms. Moffat, how do you think Canadians would feel about the brand of Canada Post if it had to go and collect and enforce on loans to 20% of the people it gave loans to?

Ms. Lynda Moffat: I wouldn't worry about that. If that's your business, then that's your business, honestly.

Mr. Nick Whalen: Okay.

Ms. Lynda Moffat: From what I understand, just from hearing you speak here today, postal banking is more than payday loans.

Mr. Nick Whalen: It is.

Ms. Lynda Moffat: Okay. You have a whole different game going on. I think that the public wouldn't feel any different from having the other bank come and knock on their doors to collect their money.

Mr. Nick Whalen: Okay, fair enough.

In talking about the pain points and customer support on the epost product, Ms. Macintosh, do you have any suggestions on how that can be improved?

Ms. Meghan Mackintosh: From the issue that we experienced earlier this year, I think it's probably more education for Canada Post call centre staff, or whoever is initially taking those calls, in terms of identifying where the issue lies, or being able to pass the issue to someone who can take ownership.

The Chair: Thank you.

We're going into our final two interventions now. They will be five minutes each. Mr. Clarke will be first. Panellists, you may wish to put on your translation devices should Mr. Clarke wish to speak French.

[Translation]

Mr. Clarke, you have the floor for five minutes.

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Thank you, Mr. Chair.

Hello everyone.

[English]

I just want to say, for the sake of the unity of the country, and the honour of French Canadians, I will be speaking French today.

[Translation]

Regarding the difficulties you're experiencing in Alberta, from an economic point of view, I simply want to specify that, as a Québécois, I support the energy east project. I'm working very hard in Quebec to have a pipeline that runs through our province and contributes to Canada's economic development. I wanted to make that clear. It's important to say that not everyone in Quebec is against the project.

My approach to Canada Post is patriotic.

My question is for you, Ms. Moffat. Do the members of your chamber of commerce see Canada Post as a cold, rational and technical service or as a national symbol?

[English]

Ms. Lynda Moffat: I am sure that they don't see it as a cold and impersonal organization. I'm also not sure that they see it as a national symbol. I think Canada Post has always been here, so a lot of people probably don't even think about it or question it until something causes them to do that.

Your postal service is like the milkman used to be. You always knew it was there, you always knew he was coming, and you always had your fresh milk. With Canada Post, that service has always been there. We take it for granted, perhaps, and we count on it.

When I talk to you about business stability being so important, that's the kind of thing that is basic to the success of business people. I'm not sure that they view it as a national symbol. I think if you asked them the question and made them think about it, they would probably say yes.

[Translation]

Mr. Alupa Clarke: Thank you.

Ms. Schinke, I understand you represent individuals. Do you think the people you represent see Canada Post as a national symbol or as a rational and technical service company?

[English]

Ms. Kristina Schinke: That may be a hard question for me to answer, because it's not really a topic that would come up. Currently, where the industries do compete is with money transfers. Canada Post is an agent of MoneyGram. The payday lenders that I've worked for were agents for Western Union. There definitely is some overlap.

The industry has worked very hard to try to compete with certain aspects of the banks, and to offer service levels that avoid lineups, for example, that get to know clientele, use first names. When someone comes to a payday lender, we know that the bank has turned them down, whether it's to cash a cheque or to get a loan or a credit card. The perception is that service levels are just not the same with Canada Post.

[Translation]

Mr. Alupa Clarke: Thank you, Ms. Schinke.

Ms. Mackintosh, I believe one of Canada Post's recommendations was to potentially reduce the number of delivery days. In other words, instead of a daily delivery service, the service would be two or three days a week.

If that were the case, how would the change affect your business?

[English]

Ms. Meghan Mackintosh: For our company, for EPCOR, at least, changing the delivery from daily service to one that's every two or three days wouldn't have that big an impact. I say that because we've obviously seen the shift towards community mailboxes. People aren't used to, or as inclined to even check their mail daily. I think an extra couple of days probably wouldn't have a big impact on us.

The Chair: Thank you very much.

Our final intervention will come from Ms. Shanahan for five minutes, please.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Chair.

Thank you very much to the panellists for being here this morning. It has been very interesting.

Just off the top, because I don't have much time, I did want to address this.

Ms. Schinke, thank you very much for describing your industry. As a former banker turned social worker, I'm very aware of the emotional component that goes into the behavioural aspects of your work. Your industry does fill a gap in the financial services marketplace. Indeed, there's a huge difference between payday lending and the kind of transactional services that I understand would be more appropriate in a postal banking environment, whatever that is, but I certainly recognize that there's risk involved in any kind of banking enterprise and that has to be fully evaluated from a business point of view. Thank you for your testimony on that.

What I'm hearing from the business community here is that you're looking for a reliable business partner, and Canada Post has been that partner, but there are some pain points, as you so aptly put it, Ms. Mackintosh. What kinds of other services would you see, if we could smooth out those pain points? What would you be looking for in that reliable business partner, especially with parcel e-commerce delivery really growing?

I'll start with Ms. Mackintosh, and then go to Ms. Moffat.

Ms. Meghan Mackintosh: I think at its core most of the mail delivery that we require isn't parcel-related, so I don't think we would necessarily have an increase in the use of Canada Post.

Mrs. Brenda Shanahan: Are there any other services that you would like to see that would be helpful for your business?

Ms. Meghan Mackintosh: There's nothing that comes to mind.

Mrs. Brenda Shanahan: Okay, I get it.

Ms. Lynda Moffat: I kind of feel the same. I think that the services provided by Canada Post are valued because they work. Yes. I just don't know of anything that you could add to it that would enhance what you're doing.

When it comes to the pain points, let's say, or what you inquired about, when I found out about this potential post office closure, it was a big surprise. There's a communication gap somewhere between Canada Post and the rest of the world, basically, as to what its thinking of doing. How do you know before it's all of a sudden landed in your lap, and then you have to deal with it very quickly?

If you don't mind a little plug, we have chambers of commerce throughout this country, and they communicate very well with their business communities through either the Canadian Chamber of Commerce or the provincial and territorial chambers of commerce. That's what we do. We work with business. If you need to know something, like this potential closure of the post office, or anything else, or when it comes to the pricing increases, we don't want to have to hear that through the media. We want somebody to have already told us, and by "us" I mean business people across the country. They need to know that.

Mrs. Brenda Shanahan: There's huge room for improvement, then, in communications, in consultation with the business community, and by extension, with the larger community.

I know this is not really your area, but I'm just going to throw it out there. One of the ideas that is being tossed around is converting postal assets, postal facilities, to community hubs, which would be offering other services from the federal government, such as help with taxes or financial literacy. How many people don't apply for their GST rebate? That could go a long way to helping them out.

This is out of the box. Do you have any thoughts on that, perhaps, Ms. Schinke?

Ms. Kristina Schinke: It's a thought. I know the federal government currently has quite a few free resources for taxes, for example, or for GST, or for child tax rebates, so any additional resources would certainly more likely cover the needs that are out there.

Mrs. Brenda Shanahan: You could have an employee in the postal office actually helping people with accessing those services.

Ms. Kristina Schinke: Again, I guess the thing to keep in mind is the training. Is it practical to train a postal worker to do all of the above and to be a specialist in all those areas?

The Chair: Thank you so much, all of you, for being here today. Your testimony has assisted us greatly.

Should you have any additional information you wish to provide to the committee, which you think might help us in our deliberations, please do so. You can contact our clerk and submit that information directly.

Following our consultations, we will be tabling a report in the House of Commons. We expect that to happen probably sometime in late November, or at the latest, very early in December, so for any information you do have, I would ask you to provide that to us within the next two weeks.

Thank you once again. We appreciate your attendance here.

We are suspended until the next group of panellists comes to the table. Thank you.

● (0850)

_____ (Pause) _____

● (0900)

The Chair: Colleagues, ladies and gentlemen, I think we'll get going right now. Madame Kennedy will be with us in a moment.

Mr. Nickel, I'm sure you've been in the audience and observed how we work things around here. The process is fairly simple. After your brief opening statement of five minutes or less—and I will interject if you go too far beyond that—we'll enter into a round of questions and answers with all our committee members. We actually have a bit of a tight schedule, so that's why we try to keep on time.

We would ask you to start, sir, if you wouldn't mind, for five minutes or less.

Mr. Mike Nickel (Councillor, City of Edmonton): Certainly, and thank you very much to the committee.

I'm here today to speak to you as a citizen but as a businessman as well, not as a city councillor, to argue for the continuation of door-to-door delivery service and an end to the super mailbox program.

I'll begin my comments by simply saying we all know it's about more than just the mail, but my perspective is different from most others as I see this not as an issue of cost or cost-recovery for Canada Post, but one of opportunity, and I understand that Canada Post's real value as a corporation lies not in just the delivery of mail but in the power of its distribution and real estate network. There's no other corporation in Canada that has more distribution power than Canada Post. To this we surely would all agree. It is worth mentioning that even as the corporation, Canada Post, through its parcel delivery program network has reaped large financial benefits over the last years because of the online business, and so on, I see this as an obvious place for it to continue to grow its business model.

As an aside, as many in this region know, I personally have been a strong public advocate for a minimization of waste, inefficiency, and duplication of services for both the private and public sectors. People do not mind paying taxes as long as they are getting value for those same taxes, so by extension, value for your taxes has been my primary mission in many of my public endeavours.

Canada Post is a stand-alone crown entity and I believe it's also committed to those same values. I do not believe I need really to connect the lines between Canada Post, its necessity, and the public good, for I just won't have time to do that today.

My argument today is a simple one. Canada Post, through its reduction of door-to-door delivery service, is not maximizing its distributive potential, either financially or on better societal outcomes. I have come to know that there is great potential for positive outcomes on both fronts, and they're not just desirable, but I would argue, they're achievable. Understanding that the boots on the street, the very makeup of Canada Post's distributive system, are about more than just delivering mail, we can quickly come to see that there are numerous other opportunities to add value to Canada Post's services, using not only its real estate assets but more importantly its personnel.

