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Chair

Mr. Tom Lukiwski

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• (1255)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): I call the meeting to order.

Colleagues, ladies and gentlemen, welcome. Thank you for being here today.

It's my first time in Dryden, Ontario, and I think it's probably the first time for many of my colleagues—

Ms. Mary Aitken (President, Dryden Local, Canadian Union of Postal Workers, As an Individual): Why?

The Chair: Ms. Aitken, there's no good reason for that. We'll have to make a point of coming back.

Obviously you know the purpose of your appearance here. As I'm sure you're also undoubtedly aware, the Honourable Judy Foote, the minister responsible for Canada Post, has engaged in a very extensive and exhaustive consultation process concerning the future of Canada Post. The first part of that consultation process was for the minister to establish a four-person task force whose mandate was to examine the financial viability and sustainability of Canada Post. They did that, and they submitted their report to our committee. We examined it and we had that task force before us in a format very similar to this.

The second part of the consultation process is why we're here. The minister asked this committee to go across Canada to talk to individuals, organizations, and municipalities that have an interest in Canada Post and are affected and impacted by Canada Post and its future. We want to hear your opinions on what you think should be the future of Canada Post.

The process is pretty simple. We'll ask each one of you to make a short opening statement, hopefully no more than five-minutes. Once that is concluded, we will go into a round of questions during which all my colleagues around the table will have an opportunity to question you about your brief.

I suggest to you that if you have comments you think will exceed five minutes, try to pare them down. It's been our experience that most of the comments you would probably like to make in an opening statement get covered during the question-and-answer period anyway. There will be ample opportunity for all of you to expand upon your thoughts when that occurs.

With that brief introduction, we'll get going right away.

The first panellist I have on my list to make an opening statement is Mr. Andrew Scribilo, president of the Kenora and District Chamber of Commerce.

Andrew—if I call you that, after we've had an introduction—please commence. You have five minutes.

• (1355)

Mr. Andrew Scribilo (President, Kenora & District Chamber of Commerce): The brief I handed in contains the answers that our business community in Kenora gave to the questions.

As president of the chamber of commerce of Kenora, I also sit on NOACC, the northern Ontario chamber of commerce. We're very active in the whole northwest, not just in this region.

Our feelings and thoughts on Canada Post are that we would like it to stay. There may be alternative methods and modes, as we put it in answering our questions in here, that may satisfy the federal government.

For us in Kenora, we have home delivery, which seems to work very well. We also have rural post boxes as well as remote stations. For example, Keewatin is a post office, post office box, and rural delivery—two boxes—out in the country.

As far as Canada Post goes, in Kenora there's an outlet store at Shoppers Drug Mart. For us, I don't think it's used as heavily as the regular post office, open to Monday to Friday. They provide exceptional service, and you'll see that in the questions we've answered. We're very happy. At the chamber we use the postal service a lot. The company I work for uses the postal service exclusively with Canada Post, with Priority courier and Priority post.

In our particular urban area, Kenora, they have home delivery. That's just within distance of our main station post office. It seems to work very well. They have contractors delivering to the post office boxes external to urban—the non-urban, the rural country, which is a lot of what takes place in our communities. I will say that it works very well.

I've read some of the documents here. They're looking to see how they can cut costs and they are looking at the revenues. We can get into that. We can talk about the alternate-day service or whatever they're looking at. It employs a lot of people in our community. A lot of these communities were devastated when we lost a lot of the paper mills and a lot of the rail. Our communities have really gone downhill. To lose more employees, this time at Canada Post, would just be another nail in the coffin, basically. We intertwine with all the local people and all the local businesses.

That's the feeling from our area on Canada Post. We're happy with the service. We're also happy to see what alternatives are out there to help transform it into something we still want it to be.

Thank you.

• (1400)

The Chair: Thank you very much.

Next we have Mr. Neegan, for five minutes, please.

Mr. David Neegan (Owner, Norwest Printing and Publishing Group): I have to let you know that Canada Post has cost me a lot of sleep over the past summer. The reason for that is that my business, Norwest Printing and Publishing Group, relies heavily on Canada Post. When there was talk of a strike and the dates kept being extended, that forced my business to find other means of getting our invoices and our product to our customers. We receive the majority of our revenue through Canada Post in terms of our invoices and cheques and so forth being mailed. We rely heavily on Canada Post because that's one of the only methods we have in Dryden to accurately service our customers.

I don't want to say we're indifferent. What I'm here to say, basically, is that if the union and the corporation cannot resolve their issues within the next year or so, we will find means other than Canada Post. We employ 40 full-time and part-time employees right now, and since we are a new business—we just celebrated our first year—we don't have the same resources as other businesses that are more established. We have to react a lot quicker. I must stress this: we will find means other than Canada Post to service our customers if they are unable to resolve these issues between the union and the corporation.

For example, in terms of the notes I provided to you, right now I own three community newspapers: one in Dryden, one in Red Lake, and one for our first nations within the region. I own a commercial printing company as well as road signage. We do the regional phone book for Kenora, Dryden, Red Lake, and Sioux Lookout, as well as the in-flight magazine for Wasaya. Out of that, 80% to 100% of our invoices come through Canada Post. With regard to the delivery of the newspapers, we spend on average \$5,000 a week, and our mail-out for the commercial printing is about \$100 to \$200 per parcel. We do a lot of business with Canada Post.

I would say that Canada Post has about 90% of my business. It's very important that Canada Post resolve these issues sooner rather than later, because I cannot jeopardize that business. What that means is that if I lose my business, since we employ 40 individuals with my company, that's 40 individuals who are out of work. My colleague here from Kenora has stated that this region does need jobs in the area.

I'm here to basically say, please resolve your issues. People like me are getting caught in this fight, and I don't like being in this position.

• (1405)

The Chair: Thank you very much.

Our final panellist will be Ms. Aitken, please, for five minutes.

Ms. Mary Aitken: Well, David, I'll let you know that we never said we were going on strike. It was Canada Post that said we were

going on strike. We have a tentative collective agreement that is good for a very short time period. We wanted to resolve the issues. We wanted to make sure that we were heard. Anyway, that's just to let you know.

Actually, I've known David for a few years, although I'm sure he doesn't remember.

Yes, small businesses need to have daily delivery. How can you operate by getting money every other day and sending your bills out every other day? That doesn't really work, and there is no need to change that. We are making money. We have made money.

The three years that we haven't made money since 1981—and I'm not even sure they've paid it out yet—are connected to a 30-year old grievance on pay equity with PSAC. The other one was on paper, by accounting, because they changed their accounting principles—I'm not sure on exactly what—so they lost money that year. Then they lost money the one year that we went on strike. Again, they caused the strike. They hired the scabs. They hired the helicopters. They hired everything else.

The Chair: For the record, was that 2011, the lockout year, that you're referring to?

Ms. Mary Aitken: Yes.

• (1410)

The Chair: Thank you.

Ms. Mary Aitken: I've been there for 42 years, so I've been through a few strikes and I've seen a lot of things change. Why does Canada Post have 22 vice-presidents who are being paid as much as they are? Why does it have a president who's being paid as much as he is? Why did it build brand new buildings in Winnipeg and Vancouver if mail volumes are dropping? Why did it go with all that brand new equipment? Why did it put a machine into Thunder Bay again? There was one there before, and they didn't have enough volume then—and that's when there was mail to keep it running—but no, Canada Post took one out of Ottawa and put it into Thunder Bay. Then it took all of our mail and delayed our mail going out. Canada Post delayed it by two to 10 business days instead of leaving it to be sorted locally and support jobs.

When I first started at the post office, I was making a dollar an hour more than the guys at the mill. I'm now making less than half of what they're making, but I'm still employed, while 600 of them were put out of jobs. They had to go elsewhere, my brothers included. Why? All for the sake of a dollar, because Canada Post wants to make more money.

Again, it is making money. It made money in the first quarter. Why does it make money? It's because it didn't follow the Canada Post Corporation Act and give customers six months' advance notice that it was going to be increasing the price of stamps. It yanked the stamps off the walls and said that those stamps could not be sold because the price was going to increase overnight.

Why did Canada Post take the publication rate away from the small newspapers? There was nothing wrong with that. That was a subsidy. Maybe that subsidy came through the government—I'm not exactly sure—but it helped the small businesses. It helped the small newspapers. Where are they now? They're paying full price, and that's not right.

I was also really upset when I heard you weren't going to Sandy Lake. That's a shame, because you need to know what it's like in northwestern Ontario. You can't even drive there; you have to fly. There are a whole lot more things going on, and dealing with some place an hour out of Winnipeg, although it's still a drive, is not the same thing.

There's a whole lot more I could say.

The Chair: I'm sure we'll get to it in the question period.

Before we start that, though, you should know that we wanted to go to Sandy Lake. We had originally scheduled this committee to go there. Unfortunately, they were not able to accommodate us for a variety of reasons, so we had to withdraw. We will be going, however, to another first nation in Manitoba. Our first choice was Sandy Lake, but it was not our decision to pull back on that location.

We'll start now with our seven-minute round of questions. We'll go with Monsieur Ayoub.

[Translation]

You have seven minutes.

[English]

You may want to put on your interpretation devices if you are not fluently bilingual.

[Translation]

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Mr. Chair.

Thank you for being here.

I am very pleased to be in Dryden for the first time, and I am sure my colleagues feel the same way. We may come back again, Ms. Aitken. As the chair said, we wanted to go to Sandy Lake. We want to go to all corners of Canada to hear what people have to say about Canada Post.

I have done a little research. What was your reaction to the information about potentially ending home delivery? I thought I understood that there had been a survey. How did you learn that?

Mr. Scribilo, you can start.

[English]

Mr. Andrew Scribilo: Yes. Our local media warned of a potential strike. In my community in Keewatin, I talked to the ladies in the small rural post office there. They were concerned that if there were bills or things that needed to get out, then we had to make alternate arrangements.

Ontario Hydro is a good example. They said you had to continue to pay your bills, even though there might be an interruption of service from Canada Post. You had to go online or prepay. There was

no getting out of your bill, so a lot of this was online and local in our communities.

Mr. Ramez Ayoub: Maybe you have comments on the business side, Mr. Neegan.

Mr. David Neegan: We heard through the media that there was no correspondence directly from Canada Post.

Mr. Ramez Ayoub: No survey?

Mr. David Neegan: We haven't received a survey.

Ms. Mary Aitken: There was no survey, but I got an email from Canada Post back in May addressed to all the small businesses saying that there could be a labour disruption.

[Translation]

Mr. Ramez Ayoub: I would like to understand, as we have tried to do elsewhere, whether you have been treated differently in terms of the publication of information. Since we began our consultations, we have observed that everything has been imposed, decided in advance, with no public consultation, whether of chambers of commerce or of members of the public. We came to power, and for the first time in ages, a consultation has been organized. That is what we want to do here.

My question is more specifically for Mr. Neegan.

You said you have 40 employees. You also talked about finding alternatives. What are they, in your view, in this region? What kind of competition are you facing?

[English]

Mr. David Neegan: More specifically, I also have to let everybody know that before the strike, we had to get our invoices out. What we started doing was contacting individuals through email and fax, and unfortunately, that is the business Canada Post has lost forever. You're not going to get that business again, because we don't have to pay for stamps. You have to be well aware that we are going to adapt no matter what, because we're talking about survival for our business and we will use FedEx, Purolator, or other methods.

We prefer to use Canada Post and will continue giving our business to Canada Post, but if you put me in a position that's going to jeopardize my employees and my business, I'm not going to go there. I'm going to find those other means, and once you lose those means, you lose them forever.

• (1415)

[Translation]

Mr. Ramez Ayoub: I can understand, if you do not manage to find viable alternatives. Under its mandate, Canada Post delivers everywhere in Canada. The FedExes of this world do not necessarily have to do that. For your 40 employees, there are consequences that translate into job losses.

[English]

Mr. David Neegan: In terms of delivering our product to our customers, there are other means besides FedEx and Purolator. There are, we'll say, airways, for example, that deliver to a lot of the first nations up north. It may require us to do a bit more work, but once we have that established, we will continue to use those means. We've learned so far that Canada Post is very convenient for us because there is an office right here in Dryden, whereas if we use Wasaya, we do have to go to the terminals and so forth, but by doing that, we are also saving \$30-\$40 per shipment, which adds up over the year.

[Translation]

Mr. Ramez Ayoub: We have been told elsewhere that the post office had a social role to play, that it was a place for the community to gather and talk.

Is that also the case in Dryden?

[English]

Mr. David Neegan: I don't go there to have a cup of coffee.

Mr. Ramez Ayoub: You haven't answered the question.

Mr. David Neegan: We do want to continue our business with Canada Post. It's part of Canada. It's one of the fabrics of our society, and we will continue to support that. What I'm saying is that if I'm put in a position that's going to jeopardize my operations or my business, I'm not going to utilize the services.

I did lose a lot of sleep because I was watching what was happening in the media daily in terms of the proposed strike or lockout, or whatever the wording is. It did keep me up because that would affect my cash flow and because we're a new business, under two years, and we don't have the same options as businesses that have been around for five, 10, or 15 years. We rely strictly on cash flow and we cannot have that cash flow interrupted.

