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# Standing Committee on Government Operations and Estimates

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Chair: Kelly McCauley





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Tuesday, November 4, 2025

• (1100)

[English]

**The Chair (Kelly McCauley (Edmonton West, CPC)):** I call the meeting to order.

Good morning, colleagues. Welcome to meeting number 13 of the House of Commons Standing Committee on Government Operations and Estimates.

We are doing just one hour today because of the budget. We're going to get right to it.

We have four opening statements.

Before we start, to those of you who are online, I'll introduce you after the people here in person give their opening statements.

Colleagues, because there are four witnesses, half here and half by video conference, when you're asking a question, please state directly who the question is for so that we don't have our in-house witnesses talking over our virtual witnesses or vice versa.

We'll start with Mr. St-Amour, please, for five minutes. We're short on time, so please keep to the time allotted and save me from cutting you off.

Go ahead, sir.

[Translation]

**Normand St-Amour (Mayor of the Municipality Chute-Saint-Philippe, As an Individual):** Good afternoon, Mr. Chair and vice-chairs.

I'd like to thank the Standing Committee on Government Operations and Estimates for inviting me to participate in this meeting.

I have been the mayor of the municipality of Chute-Saint-Philippe for 16 years, and this year I am beginning my fifth term. I'm also the executive director of the Municipality of Lac-du-Cerf. Both municipalities are located in the RCM of Antoine-Labelle, in the Upper Laurentians.

The municipality of Chute-Saint-Philippe has 1,100 residents and covers an area of 322 km<sup>2</sup>. It is important to understand that, in its most densely populated area, there is one residence every 200 feet. Because there is no sewer or water system, the community is sparsely populated, and travel times are long. It takes 20 to 60 minutes just to get to Mont-Laurier, the largest town in the region. During the postal strike in September, we got a glimpse of what postal service in rural areas would be like following the announcement by Minister Lightbound.

For the delivery of voter cards for municipal elections, we had to deal with GLS, a mail delivery subcontractor. Our municipality, which has a population of 1,100 people, had to pay \$30 per voter, which is a huge amount for a municipality of this size. That price is high because we're not in Montreal or Laval. There's no competition here, and companies know that they can charge whatever they want.

Municipalities already shoulder a lot of responsibility. If, on top of that, they lose access to Canada Post's public service, it will be the public who will pay the price, and much more dearly.

I would also like to draw the attention of parliamentarians to the issue of decision alignment, the alignment of your decisions. Municipalities are local governments. They have legal obligations under provincial and federal regulations. Notices of non-compliance regarding urban planning, the environment and animals, as well as official letters, must be sent by mail in accordance with the law. Emails are not valid.

If there is no longer a postal service, representatives of municipalities like mine have to travel 27 km back and forth between the city hall and the post office in Mont-Laurier. Who is going to pay for that travel? It will be the taxpayers of the municipality of Chute-Saint-Philippe.

On the one hand, we're told that the postal service is running at a loss and that we need to go digital, but on the other hand, the government requires us to operate like it's 1960, when mayors, senior management and city councils were dependent on your decisions.

Another important alignment is with the objectives of the Quebec government, which currently has nearly 1,000 municipal governments, such as Chute-Saint-Philippe. In addition, Chute-Saint-Philippe is an age-friendly municipality. Of the 1,200 municipalities in Quebec, about 1,000 are age-friendly municipalities. Our goal is to enable our seniors to remain in their homes for as long as possible and to offer them a good quality of life in their communities. This requires the implementation of public policies, facilities and services tailored to citizens.

Now the federal government has just eliminated the only service it offers directly to the public. We are asking you to be consistent for our seniors. This is also a matter of regional vitality, economic and civic attractiveness, and the survival of the heart of our villages. On that note, I would like to point out that it would be appropriate to maintain postal outlets in our stores. Our convenience stores, pharmacies and other businesses could be places where these services are offered, which would provide merchants with additional revenue and direct assistance in the region.

Mr. Chair, Chute-Saint-Philippe is 202 km from Gatineau and 235 km from Montreal. For parliamentarians who are not familiar with Quebec, that is almost the distance between Edmonton and Calgary.

• (1105)

We need to have an efficient parcel delivery service. If this service is transferred to private service providers, once again a private monopoly will be imposed, and delivery costs will skyrocket.

The federal government plays a minor role in regional development, and it remains completely absent when it comes to land use planning.

[English]

**The Chair:** I'm sorry, Mr. St-Amour. We're well past our time. I have to cut you off there in order to hear from the other witnesses.

If you have anything else, you're welcome to submit both your brief and anything else in writing to the committee. That will be distributed and treated with equal weight as your verbal testimony.

Mr. Aubie, we'll go to you, please, for five minutes.

**Michael Aubie (Manager, Advocacy, Policy and Public Affairs, Federation of Canadian Municipalities):** Thank you so much.

Hello. *Bonjour*. Thank you for the invitation to speak today on this important matter.

My name is Michael Aubie. I'm the manager of advocacy for the Federation of Canadian Municipalities.

[Translation]

The Federation of Canadian Municipalities, or FCM, is the national voice of municipal governments.

[English]

Our members include more than 2,000 municipalities of all sizes, from Canada's cities and rural towns to northern communities, and 18 provincial and territorial municipal associations.

I'm going to make two key points in my opening statement.

The first is that no changes should be made to Canada Post's mandate or service charter without thorough public review, including meaningful engagement with local governments. Canada Post's financial challenges present an opportunity to innovate, explore new sources of revenue and support housing and economic growth in rural communities.

