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Chair

Mr. Tom Lukiwski

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• (1300)

[English]

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

Good afternoon, ladies and gentlemen, colleagues. To our panellists, welcome.

[Translation]

Sorry. I don't speak French.

[English]

I'll be making my opening remarks in English.

You're undoubtedly aware that the minister responsible for Canada Post, the Hon. Judy Foote, has initiated a very extensive consultation process concerning the future of Canada Post. Phase one of that consultation process was the establishment of a task force whose mandate was to examine the financial viability and sustainability of Canada Post.

Phase two is why we are here today. We are conducting a cross-country tour of the country to talk with Canadians, organizations, and municipalities about their views on the future of Canada Post and try to elicit recommendations and suggestions from individuals and organizations about what they see the role of Canada Post to be in the future. That's why we are here today.

Without further ado, I'll get into the procedures. It's very simple.

Each of you has been asked to deliver a short five-minute opening statement. I understand Mr. Brun and Mr. Mourinet will be splitting their time, but it's still five minutes in total. If you care to look up occasionally during your presentation, you'll see that when you get to the four-minute mark, I'll give you the indication that you're at four minutes, so you'll have ample time to wrap up your comments. Should you not be able to complete your full five minutes, I will, unfortunately, have to be fairly strict with the five-minute limit, since we have a number of questions that will be coming from our committee members and we have a very tight schedule.

The process among committee members is very simple. The first four questioners will have seven minutes for questions and answers; the last two interventions will be five minutes. That's how we're going to proceed.

Your comments will form part of our final report, which will be tabled in Parliament sometime before the end of this year.

Without any further ado, I will turn the floor over to

[Translation]

Mr. Mourinet and Mr. Brun, you have five minutes.

Mr. Bernard Brun (Director, Government Relations, Desjardins Group): Thank you, Mr. Chair.

My name is Bernard Brun. I'll start with some opening remarks and a short introduction of Desjardins Group.

First, thank you for inviting us and for listening to us this afternoon. It's especially meaningful since Desjardins Group started here, in Lévis, over a century ago. Alphonse Desjardins founded the first *caisse populaire*. Since that time, the history and the city, in addition to economic development and the presence of financial institutions in Quebec, have been thoroughly intertwined with the evolution of Desjardins Group.

Desjardins is the leading cooperative financial group in Canada and the sixth largest cooperative financial group in the world, with assets of about \$260 billion today. It's a completely cooperative group, meaning we provide a full range of financial services to all our members and clients. We're located in all regions of Quebec and across Canada. Desjardins Group has about 47,000 employees in total.

It's worth noting that Desjardins Group is considered North America's strongest bank, according to Bloomberg News.

I also want to mention that the name "Mouvement Desjardins" in French is well chosen. We're constantly evolving. We must adapt to the changing reality of the environment, in terms of both the needs of our members and the evolution of the environment.

I'm joined by David Mourinet, Director of Administrative Services for Desjardins Group. He'll talk more specifically about the business relationship Desjardins Group is maintaining with Canada Post, as a service user, and about the changing use of the services.

We'll then be pleased to answer your questions.

Thank you.

• (1305)

Mr. David Mourinet (Director, Administrative Services Directorate, Desjardins Group): Mr. Chair and members of Parliament, thank you for meeting with us in Lévis.

Canada Post is currently a major service provider for Desjardins, since we mail about 108 million letters a year. In general, the letters are mailed by our network of caisses or by the Desjardins card service, which represents the vast majority of clients with the exchange of cards, whether they are bank cards, Visa cards, or another type of card.

Desjardins Group has exactly eight distribution centres in Canada. Each distribution centre manages a high volume of letters, documents or packages. Recently, we expanded out west by acquiring State Farm.

Desjardins has started a major project to digitize all its documents. In the past two years, our shipments have decreased by 5%. We have a number of major global digitization projects. In the next five to ten years, most documents will be completely digital. We estimate that, within at least five years, the decrease will result in 30% fewer Desjardins shipments. The number of documents shipped by Canada Post, our main service provider, will decrease by about 30 million.

This major streamlining is being carried out as a result of client demand and the changing technology and markets. People want information as quickly and efficiently as possible. The digital solutions are currently the most suitable and least expensive for us and our clients.

As you know, Desjardins Group must deal with the changing technology and behaviour of its members, who use digital technology for their financial transactions.

All financial institution activities are affected to a certain extent by the changing technology and mail services. It's not only Desjardins members. All people who have bank accounts will use digital technology.

I'll let Mr. Brun finish.

Mr. Bernard Brun: In closing, thank you to the committee for allowing us to speak about the issue. We have a great deal of information, and Desjardins Group is there to answer your questions and give you things to consider.

Thank you.

The Chair: Mr. Quesnel, you have five minutes.

Mr. Maurice Quesnel (Director General, Chambre de commerce Baie-des-Chaleurs): Thank you.

I reviewed the report submitted by the Canada Post review task force, which consists of Ms. Bertrand and three other people. I understand that mail is a very important service for the public and for businesses. The report also clearly states that the satisfaction rate is very high as a result of the service's reliability. I am one of those people who receives all bills online. I use Canada Post's epost, which is becoming larger and larger. More and more people are using the service.

The options presented by the group are quite good.

Community mailboxes are a very realistic option, and they must be maintained. However, we must take into account that they can't be installed in certain locations. I fail to see how clients who have little or no mobility could travel to pick up their mail. I also fail to see how community mailboxes could be placed in the downtown areas

of Canada's largest cities. There is already an ongoing traffic problem that I don't think will improve.

I completely agree with converting the highest volume post offices to franchise outlets. However, the offices in rural regions must be maintained. I've lived in Montreal, Ottawa, Quebec City and Sherbrooke, and I have been living in Gaspésie for eight years. I've toured the regions. I've also lived in Lac-Brome. As a result of my work, I have a slightly different view.

In Gaspésie, where I've been working for the past eight years, there are mailboxes and the franchise outlet is very important for the population. People go there every day. The doors are open 24 hours a day, seven days a week. As a chamber of commerce, we use the direct mail service to reach businesses. It's much easier and less expensive. I think these services should be maintained and these jobs should be protected because the loss of 100 jobs is much more significant in the regions than in the major cities.

Concerning alternate day delivery, I would lean more toward two days a week, Tuesday and Friday. It would certainly save money. The board of directors discussed it. That's more or less the vision I want to share with you.

The further streamlining of processing operations is essential, in addition to the synergy with Purolator. Those are the two most frequently used services in rural and remote regions.

However, I see a problem with selling advertising in the retail network. The smallest businesses are already at a disadvantage compared to retail giants. I can't see how "Amazon" could appear on a Canada Post truck. In addition, there's a tax issue. No measures are taken to collect taxes when people purchase items from abroad.

Regarding the assessed and unquantified options, increasing prices as a strategy to offset increasing costs could be detrimental and would certainly result in more people using email to receive their bills. In any case, all our suppliers encourage us to use email and the Internet to receive our bills.

A review of labour costs was certainly conducted. You saw it in the recommendations. If not, that type of review is required. All businesses review labour costs each year.

Lastly, postal banking is not the way to go. There are already enough banking services in Canada, and competition is fierce. A number of jobs in the sector have already been eliminated and are continually being restructured.

I won't talk about the postal services in France, where I go regularly, except to say there is also a decrease in that area.

Thank you.

● (1310)

The Chair: Mr. Harvey, you have five minutes.

Mr. Dany Harvey (President, Coopérative d'habitation Ludovica): Thank you, Mr. Chair. My thanks to the committee members for inviting me.

My name is Dany Harvey. I am the president of the Coopérative d'habitation Ludovica. We are a housing cooperative in the Quebec City region with 32 units, 11 of which are occupied by those 60 years of age and older or by those with reduced mobility.

I speak on behalf of the cooperative, of course, but also on behalf of a group of about 100 housing units that is in the process of being established. So clearly, the matter of mailboxes and the elderly is somewhat of a concern for us.

In our opinion, it is critical to find out Canada Post's vision for the future. We know that, in 2030, about one person in four will be 65 or older. So, of necessity, there will be increasing pressure on long-term care residences and the like.

There is also a growing desire on the part of the elderly to remain in their homes. This is a reality that must be taken into consideration: the population is aging and people are living longer.

Another reality is that families are much smaller. Of course, support from loved ones and the family is important for the elderly. When parents have one child or four children, it is harder to go and visit mom or dad. We see this reality daily.

My presentation will be in two parts. First, I will talk about community mailboxes and the problems they pose, and then about letter carriers. For us, community mailboxes get in the way in some places. We have seen, in some cases, that their location creates tension. Our cooperative is in an urban area, in downtown Quebec City. It can be difficult to install blocks of 30, 50, sometimes 150 mailboxes. It is also difficult to find places to put them.

There is also the whole matter of garbage. Some locations literally become garbage cans rather than a postal service location. That is deplorable. We also must not overlook winter conditions. Snow has to be cleared from the boxes and that is not easy when you consider what is around them. You also have to be able to get to the mailbox. An elderly person who has to cover one or two kilometres to get there, either on foot or by car, may find it difficult. If they choose the car, they also have to consider the ecological footprint they are leaving.

Another basic aspect that concerns us is safety. As soon as a large mailbox is installed, data becomes centralized. If thieves want to steal that data, it is much easier for them to go there and make off with the box.

I know that Canada Post wanted to provide an exemption for people who have no other choice but to receive their mail at home. We thought about that; it can cause problems. Why? Sometimes, letter carriers are followed by ill-intentioned people who want to steal their keys. By following a letter carrier, a thief can discover which people are in vulnerable situations. If those people have their mail delivered at home, a thief can more easily target them. For us, that is one more reason to choose home delivery over community mailboxes.