The Chair: Thank you very much.

Next is Mr. McCauley, for seven minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Great. Thanks for joining us.

Mary, you did great. You didn't have to worry about nerves.

Mr. Neegan, congratulations on the job creation you've done. It's wonderful. I'm going to ask you about newspaper delivery. Is that done by Canada Post?

Mr. David Neegan: Yes.

Mr. Kelly McCauley: It came up at a previous meeting. We had a gentleman representing the association of newspapers, including small community newspapers, who mentioned that sometimes there was a conflict with delivering community newspapers when they had a whack of Admail to deliver at the same time. Sometimes the newspapers weren't getting delivered in favour of other deliveries they were doing. Have you encountered that at all? It might have been just an anecdotal thing that they brought up.

Mr. David Neegan: No, I haven't. If that were the case, it would have been brought to my attention immediately, but there hasn't been a circumstance yet where that has happened. Previous to this life here with Norwest Printing, I was involved with another community

newspaper, and nothing like that was ever brought to my attention there either.

Mr. Kelly McCauley: Okay.

Mr. Scribilo, you mentioned that you represent another organization—

Mr. Andrew Scribilo: It's NOACC, the northern Ontario chamber of commerce.

Mr. Kelly McCauley: You spoke about your experience with your business in Kenora.

Do you have anything you want to add? Did you receive any feedback from that organization as well, or does it mirror—

Mr. Andrew Scribilo: I think it mirrors that.

I just want to answer the gentleman, Ramez, about social gatherings in the communities. In the remote north, I've lived in Big Trout Lake and throughout remote Ontario, working for my company, other than the chamber of commerce. It is a social place, the post office, because that's where everything comes in. That's where cheques come in, letters come in, mail comes in. It is a social gathering. It's no different from Kenora. They have giftware in there, so there is revenue generated out of each of the post offices.

● (1420)

Mr. Kelly McCauley: I can certainly see that. In my riding, where I live, half of our deliveries are at home and half at community mailboxes. If it's nice weather, you go to the community mailboxes and see people hanging out with their dogs, etc. I can certainly see that.

Mr. Andrew Scribilo: I'll comment on the whole northwest of White River, Hornepayne, Geraldton, Manitouwadge. I've been to all the places throughout northwestern Ontario, and our feeling is that we don't want to lose it. If there are things that need to be done—revenue generation or expense-cutting—I think this type of process is awesome.

Mr. Kelly McCauley: This is very common, and we are hearing it a lot. Also, what the task force received, in very extensive polling, was that people don't want to see change in the service, but they also don't want to pay more for it and they don't want taxes to go to it. It's a very difficult balancing act, so it's great that we are getting so much feedback from everyone.

Mr. Andrew Scribilo: On being invited here, I quickly polled a lot of our businesses in Kenora. I didn't get a lot of response, except that they don't want to see any changes.

Mr. Kelly McCauley: Yes.

Mr. Andrew Scribilo: That was it. The hot topic, the billing from the different companies and corporations, was in the media. The companies and corporations said they were not going to stop charging us, so we'd better find a way of paying them. Fortunately or unfortunately, we have to deal with that.

Mr. Kelly McCauley: Reality gets in the way of fun sometimes, or what we would like.

Thanks very much. I appreciate that.

We've heard a lot about the consultation from the communities we've gone to. We didn't hear enough; we want more. It's a narrative that people are trying to build on. Canada Post actually went to a lot more cities than we are going to visit. Unfortunately, we are running into.... There are three, four, five thousand communities across the entire country. There are only so many we can get to. Sandy Lake and Sioux Lookout are going to miss out, and Thunder Bay. There's only so much....

There won't be time now, but we'll ask you to send in information afterwards if you have any ideas about how Canada Post can better consult about these kinds of things. Since we can't get to everyone, we would certainly appreciate it.

Have they contacted you about any move to community mailboxes in your area, or is it all door to door?

Mr. Andrew Scribilo: There was talk of it. There was nothing cast in stone.

Mr. Kelly McCauley: On the postal lockout dispute this summer, my business got a ton of emails. It's funny that this was also when I started hearing from people I owe money to. The only time they actually call you is when they say, "Oh, by the way...." I got a barrage about Canada Post, because I use them in my business. Did your association experience that as well, warnings about making other arrangements?

Mr. Andrew Scribilo: Absolutely. They were warned individually through the company that I work for.

Mr. Kelly McCauley: I promised to get to you, Mary. Do you want to comment about—sorry to cut you off. My time is so short.

Mary, do you want to comment about the newspapers and Admail?

Ms. Mary Aitken: That should not have happened. It shouldn't be correct, because of the rates. First class mail comes first. You have Priority and Xpresspost as first class mail—

Mr. Kelly McCauley: You weren't disagreeing with Mr. Neegan. It was just—

Ms. Mary Aitken: Publications are second class mail. That's the order, and Admail is the last. What they generally do, according to what I've heard from other centres—because it hasn't happened here—is allow for overtime to get more done. Because of the way they have structured the routes now, they are delivering to more and more places because the volume of mail is dropping and everything is based on how much coverage there is. They do it so there is more overtime incurred.

The other community, Ignace, is a gathering place. All that's there is the Canada Post Office. Sioux Lookout, unfortunately, in a cost-saving measure, they did not make them a letter.... They should be door-to-door delivery. They didn't do that. They went with the CMBs, which is the cheaper route. Then they're also downloading, because if you go back to your towns and look, you'll see CMBs are placed next to the sidewalk, and who's cleaning the sidewalk? It sure isn't Canada Post.

• (1425)

Mr. Kelly McCauley: This is what we're hearing.

The Chair: Thank you very much. I'm afraid we have to stop there.

Next is Mr. Weir, for seven minutes, please.

Mr. Erin Weir (Regina—Lewvan, NDP): Ms. Aitken, you raised an issue that we haven't heard much about so far, which is Canada Post's centralization of sorting and the effect that is having on service quality. I wonder if you could elaborate on that point.

Ms. Mary Aitken: I'd be glad to.

Going back to the mid-1980s, they took the machine out of south central, which is Toronto, and put it into Thunder Bay. They wound up taking it out a couple of years later because it was not viable. They didn't have enough volume. Back in the 1980s was when there was mail.

Yes, volumes are dropping, and what they did, I think three years ago, was take the machine out of Ottawa and dump it into Thunder Bay. That took all of our mail. We used to have what was called twin mailboxes, one for in town and one for out of town. The out-of-town mail went to Winnipeg to be sorted and shipped off. That was fine. We kept our local mail here. Now we don't keep any mail here. It all goes to Thunder Bay because they need the volume to put through their machine, and I bet they still don't have enough.

Kenora sends all of its mail to Winnipeg to be sorted there, because it takes too long going to Thunder Bay. The mail can take easily an extra week to 10 days, if not longer, to be sent from Dryden to Dryden, or from Dryden to Sioux Lookout. If you want to send mail up north to Port Severn, which only has a flight once a week, how much more of a delay is that?

We run a 24-hour operation here. We ship the mail to everywhere: Kejick, Whitedog, Fort Severn, Stanley Lake, Weagamow, Cat Lake, Angling Lake, Bearskin Lake, Deer Lake, Wunnummin Lake, Pikangikum, Summer Beaver, Eabamet Lake, Lansdowne, Sioux Narrows, Nestor Falls, Emo, and Rainy River. I know I am missing some, but we sort it all. We're the ones who sort the mail and deliver it all out there.

Another thing they've done is decentralize again. Fort Frances used to get two mail trucks, one from us and one from Thunder Bay. They cut out the one from Thunder Bay, and now everything comes through us down to Fort Frances. Our truck used to meet the Fort Frances truck to give Atikokan their mail. Now Atikokan's mail only goes through Thunder Bay.

You're making it worse instead of better. Let us sort our own mail. Give us the direct routes. There is so much....

Mr. Erin Weir: Good point, and thanks for sharing that.

Something I wanted to ask everyone on the panel about is how you would rate the importance of door-to-door delivery versus community mailboxes.

Mr. Andrew Scribilo: Personally, I don't get door-to-door delivery in Keewatin, and I'm fine going to the post office where there are the locked boxes. I know that the people who get door-to-door delivery love it. It's less headache for them than going downtown to pick up their stuff.

It's not that the communities are that big—there are 15,000 people—but it's a service that has come to be expected, so when some of your questions came out, the locals didn't even think they were ever going to lose their door-to-door mail. Living in a community, they expect to have it.

In Keewatin we've always had that. In Kenora, they've always had door-to-door delivery. We have 20 or 25 people hired as letter carriers in Kenora. It's that much more employment for our community, and it is good service, with parcel post and everything.

Mr. Erin Weir: Mr. Neegan, do you have any thoughts on that?

Mr. David Neegan: I just want to add, in terms of the sorting, that we as a business have noticed that everything goes to Thunder Bay, and that has slowed down the delivery and receiving of mail within the region. For instance, I have an office in Red Lake where people send us stuff. It's a little more expensive to send things by air, but we have to use that option now because it will just take a little too long if we just throw it in the mail.

In terms of door-to-door delivery, I reside in Sioux Lookout, and we have a rural box. I'd like it delivered to my door. That's the only comment I really have.

• (1430)

Mr. Erin Weir: Fair enough. Sure.

Ms. Mary Aitken: We were slated to go to the first CMBs this year, but because of the election, that plan was put on hold temporarily. As my boss loves to say, "It's gonna come."

What gets me is the way they've written it, trying to say there are fewer people who get door-to-door delivery than people who don't. You're throwing in all of those places. Fort Severn, Big Trout, Sandy Lake—none of those places have door-to-door delivery. We don't expect that any of those places ever will, but don't throw them in the mix and try to say that there are fewer people getting door-to-door delivery, because there are a whole lot of urban places that do get door-to-door delivery. We don't get door-to-door delivery everywhere here in Dryden, unfortunately. Lakeside Drive, Skillin Crescent, and Milanese Place all have CMBs. They should be on door-to-door delivery. Why aren't they on door-to-door delivery? It's because that might create another letter carrier job.

Mr. Erin Weir: In terms of those letter carrier jobs, the perspective we heard from the CFIB at a previous panel was that postal workers were paid too much. I think you've actually made the point that wages have been pretty flat at Canada Post compared to those in the private sector. I wonder if you might elaborate a bit, based on your career with the corporation.

The Chair: Unfortunately, you have only a very brief amount of time.

Ms. Mary Aitken: As I put in my brief, when I started working at the post office, I was working night shift. I got a night shift difference of a dollar an hour. That was the difference between what I was making and what the guys at the mill were making. I didn't

have any benefits. Now they're making 50 to 60 bucks an hour, depending; I'm making \$26 an hour. That's quite clear, and I work eight hours a day. The majority of the letter carriers may not be—

The Chair: Thank you very much.

We'll go to Ms. Ratansi for seven minutes, please.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you all for being here.

As you know, this is our fifth or sixth meeting, and we've heard a lot of complaints about Canada Post—the corporation, the management, its non-consultative nature, and its ability to create crisis without crisis occurring—so we understand. We've heard it over and over again, and we've heard about seniors and people with disabilities needing their door-to-door delivery.

We need to find a road forward. That's why we are asking to hear from you as communities as to what the road forward is.

Mr. Neegan, you say if Canada Post creates this crisis, then you'll look for alternative sources. That's an interesting one, because the crisis is created by the corporation, maybe under a different mandate. Now it's a different mandate. This thing has stopped, and they seem to have created a financial crisis.

As a business, would you create a crisis by saying you're going into insolvency?

Mr. David Neegan: In terms of Canada Post, I'm aware of its history in terms of how the business model has changed over the last 20 years, especially with my business directly. I'm in commercial printing, and the market share really has shrunk. We're in the same boat as Canada Post.

In terms of our business relationship with Canada Post, we find that the quality of service is exceptional. Nothing negative has been brought to my attention in terms of service delivery, and we haven't heard anything negative from our clientele or our workers.

Ms. Yasmin Ratansi: Going forward, you would say Canada Post is an essential service for your business—

Mr. David Neegan: I would prefer, in terms of Canada Post, that the union and the corporation resolve their issues. I don't know what the Government of Canada can do in terms of either legislation or something else that it doesn't put me in a position where I have to make that choice.

Ms. Yasmin Ratansi: That's fair enough.

Ms. Aitken, do you feel that under the current management, the workers can create a plausible environment in which to work with management so that we can come to a solution? Does it need to be facilitated?

If pensions, for example, were taken out of the equation.... The pension liability is really not a liability. What Canada Post has said is that if it went into insolvency.... Now, that is really bad thinking. If you're an ongoing concern, you can't think of insolvency, so would a change in mindset probably...? What do you think?

• (1435)

Ms. Mary Aitken: As to our pension plan and the...?

Ms. Yasmin Ratansi: Insolvency, when you go into—

Ms. Mary Aitken: There's the “going concern” and then there's—

Ms. Yasmin Ratansi: Insolvency.

Ms. Mary Aitken: Is Canada Post going to close their doors tomorrow?

Ms. Yasmin Ratansi: No.

Ms. Mary Aitken: Well, then, why do we have to fall under that?