FCM is most concerned about the future of Canada Post from the perspective of rural communities. Rural Canada is home to 6.3 million Canadians, or 15% of Canada's population, and contributes to nearly a third of Canada's GDP. Simply put, Canada can succeed only if rural Canada is thriving.

Currently, Canadians rely on over 3,000 rural postal offices. Rural postal services enable residents and businesses to receive government benefit payments, banking and insurance and to send and receive products from local businesses across Canada and around the world.

[Translation]

In addition, Canada Post offers services tailored to more vulnerable individuals, such as seniors.

[English]

Post offices and rural postal services are a lifeline for rural and remote communities. Municipal governments, like provincial and territorial governments and, in fact, the federal government, continue to rely on postal services to provide essential public services to Canadians. Tax collection and communication with property owners continue to be carried out by mail, and changes to postal services can impact municipal operations, as Mayor St-Amour mentioned. We have seen this with the disruption of recent municipal elections in Alberta, Quebec and Newfoundland and Labrador.

FCM recognizes that Canada Post is facing significant financial pressures, and municipalities understand that Canada Post needs to modernize. FCM encourages the federal government to look for opportunities to modernize the corporation, diversify its revenue streams and, most importantly, leverage its national footprint to support housing and economic development in rural and remote communities. By reimagining Canada Post's role, we can help to ensure its long-term sustainability while delivering real benefits to Canadians, especially those in regions that are too often underserved.

FCM encourages the federal government to look for ways that Canada Post can strengthen its role as a connector through a community hub model. A community hub model could support business and government services at post office locations, especially in rural, northern and underserved communities. Canada Post offices are often the only federal footprint in small and rural communities. They can be leveraged to increase the reach of federal programs and services, as well as other public and private services.

FCM also sees an opportunity for both Canada Post and communities with a shortage of affordable housing. Public lands should be leveraged to help provide affordable housing. Canada Post has over 5,700 post offices across Canada, of which many are one-storey sites, underutilized and located on main streets in rural Canada. Some of these locations offer an opportunity to meet additional housing needs in rural communities, including for affordable housing. As Canada Post works to improve its balance sheet, co-locating prefabricated affordable housing on suitable Canada Post sites could generate revenue for Canada Post, support the modular housing sector and help the federal government address its affordable housing objectives.

Budget 2024 announced the government's intention to launch a new Canada Post housing program to support affordable housing providers to build on Canada Post properties. More recently, with the announcement of Build Canada Homes, the opportunity exists to address the urgent need for supportive, deeply affordable and non-profit housing. FCM fully supports these goals and encourages the federal government to pursue housing development as part of broader efforts to modernize Canada Post.

With that, I'll close my opening statements. Thank you so much. *Merci beaucoup.*

• (1110)

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

We will now go to our virtual witnesses.

We'll start with Ms. Piché, for five minutes, please.

The floor is yours.

[*Translation*]

**Mariève Piché (Chief Executive Officer, Centre d'action bénévole Léonie-Bélanger Inc.):** First of all, I would like to thank the Standing Committee on Government Operations and Estimates for inviting me to testify today.

The Centre d'action bénévole Léonie-Bélanger is a non-profit organization. It offers a variety of services that support the continued independence and social engagement of people aged 60 and over. These services are coordinated by a salaried team, but are mostly offered by volunteers who work within the organization. Currently, 12 employees and more than 150 volunteers work together to provide services to more than 1,500 people aged 60 and over with the goal of maintaining their independence. The services we provide include meals on wheels, accompaniment and transportation to medical appointments, home visits and much more.

Our organization is a member of the Fédération des centres d'action bénévole du Québec. It is located in Mont-Laurier, in the Antoine-Labelle RCM, a remote rural region that covers nearly 15,000 square kilometres. Our territory is characterized by low population density, vast distances between municipalities and limited access to public services. With a population of nearly 38,000, more than a quarter of whom are aged 65 and over, our territory is marked by remoteness, aging and vulnerability. For these citizens, the post office isn't a luxury, but an essential service.

As the executive director of the Centre d'action bénévole Léonie-Bélanger for five years now, I've seen the negative effects of the recent Canada Post strikes on our organization, our users and our volunteers. These strikes foreshadow potential service disruptions related to the reform of Canada Post for rural communities, and I anticipate the negative impact this will have on our seniors.

Shutting down postal service during the strike periods resulted in financial losses for our organization and increased complexity in managing communications. It's important to understand that only 10% of our users use digital tools such as email and online bill payment. As a result, we have to send bills for more than 300 customers by mail every month. About half of them return their payment by cheque in the mail. A delay in receiving their bill results in a delay in their payment, which has an impact on our organization's cash flow.

For the vast majority of our senior users, who have always been accustomed to receiving their mail at home, a service interruption disrupts their routines, increases their feelings of isolation and causes them a great deal of anxiety about not being able to pay their bills on time.

There are also communication issues for our volunteers, whose average age hovers around 70. A larger proportion, about 75%, use digital tools. However, we have to look at the 25% who need to be reached in other ways.

Our volunteers are used to receiving our communications by mail. I'm thinking in particular of invitations to events, the seasonal newspaper, the convening of our annual general meeting.

For the past year, we've been trying to make a shift to digital, but it has been more difficult than it seems. We have had some setbacks and experienced situations where some of our valued volunteers felt, despite our best intentions, forgotten and undervalued. For an organization like ours, whose services depend entirely on volunteers, this is a significant problem.

