



## The future of postal service and postal work

As never before postal workers are facing major challenges with respect to our work and our employer. The federal government has established a "Strategic Review" of postal services which will examine everything from postage rates, service performance standards, the level of services provided by Canada Post

and even the "exclusive privilege" for lettermail which enables CPC to obtain the revenue necessary to pay our wages and provide service to the public. At the same time Canada Post management is bargaining ahead with the introduction of close to \$2 billion of new equipment which will destroy jobs and change the nature of our work, especially for letter carriers and RSMCs.

Two major initiatives at the same time. One launched by a Conservative government that hates public services and the other by a post office management that defines its success by the size of its profits and the number jobs they can cut. Are they related? Absolutely according to CPC President Moya Greene. Ms. Greene has been clear from the outset that the introduction of mechanized sequencing of mail is necessary to reduce costs so that CPC

can survive competing against private sector competitors in a deregulated environment.

CPC management may be prepared to accept deregulation as inevitable but CUPW is certainly not. Likewise we are not prepared to allow CPC management to eliminate thousands of jobs through the introduction of new equipment. Currently the union is working with the labour movement and our allies in communities across the country to fight against any attempt to deregulate Canada Post. The National office, together with the Prairie Region and Winnipeg local have been consulting with CPC to ensure that the new equipment and work processes will be safe, healthy and environmentally positive.

To be successful the union needs the active support of an informed and determined membership. This special issue of *Perspective* is part of the process of keeping you informed. You can also read the bulletins and visit the unions website at [www.cupw.ca](http://www.cupw.ca) for up to date information on the modern post and the Strategic review. Keep informed. Participate in the union's campaigns. Together we will make the difference.



CPC tested the prototype of the new containers on a Flat Sorting Machine in Toronto.

## What is Modern Post?

**Modern Post is a radical restructuring of the Post Office. It will have a major impact on every postal worker.**

In November 2007 Canada Post announced that they are investing \$1.9 billion in capital expenditures, such as new plants, vehicles and sorting equipment. This investment will transform the work of postal workers for many years to come. Canada Post says the changes will make the corporation more efficient, safer and more environmentally-friendly.

CUPW is worried that Modern Post will mean a dramatic reduction in the number of workers, increased workload for the remaining workers, and more injuries.

Modern Post is not designed to improve postal service to people living in remote communities. It is not set up to enhance postal service for working people. Rather, Canada Post wants to implement Modern Post to serve

the needs of large volume mailers.

CUPW is glad that Canada Post wants to provide better service to these large volume mailers. But, we don't think that benefits should just be for large volume mailers.

CUPW wants the public to benefit from Modern Post. We want Canada Post to improve and enhance the service for all postal users no matter where they live and no matter how many letters they mail.

CUPW wants postal workers to benefit from Modern Post. We put Canada Post on notice that we will fight hard against the anticipated future job loss due to increased productivity. We told Canada Post to mitigate the job loss by contracting in

work, expanding service and creating more parcel hubs. We told them to maximize day shift positions.

CUPW has told Canada Post not to even consider contracting out the maintenance of the new generation equipment. We stated that our technical services members must do that work as well as the facility maintenance in the new plants and vehicle maintenance on expanded motorization.

We also have told them that we want all health and safety related studies on all equipment being considered, the health and safety impact of sequencing for letter carriers and ergonomic assessments prior to the purchase of new machinery and equipment.

### Key aspects of Modern Post

Modern Post means new plants and the introduction of new sorting and processing for Winnipeg, Vancouver, and Toronto as a start.

A central part of CPC's "Modern Post" automation program is the new delivery model for letter carriers, RSMCs and MSCs. The main points of this new model include:

- 80% of letter carrier routes in major urban areas to be motorized, as well as about 35% of all RSMC routes being affected.
- About 90% of letter-sized mail will be sequenced to line of delivery by machines in plants.
- Two or three letter carriers will use A-62 case in shifts to sort the rest of the letter mail, flats, and packets.

### Modern Post is a technological change

Canada Post has provided the Union with notice of technological change, under the provisions of Article 29 of the Urban Postal Operations collective agreement. CPC agrees that Modern Post is a technological change.

CUPW knows that Modern Post is the biggest technological change we have faced.

We are meeting with CPC regularly about Modern Post and demanding all information related to the overhaul of the processing and delivery of mail.

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377 BANK STREET  
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# Our rights under Article 29

Postal workers have strong protections against technological changes that can be found in Article 29 of the urban collective agreement and under the *Canada Labour Code for Rural and Suburban Mail Carriers (RSMC)*.

In fact, Article 29 in the urban operations collective agreement contains some of the best language on technological change found in any collective agreement in North America and possibly the world. What is important about this language is that changes in work processes are covered, whether or not they result from the introduction of new equipment.

