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

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**EVIDENCE**

**Wednesday, October 19, 2016**

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**Chair**

**Mr. Tom Lukiwski**



## Standing Committee on Government Operations and Estimates

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• (1000)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Ladies and gentlemen, we'll begin. It's 10 a.m.

Welcome to our panellists. Thank you very much for being here.

As you know, the minister responsible for Canada Post, the Hon. Judy Foote, has initiated a very extensive consultation process dealing with the future of Canada Post. There are two phases. Phase one was the establishment of 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. We've actually had a chance to interview and question the task force.

This is phase two, and that's why you're here today. Phase two is a cross-country tour, talking with Canadians, organizations, and municipalities about their views on the future of Canada Post. More importantly, we hope to get suggestions from you as to what you see Canada Post's future to be and how it can perhaps continue on in the vein we've seen for the last century.

The process here is very simple. We're going to ask each of you to give a quick opening statement. When I say "quick", I mean five minutes or less. That will be followed by a series of questions and answers from all our committee members.

With that brief introduction, we'll now go to my list, which has, first, Mr. Lambrecht. The floor is yours, sir, for five minutes or less.

**Mr. Alexander Lambrecht (President, Northern Territories Federation of Labour):** Thank you very much to the committee. Welcome to Yellowknife. I hope you enjoy your very short visit here.

The Northern Territories Federation of Labour welcomes the opportunity to provide input on the Canada Post review. I'd like to just recognize first that we are on the traditional land of the Dene people. *Mahsi cho*. We thank them for that.

The NTFL was founded in 1980. We have more than 10,000 affiliated members from more than a dozen unions in the Northwest Territories and Nunavut. We work to advocate for and protect workers' rights and interests in the Northwest Territories and Nunavut, including the security and welfare of all people; to protect and strengthen democratic institutions and secure full recognition of the enjoyment, rights, and liberties to which we are justly entitled; and to promote the causes of peace and freedom in the world.

We understand that the committee has been appointed to collect input and information and to identify options for the future of

Canada Post in order to help the federal government attain its goal of ensuring that Canadians receive quality service from Canada Post at a reasonable price. The NTFL is especially interested in protecting workers' rights, ensuring the sustainability and enhancement of public services, and levelling the playing field across all industries to eliminate greed and self-interest, which are not in the public's best interest.

Canada Post has made profits 19 out of the 21 past years. Just last year it netted almost \$100 million in profits. There's no reason those profits shouldn't be invested back into our communities. Canada Post ultimately is a public service that can do more with its vast network. Let's not shut the doors on Canada Post and its potential.

Without going too much into technical detail, I'm just going to hit on a couple of key items that I feel would really benefit the north, both the Northwest Territories and Nunavut. I get a lot of this from a "Labour Views" column that I wrote back in June, which was in our local newspaper. It was going over a history of Canada Post. I don't feel that a lot of Canadians realize the vast history that Canada Post has in this country, especially in the early days.

In 1981, when the Canada Post Corporation Act came into effect, it demolished the Post Office Department of Canada. Since then, Canada Post has evolved and modernized its operations. However, over the last few years many tactics have been employed by Canada Post to reduce expenses, increase revenues, and eliminate the services that Canadians and businesses depend on to receive their mail, such as bills, pension cheques, letters, packages from friends and families, and so on. Despite these tactics, the workers at Canada Post have remained committed to ensuring that Canadians receive the highest quality public service possible, but not without challenges from Canada Post in its efforts to try to deceive Canadians through campaigns feigning financial difficulties despite continuing to be profitable year after year.

What can we do to help save Canada Post and create services to help out Canadians who live in remote regions? In the Northwest Territories and Nunavut we have 58 communities—33 in the NWT and 25 in Nunavut—that are fly-in communities. The one thing that not every one of those 58 community in the Northwest Territories and Nunavut has is a banking outlet. The one thing that Canada Post could bring to a lot of northern remote communities is affordable, accessible postal banking, something that currently does not exist in a lot of the small communities.

The other thing we've noted about how postal banking would benefit a lot of the smaller jurisdictions is especially in helping people in lower income situations, indigenous and rural residents, and migrant workers, as well as people who are forced to use payday lenders or are forced to pay high fees at regular big banks.

One thing we want to see is that Canada Post should release the study unredacted so that Canadians can see what the true benefit of Canada Post could be.

I'm going to end there.

• (1005)

**The Chair:** Thank you very much, Mr. Lambrecht. As we discussed earlier, I'm sure many of the other points you have in your presentation will come up during questions and answers. Plus, your presentation has been submitted to the committee, and it will help form part of our final report.

Next up we have Mr. O'Reilly.

Mr. O'Reilly, you have five minutes, please.

[*Translation*]

**Mr. Kevin O'Reilly (Member of the Legislative Assembly, Frame Lake, Government of the Northwest Territories):** Thank you, Mr. Chair.

Welcome to Yellowknife, everyone.

[*English*]

I've been a resident of Yellowknife for over 30 years. I have served on Yellowknife City Council. I am currently a member of the Legislative Assembly here for the Northwest Territories, representing one of seven Yellowknife ridings. I have personally visited 29 of the 33 communities here in the Northwest Territories. I am a long-time philatelist, or postal historian, a member of several philatelic organizations, and I currently serve in a volunteer capacity with The Royal Philatelic Society of Canada. I am on the board of the Postal History Society of Canada. Although I don't speak on behalf of these organizations, I did consult with them in terms of preparing my speaking notes today.

I also served on Canada Post's stamp advisory committee for six years, and I have authored many articles on the postal history of northern Canada and exhibited nationally and internationally. I have attached a philatelic resumé with my speaking notes and have provided that to your clerk.

I have a couple of main things that I'd like to talk over with you today. First, the importance of the public postal system in the Northwest Territories, and then I have a few remarks about support for organized philately in Canada.

I'll say a little bit about the importance of a public postal system for the Northwest Territories. As the previous speaker mentioned, we have many rural and remote communities here in the Northwest Territories, some that are not connected by roads. Several of our smaller communities still don't even have post offices, and I'll give you a couple of examples. The Hay River Reserve has 325 people, and no post office. Edzo, about an hour away from Yellowknife, has about 500 people, and they don't have a post office.

In any event, I know that Canada Post has a universal service obligation, and I think there is really a need to keep Canada Post in the public sector to ensure that all our northern residents have access to universal and affordable services.

The previous speaker also mentioned the lack of banking facilities in many of our smaller northern communities, and I think this is a void that Canada Post can and should fill.

I think there is also a role for Canada Post possibly in revitalizing the nutrition north program. Previously we had a food mail program here that covered northern Canada. It's been changed now to a retail subsidy program, but I think that, in revitalizing more affordable food for the north, there may be a role for Canada Post to support that.

I'd like to move on to support for organized philately if I can, Mr. Chair. I reviewed the 2015 annual report for Canada Post Corporation, and I could only find one line item that says "other" for \$518 million. I couldn't actually find what the philatelic revenues are for Canada Post. I looked at the task force report, and the word "philately" doesn't even appear anywhere in the report.

I think there is a need for Canada Post to reinvest in organized philately in this country to help promote Canada around the world and to help celebrate our heritage. In my opinion, there has been a very limited reinvestment of philatelic revenues back into the hobby of specialized or organized philately. At the local level it would be helpful for post offices to stock commemorative stamps and to make sure that philatelic mail is properly cancelled at the regional and national levels. There are four or five national stamp shows, and it would be great if we could get Canada Post to actually have tables where they could sell material.

At the international level, Canada used to host international stamp shows. We had them in 1951, 1978, 1987, and 1996, all in Toronto, but we haven't had one since. It's partly because of the lack of support from Canada Post.

I was at an international stamp show in New York in May of this year. There were 250,000 people who went through the doors over eight days, and I think it brought tremendous economic benefit to the city.

I'd be happy to answer any questions you may have, and I have given a written version and an electronic copy of my submission to your clerk.

*Merci.*

•(1010)

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

Finally we have Ms. Lefrancois for five minutes, please.

**Ms. Lynda Lefrancois (President, Local 858, Yellowknife, Canadian Union of Postal Workers):** Good morning. I'm Lynda Lefrancois. I am the president of the Yellowknife local of the Canadian Union of Postal Workers. I've worked for Canada Post for almost 22 years.

I've seen many changes over the last 22 years. The union is not opposed to change and growth. What we question is Canada Post's focus on profit at the expense of providing service to the people of Canada.

Canada Post is a public service. Its mandate is to be self-sustaining. Canada Post is ignoring the employees' input into achieving this goal.

Canada Post is a service—a highly profitable service that almost all Canadians have used and need. It is used from coast to coast to coast. Here, in the vast north, Canada Post is a lifeline. We depend on postal service more than many other places in Canada do. It is a service that is required for business and needed for everyday living. We dispatch mail and parcels every day to the northern communities. I have personally dispatched 4,500 pounds in one day. That's over two tonnes of mail. That was during the summer, not during the Christmas rush. More mail comes into the north from the rest of Canada than the north sends out.

Revenues are needed to sustain any business. Since we are in these communities, why don't we expand our service? We can provide customers with services that aren't available to them or improve the services.

The question of closing corporate offices has been raised. When this happens, it is devastating to the employees and the communities. There is a big difference between a corporate office and a franchise retail outlet. One difference is our training, knowledge, and experience. A Canada Post employee usually is a lifetime employee. Franchises experience a high rate of employee turnover, which affects service.