Ms. Yasmin Ratansi: That's true, and that's where the sustainability explanation comes in. If management were to operate as a going concern, we've heard from people that the employees of Canada Post have more faith in the corporation than the management has, so if there were a change in thinking on the part of management, would you be willing to sit down, provide your input, and help Canada Post move forward?

Ms. Mary Aitken: I would love to, but there needs to be a change in management, because they're not listening. They haven't listened to us for—how many years?

Ms. Yasmin Ratansi: Fair enough.

We've heard about some creative solutions from some employees. One of them was postal banking. I know that there was a 2009 report that was presented and was redacted by the government, but do you have any thoughts on postal banking?

Ms. Mary Aitken: Considering that Vermilion Bay does not have a post office and their credit union closed a couple of years ago, that in Ignace the CIBC closed this summer, that Pickle Lake does not have a post office, and that up north they do not have post offices, it would be a perfect solution in term of helping all of those people do their daily banking.

One of the other things is that last year the Government of Canada said that they weren't going to be sending out cheques anymore, and not everybody has a bank account.

Ms. Yasmin Ratansi: You would think that this is a viable option. First of all, are there post offices in those communities?

Ms. Mary Aitken: There is a post office of some sort in every northern community.

Ms. Yasmin Ratansi: Would they have some flexibility or the infrastructure in place to at least do minimal banking or cheques or whatever they do?

Ms. Mary Aitken: As far as I know, they all have computers. They all have what in Canada Post is called the RPS system. Shoppers uses it as well.

Why Shoppers is even here, I don't know, because they're not that far from the post office, and it seems sometimes that half the stuff that gets sent out gets returned because they did it wrong.

Ms. Yasmin Ratansi: Mr. Scribilo, as a business person and as part of the chamber of commerce, you've been very satisfied with Canada Post. How would you come up with new business revenues for Canada Post? What are some of the products that you think it should offer to move forward and go into the 21st century? Have you any ideas?

Mr. Andrew Scribilo: You're putting me on the spot.

I know they're into giftware and stuff today, but I don't think that's a real pusher for Canada Post. I think it's more of a convenience for people to go in and buy coins and giftware and stuff....

Honestly, I'm at a loss for words on what they could do.

Ms. Yasmin Ratansi: No problem. We will be—I'm done?

The Chair: Yes. Thank you very much.

We now go into our last two interventions, which will be five minutes each. We'll start with Mr. Brassard.

Mr. John Brassard (Barrie—Innisfil, CPC): Thank you, Mr. Chair.

I just want to pick up on something that was mentioned earlier with respect to pension liability.

I'm a guest at this committee and I'm here for a week. I was just confirming with Mr. McCauley that generally accepted accounting practices occur. One of them is looking at pension liabilities with respect to the potential of insolvency. That's an accepted practice that occurs all over the world.

One of the narratives we've been hearing regularly is with respect to the potential for a change in management. We were in Windsor yesterday, and Mr. Ken Lewenza, Jr., was there. He talked about the need for management and the union to work together to solve some of the issues with respect to Canada Post. Mr. Neegan, you talked about that, and about how you'd like to see a coming together, because at the end of the day, it's the end customer who's important here.

This question is for all of you. Do you subscribe to the very thing Mr. Lewenza spoke about yesterday, in the way you do business with your employees, in terms of this collaboration? Ultimately there has to be a decision-maker, but employees generally have good ideas. Working with management and coming together is very important. Would you subscribe to that?

• (1440)

Mr. David Neegan: One thing I do have to make a point of mentioning, as Mary did before, is the local communities. In Ignace they lost a CIBC. In Balmertown, which is by Red Lake, the CIBC closed in early 2000. Basically what's happening with these communities is that the labour force is shrinking and shrinking and shrinking. It affects me in that one less person in the community means less revenue for me as far as selling advertising and goods and services is concerned. That is very important.

I must stress the importance of corporate responsibility to the communities you service. For example, I just heard this week that the *Rainy River Record* actually closed after 90 years or something like that. Last August *The Northern Sun* in Red Lake closed its doors. I purchased it. It's not a great revenue generator for me, but I love community newspapers. I really do. I believe they are part of the community. When you find a solution, you have to take that into consideration as well.

Canada Post is part of all these communities. It is one of the oldest institutions in Canada. I read the material in terms of the future of Canada Post; I don't think that should even be a question. I think Canada Post should always be Canada Post. Business or economic reasons aside, I think Canada Post is an essential service for all of Canada. It shouldn't be something that would go by the wayside.

Mr. John Brassard: Mary, in the time we have left, I'd like to hear your comments on this, please.

Ms. Mary Aitken: I agree with David. We are an essential service. We are the only ones who go everywhere. If you don't think so, come and see. On any day, we have FedEx parcels that have been shipped through Canada Post. Canpar, UPS, Purolator—we take them all. We're the only ones who do go everywhere.

In order for us to go everywhere, we need to be self-sufficient, according to the Canada Post act, but does that mean we have to make a 10% revenue, or should we be making enough money that we can reinvest and make things better for us?

Yes, we do sell things. In fact, if you want, I have a hockey poster signed by Guy Lafleur. It's only \$179.95 plus tax. I just got it out yesterday. It's on the wall. Sidney Crosby is \$299.95 and Darryl Sittler is \$179.95. Those three picture frames are gorgeously done. Unfortunately, I could only get the three. The other three are only through direct shipping. You pay with a credit card and they ship it to your house, so you need door-to-door delivery.

The Chair: Thank you very much.

Our last intervention comes from Mr. Whalen.

Mr. Nick Whalen (St. John's East, Lib.): Thank you, Mr. Chair.

Thank you so much for coming. It's really wonderful. I love to hear about your buying the community newspapers, Mr. Neegan. Organizations like yours that help build communities deserve our support, and I think corporations like Canada Post, which helps preserve and build communities and is part of a national infrastructure, need support.

What we're trying to figure out is what level of support and what type of support people need. Critical to that is what type of future lines of business we should be in. Should we be in a service-contracting phase or a service-expansion phase? What does the market require?

My first question is to you, Mr. Neegan. You're also in a declining market share business. Would you benefit from Canada Post doing more door-to-door delivery or more local sorting, or do you feel that you've already accommodated for the fact that they don't, and therefore it's heads or tails for you as to whether or not the service is now expanded?

• (1445)

Mr. David Neegan: We're in the phase of adapting to market conditions. What that means for us is that we will adapt to any curve balls that are thrown at us, but in terms of service delivery—in terms of the sorting, for example—we need faster service to our clientele. That is something that would help our business.

In terms of service deliveries to our communities, with our newspapers for example, a faster service would be.... We want to do business with Canada Post. That's the bottom line. Right now that's our best option, because it's something we've utilized and it's also historically what the old Alex Wilson Coldstream utilized for the last...since the 1940s.

Mr. Nick Whalen: Thank you.

Mr. Scribilo, in preparing for the meeting, I was skimming through the Canada Post annual report, and they refer to all Canadians as their customers. I thought about it for a second. I thought, when I'm at work as an MP, I'm a customer of Canada Post, but when I'm home, I'm really the product that they sell. Access to me is the product that Canada Post is selling, so I'm really their product.

You represent business people and the chamber of commerce. Do you feel that your members would benefit from an expanded, quicker service? You say you're satisfied, but do you think that it's time to expand and improve Canada Post service? Do you think it's fine the way it is? Do you think we need to keep scaling it back in order to save money so that it can be financially self-sufficient?

Those are three options on the table.

Mr. Andrew Scribilo: A true Canadian deals with what's given to him or her. That's part of our issue. If there's a possibility on the business side to have expanded, quicker service... We're dealing with everybody today—Internet, Netflix, and all the other things. It aligns with Canada Post. If a service were offered, people would probably buy it. It should go to the businesses to ask, "What do you want? What's your expectation?"

Mr. Nick Whalen: I'm asking you what your businesses are saying. Do you think they would take advantage of a higher level of service?

Mr. Andrew Scribilo: I think some would. As Mr. Neegan said, if there's a demand for next-day service, as in telecommunications, people will buy that service as long as it has a positive effect on their business. If they're selling something or getting a product to market... you have to realize that in these small communities we're used to waiting three to five days to get something—

Mr. Nick Whalen: What I'm seeing emerge here is the notion that rural Canadians are really the product, and they don't have access to the fast service standards that are enjoyed in urban centres. Someone in Toronto could sell to your customers quicker than you could, using the mail.

Mr. Andrew Scribilo: Absolutely.

Mr. David Neegan: Could I make a quick comment?

One of the things we're looking to do is expand our business, and Canada Post is an essential part of that plan. I should have emphasized that in my briefing notes. We're looking to go outside the region of northwestern Ontario in terms of our products. There are a number of products we've identified that we want to sell. We have to get those to our customer base very quickly. This is something we'll do in the next couple of years, and it is essential for us to have Canada Post around. It is part of our strategic plan overall to deliver that new service. I can't talk too much about the service exactly, but that is the way we're heading.

What that means for the city of Dryden is more jobs for the community. As I mentioned earlier, in communities such as Dryden, Sioux Lookout, and Red Lake, most of which I have lived in, the population has shrunk and there are fewer and fewer services. We're looking to bring some of that money back into northwestern Ontario. Canada Post is part of that plan.

• (1450)

The Chair: Thank you very much.

Lady and gentlemen, thank you so much for your appearance here today and the information you've provided us. If you have additional information you think would be of benefit to this committee in our deliberations, please submit it directly to our clerk. That will all form part of our deliberation process. Conversely, if any of our committee members have additional questions they think of after you have left the room and we want to get hold of you, would you allow us to contact you directly with additional answers to questions we may have? I appreciate that very much.

Thank you so much. Your appearance here has been greatly informative.

We will suspend now for a couple of moments before our next panellists come to the table.

• (1450)

_____ (Pause) _____

• (1455)

The Chair: Thank you, gentlemen, for being here with us.

Mayor Wilson, I know you've just arrived. Mr. Middleton, I'm not sure if you have been in the room listening to the first session we had, but on the assumption you both are here as newcomers, I'll go over a brief couple of procedural notes for you.

This is a part of an exhaustive and ongoing consultation process initiated by the Honourable Judy Foote, the minister responsible for Canada Post. Phase one of the consultation process was the establishment of the task force, whose mandate was to examine the financial viability of Canada Post.

That examination has been done. They have produced a report. We have examined the report and questioned the task force members on it, but phase two is why we're here today. It is a cross-Canada consultation with organizations, individuals, municipalities, and others about the future of Canada Post, more specifically the views that people like you may have on what you would like to see in the future for Canada Post.

We're going to ask both of you, when it's your time, to make a brief opening statement, hopefully no more than five minutes. Following that, there will be a series of questions from our committee members, and answers. I always assure people that even if you don't have enough time in five minutes to get all of the information to us, I know that the question-and-answer process will elicit a lot of the information you may have and may want to transfer to our committee.

That said, Mayor Wilson, I have you first on the speakers list if you would care to give an opening statement. Please take five minutes or less.

• (1500)

Mr. Greg Wilson (Mayor, City of Dryden): Sure, I can do it in less, and being a "W", I'm not actually used to going first.

I'm just going by script, and the following is my own opinion. Time didn't permit for a formal input by council as a whole. I just wanted to state that.

I want to compliment the task force on its comprehensive working paper, "Canada Post in the Digital Age". It's really well balanced and reflective of the positions of all stakeholders. I thought it was really well done.

My input is based on the belief that, separate from political interference into the strategic planning efforts of the 2,500 executive and management team members employed at Canada Post, this task force is truly committed to a fair and balanced study on the provision of "quality services to meet the needs of Canadians at a reasonable price in a financially self-sustainable manner". I'm going on that premise, and your financial situation is not lost on me. That's a tough one.

At a high-level view, Canadians recognize that the volume of mail has been decreasing for some time. To a lesser extent, Canadians understand that Canada Post is facing financial pressures that threaten its long-term survival. This is on page 33 under "Recognition of Systemic Pressures".

Using your conservative 2026 projections of annual losses amounting to \$721 million per year from this year's \$63 million annual loss, you are really headed in the same direction as the United States Postal Service, which regularly loses about \$5 billion a year.

While the hard work of developing and honing the technology and tactical processes used in streamlining the collection, sorting, distribution, and tracking of mail is largely complete in the industry, one thing that hasn't changed is the fact that the post office has to do just one thing, and that is to deliver the mail each day. It is laborious work, I'm sure.

More and more Canadians recognize that the system is not sustainable in its present form, yet we are loath to make changes because we are creatures of habit. Canadian hockey only changed when it was forced to after 1972, for those of you old enough to remember. Do we have the political will to do what's necessary in 2016 to save and stabilize Canadian mail for the long term?

Band-aid solutions have not worked here or in the rest of the world over the past few decades. I'm hoping that you will opt for both/and solutions instead of either/or solutions. For example, one, don't do as the American government does. They provide bailout funds every so often, which only serves to prolong the agony. I did note that Canada Post has deferred \$1.4 billion in solvency payments related to pension funding in 2015.

Two, don't be tempted to try adding new public services with such an expensive and non-competitive workforce, as illustrated in your working paper.