In the case of the Modern Post, Canada Post has acknowledged that it falls under the definition of technological change.

## Language on technological change:

Article 29 of the urban collective agreement lays out a process for dealing with technological changes that involves notice, information, consultation and a procedure to deal with disagreements.

**Adverse effects:** Clause 29.02 calls for all adverse effects that are created in carrying out the technological change to be eliminated.

**Notice:** When a technological change is considered, Canada Post must notify the union as far as possible in advance and update information as new developments arise (clause 29.03 a). The corporation must also provide the union with a detailed description of the project, disclosing all foreseeable effects and repercussions on workers, at least 120 calendar days before the technological change is introduced (clause 29.03 b).

The union has received a 29.03 (a) notice from

Canada Post regarding the Modern Post technological change. We have not received a 29.03 (b) notice as of yet.

## Information:

Canada Post must provide the union with information on:

- The nature of the change,
- The date on which the corporation plans to effect the change,
- The approximate number, type and location of employees likely to be affected,
- The expected effects on employees' working conditions and terms of employment, and
- All other pertinent data about the anticipated effects on employees.

## Labour-management meetings:

After notice of a technological change, the parties are to meet within 15 calendar days to hold meaningful consultation in an effort to agree on solutions.

The union has been meeting with Canada Post regularly pushing for information and the elimination of adverse effects.

## Disagreement:

Where the parties do not reach agreement within 45 calendar days of the notification of technological change, the unresolved matters will be referred to an arbitrator. CUPW has already filed a grievance on the Modern Post project.

The right to grieve and refer grievances to arbitration: Any agreement under this article or decision of an arbitrator will have the same effect as the provisions of the collective agreement and shall be subject to the grievance procedure.

## Protection of employees:

The employer agrees to the following provisions designed to protect employees:

- Guaranteed employment

- Guaranteed classification regardless of any reassignment to other duties
- Guaranteed pay and benefits
- Retraining for employees reassigned or reclassified
- Relocation as laid out in Article 53
- Allowance for permanently displaced workers—\$200 or \$400 depending on the distance between his or her residence and new work location

The Modern Post project is certainly not the first experience CUPW has had with technological change and it will not be the last. We will again need to stay informed and organize together to ensure all adverse effects are eliminated and postal workers share in the benefit of the Modern Post project.

## Big changes coming for Letter Carriers, RSMCs says CPC

Canada Post (CPC) has big changes in mind for letter carriers and rural and suburban mail carriers (RSMCs), starting with Winnipeg in 2010. The Corporation recently told CUPW that it was developing a "New Delivery Model" for outside work.

### Mechanization of letter carrier and RSMC work

There are three key parts of this New Delivery Model:

- The use of machines to sequence (sort to address and put into delivery order) letters
- The collating of house holder sets
- The motorization of 80-85% of letter carrier routes in major urban centres.

Winnipeg will be the first location to see this new model, when its new plant opens in 2010. CPC hopes to implement in other mechanized plants by the end of 2012.

Canada Post expects to sequence by machine 90% of letter-sized mail. Flats, packets, and other non-machineable mail would be sorted into A62 cases, either by the delivery letter carrier or by routers. Two or three routes would share the same A-62 case,



The union checks out a vehicle prototype at CPC headquarters.

with letter carriers sorting in shifts. LED (light-emitting diode) displays could replace case strips, changing with each route using the case.

Sets of householders would be presented to the route already collated into bundles for delivery.

While delivering, carriers would merge the separate bundles of mail sorted by hand and by machine — along with a bundle of collated householders. The Corporation has yet to explain to CUPW exactly how this work will be done. CUPW is very concerned that injuries might increase.

Most letter carrier routes would be motorized, with some foot routes remaining in high density areas, generally the downtown business core of major cities. Motorized letter

carriers would deliver all items in their delivery areas, including parcels. Mail Service Couriers (MSCs) would continue to deliver parcels in foot route areas.

### Loss of Jobs; More Time on Street

With what we know so far about CPC's proposed changes, up to an hour of inside time could disappear from the average letter carrier route. As many as one out of every eight letter carrier jobs could be lost. Most MSC jobs would disappear. Remaining letter carriers would spend much more time on the street. While we know that RSMCs in suburban areas near major processing plants will be affected by sequencing, the extent of this impact is still unclear. A loss of sortation time will likely

mean a loss of jobs or a reduction of pay.

Mechanized sequencing has been in place for over 15 years in the United States. There were many problems, particularly with mis-sorted and mis-sequenced mail. There was a significant increase in injuries, partly from having to handle two or three bundles of mail during delivery.

CUPW is continuing its investigation as to what happened in the United States and other countries when mechanized sequencing was introduced.

