

**Presentation by
Hassan Yussuff, Secretary-Treasurer
of the
Canadian Labour Congress**

**to the
House of Commons Standing Committee on Finance**

**regarding
"An Act to Implement Certain Provisions of the
Budget Tabled in Parliament on March 4, 2010
and Other Measures" — Bill C-9 (Part 15)**

May 11, 2010



Canadian Labour Congress

Congrès du travail du Canada

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Introduction

On behalf of the 3.2 million members of the Canadian Labour Congress (CLC), we want to thank you for giving us the opportunity to appear before your committee on the important public interest issues that are raised by Part 15 of Bill C-9.

The CLC brings together Canada's national and international unions along with the provincial and territorial federations of labour and 130 district labour councils whose members work in virtually all sectors of the Canadian economy, in all occupations, in all parts of Canada.

The CLC represents workers in every province and territory, and in communities big and small. Included in that number are people who work for Canada Post, the members of the Canadian Union of Postal Workers, the Canadian Postmasters and Assistants Association, and the Public Service Alliance of Canada's Union of Postal Communications Employees.

Impact of Part 15 of Bill C-9

We want to state at the outset that we are unequivocally opposed to any legislation that will weaken Canada Post's ability to provide universal, affordable service to Canadians, wherever they live. We believe that maintaining and improving public postal services is what provides the most benefit to the population and to all sectors overall.

Part 15 of Bill C-9 represents an attempt to partially deregulate Canada Post. If it becomes law, it would send a significant signal to the corporate sector that the door has been opened to further postal deregulation, especially given this current government's ideological stand favouring deregulation and privatization of public services.

When Canada Post was granted the exclusive privilege to deliver international and domestic mail in 1981, it was because our legislators understood that market forces alone cannot guarantee a reasonable level of service at affordable prices to all Canadians, regardless of where they live or what their economic status is.

The exclusive privilege is a reflection of principles of equality and common commitment that our society values highly. We believe that all Canadians, no matter where they live in this vast landmass of ours, must be guaranteed access to public services. These principles are why we built an extensive transportation system in Canada, and created universal public services such as health care, education and, of course, postal services.

The exclusive privilege is the means by which the post office is able to fund its universal service obligation to service and link Canadians from coast, to coast, to coast. If passed, Part 15 of Bill C-9 will have a detrimental impact on Canada's public postal services. Canada Post already foregoes revenue to illegally operating international re-mailers. If the exclusive privilege is eroded, it is very likely that the re-mailing business will grow, and Canada Post will lose more of the international letter business.

The universal service obligation

Without the revenues that flow from having the exclusive privilege, Canada Post's ability to carry out its universal service obligations would be weakened. Changes would not happen overnight, which is why those in favour of the Bill will accuse those of us who oppose it as being alarmists. But the fact is, the causes and conditions would be set in motion for revenue losses leading to service cuts — particularly for those living in rural or isolated communities — and/or higher postal rates, as well as eventual, further deregulation of the post office.

Re-mailing is big business

The government and the international re-mailers say the Bill will change nothing because private companies have been breaking the law and handling international mail for years. They say the loss in revenue to Canada Post has been in the vicinity of \$70 million annually, and that compared to Canada Post's overall revenues, this represents a pittance.

These arguments are not very persuasive. To say the least, it is strange for a government to change a law that will have a negative impact on Canadians just because those who are breaking it don't like it and are eager to syphon off more profits. Don't we count on our governments to enforce our laws? It is even stranger that the government is attempting to push the legislation through without a thorough review. What's the rush when there's so much at stake?

We do not believe that Canadians want to see a destruction of their postal service. They want a sustainable public post office and reliable, affordable mail delivery. There is no reason to jeopardize a good service that provides good value for Canadians just because of ideological beliefs and a desire to satisfy a powerful business lobby.

We are urging the government to immediately withdraw or sever Part 15 of Bill C-9, and reaffirm its support for the exclusive privilege and public ownership of Canada Post.

In closing, the postal service has played an important role in building our nation by uniting our vast but sparsely populated territories and regions. From confederation until recently, the postal service linked together virtually every community in the country. Canada Post's role as an instrument of national unity should not be overlooked or undervalued, especially now in a globalized world.

The postal service makes important and positive contributions in the enhancement of the cultural, social and economic life of Canadians. The postal service serves as a lifeline for charities, service clubs and non-governmental organizations which add so much to the quality of life of Canadians. Furthermore, the postal service helps to transport the multitude of specialized publications, such as magazines, which help to preserve the many cultural identities that comprise our nation.

The postal service also plays a significant economic role. In a country in which small businesses compete against large multinationals and small communities compete against large urban areas, the postal service acts to equalize communications costs and reduce the disadvantages faced by those working in smaller businesses and in smaller communities. Also, as an employer, the postal service offers many job opportunities, many of which are in rural areas and are occupied by women. Canada Post is often one of the few potential employers for women in rural communities.

Our public postal service provides universal and affordable services to all Canadians, no matter where they live. As the second largest landmass in the world and one of the smallest population densities, access to a universal and affordable postal service is an important piece of public

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policy required to maintain a healthy social and economic network within Canada.

It is our role as Canadians to preserve this capacity and prevent the erosion of service provided to all Canadians, no matter where they live, where they work or do business, or where they communicate and exchange services and goods between themselves.

Thank you very much.

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