The profession of letter carrier must also be considered. A survey conducted in 2015 shows that letter carriers have an 87% approval and trust rating with Canadians. That says a lot; it is huge. In public opinion, they are practically at the same level as firefighters,

paramedics and nurses. Letter carriers inspire confidence and have credibility.

Some countries have programs that conduct door-to-door checks, a kind of neighbourhood watch, to make sure that vulnerable people are safe. I know that, in the 1980s, Canada had such a program—I think it was in 1983 or 1984. It could simply be a matter of saying hi to people, cell phone in hand, to check that all is well. That is done in some countries. The letter carrier is very often the only human contact that a lot of older people have during the day. Letter carriers know their routes. They know what is happening there and can see when things are not right.

If a person has not been heard from for three days, letter carriers are very often in the best position to know what is happening. Their presence can increase security, especially with an aging population.

If you have questions, I will be pleased to answer them. There are other aspects that I would like to have dealt with. However, I thank you very much for listening to me.

• (1315)

The Chair: Thank you very much.

Mr. Ayoub, you have the floor for seven minutes, please.

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

My thanks to the witnesses for joining us. It is a great pleasure to come back to the Quebec City region, to Lévis in particular.

My first question will be for the representatives of the Mouvement Desjardins. I am very pleased to see you and to be able to ask you some questions.

In your presentation, you said that you foresee a decline in your mailings. Thank you for telling us about that. I imagine that the decline is due to a combination of two factors, your clients' changing habits and a major increase in technology.

How do you see the arrival of a potential competitor?

Actually, it might be more of a partner than a competitor. I am sure that you have heard of postal banks, which is a solution some suggest for the future of Canada Post.

How do you see the arrival of services like that in the regions?

There is a lot of discussion about remote regions. In some of those regions, you no longer have a presence, or your presence is smaller, for various reasons. You are the first bankers to come to talk to us. In your case, we are not talking about banks, but rather about credit unions. Whatever the case, you work in the banking industry or not very far from it.

Mr. Bernard Brun: Thank you, Mr. Ayoub.

Yes, it is always a possibility. I will let my colleague answer the question about our fluctuating volume of mailings.

As for Desjardins, it is important to note that we are more present in Quebec than any other financial institution, such as the major banks. We have 1,130 points of service and outlets and we have a presence in all regions. About 30% of those outlets and points of service are located in sparsely populated areas.

You mentioned the evolution in services. As Desjardins is a cooperative, our role is first and foremost to serve our members. However, we are not a not-for-profit organization. We have to generate enough revenue to ensure the sustainability of the group as a whole.

Desjardins still has a presence in the regions, but the services have changed a great deal, especially in the last few years. For services at the counter—

• (1320)

Mr. Ramez Ayoub: Mr. Brun, since I only have seven minutes, can I ask you to go back to my question?

Mr. Bernard Brun: Okay.

Mr. Ramez Ayoub: I wanted to know how you saw the arrival of this potential competitor, which could also be a partner.

Mr. Bernard Brun: Yes.

Mr. Ramez Ayoub: There is more than one possibility. That said, I want to know how you see the potential arrival of a postal bank run by Canada Post.

Mr. Bernard Brun: We do not really have an opinion about it because we do not see it as competition per se.

However, you will have to ask yourselves if it is a genuine solution for Canada Post. In terms of the business model, I am not sure that it is a possibility or a moneymaker or that it would solve its problems.

Desjardins sees it as a service provider, but not necessarily as a competitor. It would just be a new way of serving the public.

Mr. Ramez Ayoub: Do you have anything to add, Mr. Mourinet?

As I understand it, your goal in coming here today was to let us know that your use of the mail is declining.

Is that correct?

Mr. David Mourinet: That is correct.

Mr. Ramez Ayoub: I did not hear anything else in your presentation. You talked about the Caisses Desjardins, but if anyone here does not know about them, we have a problem. Everyone knows about the Caisses Desjardins. Your use of the mail is declining.

Given that we are talking about the future of Canada Post at the moment, I would like to know what your testimony today contributes.

Mr. David Mourinet: The reduction in mailings that we are going to implement is at least 30 million mailings per year. That will make a difference. Those are revenues that Canada Post will no longer have. We are going to continue to send documents and parcels for several more decades.

Desjardins members asked for things to be easier, quicker and more efficient. The mail is not a service that most members have asked for. The remote regions indeed pose a problem and we are going to have to connect to them. Clearly, we are ready to maintain a structure that is broad enough to cover everyone, but the fact remains that there will be a decline.

Mr. Ramez Ayoub: Have you been able to gather information or statistics about your members' preferences in terms of technology, according to their geographical location or age group?

Mr. David Mourinet: No, not yet, but the research is ongoing. We have a team that does that kind of research. We targeted Greater Montreal, but, for the regions, we are starting to look at what we have to do to find the best solution and how we can adequately serve each member. Yes, we have a process in place, but, at the moment, we have no official figures that we can give.

Mr. Ramez Ayoub: So you are in favour of the program that Canada Post has put in place. You mentioned that, for you, there is a decline. So you see the change. Canada Post is in the process of reacting to the decline in the mail. I feel that you are going through the same thing. Is that what I am to understand?

• (1325)

Mr. David Mourinet: For us, yes.

[English]

The Chair: Please give a very brief answer.

[Translation]

Mr. David Mourinet: Yes, exactly. That's what we are seeing.

The Chair: Thank you very much.

Mr. Kmiec, you have seven minutes.

Mr. Tom Kmiec (Calgary Shepard, CPC): Thank you, Mr. Chair.

Thank you all for coming here today to give us your suggestions for the committee's final report.

As I said to other witnesses this morning, according to the forecasts, the deficit will be at least \$700 million by 2026. So this is about Canada Post's viability.

I am going to start with you, Mr. Quesnel, because you are from a chamber of commerce and I also worked for a chamber of commerce in Calgary.

I would like to know what proposals to increase Canada Post's revenue your members would be ready to accept. Would you be prepared to accept mail delivery with variable costs? It might cost more, for example, to send a letter from Lévis to Calgary than from Lévis to Saint-Romuald, or somewhere in Beauce.

Mr. Maurice Quesnel: Yes. That is much the same as when you send something overseas. The costs are higher. It's a bit like the user-pay principle. I think business people are very aware of that. They know the difference. It's what they do themselves with their customers. Construction costs will be different depending on whether something is done in Gaspé or in Quebec City. It's the same for the postal service.

Mr. Tom Kmiec: Okay.

I am now going to turn to Mr. Brun and Mr. Mourinet.

I am going to continue along the same lines as Mr. Ayoub and talk about the postal bank. Union people and business people have talked to us about it a lot. I don't want to accuse you of being bankers because that would cause a credibility crisis like the one we have as politicians.

My question is rather about the way you run your credit unions. What leads you to open or close a branch in a region?

Mr. Bernard Brun: It is not a decision made by the group but by the location. The credit union makes the decision as a function of the use of its services. As I mentioned just now, when counter services fall to 3% and the vast majority of transactions are done electronically, it is simply not possible to maintain services in another way. That is in the purview of a credit union, given that ours is a centralized, federated system where people come together to make decisions.

Mr. Tom Kmiec: I see the term “fintech”, financial technology, in a lot of articles. You are in an economic sector that is extremely competitive. There are banks and quasi-banks like Tangerine that put all their offices in shipping containers for a month to move them somewhere else. The sector is so competitive that banks cannot buy a building or lease one for very long.

You also mentioned reducing the number of letters you send by 30%. Is the goal of the Caisse to no longer send letters at all one day? Do you want to move to mobile banking services?

Mr. David Mourinet: We do indeed. The goal is to limit our mailings as much as possible and to have the vast majority of our customers do their transactions electronically. Some of the clientele will still need some specific services. Each credit union will then have to define its needs and decide if it wants to continue to serve those customers. Given the aging population, in the next 10 or 15 years, people will naturally want to do things digitally.

Mr. Tom Kmiec: In your sector, are your members and customers telling you that they want to have access to mobile banking services where, when, and how they want, without the need to go to a branch?

Do you also provide mobile services, for example, using advisors who go to the regions to provide services? Is it really your members dictating your choices or is it also a little bit of what you think?

Mr. Bernard Brun: There is a mix of the two, but our members ultimately decide.

With a 98% increase in services on the Internet or on technology platforms like AccèsD, the use of our physical services is in free-fall. So the members decide how they will use our services.

Of course, there are other solutions. For example, you referred to some banks that have mobile branches. We are studying that option and other similar prototypes.

It is now a matter of seeing how we are going to evolve with the public, and their needs and demands, in order to respond to them in the best way possible. We are presently seeing a major increase in anything to do with electronic services.

Last August, for the first time at Desjardins, there were more transactions by smart phone than by all our other methods combined. That gives you a bit of an idea of the trends.

• (1330)

Mr. Tom Kmiec: How much time do I still have left, Mr. Chair?

The Chair: You still have one minute left.

Mr. Tom Kmiec: Since I have one minute, I have another question. The important part for Desjardins is still profitability and how to provide the best service to members.

If one of your branches was in an area where Canada Post provided postal banking, would you be competing with Canada Post? Another witness, Ms. McLaughlin, thought Canada Post would become another competitor for the Caisses Desjardins.

Earlier, you mentioned that you do not see the postal banking service as competition. Would it be possible to establish a partnership with Canada Post?

Mr. Bernard Brun: Anything is possible with Canada Post. Canada Post has never approached us to that end.

Setting up a financial institution is extremely cumbersome in terms of regulations, costs, and everything else. I'm not sure whether this is a solution for Canada Post. Canada Post should carry out the analysis. Anything is possible after that.

The Chair: Thank you very much.

Ms. Trudel, you have seven minutes.

Ms. Karine Trudel (Jonquière, NDP): Thank you, Mr. Chair.

My thanks to the witnesses for their presentations.