## CUPW PERSPECTIVE

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## LETTERS POLICY

CUPW Perspective welcomes letters to the editor. We will print any letters from a CUPW member provided it:

- is 400 words or less. Union members may submit longer items for consideration as commentary pieces.
- does not violate CUPW policy opposing discrimination against women, people of colour, gays, lesbians, bisexuals, transgendered, people with different abilities, or policy on union principles.
- is typed or written neatly.

includes the author's name, address, local and a phone number where they can be reached if there are problems.

Perspective will withhold the author's name if necessary. Otherwise, the author's name and local will appear.

Perspective will contact authors if there are problems with their letters. We accept letters by mail, fax and electronic mail.

# Modern Post and Internal Workers

Modern Post will have a major impact on the lives of Group 1 (clerks, mailhandlers, and despatchers) workers.

## Staffing

In many locations, Canada Post is currently deleting Group 1 positions. Not enough workers are left to process the mail and to maintain service standards for predictable workloads and absences. In many ways, this is to get ready for Modern Post.

Canada Post expects that approximately one in every three workers will retire in the next ten years. Modern Post is designed to take advantage of this “natural attrition”.

Canada Post does not want to hire a large number of workers to replace the workers who are retiring. The new equipment and processes associated with Modern Post will require fewer workers.

The provisions of article 13 of the Urban Postal Operations collective agreement allow workers to use their seniority to transfer within an office, between classifications and from one post office to another. CPC's plans to reduce the number of staff will reduce members' options to transfer to vacant positions.

Evening and shift work will probably increase with Modern Post. An important aspect of Modern Post is the sequencing of the lettermail to a letter carrier's route. The new equipment will be able to sort a letter carrier's walk into the line of delivery. Canada Post will not want to do this sequencing on day shift. It is more likely that this will happen during the evening and midnight shifts.



## Less Use of Forklifts and Less Use of Forklift Operators

Another aspect of Modern Post is CPC's plan to replace monotainers with rolling stock. This means that less motorized equipment will be needed to move monotainers from one location to another. Instead, workers will be required to push this equipment from place to place.

Canada Post has already informed CUPW that forklifts will be required on the docks only.

This decision will have two major impacts. The number of PO 5s needed by Canada Post will decrease. The second is that injuries to workers

will likely increase, as more pushing and pulling will be required.

## Modern Post may result in more injuries

Canada Post is a dangerous place to work. Statistics show that at least 1 in every 6 operational employees can expect to receive a workplace injury every year.

The new Modern Post equipment will require more lifting of mail containers. The risk of back injuries, including strains, sprains, and muscle tears will likely rise.

In Canada Post and other workplaces repetitive strain injuries are becoming an epidemic. More and more workers are suffering from bursitis, carpal tunnel syndrome, and tendonitis. Various workers compensation boards list awkward positions, repetition, and lack of job task variety, as risk factors for the onset of repetitive strain injuries. CUPW is worried, that Canada Post plans for Modern Post will not provide the proper ergonomic solutions to prevent repetitive strain injury.

## CUPW is working to eliminate the adverse effects of Modern Post

Modern Post will affect internal workers in many different ways. This is why CUPW is working very hard to ensure that these adverse effects are identified and eliminated before the plant is operational. The Union also believes employees should share in the benefits of new technology through improved working conditions.

# Modern Post and Group 3 & 4 jobs

There is a very real danger that the Modern Post initiative will cost us Group 3 & 4 jobs, especially with respect to equipment maintenance. On the other hand, it could conceivably create new jobs in the group in the areas of vehicle and building maintenance.

How it plays out depends largely on whether Canada Post keeps maintenance work in-house or contracts it out. At this point, they haven't declared their intentions. But the Union has been very clear in its position: do all the maintenance work — equipment, building and vehicle — in-house. And if training is needed, we will support it through Appendix “T” of the Urban Postal Operations (UPO) collective agreement.

We have to remember, though, that job loss could occur even if the equipment maintenance is kept in-house. That's because the new equipment will likely require less maintenance than the current machines. We have seen that happen before when new machines were introduced.

However, job loss in equipment maintenance could be offset by job gains in building and vehicle maintenance.

The Modern Post initiative will see new plants built in Winnipeg and Vancouver, and extensive renovations undertaken at the Gateway plant in Toronto. More building renovations, and possibly new facilities, will follow as the project rolls out.



Appendix “T” MAM Apprenticeship Training Program, graduation from George Brown College, Toronto, May, 2007

In Article 29 consultations and Appendix “T” meetings, the Union has repeatedly told the employer that we want to maintain the new facilities. Currently, Canada Post contracts Profac and BLJC to handle building maintenance. However, the current collective agreement contains a mandatory building maintenance project under Appendix “T”. The Union has said that maintaining the new facilities with our members could mitigate some of the job loss associated with Modern Post while ful-

filling the parties' contractual obligation to conduct a building maintenance project.