In closing, I would like to emphasize that we cannot currently base significant changes to postal services on a digital shift for everyone. Today, I'm speaking on behalf of seniors living in rural areas, those who don't have access to digital tools, and those who would like to use them but are deterred by all the stories of online fraud.

Every week, our volunteers assist people who feel completely helpless when they have to complete online procedures required by organizations. Many of our seniors still feel neglected and overwhelmed by a system that is evolving without them and is very difficult for them to access.

It's not just the digital issue. There's also the issue of mobility. In a large region like ours, receiving mail at home is an essential service. Many of our users are unable to travel on their own, either because they don't own a vehicle or because they no longer drive. I won't even mention public transit, which is practically non-existent in our area.

• (1115)

Areas like ours are no exception in our vast country, with over 4,000 rural regions.

I am therefore asking you today to remember that, for millions of seniors in Canada, the mail is far from an outdated service. Rather, it is an essential service.

Thank you.

[English]

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

Ms. Monger, we'll turn the floor over to you for five minutes.

[Translation]

**Karine Monger (Chief Executive Officer, MRC du Golfe-du-Saint-Laurent):** Good morning, Mr. Chair.

Thank you very much for inviting me to appear before you today.

My name is Karine Monger. I am the chief executive officer of the Gulf of St. Lawrence regional county municipality, or RCM.

I'll start by explaining where we are located. We're 1,500 kilometres east of Ottawa, in the easternmost part of the province of Quebec. The vast majority of the RCM's area isn't connected to a road. We're located right on the Labrador border, in the easternmost part of our region. There is a road link that is accessible either from Labrador or the Maritimes.

Today, I want to talk to you about Canada Post services and the need for those services in my region. We've heard from others before. However, what I want to tell you is that Canada Post continues to be the only way to receive envelopes or parcels in our small RCM. All deliveries in our region are done strictly by Canada Post.

Our region has a small population of about 5,700 people. They live along the coastline in small villages that, as I said earlier, are not connected to each other. The mail is delivered to us mainly by air. We are also subject to the weather, which means that these deliveries obviously depend on good weather.

As I said earlier, we have post offices in each of our small communities. Canada Post is the only service we have in our region. All the other services you might think of—private companies, for example—don't exist in our region. Again, we are strictly serviced by Canada Post.

How does that work? For example, if I order something from Ottawa, it's shipped to Sept-Îles. Then, through a private carrier, it's transferred with Canada Post services, and then the mail is transported to our region.

You can imagine that during a strike, as was the case in the fall of last year and, more recently, this fall, everything grinds to a halt. No other services come to our region. Everything is paralyzed,

which means not only sending envelopes and parcels, but also basic services. Think of medications that are normally shipped by mail, eyeglasses or any other item like that. That's significant.

We really need the services of Canada Post. We have to make sure that other measures are put in place for our population during a strike, so that we can address this problem and provide a basic service to our population. As I said earlier, our region is completely paralyzed without Canada Post services.

People have mentioned that they have to travel kilometres to get to the nearest town. In our case, it isn't possible. If someone has to travel to buy school supplies, for example, during a strike—a situation we experienced—there is no way for us to get in our car and get around. You literally have to take a plane to go to a store that, it must be said, isn't close to our region.

We believe that Canada Post's services are necessary. They are unique, and it is important to take all that into consideration for our RCM and to ensure that we maintain a minimum of services.

As I said earlier, we have post offices in each of our communities. Our mail is delivered by air. We therefore ask you to consider the fact that we are isolated and that, when a strike is called, everything in our region comes to a standstill.

• (1120)

It's extremely important that you remember all of this as you go forward. It's also important that you take this into consideration in the upcoming review.

[English]

**The Chair:** Thanks very much.

We'll start with our six-minute rounds with Mrs. Block.

Please go ahead.

**Kelly Block (Carlton Trail—Eagle Creek, CPC):** Thanks very much, Chair.

I will be splitting my time with Ms. Marie-Hélène Gaudreau and I will try to keep my intervention short.

During the moratorium, which has now been lifted, there were more than 600 closures of postal offices, many in rural and remote communities, often due to an inability to recruit a retired postmaster or the loss of retail space and the inability to replace it. For a senior in my riding, a closure of a rural post office could mean the difference between having to walk down to main street to get their mail as opposed to driving 20 or 50 kilometres down the road to another community.

Mr. Aubie, my question is for you.

As an advocate for all urban municipalities, regardless of their size, are you aware of any criteria or parameters that have been put in place to guide the closures of post offices designated as rural, despite the minister's verbal assurances that it will apply only to certain post offices?

• (1125)

**Michael Aubie:** At this time, we're looking for more information. As I initially indicated, fundamentally, the Federation of Canadian Municipalities believes that all municipalities need to be consulted as part of this process. The definition of "rural", I know, certainly can be a challenging one, not just for Canada Post, but for the FCM, and I'm sure for this committee as well.

That said, though, certainly we believe it's critical when it comes to these rural locations that there is adequate service. As I mentioned, and as many of the witnesses so far have indicated as well, Canada Post is fundamentally a lifeline for many of these rural communities.

**Kelly Block:** Then you would say that it's still not clear as to what the criteria will be for the closure of these rural post offices, given that they're lifting the moratorium—just a simple yes or no.

**Michael Aubie:** I'm not clear what the criteria would be at this time...only to reinforce that certainly municipalities would want to be a part of those conversations.

**Kelly Block:** Thank you very much.

I'll pass this over to my colleague.

**The Chair:** Madam Gaudreau, please go ahead.

[*Translation*]

**Marie-Hélène Gaudreau (Laurentides—Labelle, BQ):** Thank you, Mr. Chair.

I'd like to thank my colleague for giving me this time.