Mr. Harvey, I know you didn't have time to finish your presentation. I will give you my seven minutes so that you can finish.

A number of people representing seniors told us that seniors do not use the Internet to a large extent. The population is aging as well. Earlier, you mentioned some statistics that worry me because we will all be getting older.

I will therefore let you continue your presentation, which is very interesting, so that you can present your arguments.

Mr. Dany Harvey: Thank you very much.

Earlier, I mentioned a survey conducted in 2015, which showed that 85% of people have a very good opinion of letter carriers and they trust them. Letter carriers are Canada Post's resources. Why not use them? Letter carriers are an asset, not a liability. We must not forget that Canada Post has a brand. When we think of Canada Post, the image of a letter carrier is the first that comes to mind, not that of a mailbox.

In addition, letter carriers have a calming presence in communities, for the elderly, but also for everyone, regardless of social class or age. Because letter carriers follow the same route every day in neighbourhoods, everyone knows them.

It is not uncommon to hear on the news—possibly three or four times a year—about cases of citizen action in which letter carriers lend a helping hand. Those can include fires, missing persons, 911 calls or seniors in difficulty. Letter carriers go to residences once a day; they know the faces and the habits of the occupants. If they deliver mail to someone who is usually always in the house and, after three days, the mailbox has not been emptied, they might think that something is wrong. Very often, letter carriers are in the best position—sometimes in an even better position than the neighbours—to realize something is wrong.

Credibility was also discussed. As I skimmed through the document that was presented, I noticed that the possibility of using Canada Post for deliveries is mentioned if marijuana is legalized. This shows that we have confidence in our letter carriers and that we believe they could take on this responsibility.

This means that they do good work, and especially that they are credible in the public eye. I think that is fundamental. We are talking about supporting the people, and I can give an example of what was done in the past. In 1982 or 1984, programs were established in various locations across Canada to provide basic support, such as home support in collaboration with local community service centres, or CLSCs. In the Montreal area in particular, it might be useful to implement a program like that for the aging population. I am talking about maintaining basic contact with the people.

Programs already exist. Are they new? No. We have already tried them. Many other countries, such as France, Belgium, Japan and Germany, have similar initiatives. Letter carriers do the visits.

Clearly, we are talking about an idea. We could determine whether it can be applied on a case-by-case basis. If necessary, I would be happy to come back to work on it with you.

Letter carriers can do some very simple checks. The people from Desjardins told us that we are in the era of technology with BlackBerrys and iPhones. Letter carriers can also use those devices to gather information. For example, they can use forms to ask health questions. The answers will just be yes or no. France uses systems like that. Japan has a system of visits for keeping watch. Say, someone is observed to be in poor health. If the respondent states that they are not doing well, then they can be referred to the appropriate medical authorities or CLSCs. In some cases, the program could include families.

To me, this is a vision, a dream, that seems appealing. I'm an outsider, not a letter carrier, to be clear. In past years, ads used to present Canada Post as an employer of choice. That has not been the case for some time.

If there is a key element, the letter carriers are it. Let's start using the positive contribution they can bring and build on that. These are suggestions. In Finland, there is a company called PostNorden, I think—I'm not sure, perhaps someone could confirm it—that provides a dynamic delivery service. Dynamic delivery may include the delivery of hot meals or laundry services. That's quite significant, and I honestly don't think we are there yet. However, it seems interesting and may be worth exploring.

We have a skilled workforce, mobile and familiar with its routes. Why not give them an additional purpose, especially for the aging

population? I am not in favour of keeping the elderly in cages. I love them. I am often in contact with them. If they want to stay in their homes, let's give them the tools to make that possible, at least let's give them the opportunity to discuss it.

That's why I'm pleased to be here. This kind of project is not one that we can wrap up in one or two years; it would take 15 years or so. As soon as we have discussions, we can set up pilot projects. Others countries have done so. It's something to think about.

• (1335)

We have competent people, so let's use put them to good use.

That's all.

Thank you very much.

Ms. Karine Trudel: I have one minute left.

Mr. Dany Harvey: Go ahead.

Ms. Karine Trudel: In the presentations just now, the Internet came up a lot. You are around aging people and you have that type of experience. I don't really want to get into specific statistics, but do you know how much those people are using the Internet? Do they use it to pay their bills or for mail?

Mr. Dany Harvey: It's a special situation. I'm quite tech savvy. I will often help fix bugs in billing and so on. Say what you will, but our memory is not longer the same as we age. You need to remember codes and so on. When you receive paper documents, you have them in your hands.

People sometimes say that we used to receive a lot of direct-mail advertising and that our mailboxes were full of junk, particularly pizza ads. That's also the case for our email inboxes; it's called spam. People are not used to or equipped for that.

The Chair: Thank you very much.

Mr. Lightbound, the floor is yours for seven minutes, please.

Mr. Joël Lightbound (Louis-Hébert, Lib.): Thank you, Mr. Chair.

Many thanks to the four witnesses for being here with us today.

My first question is for the representatives from the Desjardins Group.

First of all, I want to thank you. In politics, we see that the Desjardins Group is very active in communities. I am pleased to be here in Lévis to meet with you.

You mentioned the decrease in your need for Canada Post's services. Right now, in the short and medium term, if mail were delivered every two days, what impact would that have on your use of Canada Post's services?

Mr. David Mourinet: If the mail were delivered every two days, we would have the opposite problem. We deal with some legal documents that require us to meet given deadlines. We could have a problem if we received those documents in two-day intervals.

The other issue is the people waiting for their cheques. We saw what happens when there's a hold-up just for one or three hours in a day. If people received their cheques two days later, they would be affected. Although people have the option of direct deposits, some expect to receive certain documents quickly, and they are literally waiting by their mailboxes.

So that would not be a solution for us right now. There may be less mail, but the fact remains that people want to receive their mail at the same rate, and it's important for us to receive some documents quickly.

• (1340)

Mr. Joël Lightbound: On the same topic, I would now like to turn to Mr. Quesnel.

You are representing a chamber of commerce. So you are also representing small business owners who need to receive their mail on a daily basis. Could you tell me how they would be affected if they received their mail every two days? What are your thoughts on that?

Mr. Maurice Quesnel: I happen to be a three-minute walk away from the post office on rue Principale. So I see everyone go by, and I also see the post office. I have noticed that some shopkeepers don't go everyday. Increasingly, especially in remote regions, people have learned to use the Internet to reduce costs as well. We still rely on letter carriers a lot, because there is no way around that. Some letter carriers still drive to serve the rural routes.

I had not expected the thing about the people waiting for cheques, either. I think an adjustment can be made, since we know that some cheques come in on a set date.

In terms of mailing documents, I personally call Purolator if I have to send a document quickly. I had to send something to Service Canada recently, so I called Purolator and it was delivered the next day. Purolator is an option and is a Canada Post service. So one service can make up for the other.

Mr. Joël Lightbound: Yes, the services could complement each other for documents that need to be sent quickly.

Mr. Maurice Quesnel: Absolutely. I think Canada Post and Purolator should work even more closely together.

Mr. Joël Lightbound: I have another question for you, Mr. Quesnel.

Just now, we talked about postal banking. In a region such as the Gaspé, what banking services are there? In smaller municipalities, there are no banking services anymore. That's not a problem just in Quebec, but also across Canada. Do you think it might be beneficial to have banking services provided by Canada Post?

Mr. Maurice Quesnel: I'll be honest with you.

In Bonaventure, the Caisse Desjardins des Quatre-Vents had five points of service, but it's completely closing two of them at the beginning of November. There won't even be any ATMs. Everything

will be concentrated in the central points in Caplan and Bonaventure. In Saint-Siméon, there will be one ATM left. Services will no longer be provided at the other points of service in the areas.

Last week, on the last day of the month, during the five hours the caisse was open, around 12 clients went in. At the end of the day, everyone's goal is to make money. The costs are huge there.

The decision to close some points of service had been made, but it took three years to prepare people for it. At every general meeting, people were notified on what was going to happen, with the support of statistics. Whenever I go into the caisse, the counters are often empty.

Mr. Joël Lightbound: Some Canada Post offices are experiencing the same problem. Sometimes, only two or three people pass by in a day, which is the reason for the idea of perhaps providing banking services. That might make things a little busier. This would mean adding another service to the one already being provided.

In the communities where branches have been closed, are there post offices?

Mr. Maurice Quesnel: There are post office boxes, but no post offices as such. They are usually in the large centres.

In terms of banking services, I mentioned that I go to France every year, sometimes even twice a year. The banking services in the post offices have declined there too.

Mr. Joël Lightbound: Yes.

Mr. Maurice Quesnel: That's a reality for everyone. If it is a useful option for Canada Post and helps the corporation keep its services, then why not? That said, I'm not convinced that it will be profitable.

Mr. Joël Lightbound: Right.

My next question is for Mr. Harvey.

First of all, I'd like to know what you think from the client's perspective about the idea of having the mail delivered every other day instead of every day.

Mr. Dany Harvey: A week in this case is five days. Are we talking about Monday, Wednesday and Friday?

Mr. Joël Lightbound: That might be a compromise.

• (1345)

Mr. Dany Harvey: It's important to consider the turnaround that things have taken in recent years. Overrides are always possible. In the case of people with reduced mobility, or who are disabled or seniors, it was possible to make changes if they provided a medical certificate.

It isn't easy. People say that the letter carrier might have a role to play. But I think that by eliminating two days of delivery a week, we aren't taking the carrier into account. We think that the carrier could play a significant role socially. That's why I don't think that delivery every other day would be useful or desirable.

[English]

The Chair: We'll go to our final two intervenors, with five minutes each.

Go ahead, Mr. McCauley.

Mr. Kelly McCauley (Edmonton West, CPC): Gentlemen, thanks for being here today. It's a pleasure to be back in this area. I came in January and toured the Davie shipyard. It is phenomenal, and the best in Canada. I hope we'll have an icebreaker being built there soon.