Three, move to a community mailbox and a franchise model at high-volume corporate post offices over the next few years.

Four, implement alternate-day delivery and add a day or two to the time it takes for a letter to get to destination as the de facto standard across the country, placing a premium on faster service for those who want it.

Five, adopt other marketing and advertising strategies as laid out in your paper. I'm sure you're not waiting for someone to give you the green light to do what makes sense. Also, promote the strategic advantages of Canada Post over customs brokers for cross-border and international shippers.

Now for small-town Dryden, my primary obligation is to the citizens of Dryden, of course, specifically those who would be negatively impacted by any form of reduced services from the current model. What follows is a suggestion on how to meet the postal needs of all Canadian towns and cities in a financially self-sustainable manner, and it's just two bullets and three subs, so it's really short.

Create a model around the 80% or 90%—I don't know the numbers; you can do a survey or a proper study—of Canadians who can walk or drive to a community mailbox. Those with mobility problems should receive door-to-door mail either for free or at a premium price, depending on the political will of Parliament. If at a premium, pensioners and low-income earners would receive a credit on their income tax. Door-to-door delivery would be on alternate days.

I just want to note that I pick up my mail at a community mailbox. It's an opportunity to socialize if I feel inclined, and my mail is also more secure this way when I'm away for a few days. People can break into anything, if they want to, but it's a lot harder when it's in a locked box.

● (1505)

Fixed costs will stay high for years due to inflexible contracts, meaning that you need to tackle these issues immediately. My suggestions likely won't get you to the break-even point, but will go a long way in making deficits and total debt more manageable.

Thank you.

The Chair: Thank you very much.

Chief Bull, welcome.

Chief Clifford Bull (Chief, Lac Seul First Nation): Thank you.

The Chair: I know you just missed, by a couple of minutes, my opening remarks. We're asking all of the three panellists to please make opening comments of five minutes or less, which will be followed by a series of questions and answers by all of our committee members.

Next up on my list, for five minutes or less, is Mr. Middleton.

Mr. Sandy Middleton (Deputy Mayor, Municipality of Red Lake): Thank you for having me here. Chief Bull, welcome, and Andrew.

One of the problems, of course, with following another politician, is that he usually says what you want to say.

Some hon. members: Oh, oh!

Mr. Sandy Middleton: I come from Red Lake, Ontario. It's made up of five small townsites: Red Lake, Balmertown, Madsen, Cochenour, and McKenzie Island. Each is distinctly different from the others.

Madsen has a small post office right in town. It's approximately eight or 10 kilometres from Red Lake. Red Lake is the largest of the five townsites and has a post office on its main street. Balmertown is about 11 kilometres from Red Lake in the opposite direction from Madsen, and it also has a smaller post office on its main street. It serves Cochenour and McKenzie Island with the group mailboxes. They sort the mail in Balmertown and it gets trucked to the mailboxes in Cochenour. Folks from McKenzie Island come across either by private boats or by a little passenger ferry, which we run, and then walk up to the mailbox and get their mail if they don't have a vehicle on the mainland. In winter, they can drive across an ice road. They have no service, of course, during freeze-up or breakup, which can usually be a couple of weeks in the spring and a couple of weeks in the fall.

We also serve the unincorporated areas around our municipality, which can be up to 30 or 40 kilometres away from the main town. There are a lot of people living out on little lakes and in tourist camps or what have you, who stay there all year. We serve a fairly large area.

I know it's kind of an overused term, but Canada Post is part of the fabric of Canada. I don't think too many people would want to see Canada Post disappear out of the landscape.

I was thinking on the way down here that they are also very close to municipalities in some ways, in that every year you have a budget. Those budgets, of course, are fun times. As a municipality, we're usually left with two or three options: raise taxes, cut service, or a combination of both. I'm pretty sure that we're not going to have 1,000 people come in and build houses in Red Lake anytime soon.

I'm guessing that you folks face the same problems. The problem, of course, is that nobody wants you raising their taxes and cutting their services, so somebody has to be the bad guy. Once you're the bad guy, you're going to be the bad guy for the rest of your life, so you just have to get used to it, bite the bullet, and do what has to be done.

It's obvious that Canada Post, or any large corporation, can't continue as they're going and hope to make money. Changes do have to be made. I'm sure in their heart of hearts most Canadians know that, and most Canadians want to keep Canada Post.

We've had problems in our community getting an individual to deliver the mail from Balmertown to the community mailboxes year round. It's solved now, but I'm sure it will pop up again in the future. As I said, it's fixed now, but when it's not, then the folks on the island and in Cochenour have to drive another eight kilometres into Balmertown to pick up their mail. Sometimes folks in our community aren't really happy with Canada Post, but you know what? They get over it, as they always do. Small-town Canada has very resilient people. They take what you give them and are happy to have it.

I believe at some point in Canada—and Drew or one of the other previous speakers may have alluded to it—we created a two-tier mail system. That will be a problem in the future, because people in Toronto are used to a whole different level of service from what we are. We're happy with what we have. There's certainly room for improvement, but nothing that's going to make anyone jump into the lake, let's say.

Thank you for having us here.

• (1510)

The Chair: Thank you very much.

I know, Mr. Middleton, you had many other comments in your opening submission. They are part of our record here. We'll certainly incorporate those when we're conducting our deliberations.

Chief Bull, could we hear your comments for five minutes or less, please?

Chief Clifford Bull: Thank you.

I'll talk a little bit about the community itself. There are 3,400 people on the band registry, of which, I would say, a thousand live on reserve and two-thirds are off reserve and sort of scattered throughout the region.

We get only once-a-week mail service, so that's four times a month that we get mail brought in, usually through a contractor air service. We're semi-remote. Prior to that, HBC ran our post office. Then when we got access to the community back in the eighties, I guess, we had access, and subsequently people would move and get services in town. They would go shopping in town. HBC had the

monopoly on grocery shopping and all that prior to that, but a lot of people with road access were able to go to town. They even got mailboxes in town. Hudson is our closest town.

Frenchman's Head is across the lake from Hudson, which has the POV 1X0 box number, and a lot of my business mail comes to Hudson and we pick it up. It's 10 minutes away by vehicle. There are three northern communities—Canoe River, Whitefish Bay, where I live, and Kejick Bay—that get their mail brought in once a week through this contractor.

Now that we have road access, they drive the mail in and it's put into this little office where they put the mail in each little...and you go and pick it up. It's open four times a week. It's open for three hours on Monday, Tuesday, and Thursday; on mail day, it's open for six hours. We get \$24,000 annually from Canada Post to manage and run the facility.

There is no cash on the premises. There are no money orders and those kinds of things. We don't do that. We used to, but there was an issue with irregularities and fraud and theft back in the seventies, so that particular convenience was taken away from us. Now a lot of people get CODs and pay them outright, and there's no money kept there.

I did talk to our post office person there this morning, and she would like to see an increase in her wages. She gets \$15 an hour multiplied by roughly 15 hours a week times two weeks, so she gets paid for 30 hours every two weeks, which is very minimal. She would like an increase and would like the mail to come in maybe two or three times a week. I think she's kind of opposed to mailboxes also. People would be tampering with them and perhaps people would be losing keys and there would be damage. There is no third party pickup at the post office. If you get a cheque or a pension cheque, you have to pick it up yourself.

I'll leave it at that and stop there for now.

• (1515)

The Chair: Thank you very much, Chief.

Thank you all for being here.

We'll start with a seven-minute round of questions and answers. Our first intervenor will be Mr. Whalen.

Mr. Nick Whalen: Thank you, Mr. Chair.

Thank you all for coming. It's interesting to hear different perspectives.

The first table had perspectives different from yours, and it's great to have someone come down from a first nation to let us know what the service levels are like up there. It sounds as though they're quite minimal, but for obvious reasons.

As far as using Canada Post as a way to provide high-quality, middle-class jobs in communities across the country goes, it sounds as though on the reserve that's not a middle-class job at all; it's a very low-paying \$225-a-week job. It sounds as though the operating budget for that is very small, perhaps small even compared to other small rural post offices across the country.

Chief Clifford Bull: Well, what I wanted to do was perhaps look at the contracting itself and at bidding on that contract. This particular contractor has had the contract for decades and decades. If we were successful in getting the contract, that could augment.... Perhaps the postmaster could pick up the mail in Hudson and take it to Lac Seul, and then we could do everything in one shot rather than piecemeal.

Mr. Nick Whalen: That's excellent.

Mr. Middleton, you talk about biting the bullet, in that we might have to make some hard decisions, such as reducing the level of mail delivery and going to alternate days, for instance. Is that something that you would be in favour of?

Mr. Sandy Middleton: I certainly would. Just so you know, I'm saying this while my brother-in-law and my nephew are both mail carriers. We've had some pretty severe discussions about that.

Voices: Oh, oh!

Mr. Nick Whalen: I can imagine.

How many people, do you expect, work in mail in your municipalities?

Mr. Sandy Middleton: In our municipalities, I believe there are eight. We don't have door-to-door delivery. It's all picked up at the post office.

Mr. Nick Whalen: In total, how many people live in your municipalities?

Mr. Sandy Middleton: There are just under 5,000 in total.

Mr. Nick Whalen: There are just under 5,000, so that's a pretty small amount of the workforce—2% or something—but not insignificant.

Mr. Sandy Middleton: The other thing to remember is that in a small community—and it's probably the same in Dryden—the folks working in that post office are your friends and neighbours as well. It's not unlike what Drew mentioned. It takes me at least half an hour to go to the post office and pick up a letter.

Mr. Nick Whalen: Fair enough.

We've heard from businesses that say they want expanded service because they want to be able to reach their customers in the way that customers expect to be reached. Customers might not receive mail every day, and they don't mind if they don't get mail delivered every day, but in terms of the time at which you place an order for a parcel, for instance, until the time you receive it, do you have any thoughts on whether that should be cut in half or doubled?

● (1520)

Mr. Sandy Middleton: Again, I would suspect that when you talk about “half”, you're talking mostly about delivery. That doesn't affect us, because we pick it up at the post office.

We get a little card in our mailbox that says we have a parcel, we talk to the nice lady at the counter, and she gets the parcel for us. As far as delivery goes, I get very little, but I can always tell when my wife hasn't had a good night's sleep, because when I get up in the morning the home shopping channel is on, and usually about four days later I have a parcel in the mail, so actually, to my way of thinking, they're pretty darned quick.

Voices: Oh, oh!

Mr. Sandy Middleton: For businesses, it may be a different situation. They may need something tomorrow, but that's not always possible.

Mr. Nick Whalen: Okay. Fair enough.

Now, maybe to correct the views of Mr. Wilson, we're not the task force. We're the parliamentary committee that's looking at the task force. The task force had a more constrained view on what they were required to do. They were looking at Canada Post from a self-sustaining manner, but we're open to doing other things.

I just want to confirm that your view is that we should take that road: that we should not increase service levels or taxes and we should find a way to counteract the loss of 190 million pieces of mail every year or whatever it is. Every year we should be cutting \$190 million out of mail, and if we have a growth of 90 million in parcels, then that's how much we can grow. Is that right?

Mr. Greg Wilson: Yes. It seems obvious to me that the system is not sustainable the way it is. It has to change. When you have a high cost of delivery and you can't compete on a sustainable level, something has to change. You have to change something. You either get more sales or you cut your costs, right?

The study showed that the costs for delivering the mail could be a lot lower, and they're not. I believe it's because of politics. It's something on which somebody has to take a stand and say, “Look, we can't keep going this way.”

Mr. Nick Whalen: Fair enough.

You're talking about the cost of labour, I'm assuming. We're looking at this from the perspective of how these are 60,000 good middle-class jobs. These people can send their kids away to university, they can own a house, and they can drive cars. They can do all these things and participate in the economy in the normal way. If we're going to say that their communities no longer have these jobs, how is that going to trickle down through the rest of the local economies? I find it very surprising that local small-town mayors are saying, “Cut these jobs. My community doesn't want these jobs.” That's what I don't understand.

Mr. Greg Wilson: That's your wording. My wording is—sorry.

Mr. Nick Whalen: I'm very interested in your answer.

Mr. Greg Wilson: The post office's responsibility is to deliver the mail. Our concern is that we get the mail. Our concern, as mayors, as leaders of our communities, is to make sure that those who cannot get access to mail in an altered way from the standard, from the norm, that we're living, are looked after. That's our main concern. That's the elderly and so on. We have an aging population in Dryden, a higher average age than most communities. It's not by much—I think it's by about four or five years—but they will have mobility problems. We have to deal with that. You could cut \$650 million out of the delivery model and people would still get their mail. Those who can't, those who don't have the ability to actually—

Mr. Nick Whalen: I'm sorry; I think what the task force says is that we can cut another \$320 million, and that's the upper end, if we converted all of the rest of the home delivery across the country to—

The Chair: We're going to have to end that portion of the discussion.

Hopefully, Mayor Wilson, you will have a chance to expand upon your answers in the next intervention.

We'll go now to Mr. McCauley for seven minutes.

Mr. Kelly McCauley: Gentlemen, it's great to be here. Thanks very much for taking time out of your day. I appreciate everything you've said. I don't think your reality reflects, unfortunately, the narrative that some of my colleagues are trying to build here.