At a corporate office, we educate and inform our customers so that they can choose what service best meets their needs. My 15-year experience as a retail clerk has taught me that if you give the customers the best value for their hard-earned dollar, they will be back. At a corporate office, we don't just sell the highest-priced product or service. From my experience, the private franchises don't inform their customers of the range of options and sell them the most expensive product.

Seniors and those with disabilities who find it too difficult to use franchise outlets need corporate offices. Because of our years of experience and knowledge, we can assist them and provide them with quality service. We know our customers and anticipate their needs. Because of this, not only do we generate repeat revenue, but we also help them keep their independence.

In my office, we have a much larger retail space than the franchise outlets, whose counters are stuck somewhere in the back corner of the store. Why are we not utilizing this space to expand services and

generate more revenue? There are a lot of services not readily available in northern communities that the post office could easily provide.

For example, let local artisans display and sell their wares. We are already helping the tourist industry by giving directions. Why not partner up with other businesses and sell tickets to events, shows, and tours?

The post office is a public space, so utilize it. Let us offer other government services to fill the needs of the communities. Why not expand our identity verification service to federal and provincial governments and to businesses?

In most places, the post office is in the centre of the town, so why not make it the community hub?

There are other possibilities for service expansion. Why can't Canada Post offer a service to help people move their household? There is great potential to provide this service to families, those working away from home, and students. I have seen the opportunities for this service with my own customers.

Canada Post has been self-sustaining, year after year, and always making a good profit. It is time to take these profits and reinvest them in new services that will generate revenue. It is time to bring back services such as the food mail program and postal banking, which will greatly help the people of our northern communities. It is time to provide services such as broadband Internet, which will help connect isolated communities with the world.

This will not only let Canada Post retain its long-treasured service but allow it to grow and thrive. All Canadians will reap the benefits.

•(1015)

I wish I could cover more important issues, but it's not possible in this short time.

I thank the committee for your time and consideration, and I urge you to please give these issues the attention they deserve.

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

Thank you to all panellists for being succinct and abiding by our five-minute time limit.

We'll now go into our question and answer section.

Mr. Whalen, you're up, for seven minutes, please.

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

Thank you, all, for coming today and for your impassioned defence of Canada Post and the important role it plays in rural life.

We've seen that across the country there is a real difference in the way in which Canada Post is used by different communities, urban, suburban, rural, and far rural communities like your own.

My first question goes along the lines of your notion around the profits and then how Canada Post has been managed. It seems to me that we've lived now through a few years of the postal transformation, the sort being centralized, a certain number of community mailboxes. Doesn't management deserve some credit for having helped generate these profits in a downturn in the use of letter mail delivery? Hasn't the transformation actually allowed these profits to be earned?

This is a question for Lynda and Alex, who wanted to raise profit as one of the key points in their address.

**Mr. Alexander Lambrecht:** Interesting. I've had questions like that come up quite a bit over the last couple of years in this business. How much credit is management in business due for the work they do? I would say, to some extent, yes, everybody deserves credit for the work they put in to it, but we only have to look at the decisions they didn't make where improvements and other benefits could have been brought in had they made other decisions or put other criteria or other priorities higher up on the ladder rather than just being concerned about the overall profits. Being sustainable, yes; economic downturn, difficult; but ultimately there are many ways to do the same thing to provide a greater benefit and better services.

**Mr. Nick Whalen:** Ms. Lefrancois, how do you feel about the focus, the sensibility to profit?

**Ms. Lynda Lefrancois:** Profit, yes, they make a profit. Yes, they are business people, and they know how to run the business. I don't want to turn this into the union against the corporation, but basically use our ideas. Yes, times have changed. We've gone to the digital age. Letter mail is down and parcels are up. But things like quick-cutting the staff and making everybody part time, making us—and I'll tell you right now—overworked, you saw how much mail I moved in one day during the summer physically.... But we have come up with the ideas. Yes, you need the revenues. You need to generate revenue, but use our ideas. There are good brains on both sides. Get together and generate some more of these revenues so everybody grows on both sides so it's profitable for us employees, profitable for the corporation, and benefits the Canadian public.

**Mr. Nick Whalen:** One of the recommendations that the task force came up with was around synergies and further integrating productivity gains with Purolator. Do you think that's a good way for the corporation to achieve some of those productivity gains you are talking about, or are you talking about different types of productivity gains?

**Ms. Lynda Lefrancois:** It's different for us, because right now Purolator doesn't serve us here in the north. Purolator stops in Yellowknife, so that's not going to work. FedEx stops in Edmonton, so that's not going to work. It's us, as Canada Post employees, who do it all.

**Mr. Nick Whalen:** The task force also talks about further streamlining processing operations as a potential way to save \$66 million a year. Is that the type of productivity gain you're talking about? Was the union consulted by the task force about the types of improvements in operations that could allow these savings to be made?

• (1020)

**Ms. Lynda Lefrancois:** That I don't have the answer to, but as far as the employees go, don't cut the employees. Don't mainstream

them because that is not going to work. We break down. We're human, so don't keep cutting us and cutting us. Let us grow and everybody else benefits. The community benefits by the employment all around. If you get rid of the employees and everybody becomes mechanical or you get machines to do all the work, it's going to break down.

**Mr. Nick Whalen:** We want to have good quality jobs for Canadians. We're not trying to eliminate the workforce entirely.

Mr. O'Reilly, you said you have been to 29 of the 33 communities in the Northwest Territories. That's impressive.

How many of these communities are missing postal outlets? You mentioned two but do you have a number on the rest?

**Mr. Kevin O'Reilly:** Sure. It's in my speaking notes, but to summarize, Dettah's population in 2015—and it's across the bay from Yellowknife here, about a 25-kilometre drive away—is 252 people; Edzo has about 500 people, and it's about an hour away; Enterprise, which is on the road south of Hay River, has 115 people; Hay River Reserve has 325 people; Jean Marie River has 84 people; Kakisa has approximately 50 people; and Nahanni Butte has 94 people. I think there are seven communities that—

**Mr. Nick Whalen:** Do those communities have other types of retail businesses or other community hubs in them that could serve as a host for a franchise operation for Canada Post?

**Mr. Kevin O'Reilly:** Yes, absolutely. There is either some sort of a grocery store, a co-op, or a gas station. There are facilities in every one, or even a community office, or a band council office where there could be a corporate outlet.

**Mr. Nick Whalen:** Is there an operation to move some type of a franchise into those?

**Mr. Kevin O'Reilly:** Yes. I don't know how Canada Post makes these decisions. They have opened up offices in the last five or 10 years in a couple of the smaller communities: Colville Lake and Trout Lake. The fact that some of our communities still don't have access to proper postal service, I think, is an issue here. In terms of banking, and I mentioned that, there are very few communities that have a bank.

**Mr. Nick Whalen:** On the banking, my cellphone is my bank now. I very rarely go to the branch. I can cash my cheques, I can make my wire transfers, and I can pay my bills. Very rarely do I need to go to a branch to do business. Is it feasible for people in the north to use their cellphones to do all their banking? Do people have access to proper cell service? How could Canada Post facilitate access to the modern world for rural people in the Northwest Territories so they can access the services that people from urban Canada access?

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

**Mr. Kelly McCauley:** You can take my time to finish up.

**Mr. Kevin O'Reilly:** We don't have cell service in all the communities here, of course, and we don't have high-speed Internet in most of the communities here. The Internet was out here this morning. I'm trying to do work over in the assembly and it was out. Our service is not very reliable, and it's too expensive compared to most other parts of Canada. I don't think we're at a point where people can do adequate banking online.

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

Thank you, Mr. McCauley, for ceding some of your time to Mr. Whelan.

Mr. McCauley, you're up now, for six and a half minutes.

**Mr. Kelly McCauley (Edmonton West, CPC):** Thanks for having us here. It's the first time I've been here, and it's the last part of Canada for me to visit. It's wonderful to be here, especially in a beautiful brand new hotel.

Mr. Lambrecht, I'm sure you've read the task force study. Ernst and Young, a very reputable company, has predicted, I think, \$750 million in losses by 2026. The task force did quite extensive polling. Canadian have said very clearly they don't want to pay higher taxes to support that, and they don't want to pay for a higher stamp cost either. What about yourself, do you think the taxpayers or the government should subsidize to cover this loss, should it prove correct?

**Mr. Alexander Lambrecht:** That's a loaded question. Should taxpayers ever be responsible for the mismanagement or poor decisions that are made by its elected leaders or public services? Taxpayers ultimately pay those costs.

**Mr. Kelly McCauley:** That's not what I asked. If it's \$750 million, should taxpayers make it up, should Canada Post find it within, or should it be sustainable and self-sustaining?

•(1025)

**Mr. Alexander Lambrecht:** It's such a loaded question. You know what, taxpayers have paid for tons of poor decisions made by governments and public services, so with that I'm...it's not that I refuse to answer it, it's that the context of it is—

**Mr. Kelly McCauley:** Okay, I'll move on. Thanks, though.

Mr. O'Reilly, thanks for your representation of the area.

One thing that we've seen from going across the country is that there are very different needs, as Mr. Whelan mentioned, for Canada Post. In the city it's 100% different than what is needed in rural areas. It's very clear we need to support the rural areas more.

One of the items that the task force has brought up is that there are a lot of postboxes that used to be rural and that are now part of the city because the cities have grown so much. Edmonton alone has grown by 200,000 to 300,000 people, and we have post offices surrounded by 100,000 people. One of the suggestions was to switch those over to retail or franchise post offices, and that money saved should be used to support the rural ones, where it's much more needed.