For the gentlemen with Desjardins, I was fortunate enough to have a lot of dealings with Coast Capital Savings in western Canada, and they always hold you up as a role model. Congratulations on that.

You talked a lot about going to digital and no longer mailing out bills. You must have a fair number of senior citizens as clients. We hear a lot that seniors don't have access to the Internet and that seniors cannot adapt. I have a stronger faith in our seniors, but what kind of feedback are you getting from your seniors, or how are you preparing for a purely digital banking world with this cohort or this demographic?

[Translation]

Mr. Bernard Brun: Thank you. I think this point is very important. People often tend to consider the population as a whole, when certain groups are probably more vulnerable. We have seen a significant decline in use by seniors. As I said earlier, the percentage dropped to about 3%. That's why all kinds of initiatives have been launched, specifically to reach out to them directly. They have even been offered courses and training at the caisses. Otherwise, the specific cases are handled on an individual basis. Instead of making a unilateral decision, in these specific cases, we use a proactive approach to reach them, essentially to be able to support them.

[English]

Mr. Kelly McCauley: That's fantastic. I can see why Coast Capital thinks so highly of you.

Mr. Quesnel, we talked a bit about rate increases and how it affects your association. We've done a fair amount of polling that shows Canadian businesses don't want to see a rate increase. They don't want to see higher taxes either. Can I assume it's the same with your association?

[Translation]

Mr. Maurice Quesnel: Yes, it's the same thing for the businesses.

As Mr. Kmiec said earlier, the user-pay model is much more realistic than a sudden increase of 50¢ in the cost of stamps or based on the annual inflation rate, although it can be reasonable. Why should users repay Canada Post for things that should have been regulated long before?

I won't get into collective agreements, but this is another reality. It's always when we get to the end of the line that there's a problem. If we impose an additional tax or an additional cost, it would be the public who will pay because the company will pass the cost on to them.

[English]

Mr. Kelly McCauley: You discussed rural post offices briefly. Across the country, especially in western Canada, we see a lot of post offices that were rural, but the cities have grown so much—Saskatoon, Edmonton, Spruce Grove—that they are now actually part of a large city. Do you think there's a role or a future for converting these, and using the money saved to help subsidize the true rural ones, where the services are a lot more needed or they are a lot more of a community hub?

[Translation]

Mr. Maurice Quesnel: Remote and rural areas aren't poorly served. I would even say that they are very well served by Canada Post. Is any restructuring needed? I think so, mainly by analyzing the annual costs of labour. There is always restructuring to do. Every company does it from year to year. We don't have the choice of monitoring the situation and seeing what it is, but we always need to keep clients and client service in mind.

As someone mentioned earlier, and we mentioned it too, there are people who can't live without Canada Post. I think it's important to say that.

• (1350)

The Chair: Ms. Ratansi, you have five minutes.

[English]

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you very much.

Thank you all for giving us such different perspectives.

Monsieur Quesnel, in terms of qualitative analysis, you talked about losing jobs and about small communities being deprived of services. That's what we are looking at, because we need to ensure that our small communities flourish, that we have a growing middle class, and that people have secure jobs. If they do not have jobs in small communities—we have visited them—they move to the cities, and that creates other pressures.

We are looking at creative solutions for Canada Post, and we are looking at you. Desjardins has reinvented itself, and I as a shareholder would like to see you make a profit. How do we move forward? Canada Post is a service, but it is also a business. Should it break even, should it make a profit, or should it be subsidized?

[Translation]

Mr. Maurice Quesnel: Normally, it should break even. The Chamber of Commerce isn't subsidized and must be self-supporting. Our Chamber of Commerce covers a 220 km area that is home to 31,400 residents and some 800 businesses, including self-employed and other individuals. We are managing to survive. I have created three jobs. Our annual budget is now \$435,000.

I'm also seeing all the young people who are coming back. There is a positive migration to Avignon and Bonaventure. Young professionals are returning after having lived in Quebec City, Ottawa or Montreal for a few years. They miss the regions. They are starting new businesses. They are all in the digital age.

In terms of Canada Post post offices and services, are there any additional costs? Businesses are willing to accept some increase, but not a sudden 50¢ increase. We're talking about user-pay, and I think it's normal. Businesses say so, too.

[English]

Ms. Yasmin Ratansi: I have to cut you off because I have only five minutes.

You would like to be consulted before things happen. When changes are brought about, you want consultation.

I have a question for the Desjardins Group. Monsieur Brun, when your corporation reinvented itself, I'm sure you will say that your corporation faced challenges and that you had to manage within that environment. What are some of the opportunities that you found through those challenges? It's a big answer that you will give me, but give me one example, in one minute, of what you would do to reinvent Canada Post, because you have reinvented yourself.

[Translation]

Mr. Bernard Brun: That's a fairly big question. We're talking about re-invention here.

Since Desjardins is a co-op and serves a very large population, we involve our members when we're looking for ideas like this. Many have brought up financial technology.

For example, Desjardins has set up laboratories, particularly with young people. It's involved in social networks where it will take its ideas. It creates outright laboratories to develop new products, which can then be included in the group or not.

[English]

Ms. Yasmin Ratansi: You have a very consultative approach. We have been listening to the labour unions and to management, and there is always tension between them. The union says that when they give ideas, those ideas are not taken into consideration, or when we talk about financial sustainability, there was \$2.1 billion in costs because despite there being a reduction in mail delivery, they made it electronic. All these things happen, and people do make mistakes. These are some of the mistakes.

Without giving us corporate secrets, how large is your clientele?

• (1355)

[Translation]

Mr. Bernard Brun: We provide services to about seven million members and clients.

[English]

Ms. Yasmin Ratansi: Do you know how many are senior citizens?

[Translation]

Mr. Bernard Brun: No, I don't know the exact percentages.

[English]

Ms. Yasmin Ratansi: Okay.

[Translation]

Mr. Bernard Brun: These seven million people are fairly well spread out across all age groups.

[English]

Ms. Yasmin Ratansi: Going back to a question that was asked, are they—

The Chair: Gentlemen, thank you so very much for coming today. I know your schedules are extremely busy.

There is one thing I will offer to all of you. Should you have any additional information that you think would be of benefit to our committee, you can certainly submit it directly to our clerk, and that will be part of our final report. If you wish to do that, do it within the next two weeks or so, because our final report is going to be tabled in the House of Commons, probably by the end of November or early December at the latest.

Thank you once again. Your testimony has been fantastic.

We are suspended for a couple of minutes while we wait for our next witnesses to come to the table.

• (1355)

(Pause)

• (1400)

The Chair: Ladies and gentlemen, colleagues, I think we'll start now.

Good afternoon, gentlemen. I noticed that all of you were in the audience, so I think you have a good understanding of how this procedure works, but just to let you know again, each of you will be asked to give a five-minute opening statement. If you can look up occasionally from your presentation, when you get to the four-minute mark, I'll give you the one-minute sign so that you can hopefully wrap up in the five-minute timeline. That will be followed by questions from all of our committee members.

With that brief introduction, I don't think we need much more.

Monsieur St-Onge, I have you as my first speaker.

[Translation]

You have five minutes.

Mr. Richard St-Onge (President, Regional Council, Fédération des travailleurs et travailleuses du Québec): Thank you for having me here. I will make a short presentation.

Let me introduce myself briefly. My name is Richard St-Onge. I'm the president of the FTQ Quebec City and Chaudière-Appalaches Regional Council. I work with all unions, including my colleagues appointed to Canada Post. I am a jack of all trades, but master of none. That pretty much sums up my situation.

I will present my personal views on Canada Post and what could be a solution in this matter. I read with interest the file I was given, and I got stuck on the point about postal banks. I feel that the solution involves postal banks, among other things. People are saying that this service would help to keep quality jobs in cities and in the regions. God knows that it's interesting enough keeping the words "jobs" and "quality" together in the expression "quality jobs".

Now I'll move on to development in the regions. To make a long story short, I have lived in Saint-Patrice-de-Beaurivage for three years. It's a small municipality that still has the pleasure of having a post office. That might be a funny thing to hear for a city dweller, but in a municipality of 1,200 people, the post office is very practical and most appreciated.

Providing a postal bank might also allow the creation of new jobs at Canada Post in a system that's already well-established. Allow me to read an excerpt from the Liberal Party's platform in the last election:

We will invest to create more jobs and better opportunities for Canadians.

After ten years under Stephen Harper, good-quality job opportunities for young Canadians are tougher and tougher to find.

Indeed, Canada Post offers good-quality jobs. We need to keep them and find a way to do so.

The witnesses I've seen today have spoken about Canada Post's deficits. Unless our sources are different, I think we're anticipating deficits that haven't yet happened. However, if I'm not mistaken, Canada Post has had a surplus of about \$1.5 billion in the last 22 years. We can say what we want about the numbers.

In my short research, I learned that a postal banking service is currently offered in about sixty countries. The service is relatively new in several countries. This suggests that physical mail is changing at the global level and that several postal services have adapted or seem to want to go that route.

I was also surprised to learn that Canada Post currently has 6,300 service points across Canada, or twice the number of Tim Hortons. Already, it seems to me that there are Tim Hortons everywhere. We can't just shove this distribution network aside.

If Canada Post goes the postal bank route, it would be interesting to choose a system different from traditional banks. They could operate differently from the banks by having a presence in the rural regions, among other things.

I'm from Saint-Patrice-de-Beaurivage. To be honest, I still have the opportunity to have a credit union. However, Desjardins has closed three of them in neighbouring towns in three years.

