



What to expect from a review of our public post office *The good, the bad and the potentially dangerous*

The federal government is *considering* doing a review of Canada Post for the first time in 11 years. What would this mean for postal workers and service? CUPW has prepared a summary of previous reviews, with a few highlights, to help people understand what we may face should the government decide to proceed with an examination of our public post office.

As you will see, previous reviews have come in many shapes and sizes. Some have been much more public than others. As a rule, reviews have made recommendations that were both bad and good. Governments have implemented some but not all recommendations, sometimes with catastrophic results.

In short, reviews have the potential to shape our jobs and our public post office. They need to be taken very seriously.

There have been four reviews in slightly over two decades.

1985 - Review Committee on the Mandate and Productivity of Canada Post Corporation

In 1985, the federal government appointed the Review Committee on the Mandate and Productivity of Canada Post Corporation. The committee was chaired by Alan Marchment. All members of the committee, but one, were business representatives. The committee held hearings in just seven cities and visited only five postal stations. The hearings were not open to the public so there was no opportunity to rebut inaccurate information. Little time was permitted for groups to decide if they wished to make presentations. No effort was made to obtain the views of people in small communities. The committee began its hearing in July and reported in November.

Recommendation highlights

The report of the review committee recommended that the corporation scale back plans to invest in parcel distribution and electronic bulk mail. Canada Post *did this*.

As well, the report recommended that privatization be considered if Canada Post failed to become financially self-sufficient by 1990. The corporation started making profits in 1989.

The report *also* recommended

- That the exclusive privilege be maintained until 1990 and that its extension beyond this date be dependent on the corporation's ability to “provide reliable, efficient and effective service and achieve financial self sufficiency”.
- That communities in urban areas not receiving door-to-door delivery be offered the choice of *alternate day letter carrier service* or daily delivery through a group, community or post office box.
- That the exclusive privilege be suspended in the event of a strike or lock-out.
- That steps be taken to consolidate the number of unions in Canada Post (occurred in late eighties).
- That the corporation work closely with its major unions to identify hazardous work areas and conditions and take the necessary steps to improve health and safety.

1988 to 1989 - Postal Services Review Committee

In 1988, the government created an ongoing, independent review body called the Postal Services Review Committee. It said the committee would give people “a voice in the planning of postal rates and service”. The Minister Responsible for Canada Post said that committee recommendations would be rejected “only with good cause and a considerable amount of bravery”. Committee hearings were open to the public. A variety of groups made presentations to the committee between 1988 and 1989.

Recommendation highlights

The committee's *first and last report*, issued in November 1989, told Canada Post, in no uncertain terms, that the corporation should improve service. It also urged Canada Post to balance its two objectives of financial self-sufficiency and service to customers.


The committee's report recommended postage rate increases be allowed “in order that Canada Post, as a first priority, improve service to households and small business customers while, at the same time continuing on its course towards financial self-sufficiency”.

It also recommended that Canada Post *not* go ahead with most of its plans to deregulate products and services (Note: this is different than deregulating the post office by removing the exclusive privilege to deliver letters).

In the end, the government approved Canada Post's plans to deregulate products and services in spite of the committee's recommendations and in spite of the fact that the corporation had provided insufficient information to justify its proposals. The government abolished the Postal Services Review Committee in its 1990 budget.

1989 to 1990 - Report of the Standing Committee on Consumer and Corporate Affairs and Government Operations

A parliamentary committee reviewed Canada Post in 1989. The committee's mandate was to review Canada's postal service by “examining its current and future relationship with the federal government, the marketplace (urban and rural), its employees and the interests of the Canadian public”.



Committee hearings were open to the public. The committee began its review in October 1989 and reported in April 1990.

Notably, Liberal Party representatives on the committee issued a minority report. This report pointed out that the committee only heard from 28 organizations and did not travel outside of Ottawa. They complained that communities facing closures and experiencing delivery problems *did not* have a chance to share their views with the committee.

Recommendation highlights

The committee made 39 recommendations, including the following:

- That Canada Post discontinue its retail postal business and devote its resources to the collection, processing and delivery of mail.
- That Canada Post contract out mail delivery to community mailboxes or group mailboxes in new-growth urban areas.
- That the government look at the feasibility of requiring Canada Post to pay corporate income tax. This recommendation was implemented in 1994.
- That the government *privatize* Canada Post once adequate financial performance, comparable to private-sector levels, had been attained and once the industrial relations climate had improved.
- That the privatization plan be carried out through a public share issue and that it incorporate an employee ownership plan. In 1993, the government added a provision for employee shares to the *Canada Post Corporation Act*. It has never been used.

- That the exclusive privilege be suspended in the event of a postal disruption.
- That Canada Post hold at least one meeting to discuss upcoming proposed service changes with interested elected officials, prior to and apart from a general meeting with the community residents affected.

1995 to 1996 - The Canada Post Mandate Review

In August 1995, the government announced the Canada Post Mandate Review. In May of that year, a coalition of Canada Post's competitors had called for a review to reconsider the mandate of Canada Post, specifically whether the post office should be allowed to compete with private interests.

The mandate review received 440 submissions and 1,084 letters from individuals and groups, including one submission from CUPW national and 21 from CUPW locals. It held six public hearings in urban centres. CUPW appeared at each hearing. The review did not conduct hearings in rural and remote areas even though the union and others had asked that non-urban residents be given an opportunity to make their views known. Instead, it agreed to conduct a number of focus groups in rural and remote locations.

Recommendation highlights

The report of the Canada Post Mandate Review was made public in October 1996. It contained 31 recommendations, including the following:

- That Canada Post *remain* a Crown corporation in the public sector *and the exclusive privilege be maintained*.

- That Canada Post be mandated to operate on a *break-even basis* rather than pursue a commercial rate of return.
- That the government direct Canada Post to withdraw from *all competition* with the private sector in areas of activity *outside its core public policy responsibilities* for providing postal services.

In the end, the government did not ask Canada Post to get out of all competitive activity, but it did order the post office to get out of its economy unaddressed admail business, as the review had recommended. As a result, Canada Post fired 10,000 admail workers, the largest lay off in Canadian history.

The mandate review also recommended

- That the government direct Canada Post to bring down its labour costs by \$200 million and intervene in collective bargaining if Canada Post was not successful in negotiating rollbacks. The government did, in fact, attempt to cut labour costs by intervening in collective bargaining when it legislated CUPW members back to work in 1997.
- That the government create the new position of postal ombudsman. This recommendation *was* implemented.
- That the government indefinitely extend the moratorium on rural post office closures.
- That the government direct Canada Post to improve rather than reduce the quality of service in rural areas.
- That the government direct Canada Post to provide door-to-door service to elderly and disabled persons who have documented difficulty using community mailboxes.
- That the government direct Canada Post to review and improve or relocate community mailboxes that threaten women's safety.
- That the government also direct Canada Post to replace *community mailboxes with door-to-door service in urban areas with existing letter carrier service*, if and as resources permit.

Post review recommendations

Following the mandate review, the federal government hired TD Securities and Dresdner Kleinwort Benson (TDS-DKB) “to assess the impact of the recommendations of the Mandate Review on Canada Post's ability to remain self-sustaining”. In the end, TDS-DKB rejected the recommendation that Canada Post break-even and instead made the case for a commercial rate of return and the payment of dividends. The TD Securities Report was released in April 1997, more than a decade ago.