If seen in conjunction with other orders of government—and that's the most important point I'm trying to make today—one can quickly see that we are duplicating many services, thereby duplicating person-hours, thereby duplicating the cost to the taxpayers. These efficiencies range simply from the argument of boots on the street. If, for example, I could have an individual walking around using just a simple app and reporting on potholes or infill issues and such, it

would reduce the burden on another order of government, that being the city.

To be fair to Canada Post, these value-added services should not be considered free, and it should be fairly compensated for these extras. What is clearly required is a financial assessment of these various value-added services that are available and the appropriate order of government to pay. Once the business case has been piloted, of course—I always believe in evolution, not revolution—we can deploy. The opportunities are there.

I'm looking for my light. Do I have a light for my five minutes?

The Chair: I'll give you one minute. You're at one minute now.

Mr. Mike Nickel: You'll give me one minute. You see, at city council I get a light.

I'll just end by saying, I know there will be some questions on some of the issues I've raised, which I am happy to be here to answer. I would also like an opportunity to speak about the social hub aspect, where Canada Post can play a pivotal role in those primary hard-core urban centres and those geographically far-flung populations that are definitely hard to reach.

Thank you, sir.

The Chair: Thank you very much, Mr. Nickel. To your point about wanting to speak to the community hub aspect, we find that most of the information that is transferred to us comes out during the question and answer process. Community hub is a suggestion that has been made, not only by the task force but by many other presenters, and I'm sure that some of our committee members will gladly ask you to expound upon that.

Ms. Kennedy, I don't think you were in the audience when we had our first session this morning. Just to briefly go over the process, it's quite simple. We're going to ask you to give a brief opening statement of five minutes or less. If you are starting to go beyond five minutes, I will unfortunately have to interject and get you to wrap up quickly. As I mentioned to Mr. Nickel, we find that most of the information comes out during the question and answer process. Following your five-minute opening statement, we'll have a round of questions and answers from all of our committee members, and hopefully then your testimony, whatever it is you have to say. We will get it on the public record, and it will allow us to put that into our final report.

Ms. Kennedy, with that brief introduction, we welcome you here today. We ask you to please give your five-minute statement. The floor is yours.

Ms. Karen Kennedy (As an Individual): Good morning. Thank you for the opportunity to address you on your tour of the country. I read briefly on the website about some of the other hearings, so I have a basic idea about the questioning thing, but thank you very much.

I'm a retired member of the community. I worked at Canada Post for 40 years before I retired. I'm currently drawing a pension from Canada Post. I teach a pension course for those who are about to retire, unofficially, I guess. People have my cellphone number if they have questions, and I help them with the process. I have some understanding of the pension situation at Canada Post. I want to speak on behalf of all those retirees who are very concerned about what's happening with Canada Post, who are very concerned that it remain a viable public service in Canada, and who are watching closely what's being done with the pension, because we rely on it every day.

I'm very active in my community. I'm a volunteer with the front yards in bloom program. You didn't mention it.

Mr. Mike Nickel: I didn't have time.

Ms. Karen Kennedy: It's okay. I do.

The front yards in bloom program is a partnership with the City of Edmonton, the Canadian Union of Postal Workers, and the Edmonton Horticultural Society. We do a program every year where the letter carriers nominate yards that they walk in and that are in their communities for awards because of their front yards and beautifying the city of Edmonton. It's a very strong connection we have, it's a very important program, and it's very popular with our letter carriers and very popular in the community. That's an example of a partnership that exists that is a very positive thing.

I want to speak on the community mailboxes. I'm in a mature neighbourhood. We have door-to-door delivery. I would like to see that continue. I have talked to many others, and everyone would like to see it continue. My daughter is in university. She uses the Internet a lot. You were talking about the digital age. She has a completely different view of things. She and her classmates check online to see what they can find as far as delivery service for things that they order online, and they do this a lot. They compare the websites between the different companies that offer that delivery. They think that Canada Post is not up to snuff when it comes to that. It's not an easy-to-use website. They can't get straightforward information about the rates. They'd like to use Canada Post, and they'd like to see it improved.

One of her friends lived at home in a community—and has moved closer to the university now—where they had mailboxes they had to go to. He's just thrilled with his letter carrier delivery now that he's in a delivery area, which is around the university.

I think that the public service of Canada Post is the door-to-door delivery. There are connections throughout Canada. I have a cottage in a rural community. I'm originally from Nova Scotia, so we have a place there. Going there this summer, we found the mail is delivered to the end of the driveway, but there is only one bank in town. There's a small post office in each of the communities, and it is really a hub for the community to go in there and exchange information.

I think it's very important that you consider the options that have been put forward. I've presented a couple of documents here today, which I'm sure you've already seen, about public service, the rural communities, and expanding the services. There are some excellent ideas in these documents about doing that. Some of them, Mike Nickel has already touched on. There are some excellent ideas, and I would encourage you to look at all of those and at expanding the service.

I don't know how much time I have left.

The Chair: You have about a minute.

Ms. Karen Kennedy: In the time that I worked at Canada Post, I experienced a great many things over 40 years, as you can well imagine. I've been retired for two years. The big thing I want to tell you about is the culture of Canada Post, the way that it treats its employees, and the way it deals with the union. I've seen various leadership there come and go, both on the union side and on the Canada Post side.

I would encourage you not to lose the opportunity to interact with those individuals who work at Canada Post. They are really dedicated employees. They're trying to do their jobs well, but constantly there are changes made that interfere with that, and they do not feel supported. You can send someone for a training session on how they should provide good customer service at the counter—and I worked at the retail counter, I worked inside, and I worked with the letter carriers—but when the management above you is treating you poorly, that training doesn't translate well out to the public.

I would encourage you to change the culture there, take the opportunity to make this a wonderful connection with Canadians across the country, and invest in Canada Post.

The Chair: Thank you very much.

We'll now start our seven-minute round of questions and answers.

Madam Ratansi, you have seven minutes please.

Ms. Yasmin Ratansi: Thank you very much.

We were looking for creative ideas, and some of your ideas are very creative. I appreciate that.

I am going to ask you some quick questions. Should Canada Post be a business, a service, or both?

Mr. Mike Nickel: I think it already is. It's all three of those things. It is a business and it is a service, and it is an essential service that needs to be value-added.

Ms. Karen Kennedy: I would agree with that, but I don't think you can run it in a business model entirely. It's a service for taxpayers, and it provides a service that no one else can provide. The way that people look at Canada Post cannot be purchased by another company. The security they feel with the mail delivery and the confidence they have in that is not something that can be purchased. Don't lose that.

Ms. Yasmin Ratansi: In your opinion, it should break even rather than make a profit. Is that how you see it, because if I am providing service and if you look at the task force report, and look at Ernst & Young's projection...?

I am sure we will have Ernst & Young before us, because we need to see what their assumptions were. Their assumptions may have been misaligned. Their assumption is that we're going to go into a \$700-million deficit in 2026. If that's the assumption they've made, we need to revisit their assumptions as to what their revenue projections were. Everybody tells us that Canada Post is making revenue, and that they had made \$45 million.

Is it break even or profit mode?

Mr. Mike Nickel: I'll give you an example.

We talked about front yards in bloom, and I'm not here on behalf of city council, but I'm the person who runs front yards in bloom in association with Canada Post postal workers.

I'll be quite frank. It was all run by the city, and then what I did is I took it off the tax roll. It's a civic beautification program recognizing people's front yards and the work that they do. I got corporate sponsorships and took it off the tax roll. I have one city worker on it now, and with the participation of postal workers and other people out there, we value-added that program so it's no longer on the tax roll.

I don't believe that Canada Post, with all the assets under it, cannot reach revenue neutrality over time.

On Ernst & Young, I could give you my opinion on accountants another day.

Ms. Yasmin Ratansi: I'm an accountant.

Mr. Mike Nickel: Some I like but some I don't like. It's kind of like lawyers.

Ms. Yasmin Ratansi: Okay. I have a very short time, so, Ms. Kennedy, is it break even or profit motivation?

Ms. Karen Kennedy: I don't think it necessarily has to be one or the other. I think that the expansion of services could create a situation where you're increasing your profit. I would be hesitant to say that I accept everything that would be in the report you referred to.

We have city streets that don't make money, but they're a public service that we have to provide. I think that the Canada—

Ms. Yasmin Ratansi: Would you like to subsidize it if it doesn't make money? It's the tax roll that you have. No service is free. What would you like to do?

Ms. Karen Kennedy: I don't believe that it's not making money.

Ms. Yasmin Ratansi: Okay, fair enough.

Mr. Mike Nickel: There's a problem with the accounting side. As you know, there's a difference between public accounting and what we do in the private sector. That needs to be straightened out first before we can get a real picture.

Ms. Yasmin Ratansi: Fair enough. We will do that. When we look at Canada Post, I guess their mandate over time has changed, and perhaps they have franchised a lot, with 40% franchised and 60% corporate owned. It has been a devolution of service, or cut, cut, cut, and you guys are saying, grow, grow, grow. Give us some ideas of how they can leverage their assets and the distribution network to grow.

Mr. Mike Nickel: Do you want to go first, or shall I?

Ms. Yasmin Ratansi: You can always give us a paper if you don't finish.

Mr. Mike Nickel: We have to take a playbook out of other areas. If you go to the micro-loan industry, and you look at India, and you look in third world countries, there is a gap between what the banks are serving right now and the payday loans folks, for example, who were here previously. I think Canada Post can act as the societal hub. For example, the argument is very simple. If you can't get a bank account from a traditional bank, how am I supposed to get you your cheque from the government all the way through? There has to be a stopgap measure someplace in here so that we're not suffering inefficiencies with regard to the transactional costs of some of these other companies. I think Canada Post can be that hub, and certainly in those deep urban centres with those individuals of no fixed address, for example, who need a bank account.

