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Chair

Mr. Tom Lukiwski

Standing Committee on Government Operations and Estimates

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• (1535)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, it being 3:35, we will start. I apologize for the late start. We do have quorum, even though not all our members are here.

Before we begin with our witnesses, I have a question for the committee. The bells will start ringing at 5:30. We will have to suspend or adjourn at that time, depending on the will of the committee. We have a couple of options, because at 5:30 we were to have the presentation by the Canadian Union of Postal Workers. I have consulted with Mr. Palecek. We can come back after the votes, which would mean recommencing around 6:30 to 6:45 for the presentation, but Mr. Palecek said he would also be available tomorrow morning at 10 o'clock.

Our current schedule for tomorrow is 11 a.m. to 1. We could start at 10 and then accommodate Mr. Palecek at that time. I seek the will of the committee. Would you rather come back here after the votes tonight or commence at 10 tomorrow morning?

Mr. Whalen, do you have any sense from your side?

Mr. Nick Whalen (St. John's East, Lib.): I think we'd prefer to start tomorrow morning at 10 except that—

The Chair: Tomorrow morning? I see nods all around.

Mr. Nick Whalen: —there is the matter of the statements on the floor regarding Remembrance Day.

The Chair: I know. That's the difficulty. That's why originally I wanted to start a little later.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): I have committee tomorrow, so if we start at 10, I'll be 45 minutes late.

The Chair: As in any conflict, if you can find a replacement, it would be beneficial. I would prefer not to start at 10 because there are Remembrance statements by all parties; however, I don't think we have another alternative.

Mr. Palecek, if you can hear me, your appearance will be at 10 tomorrow morning. Thank you, sir. You're certainly welcome to stay for this.

Mr. Chopra, thank you very much for your patience. I think you know how things work around here; you've been before this committee enough times. We'll ask for a brief opening statement, which will be followed by questions by committee members.

Mr. Chopra, for five minutes or less, the floor is yours.

Mr. Deepak Chopra (President and Chief Executive Officer, Canada Post Corporation): Mr. Chair, I think it was a 10-minute opening statement.

The Chair: That would be fine.

Mr. Deepak Chopra: Thank you.

I would like to thank the members of the committee for inviting us back here. I'm once again accompanied by our chief financial officer, Wayne Cheeseman, and our vice-president of government relations and policy, Susan Margles.

I'll start with a few remarks and then we'll open it up for questions.

Last time we met, you were about to embark on a cross-country journey to talk to Canadians about the future of postal service. Over the last few weeks, you've heard a lot about Canada Post. You have seen the size, the scope, and complexity of our vast network in urban, rural, and remote communities. You have met a number of our employees who work hard to serve Canadians and are proud to do so. You have talked with people who really count on postal service.

As you witnessed, we are important to so many Canadians for many different reasons. For some, the postal service still provides an important connection to their community and to the rest of the country. For others, the postal service is crucial to their business and to the people they employ. You learned that countless charities rely on Canada Post to raise much-needed funds. This is an incredibly important institution, with over 250 years of history. We're not perfect, but Canadians still value the service we provide and the effort it takes to make it happen every day.

You have seen the challenges facing Canada Post up close. You have heard from many Canadians who are counting on us to secure a strong future for their postal service. Therefore, we must get it right. You have been asked to put forward recommendations that will not only shape Canada Post and the services we provide to Canadians, but they must also ensure the institution is on a solid financial footing for generations to come.

As I stated when we first met, the challenges facing the corporation are large. The solutions to them must match the enormity of the challenge. The task force studied the situation and confirmed that the need to transform the business is urgent and indisputable. The amount of mail in Canada has been declining every year for the last decade. Domestic letter mail volumes have declined 32%. Almost a third of our business has evaporated from its peak, and it will continue to do so. While understanding the massive impact that this decline is having on Canada Post is easy, unfortunately there are no easy solutions or silver bullets to fix the postal system. There's also no one-size-fits-all solution that will work in urban, rural, and remote communities.

The good news is that Canadians clearly understand that the postal system needs to change. That's what the task force found in their research as well. Canadians want Canada Post to continue to provide an important public service while remaining financially viable. To do that, we need to increase revenues while reducing our costs. You have heard some ideas to grow revenues over the last few weeks. The task force also looked at an extensive list of potential options before narrowing it down to the suggestions in the report.

I can tell you that at Canada Post we have looked at and will continue to look at any idea that could grow revenue. Finding the best options is not always easy, but we have had the most success when we asked three simple questions: Is it something Canadians want? Is it something we're good at? Will it add new revenue above and beyond any new costs?

One such example would be our strategic decision to leverage the power of our core delivery business to help kick-start e-commerce for Canadians' small, medium, or large businesses. We're definitely good at it. In fact, we deliver two out of every three parcels that Canadians order online. Canadians want more parcels every day. There are eight in 10 Canadians who are now shopping online, and they're doing so more often. As for new revenue, parcel revenue alone has jumped by more than \$400 million since 2011. That's almost half a billion dollars in a few short years. It is no small feat for any corporation, let alone a crown corporation, to grow a revenue of half a billion dollars in such a short period of time. We achieved this growth by doing more than delivering parcels. We worked closely with Canadian companies to understand their changing needs and deliver innovative solutions that are relevant to them. When they succeed, we succeed.

• (1540)

Revenue growth is key to securing the future of the postal service. The difficult, but equally necessary, part is reducing our costs. Most Canadians understand that the size of the organization needs to change to reflect the new realities of a digital world, but they don't want to see Canada Post employees laid off or lose their jobs. Neither do we, but we must acknowledge that labour represents 70% of our total costs.