While doing research for my presentation, I understood why there are announcements on the radio, on TV and in the newspapers for instant \$500 loans that you can receive in under an hour. The borrowers are salaried employees who need their pay a day or two in advance for some reason or another, and these loans are probably offered at incredible interest rates. When I talk about doing something different, this is the kind of thing I have in mind, and this is the kind of clientele you could seek out.

You could also invest in social housing. Many indigenous communities aren't served by financial institutions. It would be interesting to do this. I also realized that immigrants pay incredible rates to transfer money to their families abroad. This might be another service that could be offered. Pressure could probably be put on the Canadian banking system, which I love and seems right to me—has the witness from Desjardins left?

In short, Canada Post could become a player that could control the exploding costs of all these banking services.

•(1405)

I think I'll stop there, even though I still have two pages of notes.

The Chair: Thank you very much.

Mr. Senneville, you have five minutes.

Mr. François Senneville (National Director, Quebec Region, Canadian Union of Postal Workers): My name is François Senneville. I'm very happy to be here, a little nervous, but happy. If I'm a bit nervous, it's obviously because the subject on the agenda is dear to my heart.

As national director of the Canadian Union of Postal Workers, it's my job to protect the good jobs and the postal service. I am also an employee of the post office. I have worked on the floor at Canada Post for almost 15 years. So, you'll understand that this is very important to me.

First of all, I want to thank you for allowing various stakeholders to come and tell the committee what they think would be a good thing or a good future for Canada Post. So here's the flower, but I also came with a pot to carry the flower because I want to talk to you about the online survey and what people have begun to respond.

I would simply like to say that I find the questions in the survey are very biased. That's the impression the organization I represent has, and so do some people I've spoken to. The questions imply to us that Canada Post will not be saved by cutting costs and services within the organization.

I have followed a bit of the committee's work recently. I tried to see what arguments have been made and so on. The first thing that caught my attention is how communication has been made over time at Canada Post, not just with the union, but also with the general public, externally and with its partners.

For instance, when Canada Post's five-point action was announced, there was general dismay. We spent about two hours refusing to believe that the announcement had been made because we had never been told about it. When we finally believed and understood that it was really a plan that was coming, it was already too late. The telephone rang and the media wanted to talk to us. We realized then, through the media, that an announcement had been made.

I mention this because the announcement of the five-point action plan obviously follows a report by the Conference Board stating that we were very alarmist about the amounts of Canada Post's deficits until 2020.

I don't know if you have the document I submitted when I arrived. If you didn't receive it, I have paper copies for all of you.

The document outlines Canada Post's profits the dividends paid to the government, and the taxes that Canada Post paid in the last 30 years. These figures relate to the Canada Post Corporation, namely, Canada Post and its affiliated partners.

The calculation for 2010 to 2015 clearly shows that Canada Post made a profit and has nothing to fear about any deficit. I know that the figure of \$1 billion has been mentioned. A little earlier, \$700 million was mentioned. I heard the question.

However, looking at the numbers that Canada Post announced, we can't conclude that Canada Post is in a deficit situation at this point. There are changes, I understand that and we accept it. However, we aren't in a situation where the corporation needs to be saved because it's on the point of collapse.

Another important element is that when Canada Post announced its five-point action plan, it stated that no jobs would be lost, that everything would be done by attrition and that no one would be laid off. This statement is partly bamboozlement. Perhaps there won't be any lay-offs and attrition will take place within the corporation, but the reality is this: when postal boxes are installed in a community, the number of post office employees reduces markedly.

Of course, no Canada Post employee will be laid off after community mailboxes are installed, but there will be men and women of single parent families who work during the day and are transferred to a night job. Their family lives will be turned upside down, with a huge impact on those around them. In communities where the number of post office employees has decreased from 50 to 35, a significant financial impact will also be felt locally.

I don't have much time left to talk about appendix T of the collective agreement between the CUPW and Canada Post. One article of the agreement sets out a full process that costs the government absolutely nothing and in which the parties sit at the same table to discuss any reasonable initiatives by the corporation. This includes postal banks and any other initiatives that the government might encourage Canada Post to try. The process costs the government nothing and is part of a negotiation set out in the collective agreement.

A copy of Appendix T is with the documents I left at the door.

• (1410)

I know you do not have it in hand.

The Chair: Mr. Simard, you have five minutes.

Mr. Jean-François Simard (As an Individual): Good afternoon, everyone. Thank you for giving me the opportunity to speak.

I am a postal worker from the Saguenay—Lac-Saint-Jean region, a region that has been hard hit over the last few years.

In the last five years, Canada Post has closed 50% of the urban retail points of sale. I am talking about the ones located right in town, whether in Chicoutimi or in Jonquière. That represents a very large number of well-paid jobs.

The service has not been affected for the single and simple reason that Canada Post transferred its jobs to pharmacies. What they did was to give pharmacies franchises. As a result, the work is now done by pharmacy employees who are paid minimum wage rather than by well-paid employees with good working conditions.

We know that a majority of Canadians have come out against privatizing the postal service. I believe this is a disguised way of privatizing the service.

I have personally experienced the elimination of the postal service in the town of Chicoutimi. I lost my route and I lost my customers. Thirty of my co-workers and I were transferred to different positions with different shifts. I am not doing to dwell on this, but I want to point out that the Canada Post Corporation did not give us notice. We learned a few months before that we were losing our jobs. We were never given details about where we were going. We were left in a kind of vacuum for a long time.

Two weeks before the date for installing the community boxes, management met with us to inform us that we were being transferred to clerk jobs. One week before the date, they had us choose between evening positions and night positions. You have to remember that we were the youngest full-time employees in the office. We all had young families; there were single-parent mothers. We were also informed that if we were not able to show up for our new shifts, we would be considered to be on leave without pay, and then be dismissed. This situation caused my co-workers incredible stress. Is it reasonable for a Crown corporation, one of the biggest employers in the country, to have so little idea of how to communicate with its employees? I ask you.

Today, I saw the CEO of Canada Post here. I have to talk about this. He told this committee that no jobs had been lost at Canada Post. I would very much like him to come to the shop floor and tell it to the temporary employees. They are employees who have five or six or seven years' seniority and have no work today.

In addition, the part-time employees also have no work. I would like him to come to the floor and tell it to those employees. I do not want to dwell on this, but I do want to repeat that we were promised good jobs. We were told to look to the future generation. I think I am the best example to show why good jobs have to be retained at Canada Post.

I am going to change the subject. I live in a small village, Saint-Fulgence, where there is no *caisse populaire*. Desjardins abandoned us about five years ago. To deposit a cheque, you have to travel 30 kilometres there and 30 kilometres back. There is no other way because there is also no Internet in the village. There is absolutely nothing else we can do. The post office is three kilometres from my home. Service is available there all day; it is computerized. I think that adding postal banking would not be too complicated. I have not witnessed it in the past, but the service has been provided. Postal banking existed in the past; we are not inventing something. All that would be needed is to restore a service.

Canada Post has other possibilities in the small post offices. I did not have to think very hard about it. For example, I had an old television and I did not know where to take it because you have to travel 60 kilometres to take back electronics. Canada Post could also offer that service.

I have one minute left. I would like to talk about the time when Canada Post installed community mailboxes. Briefly, the community mailbox is in a catastrophic location; it is extremely dangerous. We have mobilized and for three months, we have been in a dispute with the Canada Post representatives. They refuse to move the box; they do not give a damn about us. They tell us that they will inform Ottawa of the problem and give us any news. I suppose they are waiting for an accident to happen before moving the box.

• (1415)

The Chair: Thank you very much.

Mr. Lambert, you have five minutes.

Mr. Vincent Lambert (As an Individual): Thank you very much.

My name is Vincent Lambert. I have been employed at Canada Post since 2004. I am here on my own behalf and because I have had the opportunity to have a lot of information about the vision of the Union of Postal Workers, CUPW, when it comes to the future of the company I work for. I have also had the opportunity to meet the public and talk with people, as well as with elected representatives, about our vision of the future of the postal service.

You have certainly had an opportunity to read *Delivering Community Power* or have it explained to you. One of the points that often comes up and that perhaps affects me a little more is greenhouse gas reductions. We may wonder how the environment can concern Canada Post. However, I think that all corporations, as good citizens, have a role to play when it comes to the environment.

The decisions must also include the impact we have on our environment. As a Crown corporation, Canada Post can play a leadership role in this area. We should set an example and be in the lead when it comes to our environmental practices. We have to implement changes as quickly as possible.

There are actions and decisions that can be considered with the goal of reducing Canada Post's impact on the environment, and perhaps on Canadian society.

First, electrical outlets can be installed wherever there are post offices. You have heard about this: one of the barriers to buying an electric vehicle is often the shortage of charging stations. There are not a lot of outlets. In some places, there are none. That is a barrier. The network of Canada Post points of service can give all communities the opportunity to have access to a charging station.

There is also the issue of door-to-door delivery. We must not forget that this has an effect on reducing greenhouse gases. Imagine 1,000 people driving to get their mail. We have heard a lot about how community mailboxes offer a good opportunity for walking. We know, however, that most people are going to get there by car, even if it is 30 seconds or two or three minutes away. They are going to leave their car running for 15 or 20 or 30 seconds. That means more greenhouse gases being produced. With door-to-door delivery, one letter carrier will travel to those places to deliver the mail.

Having services nearby reduces the need to travel in order to carry out transactions. People have talked about postal banking, and there are various government services we might also mention. There are several things. It might be passports or whatever kind of document

or form. Job offers can also be put up in post offices. It becomes a gathering place for people outside urban centres. For remote regions, this may be somewhat more vital, whereas there are numerous services in cities.

I can give myself as an example. On weekends, and even during the week, my car sits in the street because I do not need it. Everything is at hand and easily reached. If you go a little farther out and drive 15 or 20 minutes outside the Quebec City region, you no longer have access to those services. You always have to go somewhere else. Obviously, people do that by car, and once again, greenhouse gases are produced.