The other argument is on the micro-loans side, also as a societal hub. We're not talking about tens of thousands of dollars. If you want to have great community impact, then sometimes it only take a hundred or a thousand dollars for these entrepreneurs really to start moving forward. We've learned those cases, and those cases are in other countries. There are those opportunities as well.

Ms. Yasmin Ratansi: Ms. Kennedy.

Ms. Karen Kennedy: I think you should be prepared to subsidize it. I think that the public service, the communication network, and the way that makes Canadians feel has a value, as well, on a balance sheet. There are lots of innovative ideas that have been tried. I worked at the first new direction outlet they had at the West Edmonton Mall, for example, when we went storefront. There are lots of things that have been folded up and then they come back 10 years later in a different form. Right now, in Edmonton, we have a drive-through postal outlet in the west end that they are trying out. There are various things going on.

Another example would be the money order form. I have friends who work at the main post office who are constantly intervening with people who have been scammed because somebody has talked them into sending money to some other part of the world and it's fraud. There are lots of things that are going on that we're not aware of. It's about the way we interact in the community that's important, and that has a value.

Ms. Yasmin Ratansi: Thank you.

The Chair: Thank you very much.

[*Translation*]

Mr. Clarke, you have seven minutes.

Mr. Alupa Clarke: Thank you, Mr. Chair.

I'll start with Mr. Nickel.

Mr. Nickel, you say you're not here as a city councillor, but all my questions will focus on this role or rather on the knowledge you've acquired in your work.

For the citizens of Edmonton, is the Canada Post Corporation a national symbol that contributes to the country's unity?

[English]

Mr. Mike Nickel: I think you have to recognize the generation gap between the millennials and who we are today, which is my demographic. What I understood about Canada Post.... When I was a child, all I saw were postal strikes. That's what I remember as a child around Christmas, but that's not the Canada Post today. It's a very different organization. From a branding exercise, Canada Post is not the same, and I don't see that attachment. I would also say the same thing for the railways and CBC. Their brands are not the same as we understood them 20 years ago.

[Translation]

Mr. Alupa Clarke: That's a good answer. Thank you.

For your citizens, what does home delivery look like? Is it a door-to-door, an end of the driveway or a community mailbox service?

[English]

Mr. Mike Nickel: I come from a ward that is mixed. I have door to door in my mature neighbourhoods and on the southern end of my jurisdiction, I have super mailboxes; I get both. The door-to-door aspect of it, certainly in my mature neighbourhoods, is not only about mail. It's about contact. It's about seeing somebody on the street and having eyes on the street, and they see inherent value in that. My argument is that I think a lot of those citizens would like their door-to-door delivery back, but, back to the subsidy question, once we have the accounting straightened out, I think we need to value-add to the point where we can reduce that subsidy as much as possible.

[Translation]

Mr. Alupa Clarke: Did Canada Post representatives consult you or the mayor of Edmonton before installing community mailboxes, if that's the case?

[English]

Mr. Mike Nickel: When I hear about a super mailbox going in, usually it's a complaint. Period.

[Translation]

Mr. Alupa Clarke: The mayor of Montreal is flamboyant and very proactive. He is proposing a reform of the Canada Post Corporation Act that would make it mandatory for Canada Post to consult the cities. Do you think it's a good idea? Are you in favour of the idea as a city councillor of Edmonton?

[English]

Mr. Mike Nickel: Absolutely, but we have to do this with an evidentiary-based approach. This means we have to fully understand the books first. Then, we can have an intelligent conversation around what we're going to do next. You can't just talk about it. You have to base it on what's happening on the ground now, what it's costing, what you're doing. I'm just talking about a straightforward business model here.

The urban centres are in desperate need, to be quite frank, of support, especially in the inner cores.

[Translation]

Mr. Alupa Clarke: Thank you.

Has the installation of community mailboxes in Edmonton caused problems, as it has in Montreal? In Montreal, some mailboxes froze in winter. In addition, some mailboxes needed to be replaced two, three or four times because they were poorly located and took up the entire sidewalk. There were many similar stories.

[English]

Mr. Mike Nickel: The primary complaint has always been location, location, location. I've been in construction most of my life. The mailboxes, in and of themselves, are installed, generally, pretty well, but it's always been about why you put it here and whether it is appropriate here. It is kind of like cellphone towers.

[Translation]

Mr. Alupa Clarke: Ms. Kennedy, as you know, during the Trente Glorieuses, western societies were very lucky because their GDP grew continuously. For the past 40 years, it has been an open secret that, despite our reluctance, cuts need to be made, even if we don't necessarily say so.

I see that Canada Post's 2015 annual report mentions a reduction of the salaries and benefits of new employees in particular. I understand that, for the workers, it may seem deplorable. That said, most people I meet don't have benefits, pensions, and so on.

Nevertheless, do think Canada Post workers have a long way to go, meaning they must accept certain measures that would reduce their benefits somewhat for the greater good of society?

[English]

Ms. Karen Kennedy: I'm not sure how to answer that. It isn't supposed to be about a race to the bottom. You should be able to provide a good living to folks who are doing a good job for you and providing a service and not think about how little you can pay them before they start fleeing. You're already seeing that. The way they've restructured some of the payments, as you've referred to, has changed over time, and some people have said that it isn't worth it.

It can be a very dangerous job. I know about people who've been injured delivering mail to the community mailboxes because the ice and snow haven't been cleared. There are issues there. These aren't necessarily safe locations just because it's a group mailbox on a city boulevard that has been put in place. That information, I'm sure, has been made available to you as well. In terms of saying whether they are making too much money, or if they would be willing to take less—this is almost what I hear you saying—I don't think you're going to have a yes on that one.

Mr. Alupa Clarke: I'm not saying that, sorry, Madam Kennedy. What I'm saying is that we are in a society where each sector is cutting. We are not talking about drastically disposing of the workers of Canada Post or their salaries, but everyone in Canada has to make an effort. Do you think the workers of Canada Post should accept to make an effort? Maybe it's too much right now. I don't know. Do you think they have a step to take, as all Canadians do?

The Chair: Hopefully, Madam Kennedy will be able to answer that in the next intervention, which is Ms. Duncan for seven minutes.

Ms. Linda Duncan: Not on my time, that question....

Thank you very much, both of you. This is really valuable testimony.

I'll just have to call you Councillor Nickel, because I have to pay you respect.

Mr. Mike Nickel: You'd be in trouble if you did that.

Ms. Linda Duncan: Another order of government....

Mr. Nickel, I really appreciated the way you put it in your presentation. You said it should be a matter of opportunity, not cost.

Mr. Mike Nickel: Governments all over, we have so much capacity to deliver better service if we can change management's attitude toward its delivery.

I'm German. Management, the worker, and the governance board have to work together toward profitability. It's not people or profits. It's people and management working toward profitability.

Ms. Linda Duncan: We are not talking about a business here. We are talking about a crown corporation that serves a public good. Even the report by the task force says right at the beginning, "it differs from for-profit private-sector corporations in that its primary mandate is one of public service." Yet I look at the briefs outlining the proposals, and none of them are opportunities. They are all just cutting what that public service is.

I'd like to hear from Mr. Nickel on additional things, maybe partnerships with municipalities, potentially, to deliver services, or maybe even provincial or federal.

I am also interested in hearing from Ms. Kennedy about other opportunity costs. We are hearing a lot about the potential for banking. Even if we don't get into the loans, there is a strong potential for basic bill-paying and cheque-cashing, especially in rural communities.

Mr. Nickel, you shared with me that this is in fact happening a bit in some of the postal areas. I'd like to hear more about the opportunities so that we can continue this public service.

Mr. Mike Nickel: Let's just put it this way. We could draw an analogy to the police. It's about boots on the street to deliver the most effective value, when it comes to walking, knowing your neighbourhoods, and so on. Instead of having an individual such as a bylaw inspector walk through, looking for potholes, checking on infrastructure, and watching the job sites, if the postal worker was part of a value-added contract, which the city could compensate for—as I said, I don't believe anything should be free—there could be some sort of arrangement. We already have a person walking the beat. It's a simple question of creating an app, taking a picture, and sending it to our network. Then there is a reduction in cost, because there is an efficiency driven into the system.

Having that person there is just one example. Another example would be delivering pharmaceuticals to seniors in their homes. We are trying to keep seniors in their homes. The question of trying to add better service to them directly, and reduce social service costs at the provincial level, has equal merit.

On the loan side, my new deputy manager of operations used to be VP with Canada Post. We had a good discussion about Canada Post giving out credit cards for online purchases—up in the territories, for example—basically acting as kind of a quasi-bank. You can't buy anything online without a credit card, so that's what they have been doing out there, which is very innovative and creative, and it works. The small transactional cost there could also be covered, and you could make a little money doing that. What's wrong with that?

Ms. Linda Duncan: Ms. Kennedy, go ahead.

Ms. Karen Kennedy: The document that I provided has a listing of some of these ideas that you're referring to, and I think that probably some of the greatest assets we have are those long-term, dedicated, skilled employees who understand and who have further ideas on how the work that they're doing every day can contribute and what can be added to what they're doing. The reason that we have long-term, dedicated, skilled employees is because they are compensated in a way that makes them stay at Canada Post, and I think that's important to note.

The situation right now in Canada and in other places, as well.... I have one daughter who's working in construction and she was laid off. She took a cut in pay. Her boyfriend works at the temp agency and sometimes there's no work. He goes there every day, but he doesn't necessarily get sent out. These are the ways that our young people are moving into the future, in that kind of environment.