Do you have any thoughts on that? Do you agree that we should focus on saving the rural ones or supporting the rural ones?

**Mr. Kevin O'Reilly:** There was a move to do that back about 1975 or 1976 and people didn't want it, for a couple of reasons. They wanted to have a post office in the downtown area that was a hub for the community.

**Mr. Kelly McCauley:** That's very much what we're hearing. In rural areas it's a hub. In Edmonton and Calgary, if you ask people where Canada Post is, they say "Yes, it's in my Shoppers Drug Mart across the street." But we also have three or four post offices as well. Where we really need the support is in the rural areas.

**Mr. Kevin O'Reilly:** Even here in Yellowknife, we have the main post office, and there's one almost across the street at a Shoppers Drug Mart, but it's in the back of the store. I've been to both of them. I have a post office box downtown. I prefer to go to the counter and pick up my mail there, and deal with folks who know all of the Canada Post services. I don't find the franchised outlets I've been to are as familiar with Canada Post services.

**Mr. Kelly McCauley:** I would like to take you to the postal banking part. Mr. Whelan brought it up as well.

We chatted with, I think it was a previous Money Mart executive about cheque cashing, which we're hearing a lot about. People are saying they need lower-priced cheque cashing. They're saying their default rate is something like 20%. That's a difficult question, but give me your thoughts. If we did have government-controlled postal banking, how would you see going after this 20%? The first time, we would have to repossess someone's car or truck for not paying.

**Mr. Kevin O'Reilly:** Look, I'm not a banker, but there are probably ways to put in place the proper checks and balances. We do have cash advance places here in Yellowknife, and they tend to be used by the poorest, most marginalized parts of our community. They charge outrageous rates, and it's just not fair. Many of our communities don't even have access to basic banks, or high-speed Internet service, as I said. Canada Post used to do this, when it was a post office department up until 1969, and I think there's an opportunity for the corporation to move into that area to service rural and remote communities to provide access to the same services most other Canadians enjoy.

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

**Mr. Kelly McCauley:** Actually, Mr. O'Reilly answered the question, I think. But, Ms. Lefrancois, do you have retail outlets here, as well as the Canada Post corporate outlet?

**Ms. Lynda Lefrancois:** In Yellowknife there is the corporate outlet and across the street, as Mr. O'Reilly said, is the Shoppers Drug Mart, which is the retail, the franchised outlet.

**Mr. Kelly McCauley:** It's common that most people want to use the post office. Do people not kind of vote with their pocketbooks here, where they go if they're seeing there's bad service at the one in the retail outlet?

**Ms. Lynda Lefrancois:** They don't have a choice. Canada Post made it that they don't have a choice. As you've probably heard across the country, the parcels are up, so Canada Post has given a contract to Shoppers Drug Mart for the parcel pick-ups, which is a very small place.

**Mr. Kelly McCauley:** What other services do they do, then, that aren't done across the street? Is it just the parcel pick-up?

**Ms. Lynda Lefrancois:** What do you mean by "other?" I don't understand the question.

**Mr. Kelly McCauley:** You have a Canada Post corporate store, and across the street is the Shoppers, and you're saying Canada Post is shifting business over to the Shoppers.

•(1030)

**Ms. Lynda Lefrancois:** They're shifting business for the parcel pick-up, that is, having the people go there. While they're there, if they're mailing a parcel, they'll do it there also. They have the contract. That's how they make their profit, it is for the parcel pick-ups. But what happens, through my experience, there are so many times over that 15 years that they don't have the information to give the customer on how to sell things, on how to get a parcel from here to Ethiopia—

**Mr. Kelly McCauley:** They can't do the parcel on the other side

**Ms. Lynda Lefrancois:** No, they can do it. But chances are that a percentage of the time they're wrong, the parcel comes back. So when they go to the Shoppers Drug Mart, they say, "Well, we don't know what to do," and they send them over to us.

**Mr. Kelly McCauley:** Okay.

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

**Mr. Erin Weir (Regina—Lewvan, NDP):** I'd like to thank the panel for making a very compelling case for postal banking, particularly in northern communities.

Mr. O'Reilly, you suggested another source of revenue for Canada Post, which is selling commemorative materials, facilitating conventions of stamp collectors. I haven't had a chance to review your written submission, but I wonder if, either in writing or verbally, you could give us a sense of how much revenue might be gained through those channels.

**Mr. Kevin O'Reilly:** I looked at the annual report of Canada Post, and I couldn't figure out how much the philatelic revenues were. I've heard it might be as high as \$20 million.

Stamp collectors buy stuff that's not used to pay for a service, essentially, other than the printing cost, and distribution, and stocking, and that sort of thing, so it's a very big margin for the corporation. My impression, without delving into all the economics of it, is that not much of that actually goes back into the hobby to promote Canadian heritage and stamp collecting as a hobby. Those things can help better educate our kids, but also elevate Canada on the international platform in terms of promoting our culture and so on. Stamp shows are an economic driver in themselves. I mentioned the one in New York City, with a quarter of a million people through the doors in eight days.

What I'm hoping is that you can delve into that a little more with your resources and look at those revenues. I'll certainly work with

the organizations I'm a member of and try to get them to make a better submission in terms of what they would like to see some of those revenues used for.

**Mr. Erin Weir:** We can ask Canada Post to provide a number in terms of their current revenues, but certainly any estimates of potential additional revenues would be very interesting and most welcome.

Could you also speak a bit, or perhaps submit later some information, about the economic impact of that convention in New York, and what the potential might be to host another convention in Canada?

**Mr. Kevin O'Reilly:** Sure. I would be happy to do that. I did check out the website for the organizers. They haven't completed all of their analysis and so on, and I suspect that will be part of it. I'll be happy to provide that to the committee, or I'll at least endeavour to find out when it's available and provide it to the committee.

**Mr. Erin Weir:** Thanks very much.

Another point a couple of panellists made was about a food program through Canada Post. It's not something we've heard much about, so I wonder if someone would like to give us a bit of a description of what it is, how it works, and what the potential might be.

**Ms. Lynda Lefrancois:** I was working while it was going on out of Yellowknife. I don't quite know the logistics, but basically it's subsidized by the federal government; I've heard \$60 million a year is what possibly it is.

Under the previous Harper government, it was changed. He went to nutrition north Canada. From there it went to the business. The business itself got the subsidy for the freight, because the freight does cost a lot for getting stuff north.

Under the food mail program, the subsidy went to the families. It went to the people who ordered the food and got it. What I understand is the subsidy is not being passed on totally to the people of the community, the families, so the cost has gone up for them to feed their family as opposed to what it was before, when they got the subsidy directly through the food mail program.

That's why it's a good idea to put it back to that. Call it something else, whatever you want to call it, but get it back to the food mail program where the subsidy went to the family, not to the business, the retailer.

•(1035)

**Mr. Erin Weir:** So it's gone from being a direct cash subsidy to consumers to a subsidy to businesses, which may or may not be passed along to consumers.

**Ms. Lynda Lefrancois:** Correct.

**Mr. Erin Weir:** Thanks for clarifying that.

You mentioned freight rates. Something we heard about at our meeting in Toronto was the fact that Canada Post assesses very different parcel rates in different parts of the country whereas internationally it's obligated by treaty to offer a flat rate to foreign companies shipping into Canada.



Could you speak a bit about the challenges in the north of those differential parcel rates that Canadian shippers face?

**Ms. Lynda Lefrancois:** From the retail end of it, between every major centre in Canada from Vancouver to St. John's it is a flat rate. There's a consistent rate, just as there is for a standard letter. As you start adding on different legs the price starts going up. Yellowknife to Toronto would have one leg added. The rates will change for us going north. In the Northwest Territories if you can get to it by road it's one rate. If it's air stage, meaning the only way it can get in there is by air, it's a different rate and it goes by kilogram. I can't tell you, maybe it's after every two kilograms or also on size, that the price goes up. Yes, it is expensive, but the profit made down south with all the parcels covers the rate for the north and the remote communities; that's the whole idea of the combined. It's self-sustaining; one part is making the bigger profit. This little area may not, but within the profits it covers this, and they're still making a profit overall. The whole idea is to start generating more so we can provide the services.

**The Chair:** You have 30 seconds, Mr. Weir.

**Mr. Erin Weir:** If you have any further points to make in 30 seconds, feel free. You mentioned your presentation was a little time constrained.

**Mr. Kevin O'Reilly:** Maybe I could speak just very briefly. I had to handle an estate for somebody here in Yellowknife, and the cheapest way for me to get it from here down to Ontario was Canada Post. I checked bus parcel express, air freight, moving companies. I know that Lynda and her staff have handled people moving from Yellowknife down south, and the cheapest way for people to move stuff sometimes is with Canada Post. That's a great service, and I think we need to protect it.

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

Madam Ratansi, you have seven minutes, please.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you very much.

We appreciate the service Canada Post employees provide. I remember that during the Fort McMurray fire the MoneyGram via Canada Post was the best way people could send money. I'll ask you each a question. Would you like Canada Post to be self-sustaining by breaking even, or make a profit? A very quick yes or no answer.

**Mr. Alexander Lambrecht:** The number one objective for any public service should be self-sustainability, but if it's able to generate a profit that can then be reinvested into the Canadian economy and into Canadian communities, why not make generating a profit a priority?