I assume that you're in business. Can I ask what you do?

• (1525)

Mr. Greg Wilson: Being the mayor doesn't pay enough, so I have another job. I'm not sure which is the day job or the night job. We have a stationery business and a furniture and equipment business. We're as far away in Timmins and we're in Manitoba.

Mr. Kelly McCauley: Do you have community mailboxes in Dryden right now?

Mr. Greg Wilson: Yes.

Mr. Kelly McCauley: Do you know what the general split is?

Mr. Greg Wilson: No.

Mr. Kelly McCauley: Okay.

Mr. Middleton, yours is purely post office. Are they the corporate ones, or do you have any in a pharmacy or anything?

Mr. Sandy Middleton: No, ours are all corporate, and the mailboxes are in Cochenour and McKenzie Island, two small communities.

Mr. Kelly McCauley: Is it just McKenzie Island that's not accessible year round?

Mr. Sandy Middleton: Yes.

Mr. Kelly McCauley: Chief Bull, thanks for joining us.

You mentioned a road being built. Are all the various communities you mentioned, such as Whitefish Bay and Canoe River, accessible now year round?

Chief Clifford Bull: Just Canoe River. There used to be a lot of people there, but there are only two people now. However, the other three communities all have road access. What I've been finding is that a lot of the people in a northern community who receive a one-

time delivery on Wednesdays are going to Hudson, which is a half-hour away, and getting mailboxes set up there. That increases their postal service delivery.

Mr. Kelly McCauley: It's striking that the more we go around, especially to the rural areas.... You mentioned that the level of service in Toronto versus out here is very different. It's the same in many Alberta rural areas. I don't want to say they put up with less, but they accept less than larger municipalities, and that's very true for health services and a lot of other things. It's more and more apparent that we have to approach this as two different issues that we're going to have to address. There's the rural issue and the downtown one.

I want to follow up on what you were saying. There is only so much money, and we will get to a point.... The report is showing a loss of three-quarters of a billion dollars within nine years, and it's either going to come from higher taxes or from—we're cowards—other areas. I'd like to hear feedback from you all about what you would see as a priority for your community. Is it cuts in other social areas or changing the way we do postal service?

It will come down to three-quarters of a billion dollars a year across Canada, which is a lot of palliative care, health care transfers, roads, or else maintaining a dwindling postal service that we may not have the courage to address. I'd like to hear about what's more important for your communities.

Mr. Greg Wilson: I think the way to look at it from a business perspective is that each should be able to stand on its own. If the government feels that it wants to subsidize a higher level of service than what it brings in just to be revenue neutral, then that's its prerogative, of course, but I would think there are ways that people can still get their mail and the cost would be significantly lowered.

I look at community mailbox conversion and I see a \$400-million savings. Moving from corporate to franchise is \$177 million, alternative-day delivery is \$74 million, so on and so forth. That's where I got the \$650 million. What you have to subtract from that is the cost to deliver mail to the homes of people who can't get out. I think you would have to incorporate that.

Mr. Kelly McCauley: No, You're right. The vulnerable have to be looked after. It has to be balanced out against other costs, but that has to be a priority as well.

How much time do I have, sir?

The Chair: You have about two and a half minutes.

Mr. Kelly McCauley: Sir, there about eight posties who work in your riding?

Mr. Sandy Middleton: Yes.

Mr. Kelly McCauley: Mr. Wilson, do you have any idea of the number in yours?

Mr. Greg Wilson: I'm not sure.

Mr. Kelly McCauley: No. Okay.

Business-wise, we talked about how people would love to get more access to business services. We all want more. Do you think there's an appetite? Yes, give us more, but by the way, we have to pay more.

We heard a narrative from a lot of interested groups saying, "Wouldn't it be great to expand? It won't cost us anything." We know that's not real.

Mr. Sandy Middleton: No.

Mr. Kelly McCauley: Is there a desire to have these services, and by the way, we'll pay for it, or is it recognizing that with scarce resources, we would rather have it for other needs, whether it's roads or better clearing or better access to community mailboxes?

• (1530)

Mr. Greg Wilson: When the report talked about, say, postal banking, for example, is that what you're...?

Mr. Kelly McCauley: I mean just in general.

Mr. Greg Wilson: I think if it can stick to its core competencies of delivering the mail and focus on that rather than trying to expand, that would probably be the most prudent course. Labour costs are so high, compared to many other... I did not realize the kinds of pension costs and wage costs in government.

Mr. Kelly McCauley: It's nice these are available, but the reality is that a public service job is taking from one person's pocket and putting it into another's. It would be great if everyone could be a high-paid postal worker, but someone has to pay for it. One job created there means a couple of jobs lost elsewhere.

I appreciate your time. It has been entertaining. Chief Bull, thanks for joining us.

The Chair: Thank you very much.

Now we have Mr. Weir for seven minutes.

Mr. Erin Weir: Thank you.

One issue we heard on the previous panel was about how Canada Post was centralizing the sorting of mail and how that is reducing the quality of service. I wonder if you could you talk about that in your communities.

Mr. Sandy Middleton: In our community, they recently changed sorting to Thunder Bay, and probably in yours as well. I think all of ours in the northwest went to Thunder Bay because someone bought a fancy new machine, and we had to justify buying a machine.

I had in my brief that it was three days, but when I went back and checked, we were told we would still get local delivery in two days. As a municipality, we sent out four or five different mailings at different times and with different-sized envelopes. We tracked how long it took to get them back. Two days was most certainly not the norm.

I think we got one back in two days. I believe it was three days for around 30% of them, but the others took up to eight or nine days. We used to sort mail locally, and I wouldn't be too surprised if we lost

one employee when that sorting went away. When we sorted it locally, we did get it in two days.

For anyone to think you can put mail in a truck at three in the afternoon, drive it down to Thunder Bay—about a seven-hour drive—sort it, and get it back and in the boxes the next day in Red Lake, Ontario, is a bit of a stretch. We didn't have a good experience with it.

Chief Clifford Bull: When I did speak with the part-time postmaster, she indicated that the premises where we operate our post office are an inconvenience. They have to bring all these postal packages and heavy bags up these stairs to the small cubicle where they hand out the mail. I think that part can be alleviated by ourselves. Leadership probably could find a more suitable location, because the elders have to climb up these stairs, grab their package, and take it back down again, which is hard on them.

I can't comment on the parcelling and that part. I haven't a comment on that.

Mr. Greg Wilson: I don't have any particular comment.

Mr. Erin Weir: Fair enough.

I want to return to the whole question of postal banking. This is obviously one of the options that's being considered to revitalize Canada Post. I think the idea behind it is that Canada Post has this network of offices all across the country, and it has a presence even in many smaller communities that have been abandoned by the big banks.

When you look at other countries, you see that they have financial services delivered through the post office. It seems to create a lot of revenue for their postal systems.

I think I know where you're at on this, Mr. Wilson, but I will ask the other two panellists to share any thoughts they might have on whether this is an idea worth pursuing.

Chief Clifford Bull: I received a letter one time from the liquor control board. They wanted to do some kind of program whereby they would deliver liquor right onto the reserve—as if I needed more social issues to deal with. To me that seemed like bootlegging, but on a legal basis, and I didn't really care for that kind of idea.

I don't know if you ever heard about it. That was something the LCBO thought up, I guess to drum up more business. I was totally against it.

• (1535)

Mr. Sandy Middleton: If you're in a community that has two banks, would another one help a lot? Probably not, but for sure it would if you were in an area where they have nothing. For the longest time the folks in Ear Falls didn't have a bank. They were 45 miles away. They'd drive into Red Lake for their banking.

I think postal banking would definitely be a positive thing there if it were run as a money-making operation and not at a loss.

Mr. Erin Weir: Thanks.

Mr. Wilson, do you have any further thoughts on the idea of postal banking?

Mr. Greg Wilson: There are a couple of things I have highlighted on that. Certain countries have embraced it, including Japan, South Korea, China, France, Italy, U.K., and India.

I thought this was an interesting perspective on it:

...in November 2015, Japan sold an 11 percent stake in its postal service, which houses the country's biggest bank by deposits and its largest insurer. The sprawling operations had become a symbol of government inefficiency and cronyism.

The article was trying to be balanced. It went on to say:

The track record of postal banking suggests a trade-off. Government-run postal banks can be effective in reaching rural and other underserved populations,

—which is what Sandy was saying—

but can also be used to divert savings to investments whose goals are more political than profitable.

That's probably my biggest concern.

Opponents of postal banking argue that getting the unwieldy postal bureaucracy involved in financial services can be a disaster that could stifle startups working to adapt mobile technology and new data tools to serve the unbanked.

There are pros and cons, but I can see that the community hubs model, which is maybe what you're suggesting, could work in certain communities.

Mr. Erin Weir: There are definitely different models. One would be to just provide very basic banking services, such as cheque cashing and that kind of thing. Another might be for Canada Post to partner with existing banks or credit unions and deliver the service that way. It just seems like an interesting way to use Canada Post infrastructure that might be really beneficial, especially in more rural and remote areas.

Mr. Greg Wilson: The only caveat would be that you have high costs to deliver that service compared with even the current banking costs.

The Chair: Thank you very much.

[Translation]

Mr. Ayoub, you have seven minutes.

[English]

To the witnesses, you may want to use your translation devices.

[Translation]

Mr. Ramez Ayoub: Thank you, Mr. Chair.

Chief Bull, Mayors, thank you for being here with us.

As we told you earlier, this is a new approach and new things are being said that are quite different from what we have heard up to now.

I am going to try to get straight to the point. Are you in favour of Canada Post being privatized?

Mr. Mayor, if you want to start, I will give you the floor.

[English]

Mr. Greg Wilson: What's in a name?

Not to be flippant, but it's so tough these days to know, since so many lines have been blurred.

What you're looking for is efficiency, and efficiency means you look under every rock. I think "privatizing" has so many connotations for so many different people that it's almost like a political hot potato that you don't want to talk about.

Mr. Ramez Ayoub: Privatization is a business way of thinking. If you don't want to subsidize something, you need to privatize it.

I'm just looking for a quick answer.

Mr. Greg Wilson: Sure. I'll just say that if it would deliver it efficiently and effectively, in a cost-effective manner, and give great-quality service, I'd go for it.

Mr. Sandy Middleton: As Mickey Mantle said following Casey Stengel at the Kefauver hearings, I agree.

• (1540)

M. Ramez Ayoub: Okay.

Chief Bull.

Chief Clifford Bull: Yes, I agree. It seems to be the way governments are going now, with Hydro One and other ministry agencies being privatized for a consideration.

[Translation]

Mr. Ramez Ayoub: Thank you for your honesty in answering; it does you credit.

As politicians, you hold positions as mayor, you manage cities, you are the chief of an aboriginal community. There is in fact a service to be provided to the public here, and we all need to be concerned about it. We have talked about people who are vulnerable and who have mobility problems. I wanted to go into that in greater depth.

For people who still have home delivery, does the letter carrier still do their route on foot, or do they do it in a car or a van?

[English]

Mr. Greg Wilson: My observation over the decade that I've lived here is they seem to walk.

Mr. Ramez Ayoub: They walk, like everyone, everywhere.

Chief Clifford Bull: For our community, the elder has to walk up the stairs, pick up his mail, and take it home, and for the people who are at home, who can't—

Mr. Ramez Ayoub: You don't have home delivery now.

Chief Clifford Bull: We don't have home delivery, so they get somebody, a third party, to write a letter or pick up the mail.

Mr. Ramez Ayoub: My question was more for the other.

[Translation]

It doesn't affect Canada Post, but at the same time, it affects a portion of the public, as the previous witnesses talked about.

You have to make arrangements to pay your bills even if you do not receive them. If there had been a strike at Canada Post and you had not received your bills, you would have had to pay them as usual. The big corporations want you to do that.

Do you have Internet access everywhere in this region? Do you have high-speed Internet access? I imagine that you have more difficulty getting Internet access, the first nations members, but I do not know.

[English]

Chief Clifford Bull: No, we have access to Internet and you can pay your bills right through the Internet, but people need to be taught how to do that. A lot of elders don't know how.

Mr. Ramez Ayoub: So it's the same for you guys.

[Translation]

Some concerns have been expressed to this committee about seniors and people with mobility problems.

As we visit the four corners of Canada, we want to know what service Canadians want to get from Canada Post in the future.

In your specific situation, in your region, what would you improve at Canada Post? What is there at present that does not suit you and what would you like Canada Post to improve, in order to get better services?

In addition, has Canada Post consulted you in the past about the changes or service improvements to be made?

Mr. Mayor, you can answer first.

[English]

Mr. Greg Wilson: I think the service from Canada Post has been excellent, generally excellent. My only concern is the cost of delivering that service. I would be hard-pressed to find where they could improve, really. I think they do a good job. I've heard comments that Canada Post is very competitive with international shipping, from Canada, that there's maybe a niche there to be exploited more aggressively. I don't have any real problems, though, and I think for handicapped people, people with mobility problems, the issue would be how to determine who gets that service. That would be a tough one, but I think it could be done. You could work that out.

Mr. Ramez Ayoub: A tailor-made service would be a solution.