Some of the greatest assets you have at Canada Post are all of those long-term employees. Those people are there, and they're going to stay there. They care about their jobs and they want to do things to keep those jobs viable. There's the letter carrier alert. Some lady hasn't cleared her mail for some time and the letter carrier wonders, "What's going on with this elderly woman that lives here alone? Is she okay?" They stop and have conversations with the elderly who are isolated in their communities, and it may be the only conversation they have with somebody else for some time.

These are all important things in our social fabric that we have within the city of Edmonton and within our country, as well. You have to give some weight to that.

Ms. Linda Duncan: Do I have time for one more quick question?

The Chair: Very briefly.

Ms. Linda Duncan: There are proposals that there be alternate delivery. We already have a problem in our country with the growing amount of precarious work and an increasing amount of part-time work. Would some of these opportunities—for example, some of the ideas Mr. Nickel is proposing—potentially ensure that it is full-time work? Would there be a potential that we're going to lose a lot of the posties if it becomes just a part-time job?

Ms. Karen Kennedy: Without a doubt. You have to also look at this as a place where women have the same pay as men, and that's an important factor. The full-time job aspect is very important. Add those things in there if you think that we can gain in some way with the services, but definitely full time and every day.

The Chair: Thank you very much.

Mr. Whelan, you have seven minutes, please.

Mr. Nick Whalen: Thank you very much.

It's interesting to talk about some new opportunities for using the retail and real estate of Canada Post to try to generate revenue. I am wondering, Mr. Nickel, in the case of this beautification project that you're involved with in Edmonton, you've reduced the head count down to one. Have you compensated Canada Post for that, or is there a way for Canada Post to monetize that benefit?

Mr. Mike Nickel: Canada Post, to their generosity, has done this as a volunteer program. They go door to door, and they go out and they nominate people with beautiful front yards, but they've done this out of their own goodwill.

Let's turn it around and say that it was something beyond that, something that was of tangible value to the city for infrastructure, reporting on job sites that, let's say, don't have fencing up or things like that. If there was a monitoring function added to the Canada Post job description, then I think you should be compensated for that and there should be a value to that.

Mr. Nick Whalen: Would the city be prepared? Do you think that urban centres would be prepared...?

Mr. Mike Nickel: I would be prepared, but that is a question for council to answer. I'm only here as a citizen. I'm not here as a city councillor.

Mr. Nick Whalen: In a city like Edmonton, how much does it spend per year on enforcement of municipal bylaws?

Mr. Mike Nickel: Millions.

Mr. Nick Whalen: How much do you spend on training for city workers to enforce the bylaws?

Mr. Mike Nickel: Our budget is \$2.6 billion, and we have 13,000 employees. I'm always looking for efficiencies, but remember that when we look for efficiencies, it's about metrics, targets, and outcomes. What's the outcome we want to achieve, what's the target to get there, and how do we know if we're moving the needle? That's why I always encourage pilots first and try to open the ears for other organizations. We have a culture problem here between the orders of government, and trying to breach it has always been the problem.

Mr. Nick Whalen: You also talked about better service models and management working with employees to generate profitability.

When you look at Canada Post, and from what you've heard in the media and maybe your experiences with them as a business person, do you feel that the current management is capable of delivering on a vision on expansion of service? They've been in a contraction mode now for quite some time.

Mr. Mike Nickel: You can't answer that until you address the accounting issues. I talked about those metrics and targets. Then there has to be a culture change on the question of outcome. What do you want to do? Do you want to continue contraction, or do you

want to really take a look at this value-added aspect of it and start saying to other orders of government, "You know what? We might be able to help your business model and drive efficiencies."

As people know in this region, I'm pretty hard on management. I always have been and I always will be. We can always do better, because I never blame the guy pushing the broom in my shop. I blame the supervisor telling him where to push the broom. That's the problem.

Mr. Nick Whalen: Okay.

What types of services do you think the Canada Post real estate can offer that aren't already being serviced in the Edmonton community?

Mr. Mike Nickel: It ranges to everything from basic financial access to a simple bank account of some sort, all the way up to a range of social services. I strongly believe that the front-line desk worker can put those people into a stream on the social service side that would get them the help they need.

Mr. Nick Whalen: Do you feel that—

Mr. Mike Nickel: I feel very strongly about that. I know it.

Mr. Nick Whalen:—different orders of government would trust Canada Post to provide that service on behalf of federal departments?

Mr. Mike Nickel: It's a matter of training and it's a matter of monitoring. It's back to metrics, targets, and outcomes.

Mr. Nick Whalen: Ms. Kennedy, very briefly, on the pension side, I guess you have some experience with it. What is your feeling about having a jointly managed union-management pension plan that the union would then take some ownership of so that it could be managed on a going concern basis rather than an insolvency basis? Are there different ways to uncouple the pension risk from the operational and the biennial negotiations on labour?

Ms. Karen Kennedy: I've looked at that briefly in some of the submissions that have been made already to you and that you've had from people who are experts in that area. I think the joint ownership and the management of the pension would be a huge change. Right now, it's 100%.

I did sit as an alternate on the pension advisory council, so I was at some of those meetings with Canada Post in Ottawa, and the decisions are entirely made by Canada Post. With the financial advisers, the people who are running all the accounts, and where the investments are made, that is all decided completely by Canada Post. If there is a mistake made and money is lost, then the union can ask questions at the council meeting and they can provide suggestions, but that's as far as it goes.

In order for the union to be a joint owner of the plan, there would be a complete restructuring of the way it's set up at this time. The liability right now sits 100% with the employer and the Government of Canada. It's under—

Mr. Nick Whalen: Would you think the union would be amenable to taking some joint risk?

Ms. Karen Kennedy: I think no one is going to say, "We're not going to consider anything". I'm retired from the union. I've been gone for two years, but having been there and having seen the types of discussions that were taking place, I don't think anyone is going to say, "We're not even going to discuss that". They will look at it. I think everyone wants to see the pension plan continue and be healthy, and the commitment has been made.

I can remember when Moya Greene came through Edmonton talking about hiring an employee as a 30-year commitment. It is, because you've made a commitment. You contribute half and half to the pension fund, and you know that in the future you're going to be drawing that for the rest of your life. It's a very important decision here, and it's critical to many people.

The Chair: Thank you very much.

We're now going to our final two interventions, which will be five minutes each.

We'll start with Mr. McCauley, for five minutes, please.

Mr. Kelly McCauley: Thanks for joining us today.

Councillor Nickel, it's a pleasure to have you.

Mr. Mike Nickel: It's all mine.

Mr. Kelly McCauley: For those who aren't aware, Mr. Nickel obviously is a devoted servant to the people of Edmonton, and he is one of a group of people who helped save our beloved Oilers during the 1990s recession. We wouldn't have our new arena without Mr. Nickel and some of his friends from way back with their vision, so thanks very much for that, unless they lose, in which case I blame you.

Mr. Mike Nickel: Well, you know what? It is what it is.

Mr. Kelly McCauley: You've talked about the idea of postal workers reporting issues. We've heard it from other people and it's almost utopian. They can be there and everywhere and report the potholes, this and that, and they can report where the photo radar vans are in town. Do you think this city and its workers are going to give up control, or give up their jobs and pass them over to...? You talked about how someone has to pay for this, which is going to come out of strained city finances.

Mr. Mike Nickel: Well....

Mr. Kelly McCauley: Do you think it's practical to think cities across the.... Look at Montreal, do you think *les bleus* are going to give up their jobs?

Mr. Mike Nickel: Mr. McCauley, it is not a question of replacing city workers. It's a question of not having enough boots on the street. It is a question of value adding with somebody who's already there and reducing the transactional costs of having to hire more people for the city to enforce the bylaws, to check out the infrastructure, and to do all of those things, even for the police department. I bet, for example, the postal worker knows where the drug houses are before the police do.

Mr. Kelly McCauley: How would they do it in areas like yours where there are mailbox communities? Do they just get the training...?

Mr. Mike Nickel: Well, there is the rub, right?

Mr. Kelly McCauley: Can I ask you...? This is not to be argumentative—

Mr. Mike Nickel: No, I know.

Mr. Kelly McCauley: —but because you know the community a lot better than I do. I just want to draw a practicality to this and to the suggestion.

Mr. Mike Nickel: My approach in government has always been to add value. It's not about people or profits. It's about people toward profitability. Our front-line workers are grossly underutilized and I take issue with that at the City of Edmonton, because management is not doing enough. We're not measuring what we're doing.

I think the same can be said of the value of the postal worker. If we put a true value to what they do, and see what we can value-add to it, and it would be very simple things because the technology is there, I think you'd be saving us money. I think that's worth paying Canada Post for.

Mr. Kelly McCauley: Great. Thanks. Great comments, as I was expecting from you.

The Chair: Thank you very much.

We'll now go to our final intervention. Madam Shanahan, you have five minutes, please.

Mrs. Brenda Shanahan: Thank you very much.

I am no relation to Brendan Shanahan, by the way, while we're on the hockey bit. I thought you had made a remark off the top, but....

Thank you very much for being here. Those are excellent comments and positive thinking going forward, because I think that's what we're here to do when we're looking at the future of Canada Post.

I very much appreciated your SWOT analysis right off the top, as well, Mr. Nickel. We have to look at the strengths of Canada Post and acknowledge the weaknesses, and that's what we heard from the earlier panel. We need to have reliability—I think that's what we were hearing—because that brand appreciation is not what it was, or it could certainly be a lot better.

I'm going to go to Ms. Kennedy. That weakness is there and the perception that there can be a labour disruption at any time and that postal workers somehow can only do one thing and nothing else. If we were looking at expanding the kinds of tasks that postal workers would be doing, including that community hub where they would be interacting with citizens on Service Canada types of interventions, what do you think? Are people open and willing to do the training and the kind of service component it would require?