Mr. St-Amour, first of all, congratulations on your re-election. You've been the mayor of your municipality for over 16 years now. Bravo.

I didn't know that municipalities had to pay \$30 per voter. I'm at a loss for words.

You said that your municipality has 1,100 citizens. Who is going to pay that \$30,000?

**Normand St-Amour:** The residents of the municipality. We will have to build those costs into the current budget at the local level, and they will be reflected in the taxes.

**Marie-Hélène Gaudreau:** Have you been offered a solution so that it doesn't affect your budget?

Everyone knew that municipal elections were scheduled for September 25. It was to be expected that the union would say that it wouldn't go any further.

**Normand St-Amour:** We haven't received any compensation. However, we were reminded that we had an obligation to deliver the voter information cards.

**Marie-Hélène Gaudreau:** What do you expect in terms of alignment when a new formula, a reform, is adopted?

There is one analysis after another, and then the possibility of a moratorium is raised all of a sudden.

What do you expect from the consultations organized by the department?

**Normand St-Amour:** I expect departments and the federal government to consult municipalities on what's going on in their communities. In Quebec, land-use planning, the environment and all the related by-laws, pollution, new construction and building renovations, are all managed by the municipality.

We are still required by law to send notices related to these issues to our citizens by mail. At the very least, the laws should be amended to allow us to communicate electronically with our citizens or to use another method. Right now, for every letter we are required by law to send out, it costs us about \$30 when we have to use a service provider that is not Canada Post. Things that come to mind are non-compliance notices for environmental release, construction in a side yard or renovation work beyond the approved time frame.

In a lot of cases, municipalities must use the mail to communicate with their citizens to avoid potential legal issues and to inform them, obviously.

Many regulations should be aligned, at the federal and provincial levels, so that communicating by mail is no longer mandatory.

**Marie-Hélène Gaudreau:** How much time do I have left, Mr. Chair?

[*English*]

**The Chair:** You have 25 seconds.

[*Translation*]

**Marie-Hélène Gaudreau:** Let's say we go digital. Is that a viable option considering the poor cellular coverage, and the challenges around Internet access?

**Normand St-Amour:** There is no cellular coverage in Chute-Saint-Philippe, just like in most rural municipalities.

That said, more than 50% of Quebeckers do not have digital literacy skills. They know enough to get by, but that's it.

• (1130)

**Marie-Hélène Gaudreau:** Thank you very much, Mr. Chair.

[English]

**The Chair:** Thank you.

We'll go to Ms. Sudds, please, for six minutes.

[Translation]

**Hon. Jenna Sudds (Kanata, Lib.):** Thank you, Mr. Chair.

Ms. Monger, have there been any communication between your municipality and Canada Post?

How important are Canada Post's services to the operations of your municipality?

**Karine Monger:** We certainly use Canada Post's services a lot as individuals, but also for the operations of our municipality. As I said earlier, those are the only services available in our area, the only way we have to communicate with our citizens. We use those services every day.

I would say that communication with Canada Post is difficult. It's hard to navigate through the organization and find the right person to talk to when we need information about services, contracts, mail delivery in our RCM or air service contracts for mail delivery.

**Hon. Jenna Sudds:** Thank you very much.

[English]

My second question is for Mr. Aubie.

You made some comments in your opening remarks with respect to leveraging the opportunity of the multiple locations of Canada Post across this country and looking at opportunities for affordable housing. I'd love to hear a bit more of your thoughts on that and on your discussions within FCM as we move forward in providing input on that.

**Michael Aubie:** Certainly, I think, all Canadians from coast to coast have seen that right now there are real challenges when it comes to affordable housing. Really, when we reimagine Canada Post and what it will be in the future, we see an opportunity to help address the need for affordable housing for Canadians.

As for leveraging that opportunity, what we see is that we have post offices right across this country, many times underutilized, and to us that presents an opportunity in terms of being able to free up space on those existing sites, either for constructing new homes or for leveraging modular housing in particular, which we think is an exciting new opportunity that's coming up.

We would encourage this committee and Canada Post to explore that as a potential option as well, not just for being able to support Canada Post financially going forward, but also for being able to identify additional affordable housing for Canadians.

**Hon. Jenna Sudds:** Again for Mr. Aubie, how would you like to see your FCM membership engaged in terms of consultations on the future of Canada Post?

**Michael Aubie:** Certainly, it is about an ongoing conversation. We want to be at the table as these discussions begin to occur. As we've said, especially for rural Canada—that's where our primary concern is at this time—Canada Post is a lifeline for these communities. We want to ensure that on any change that may occur our members are at the table.

Fundamentally, if Canada Post, for example, is looking at making changes to rural postal services in a particular community, we would expect that there would be consultation with that community. Additionally, at a higher level, FCM is here and is ready to speak directly, not just with the committee today, but also with the minister and the department as changes are being contemplated going forward.

**Hon. Jenna Sudds:** Incredible. Thank you for that.

As we contemplate at this committee the reality that Canada Post is losing roughly \$10 million a day and as we discuss the work that's under way within Canada Post in looking at how best to modernize, how, from your viewpoint, can that work proceed while taking in both a rural and an urban lens?

**Michael Aubie:** I'll give you a great example.

For example, I know that Canada Post recently has begun exploring additional banking services. A good example of this is the KOHO announcement for just online banking. That's certainly an interesting idea to generate additional revenue and to provide critical banking services to Canadians, whether urban or rural, but admittedly, access to banking is more of a rural challenge right now.