**Ms. Lynda Lefrancois:** Be self-sustaining, but here has to be a little profit as a buffer for the years.... Past a certain point, that's when you reinvest the profit into generating more revenues.

**Mr. Kevin O'Reilly:** I think it's most important that we have a good public service. Self-sustaining is possible, but if it does require some inputs occasionally from taxpayers that's the kind of country that Canada is.

**Ms. Yasmin Ratansi:** We give \$1 billion in subsidy to the CBC, and it comes from the tax rolls. Do you think Canadians would be willing to take that? I'm trying to figure it out. You say it's a business, it should make a profit, and it should be run efficiently. If it has to be

run efficiently should it be subsidized? If it is subsidized how much subsidy? Should they be given \$1 billion in subsidy?

• (1040)

**Ms. Lynda Lefrancois:** Canada Post is profitable, no matter what. It has been over a period of time. Whenever they did that five-point review they went to this board and gave them the information. By 2019 we are going to be in debt by x amount of dollars because of the path we are taking. At the end of that year they didn't have that debt, they made more profit. The next year they made more profit.

**Ms. Yasmin Ratansi:** We have to look at the assumptions that were made, and then we will have to do a reality check. What we are really doing is listening to you, listening to your ideas, and saying we have to do debits and credits. This is one side of the equation. The next is checking the assumptions.

If it makes a profit, where would you like to reinvest?

**Ms. Lynda Lefrancois:** Services.

**Ms. Yasmin Ratansi:** What sorts of services? We aren't looking at creative ideas. We are looking at qualitative stuff because, you know, for communities in remote areas, we need social cohesion. Otherwise Canada is Canada dismantled. So give us some creative ideas.

**Ms. Lynda Lefrancois:** Okay. You mentioned the Fort McMurray fire, how they used MoneyGram. Is MoneyGram owned by Canada Post? No. MoneyGram is not owned by Canada Post. On MoneyGram you can pay your bills and you can send money worldwide. Canada Post—I don't know the actual figures—would be getting a percentage of the service fees, and they're doing it. Obviously they're continuing to do it, so therefore it's got to be profitable for them. But with the structure already set up, why isn't Canada Post doing it themselves with some form of banking? Pay your bills, send your money, and that sort of thing.

It's already set up in the system. It's the same as the identity check. We are doing identity verification at the retail counters for businesses. I think it's called secure check. People have to come in with three pieces of ID. We can use their scanner. The system is set up. You scan three pieces, the picture comes up, and then you send it. But other communities need this sort of thing, and that's the sort of service that we're talking about. Be creative. Think outside buying a stamp, sending a parcel, and paying your bill. Generate more.

**Ms. Yasmin Ratansi:** Going outside the box, and we had—

**Ms. Lynda Lefrancois:** To generate their revenues.

**Ms. Yasmin Ratansi:** —some professor talked about integrated thinking and critical thinking, which is wonderful. Do you think Canada Post is shooting itself in its foot when it's franchising out?

**Ms. Lynda Lefrancois:** They're making a bigger profit with the franchises, I believe.

**Ms. Yasmin Ratansi:** They don't get a franchises fee, you know that, right?

**Ms. Lynda Lefrancois:** Because they don't have the employees, that's what I believe is happening, but the problem is the service. The service is not there. You can't have the customer service. You will not have the repeat service. I have the customers come in. Like I said, I stood there for 15 years with the customers. They would come in with their questions. They said they had been to Shoppers because they were picking up a parcel, that sort of thing. We were the ones who would help them.

As I stated in my statement, we are not selling them the highest priced product or service. We are meeting their needs. You give the customer something, they're going to be there once because it costs  $x$  amount of dollars. It costs them too much. They don't want to send their Christmas gifts anymore because it costs too much. They will send a gift card in the mail. No, a parcel is better under the Christmas tree, kids. But we show them how to do it. We show them how to send internationally and save the price. They come back repeatedly to send more parcels, therefore generating a revenue.

**Ms. Yasmin Ratansi:** Okay, I'll ask a quick one because I think I have one minute.

What sort of facilitation do you want for management and employees to sit together, exchange ideas, and build on them, because it looks like there's no cohesion. It looks like there is disparate interest.

Mr. Lambrecht.

**Mr. Alexander Lambrecht:** You're referring to the relationship between management and workers?

**Ms. Yasmin Ratansi:** Yes.

**The Chair:** I might ask you to keep it short.

**Mr. Alexander Lambrecht:** Yes, I can keep this short. Basically what you just described is classic business management, and my view on new world management is basically that it's not the people who work for you, it's the people you work with, and management has to be the one to create the environment in which they listen to their employees. They have to lead by example, take those recommendations from their employees, and move them up the ladder.

• (1045)

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

**Ms. Yasmin Ratansi:** You can then submit your views.

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

We'll go to our final two interventions, which will be five minutes each.

[Translation]

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

**Mr. Alupa Clarke (Beauport—Limoilou, CPC):** Thank you, Mr. Chair. My thanks to the witnesses for being here with us this morning.

Since I was a child, Yellowknife has intrigued me. Unfortunately, we will not be here for a long time. I would have liked to jump in that beautiful lake here.

Mr. O'Reilly, do the people of the Northwest Territories see Canada Post as a symbol of national unity? Do they feel a sense of pride toward Canada Post?

**Mr. Kevin O'Reilly:** Thank you for the question.

[English]

I do think that is partly the case. In some of the small communities that I visited, one of the few federal offices is Canada Post, and it does represent a national service in a way that brings together Canadians so we can transact business, correspond, and so on. It is an important symbol and representation of the federal government in many of the smaller communities.

[Translation]

**Mr. Alupa Clarke:** Okay.

My understanding is that there has never been home mail delivery here. Have you always had community mailboxes?

**Mr. Kevin O'Reilly:** No.

[English]

You have to go downtown to the post office to get your mail. There are no community mailboxes. Up until about the mid or late 1990s, you still had to go downtown to get your mail at the post office.

[Translation]

**Mr. Alupa Clarke:** Okay.

Is there service five days a week in all communities that are accessible by air?

[English]

**Ms. Lynda Lefrancois:** It depends on when your flight is going to get there. It depends on the weather conditions. It depends on a whole bunch of things.

Basically, for the dispatch, the mail goes every day. I would say 30% goes to the communities every second day. It would also depend on the flight whether the mail gets bumped, because people, food, and so on are going to take priority over the mail.

[Translation]

**Mr. Alupa Clarke:** I understand what you are saying. It makes sense.

Mr. Lambrecht, how many members does your federation have?

[English]

**Mr. Alexander Lambrecht:** In total there are just over 10,000, and that number fluctuates just because of the industries that our numbers work in.

[Translation]

**Mr. Alupa Clarke:** What is your employment rate right now?

[English]

**Mr. Alexander Lambrecht:** The employment rate numbers just came out in the Northwest Territories.

**Mr. Kevin O'Reilly:** The unemployment rate differs between Yellowknife and the communities. In Yellowknife it's quite low. It may be 5%. In some of the communities it can be as high as 30% or 40%.

[Translation]

**Mr. Alupa Clarke:** Of course, I have questions for the Mayor of Yellowknife, but I will still ask you questions as a member of the Legislative Assembly, Mr. O'Reilly.

Do you know whether the municipalities were consulted by Canada Post before the changes in 2013? Given that there are no community mailboxes, perhaps you have not experienced any changes.

[English]

**Mr. Kevin O'Reilly:** I don't think I could speak on behalf of the Northwest Territories Association of Communities. I believe you have Sara Brown on the next panel.

It's difficult to engage rural Canadians, and particularly the ones in the north, because of some of the poor communications and transportation issues that we've all discussed here.

[Translation]

**Mr. Alupa Clarke:** Mr. O'Reilly, the Mayor of Montreal, Mr. Coderre, thinks that it would be useful for the Canada Post Corporation Act to be amended to include an obligation for Canada Post to consult the municipalities.

Has this issue been discussed here?

• (1050)

[English]

**The Chair:** Give a very brief answer, please.

**Mr. Kevin O'Reilly:** As a former city councillor, I always think it's good that our local governments get the recognition and consultation they deserve.

**Mr. Alupa Clarke:** Thank you very much.

**The Chair:** Our final intervention will come from Ms. Shanahan. You have five minutes, please.

**Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.):** Thank you all for being here this morning. It's a pleasure to be visiting beautiful Yellowknife for the second time in a couple of months. I see that the weather changes rapidly.

My colleague, Ms. Ratansi, asked a question about the management style of Canada Post right now, especially as we are looking at the universal service obligation with the business mandate and so on.

Lynda, did you get a chance to respond to that? Did you want to say anything about the management style?

**The Chair:** Meaning the relationship between management and the union.

**Ms. Lynda Lefrançois:** It's tense at times.

She had asked about the consulting, and Alex was addressing it. Here we go again. We have that in our collective agreement where new ideas and those sorts of things can be brought up. There is a panel for different appendices added on, different projects that could be taken on to generate more revenue.

In this last bout of collective agreement, the corporation said that it's off the table, that they don't want that any more. They did not want to go to the employees to generate ideas and work with them. They were taking that out of the collective agreement, so that might show what is going on.

It's going to stay in this one and when we vote, hopefully it does go through. That's what we are dealing with as employees. We want to grow. We need to change. We need to do all these things to remain viable and for all Canadians to have a postal facility, but to me it looks like they want to take it away by taking that out of our collective agreement.