Mr. Greg Wilson: We're giving premium service to everybody, door to door, when a lot of people don't necessarily need door to door. The majority don't.

[Translation]

Mr. Ramez Ayoub: Your situation is truly unique. I can guarantee you that the testimony today is really very different from what we have heard up to now in Ontario and even in Quebec, when we went to Montreal and Blainville. It is completely the opposite of many of the places we have visited. In French, we would say that this is a little village in Gaul here, for now.

Thank you for your testimony.

•(1545)

[English]

The Chair: Thank you very much.

We'll go now to the final two interventions, which will be five minutes each. We will start with Mr. Brassard

Mr. John Brassard: Thank you, Mr. Chair.

I agree with my colleague. The testimony has been almost 100% different than what we heard in southern Ontario. I'm sensing a general satisfaction with the level of service that Canada Post is providing.

However, I will say, Mr. Middleton, that you did cause some laughter around the table when you said that there's not much that would make people jump into the lake. I thought that was a really local.... Well, actually, that's my question for all three of you. What would make people jump into the lake over the current situation with Canada Post or over lack of improvements going forward?

I'll start with you, Mr. Middleton, and then we'll work our way across the panel.

Mr. Sandy Middleton: I may go out on a limb on here and try to speak for northwestern Ontario, but I certainly speak for my community. The simple fact is that if you're going to be a dog, you'll find a stick. People will always find something to complain about, no matter what you do.

I think the biggest thing that would affect our folks would be a dramatic—and I mean dramatic—cut in hours. Our hours have been cut a bit in small towns over the years. Staff have been cut over the years. It's still manageable. People still get their mail because it's easy to get: you go in, you put your key in the box, and you open it. The only thing that would really bother people is a dramatic cut in the hours when they could go into the post office.

Mr. John Brassard: Chief Bull, what would make people jump into the lake?

Chief Clifford Bull: For us, it would probably be centralizing mail pickup and doing away with the northern community once-a-week delivery. If people were told, "From now on, you have to go pick up your mail in Hudson, and you have access," I think they would really be against that.

Mr. John Brassard: Mayor Wilson, would you comment?

Mr. Greg Wilson: I think it would happen if there were no change and everything continued on the road it's on, or if there were radical change, such as privatization in some butchering type of way, so that service seriously dropped.

Mr. John Brassard: I get the sense from you, Mayor Wilson—and I jotted down a note earlier as you were talking—that at the end of the day, you want the mail delivered. However, you want it delivered in a manner that ensures that Canada Post is sustainable going forward, and with as little subsidy as possible towards it so that it does become self-sufficient.

Mr. Greg Wilson: Yes, sir.

Mr. John Brassard: Do the rest of you share that view? Mr. Middleton, do you? Okay.

That's all I have to say, Mr. Chair.

The Chair: Thank you very much.

Our final intervention will come from Madam Ratansi.

You have five minutes, please.

Ms. Yasmin Ratansi: Your presentation has been a 360° turn, and this is interesting. I have a question that has a yes and no answer.

Canada Post, for the most part, is the fabric of Canada. It's a national symbol connecting communities. In your presentation, you look at it as both a business and a service, so it has to provide a service.

You stated that politics may be involved in the decisions. We have listened to a lot of presentations. Sometimes it may be politics that cause issues where depots are moved from, say, Windsor to Toronto, so that the mail goes from Windsor to Toronto to be sent to Winnipeg. That's nonsense.

Letting Pitney Bowes keep stamp prices at 85¢ while Canada Post charges one dollar—I think you heard the previous presentation there. Comparative advantages are not there, and it's management's decision. Whether management was trying to privatize it or what its mandate was in the previous government, we don't know. We just want to move forward.

You've been listening to the task force, and the task force has made certain recommendations. You also have seniors in your communities who will need special delivery, but some of the premise that you base it on—and I'm going to talk about financial sustainability—is that we were told by many that Canada Post management did not think outside the box. There are tactics that you can adopt from different parts of the world, and they didn't. They focused on financial sustainability. I therefore picked up their financial statements....

You are a mayor. Would you manage your assets and liabilities based on an ongoing concern or on insolvency?

• (1550)

Mr. Greg Wilson: You're talking to a mayor who inherited a \$21 million debt and—

Ms. Yasmin Ratansi: So you would be going into insolvency?

Mr. Greg Wilson: We were on the brink, and we had to change the way we did things.

Ms. Yasmin Ratansi: Maybe you will not be able to answer here, but could you give us some of the creative solutions you brought forth to your community to turn it around?

Let me give you a little perception of their financial ongoing liabilities. Their current pension liability is \$481 million. Their liability on an insolvency that they project in 2014 and then 2015 is between \$6.8 billion and \$8 billion, but they're not going insolvent. Nobody is saying Canada Post is closing its doors. Let us therefore focus on financial stability as an ongoing concern.

We've heard from people that management has less faith in the corporation than the workers have. Would you like to have an environment where your workers had more faith than you do as a mayor in your organization or in your community? How is it tenable?

Mr. Greg Wilson: You're losing me. I can't follow.

Ms. Yasmin Ratansi: I am trying to say if you have faith in your community, that's why you developed it. If you didn't have faith in your community but your workers had faith, how would you be able

to turn it around with \$21 million in debt? You wouldn't. You need leadership, leadership that believes in the community. Correct? Yes, so I think the bigger question is, does the current leadership believe in the corporation and can it move forward?

The task force has a very limited mandate and the task force looked at their financials. The financials are available. Anybody who wants it, I'll send it to them. It's a very interesting perception when you're doing strategic thinking. Then you need to think outside the box, which you did, to turn your communities around. You have kept your communities healthy. How can we make Canada Post healthy?

Mr. Sandy Middleton: It's probably not something you may want to hear, but in our communities.... I believe Greg touched on it already. He has to have a second job, because we, as management, get paid next to nothing. I don't know if that's—

Ms. Yasmin Ratansi: So you don't get paid the \$650 million that the management gets paid at Canada Post?

Mr. Sandy Middleton: Not quite. I know we don't, and I'm pretty sure Dryden doesn't.

Our workers get paid more than we do, which you know going in. Does that attract good people, for the most part, in municipalities? I believe it does, because they are there because they want to make their municipalities better. I understand that could be a whole different set of parameters in a corporation, but at some point—

I remember talking to my brother-in-law once, whom I previously mentioned, and if he finished his mail route at noon—and he'd walk; he was in a tad better shape than I am—he could then do another route for overtime. I thought that was a funny way of looking at things: it was eight hours of work, but four of it's going to be straight time and four of it's going to be overtime, so he's getting paid for 12 hours here. I'm not sure if it's time and a half or double time for overtime, but it was great for him.

Ms. Yasmin Ratansi: Can I make a closing statement? No.

The Chair: We're well over time now.

Ms. Yasmin Ratansi: Thank you very much. You've given me a creative solution.

The Chair: One thing I will say, though, just in case, is that if you, Mr. Middleton, or Mayor Wilson or Chief Bull have any additional information that you think would benefit the committee in its deliberations, I would suggest you please submit it directly to our clerk. We'll incorporate all that information as we're drafting our final report.

Thank you so very much for taking the time out of your very busy day to be with us today. Your presentations were excellent, and your insights were equally as good.

We'll suspend for a couple of minutes while we get ready for our next panel.

• (1550) _____ (Pause) _____

• (1600)

The Chair: Colleagues, please take your seats. Thank you very much.

Mr. Pareis, you have been listening to the proceedings, so you know how this works. Mr. Parkes, I'm not quite sure if you're aware, so let me just reiterate that we will be asking both of you gentlemen to give some brief opening comments. Give me your perspective on what you would like to see in the future for Canada Post, or what your organization's perspective is on it. Following your opening comments, we will have a series of questions from all of our committee members, and during that question-and-answer process, I hope we'll be able to elicit information that you may not have had a chance to give in your opening comments.

Mr. Parkes, would you care to give it a stab?

Mr. Garry Parkes (President, Vermilion Bay, Happy Go Lucky Seniors Club): Yes, I can start. I apologize for being not prepared, other than the fact that you're going to hear from me.

I'm from a small community. Our population and our municipality is about a thousand people. With the loss of businesses, our municipality is turning into to kind of a retirement home for seniors, and should we as a small community lose our post office, it would be devastating. I think this in itself would hurt our community. We lost our credit union recently, which doesn't help the situation, and that is kind of what it's all about.

As far as the services we get from Canada Post are concerned, I have no complaints whatsoever. I think it's great from a small community standpoint that we have a little post office, and I would like to continue to see it remain here. Of course, if you guys ever decide that it should leave, I've probably got your name and number now, so....

• (1605)

The Chair: Thank you for the economy of your words.

Go ahead, Mr. Pareis.

Mr. Brad Pareis (Member, Canadian Union of Postal Workers, As an Individual): I'm going to be less economical. I have a statement here that I'm going to read.

My names is Brad Pareis. I'm a letter carrier with Canada Post as well as an officer in my local union, the Canadian Union of Postal

Workers. In more than 22 years of service with Canada Post, I have worked in five provinces, nine cities, and many depots.

Today I'd like to reflect briefly on the working paper entitled "Canada Post in the Digital Age". It appears that the model of the study paper is largely built upon reductions for savings as opposed to additions for profits. I believe the public doesn't need a service that mimics FedEx, UPS, or DHL, but rather a post office with a broader scope. What such a post office delivers are things urgently needed by smaller communities across Canada: jobs and services.

Well-paying jobs with pensions return money to small communities during an employee's working years and after retirement. Indeed, the middle class is built upon such jobs. Services help to retain people within these small communities and to strengthen them, reducing out-migration and increasing livability. To attain these goals, Canada Post must be conceptualized in a different way than has been done recently—as a truly public service with the good of the people of Canada at the forefront.

The task force identified some options that it did not quantify, and some of these are worth investigating at length, beginning with Canada Post's governance.

It's a crown corporation, with a mandate to provide affordable, universal public postal service, but it's also a company saddled with a CEO from the private sector and 22 vice-presidents in a top-heavy structure that seeks to reduce the size and compensation of its workforce and service to the public. It's something like a Frankensteinian monster.

The postal service is de facto being run as if it were a for-profit private corporation, and jobs and service are being adversely affected. A radical restructuring of the upper management scheme of the corporation could result in millions of dollars of savings and a new approach to delivering services.

Conversely, labour costs are congruent with a public service that returns money to the Canadian economy and not to foreign ownership à la FedEx, DHL, etc. The supposed pension deficit is, however, a red herring that causes undue panic in uninformed members of the public. Mr. Wilson might be one example. This test is not an indicator of the plan's health, as the surplus in the plan's going-concern column is. The pension plan's long-term viability would be solidified by avoiding a large reduction in the labour force currently employed at CPC. Considering the delivery efficiencies found—there's more on that below—this means more employment at CPC in non-collection and non-delivery functions, such as postal banking.

In CPC's self-commissioned report, postal banking was seen as a win-win, but this same report was subsequently buried. Numerous other postal administrations are able to use successful postal banking businesses to cross-subsidize their delivery services and enable them to provide universal service.

Certainly it fills a social need, especially in the far north and in small communities either abandoned or never served by the big banks. Healthy competition in the banking sector would also result in reduced user fees for the Canadian public, and a postal bank would surely provide paper statements free of charge.

Postal banking ties in with the concept of Canada Post's becoming community hubs, as do other ideas, such as contracting in of streamlined delivery effected by electric or hybrid purpose-designed delivery vehicles optimized for Canadian conditions. Charging stations situated at post offices could serve these vehicles as well as those of the general public. A post office with longer operating hours and Saturday opening no longer needs the backup of a retail postal outlet and thus also sheds hours in preparation and depot transfers between offices. Efficiency is gained through centralization and having all functions under one roof.

For true delivery efficiency, the motorized mail courier concept should be embraced—that is, a motorized delivery agent should perform all the duties of local collection and delivery, including delivery of all parcels, courier items, letter mail, flyers, and street letter box collection. The delivery pattern would remain door to door for this type of service, which is preferred by the vast majority of the public.

Significant investment in the motorization of all delivery personnel would open new possibilities in service delivery. The report mentions the delivery of legalized marijuana. This would add to the pilot project by the LCBO to deliver alcohol to Ontario addresses, although not necessarily to dry reserves. This service could be adopted by other provinces and territories and could be rounded out by services such as last-mile delivery of other courier companies' product and on-demand pickups by delivery agents within a prescribed geographic area.

●(1610)

The embrace of increased job and service possibilities could become the hallmark of Canada Post in the digital age, where the physical delivery of services is still a profitable necessity.

Thank you for bearing with me.

The Chair: Thank you.

I have to make what I suppose is a bit of an extraneous comment here: I applaud you.

As one who speaks a lot for a living—and many of us around this table are in the same position—sometimes when we have to speak before an organization and they tell us we have five minutes or 10 minutes to speak, we prepare a speech and we go over by two or three minutes. As an old toastmaster who comes from the Toastmasters service club delivery program, I have to tell you that you were at four minutes and 59 seconds for delivery. That was an excellent job, sir.

In any event, we'll now go into the question-and-answer portion of the meeting.

We'll start with Madam Ratansi. You have seven minutes.