The one thing I would say on that front is that while it's commendable that it's doing that activity, for so many rural Canadians—as noted by other witnesses here today—there's a real issue right now for cellular and digital connectivity for rural Canada. When you're looking at banking services such as the KOHO one, which is an online bank, it just fundamentally underscores the need to make sure that you also have that bricks and mortar service there as well. We need to make sure that the post office itself is physically located there if you're going with a digital banking service.

Really, we just want to be able to ensure that as it is exploring different options—such as, for example, banking—we still have that bricks and mortar access as well for those Canadians, because so many rural Canadians don't have easy access to digital or even cellular connectivity.

• (1135)

**Hon. Jenna Sudds:** Thank you very much.

**The Chair:** Madam Gaudreau, please go ahead.

[Translation]

**Marie-Hélène Gaudreau:** Thank you very much, Mr. Chair.

Ms. Piché, thank you very much for joining us and for representing our aging population.

You said you've worked in the RCM of Antoine-Labelle for many years.

I'm concerned for seniors. You said you provide important escort and transportation services to seniors in the RCM, especially those who live in Mont-Laurier.

I'm also worried about the digital shift. The population is being asked to go online. Meanwhile, the current laws contain no safeguards against possible fraud.

How are seniors adapting to this shift?

They must be wondering whether the information they're getting is real and whether they should continue receiving mail.

**Mariève Piché:** That's a complicated question.

We talked about digital literacy earlier, meaning everything that relates to knowing how these tools work.

I know that many of the seniors we work with want to adapt and keep up with the times. That said, many have contacted us over the last few months, because they were the victims of digital fraud, as were some of their loved ones. It completely turned them off learning about digital tools or getting those tools.

A lot of things are happening right now in relation to the digital space.

**Marie-Hélène Gaudreau:** Mr. St-Amour talked about the cellular coverage issue.

I know your RCM did something about Internet access, but what about other municipalities you work in, other places where your volunteers go to help seniors?

**Mariève Piché:** In some municipalities, it's complicated. The Internet is still not available everywhere.

When it comes to technology, some smaller municipalities further north in the RCM don't have Internet access.

**Marie-Hélène Gaudreau:** What about seniors who don't use digital tools? You said that 25% of your volunteers don't use digital tools either. You have to take them into consideration. They really need you.

During the pandemic, the postal system was often used to communicate information to your volunteers and those seniors.

**Mariève Piché:** All our official communications are sent by mail, because we can't use email. You talked about the 25% of volunteers who don't use digital tools. I need to point out that only 10% of the seniors we provide home support to use digital tools.

That means 90% of the seniors we work with don't use those tools. They don't have an email address, a computer or a cellphone. That means we have to use the mail to send them our official communications, or call them.

**Marie-Hélène Gaudreau:** Thank you very much, Ms. Piché.

We all have to be more vigilant. I don't know whether it's happened to you, Mr. Chair, but sometimes we get text messages from

international numbers. I can understand why seniors are hesitant to use digital tools.

Ms. Monger, thank you very much for joining us.

Although the sound cut out a little before, you don't need to worry; we heard most of what you said.

You were scheduled to appear before the committee a while ago. Could you tell us what happened?

• (1140)

**Karine Monger:** Yes, I can.

I didn't receive the committee-approved headset in time. It was supposed to take two weeks to send it to me from Ottawa, which means it would have arrived after my scheduled appearance. I think I was supposed to appear on October 23 at first, so we had to postpone, because I didn't have the headset.

That said, I'd like to take this opportunity to thank Marilène Gill's staff for sending me the headset. She is our MP.

The headset was sent from Sept-Îles, so that I would get it in time for the meeting. This is a good example of how postal service delays can be problematic. We have to deal with serious delays, because of how far we are and because Canada Post is the only service provider in the area.

**Marie-Hélène Gaudreau:** There's something I find somewhat troubling. You talked about the issues related to the delivery of medicines, but we also have to think about medical equipment. We've heard of people in Îles-de-la-Madeleine who need supplies for their ostomy. They can't wait two weeks.

They say a maximum of two or three deliveries a week might be possible at some point. Have you been consulted on that? Were you told your situation is not like the others?

**Karine Monger:** We were never consulted.

As I said, Canada Post is the only delivery service provider in our area. If service is disrupted, we don't have another option. You talked about the delivery of medicines. That is certainly a basic needs issue.

You asked about limiting delivery service to two or three times a week. That's what we have now. We already get our deliveries by airmail, and under the contract for our region, mail is delivered three days a week.

**Marie-Hélène Gaudreau:** In short, you don't want an even more limited delivery service.

My time is up.

Thank you, Mr. Chair.

[English]

**The Chair:** Mr. Patzer, go ahead, please. You have five minutes.

**Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC):** Thank you very much, Mr. Chair.

Thank you to the witnesses for coming.

I want to pick up on the thread about access to services. I have a letter from one of the villages I represent here. They have to send in water samples weekly, and they have only Canada Post as an option to send that.

Mr. Aubie, I guess this one is for you. I think the definition of “rural” is a very important piece. Do you have handy FCM's working definition of rural?

**Michael Aubie:** I don't have a clear definition that I'd be prepared to give today of what I think you're looking for. That said, I'd be more than happy to follow up with the clerk.

**Jeremy Patzer:** Is that something you could follow up with this committee on—the working definition that FCM uses for rural?