**Mrs. Brenda Shanahan:** Mr. O'Reilly.

**Mr. Kevin O'Reilly:** I'm a bit of an outside observer of some of this, but—

**Mrs. Brenda Shanahan:** But you have some very interesting ideas. It's the first time I've met a postal historian. It's fascinating.

**Mr. Kevin O'Reilly:** As an outside person, I find it interesting that there is no representation of workers on the Canada Post board. If you want to get a more collaborative approach—and that's something that we actually do pretty well here in the north, with our co-management systems through land claims agreements and so on—why not have some union representation on the board?

I don't think it always has to be confrontational. If you engage and work with employees in a constructive approach and get people on the board who know a little more, perhaps, about some of the internal workings, maybe there could be a better working relationship.

**Mrs. Brenda Shanahan:** That's interesting. So really it would be a culture change that would be driven by structural changes, as well.

I want to throw out a two-pronged question. Each of you has made a statement regarding Canada Post being a service-first organization, but in the understanding that it needs to be at least sustainable; that if there are profits, they should be reinvested back in; and that it is a profitable enterprise.

I just would like your off-the-cuff reaction. What would it mean to your communities if Canada Post were run purely as a business-first entity?

We'll start with Mr. Lambrecht.

**Mr. Alexander Lambrecht:** That's interesting.

In the north, you have to put the people first. I think when it comes to business, if you don't put the people first, you're going to lose them. As hard as it is to find alternative places to go to buy products and to find services, sometimes people will make those difficult decisions not to support a business simply because it is not putting the people first; it's putting its profits ahead of the needs of the people. That just does not work well in the north, as well as in the rest of the world.

**Mrs. Brenda Shanahan:** That's interesting. Thank you.

How long do I have?

**The Chair:** You have less than 30 seconds.

**Mrs. Brenda Shanahan:** Okay.

**Ms. Lynda Lefrancois:** I believe that Canada Post would not survive in the north if it were run strictly as a business. It's not going to make a profit in the north, plain and simple. We need the south. We need the south generating the additional revenue with parcels and with everything else to sustain our existence.

If Canada Post weren't up here, the people wouldn't be getting their supplies. They wouldn't be getting.... It would just go....

• (1055)

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

**Ms. Lynda Lefrancois:** I don't know what the word is.

**The Chair:** I'd like to thank all of our panellists, our witnesses, for appearing here today.

Mr. O'Reilly, I have just an off-the-cuff comment on your observation that perhaps Canada Post would be better served if it had union representation on the board. I recall one of the best books I've ever read in my life. It was Lee Iacocca's first book, and he pointed out that when he came from Ford to Chrysler, Chrysler was hemorrhaging money.

One of the first things he did was to open up all the books to the union personnel so they could see exactly how much money the company was losing. His second move was to appoint the president of the local union to the board so that, collectively and collaboratively, they could work out a way to bring the Chrysler Corporation back to financial stability, which they did.

It was a fascinating approach. I think it was one of the few times that we've seen very effective labour-management collaboration in a corporation of that size, so I appreciate your comments.

To all of you, thank you very much for being here. Should you have additional information you wish to provide to the committee that would assist us in our deliberations, we ask you to do so. You can contact our clerk directly and make those submissions directly.

Since we will be tabling our final report probably in the latter part of November, we ask that you get any additional information to our clerk within the next 10 days to two weeks if you could.

Once, again, thank you so very much. We appreciate your testimony. We will suspend for a few moments while our next witnesses come forward.

• (1055)

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

• (1100)

**The Chair:** We'll reconvene.

First, to our panellists, welcome.

Your Worship, thank you for your kind hospitality in the wonderful city of Yellowknife.

I assume that both of you had a chance to observe the proceedings of the previous panel, so you'll know how things work around here a

little bit. Specifically, I'm going to ask each of you to make a brief opening statement, hopefully five minutes or less, and following that we'll engage in a round of questioning from all our committee members. We're trying to find out your thoughts as to what you believe Canada Post needs to do, and perhaps some specific suggestions of what you observed Canada Post could do in terms of maintaining its long-term viability and sustainability.

With those brief opening remarks, Your Worship, we'll start with you, for five minutes or less, please.

**Mr. Mark Heyck (Mayor, City of Yellowknife):** Thank you very much, committee members. We appreciate the opportunity to provide some input on the future of Canada Post. Also, on behalf of the City of Yellowknife, I want to wish you all a very warm welcome to our community. I understand some of you were here recently, but it was a little bit warmer then, perhaps, so make sure you watch your step because it can be a little slippery out there.

Canada Post has long been an integral part of the communications and delivery service network throughout northern Canada. I think my colleague from the NWTAC will speak more to the community experience, but I wanted to touch on that because I think it's important.

Picking up on some of the questions from the last panel, I think by necessity, the north has to be treated a little bit differently from some other regions of the country that we would see. Many northern communities depend greatly on the services provided by Canada Post and will continue to do so. I think the national nature and mission of Canada Post, one of the reasons it was first created, was to take that national view of the country in terms of providing postal service at reasonable prices to all regions of the country. We continue to depend on that to a considerable degree. It's been integral in connecting many of our northern communities. Yellowknife has some advantages in terms of its connections with the rest of the country, but certainly we have many isolated and remote communities that are largely dependent on Canada Post and services like it for their connection to the rest of the country.

We know the world is evolving with the rapid advancement of information technologies, and mail service is obviously not immune. Having said that, the delivery of goods on which so many northerners rely, including here in Yellowknife, will continue to be a major factor in postal service in the north. While as a municipal government we always encourage our residents to shop locally, we certainly know that we have some prolific online shoppers here in Yellowknife and throughout the north, and Canada Post has been a big part of delivering the goods when people are making those orders.

Regarding some of the specific options that the committee is examining, I think it came up in the last panel as well, but community mailbox conversion is not an issue that's particularly relevant for Yellowknifers or northerners in general. We've been on that model of service for quite some time. While I understand it's a somewhat controversial issue in other regions of the country, as I said, it's not particularly relevant for us here in the north.

I hope the committee members have a chance to visit our post office here in Yellowknife. It really has been a community hub for a long time. While the building was sold a few years ago by the Government of Canada, it remains a central focal point of our downtown core. Activities and public events happen there throughout the year. There are many events that are hosted there, as that central point where our community can come together.

I'd also say that Canada Post here in Yellowknife, and in many other communities across the north, provides steady, well-paying jobs to our residents. That's an important component in contributing to the local economy. We know that the public sector is a large part of the overall economy in many northern communities, and Canada Post has certainly contributed to that.

I'll finish up by touching briefly on the issue of postal banking, which is something that I think the committee has been examining to some degree. I do think there's merit in a more detailed examination of a postal banking model, particularly for northern communities, many of which lack any form of brick-and-mortar financial services. I think there may be some opportunities—if Canada Post is looking at not only the expenditure side of its budget but the revenue side of its budget—to consider evolving that national mission that it first started with, and potentially look at the option of providing financial services in communities that either don't have those services in the first place or are looking at serving that population that is not being served by the current banking system. I do think, probably beyond the scope of what this committee is able to do and the time allotted to it, that there is merit in a more detailed examination of that potential model of service provision in many communities across the country.

I'll stop there. Thank you very much, Mr. Chair.

● (1105)

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

Ms. Brown, five minutes, please.

**Ms. Sara Brown (Chief Executive Officer, Northwest Territories Association of Communities):** Thank you.

First of all, I'd like to thank the Standing Committee on Government Operations and Estimates for the opportunity to appear before you to discuss Canada Post.

The NWT Association of Communities represents all 33 communities in the Northwest Territories—a fact we're very proud of—from our very smallest of Kakisa, with only 52 people, and up to Yellowknife, which is almost pushing 22,000, which is pretty amazing. We advocate on behalf of the communities. We deliver programs and share information and provide numerous member services.

Canada Post has historically been and will continue to be an important part of our community life in the Northwest Territories. The remote and isolated nature of our communities means that Canada Post is an important lifeline to the rest of Canada and the world. Although the last delivery of mail by RCMP dog patrol was only in 1969—pretty phenomenal, actually—much has changed since then, but not our reliance on Canada Post.

There has been considerable local press about long delivery times, lack of delivery and missing parcels; and the challenges of getting

parcels delivered at Christmas is a matter of local lore here. Given its isolation, though, the NWT cannot afford to see the level of service provided by Canada Post eroded.

With respect to protecting post offices, unlike other jurisdictions in Canada, very few, if any, NWT residents have ever enjoyed home delivery. Many of our homes do not even have street addresses so that would be a formidable task at the best of times. We read with interest the potential of making post offices into community hubs. I'd like to echo what the mayor said, that in the NWT they already are. It's an important part of your day, at the end of the work day, running into people at the post office as you go to pick up your mail. Many post offices already house community-owned notice boards, those sorts of things, because it is such a hub.

With respect to parcel post, as the mayor also mentioned, we have very limited shopping in our communities. Even Yellowknife has only two locations you can shop in if you're shopping for kids. That's it; you're out of luck. You have to fly to Edmonton or drive for a couple of days. It's very important to northerners to be able to avail themselves of e-commerce. Many of our communities don't even have an option of being on the road and driving. So you're talking about flights, no matter what.

We've also had to present to CRTC about the challenges that our communities have experienced with respect to the Internet. Despite numerous limitations with speed and band width, e-commerce and the consequential delivery of parcels by Canada Post is an important component of life in the NWT, and it is only likely to increase.