All services are accessible on line. However, not everyone is necessarily comfortable applying for a passport on line, or making any other kind of application. It might be a pension or old age security application, for example. Those services are accessible on line, but people often need someone to help them and make sure the form is filled out properly. This is another place where the post office can serve as a gathering place.

Much has been said about postal banking. This could be a place for funding renewable energy projects. Canada has just ratified the Paris climate agreement. We have therefore made a commitment to reducing our greenhouse gas emissions. That affects the entire population. If a person wanted to do their part and install solar panels, the postal bank could help finance the installation of solar panels and enable the person to do their part to reduce our greenhouse gases and our footprint on the planet.

I would have liked to take a complete look at *Delivering Community Power*, but you have already heard about it. That was what affected me most.

Thank you.

• (1420)

The Chair: Mr. Ayoub, you have five minutes.

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

I would like to thank the four of you for your testimony.

In some cases, I sense a lot of emotion and I respect that a lot. We are talking about your jobs at Canada Post.

Whenever we talk about change and restructuring, it is always stressful and it is never easy. In my personal experience, it seems to be common in the private sector. The issue is adapting to change.

I would like to know your impressions when it comes to the evolution of Canada Post. It is a Crown corporation that has been in existence for over 100 years. How do you see the future of Canada Post? I see efforts on your part to find solutions in order to look for new revenue streams and preserve jobs. That is entirely to your credit. At the same time, there are challenges. We have to find good solutions and they have to be viable. How do you see that in the future?

What I have seen, since the beginning of our discussions about Canada Post, is that there are a huge number of changes. Canada Post is not the same anymore, and the services are not the same as they were 15 or 20 years ago. We have reached a sort of crossroads.

Given this context — I will let you speak after — I also sense great distrust, particularly in terms of communications between Canada Post, the management of Canada Post, the employees and the unions. You talked about that, we have talked about it at the committee, and we have also observed it. To my mind, it is clear that this is not a winning recipe. When there is distrust, people doubt the figures, the perspective, and so on. Considering all of that, what do you think is the crux of the problem and how do you see the future of Canada Post and of the quality jobs you want to preserve?

Mr. Simard, you have the floor.

• (1425)

Mr. Jean-François Simard: I agree with you completely when you say we have reached a crossroads, but we have to choose which road to take. The management of Canada Post has chosen its road: cutting services, rationalizing and pinching pennies, as they say. However, that is not necessarily the best road to take, when we see what is being done elsewhere.

If the goal is to completely destroy Canada Post's services, let us leave the management in place and let it keep doing what it is doing. That is the road it has chosen. It has demonstrated this. However, it is not a road that we have to choose and you, the members of the committee, are the ones with the power to choose a different one.

Mr. François Senneville: If I may, Mr. Ayoub.

Mr. Ramez Ayoub: Absolutely, Mr. Senneville, I am listening.

Mr. François Senneville: On the question of how I see where we stand with Canada Post, I think we should be thinking more about renewing the corporation, improving it and bringing it up to date. Canada Post has to bring itself up to date, as does trade unionism in general. I come from a union, so I can say it and I am entitled to say it.

Mr. Ramez Ayoub: I am pleased to hear you say it too.

Mr. François Senneville: This is a 35-year-old guy saying it. I decided to speak up today. I do not see us in a position to survive. Why I am speaking up about it is that the figures that the public and the union have access to are the ones reported by Canada Post, the financial statements everyone has access to. As the union, we do not have access to the studies commissioned by the Canada Post working group. We do not have access to the studies that have been done on postal banking. We have to compile the figures that are presented in Canada Post's annual reports and so on.

When we analyze those figures, we see that we are not at a crossroads in the sense that the corporation is going to die in the next few weeks or years. That is why we are not alarmist when we talk about the \$8.1 billion pension fund. Those are figures that are important if the corporation shuts down. That is why we are trying instead to find solutions to generate revenue.

I'm sorry, I know that I do not have a lot of time.

Mr. Ramez Ayoub: In your opinion, why do Canada Post managers give the impression — at least, give you the impression — that they want to shut down the corporation, that they are making rather bad decisions in order to shut down the corporation? There is some kind of paradox somewhere. I do not think that anyone gets up one morning with the intention of doing bad things, unless some mandate has been given.

I have heard all sorts of things, for example that Canada Post was going to be privatized. Do you have that impression? Has it been shared? Is it just a rumour? We talked about trust and you are talking about figures again. You do not believe the figures given out by Canada Post and you have different ones. You say there is no deficit and the situation does not call for alarm. At the same time, we are hearing other versions.

We have to find a balance between the two and we will have to make recommendations.

Is there a lack of transparency? That is another question.

Mr. François Senneville: I am not alarmist, but I am not in denial either. Canada Post does make millions of dollars in profits, but that is not an enormous amount for a corporation with revenue in the billions of dollars. The corporation could be in better health. That is why we are studying ways of improving the corporation's health rather than how it is going to manage to survive.

It may be a sensitive thing to say, but we also understand that everyone has an objective, a certain philosophy. Obviously, there is politicking going on. Canada Post is in the hands of people who were appointed during a certain era, as well. I think that some objectives have remained. I am not saying that to be disrespectful; I am saying it with all due respect, but it is obvious that there is an ideology behind it. That is my opinion.

People have a vision and there is politicking going on behind it.

• (1430)

Mr. Ramez Ayoub: I was finished. I have only 30 seconds left.

At the end of the day, service is important, jobs are important and the taxpayer is important. All of us around this table are taxpayers. We are managers, ultimately. That is our role. To me, that is worth thinking about and very important. We had not had the opportunity to listen to you and talk with you. That needs to be done more.

[English]

The Chair: *Merci beaucoup.*

We have Mr. McCauley, for seven minutes, please.

Mr. Kelly McCauley: Gentlemen, thanks for joining us today.

Mr. Senneville, you shouldn't have felt nervous. You did great.

Mr. St-Onge, I like the fact that you mention there are more Tim Hortons outlets around than post offices. I wish we had one close right now.

I want to chat a bit about postal banking. It's been presented often as a panacea for all problems. We met a gentleman who was the mayor of Chipman, a community in New Brunswick. It's a small community, but it is growing. They have a solid industrial base with a J.D. Irving plant there, and they were suffering the loss of a bank. He brought up the possibility of a postal bank. We asked him afterwards if the town would be willing to subsidize it, and he said, "Oh, absolutely not. There's no way we could afford to. It will never make money."

I have to ask a question of those pushing for postal banking. If a bank can't make it in a growing small town that is offering free land and a free building but can't entice anyone to put in a bank, how can you make money in postal banking in these small communities?

[Translation]

Mr. Richard St-Onge: I agree with you somewhat. I also do not want to subsidize the banks. So we will agree on that.

My vision of it all is that we need a different bank with a different market. Of course there is an obligation to produce results; I especially do not want this bank to be subsidized out of the profits from the mail or other services. We have to look at things from a different angle.

The Canadian family includes the Business Development Bank of Canada. I get the impression that it has people who would be able to guide us in this. At Export Development Canada, there are people who are not far from us, who have experience. We could ask them to help us. Farm Credit Canada and the bond program are already close to the community, I think.

If we rework it all and all these lovely people put their shoulder to the wheel, I am persuaded we can make small miracles happen.

[English]

Mr. Kelly McCauley: I'm not sure, but I appreciate the feedback.

Gentlemen, I think it was Mr. Simard who mentioned job loss. We've heard this again and again, but I understand that in the contract, and when we've asked other CUPW people, there actually were no layoffs. There was sometimes job redundancy that resulted in people just standing there, but there were no layoffs. However, it sounds as though you're saying there were.

Mr. Simard, were there layoffs? You were referring to the difficulty of a single mother making do with her lost job, but we've also heard that there haven't been any layoffs. Could you clarify, please?

[Translation]

Mr. Jean-François Simard: Yes, I will say a bit more about that.

In the case of the single mothers, I was saying that people learned they were going to have to work nights starting the next week. Those people were not able to stay and had no choice but to resign and leave.

[English]

Mr. Kelly McCauley: Okay, but there haven't been any layoffs, though.

[Translation]

Mr. Jean-François Simard: No, but people were forced to leave.

[English]

Mr. Kelly McCauley: Okay.

[Translation]

Mr. Jean-François Simard: I wasn't finished. I was also talking about temporary employees who were waiting...

[English]

Mr. Kelly McCauley: Or layoffs.

[Translation]

Mr. Jean-François Simard: ... to get jobs at Canada Post. There is no work for them now.

[English]

Mr. Kelly McCauley: Yes.

[Translation]

Mr. Jean-François Simard: And there is no work for part-time employees.

[English]

Mr. Kelly McCauley: I just want to clarify. It sounded as though there were job cuts, but there had been no layoffs. Despite the reduction in the amount of mail delivered, there haven't been layoffs.

[Translation]

Mr. Jean-François Simard: I have just told you that workers in various categories lost their jobs.

[English]

Mr. Kelly McCauley: There were job changes, but not layoffs.

• (1435)

[Translation]

Mr. Jean-François Simard: There was no work for them anymore. There are employees who were forced to resign. In an office with 50 letter carriers that two weeks later has only 35, I think there were job losses, both for the region and for the workers.

What I am saying is that Canada Post forced people to resign by telling them that they had to work nights starting the next week, without considering the fact that these people had children and could not be away from home at night.

[English]

Mr. Kelly McCauley: I think it might be something we have to look into a bit further, because we've heard from others that there have been no layoffs, but you're thinking there have been some. We can follow up since you've got another week with us.

Gentlemen, I'm probably very short of time, but you've seen the numbers from the task force, which show, over nine years, a \$750 million deficit. This year there's money being made, a small amount, quite possibly as a result of this stamp increase, but also as a result of the money savings from the conversions to CMBs.