**Michael Aubie:** Yes. As I said, sir, I would be happy to follow up with the clerk in order to provide for you.

**Jeremy Patzer:** Sorry. Thanks. I would greatly appreciate that.

There's also the business element. In many of these small towns, people are trying to set up small businesses. The service sector is large in small communities. Again, when there is only one option for getting delivery, whether it's parts, whether it's merchandise, or whatever it might be, I think that really underscores the need for rural communities to maintain their post office box.

In the conversations you have with your membership, what are you hearing from them in regard to operating small businesses in these rural and small urban communities?

**Michael Aubie:** Yes, Canada Post services are absolutely critical in order to have small businesses function. There was a study out recently. The CFIB noted that 44% of rural and remote businesses said that losing Canada Post services would seriously impact them.

Fundamentally, it's about competitiveness for our country. We need to ensure that our rural and small-town business owners are able to compete globally. In order to do that, we need to have access to services such as Canada Post.

You're absolutely right. We need to ensure those services are available, so that they can succeed.

**Jeremy Patzer:** Seniors typically choose to live in or move out to rural communities because they can afford a house there. For your proposal around affordable housing, it seems to me that it would fit into a large urban centre. I'm just wondering, have you all considered the impacts that this potentially could have on smaller communities if the government isn't very clear on how they're defining “rural community”?

• (1145)

**Michael Aubie:** Yes. From our perspective, certainly, we see this as an opportunity.

When it comes to affordable housing, really, we see a lot of the opportunities within rural Canada, or at least in what many of us would consider to be rural Canada, such as, for example, being able to use those underutilized post offices for affordable housing,

whether it be for seniors or for any Canadians in rural Canada. For example, many of these post offices have significant real estate along with them. We see an opportunity to leverage modular housing, for example, in order to provide more housing within communities.

At the end of the day, really, we believe that these public lands should be utilized in order to help Canadians build their houses.

**Jeremy Patzer:** How many of your members use their own houses for post offices? I know that's a common thing in my neck of the woods. There are a lot of little villages where they're in somebody's house or maybe the village, or the RM has moved in an ATCO trailer and they're actually run out of an ATCO trailer on site.

How common is it? Are you aware of that?

**Michael Aubie:** I'm familiar with the practice. I would respectfully suggest that Canada Post would be able to provide you the most recent numbers on the number of postmaster-provided locations.

Certainly, it's significant. I wouldn't want to speculate with the committee on the exact numbers, but it's something that I'm certainly aware of, and there's a large number of them. It's a very common method of postal service within rural communities.

**Jeremy Patzer:** I think it would be fair to say—and I would expect that you would agree—that this signifies the importance of the service it provides to our rural communities, correct?

**Michael Aubie:** Absolutely. Again, Canada Post is a critical element of the services for rural communities. Fundamentally, we want to see Canada Post thrive and succeed, because when Canada Post is doing well in that way, rural Canada has the opportunity to be able to succeed as well.

**Jeremy Patzer:** Thank you.

**The Chair:** We'll go to Ms. Rochefort, please.

[*Translation*]

**Pauline Rochefort (Nipissing—Timiskaming, Lib.):** Thank you, Mr. Chair.

Mr. St-Amour, I too would like to congratulate you on your re-election. As Ms. Gaudreau said, you've been mayor of your municipality for 16 years. That's impressive.

I really appreciated your remarks. Quebeckers were worried about the postal strike and the potential impact it would have on the elections. I kept a close eye on the situation, and I think the elections went well.

You talked about the \$30 delivery fee per constituent. That's steep, and it makes you realize how important Canada Post's delivery services are.

That said, you've raised a very important issue. It's also nice to know that citizens will continue to receive their municipal communications by mail. Your remarks really highlighted the importance of Canada Post's delivery services.

I have two questions for you.

You talked about the municipal perspective, and how important the services provided by Canada Post are for your municipality in the context of an election.

During this last election, did your citizens say anything to you about Canada Post? If so, do you remember what they said?

**Normand St-Amour:** They pointed out that, because of the postal strike, mail-in voting was impossible. Canada Post couldn't deliver ballots within the legally set deadlines. As a result, during the last election, mail-in voting rates were much lower than usual. In Chute-Saint-Philippe, for example, half the letters were returned.

Constituents had to travel hundreds of kilometres to vote. It's important to know that most of them own a cottage in the area, but that their main residence is in town. They came in to drop their ballot directly in a municipal mailbox.

Another issue is tax statements. To comply with deadlines prescribed by another law, we'll have to start sending those statements to our citizens in the next two or three months. We'll be faced with the same problem. If Canada Post can't deliver within the legally set deadlines, we'll have to find another solution. Right now, there is none, and if there is, it's expensive.

It's important to note that the Internet has been available in our municipality for only two or three years. Digital services, or even digital technology in general, is not something our citizens are used to. They don't trust it. They keep hearing about things like fraud.

They trust Canada Post.

• (1150)

**Pauline Rochefort:** Well said.

I noted that your municipality is part of Quebec's age-friendly communities program.

My next question is about mail accessibility. Is your municipality aware that Canada Post has a service to help people with functional limitations, such as seniors who have trouble getting to the post office?

Are you aware that the service is available?

**Normand St-Amour:** I'm familiar with the peer support program and the transportation support service.

I know there's an accessibility service, but I'm not very familiar with it.

**Pauline Rochefort:** Thank you, Mr. St-Amour.

Ms. Piché, your organization has a lot of volunteers. I commend you on the work you're doing.

I have the same question for you.

Are you familiar with the delivery accommodation program? It's to help people with functional limitations access their mail.

Canada Post can provide home delivery to customers who have difficulty going to their mailbox, for example.

**Mariève Piché:** No, I have to admit I'm not aware of that program.

Is it through Canada Post?