And what about vehicle maintenance? Modern Post will add 4,500 new vehicles to the fleet, almost doubling it in size. The first tender, for 2,000 — 3,000 vehicles, is scheduled to go to the street in January 2009. Again, this would seem to offer obvious job creation opportunities. But the employer is keeping quiet about its intentions.

# The Introduction of Delivery Sequencing in the USA: Job Loss and Injuries

The introduction of Delivery Point sequencing (DPS) of letters in the United States began in 1993. It is important to examine the experience of the United States Postal Service (USPS) to ensure that we do not repeat the mistakes made by an arrogant management with a blind faith in technology.

Initially the introduction of sequencing was a disaster. Determined to reap huge financial gains from automation USPS management restructured routes and cut the number of letter carriers in anticipation that DPS would be a success. But it wasn't. Initially the percentage of mail successfully sequenced was far less than projected. Of the mail that was sequenced the number of missorts was much greater than expected. The net result was that letter carriers were required to sort more mail than expected in the office. On the street improperly sequenced mail required more time to handle. Injuries also rose dramatically as letter carriers struggled to deal with the increased workload, more time on the street and problems associated with the additional bundle of mail.

## Staffing and Volumes:

The impact of sequencing on jobs can be seen in an examination in the changes of staffing, volumes and points of call. Between 1993 and 2007 annual volumes of mail delivered by USPS went up from 166 to 222 billion pieces, an increase of 27.5%. The number of points of call serviced by city letter carriers also went up by more than 7%. Yet the number of city letter carriers actually declined by 0.4%.

## Injuries

Letter carrier injuries rose dramatically with the introduction of sequencing. During the five years prior to sequencing (1988-92) the average annual number of injuries to letter carriers was 13.8 injuries per 100 full-time employees. For the five years following the introduction of sequencing the average number of injuries rose to 16.7 per 100 full-time employees. The injury rate increased by 21.0%.

## What the GAO found

In 1998, the United States General Accounting Office (GAO) conducted an extensive study of the implementation of sequencing by the USPS. The GAO found that USPS management had been overly optimistic in its expectations concerning sequencing. The GAO noted that the implementation of sequencing was plagued by so many delays and problems that as early as 1994 USPS management pushed back the final schedule for completion from 1995 to 1997. Even with the additional time there were enormous problems. The GAO noted that as of October 1997, four years after sequencing was introduced, USPS management reported that between 50 to 59% of letters were being received by letter carriers in delivery sequence whereas management had assumed that the number would be between 70 and 85%. The problems associated with the introduction of sequencing were reflected in letter carrier staffing in 1994. The GAO noted that while postal management had planned for a reduction in paid hours of letter carriers immediately following the introduction of sequencing the opposite occurred. In 1994 the number



The first time a letter carrier reads an address is at the point of delivery, even if it's a mistake.

of workhours of letter carriers actually went up by 5.6 million hours whereas management had budgeted for a reduction of 1.8 million hours. The GAO also reported that the savings achieved by reducing letter carrier sortation were partially offset as a result of the additional time required by letter carriers to handle sequenced mail during delivery. Indeed the GAO estimated that for every hour of sortation time "saved" an additional 20 minutes of on street delivery time was required to handle the sequenced mail. The GAO also reported that its observations and discussions with letter carriers confirmed the claim of the National Association of Letter Carriers (NALC) that because city carriers must deliver sequenced letters without either manually sorting or inspecting them, they believed customer service was affected by

their having to identify and sort out undeliverable letters during delivery and then bring them back to the office at the end of the day.

## What the NALC said

The National Association of Letter Carriers (NALC) believes that USPS management mismanaged the introduction of sequencing. The NALC provided significant statistical and first-person evidence of the health and safety problems associated with sequencing. It noted that the data provided by USPS management was usually incorrect and self-serving. It also noted that management had been found guilty of numerous violations of the collective agreement during the implementation of sequencing.

## Sequencing: Lessons learned From the USA

The United States Postal Service introduced sequencing of letters in 1993. We can learn some important lessons from their experience.

- Nothing is ever on time. The schedule for sequencing was constantly delayed. Likewise it took much longer than anticipated to achieve the performance standards promised by the manufacturers of the equipment
- Management over-exaggerated the benefits from automation. The USPS management initially estimated that sequencing would reduce letter carrier sortation time by an average of 2 hours per route. Later it lowered its expectations to 80 minutes per day, a reduction of 33%.
- Management underestimated the additional time required to handle sequenced mail during delivery. The average letter carrier required 27 minutes more to handle sequenced mail during the delivery process.
- It is necessary to quantify the additional time required for letter carriers to process missorts and improperly sequenced mail in the office at the end of the day.
- Health and safety must come first. In the United States USPS management refused to recognize the health and safety impact of more delivery time and difficulties in handling an extra bundle of mail. As a result injuries increased.
- Service to the public will suffer. Under a system of sequencing no person actually reads the address on a letter prior to the letter carrier seeing it at the point of call. As a result letters cannot be re-directed prior to delivery and it is easier for letters to be delivered to incorrect addresses.