Ms. Yasmin Ratansi: Thank you both for being here.

Mr. Parkes, you are from a small community of roughly a thousand people, you said, and it's a retirement community.

Mr. Garry Parkes: Yes, it's a small community, but it's divided into three different locations. It's Minnitaki, Eagle River, and Vermilion Bay. Don't ask me how it ever got there, but that's the situation.

It's really spread out. There are some farming areas. We're right on beautiful Eagle Lake. There are 17 or 18 lodges on there. Years ago, before I moved there, I think it was quite involved in the wood industry, etc. It was quite a vibrant community. As time passed, we've lost a few things that are necessary to keep our community together.

Ms. Yasmin Ratansi: Is the population generally seniors? You said it's a retirement community.

Mr. Garry Parkes: We have some senior residences in both Eagle River and in Vermilion Bay. I'm also the chair of the housing there. We're trying to get some money from the government to build another one. That's a tough chore.

Ms. Yasmin Ratansi: Do they get mail delivered to their door, or do they have to go to community mailboxes?

Mr. Garry Parkes: They have to go to the post office.

Ms. Yasmin Ratansi: You don't have mail door to door.

Mr. Garry Parkes: Right.

Ms. Yasmin Ratansi: So the changes that Canada Post are recommending do not really affect you in terms of door-to-door delivery.

Mr. Garry Parkes: Right.

Ms. Yasmin Ratansi: With regard to the other changes, we will work on that.

Are there any services that you think the community could benefit from, extra services that Canada Post or the post office could provide?

Mr. Garry Parkes: You know, we haven't had any complaints about the service we have.

The biggest concern, and it has been out there for the last few years, ever since they started putting up the boxes in other communities, is that we would lose the post office. That's the big concern.

Ms. Yasmin Ratansi: Fair enough.

Mr. Pareis, how many jobs are you talking about in the community that you serve as a carrier?

Mr. Brad Pareis: With regard to direct delivery jobs, there are six letter carriers, one of which is part time.

We do have some contracted work as well. There is somebody who does parcel delivery and delivers mailbags on the street. There's an opportunity to bring that work into the post office.

Ms. Yasmin Ratansi: What is the population?

Mr. Brad Pareis: Oh, gosh, it's 8,000 for the city.

Ms. Yasmin Ratansi: The charter of Canada Post says that it should be sustainable and provide secure services. When we talk about financial sustainability—you must have heard the previous discussions—there are ways of skinning the cat, in the accounting way.

How would you manage? You talked about some additional services that Canada Post can provide that would make it more sustainable. We've been told that the management hasn't thought outside the box. Give us some outside-the-box thinking, like delivering community power or things that you've talked about.

•(1615)

Mr. Brad Pareis: First of all, I would dispute that the financial sustainability of Canada Post is as in danger as management would have people believe. The projections are based on losses they say they're having.

If you look over the past decade, you will see that Canada Post has returned about a billion dollars to the government in taxes and dividends and whatnot. I don't think we're in as much danger of being unsustainable as is being put out there.

However, I think we could do a lot more in terms of what we deliver. I mentioned a couple of those things: legalized marijuana, alcohol. Not only that, there is the last-mile delivery of competitors' products, which we already do, but we could enter into all kinds of different agreements with those competitors because they do not deliver to rural areas.

Ms. Yasmin Ratansi: So UPS or FedEx would come and drop off their boxes to you guys?

Mr. Brad Pareis: This is already done locally. We have Purolator items dropped at our back door that we actually continue on with. In our regular mail stream we have DHL items and items from other courier companies.

Ms. Yasmin Ratansi: You're saying that having your infrastructure in place would give you the competitive advantage, and you want to expand on that.

Mr. Brad Pareis: Absolutely.

Ms. Yasmin Ratansi: How many minutes do I have?

The Chair: You have three minutes.

Ms. Yasmin Ratansi: In terms of postal banking, we've heard that theme throughout. Yes, you have the infrastructure in place, but what are some of the challenges that you might face if you were to put in a postal bank? Do you have the wherewithal and the capital, and where would you get the capital and the human resources from?

Mr. Brad Pareis: We have a number of highly trained wicket clerks, such as Mary Aitken, who has already spoken before the panel. The human resources, people who are trained to perform a vast number of functions, are already in place.

As far as the direct method of financing goes, that's not my place or my purview.

Ms. Yasmin Ratansi: Okay. That's not a problem. Finding the capital would probably be a challenge.

Are you familiar with the 2009 submission to the government, the Canada Post report on postal banking and its viability?

Mr. Brad Pareis: I'm generally familiar with it. As far as specifics go, once again, I'm not an expert. We do have the largest retail network in the country; we're in every small community, except for those small communities from which we were removed before the rural post office closure moratorium.

One of the direct challenges I can see would be that you would need to provide secure facilities in these small communities. That's been a problem in the past. In terms of logistics and examples from around the world, I think there are numerous examples of how successful this can be.

Ms. Yasmin Ratansi: Fair enough. A corporation could look at creating ways...by picking examples or tactics from other parts of the world.

The Chair: Thank you very much.

Doesn't three minutes go quickly, Madam Ratansi?

We'll go now to Mr. McCauley for seven minutes, please.

Mr. Kelly McCauley: The time always flies when you're having fun.

Thanks for joining us.

Mr. Pareis, I appreciate your comments. I accept that you're not going to be an expert and it's difficult to answer everything, so if you don't have an answer, please feel free to say so and we'll just move on.

About postal banking, I don't fully expect you're going to have the spreadsheet showing how you're going to make money. It looks as though you've read a lot from the CUPW report. Do you have thoughts on services provided? There's been talk about doing mortgages or doing this, this, and this; we know that's not really practical. Obviously, the idea is to make money. Have you given any thought to which services might be provided?

Mr. Brad Pareis: I think we'll start with the basic services. People have mentioned things such as cashing cheques; we have people being victimized by predatory payday loan organizations.

Mr. Kelly McCauley: That was something we heard about from several organizations, the whole idea that billions could be made with postal banking, but hey, you can't make billions, not from that.

Most of those payday loan businesses are in clusters and are put there by banks, whereas most of the opportunity we might have for postal banking is in more rural areas. I don't think a lot of people are hit by predatory payday loan companies out in a strange rural area.

Do you see any other opportunities? Again, it's a huge process, so if you don't have it, I don't want to sit and badger you and ask you where the money is going to come from. There will be another opportunity for us to look at it further.

In your dealings with other people you work with, have you given thought to other items?

•(1620)

Mr. Brad Pareis: Certainly. Back in the late 1960s, you could walk into numerous Canada Post outlets and open a savings account. We did provide, in the past, basic banking services. I think there's a potential to grow from the basics. If the Government of Canada insists on no longer providing physical cheques, as they've been threatening for the longest time now—

Mr. Kelly McCauley: I think the most recent tax return said this was the last.

Mr. Brad Pareis: I know they keep saying that. I think when you have significant human rights complaints, they refuse to cut cheques. It may come to people needing to have some electronic way of storing their money securely. If you're in a remote community, the post office will be able to provide that. You're getting money coming from the federal government, and you're going to use federal government institutions to deal with that.

Mr. Kelly McCauley: We hear a lot about “last mile”. You said Purolator drops at your door to finish off, but Purolator is still the same family, so to speak. Charging them is not going to make any more money. Do you do the same service for FedEx or UPS?

Mr. Brad Pareis: FedEx, DHL, and UPS items come through our mail stream. They're being introduced into our mail stream. One such thing is DHL Global Mail. Basically, they're branded envelopes, but postage is actually put on it and it's being sent.

Mr. Kelly McCauley: I have received it like that through Canada Post, so you guys are already doing that and making money from it.

Mr. Brad Pareis: We're already doing that, but there's certainly room to expand.

What we have now is FedEx driving from Winnipeg to Dryden to deliver FedEx products. How can that possibly be sustainable financially? It's a four-hour drive.

Mr. Kelly McCauley: I don't know how they do it either. It's amazing logistics. I just wanted to get an idea of the opportunities. I heard something about Purolator, and you're already Purolator.

Mr. Brad Pareis: My suggestion to you is that they're losing money on it and what they should do is sign an agreement with us.

Mr. Kelly McCauley: Yes, thanks.

I understand there's a solvency issue with the pension. Canada Post is not going to end tomorrow, so we really don't have to worry about that \$8 billion. One of the issues brought up, though, is that FedEx, UPS, and other companies have to follow certain rules, so it's unfair to these private industry people that Purolator doesn't have to operate the same way. If Purolator doesn't have to, why do we force private industry to do this?

I realize the current pension is in surplus, but this is so funny it's almost a Möbius strip. The current pension is in surplus only because Canada Post has put in about \$2.5 billion in present value to the current pension because of this future liability. All of us need to get past this idea of the \$8-billion insolvency, which is not really practical. That said, there really isn't a current surplus. A surplus exists because Canada Post has put in about \$2.5 billion in present-value money for these obligations, so the current surplus doesn't really exist either. If you're not going to have one, you can't have the other.

Mr. Brad Pareis: Something we need to look at is that the previous federal government decided it would be wise to give Canada Post contribution holidays.

Mr. Kelly McCauley: Yes, that was for the solvency pension—

Mr. Brad Pareis: Yes.

Mr. Kelly McCauley:—not for the current one.

Mr. Brad Pareis: No, not for the current.

Actually, the idea has been floated to merge our pension with that of the public service. I don't know where you take that. I don't see an imminent crash here, something that's going to fall apart.

Mr. Kelly McCauley: No, but you realize what I'm saying. The solvency is there, but your surplus exists because Canada Post has been throwing in extra money to meet the solvency issue, so the current surplus in the pension doesn't really exist.

•(1625)

Mr. Brad Pareis: Okay, so we'll call it a wash.

Mr. Kelly McCauley: I don't expect you to cut a cheque or anything for that money; I just want you to be aware.

Mr. Brad Pareis: Yes, please don't.

Mr. Kelly McCauley: Which area do you live in?

The Chair: Please answer quickly. Where do you live?

Mr. Brad Pareis: I used to live in the rural areas. I'm well aware of the rural area issues because I used to have a community mailbox. That was the way I received my delivery. We moved into town recently, and I currently reside on my own mail route.

Mr. Kelly McCauley: Do you deliver in town?

Mr. Brad Pareis: I do.

Mr. Kelly McCauley: Okay. I'll just say one of the things I mentioned earlier: we have to look at a rural issue and a big-city issue.

Thanks very much.

The Chair: Thank you.

Mr. Weir is next.

Mr. Erin Weir: I'll start by offering a view of the pension situation that's slightly different from Mr. McCauley's.

It may well be true that concerns about solvency evaluation motivated Canada Post to contribute money to the pension plan and create this surplus on a going-concern basis. Now that it's happened, though, the money is there, so there really is a surplus on a going-concern basis. I think it goes to your point, Mr. Pareis, that the corporation is actually in much better financial shape than its own management sometimes wants to let on.

I want to pick up on the issue of postal banking. I was struck by the fact, Mr. Parkes, that you said your community had lost its credit union and didn't want to lose its post office. Given that you still have the post office, is this idea of postal banking appealing to you? Would it be a good thing if residents in your community could access some basic banking services through their postal outlet?

Mr. Garry Parkes: It would definitely make a big difference.

It happens that since the credit union moved out, that's the ideal building to set it up in, so when are you going to start?

It's a great idea, because for seniors it's a place to do all their business rather than getting in a vehicle and coming to a larger community. They have to come to Dryden. Unfortunately, with the way that situation is, businesses and everybody else have to bring all their banking to the area.

I hear quite a bit of it from the seniors. We have a monthly meeting. Somebody always bends my ear about when something is going to change. It's pretty hard to say it's going to change. We always wish and we always hope. One of our big concerns also is whoever locked that school.... We have about 80 people in there now, and it's a drawing card for people to move into an area like ours because of the fishing, hunting, etc. We're getting a lot of traffic from Manitoba now, but they don't want to come there because there's no banking. If we ever lost the school, it would devastate our community.

However, I think postal banking would be a great idea if it could be worked out.

Mr. Erin Weir: Thanks very much.

Mr. Pareis, I was going to ask you to comment a bit further on the importance of door-to-door mail delivery. We have a newly elected federal government that is promising to restore home mail delivery. It seems now that there is some doubt about the plan on that front. Could you address that matter?

Mr. Brad Pareis: In my comments here I stated that my belief is that we should go with what used to be known as the MMC concept, way back when, in Canada Post—motorized mail courier. It motorizes the letter carrier. It combines the functions of people who used to deliver parcels and deliver mail bags, and also the letter carrier.

That carrier is responsible, with the vehicle, for all the oversized parcels, all the letter-carrier-sized parcels, all the courier items, all the letters, all the flyers, and also for clearing street letter boxes. We agreed it would have been very wise, way back when, if they'd renewed the fleet instead of investing in advanced sorting equipment for letters that weren't going to come anymore.

Canada Post really needs to look at a modern fleet. This would enable carriers to provide all those services and on-demand pickups.