**Pauline Rochefort:** Yes, it's a Canada Post program.

**Mariève Piché:** We are not familiar with it, unfortunately.

**Pauline Rochefort:** Ms. Monger, at the Golfe-du-Saint-Laurent regional county municipality, or RCM, are you familiar with the service?

**Karine Monger:** No, I'm not familiar with it either.

**Pauline Rochefort:** I see.

Thank you, Mr. Chair.

**Karine Monger:** Thank you.

[English]

**The Chair:** Madam Gaudreau, you have two and a half minutes.

[Translation]

**Marie-Hélène Gaudreau:** See how useful committee meetings are, Mr. Chair. People find out things they didn't know. Municipal elections were just held, and people are finding out about an available service only now. From now on, they are going to use it.

I want to use the little bit of time I have left to shine the light on how the needs of rural areas differ from those of urban centres. We've already talked about that. It's one thing to have a compartment in a community mailbox that is 500 metres away. By the way, that's what we have in my region. However, if there is no public transit for people to get to the post office in the main town, that is another thing.

What is the reality in rural areas? I'd like to hear the witnesses' comments on that. Let's not forget that Saskatchewan, northern Manitoba and the Maritimes are all home to communities with exactly the same needs and realities we are talking about today.

Do you feel that you are being heard, that the reforms at Canada Post are taking your respective needs and realities into account?

Mr. St-Amour, you can go first.

**Normand St-Amour:** No, we don't feel heard. It's as though only the needs of urban centres are being taken into account and rural areas are being disregarded.

I live in the village of Chute-Saint-Philippe, and even within the village limits, I have to drive two kilometres away to get to my mailbox. People who live outside the village have to drive 10, 15 and even 20 kilometres to get their mail.

All our villages are in the same boat. They were built around farms started by our grandparents, when people were settling in the northern part of the country. The concessions are big, and the rural roads separating them can be far apart. Houses are at least 200 feet apart, so the distance adds up in no time.

**Marie-Hélène Gaudreau:** Ms. Monger, do you feel respected?

**Karine Monger:** Thank you for your question.

No, we don't feel respected. We are in much the same boat as Canada's northern communities.

I believe northern Canada's Innu communities raised the same issue. We are in the same situation they are.

When Canada Post goes on strike, everything grinds to a halt.

**Marie-Hélène Gaudreau:** Thank you very much.

[English]

**The Chair:** Ms. Jansen, you have five minutes, please.

**Tamara Jansen (Cloverdale—Langley City, CPC):** I'm actually going to give my time over to Mr. Boulерice.

**The Chair:** Mr. Boulерice, welcome back. The floor is yours.

[Translation]

**Alexandre Boulерice (Rosemont—La Petite-Patrie, NDP):** Thank you, Mr. Chair.

We just learned something interesting. When the minister, Mr. Lightbound, was here, he told us that seniors, people with reduced mobility and people with disabilities weren't really in trouble because there was a program in place to support and assist them.

During the exchange with Ms. Rochefort, we found out that neither Ms. Piché nor Ms. Monger knew about the program, which is mentioned somewhere on the website but doesn't exist in real life. That's really important, so I want to make that clear.

Mr. Aubie, your organization represents a huge number of municipalities. If the Liberals cut home delivery for four million people, we know that hundreds, if not thousands, of jobs will disappear.

What do you think will happen?

How will the loss of good jobs such as postmasters and rural route mail carriers impact the communities and towns you represent?

• (1155)

**Michael Aubie:** Thank you for your question.

[English]

Obviously, as you stated, there would be a significant impact within these communities. These are good-paying jobs. Obviously, we want to ensure that these opportunities are available.

Additionally, it's the impact down the road. Again, we want to be able to see small businesses be competitive within these communities. We think there's a real opportunity to be able to grow and to be able to leverage the Canada Post network, whether it be through banking or through community hubs.

To your point, yes, I would agree that there would be a pretty significant job impact if that were to close, and it would have very negative impact on communities.

[Translation]

**Alexandre Boulерice:** Something else we've observed recently is how hard it is to get through to someone at the Canada Revenue Agency.

I could see the government putting a Service Canada representative in every post office, someone who could answer the public's questions. I think the range of services you're referring to is a possible solution.

Ms. Monger, Canada Post is the only mail service provider in your RCM, so you have no alternatives. What, then, does cutting and eliminating home delivery mean for ordinary people in your region on a daily basis?

**Karine Monger:** We don't have home delivery. We have to go to the post office for our mail.

**Alexandre Boulерice:** You are already in that situation, then.

Is that right?

**Karine Monger:** Yes, everyone has to go to the post office to fetch their mail, and that is the case for every community in my RCM. That was already our reality.

We are worried about delivery frequency. During a postal strike, the entire RCM is affected. Everything comes to a standstill.

**Alexandre Boulерice:** Mr. St-Amour, like my fellow member Ms. Gaudreau, I was quite surprised to learn about the impact a temporary or ongoing service disruption could have on your municipality. That means the responsibility is passed on to municipalities like yours, so you are on the hook for the costs.

Are you worried that service cuts or the elimination of services could have other such repercussions for you?

**Normand St-Amour:** We have an obligation to make sure letters and notices go out to people. Every notice has to be sent out within a certain time frame. Whether it's a temporary strike or an ongoing service disruption, it means additional costs for us.

We have to respect our deadlines. We can't stop sending out notices by mail. If we did, we'd be in breach of our legal obligations.

