



# Hey Harper – Hands off my post office

## Say no to postal deregulation

# The Canada Post Corporation Strategic Review

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Fact Sheet

The federal government is conducting an inquiry called the Canada Post Corporation Strategic Review. It says it is conducting this review to make sure our public post office “has the right tools and means to fulfill its mandate in the future”. It has even ruled out privatization. This sounds pretty good until you look beyond the reassuring words. An examination of the review’s mandate shows that the government may be looking at some pretty fundamental changes to our universal, public postal system.

The Canada Post Corporation Strategic Review will look at basic questions. What is universal postal service? Should our public post office continue to have an exclusive privilege to handle letters so that it can provide universal service?

## Review issues

The government’s review will focus on the following areas:

### A. Market and Competition

**H**ow have changes in technology, competition and customer demographics shaped the postal market?

What has been the evolution of the markets for lettermail, parcels, advertising mail, and international mail?

What are the emerging needs of postal service customers?

What can be learned from these same developments in the postal services markets in other countries?

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## B. Public Policy Objectives and Responsibilities

**W**hat are the costs of the universal service obligation and to what extent do revenues generated by Canada Post's exclusive mail collection and delivery privilege offset these costs? How are those costs and revenues expected to evolve in the future?

What have been the financial impacts of public policy obligations placed on Canada Post? How are

the costs of public policy obligations funded?

What are the social impacts of the universal service obligation?

To what extent do all of the public policy obligations imposed on Canada Post meet the needs of Canadians?

### CUPW comments:

At the moment, Canada Post's universal service obligation (USO) is not defined. The review will have to define the USO in order to cost it. What will be included? What will be left out? We do not know. Costing the USO is really a means of assigning a dollar figure to providing universal postal services. CUPW believes that we have a social responsibility to maintain valued, secure and universally accessible public postal services for everyone. The exclusive privilege provides Canada Post with the funds necessary to finance these services. The review should not be used to identify the costs of the less economical services, such as delivery to isolated areas, in order to justify eliminating or the contracting out of services.

## C. Commercial Activities

**W**hat are the internal and external challenges and risks faced by Canada Post in its effort to ensure its activities generate reasonable rates of return and contribute to fund its public service obligations?

Which activities or services currently provided should be preserved as exclusive privileges and

which ones should be provided in a more competitive environment?

Does Canada Post have sufficient latitude and flexibility to perform successfully in a competitive market environment?

### CUPW comments:

This means the review is considering deregulation of Canada Post. Providing Canada Post with an exclusive privilege to handle addressed letters is a form of regulation. Reducing or eliminating this privilege is deregulation.

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Regulations exist for reasons. Canada Post has an exclusive privilege or monopoly to handle letters so that it is able to generate enough money to provide affordable postal service to everyone, no matter where they live in our huge country, be it a large urban centre or a rural or isolated community. It will become increasingly difficult for our public post office to provide universal postal service if the government erodes or eliminates the very mechanism that funds universal postal service - the exclusive privilege.

Canada Post often talks about the need for more flexibility when referring to the rights and protections in collective agreements. Previous reviews of the post office have taken a superficial look at postal workers' rights and protections. Their recommendations have contributed to difficult negotiations ending in strikes.

## D. Financial and Performance Targets

**A**re the parameters set out in the 1998 Multi-Year Policy and Financial Framework still valid and provide appropriate accountability?

Is there an appropriate policy and financial framework in place to ensure that Canada Post can compete successfully in the marketplace and meet its public policy obligations?

What are appropriate financial and performance targets for Canada Post that will reflect its dual public and commercial objectives, and support its efforts to improve the corporation's cost structure and efficiency and meet future infrastructure needs?

How should service delivery standards be established?

## Advisory Panel

The government has appointed a three-person advisory panel to conduct its review.

- Robert Campbell
- Nicole Beaudoin
- Daniel H. Bader

Robert Campbell has published two books on postal services in which he has advocated for the end of postal monopolies. In 2002 he published a paper entitled *It's Time for Serious Postal Reform* in which he stated "Canada's postal system should pursue both liberalization and deregulation. Liberalization should gradually remove the exclusive privilege". To date, the other members of the panel have not written on postal issues.

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Panel members will rely extensively on information provided by Canada Post. It is not clear whether CUPW and others will get to see the corporation's information and rebut it if necessary. Previous reviewers of the post office have complained about the inadequacy of Canada Post's information.

## Submissions

The review's advisory panel is not holding public hearings. Panel members are asking individuals and groups to make submissions by September 2, 2008.

CUPW believes that it is irresponsible and unaccountable for the government to conduct a review of Canada Post without doing everything possible to consult with the real owners of the post office – the public.

## Guiding Principles

The government says that the advisory panel will adhere to guiding principles.

These principles are designed to allay people's fears about the government's review of Canada Post. They rule out privatization and include a promise to maintain universal service. They do not rule out deregulation of Canada Post, which would almost certainly put universal service and our one-price-goes-anywhere postage rate at risk.

For more information, go to the following website:

<http://www.cpcstrategicreview-examenstrategiquescp.gc.ca/index-eng.html>

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CUPW information on the Strategic Review of Canada Post: [cupw.ca/StrategicReview](http://cupw.ca/StrategicReview)**