With respect to banking, regardless of whether the decision is made to expand postal services to include postal banking, the postal service continues to play an important role in banking in the NWT. As the mayor mentioned, many communities do not have any bricks-and-mortar banks and they are already doing a lot of work that way.

One of the things to also note with respect to consultation.... We noticed in your report, to date, that many of the other associations were saying that it's absolutely critical to consult with the communities about the delivery of postal services in their community. They are the experts. We're happy to help facilitate that, if and when that happens. That does need to happen for sure.

Finally, in conclusion, I'd like to direct you to a *Maclean's* magazine article just this summer about Google trends around this year's potential labour dispute with Canada Post. The article very clearly pointed out that the NWT, Yukon, and Nunavut had double the number of inquiries on Google about the strike and what the implications were going to be, than the rest of Canada. It just demonstrates how important Canada Post is to our residents.

Thank you again for the opportunity to make this presentation, and for your interest in the NWT and the impact that Canada Post has on our lives.

•(1110)

**The Chair:** Thank you both very much. We appreciate your comments.

We'll start with our first round of questioning, which will be seven minutes. Mr. Whalen, you're up.

**Mr. Nick Whalen:** Thank you very much, Mr. Chair.

Thank you both for coming. It's great to hear the perspectives of municipalities both micro- and medium-sized, and still quite small, I guess, compared to some of the places we visit. This brings me to one of the questions that I'm trying to figure out an appropriate answer to.

In the Canada Post service charter there are two sections that deal with how far or near people need to be to their post office. There's article 10 that talks about 98% of Canadians being within 15 kilometres of a post office, and then, of course, that extra 2% could essentially be all of rural Canada, when you start to think about it. Then it goes down. Then there's been a moratorium for a couple of decades now on changes to those post offices, from closing down.... There's been no discussion about opening new ones up.

Maybe Ms. Brown you can talk to me a bit about the communities that don't currently have post office access, how far they are from their nearest communities, and whether or not those communities are growing and should be considered opportunities for an expansion of post office locations.

**Ms. Sara Brown:** I don't have these stats, but the only community I'm aware of that doesn't have a post office is adjacent to Hay River, which is the reserve there. With one or two exceptions, people in our communities cannot drive to the next community to get their mail. It's just not an option. You're often talking about hundreds of kilometres. Nobody is driving those kinds of distances.

**Mr. Nick Whalen:** I think Mr. O'Reilly, who was at the previous meeting, mentioned six communities that don't currently have their own post office. Maybe you could just talk to me a little bit about whether or not your rural communities are growing. Are the populations in rural Northwest Territories growing? Are they falling?

**Ms. Sara Brown:** We don't have a rural population per se. We have isolated, remote communities. We don't have rural....

Right now, our communities are fairly static. We're not seeing a lot of growth. However, we do have a lot of potential growth with respect to the development of natural resources, because many of the mines or oil and gas companies could significantly impact those communities. They could see some change, but right now, we are fairly static.

**Mr. Nick Whalen:** My next question is really for both of you. There's been some discussion about enhancing the levels of services offered at Canada Post as a way to generate more revenue—not to provide those services for free. Maybe if services were downloaded or outsourced from municipalities or regional governments, then the service delivery could be provided in the post office. Would your members, or the city of Yellowknife itself, consider moving some of your municipal services, like service offices, phone answering and whatnot, or licencing opportunities, or outsourcing those and paying Canada Post to provide those to the community? Or would you

prefer to keep those jobs in-house, within your municipalities or within the capital?

•(1115)

**Mr. Mark Heyck:** From the perspective of a local government, I think we're generally pleased with the cost-effectiveness of our service delivery. I don't imagine there would be many instances or appropriate places where we would off-load services or contract out services to an organization like Canada Post. We obviously work closely with Canada Post on a number of things, including statutory notifications to the entire community, a weekly newsletter, billing, and those kinds of things. I don't see our moving much beyond that.

**Mr. Nick Whalen:** What do you think, Ms. Brown?

**Ms. Sara Brown:** Yes, I would certainly echo that. There are economies of scale that I don't think would be realized in these smaller communities. I can't imagine a context in which that might work.

**Mr. Nick Whalen:** Are there types of opportunities, such as enhanced retail, banking, or hubs or drop points for rural broadband or wireless service to remote communities, that you see as potential revenue generators for Canada Post outlets? Or would they again be providing retail services or Internet services that wouldn't be self-sustaining, because it would be so cost-prohibitive to provide them anyway? It's more of a loss leader or an extra service, but again, not a revenue generator.

**Mr. Mark Heyck:** Yes. I'll speak from Yellowknife's perspective and leave it to Ms. Brown to speak for smaller communities.

I don't think it would be economically viable for that kind of thing to happen here, although I should add the notion, as I mentioned in my opening remarks—which Sara has touched on as well—of a more in-depth examination of postal banking. I do think there's probably a population, even in a community like Yellowknife, that could benefit from a service like that.

**Ms. Sara Brown:** I would certainly echo the point on postal banking.

With respect to the Internet, the challenge in the communities is not people being unable to afford access, but that there is no access to high-speed Internet. It just doesn't exist in the community. I don't see Canada Post solving that problem then, because if they can access high-speed Internet, so could a lot of the community.

**Mr. Nick Whalen:** Should the Government of Canada build out a broadband network that could be resold through Canada Post, for instance? Would people buy the service if it were available?

**Ms. Sara Brown:** If that would make that service available, I would suggest there may be an opportunity there. Absolutely.

**Mr. Nick Whalen:** Do I still have a couple of minutes left?

**The Chair:** You have about a minute.

**Mr. Nick Whalen:** In terms of the importance of Canada Post jobs to your various communities, roughly how many Canada Post employees do you have in Yellowknife, to your knowledge, and also in the outlying municipalities and the individual post offices? Would your communities benefit from local sorting? I see that your mail is currently sorted, even the small amount of inter-regional mail, in Edmonton, and then it comes back. How much would your communities benefit from local sorting of inter-territorial mail?

**Mr. Mark Heyck:** I'd have to look into the details of how the sorting happens. We do have a sorting plant in Yellowknife, located out near the airport. My understanding is that certain mail that gets sent from Yellowknife to a community, for example, goes to Edmonton first and then comes back up north. There may be some efficiencies that could be realized in that area.

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

Next we have Mr. Clarke.

[Translation]

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

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

My thanks to the witnesses for being here with us. That's very much appreciated, and we are all very pleased to be in Yellowknife, on this great Canadian territory.

Mr. Mayor, I have the following question for you.

You also pick up your mail from the central post office. I'm guessing that, sometimes, it must end up being a town hall meeting.

**Voices:** Oh, oh!

**Mr. Alupa Clarke:** In the City of Yellowknife, have the Canada Post services changed? My understanding is that they haven't.

• (1120)

[English]

**Mr. Mark Heyck:** I have not observed any major changes. As Ms. Brown mentioned in her opening remarks, we have had interruptions in service delivery at certain times, particularly with delivery to certain parts of town. That can become problematic, particularly for commercial operations in the city that are dependent on timely delivery at certain high points in the shopping season, around Christmas for example. Regarding the overall delivery model, I don't think we have observed any major changes.

[Translation]

**Mr. Alupa Clarke:** However, on a number of occasions, you have mentioned how crucial Canada Post is for your city and for the entire territory. I'm not sure whether you were a mayor at the time, but I imagine that, when you heard about the changes in other Canadian communities, you were surely very concerned. Despite the fact that there have been no changes in Yellowknife, has Canada Post contacted you somehow to tell you that the city will not be affected by its five-point action plan?

[English]

**Mr. Mark Heyck:** I don't recall a request for an action plan specifically. We did have a number of executives from Canada Post visit. I believe it was two or three years ago. I think that was shortly

before the changes to delivery service models in some other parts of the country.

[Translation]

**Mr. Alupa Clarke:** Were you then told that your city would not be affected?

[English]

**Mr. Mark Heyck:** No, it was strictly a consultation session.

[Translation]

**Mr. Alupa Clarke:** I have one last question for you, Mr. Mayor. Then I will turn to Ms. Brown.

How do you see Canada Post's services in your city in five or 10 years based on the people's needs? Will they stay the same? My understanding is that letters are still very popular here in the Northwest Territories. How do you foresee the delivery services in relation to the needs of the people?

[English]

**Mr. Mark Heyck:** By and large, I'd have to say we're fairly satisfied with the service and service levels that Canada Post provides. As I mentioned in my opening remarks, given the growth in things like online shopping, that is going to continue to be a need, not only for Yellowknife residents but residents in all communities. I think that's a major growth opportunity for Canada Post, quite frankly. We've seen that as letter mail has declined, postal deliveries have increased. Nowhere is that more true than in northern communities.

[Translation]

**Mr. Alupa Clarke:** Thank you very much.

Ms. Brown, you talked about the problems with delivery. You talked about Christmas time. Can you elaborate on the problems you were referring to?

[English]

**Ms. Sara Brown:** Yes, absolutely. We've certainly seen some problems with timely deliveries, both here in Yellowknife and in some of the communities. Some of it is a limitation and a challenge because of our terrain and our weather, those sorts of things. I know Canada Post was experiencing some staffing issues that were leading to some of the complications here in Yellowknife. Certainly, the volume at Christmas is phenomenal. As I said, everybody has stories about going back and forth to the post office and the warehouse, and standing in line for two hours.