**Alexandre Boulerice:** What's more, alternative service providers are more expensive. One of the advantages of Canada Post is that it provides affordable services right across the country, whether in urban centres, suburban areas or remote communities.

What would having to rely on alternative mail couriers mean for you?

Obviously, a private company isn't going to operate at a loss. It's in business to make money, whereas Canada Post has a different mandate.

What will communities lose if the government does away with that mandate?

**Normand St-Amour:** If Canada Post stopped providing those services and we had to turn to the private sector, the municipality of Chute-Saint-Philippe would be looking at a bill of about \$60,000 a year. We have only a thousand residents, don't forget. That's just to start.

What's more, some of our residents leave the region for work in the city, and they end up getting a job at Canada Post. That happens a lot. Towards the end of their careers, they tend to come back, wanting to contribute to the region's vitality. They want to return while they're still healthy, around the age of 50 or 55. That phenomenon is very significant for us, because it helps to keep our communities strong.

**Alexandre Boulerice:** Thank you.

[*English*]

**The Chair:** We'll finish this off with Mr. Gasparro.

**Vince Gasparro (Eglinton—Lawrence, Lib.):** Thank you, Mr. Chair.

Thank you to all for coming. My questions will be directed toward Mr. Aubie and Mr. St-Amour.

Congratulations on your election victory.

Listening to your testimony, I think there is actually quite a bit of overlap and connection with some of the challenges the Canada Post strike inflicted on rural communities as well as urban communities. There may be varying degrees of differences, but there are some similarities. In my riding of Eglinton—Lawrence, very much an urban Toronto riding, there was in-person pickup for elderly people who were sick and who couldn't get, for example, medicine delivered to their homes. So there's 100% empathy coming from me as an urban member of Parliament on some of the challenges you laid out, sir.

Balanced with this is that Canada Post has a burn rate of about \$10 million a day. You've seen massive decreases in postal usage. It is difficult to see a path for high-risk revenue sources like online banking. I come from that world. It is not realistic to say that Canada Post can become a banking hub. There are costs around investments in technology and costs around staffing people who have expertise in risk management and treasury services. It is an incredibly complex business. Canada Post just isn't positioned and will not be positioned to do it. When it comes to any suggestion that Canada Post should transition to banking, we've seen examples from other

jurisdictions that have failed miserably. We need to try to be realistic.

My question is open-ended. If I want our kids and grandkids to have a functioning Canada Post, what do you see as realistic changes that can be implemented? I know that this is sort of outside your scope, but what suggestions do you have for Canada Post as a corporation where we can reduce the burn rate from \$10 million a day to something that is sustainable while we also try to get services delivered to your constituents and mine?

• (1200)

**Michael Aubie:** It's a great question.

What does Canada Post look like in the future? I think we're all here because we want to see Canada Post succeed. We acknowledge the critical role it plays for all Canadians coast to coast to coast. To go back to some of my previous comments, certainly, postal banking is one that I mentioned. I understand the challenges you've identified. I'll just say that I think that's part of the solution. I won't speak to whether it can be a whole one or not—that's not my area of expertise—but I think it can be part of one.

The other big one to mention is the significant real estate Canada Post has and the opportunity to be able to leverage that as well. Canada Post has properties all across this country in rural and urban Canada. We think there is a real opportunity there to be able to boost Canada Post revenue through utilizing it, in particular with modular housing, and to be able to use that in rural Canada as well. We really see that as a real opportunity.

There are also the impacts to Canadian businesses, though. As I mentioned previously, if we want to see businesses succeed, whether it be in rural or urban Canada, we want to be able to make sure there's a functional, thriving Canada Post in that community to be able to support those businesses as they grow.

[*Translation*]

**Normand St-Amour:** Right now, I can't tell you what Canada Post should look like. However, Canada Post's services and service quality need to be maintained in terms of its functions and other service standards and obligations.

The process should take place over a few years, unless governments move more quickly and things become operational sooner. Long-term planning is important to avoid service and quality disruptions.

• (1205)

[*English*]

**Vince Gasparro:** Thank you.

**The Chair:** Witnesses, thank you for being with us today.

Those are our rounds. We're going to break. I hope everyone enjoys their budget lock-up.

Quickly, before we do that, I just want to let everyone know what's coming down the pike for us. This finishes, for now, our Canada Post hearings. We will resume with Mr. Ettinger, the president, once the labour issues are settled. There's also the 45-day period that he's been given for the report. We will resume this afterwards.

Coming up this Thursday, we'll start with PCO and TBS regarding the Defence Investment Agency.

Later, on December 2, the minister of state has agreed to join us. We'll probably look at that date to also have the CEO, Mr. Guzman, attend.

After the break, on November 18, we'll look at our Stellantis contracts in camera. We originally said the 6th, but as I mentioned, there are many documents, and a couple of things have come up, but I'll discuss those on Thursday. I'm trying to get more information from the clerk and from the departments. I'll update everyone on Thursday, though.

I understand that the supplementary estimates are going to be released today or perhaps tomorrow, so we'll start our process there. I'm looking at the 20th, the 25th and the 27th, which are open right now. We'll provide some flexibility and extend invites to our usual customers—TBS, procurement and other departments—for the estimates.

We're leaving December 4, 9 and 11 open right now, depending on what comes up with the current studies: Canada Post, the budget and the estimates. We also have ArriveCAN, so perhaps we'll get into that for report stage.

That is all for now. Thank you to everyone.

Witnesses, again, thank you for joining us.

To our virtual guests, thank you for making the effort and for your patience with us in getting the headphones and everything out to you. We appreciate your time.

We are adjourned.

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