That is another item they should really get into, because the couriers do it. If every carrier was motorized, performed all these functions, and was centralized out of a single location, especially in small communities, then you'd have those efficiencies, you'd have those extra business lines. I think this is the kind of thing you're looking for. That carrier would also be able to perform door-to-door delivery by parking and looping.

• (1630)

Mr. Erin Weir: This sounds like a really excellent idea. I wonder if you have any insight as to why Canada Post didn't go that way. Was it just a matter of being deterred by the upfront cost of buying the new vehicles? Why not go that route?

Mr. Brad Pareis: I think that's entirely the reason, the cost of the fleet. Any fleet is very expensive to maintain. It needs to be renewed constantly.

However, if we took care to source that fleet from a domestic automaker and pair with somebody like GM or Ford, to produce them in Canada, if they were an advanced hybrid vehicle, we'd get all kinds of crosses happening here in terms of capital, labour, and good service for the public.

Mr. Erin Weir: There are lots of good opportunities for economic development and environmental improvements there as well.

We've had some discussion about postal banking, and it's definitely an issue that you've raised. Do you care to say anything more about how that could make better use of Canada Post's existing infrastructure?

Mr. Brad Pareis: I've already mentioned how extensive our network is. I've also commented on how, if we bring everything under one roof and then expand the services we offer from that location, we get efficiencies. I think that's what everyone has been saying we need—efficiencies.

Postal banking is just another one of a suite of things that Canada Post can offer. My general thrust is that instead of contracting constantly, which is what can be seen to be.... Even in business you're not expanding, you're contracting. You're also losing business share. I think that Canada Post should deploy postal banking as part of a suite of different things that they do to increase market share in all different kinds of areas.

Mr. Erin Weir: I think that's a really key point. On the previous panel, Mayor Wilson made the point that Canada Post could be a high-cost operation, but a lot of these overhead costs are being paid anyway, so the more services and the more revenue you can generate out of those outlets, the better it's going to be.

Mr. Brad Pareis: Certainly it's all in how you utilize your assets. With that investment in a fleet, we could do all those things from the one location.

The Chair: Thank you very much.

Mr. Whelan, you have seven minutes.

Mr. Nick Whalen: Thank you very much, Mr. Chair.

Thank you both for coming. Mr. Weir and I tend to do the dance about what was or was not promised in last year's election, but as we each got elected here, obviously the people in our ridings understood what we were both saying.

I want to let you know that this is a legitimate exercise. We're not prejudging the outcome. We're here to listen not only to what the task force is proposing but also what Canadians are proposing. This might not necessarily include restoration of door-to-door delivery in the places that lost it. It doesn't necessarily include anything. We're here to listen honestly to Canadians and come home with recommendations.

When we look at the task force report, we do see that there is a legitimate financial concern. You cannot deny that letter mail volumes are dropping and that revenue from parcels is not high enough to counteract all of that. If you look at the work that management has done over the last few years, you see that their annual report says they achieved \$350 million of annual savings through the transformations they've already undertaken. That is probably one of the reasons their bottom line has not been as bad as one would expect. They're trying to address the situation, but it's difficult.

Mr. Pareis, you've worked a long time in postal services. You worked in sorting and you worked in different aspects, and I'm wondering if you could shed some light on whether or not there's a way to get further savings out of efficiencies in the system as it exists, whether you feel that any of the changes have made the service worse, and whether, even if some costs have been saved, opportunities to grow revenue within the banking system have been removed. Could you speak to us a little bit about that from your experience?

Mr. Brad Pareis: Certainly.

What the change in local sorting and transportation schedules around northwestern Ontario has done has actually been well covered here today.

In Dryden, a very short time ago, it was possible to mail a letter at 4:59 p.m. on a Thursday evening and have that letter delivered across town or within the region the next day. This was possible simply with the same level of staffing we have now. However, because of the need for justifying this sorting machine that they've installed in Thunder Bay, now the entirety of the region's mail is trucked to Thunder Bay, sorted, and returned to the region. If you want to talk about greenhouse gases and unnecessary waste of labour... Canada Post is crying about labour costs and they're trucking all of our mail to Thunder Bay. This boggles the imagination.

●(1635)

Mr. Nick Whalen: I presume there was a certain amount of mail that was local within the current region or within what would have been the sort region for Dryden, whereas the rest of the mail still would have been sent off and sorted in Thunder Bay for international and national markets.

Mr. Brad Pareis: Actually, here's the really fun one. We used to have a port of entry into the United States in Winnipeg, so there was Vancouver, Winnipeg, and Toronto. The geniuses at Canada Post decided to eliminate the port of entry to the United States, so if one of my kids wants to send granny a letter, and she lives in International Falls, it has to go Toronto to cross over and come back to International Falls, which is just across the border south of us.

With the idea of centralizing mail sortation, there have been a number of mistakes that increased costs. For many years it's almost been as though Canada Post has been attempting business suicide so that they will have a platform for privatization, because it is so obvious—

Mr. Nick Whalen: I want to explore the relationship a little bit between Canada Post and Purolator. Do you know people who work in Purolator? You've been around this business for a long time.

Mr. Brad Pareis: I have a local delivery fellow for Purolator who just had to move up to Sioux Lookout because their routes have been reduced.

Mr. Nick Whalen: As between the benefits and labour offered by Canada Post versus Purolator, would you have received comparable wages and benefits for doing similar work?

Mr. Brad Pareis: Had I worked for Purolator, the wage would have been similar, if a little less. The benefits would not be as good.

Mr. Nick Whalen: How would that affect your ability to raise your family here in Dryden?

Mr. Brad Pareis: It would have been compromised somewhat.

What we should remember is that for all these Canada Post benefits—for example, the optical one for eyeglasses—I go down the street a block and a half, I pay a local businessman through my benefits at Canada Post, and his business stays in Dryden and stays open.

I've heard a number of comments from business leaders in this community. Perhaps they don't realize how it works. The benefit packages for people in small communities ensure small businesses in those communities stay viable and stay open. This is how it all works, especially with a national company like Canada Post. Our profits aren't going to the United States or Germany. Our profits are being used in our communities.

Mr. Nick Whalen: When we look at other things in terms of competition between Purolator and Canada Post and the Canada Post differential products, such as express mail service versus regular mail, do you feel that the right balance is there, or do you feel that the best possible service should be offered, or are we making some services inferior so that we can sell other services at a higher price? From your perspective as a mail carrier, how does this all work?

Mr. Brad Pareis: As a breakdown for Canada Post services, we used to offer a premium service called “Priority Courier” for delivery in a very short amount of time and before noon. It was targeted to businesses. You could get your business mail to another business next day between major centres, before noon—premium price, free signature.

They gradually started reducing that level of service, even though it meant that in Dryden it was never a day between major centres. You would have a day to Winnipeg or a day to Thunder Bay, but it's not a major centre. They started reducing that level of service, and then it became that you no longer had to deliver that product before noon. The logic was that they were having to pay people more to deviate from their normal line of travel to deliver that product before noon—

• (1640)

Mr. Nick Whalen: Who filled the gap when they withdrew that product?

The Chair: I'm afraid we have to cut it off there, but thank you very much for that.

We'll go now to our two final interventions of five minutes each.

Mr. McCauley is next.

Mr. Kelly McCauley: Mr. Pareis, I was chatting earlier with another postal worker who was mentioning his route. He does parcel delivery as well. He said he parks, does his mail delivery, and goes back to his truck, and then drives basically the same route to do the larger parcel delivery. Do you do the same? I'm missing something. When you talked about the motorized—

Mr. Brad Pareis: We currently don't have trucks. Our current mode of delivery is foot delivery. I have somebody who does my oversized parcels—this is a contractor, mind you—and deposits my mailbags in the street boxes, the relay boxes, for me to pick up. I travel up from the post office with a load of mail, arrive at a box on the street and pick up another load of mail, recharge my bags, and continue.

Mr. Kelly McCauley: The other person does the parcel delivery?

Mr. Brad Pareis: Yes, the other person does the parcel delivery.

Mr. Kelly McCauley: Okay. It just sounds like they're operating in a different way, then.

Mr. Brad Pareis: This is one of my points. There are a myriad of different ways of delivering the mail in Canada. My suggestion is to go with what is known as the MMC concept, and that's to motorize everyone so that they're performing all the functions and there's no duplication. I can be delivering a letter and a small parcel at the same time that Sandra, who is a contractor, is coming up to the same door with —

Mr. Kelly McCauley: I get what you're saying now. You do mail only, Bill does mail only, and Frank does mail only, and one person is in a truck doing parcels for all three. I wanted to clarify that.

Thanks very much.

Mr. Brad Pareis: You're welcome.

The Chair: Your colleague will have three minutes.

Go ahead, Mr. Brassard.

Mr. John Brassard: Gentlemen, I'm going to allow you to use the time we have left to express any further thoughts you might have for the committee. You have a minute and half each.

Go ahead, Mr. Parkes.

Mr. Garry Parkes: It's interesting just hearing about the banking issue. Losing services in a small community of seniors living on pensions is also of concern. Anything that makes those people get into a vehicle to drive to a larger community for a service that should be in their community costs them. I'm always reluctant to say “everybody survives”, but I wonder if some people out there are eating well and everything else, because they have the added expense of going to a larger community for services that we wish they had in our community.

All I can speak about today is the post office issue, because right now it's near and dear to my heart to make sure that we don't ever lose it. It's such a valuable part of our community. I'm sure there are other communities out there that are suffering the same dilemma that we're in today. When you do your reports to whomever, and everything else that has to be done, I hope that you keep in mind the devastating effect it would have on small communities should it ever be decided to go to the mailboxes over the post office.

Mr. Brad Pareis: I just want to re-emphasize the function of a public post office and what those, according to some, exorbitant wages do in communities and in Canada. This is a publicly owned institution. We can make it work for all Canadians. It can provide decent jobs with decent benefits, and those can, in turn, employ other Canadians. It can be a win-win-win.

Thank you.

The Chair: Our final intervention today, gentlemen, will come from Mr. Ayoub. I believe he will be make his presentation *en français*, so if you don't *parle français*, you may want to use your translation devices.

[Translation]

Mr. Ayoub, you have five minutes.

[English]

Thank you, Mr. Chair.

I'm going to start with Mr. Pareis.

[Translation]

I would like to understand the change concerning parcels a little better.

Since 2013, Post Canada has wanted to focus more on parcel delivery. What is the current situation in Dryden, where Purolator and Canada Post offer parcel delivery services? Has there been an increase, or a decrease?

• (1645)

[English]

Mr. Brad Pareis: There has been a significant increase in parcels. While we have noticed a decrease in the letter mail volumes—and that's unavoidable, considering the way people are choosing to communicate—we have seen a corresponding increase in parcels. It has now become a significant portion of the mail. People, especially in small communities such as this one, have fewer shopping options and fewer ways of getting the goods and services they want. Online shopping and then parcel delivery are used by a large percentage of the population.

Parcel delivery is, to a degree, replacing what used to be pretty much dominated by letter mail.

[Translation]

Mr. Ramez Ayoub: Since the demand for parcel delivery has risen, the unions have shown some openness in terms of opening hours, so the service can be offered on Saturday or Sunday, for example.

Would that be useful for the Dryden region?

[English]

Mr. Brad Pareis: I think it would be extremely helpful. As a union and as workers, we've been open to providing services on Saturday through our wickets. We would have no problem at all to increase delivery hours, change delivery hours, or offer delivery on Saturdays, if necessary.

[Translation]

Mr. Ramez Ayoub: Thank you.

I have a question for you, Mr. Parkes.

Why is it that seniors in your region want to go out, while seniors in other regions do not want to go out and want to get their mail at home? Why do you think it is that in your community, people are not bothered by having to go out? You seem to be used to it.

[English]

Mr. Garry Parkes: I guess it's the inconvenience and the cost. We have a lot of people whose age makes it difficult for them to do anything like that. As I said, it's the added problems that we see

somewhere down the line; as you get older, you realize these things. Saying that we need it and we don't want to lose it won't take any hardships away.

[Translation]

Mr. Ramez Ayoub: I would like to come back to the case of people with mobility problems. What does Canada Post do in Dryden other than home delivery in places where there is none? Are there situations where you deliver the mail differently from what is usually done for people with mobility problems? Is there a different service?

[English]

Mr. Brad Pareis: I am aware of one case—I believe it was a grandfather case—where there was an individual who was known to be disabled, and his area was delivered into CMBs. The person with the truck would deliver to that person's door—I believe it was twice a week—and that was an informal arrangement. As far as the rules go, I think that's not particularly allowed. I hope I'm not getting anyone in trouble.

[Translation]

Mr. Ramez Ayoub: In conclusion, I want to thank you for your answers and for being here. The chair will want to thank you also.

I am very pleased to have been in Dryden and to see what goes on here.

[English]

The Chair: Thank you very much.

Gentlemen, I'll extend the same offer to you that I have to all of our other panellists. Should there be additional information that you wish to bring to the attention of this committee, please feel free to do so. You can direct your submissions to our clerk, and you can be assured that all of your suggestions and ideas will be ultimately incorporated into our final report.

I want to thank you both for being here. Both presentations were excellent. Mr. Parkes, you did great. Mr. Pareis, once again, thank you for being so succinct.

The meeting is adjourned.

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