Ms. Karen Kennedy: I think so. I absolutely agree that they would be open to that, but as someone else mentioned, with the same individuals running the operation who are currently running it and going to something new and innovative, it's not always a good fit. You might need someone else who's going to come in there and say, "Okay, we believe in the expansion of services, and we believe in the way that this is going to function."

Some of the issues with service that we see right now are there to save money. They might not cover a route, they might leave it until the next day, or they don't want to pay overtime, so they send some of the mail out but not all of the mail. These are not things they're supposed to do, but it's the way that things function inside of the organization with that dollar and cents approach. It's not about the service. It's as if they were weighing one against the other and balancing their individual budgets within their departments.

We already see things like reports on sidewalks that haven't been shovelled and dogs that are loose in the community, which they phone in about. Yes, they work sometimes with the police when they're doing delivery to places that are suspected. We have those partnerships going on. Yes, they know where the photo radars are, because they're out there.

There's also the weed situation and there are car accidents that they phone in about. There's a radio in most vehicles. They're connected and they are part of the community. It's already going on, but you're just not aware that it is. They are already the eyes on the street, and you're already gaining from that.

Mrs. Brenda Shanahan: That's interesting. We've heard testimony that people are not always aware of the full range of services that Canada Post can offer, even as we speak.

Mr. Nickel, turning to you, getting back to the SWOT analysis, you've talked about the opportunities. Please share anything else you haven't had a chance to say, and about any threats, as well.

Mr. Mike Nickel: Our first and most important thing is getting a true cost accounting of the value of the corporation. As I mentioned before, the issue is that public accounting processes and private sector accounting processes are different, where some things are valued and some things are not, and where some things are depreciated and some things are not.

You've heard of just a few of the services here that the city is enjoying. That should be measured and taken into account on the balance sheet, although not in the traditional sense of traditional accounting. They have an inherent social value and that needs to be accounted for.

Our first threat is really getting a true cost accounting of what the corporation is and what it is doing. Our workers here in the city are passionate. They care. They do it, and it's not like they make a big deal out of it, but it should be accounted for. The greatest threat here is that if we continue down this line and we move boots off the street, then I would argue that we are moving toward greater social disorder because we will have fewer eyes on the street.

We all know government has a limited capacity, and limited capacity means that we can't be in all places and all things as one order of government. We have to share the burden, so that's the other side. The threat is that if we should continue to sustain our order silos of government, then we're not utilizing those efficiencies and that value.

The Chair: Thank you very much.

That will end our questioning of our panellists.

I want to thank our panellists for being here and for taking time out of your very busy days.

Ms. Kennedy, I have an extraneous comment, if I may, again on the personal side. I have a brother-in-law who has been a 25-year-plus letter carrier for Canada Post, and I asked one of your former colleagues a question a couple of weeks ago when we just started our tour. The question was what the average length of term that a Canada Post employee has been with the corporation would be. I was very surprised to hear that it's as long as it is. Over 30 years is the average length of term for any Canada Post employee, which to me speaks to both the loyalty of the employees and also of the corporation itself, because you can't have one without the other. I was very glad to hear you come and give your testimony today as a 40-year-plus employee of Canada Post.

Should you have any additional information, because your testimony was very well received today, I would ask that you submit it directly to our clerk. We will be filing a report with Parliament probably toward the latter part of November, or at the latest in the early part of December. I would encourage you, should you have additional commentary that you think would be of benefit to our committee, to get that to our clerk within the next couple of weeks.

Once again, thank you very much. It was excellent testimony.

We are suspended for just a few moments.

● (0950)

(Pause)

● (1000)

The Chair: Colleagues, we'll start again.

Panellists, welcome. I'm not sure if all of you were in the room for the previous presentations or not, but I'll just briefly explain the process, which is quite simple.

I understand that we'll have two opening statements and we'll ask for those statements to be five minutes or less. That will be followed by a round of questions and answers from all of our committee members. Should you go over the five minutes, I'll very gently—I hope—encourage you to wrap it up quickly. We've found that most of the information that's transferred from you to the committee members is contained in the questions and answers. That seems to be the most valuable time that we have, so I'll try to make sure that we have as much time as possible for that.

With those brief words, I will ask Mr. Newell please to begin with five minutes or less. The floor is yours, sir.

Mr. Hugh Newell (President and Chairman, North Edmonton Seniors Association): Good morning. Thank you for the opportunity to meet with you this morning.

I'm the president and board chairman of the North Edmonton Seniors Association. The North Edmonton Seniors Association has over 2,300 members. We are the biggest seniors centre in the city, arguably one of the biggest in Canada. Of those 2,300 members, 350 are aged 86 and older. As board chair, I am one of over 300 volunteers who contributed over 50,000 hours of volunteer time to our community last year. The majority of our members live in their own homes, primarily in older, single-family dwellings. A significant number are widowed. This group would be significantly affected by changes to the mail delivery system.

As you are probably aware, Edmonton is one of the most northerly cities in the world, and as such, winter presents challenges to older, more frail citizens. The removal of postal services would present a roadblock to people trying to remain in their own homes. I understand this morning that the federal government is trying to convince the provinces that they should take \$4 billion to help keep seniors in their homes. That seems to me to be a bit of a contradiction.

In areas where neighbourhood mailboxes exist, the post office has not taken the responsibility for snow clearing or garbage removal after the fact. Snow and ice on the streets are a hazard to seniors. If the homeowners who have had that responsibility downloaded onto them do not take the option of keeping things clean, it makes it impossible for many seniors to get to their mail safely and get what they need.

Seniors as a group are dependent on home delivery of packages and home delivery of their mail. They are far less likely than other citizens to use electronic means to receive their bills or to pay them, so the mail is extremely important to them.

A stated goal of all levels of government in Canada is that they want to keep seniors in their homes as long as possible, yet here we have an instance where a service that helps that happen is being withdrawn, and I would challenge the wisdom in that. The strategy of keeping people in their homes is good for the happiness and well-being of citizens as well as providing a considerable cost-savings to the health care system.

Part of the mandate of our organization is to provide support for seniors in our area, whether or not they are members of our association. As part of this program we provide a home support service, and that is done with the assistance of the City of Edmonton. The purpose of that is to screen contractors. Many elderly widowed people can afford to have things done but are afraid to contact people. I heard a story of a contractor charging a widow \$400 to hang a picture. Having people screened makes seniors feel safe and enables them to stay in their homes.

We also provide an outreach service with social workers to help fill out forms and to help do the things that some seniors can't do on their own. Again, many seniors do not use computers, particularly many of the older ones, and cannot navigate through all of the necessary forms. They don't even receive the benefits that they're entitled to because they have no idea how to apply for them. Our outreach social worker service, which is available to anybody in northeast Edmonton, helps to provide that service.

I've noticed recently that many of the magazines I subscribe to are being home-delivered by contractors. I notice that the advertisements from the *Edmonton Journal* are being delivered by contractors. I ask myself what's wrong with the management of Canada Post. All that business exists. I see more and more couriers in my neighbourhood delivering parcels. Most businesses that were not able to change would have a board of directors who would change the management and find a way to get things done on time.

I submit to you that part of keeping seniors in their homes is providing the services that they need. Withdrawing even little things

presents major barriers to some of the very old people. I would urge you to recommend retaining home delivery services.

• (1005)

The Chair: Thank you very much, Mr. Newell.

Now we'll have Ms. Kronewitt-Martin, please, for five minutes or less.

Ms. Debby Kronewitt-Martin (As an Individual): Thank you for the opportunity to speak today. My name is Debby Kronewitt-Martin, and I'm a partner in a small consulting firm specializing in change management. I have lived in both rural and urban Canada, and I understand the complexity of providing the different services.

In his book, *The Opposable Mind*, Roger Martin provides examples of leaders who have changed their organizations to make them competitive and successful in rapidly changing environments. He explains that these leaders, through "integrative thinking", resolved the tensions of opposing models and formed new and superior ones. They didn't follow the obvious path directed by the numbers experts; rather, they chose to shift their focus from problems to opportunities.

It's time to think integratively and prepare a platform that will allow each community to access services to meet their specific requirements. As you know, the role of Canada Post at its core is to connect people and the country through the exchange of information. That was the original mandate and that has not changed. What has changed is the way we communicate.

We could take the old approach of cutting service levels and moving to a franchise model, or we can reinvent Canada Post to meet the evolving needs of Canadians for decades to come. One of the key challenges faced by Canada Post is shared by virtually all federal and provincial departments, and that is the cost of providing services to widely dispersed rural communities in a country as large as Canada. This has resulted in a significant and growing urban-rural divide that is causing both economic and social disparity across our country.

When there is a shared problem, there is an opportunity for a shared solution. Canada Post, because of its mandate and the 1994 rural moratorium, is one of the few organizations with the infrastructure in place to form the foundation to bridge that urban-rural divide. I am asking you to envision the Canada service centres of the future.

Mail delivery would continue to be a primary service. Rural centres would have small business centres with high-speed Internet, computers, printers, copiers, and scanners, all the technology that rural businesses, residents, and students need to access information. They could provide a range of services for federal programs: pictures for passports, and passport forms and assistance with that; EI forms and assistance with applications; digital information on federal programs, with the ability to have on-demand printing and perhaps information videos and things like that; and access to other commonly used services such as Revenue Canada's NetFile and the information at Library and Archives Canada.

They would also provide opportunities for partnerships with the provinces and the municipalities, and that is what Councillor Nickel spoke about. They could have notary public services, driver's licence photos and online applications, vehicle registration and locations to complete driver's tests, marriage and birth certificate applications, and all the other types of applications that require applicants to be there in person. Also, they could have partial banking services that would work.

In the long term, this infrastructure would be available for new opportunities and new services to be provided as they emerge. Someday, they would become community learning centres and even offer private rooms for video conferencing and telemedicine. Finally, they would become community meeting rooms, perhaps locations for MPs and MLAs and others to connect with their citizens.