# What is the Strategic Review?

**The threat of postal deregulation raised its ugly head on April 21, 2008 when the Stephen Harper Government announced a Strategic Review of Canada Post.**

The Strategic Review will examine Canada Post's exclusive privilege to deliver addressed letter-mail. It will also define which services must be provided by the Canada Post Corporation.

The results of this Review will have a major role in determining the future of Canada Post. These results will also have an impact on the job of every post office worker.

Currently, Canada Post has the exclusive right to handle addressed letter-mail. This allows Canada Post to raise

enough money to provide service to every part of the country. If the Strategic Review recommends weakening or eliminating this privilege (deregulation) private corporations will be able to deliver mail in the high density areas of major urban centers.

Postal deregulation means that private companies will skim off the most profitable parts of Canada Post. If this happens there will be less money to provide postal service in small and remote communities. Fewer people will be needed to process and deliver the mail.

The Strategic Review panel consists of three part time members, all who have been personally selected by

## The results of this Review will have a major role in determining the future of Canada Post.

Lawrence Cannon, the Minister Responsible for Canada Post. They are Robert Campbell, Nicole Beaudoin, and Daniel Bader.

The Strategic review panel has a very short time frame to consult with stakeholders, hear submissions, receive and

read comments sent through the mail or via the web, and to make a report. The panel is to provide Minister Cannon with a status report by September 30, 2008 and a final report by December 31, 2008.

This restricted time span makes it difficult to study in detail the complex issues that are involved. It also limits the ability of ordinary citizens to make presentations to this panel.

The Strategic Review panel's final recommendations will then be discussed and debated by the Federal Cabinet and Parliament.

The stakes in this review are very high for postal workers. We want to

continue to provide a quality affordable service to all parts of the country, and the report of the review panel combined with the policies of the Federal Conservative Government could threaten that vision.

The fact that the Federal Conservative Government is a strong supporter of privatization and deregulation means that we have to work hard to keep the post office as a public service.

## Postal deregulation in other countries

**The experience of postal deregulation in other countries fuels CUPW's concerns about the impact of the Strategic review.**

Only a very few countries have fully deregulated their post offices by removing the exclusive privilege or monopoly on letters: Sweden, New Zealand, Finland, the United Kingdom and Germany. The results have not been very good overall.

Earlier this year, an independent review of the United Kingdom's deregulated postal sector found that "there have been no significant benefits from liberalisation for smaller businesses and domestic consumers."

In general, full-scale deregulation has led to fewer jobs, less service and higher postal rates for people and small businesses.

While only a few countries have fully deregulated so far, all countries within the European Union (EU) are set to fully deregulate by 2011, with the exception of 11 member states, which will be given until the end of 2012.

People are not likely to see the full impact of deregulation for five to ten years after the EU fully deregulates. While some competitors and media like to point out that deregulation has been successful in certain countries, the countries they normally cite are not countries that have been fully deregulated. Many people do not seem to understand or want to understand that the real impact of deregulation occurs once governments deregulate letters under 50 grams. Charlie McCreevy, European

Commission for Internal Market, recently stated that these letters represent 72 per cent of the total letter volume, worth about \$77.8 billion CAD.

In many ways, it would make sense for our government to wait and evaluate what happens in Europe and other places before considering deregulation. There is currently

no pressing need to make such a dramatic change, and in fact, there is no consensus within North America for deregulation. You can read all about this in CUPW's paper called "Is North America prepared to embrace postal deregulation". This paper will be sent to locals soon and posted on the union website.

### Lessons from overseas – so far

**Deregulated post offices have experienced a deterioration of labour relations, a decline in service, and an increase in the price of basic postage.**

**Germany:** Media reports indicate that Deutsche Post wants to get rid of the 750 remaining post office retail outlets it operates by 2011, noting that the offices could be taken over by private operators.

**United Kingdom:** The Royal Mail was fully deregulated in 2006. Since deregulation the Royal Mail service experienced a financial loss for the first time in over 160 years. Two years prior to deregulation it made a profit of more than 50 million pounds. Royal Mail is now losing money on every first or second-class letter. In 2007 and early 2008 there were a number of strike actions by British postal workers to maintain their rights.