One thing we have here is that box renewal occurs at the same time as Christmas. To me, that seems silly: why would you not move it to February or March? Last year I had to stand in line, for example, for over an hour to renew my box, and I have to do it. I have to stand in line.

[Translation]

**Mr. Alupa Clarke:** Okay.

How many communities are there in the Northwest Territories?

[English]

**Ms. Sara Brown:** There are 33.

[Translation]

**Mr. Alupa Clarke:** Okay.

There is no door-to-door delivery and no community mailboxes. So in each community, there is a post office or a place for postal transactions. How do people actually access their mail in those communities?

[English]

**Ms. Sara Brown:** They all have post office boxes.

**Mr. Alupa Clarke:** All 33?

**Ms. Sara Brown:** Sorry, probably not Dettah and N'Dilo here and a few places that are very close, but most of them have post offices.

[Translation]

**Mr. Alupa Clarke:** Okay.

I was surprised to learn that you have an ice road, as it is called here. That's fantastic.

Does Canada Post use that road in the winter?

• (1125)

[English]

**Mr. Mark Heyck:** Just as a public safety announcement, don't try to take the ice road yet.

I don't believe they travel to Dettah.

**Ms. Sara Brown:** I don't believe they travel.

[Translation]

**Mr. Alupa Clarke:** How much time do I still have, Mr. Chair?

[English]

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

[Translation]

**Mr. Alupa Clarke:** Mr. Mayor, my last question is for you.

In your view, should the Canada Post Corporation Act be amended to include the obligation for Canada Post to consult the municipalities before it does anything on their territory?

[English]

**Mr. Mark Heyck:** As my former city council colleague, Mr. O'Reilly mentioned, we always appreciate being consulted, as municipal governments, as the boots on the ground, and perhaps as being closest to our citizens.

I think, just in the northern context, that it's also important to remember that we have a lot of first nations governments where there is absolutely a duty to consult, and the impact from any change in service delivery is probably felt most acutely there.

**Mr. Alupa Clarke:** Okay, thank you very much.

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

**Mr. Erin Weir:** I'd like to get into the issue of corporate Canada Post offices versus franchises. One of the main recommendations from the government's task force is to increase the use of franchising. I think we heard quite a strong message from the previous panel that the franchises are not delivering the same quality of service as the corporate outlets.

Both of you have talked about the importance of post offices as community hubs. I wonder if you could speak to whether that goal is best achieved by a corporate outlet versus a franchise, and if you have any other thoughts on that trade-off.

**Ms. Sara Brown:** I'm only aware of one franchise in the NWT, which is here in Yellowknife. Our next biggest community is only 3,500 people, so I can't imagine that there would be a business... although we end up with funny combinations of businesses here. You can get your driver's licence, buy some books, and pick up some crafts at the same place, or go to a travel agent who also owns a tanning booth. I can't imagine that it would work well in the community. I think people have to be really vested there.

**Mr. Mark Heyck:** From the perspective of a community like Yellowknife, as I mentioned, the post office here and elsewhere in the Northwest Territories still serves as that community hub, and that's something that you lose when it moves to a franchise. To be perfectly honest, I am not entirely clear on why we have the corporate office and the franchise, which are about a half a block away from each other in Yellowknife. I think that, quite frankly, creates confusion among customers of Canada Post as to where they're going to get their parcels and that sort of thing. I think from that perspective we want to maintain Canada Post and the post office as that community hub.

When I look at the list of options that the committee is exploring in reducing costs for Canada Post, that's one, but it's certainly not the top one. Given what I understand of Canada Post's financial situation, I would prefer, I think, to see other options explored more fully.

**Mr. Erin Weir:** Not to put you on the spot too much, but at least as far as Yellowknife is concerned, would you see a fairly strong case for folding that franchise back into the corporate office?

**Mr. Mark Heyck:** I'd need to better understand the rationale for first creating that franchise, I think. It's not entirely clear to me.

**Mr. Erin Weir:** Well thanks very much.

You also spoke a bit about the importance of Canada Post as an employer in Yellowknife. I wonder, Ms. Brown, if you might say a few words about Canada Post employment in outlying communities.

**Ms. Sara Brown:** Yes, absolutely. Any institution that generates employment is absolutely critical. I think one of your speakers in the last round spoke about how chronically high the unemployment can be in some of our smaller communities that haven't been affected yet by resource development. It makes such a difference to have those people there and working and contributing to the economy there.

**Mr. Erin Weir:** I have perhaps a more general question to both of you. I think we've heard fairly consistently from you and from the previous panel that postal services are critically important in the north and that they need to be maintained. We've also heard that the debate about door-to-door delivery really isn't relevant in the Northwest Territories. If you had one or a few proposals or asks to improve postal service in this area, what would they be? What would be your top priorities?



• (1130)

**Ms. Sara Brown:** As was discussed earlier, certainly with the issue of sorting and stuff being done in Edmonton, I know even for mail within the city it can sometimes take up to two weeks. That's pretty bad, and it doesn't take very long for you to not be competitive, especially now with the digital age, if that's the case.

Anything that would speed up the delivery would enhance it. We certainly respect the challenges that we have here, as I said, with weather and remoteness, but sometimes, here in Yellowknife especially, the level of service can get quite low.

**Mr. Mark Heyck:** I think it would be worthwhile trying to benchmark and set some standards for those delivery models. I have to pay compliment to the many Canada Post employees who, particularly around the holiday season, are out until 9 or 10 o'clock at night delivering to homes the parcels that can't necessarily fit in the community mailboxes. That's great to see, but also some establishment of those standards to make sure that the service is being delivered on a consistent basis would be good.

**Mr. Erin Weir:** Ms. Brown, you mentioned that it's not possible to be competitive with unpredictable or overly long delivery times. I wonder if you could speak a little bit about the importance of postal services, not so much for northern residents to shop elsewhere but also for northern businesses to be able to sell their products outside the territory.

**Ms. Sara Brown:** Certainly there has been a lot of discussion around that. I sit on a panel for the economic opportunities strategy; and in the secondary industries, the manufacturing type of industries, the ability to ship materials out, particularly from our more remote locations, is acknowledged as a limitation at this point.

**Mr. Erin Weir:** Is it primarily a limitation dealing with delivery times or cost, or both?

**Ms. Sara Brown:** It's both.

**Mr. Erin Weir:** Your Worship, do you have anything to add on that?

**Mr. Mark Heyck:** Yes, I would agree with Ms. Brown that it's both of those items. The cost of doing business is already high in the north. We understand there are limitations and capacity issues around fostering manufacturing. Certainly in sectors such as arts and crafts there are many efforts under way to grow the economic sector and to be able to access other markets in southern Canada.

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

Madame Ratansi, for seven minutes, please.

**Ms. Yasmin Ratansi:** Thank you for being here. My question is to both of you.

Mayor, you talked about the need to keep good jobs, to keep communities economically sustainable. We need to ensure that Canada Post is sustainable from a financial perspective, but that it also plays a role in terms of social cohesion. Could you give some suggestions as to how Canada Post can increase its revenue streams so that, like a business but a service, it can remain sustainable?

**Mr. Mark Heyck:** On the expenditure side, I think there are certainly some things that the committee has examined and previous consultations have looked at, such as moving to a community mailbox system. Again I recognize there are different challenges in

other parts of the country with that particular suggestion, but it's something that in the north we've certainly accepted.

I do think there is that opportunity, and as I mentioned earlier, the potential for a more detailed examination of postal banking and what role that might play as a revenue generator for Canada Post. We certainly agree, and as a local government we're in the same position, that we need to be financially viable and sustainable, but I do think there are other options, both for revenue-generating tools such as postal banking or perhaps other advertising opportunities, and on the expenditure side, regarding things such as community mailboxes.

**Ms. Yasmin Ratansi:** Madame Brown.

**Ms. Sara Brown:** I was just thinking about one thing as well. One of the challenges we have here is that many of our community members do not have credit cards, so that poses a challenge for them in terms of shopping online. I wonder if there might be some opportunity to be doing both the purchasing end with retailers and the delivery, to facilitate that, whether you go in to Canada Post to pay or something along those lines that would help facilitate that sector, which is particularly large here.

• (1135)

**Ms. Yasmin Ratansi:** What we heard from the previous speakers was that to keep remote communities sustainable.... They don't have access to cash, so within an environment of a lack of broadband, a lack of facilities really, how do they generate revenue, and how can they sustain postal banking? How would that happen?

**Ms. Sara Brown:** I'm not sure without knowing what sorts of models you're looking at. Certainly we are moving more and more to cashless, but it is a problem for many of our residents here that they do not have access to credit or even going into a bank. That may be where one of your opportunities may lie.

**Ms. Yasmin Ratansi:** We'll have to work with other areas of government to see that there is an expansion of broadband to remote communities—

**Ms. Sara Brown:** Absolutely.

**Ms. Yasmin Ratansi:** —because otherwise the remote communities face isolation. You talked about isolation, and therefore I was going to ask how you keep your remote communities economically viable, socially viable—we have so many social challenges—and mentally viable? If you have any thoughts when you are not here, you can also send them over. That would be really important because we need those solutions.

There was a task force suggestion of third party...selling the last mile. Are you familiar with this, that Canada Post has the ability to deliver the last mile? Would you agree with the recommendation that Canada Post give it away to a third party?

**Mr. Mark Heyck:** Can you explain the concept of last mile?

**Ms. Yasmin Ratansi:** The concept is where the concrete ends, to remote communities, is where Canada Post goes; so if they were to parcel it out to somebody else, would that work for your remote communities?