While I've focused on rural services, I recognize that the majority of Canadians live in urban centres, where integrated business centres might not be what is required. I've listened to Councillor Nickel, who spoke of the value added that Canada Post currently brings and what it could bring in the future. This fits into that service centre platform.

That's what I am suggesting to you. We need to look at a different Canada Post for the future. There are opportunities for cost savings from the partnering and provision of integrated services and opportunities for new revenues. At this crossroads, you can choose the simple solution of cutting programs and services and close that door for the future, or you can open it wider and reinvent Canada Post in considering the bigger picture for the future. I encourage you to do that.

•(1010)

The Chair: Thank you very much. I thank both panels for the economy of their words.

We'll start this time with seven minutes, and it will be with Ms. Shanahan.

Mrs. Brenda Shanahan: Thank you very much, Chair.

Thank you very much for being here. Certainly, we've had very interesting testimony this morning. What we've just heard from your panel is that there is a need that exists, and we've heard a vision as to how not only that need can be met, but also other unstated needs. Thank you for that.

My first question off the top will be to each one of you. Do you see Canada Post as a business or a service? I'll start with Mr. Newell.

Mr. Hugh Newell: It's both. I don't think you can separate them. It's a service because it's something that people depend on.

I would like to add to Councillor Nickel that having the postal workers in the neighbourhood, especially in areas with high concentrations of seniors, is a very valuable thing. They're one of the few people who regularly go through the neighbourhood and identify problems.

I had a neighbour who spent a day and a half passed out on his living room floor before the postal worker observed that he hadn't picked his mail up and made a note of it. They provide a very valuable service to the community because they're there. They see things all the time.

It's a business because it has to be made a little more profitable. With all of the other businesses that are picking up the slack these days, I think that Canada Post has missed the boat on a lot of things. I think there are many opportunities that they were ideally situated to take that they've let go. If they cut service, I think they will cut their business opportunities further.

Mrs. Brenda Shanahan: Thank you.

The Chair: I should mention that Mr. Oddleifson is here with Ms. Kronewitt-Martin. He will also be available to answer any questions you may have.

Mrs. Brenda Shanahan: Excellent, thank you.

Mr. Eric Oddleifson (Lawyer, As an Individual): I'm a local businessman in St. Albert. I run a law practice. I use the postal system a lot, and I value it very highly. A lot of people will give you grief about Canada Post, but I can rely on them very significantly. When I see anything diminishing Canada Post, it's disconcerting.

Mrs. Brenda Shanahan: Service or business, what do you—

Mr. Eric Oddleifson: I've learned too that there's always more than one answer to a question. It's not a yes or a no. It's not just a business or just a service. It's both.

I see that there's a need to be profitable, and when I reviewed some of the materials that were sent to me, I see that there's cost-cutting here and cost-cutting there—millions and millions of dollars in cost-cutting. What are we cutting? Canada Post is fundamental to our nation. There have to be other answers than just cutting.

I have no problem with seeing prices go up in order to make it more profitable. Then again, from my business point of view, if prices go up, I'm happy with that, but for seniors, I don't know. It's not just across the board.... That's kind of where I'm at.

I really like Canada Post. I've also enjoyed home delivery service. Now I have a box a hundred yards from my house. It's not bad. I'm not going to complain. I'm not that old yet. I'm getting there, but not yet.

•(1015)

Mrs. Brenda Shanahan: Ms. Kronewitt-Martin.

Ms. Debby Kronewitt-Martin: I'm going to stay with my concept of integrated.

In his book, Martin refers to the companies like Procter and Gamble who refuse to use the word "or". They moved it to the word "and". He said that was foundational to becoming and thinking "integrated".

I'm going to say that Canada Post is a service that is required across Canada. As I said, it has incredible infrastructure that this country has built and needs to maintain. That is one of the key areas that we can get rid of, this rural-urban divide. If we change it into a business, then we risk the possibility of increasing that rural-urban divide. Believe me, that will cause a lot more costs and problems in the future than you could ever imagine. It's already causing us problems. There are countless reports on the web on that—countless reports—from every level of government, provincial and federal.

Mrs. Brenda Shanahan: Could you elaborate on that?

Ms. Debby Kronewitt-Martin: For example, there was a report done by the Royal Society that talked about the use of Archives Canada and the fact that it was decreasing in many rural areas that could not access the information because they didn't have sufficient broadband width. They could not access the information that businesses could use to help them develop. They could not access the information that could help people educate their students to keep them there.

I found lots of reports. The cost of providing services in a country as broad as Canada is very high. If you use service centres as a means to bring it back down, then Canada Post has that infrastructure. You have it in place. It's laid before you now.

I have a diagram that will be shared. I apologize that it wasn't bilingual. The person who developed it is bilingual. I just didn't ask them to make it bilingual. When I use the word "and", if you work with the communities and find out what opportunities they need and if you develop this platform and you have a range of services each community can access, then they can build it out into the business model they necessarily need. The platform provides that core structure for you, so it's an "and" discussion. I encourage you to have that "and" discussion, because it changes it from an "or" conversation, where you focus on the cost-cutting, to a focus on the possibilities.

Believe me, there are lots of possibilities out there. Don't give up your incredible infrastructure, because you will never get it back. It will be gone for good.

There are other opportunities. I read about a band in northern Ontario. They couldn't get a network in, so they developed their own high-speed Internet. All of a sudden, they started using telemedicine. They increased education to their students. They made a huge life difference in their community simply through that. You have a place to do that now.

The Chair: Thank you very much.

Mr. McCauley, you have seven minutes.

Mr. Kelly McCauley: Great. Thanks for joining us today. Thanks for your comments.

Mr. Newell, first of all, thank you for your advocacy and your volunteer work with seniors. It's very much appreciated.

The seniors in your area...you said the northeast?

Mr. Hugh Newell: Northeast, yes.

Mr. Kelly McCauley: Is it almost all home delivery, is it half and half, or have any areas converted?

Mr. Hugh Newell: It's probably evenly split. The new areas to the north are all super-box delivered. Within those areas, you hear mixed comments. I spent some time...I didn't get very much warning of this committee, but I spent a few days—

Mr. Kelly McCauley: We're like Monty Python's Spanish Inquisition.

Mr. Hugh Newell: —around the centre talking to people. Many people are happy with it, but they're people who have mobility. The people who have boxes near their houses are very unhappy, because

they're the ones who are doing the work cleaning up around the boxes, and they're the ones who pick up all the flyers that get thrown on the ground every day.

Mr. Kelly McCauley: With the seniors who are in the area with the super boxes, how are they coping? That's what I'm trying to get at. Canada Post does have a procedure set up where they'll deliver daily to the box, and then once a week they will come and pick it up and deliver it to people with mobility issues. I'm wondering if people are taking advantage of that, or if they aren't aware of it. Can we go to twice a week, maybe, for that?

Mr. Hugh Newell: I think the problem with it is that, by and large, people are not aware of it. It's not publicized. I did encounter some people who use that. I encountered other people who gave the key to their neighbour to go to the box and get the mail for them. There are all kinds of solutions to it.

• (1020)

Mr. Kelly McCauley: Do you think once a week is suitable, if we can get the word out better?

Mr. Hugh Newell: I don't think that's a problem, once a week, but I think that every time you remove a service you place a small barrier in front of people. A number of small barriers all of a sudden make an insurmountable barrier, and they can no longer stay in their homes. It's these tiny things that make the difference.

Mr. Kelly McCauley: I think that's why the program is set up. Maybe it needs to be more than once a week. Maybe it needs to be better publicized.

Mr. Oddleifson mentioned the pricing. We see reports showing Canada Post will be almost \$1 billion in deficit, operationally, by 2026, which means price increases or tax increases. I ask everyone, and Mr. Oddleifson mentioned he'd be fine with higher prices. Do you think seniors would respond, knowing that we're seeing a push on health care money, etc.? Would they be willing to give up some of that for going back to door-to-door delivery?

Mr. Hugh Newell: I think people would be willing to pay more, but I think you are missing the point.

I think there is a huge amount of business that is not being done by Canada Post. There are many opportunities they simply haven't looked at. When magazines are now hand-delivered rather than delivered through the post office, that tells me there is something basically wrong with the way the post office is running its business. That needs to be corrected.

Mr. Kelly McCauley: Okay.

Ms. Kronewitt-Martin, I read that you got a recent appointment to Athabasca University.

Ms. Debby Kronewitt-Martin: Yes, I did. Thank you.

Mr. Kelly McCauley: My son is in grade 12, and he is considering Athabasca. Congratulations.

Ms. Debby Kronewitt-Martin: My husband got his MBA through Athabasca University. It was hard work, but it was very good.

Mr. Kelly McCauley: Fantastic. I know a bunch of people who have done that.

You presented some great ideas and a lot of thought has gone into expanding the post office service. Alberta is different, obviously, but a bunch of the items you mentioned—car registration, etc.—are already covered privately. How do you...?

Ms. Debby Kronewitt-Martin: How do I deal with that?

Mr. Kelly McCauley: Exactly.

Quite honestly—

Ms. Debby Kronewitt-Martin: I talked about the rural-urban divide—

Mr. Kelly McCauley: Sorry, just very quickly.... I've lived across the entire country, and our system is really remarkable, compared with other places, when you are trying to get a lot of these services. I hate to see that taken away.

Ms. Debby Kronewitt-Martin: I don't believe I said "take it away". If you go to rural Alberta, you will find many small communities that don't have a registry down the road. They don't have many of those services you take for granted here.

Mr. Kelly McCauley: Would you recommend, then, just to keep it for the rural areas?

Ms. Debby Kronewitt-Martin: What I have suggested is a platform. The platform will be a list of services. In our scenario, you would partner with the provinces and the municipalities, and they would say to you, "This is what we want to build." It's like anything else. It's your shopping cart. We need this, this, and this.