**Sweden:** Between 1993 and 2005 Sweden Post eliminated more than 16,000 jobs. The proportion of full time jobs in Sweden Post has declined. There was a noticeable increase in part time jobs. The Sweden Post rate for a domestic overnight letter increased by ninety percent. Some of this was due to the imposition of a federal tax. This percent increase occurred at a time when inflation was 14%.

**New Zealand:** Postal workers in New Zealand have seen their wages lag behind other workers as a result of deregulation. Between 1997 and 2005 the wages of postal workers increased by 18.9%. During the same period the average wage in New Zealand rose by 28.3%.

# The Current Mandate of Canada Post

While there have been a number of amendments to the *Canada Post Corporation Act* since its unanimous passage by parliament in 1981, the original intent and mandate has not altered significantly.

Constructed as a careful balance between the interests of postal workers, postal users, the public and competitors, Bill C-42 sought to address the economic pressures that Canada Post would face as an institution linking each part and all people of the country.

It also recognized both the public's desire to see substantial improvements in service and performance as well as the reality that market forces would be unable to provide proper and affordable services to rural and isolated areas of the country.

## Mandate Conditions

The mandate contains some fundamental conditions for CPC, including :

- public ownership
- exclusive privilege for conventional lettermail
- self-sustaining financial operation
- maintenance of basic customary service
- regulation of postage rates
- expansion of electronic communications

Although some business representatives and conservative politicians had called for privatization, this was not considered in the debates and committee hearings leading to the CPC Act. In fact, all parties agreed that **Canada Post should be publicly owned.**

Section 5 of the Act envisages "the role of the Corporation as an institution of the Government of Canada" because a public postal service ensures public input into postal rates and services and is necessary for Canada Post and its large network of facilities to retain its valuable role in the implementation of government policies considered to be in the public interest.

The Act also ensures, subject to a number of exceptions, that CPC retains an exclusive privilege or monopoly over conventional lettermail. Other means of sending letters are conditional on charging a fee at least three times greater than the postage rate for a fifty-gram letter. A broad consensus existed that this was required for CPC to have a revenue

base to provide universal service to all areas of the country.

## Finances and Service

Section 5(2) of the Act requires that **CPC conducts its operations on a self-sustaining financial basis.** The consensus in 1981 was this simply meant that operations, including investment, would be carried out without funding from the government. This is confirmed by the Act's reference to postage rates and revenues set to "defray the costs" of CPC.

The self-sustaining financial basis is placed within the context of **CPC maintaining customary postal service.** Further, CPC must do so "while providing a standard of service that will meet the needs of the people of Canada and that is similar with respect

to communities of the same size." The intent of this obligation was clear when the Act was passed in 1981. It included the continued existence of small post offices and to extend the normal level of service to new communities upon reaching an appropriate size.

The Act also provides for the **regulation of postage rates.**

Looking to the future and the importance of **CPC providing new communications services** to compensate for the decline in lettermail volumes, section 5(2)(a) calls on CPC to have regard to "the desirability of improving and extending its services in light of developments in the field of communications".

## Why does CUPW oppose postal competition?

**CUPW members can choose different telephone companies, banks, or supermarkets if they so wish. We are not advocating that only the ABC bank should serve everyone.**

So, if CUPW supports competition in these areas, why are we so strongly opposing competition for the delivery of postal services?

The answer is that competition in postal services in other countries has led to a decline in services, increased mailing costs, and deterioration in wages and working conditions.

### Competition leads to a decline in service

The British Post Office recently allowed competition. An independent review of the U.K. postal services found there have been no significant benefits from this type of competition for smaller businesses and domestic consumers.

An American Study about the deregulation and bringing in of competition in the provision of electricity found that service dropped and prices increased in deregulated areas.

Canada Post has a universal service obligation. This means that CPC has to deliver to all parts of the country and that people from all economic walks of life can afford the postal service. Competition threatens this.

### Competition hives off the most profitable parts of the service

Canada Post is structured in such a way that money earned from providing service to highly populated areas is used to provide service to less populated areas.

Competition will put an end to this. Private corporations will skim off the most profitable parts of Canada Post, and will leave the rest to the public postal system. There won't be enough money in CPC's coffers to ensure that people in small and rural communities get decent postal service.

### Competition affects the security of the mail

The United States Congress recently agreed that the security of mail would be seriously compromised in a deregulated market where the lowest bidder in each area would deliver the mail. Identity theft is already a major problem. Competition will only worsen that.

### Competition leads to lower wages and working conditions

Workers around the world report that when the public services they provided were opened

up to competition, their wages and working conditions deteriorated.

Our pensions are also at risk under competition. The pension fund for postal workers in the UK has suffered huge deficits after the onset of competition.

When you hear people talking about opening Canada Post up to competition, remember, what they are really saying is that they want their business friends to profit, and everyone else to pay the price.