If this \$750 million loss does prove correct as we see mail delivery drop, do you recommend higher taxes or taxpayers' money being used to subsidize that, or should it be taken from other resources to prop up the continuation of things as they are?

There's probably only time for one of you to answer.

[Translation]

Mr. François Senneville: I will try to answer quickly.

We have received Canada Post's financial results for two quarters for this year. The second quarter is always the one when Canada Post makes the least money. Even though the figures are really low, the second quarter of 2016 is still the best second quarter for several fiscal years. For 2014, Canada Post reported a net profit of \$198 million, and for 2015, \$99 million. Looking at those results, I do not conclude that Canada Post is going to have a \$750 or \$780 million deficit in a few years.

[English]

Mr. Kelly McCauley: But the profit you can trace back to x amount of millions saved by the conversion of those community mailboxes and the stamp increase. If we don't continue, or if we reverse those community mailboxes, that whole savings of \$80 million is wiped out, and we're back into a loss position. Is that not correct?

[Translation]

Mr. François Senneville: Installing the community mailboxes cost \$75 million. The money saved...

[English]

Mr. Kelly McCauley: That's a one-time capital investment, no different from buying a truck. It's a cost, and it's used over the lifetime of the purchased item.

[Translation]

Mr. François Senneville: I understand the principle, except that, if you are talking about profits or savings made during the years or months that followed the installation of the community mailboxes, we do not yet have the concrete results because that is very recent.

We are told that everything stopped on October 20, but installing the community mailboxes had only started a few months earlier. At present, we are not in a situation where we can quantify the actual savings or profits. I do not know whether this answers your question.

[English]

Mr. Kelly McCauley: Fair enough.

[Translation]

The Chair: Ms. Trudel, you have seven minutes.

Ms. Karine Trudel: Thank you, Mr. Chair.

I would like to thank the witnesses for their presentations. As I said earlier, who better than workers to talk to us directly about their experience and help us understand the situation?

Mr. Simard and Mr. Senneville, given that you are really in the community, I would like you to tell us whether the post offices and the postal counters that have been closed by Canada Post, both in rural areas and in urban areas, were operating at a deficit or not. What are the reasons why Canada Post closed those post offices? What were Canada Post's justifications for those closings?

Mr. Jean-François Simard: I have two examples that come to mind. We spent nearly two years campaigning against the closings of post offices in urban areas and we succeeded in getting hold of the figures for the Chicoutimi-Nord post office that was closed. That

post office exceeded its targets by more than 120%. It was making \$300,000 in profits per year.

The reason why that post office was closed is that it was literally choked with postal counter franchises. At some point, Canada Post decided that it no longer needed to offer service directly since it was available in the pharmacies. That is why the Chicoutimi-Nord post office was closed.

That brings me to the question Mr. McCauley asked when he said there were additional costs associated with offering the service outside urban centres. There are no additional costs: the employee is already there, as is the building. It does not cost anything more. That does not really relate to your question.

Ms. Karine Trudel: You said that Canada Post offered services in pharmacies. Are they owned by Canada Post? Are they Canada Post employees?

• (1440)

Mr. Jean-François Simard: No. I'm sorry, I spoke to you thinking it was clear to everyone.

These are really franchises, whether they are in Brunet or Jean Coutu or Pharmaprix, where a Canada Post franchise has been opened at the back of the pharmacy. However, they are not Canada Post employees. They do not offer the same services as Canada Post. They do not receive the same training. In addition, they do not have a security clearance for handling packages or people's passports. These people are subject to rotation. They may work on the cash, put bottles of shampoo on the shelves, or handle passports and people's confidential documents. They are not at all the same services. People who do business with them generally find that it is a somewhat unpleasant experience.

Ms. Karine Trudel: Do you have any statistics that show that service has declined outside urban centres where postal counters have been installed in pharmacies and the workers are not Canada Post employees?

Mr. Jean-François Simard: I do not have any statistics on that. All I have is a lot of examples. We work on the ground and we talk with customers. They often tell us that the pharmacy employee lost their parcel or cannot find their passport. When it is real Canada Post offices and real Canada Post employees, the work is done much more rigorously and these situations do not occur.

Unfortunately, I have no statistics on that, because I am someone who works on the ground.

Ms. Karine Trudel: Would you like to add something, Mr. Senneville?

Mr. François Senneville: I would like to mention two things.

I will give you, as an example, a situation that has happened in the past and is going on now in Gaspé. A post office was operating well and there were no financial difficulties. Two blocks away, there was a pharmacy in which a postal counter was opened. Bit by bit, the profit was siphoned off. Then the Canada Post post office was told that no money was coming in. That is an example. Sometimes, the post offices are together in the same town for years before the transfer is made.

Sometimes, the Canada Post post office makes cuts in personnel, whether among employees or clerks, or even worse, no one works from noon to 2:00 p.m., and the post office itself will direct people to the pharmacy for certain services. At a certain point, the Canada Post post office closes its doors. That is the conclusion.

The other thing you have to know is that the clerks who work in a Canada Post post office take intensive training for two to three weeks. That take training on the computer system, for example. In addition, they take a battery of tests to ensure the security of the mail. To work at Canada Post, you obviously have to have a clean record, which is not the case at the postal counters. When they are hired, these workers take a few days' training, then they start working. I do not want to denigrate their work. However, clearly, not as much resources are invested to train pharmacy employees in postal work as is done within Canada Post post offices.

I do not know whether that answers your question.

Ms. Karine Trudel: I would like to know something else. You talked about training. We have talked about that from the standpoint of expanding services. Do Canada Post employees have the necessary training? Would they be able to offer new services? We talked about cellular phone services and creating postal banking services. If memory serves, the committee made about 37 recommendations. Are Canada Post employees qualified to adopt new working methods?

Mr. François Senneville: From the point when people have their security clearance at Canada Post, reliance is placed on the human capacity to learn. Obviously, the people at Canada Post are capable of doing a particular job.

When we talk about postal banking, the idea that immediately comes to mind is that overnight, there will be financial advisors in a post office doing mortgage loans and so on. It looks like a lot of work. It is as if that solution were not imaginable, since so much investment and work would be required.

Why not consider a job done by postal employees who would start out as savings account and chequing account managers from the outset? If memory serves, 1 million Canadians do not have access to a bank. What they need is a place where their paycheque will be deposited and they will be able to do simple transactions.

The organization I represent does not think this is such a huge job, and thinks postal employees are capable of doing it. If we asked them to do the same work as financial institutions and be capable of making loans and playing with enormous financial assets, that would not happen overnight. However, they can offer basic services.

Ms. Karine Trudel: Are you able to confirm for us whether the government should demand the resignation of the heads of Canada Post, so new management can put forward a new orientation and exhibit greater openness?

Mr. François Senneville: If I may, I think the CEO's resignation has been requested in the past. We are watching what will happen next. Our organization will be bargaining in a year, not even. Obviously, we are waiting.

• (1445)

The Chair: Thank you very much.

Ms. Ratansi, you have seven minutes.

[English]

Ms. Yasmin Ratansi: Welcome, everybody. Thank you for your passion and your presentations.

We are here to listen. We're here to listen to creative solutions. We're also here to challenge your assumptions sometimes, so this is how it will be: I'll ask, and you can challenge me as well.

Monsieur Senneville, you talked about CUPW wanting to work with management, but as I listened to you, you also made it known that they have been manipulating the operations. When they manipulate the operations, they cause inefficiency, which leads to people being dissatisfied. Their parcels don't arrive, or they do arrive, but three days late instead of same-day delivery. They change the routes. For example, we heard in Ontario that Windsor mail has to go to Toronto to go back to Windsor to go to Detroit. Those are the types of issues we hear.

Do you think, on the ideas you would present to current management, that you would be able to work with current management or that they would be able to accept your ideas?

[Translation]

Mr. François Senneville: It is a particular situation. We are talking about improving things and proposing new creative approaches in the corporation. It is possible to do it, but we cannot do it with the existing management.

As I explained earlier, there is a very complete appendix to our collective agreement that already allows for new projects to be developed in the corporation in order to have a positive financial impact and improve employee satisfaction, but it is not being done. If I go by my experience, it is not possible at present.

[English]

Ms. Yasmin Ratansi: What sorts of new projects would you be suggesting? Give me an example.

[Translation]

Mr. François Senneville: It is possible under Appendix T, and that is done by bargaining.

During the bargaining process, there was talk, for example, about delivering parcels evenings and weekends. There was talk about extending services so letter carriers could be on the streets not just from 7:00 a.m. to 3:00 p.m., but could also work on Saturdays, Sundays and evenings. We can discuss those things under Appendix T, for example.

The question of postal banking could also be discussed under Appendix T. We could start to look at that. It is feasible; it is done by bargaining, under the collective agreement, and it does not cost the government anything.

[English]

Ms. Yasmin Ratansi: We have been listening to people, and they say there was no consultation when things were changed around.

Monsieur Simard, you say that there is one post office in Saint-Fulgence. There are no banks. Desjardins is not there. Does that post office have Internet access?

[Translation]

Mr. Jean-François Simard: I have no idea, because we cannot consider offering Internet service. I suppose they must do their transactions by Internet, but we in the village do not have access to it.

[English]

Ms. Yasmin Ratansi: If the post office doesn't have Internet access, would it be able to send money grants and do some easy transactions for the village?

Yes? It does that? Okay.

Monsieur St-Onge, you say that you would like to think of postal banking. Have you read any of the findings on the attempts by different countries—Japan, England, Switzerland—to do postal banking? Have you read any of those findings?

[Translation]

Mr. Richard St-Onge: Over the last three days, I have done some reading on postal banking. I have a few copies here of the FTQ brief, which is probably the best example. I think it refers to that.

Canada Post has also prepared a document, but I do not have a lot of experience, I could not tell you what happened in Japan.