Some rural communities will tell you they need a registry service, desperately. They will tell you they would like that business centre room, because they could use telemedicine. It's happening. It's going to happen even more. They would tell you that.

Mr. Kelly McCauley: Great. I really appreciate that. You've hit on a great thing about the rural-suburban divide. We are hearing that these postal services are a lot more important in certain areas than downtown, where we have them every five feet in a Shoppers Drug Mart, etc.

One thing that has come up is that there are about 500 post offices in areas that used to be rural but are now part of the big city: West Edmonton, Spruce Grove, etc. Even St. Albert, as we heard this morning, is now part of a huge city. What do you think of the idea of moving those over to a commercial setting and using the money saved there to help subsidize and support the much more needed ones in rural areas?

Ms. Debby Kronewitt-Martin: First of all, I think you should keep your infrastructure. That's what I am saying. Keep your infrastructure in place. Maybe change what they have to offer. You can make them more targeted to the needs of the community. To close them means you start to dismantle your infrastructure. Where does that stop? What I'm saying is, have the conversation with them to discuss the possibilities. Keep at least some basic infrastructure in place, and then move on from there.

If you start to dismantle your infrastructure—I've seen it happen, and I'm sure many of you around the table have seen it happen—it erodes continuously, until all of a sudden you are asking the question, is it worthwhile to even keep it?

I am encouraging you to keep it and to consider the possibilities. You will get that only when you actually consult with the communities and the provinces about the shopping cart. As Councillor Nickel said, your opportunities change for what that community needs. Edmonton needs something totally different.

• (1025)

The Chair: We are out of time, unfortunately. Thank you very much.

Ms. Duncan, you have seven minutes, please.

Ms. Linda Duncan: Thank you very much.

I want to thank all three of you for coming all the way out here—apologies that you had to leave Edmonton to come here. These sessions should happen in Edmonton, St. Albert, and so forth. That's my personal opinion.

Something that really bothers me is the language of this review. Why should Canada Post be profitable? It is not a private corporation; it is a crown corporation. Its legislative mandate is to provide a public service. I appreciate your testimony and a lot of the testimony of the others. We need to go back to what the legislative mandate is. Either the decision is made to privatize it, or it is going to remain a crown corporation delivering.

The advantage of the fact that it is a crown corporation and not just a government department, legislatively—it could be looked into—is that it has the potential to enter into MOUs and contracts for services with other entities, such as municipalities, medical practices, law practices, passport offices, and so forth.

I really value what you have all provided. Particularly to have a small law practice.... People who are in business can pass on the costs, but a senior or an ordinary family member can't pass on those costs when it's across the board.

I would put a question to you, and Ms. Kronewitt-Martin, you might want to speak to this. One of the proposals was to get rid of the uniform rate of postage. What would that do to someone in an isolated community? Is it fair that they would have to pay more because they happen to live in an isolated community in Nunavut?

Ms. Debby Kronewitt-Martin: Once again you're increasing that rural-urban divide and I think it will cause us great problems in the long term. That's a very narrow focus, and when I talk about thinking integratively, that's what I'm talking about. You actually look at all the chessboard, not only the three squares in front of you. I see that as looking at the three squares in front of you, and you're not looking at the entire chessboard.

Right now Canada Post delivers medications to people in the north. What would that do to them if all of a sudden that was an increased cost?

I disagree with that completely because I don't think that is the solution. I think that's actually part of the problem.

Ms. Linda Duncan: It's sounding like at least the two of you are suggesting that we need to be not just looking at a review of how we do postal delivery; we also need to be looking at service delivery for federal programs.

As members of Parliament, our constituency office serves people who have problems with Revenue Canada or with pensions. People don't even know they have a right to a pension. We also heard from a retired member of Canada Post that they do all kinds of things that are not even in their contract, but that we just take for granted.

I'm encouraged by what all of you are saying about the opportunity. We should be looking at the opportunities to make sure we cover the costs because by law it's supposed to be self-sustaining, not profitable, not profit-making. Yes, we're raising the fees for Parks Canada, but we don't expect Parks Canada to be profitable.

I'm wondering if you could speak to that and give us a few more ideas of opportunities that could be pursued in this review. In fact, if you've had an opportunity to see the report by the task force, they actually report that about 94% of Canadians and businesses value Canada Post and think it's important. It sounds like the challenge we have is how you continue that service, but outside the box. That's why I like what you're saying.

Mr. Newell.

Mr. Hugh Newell: It's important that Canada Post maintain the infrastructure because that infrastructure is what gives it an advantage in distributing materials across the country. The minute that infrastructure is dismantled, the opportunity is gone and it will never come back again.

I think a lot of opportunities have been missed. I don't think that Canada Post needs to make a profit. You talk about it losing a billion dollars by 2026. That's speculation, absolute speculation. We can't accept that as the figure we're working with today. What we have to look at is how we can prevent that figure from coming about.

What business could Canada Post pick up? It is a service, but it is also a business because it's taking money to provide that service. That's where the expansion has to come, in my mind. You don't cut out the service. In bad times businesses don't stop advertising; that puts them out of business immediately. In bad times you don't withdraw all your services. You're no longer in business. It has to be expanded. We can't be playing Chicken Little, and the sky is falling. Let's find a way to resolve this. Let's find a way to keep this because it is an important service. I don't think I've answered your question.

• (1030)

Ms. Linda Duncan: No. That's excellent. Thank you.

Any of the others?

Mr. Eric Oddleifson: I came this morning with not a whole bunch of ideas in my head. I learned about this about four days ago. I did a little bit of reading on the website. There was one paper that was a hundred and some pages. I didn't read that one.

Having said that, and thinking as we are today, again, I present myself as a businessman. I use couriers a lot. We have daily couriers who take our work to the courthouse and to the land titles office. I use Purolator a lot. I don't use the others necessarily because Purolator works for me, but they come and pick up.

If I want to use Canada Post, are they going to come and pick up from my office? They haven't presented that service yet. They could

look at how they could be better couriers. How could they be better couriers? That is a big chunk of my business, and it's daily.

As a lawyer, one of the things I have to do is to send money to other lawyers, sometimes five, six, or seven times a day, and every one of those goes by courier. That would be one thing. That would be competing with the private sector, but that's a lot of money that goes out of my office to service providers.

The Chair: Mr. Oddleifson, you may not know this but you would be interested to know that Canada Post has approximately a 92% ownership in Purolator.

Mr. Eric Oddleifson: Good. That's who I use.

The Chair: Mr. Whalen, it's over to you for seven minutes, please.

Mr. Nick Whalen: Hi. Thank you very much for coming today.

Thanks, Mr. Chair.

We've talked a bit about some of the different pricing models associated with the service Canada Post provides, and there seems to be a bit of a misunderstanding about how parcels are priced versus how letter mail is priced. If I told you that parcels were priced on the market, and distance is going to increase your prices—it's not like the letter mail—then does that affect your view on some of the answers you gave to Ms. Duncan's question about it being more or less expensive to deliver mail? Are you asking that we change the model on parcels and make parcels like letter mail?

Ms. Debby Kronewitt-Martin: It's a good question. I understand the need for that, but I guess what I'd caution about is that maybe you need a sliding scale. Maybe it's a case where if it's in the far north, where that becomes prohibitive, then you have to be aware of that because you're decreasing your service level and you're increasing your rural divide. I'm suggesting to you that maybe there's a sliding scale and that you acknowledge you subsidize some distant communities more.

I'm hearing it all the time, and if you think back to the comments made about living in the far north and the difficulties presented, then we need to start to address that. Otherwise, it's going—

Mr. Nick Whalen: Thank you. The task force talked a bit about introducing a regulator. A regulator, as a possibility, could leverage some type of a levy on other types of courier services to subsidize other types of services. That would also open up the possibility for more private competition in all of the markets.

Mr. Newell, how would you feel about that type of an approach to subsidizing rural versus urban?

Mr. Hugh Newell: I wouldn't have any problem with that at all. I think that this is a big country and there are people who live in places where it's a disadvantage. We have to work together to be able to resolve those issues.

Mr. Nick Whalen: Mr. Oddleifson.

Mr. Eric Oddleifson: I have no comment on that one.

Mr. Nick Whalen: Okay.

Ms. Martin.

Ms. Debby Kronewitt-Martin: I think, as I said, we have to have the “and” conversation and look at the possibilities, but we have to understand the impacts of them.

• (1035)

Mr. Nick Whalen: With these “and” conversations, we have a management in Canada Post that's been in contraction mode for about a decade. In this committee's struggle between saving Canada Post through contraction versus a paradigm shift in Canada Post and have it more outward looking, open to new service offerings, and reinventing itself, how do we obtain that cultural shift in the high-level management of Canada Post to allow that transformation to happen?

Ms. Debby Kronewitt-Martin: It's very practical. It seldom occurs without a major change in leadership and one or two levels down. I specialize in change management. Occasionally, you can find people who will do it, but more often than not you won't. For example, Procter & Gamble got rid of the top level and one or two levels down, and it brought in somebody who was going to make that change. I'm just being extremely practical here.

Mr. Nick Whalen: This is what we're looking for.

If our committee were to recommend a radical change in the type of direction that Canada Post is going to take, then you would also recommend, based on your professional expertise, that we would also need to do a change in management and bring in a management team that is prepared to execute on that change.

Ms. Debby Kronewitt-Martin: Yes, I would do that.

I want to also state that the current management team was given a certain mandate.

Mr. Nick Whalen: Exactly.

Ms. Debby Kronewitt-Martin: They were given parameters. The first thing to ask is whether they're willing to move out of that box. If you can't see them moving, then make the change fast. If Parliament or whatever government has been setting those parameters, then give them that chance to at least move into that new realm.

Mr. Nick Whalen: Okay, fair enough.