## Robert Campbell to Chair Strategic Review

The chairperson of the Strategic Review of Canada Post, Robert Campbell, is Canada's foremost authority on postal services. He has written two major books on postal services, *The Politics of the Post* (1994) and *The Politics of postal Transformation* (2002). He has also written several articles and made many presentations on postal issues and served as a consultant on several studies, such as the future of the American postal system; legislative reform of the U.S. Postal Act; and for the Government of Canada, related to the United Parcel Service's NAFTA challenge.

For most of his career Campbell has worked as an academic. He taught and served as dean of arts and science at Trent University between 1980 and 2000 after which he became Wilfred Laurier University's first dean of arts. Since 2006, he has been president and vice-chancellor of Mount Allison University.

CUPW has voiced concern regarding Campbell's appointment as Chairperson of the CPC Strategic Review because of his previous writings in which he has promoted the deregulation of the postal services as necessary to promote productivity improvements and improve service. In an article published in 2002 for *Policy Options Magazine* Campbell stated, "Canada's postal regime should pursue both liberalization and deregulation. Liberalization should gradually remove the exclusive privilege. Any transitional protection must be justified by precise quantitative studies of the subsidy implicit in maintaining the universal service. A commitment to liberalization will demonstrate the government's seriousness of purpose in wanting the post to increase its competitive capacity." According to Campbell the trade off for the loss of the monopoly is that the post office should be allowed to invest in new revenue generating activities with the same freedom as any private sector organization.

There are two other members of the Strategic Review Committee. Mrs. Nicole Beadoin is the current president and CEO of the Business Women's Network Inc. and of the Women's Entrepreneurial Centre of Quebec. Mr. Daniel Bader held several high level positions in the government of Alberta under Conservative governments.

# CUPW's Vision of our universal, public postal service

The Canadian Union of Postal Workers will be making a submission to the Canada Post Corporation Strategic Review that advances our vision of universal, public postal service.

CUPW believes that our post office should:

- Remain a publicly-owned enterprise, responsible to the public and Parliament.
- Adhere to its public service mandate
- Retain exclusive privilege for letters
- Provide door-to-door delivery in urban areas
- Provide rural delivery
- Deliver admail

- Offer industry leading parcel and courier services to small businesses
- Develop new products and services
- Keep jobs in communities where the work is located
- Maintain post offices in rural and urban communities
- Maximize the amount of work done "in-house", and minimize the "contracting-out" of work
- Provide employees with safe, unionized jobs, fair wages, and good working conditions
- Share the benefits of technological change with workers and the public

- Maximize environmentally friendly practices
- Invest profits and dividend payments in services, health and safety, good jobs and public policy programs

In short, our vision is of a post office providing quality, affordable service to everyone no matter where they live, accountable to the public and Parliament. It is very different than the one being promoted by the federal government and Canada Post.

You can get a copy of Our Vision of the Post Office, with additional details, at <http://www.publicpostoffice.ca> or through the mail. Call (613) 236 7238.



## Hey Harper - Hands off my post office

## Previous Reviews of Canada Post Corporation

Since Canada Post was established as a federal Crown Corporation in 1981 there have been three reviews which have examined postal operations and the mandate.

### The 1985 Mandate Review Committee

In 1985 the federal government appointed a five person Review Committee to examine the mandate and productivity of Canada Post. Alan Marchment, president of Guaranty Trust Co., chaired the committee.

**Services:** Concerning letter carrier delivery the Committee recommended that communities without door to door delivery be given the choice of having daily delivery to a community mailbox (CMB) or alternate day delivery to their door. It also proposed that CPC continue to contract out retail operations and consider more contracting out of operations. Concerning parcel delivery it recommended that Canada Post be prohibited from making any investments in the parcel delivery business which would require a payback of more than three years duration. The implementation of this recommendation by the government resulted in the cancellation of CPC's plans to greatly expand its parcel delivery services.

**Labour Relations:** The Committee recommended that action be taken to consolidate the number of unions in Canada Post.

It also proposed that CPC consult with unions to reduce absenteeism and eliminate collective agreement clauses that impede operational efficiency. Concerning staffing it recommended greater use of part-time and casual workers.

**Deregulation:** The Review Committee did address the negative impact that deregulation would have on employees, the public and Canada Post Corporation. It noted: 'If the Corporation is to survive and if universal service at uniform rates is to be maintained, the 'exclusive privilege' is a requisite'. It further stated: 'Removal of the 'exclusive privilege' would permit competing services to challenge the revenue base of Canada Post Corporation. The result would be a marked reduction in the Corporation, severe dislocation for its employees

and greater public reliance on the private sector to move goods and information'. The Review Committee recommended that the 'exclusive privilege' be maintained for five years with further extensions to be dependent on CPC's 'ability to provide reliable, efficient and effective service and achieve financial self-sufficiency'. The Committee also suggested that the 'exclusive privilege' should be suspended for the duration of any strikes or lock-outs. It also recommended the establishment of a regulatory body based on the model of the United States and Australia.