If I understood correctly, some countries have found that one solution is that profits from postal banking make it possible to retain a high-quality postal system.

[English]

Ms. Yasmin Ratansi: In 2015, the English postal service challenged the banks, and it is now competing with the banks. It's an interesting phenomenon. It's an interesting private-public partnership, because it allows the experts to come in and help out.

I will ask this question of any of you: what are some of the challenges you think postal banking would create for the current employees?

• (1450)

[Translation]

Mr. Richard St-Onge: If I may, I will start by answering your question and then I will yield the floor to my colleagues who know a lot more about this than I do.

My approach was to say let us take the opportunity presented to smash all the standards we are thinking of, because we are capable of doing things differently.

I have no idea about possible solutions. I spoke with some close family members earlier; they are people we have collectively at our service, who are probably super smart in their own fields and could propose good options. I really see this as smashing it and I do not want to create a traditional bank with the post office.

Now I will yield the floor to my colleagues.

Mr. François Senneville: If I understood correctly, the issue for employees is somewhat the same as for the corporation: to incorporate postal banking into the corporation. For the employees, that also implies acquiring knowledge, improving their work, and then amazing job opportunities.

The way to test out whether a partnership is possible is to talk with bankers, caisse populaire managers and other people in that world.

If we do not have that discussion, we will never be able to know whether the postal banking project is viable or not. I will not beat around the bush: we have not found very much in the studies on postal banking that have been brought to our attention, since they were extensively redacted.

To date, we have not seen anything negative relating to postal banking. We are keeping an open mind and saying that everything is open and everything is possible. Let's talk about it.

The Chair: Thank you very much.

Mr. Kmiec, you have five minutes.

Mr. Tom Kmiec: Thank you, Mr. Chair.

I would like to thank the witnesses for being here. I am a member from the west and I am going to try to ask my questions in French.

I know the collective agreements contain a lot of technical terms, but I am going to use my iPad to find as many terms as possible in French. I also have a few questions about the collective agreement negotiated by your union.

A little earlier, you mentioned a section of the collective agreement that could be used to offer new services at no cost to Canadian taxpayers. Could you tell us a little more about that?

Mr. François Senneville: I had made copies of Appendix T for everyone, but I see that they have not been distributed. In any event, you should receive your copy a little later, and otherwise you can find the appendix on our Internet site.

Appendix T to our collective agreement gives the members of the service expansion and innovation and change committee a mandate to sit down at the same table to discuss various projects. The committee is composed of CUPW members and members of Canada Post management.

When I say it costs nothing to either taxpayers or the government, I mean that this appendix was added in the course of bargaining the collective agreement and the union had to invest bargaining capital in that.

One of the sections of the appendix provides for an amount that has to be funded by Canada Post for the work of the committee, whose mandate — which is very well described, also — is to identify proposals, determine the viability of projects, and identify partners, costs and the way they will be implemented. The committee also has a mandate to do a trial of the project.

One of the sections even provides that, if necessary, exceptions can be made to the collective agreement in order for the project to be implemented.

Mr. Tom Kmiec: I am sorry, but I only have five minutes.

Mr. François Senneville: Yes.

Mr. Tom Kmiec: At the very end of the document "Save Canada Post", CUPW gives five options.

In the Atlantic region, a lot of your members have talked about an employee-managed post office, as you also did today. I see that in your five options, you are proposing partnerships or cooperatives. There are various options.

Do you have a preference?

Mr. François Senneville: Do you mean a preference among the employees?

Mr. Tom Kmiec: CUPW presents various options. However, I want to talk about just one option, that there be postal banking that would be managed by you.

Mr. François Senneville: It would not be managed by Canada Post; is that what you are saying?

Mr. Tom Kmiec: That is right.

Mr. François Senneville: As I mentioned, the options are not closed. The union is not ruling out any option for the moment, because we want to have preliminary discussions. Whether it is what is in Appendix T or...

• (1455)

Mr. Tom Kmiec: I am sorry to interrupt you.

Some members of the union have told us this would be a good idea and it would be viable to do it. Of course, we do not want Canadian taxpayers to have to invest even more in Canada Post, since up to now, it has been capable of managing itself.

Would you be prepared to agree to the public funds in your pension being used for the initial investment needed to set up this postal banking system?

Mr. François Senneville: Are you talking about the Canada Post employees' pension fund?

Mr. Tom Kmiec: The workers, yes.

Mr. François Senneville: It is a little strange to hear that question. The people who are opposed to a defined benefit pension plan argue that the pension fund is not viable and there is no money in the fund. So I find it hard to see how you can be saying today to take money out of the pension fund to finance setting up a postal banking system.

We are told there is no more money in the pension fund and we have to save Canada Post. So how could money that does not exist be taken out to finance setting up a postal banking system?

If there were discussions and we had the facts in front of us, we would not be closed to that solution. For the moment, it does not seem to me to be feasible, but I do not have a closed mind. No one in our organization has a closed mind and no one opposes that definitively.

Mr. Tom Kmiec: Mr. Simard, you said that some people had had to resign. From my knowledge of human resources, that is called constructive dismissal. When an employee's working conditions are changed, is the employee not protected by the collective agreement? If employees who work days are told that, starting next week, they will be working nights, does the collective agreement protect them? This is what is called a constructive dismissal. The employee is being dismissed.

Mr. Jean-François Simard: The collective agreement allowed it. There was no more daytime work. Under a provision of the collective agreement, those workers were moved to other shifts. Unfortunately, when you are a single parent head of household, you have no other option. You cannot be away from home because you do not have a babysitter. The notice was so short that some people simply jumped ship, not without regrets.

The Chair: Mr. Lightbound, you have the floor.

Mr. Joël Lightbound: Thank you, Mr. Chair.

That was precisely my question. In another life, I was a lawyer. Ordinarily, when the essential terms of the job are changed unilaterally, that is called constructive dismissal. I was wondering exactly that, whether the collective agreement allowed it. That answered my question.

I have one small comment to make. You said earlier that there are satellite offices in pharmacies, be it Brunet or Jean Coutu. That made me think of the Walmart in Jonquière, which closed after being unionized. There was a whole argument, but I do not want to go into that. I just wanted to add a grain of salt.

I want to thank you all very much for your testimony. It has been very interesting. Mr. Senneville, we had met before. You had talked to me a lot about postal banking, and I want to come back to that.

Would you say that Canada Post is an innovative corporation? I am asking all three of you.

Mr. François Senneville: No, at this point, it is not. I am not saying that to attack. Appendix T is not being used to its full potential. The tools that are available to do better with the corporation are not being used. On the contrary, all that is happening is discussions to find out how to cut the service. To me, that is not creativity, and it is certainly not innovation.

The number of Tim Hortons was mentioned earlier. There are 6,200 or 6,300 postal facilities in Canada. It is impossible that some use cannot be found for these facilities by offering services to Canadians in remote regions, and even in urban centres.

I have a firm opinion about postal banking. Vincent said earlier that Service Canada could offer its services directly in those post offices. There may not be employment insurance offices, but there are post offices in our towns. Perhaps that could be a bit of help to us. That is innovation. It is a way to use our infrastructure, that is already paid for, to generate revenue and make everything essentially useful. That is not what is being done at present.

Mr. Joël Lightbound: I would like to hear your thoughts as well, Mr. Simard and Mr. Lambert, who work at Canada Post.

Mr. Jean-François Simard: I will confirm that it is not. Canada Post is not innovative when it comes to services, unfortunately, but it has to start to be. It should also innovate in the area of employee and customer relations. That is a major failing.

• (1500)

Mr. Vincent Lambert: I have worked for Canada Post since 2004. In my first year on the job, it was the closing of 300 Saint-Paul. All I have known are cuts and closings.

I heard about the post office that is in town, in a very tourist-oriented part of town. That location sold various spin-offs, such as little Canada Post trucks, stamps, and lots of things. That post office made a lot of profit with those products. Then, overnight, it was decided to remove all of them. Those products meant it could turn a profit, but they abandoned that part to focus only on services, when it was those products that make the profits possible.

Personally, I have not seen a lot of innovation on Canada Post's part.

Mr. Joël Lightbound: On the question of postal banking, more specifically, that is an idea that I too like quite a bit. It is done all over the world, with quite good results. Even apart from postal banking, when we look at North Dakota, there is a bank that is owned by the government that has a somewhat more social role to play. It helps farmers, primarily, but it also offers student loans at much lower cost than elsewhere in the United States. I think the postal banking system could have a more social role. I am wondering whether you had seen any openness to that kind of idea on the part of management over the years?

Mr. François Senneville: The present relationship between the union and the employer goes back to the beginning of the discussions about postal banking. Those discussions took place in the media and among the public.

There was also a study that we never had access to, that set the tone at the outset. Today, still, we do not know exactly what is in that study. It contains conclusions and we would have to buy them. It is somewhat frustrating, particularly when you know that the

corporation you are working for paid for the study. Why can we not have access to it? If the conclusions are so negative, why can we not have access to it?

There is essentially no discussion about postal banking at present. I can tell you that if we could, we would have some.

Mr. Joël Lightbound: It is starting, in any event. There is more and more interest in this idea of banking.

Mr. François Senneville: Yes, but they are efforts.

Mr. Joël Lightbound: They are efforts, yes. Thank you very much.

[*English*]

The Chair: Gentlemen, thank you so much for being with us today. Thank you for taking time out of your extremely busy schedules.

Should any of you have any additional information that you wish to share with committee members for our deliberations, please submit them directly to our clerk. I would ask, if you do have submissions, that you try to get them to our clerk within the next two weeks, because we will be drafting a report that will be tabled in Parliament based on the information we have heard across the country. That report will probably be tabled in the latter part of November or early December.

Thank you once again.

The meeting is adjourned.

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