**Ms. Sara Brown:** It varies from community to community what providers there are in town. We do have some third party providers. Northwestel is in all the communities, and then we have third party Internet providers as well in some of the communities.

**Ms. Yasmin Ratansi:** No, I meant for delivery of mail. The last mile is very interesting because the parcels are delivered.... I was asking some of the previous panellists as to what happens and how they deliver their mail and they said there is the bag and that bag is carried over, and in remote communities that do not have post offices that's what happens. Canada Post sends it via airplane. So if that were to be parcelled out to somebody else—

**Mr. Mark Heyck:** You'd probably want to do a fairly careful cost-benefit analysis of what costs actually get passed on to the last consumer. As Ms. Brown said, the model is different in different communities, depending on how many airlines might fly there. It could be a monopoly situation, so I think some careful analysis would need to happen there before passing that off.

**Ms. Yasmin Ratansi:** Ms. Brown, what sorts of businesses are in this area in your communities?

**Ms. Sara Brown:** It varies greatly. For the most part we have a lot of businesses that are supporting oil and gas or non-renewable development. We also have a lot of home-based businesses around crafts, those sorts of things. That's the majority at this point.

**Ms. Yasmin Ratansi:** My colleague, Nick, was talking about integration of services. In places where there is a mailman, he could take a picture of a pothole and tell the.... But in your case, there is no mailman, but there is another concept of integration that you could probably work on so businesses probably are partnering with Canada Post in some creative way to generate revenue. We talk about the UPS store that can give more retail business to Canada Post.

Do you have any such ideas that might help?

**Mr. Mark Heyck:** I do think it's important—and I sat in on the tail end of the last panel—to talk about collaboration and that overarching principle of collaborative thinking, and I do think there is merit in it. In certain communities and regional centres in the Northwest Territories we have local chambers of commerce. It would be interesting to have Canada Post speak more closely with those types of organizations to see what type of collaboration could happen.

In a place like Yellowknife, which is fairly unique in the territorial context, we have a broad range of businesses and business interests, so it's a little more dispersed, but certainly in some smaller communities there would be a lot of merit.

Canada Post, as a crown corporation, is often seen as a stand-alone government agency where, in the times in which we live, there could be more collaborative efforts to sit down with local business leaders to ask how we can all work together to not only help Canada Post but to benefit the local business community as well.

• (1140)

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

**The Chair:** We'll now go to our final two intervenors for five minutes each.

Mr. McCauley, you're up.

**Mr. Kelly McCauley:** Good morning. Thanks for joining us. I've very much enjoyed what you're having to say. It's very pragmatic and practical. I appreciate that.

Mayor, thanks for having us here. I'm looking forward to seeing a bit of the city on the way back to the airport today. You've made it very clear and we've heard very much throughout the last couple of weeks that there are—I don't want to say two different worlds—the large urban reality of Canada Post, which means one thing, and then out here in rural areas it means something completely different and something more important. I'm glad you talked about that a bit.

The task force did very extensive polling that showed that two-thirds of Canadians very much believe that we should subsidize the rural areas to keep Canada Post a lot more active. One of their suggestions was that there are 500 to 700 current Canada Post outlets right inside big cities that could be converted to retail outlets and the money saved used to subsidize where it's a lot more important, which is rural areas like this.

In Edmonton there are more than 20 Canada Post outlets within a 10-minute drive of my house, which I imagine you could only dream of.

Is it something that you would support, that we use—as the task force is suggesting—the resources that may not be needed in the big cities to keep it a viable option up here, where it is a community hub and a lot more important to the community, as you said?

**Mr. Mark Heyck:** It sounds like the Starbucks model, one on the corner of every block.

**Mr. Kelly McCauley:** Well, it's fantastic.

**Mr. Mark Heyck:** I think it's important for any government agency, crown corporation, or otherwise to conduct its affairs in an efficient and cost-effective manner. I don't want to speak to issues in southern Canada, but you asked about the need for subsidization for remote areas. A rationalisation of the operation is fair game, in my view, if those services can be provided in a more rational manner.

**Mr. Kelly McCauley:** We've heard across the entire country “community hub, community hub”. If you go into the big city and you mention Canada Post, you'll find out it's at the Shoppers Drug Mart and there are eight of them on the way to work. It's a different world up here and in quite a few other spots. It's an important community hub.

Ms. Brown, you mentioned one of your odd businesses was a tanning salon with something else. We heard yesterday a few other people wanting Canada Post to expand revenue. Canada Post's revenues are actually looking to go up about 16% over the next few years just because of parcel growth. Revenues are expanding. We heard yesterday and some other times that Canada Post should get into a lot of other businesses: selling books, licensing, insurance, travel. How do you think your local businesses would feel if they had to now compete against a government-subsidized competitor getting into their bailiwick?

**Ms. Sara Brown:** I would think that they would have an issue with that. It's just because of low volumes, no matter what, that we end up with these combined businesses. You can't make a living just as a travel agent, so you put in a tanning bed. I think it would be better, if you had to pick between the two, to be talking about giving them those opportunities than for Canada Post to be taking over those opportunities.

**Mr. Kelly McCauley:** That is pretty much everything I have. Is there anything else you think Canada Post could be doing? We heard about broadband. I think my preference would be, if there were a Rogers or someone already providing service, to throw some money at them to help expand it rather than put it in Canada Post and have people travel to use a desktop at a Canada Post office. Who is providing Internet up here right now?

**Ms. Sara Brown:** We have Northwestel, and we have another private provider as well. It's still using Northwestel's—

• (1145)

**Mr. Kelly McCauley:** Maybe provide some infrastructure help for them rather than just running a line to a Canada Post office.

**Ms. Sara Brown:** It's not a little infrastructure help, it's—

**Mr. Kelly McCauley:** I mean provide a lot of infrastructure help rather than running a fibre line to a Canada Post office and have people walk in there.

**Ms. Sara Brown:** We have 10 of our 33 communities that currently only have satellite service.

**Mr. Kelly McCauley:** I used to live in a rather remote area, so I understand.

Thank you very much.

**The Chair:** Our final intervenor will be Ms. Shanahan for five minutes, please.

**Mrs. Brenda Shanahan:** Thank you, Chair.

I'm thinking about that last mile delivery. Bring back the dog sled; I think that would be terrific. Think of the ecotourism, and so on.

Certainly you have your challenges here. It's a completely different reality, and it goes to the essence, the role of Canada Post, as we heard from our postal historian in the first panel, and from you, Your Worship. This is what Canada Post was built for; to be that glue, that lifeline, between the south and the north, and it's only going to get greater as we go forward because the economic opportunities are there. The north is only going to become more developed and more important to our national identity and economy.

That being said, the Canadian government has a role in delivering services from coast to coast to coast; and that's a challenge. Citizens very often are not even aware of the services that the Canadian government can offer them.

Do you see a role for Canada Post to play in delivering services, a Service Canada type of addition to the community hub, especially in these remote communities?

I'll start with Sara.

**Ms. Sara Brown:** Yes, absolutely.

I think there's a great opportunity there. Something as simple as getting a passport; certainly some of the steps could be looked after at the local hub and that would be very beneficial. Right now, there's no way to even get a picture done. There's no photographer; lots of the communities can't even issue drivers' licences. There are definitely some opportunities there.

**Mrs. Brenda Shanahan:** What would it take, do you think? Do you need to have a full-out infrastructure to deliver that or are we talking about a counter, maybe, in the travel agency or whatever?

**Ms. Sara Brown:** I think it varies from community to community and how rigid they need to be about the nature of how the service gets delivered. We tend to be a little softer about how services get delivered here because we know they're so complicated to deliver here.

**Mrs. Brenda Shanahan:** There could be some flexibility around that.

**Mr. Mark Heyck:** I think over the last several years there's been a considerable amount of talk about Arctic sovereignty and what that means, and particularly what it means for northerners. I think all northern communities can agree that it means maintaining populations in the most northern and remote parts of our country. I think a lot of communities feel challenged to remain viable and feel viable because they are so isolated and remote from the major centres, and I count Yellowknife in that category.

I think there probably are opportunities to look at that Service Canada model to see what capacity exists in these very small communities to connect them more to their national government and the services the national government provides.

**Mrs. Brenda Shanahan:** That's excellent. Just as a case in point, we heard from the last panel about the nutrition north program and what happened there; that it was changed to a subsidy to retail services.

What are your thoughts? Is it a good idea or not to bring back nutrition north?

**Ms. Sara Brown:** I hear conflicting messages on that. Definitely there's a desire for more subsidies and that it still is pretty expensive in the communities to shop and try to eat healthfully.

**Mrs. Brenda Shanahan:** Maybe we need more studies on that.

**Mr. Mark Heyck:** We're not eligible for nutrition north in Yellowknife, so I would leave it to what Sara's hearing.

**Mrs. Brenda Shanahan:** That's very good. More study is needed there to see if Canada Post has a role to play or not.

**The Chair:** To both panels, thank you very much for being here, for taking the time out of your day, and for your testimony.

Should you have any additional information you wish to bring forward for the benefit of our committee during our deliberations, I would invite you to please submit it to our clerk within the next 10 days to two weeks since we'll be tabling our report in Parliament probably in the latter part of November or at the latest, early December.

Once again, thank you. Your Worship, thanks for your hospitality and your warm greetings. The meeting is adjourned.

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