### The 1989 Postal Services Review Committee

In response to the 1985 Review Committee's recommendation for the establishment of a regulatory agency for the federal government, in 1989, established the Postal Services Review Committee (PSRC) as a permanent, independent, national board to review Canada Post Corporation's plans for rates and services. In 1989 the Committee held hearings in seven cities to seek public input on postal services.

**Services:** The Review Committee's report criticized the practice of Canada Post to obtain 'efficiency gains' at the expense of service to the public. Specifically the Review Committee took issue with CPC's decision to service new points of call with community mailboxes as opposed to door-to-door delivery. The Committee also examined CPC's 'rural conversion' program, which involved closing post offices and opening private sector retail franchises. It noted that the conversion program 'has had an adverse impact on customers across the country'. The Committee called upon Canada Post to rebalance its corporate objectives. It commented that the 'exclusive privilege' of Canada Post carries with it a mandate to serve the public and not only its large private sector customers. Following the publication of its report the government dissolved the Committee.

### The 1996 Canada Post Mandate Review

In 1996 the federal government established a mandate review to conduct an analysis of the services provided by Canada Post Corporation and examine the functions that should be provided in the future. The Review involved

extensive consultations with stakeholders and the public. Altogether the Review received 440 formal submissions and a total of 111 presentations were heard in 14 days of public hearings not including the presentations of CPC and CUPW.

**Services:** Like the 1989 Postal Services Review Committee the 1996 Review recommended that CPC place more emphasis on improving postal services to the public. Noting the importance of rural postal services the Review recommended an indefinite extension of the moratorium on rural closures that had been instituted by the Liberal government in 1994 following its election victory. It also recommended that CPC improve its delivery standards and replace community mailboxes with door-to-door delivery whenever finances permit. The review also recommended that CPC sell Purolator, withdraw from all other courier services and exit the market for unaddressed admail.

**Labour Relations:** The Review recommended that CPC reduce its labour costs and that the government intervene in negotiations to achieve this objective if necessary.

**Deregulation:** The Review was unqualified in its support for a continuation of the 'exclusive privilege' for Canada Post. It noted that cream-skimming by competitors would result in higher postage rates, an end to universal service and the fragmentation of the national service. It argued that, considering the very low postal rate in Canada, there was no guarantee that the introduction of competition would reduce overall prices. The Review noted that proponents of deregulation and privatization appearing before the committee had not been able to provide any answer when asked how their proposals would benefit ordinary Canadian citizens. It noted: 'Removal of the 'exclusive privilege' would be tantamount, in effect, to tossing Canada's postal system up into the air, allowing it to smash into a random assortment of pieces, and hoping that those pieces would somehow re-arrange themselves into a coherent whole that was better or at least as good as the current system'. The Review also opposed the establishment of a regulatory agency.

# What can you do to save Canada Post?

The federal Government's Strategic Review has the potential of changing the very nature of Canada Post. On one hand there is the view from Stephen Harper of a partially deregulated post office to serve the needs of rich Canadians and big business. On the other hand, there is CUPW's vision of a public post office that helps people to communicate, communities to thrive and businesses to grow.

The Strategic review may very well determine which vision of the Post Office will triumph.

CUPW is confident that our vision of Canada Post as a publicly-owned enterprise providing quality affordable services is the one that most people in this country support. We know that all CUPW members have to be involved for us to win.

**Your help is needed. It will take every CUPW member to win.**

Here is what you can do:

- You can talk to your friends, family and neighbors about the dangers of postal deregulation.
- You can chat about the Strategic Review with your co-workers. This is a great workplace conversation, and if your Supervisor overhears you, it is even better.
- You can go to your Local Meetings and discuss what actions the Local should take to support CUPW's vision of the Post Office.
- You can talk or write (postage free) to your Federal Member of Parliament about the Strategic review. You should tell her or him that any deregulation of Canada Post is wrong.
- You can participate in CUPW's campaign on the issue of the strategic review.

The address for the Strategic Review is:  
Canada Post Corporation Strategic Review  
330 Sparks Street  
Ottawa, Ontario  
K1A 0N5

Some people think that we won't be able to stop Harper and his gang. CUPW doesn't agree. We have changed people's minds before and we know we can do it again.

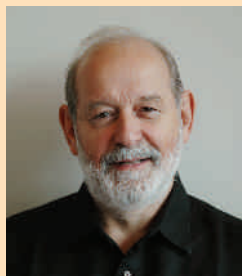
**We just need your help.**

In closing remember what American anthropologist Margaret Mead said "Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has".

## CUPW National Executive Board 2008



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