Mr. Oddleifson, in your experience as a businessperson and also as somebody who uses Canada Post and Purolator, what is your impression of how labour relations and public relations have gone with Canada Post over the recent past?

Mr. Eric Oddleifson: I don't know how to answer that one. I didn't even know that Purolator was majorly owned by Canada Post. That should be publicized better.

Mr. Nick Whalen: You've been satisfied with the service you've received from Canada Post?

Mr. Eric Oddleifson: Absolutely.

Mr. Nick Whalen: These other extraneous things that we're talking about in closed quarters haven't necessarily affected you in your business.

Mr. Eric Oddleifson: Not entirely, no. That's right.

I did practise law up in the Northwest Territories in my early career, and I lament often about the high costs that they have to

endure compared with the rest of us down south. We call it, when we're up there, “the outside”. Yes, that is a tough one, but that's why it's not just a business. It's a service, and it has to find a balance in there.

Mr. Nick Whalen: Mr. Newell, when we talked about door-to-door service delivery we were presented with one option of imposing community mailboxes and potentially saving an extra \$320 million per year. The corporation has already done 80 million dollars' worth of the value of that transformation.

Going in the other direction if you just do a back of the napkin calculation based on the annual report, you're looking at going another \$750 million in the other direction, in terms of providing door-to-door service to everyone who currently has a community mailbox. In that model of expanding out if the opportunities are not there to generate just over \$1 billion in annual difference, is that something that the Government of Canada should subsidize?

Do you think that people would be prepared to pay those extra taxes of whatever that is, \$300 for every person in the country per year, to cover off the difference? Sorry, it's \$30 per person. My math wasn't good.

Mr. Hugh Newell: Your math isn't very good.

Mr. Nick Whalen: It's \$30 a person.

Mr. Hugh Newell: I think you're making some assumptions that don't need to be made. Does mail have to be delivered five days a week? Could mail not be delivered two days a week to homes? Would that not save money? That certainly wouldn't be a big problem.

Mr. Nick Whalen: I think we heard from the corporation and the unions that it wouldn't save money and that the way systems are designed they're designed for daily sort and daily delivery. The union and the corporation agree that daily mail delivery is part of the model that allows them to achieve these efficiencies that they have in the system.

The Chair: We won't be able to hear the commentary on that unfortunately. We are now down to our last two intervenors and they have five minutes each.

[Translation]

Mr. Clarke, you have five minutes.

[English]

You may want to put on your translation devices, panellists.

[Translation]

He'll speak French.

• (1040)

Mr. Alupa Clarke: Thank you, Mr. Chair.

Thank you for being here this morning.

Mr. Newell, there were questions about whether it was a service or a business. I think it's more than that. Canada Post is a symbol of national unity. I have the impression that, in the national subconsciousness, Canada Post is an institution and a corporation that helps cement federal political ties.

Do your members refer to Canada Post as a national symbol that's critical to federal unity?

[English]

Mr. Hugh Newell: I don't think that they would say it in those ways, but Canada Post is important to them. It's part of the fabric of Canada. It's part of what they have grown up to believe in. It's part of what they want. I'm not so sure that many of them would think in terms of national unity, or French-English relationships, or anything else, but it is a part of the fabric of Canada. It is something that is important in their lives and it is not something that they would be happy to give up.

[Translation]

Mr. Alupa Clarke: Ms. Kronewitt-Martin, what do you think?

[English]

Ms. Debby Kronewitt-Martin: I agree with you completely. I think it is part of our national heritage, if you will. If you look at strong countries in the world, they have national postal systems. If you look at the countries that are in trouble, that's one of the first things that goes away. I believe that it's core to providing service. As I said, we have that infrastructure. We need to keep it and we need to grow it.

[Translation]

Mr. Alupa Clarke: You spoke about connecting people.

You spoke about reinventing Canada Post to make it a viable corporation. I was wondering whether you had any specific ideas. In fact, I see you have many ideas. I like your approach and your desire to change paradigms and to not say “or” but “and” instead.

However, I noticed that your solutions are more external than internal. In my lifetime and since I've been able to think, I've rarely mixed with people who have incredible pensions for life or who have substantial and considerable benefits. I grew up in the Acadian Peninsula, in New Brunswick, where most people must be self-reliant or must depend on their old age security pension.

At Canada Post, do you think the workers are making a substantial effort to change the paradigm you mentioned?

[English]

Ms. Debby Kronewitt-Martin: I think that's definitely a possibility.

I talked about a platform, so you set up a platform of services. I also talked about business service centres. If, in these rural communities that you speak about, they had a service centre where people could go to learn.... Say you don't have access to a doctor and you could go and have a quiet room where you could do telemedicine, you start to solve a lot of other problems in rural communities and offer them access to services they don't have.

You talk about people who don't have the same opportunities. This is opening up opportunities. That's what I'm getting to. Let's change the platform to actually focus on opportunities, to find out what's missing and whether this infrastructure provides the opportunity to help with that.

Does that answer your question?

Mr. Alupa Clarke: Yes and no.

[Translation]

In addition to finding external possibilities and new services for Canada Post, do you think the 50,000 Canada Post employees should accept changes to their benefits and pension plan?

They're nevertheless part of a privileged elite in Canada.

[English]

Ms. Debby Kronewitt-Martin: That's something I really haven't given much thought to. I would have to have some time to think about that.

Mr. Alupa Clarke: It's part of the paradigm change, I think.

Ms. Debby Kronewitt-Martin: I think you could definitely talk about part of the paradigm change, but you're also asking them to change the services they deliver and the way they deliver them, so maybe there are opportunities with that.

Mr. Alupa Clarke: Okay.

• (1045)

The Chair: Thank you very much.

Our final intervention will come from Madam Ratansi.

You have five minutes, please.

Ms. Yasmin Ratansi: Thank you very much.

Thank you. You guys have created such a buzz for me because you are all creative. You have had critical thinking as a change manager.

If you come up with ideas, why can't Canada Post come up with the same ideas, knowing that it has these strengths? It has the logistics, a delivery network that is unparalleled, and it has the assets, real estate. It's already there. Why doesn't it come up with creative thinking to bridge the divide between the rural and the urban?

Ms. Debby Kronewitt-Martin: In my experience, most times that happens because management has actually set the parameters in which people are allowed to think and give ideas.

When I work with groups about ideas—and I engage at all levels of the community—I hear endless amounts of ideas that are presented and that people want to follow. They were never given the opportunity. I can tell you right now, I would lay a month's salary on the fact that there are people in Canada Post who would give you countless ideas. They were just never given that chance.

Ms. Yasmin Ratansi: The unions have told us about a lot of creative ideas, and some people pooh-pooh these ideas. When you are not in a growth mode but you are in a cut mode, you can't think beyond cutting. I'm an accountant by trade. I have done insolvency. I've done all sorts of things. You have to have the right mindset.

Interestingly enough, you talked about parameters. From your analysis of things that are going on, do you think Canada Post, by the previous mandate, was given a parameter to dismantle, or cut, or what?

Ms. Debby Kronewitt-Martin: From reading that report, what I see was that they were given a parameter of “these are the services you provide, nothing more”. They weren't given the opportunity to discuss partnerships, to....

I talked about partnerships with the provinces. I said we have a problem right across this country providing services in diverse areas that are hard to reach. They weren't given that opportunity. They weren't given the opportunity to sit down with city councils or town councils and say, “This is what we need”.

Ms. Yasmin Ratansi: So there is no integrated thinking, because....

The CEO is the highest paid civil servant, and he should be thinking critically. Thank you.

Ms. Debby Kronewitt-Martin: Thank you. I'm saying integrated thinking, and move to “and”.

Ms. Yasmin Ratansi: Okay, instead of—

Ms. Debby Kronewitt-Martin: “Or”

Ms. Yasmin Ratansi: “Or”, okay.

Mr. Newell, you talked about other services and opportunities that Canada Post has not taken into consideration. How would you like them to move forward with providing better services and better opportunities?

Of course, we have looked at the Ernst and Young assumptions, and we'll have to challenge those assumptions as well.

Thank you.

Mr. Hugh Newell: It just seems to me that when I look around my neighbourhood and see the things that happen on a day-to-day basis, more and more business is being taken away from Canada Post by other groups. I question why that has happened. Canada Post had the infrastructure. It had all of the people in place. It had all of the possibilities, yet they're losing the business to other people.

It's not being done for free. It's not being done by volunteers. People are paying for those services, but they're not paying Canada Post. They're paying somebody else. Why are they doing that?

Ms. Yasmin Ratansi: How would you reinvent Canada Post?

Ms. Debby Kronewitt-Martin: I would start to develop partnerships. I would start to work with the provinces and municipalities to develop the list of potential services they can share. As I said, I would actually develop that platform to say this is what we will do in different centres. There would be that shopping cart. This is what this centre can do. I would expand its role to be, if you will, a service provider rather than just a postal service provider.

Ms. Yasmin Ratansi: Is there anybody else with any ideas?

The Chair: Please give a very brief response.

Mr. Hugh Newell: I think one of the problems we see continually is that the levels of government don't talk to each other. We have a very good relationship with the city. We're beginning to develop a very slight relationship with the province. We have no relationship whatsoever with the federal government. We have had no support from it. We have had absolutely no indication that it is willing to support us. On the one hand, we see it wants to keep seniors in their homes. On the other hand, we see it is going to take postal service away and make it just a teeny bit harder. I don't understand.

• (1050)

Ms. Yasmin Ratansi: Thank you.

The Chair: Thank you very much.

To all of our panellists, thank you so much for being here today. We appreciate your testimony. Should you have additional information you wish to present for our benefit as we conduct our deliberations, you can please submit that directly to our clerk. I would ask that, if you're going to do that, you do so probably within the next 10 days to two weeks, since we will be tabling a report in Parliament toward the latter part of November.

Thank you once again. Your testimony has been excellent.

We are adjourned until 1 p.m.

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