According to Ernst & Young's analysis completed for the task force, our labour costs are 41% higher than those of comparable businesses in the private sector. As we transition from a mail-centric service to a parcel-centric service, that's who we are competing with. At the same time, we have a mature workforce. The average age of our employees is 49. A large percentage of our employees, over

16,000 of them, are eligible to retire in the next five years. That means significant and necessary changes can be made to the postal system without the need for layoffs. That's very important. We can achieve the smaller workforce we need through attrition. Even if we implemented every suggestion put forward by the task force, we'd still be hiring people every year at Canada Post. Canada Post will continue to be one of the country's largest employers for years to come.

This approach is respectful to our employees. It allows them to retire knowing we're making the necessary changes to secure the company they helped to build and will depend on for their retirement. It also respects our collective agreements and the job security provisions for our employees. As you can see, the window to take advantage of attrition at Canada Post is relatively small. The task force highlighted this in their discussion paper, when it said, "Canada Post must realign and streamline operations during this time frame in order to take full advantage of this attrition window". This adds urgency to work that you're doing to help define the postal service of the future.

I would also point out that reducing the workforce to align with future realities must continue at all levels in the organization. Since 2008, Canada Post's overall workforce has been reduced by more than 15%. While management represents about 5% of our employees, as a group it is 20% smaller today than it was in 2008.

Reducing costs requires change, and change is never easy. Canadians are ready for change, but they expect a healthy level of consultation to ensure we get it right. Finding common ground will be incredibly important as we move forward. We understand the expectations on Canada Post are high, and we are committed to doing a good job.

To see what's possible when we leverage the power of this incredible institution, you just have to look at how Canada Post delivers the holiday season. This is the time of year when Canada Post is at its best. We're already deep into our plans, knowing that the growth in e-commerce means Canadians are counting on us like never before. Parents and grandparents are depending on us to deliver their holiday shopping, and thousands of retail businesses are betting on us to make their holiday season a success.

It's not just about parcels. We will proudly be delivering every Christmas card and helping Santa respond to over a million letters from Canadian children. We will deliver thousands of catalogues, coupons, and promotional samples from all kinds of businesses. We will also help facilitate the transfer of funds at our post offices from new Canadians to their families around the world.

The postal system matters to this country, but it needs to change. If we do this right, it will remain a strong and relevant contributor to the lives and livelihoods of Canadians for years to come.

The work you are doing is incredibly important. On behalf of everyone at Canada Post, I would like to thank you for your efforts.

I will take some questions now.

• (1545)

The Chair: Thank you very much, Mr. Chopra.

We'll start with a seven-minute round of questions, with Mr. Whalen.

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

Thanks, Mr. Chopra, and thanks to your management team for joining us again today. We've had the opportunity to listen to many Canadians across the country over the past four weeks, and certainly in the 22 cities we were able to visit, we learned a lot.

What we have heard from Canadians is slightly at odds, it seems, from what the consultation Canada Post undertook a few years ago seems to have heard. We also heard about your consultations and whether people felt they were listened to or spoken to. One of the things that we heard was around optimistic views versus pessimistic views of the corporation. We heard about a desire for service focus, a desire for revenues, growing the parcel business, and responding to those business needs, and less of a concern from Canadians, much less, on the cost-cutting.

Another area where we heard a differential view, from my perspective, from the corporation, was around the need for seniors and disabled people to access community mailboxes. Back in the 2013 time frame you'd mentioned that people wanted to get out and about. We did not hear that from seniors and disabled people; they want to be accommodated.

My first question is, if 20% of families face some type of a disability or a mobility issue in their home, as we heard, how much will it cost to roll out a full accommodation plan not just to the community mailboxes that are proposed, or recently changed, but to the existing community mailboxes in suburban Canada? How would the corporation intend to deal with something like that?

Mr. Deepak Chopra: As you know, the community mailbox program has been around for 30 to 35 years. Over the years we have evolved our accommodations programs to suit the changing needs of the Canadian population as the demographics and the needs have changed. The ideas for extra keys, for early-stage accommodations came along in the first decade, and then in the second decade we introduced more ideas, working with special communities and disabled communities. For example, when the communities asked for a lower mailbox because of their disability, that accommodation evolved over time. Particularly in the last little while, we have introduced a very robust accommodation program. What we learned from that experience was that there's no one-size-fits-all when it comes to accommodation. We have now worked a program where we communicated with every household that was impacted in our last round of changes to community mailboxes.

Could we have communicated more, communicated better? For sure. You can always do more. My colleague here, Susan, led the

entire initiative from the start to bring our accommodation program to the next level, and I'll ask her to elaborate on that a little more. But I can assure you that the accommodation program was never intended for a select group of new changeovers. It has always been open to anyone with any type of—

• (1550)

Mr. Nick Whalen: Mr. Chopra, in terms of cost, is there a certain point at which a percentage of the population being accommodated would mean that the decision should really be to offer door-to-door service to everyone, because that would be more cost-effective than a fifth or a sixth of the doors being serviced on an accommodation basis?

Mr. Deepak Chopra: If you look at other services that municipalities and government agencies accommodate for, whether it's wheel strengths or whether it's the parking spots and so on, all our homework showed that, if the percentages hold true to similar numbers, whether it's StatsCan or other similar programs, we think the program is still very valid and very affordable.

Mr. Nick Whalen: You talked about \$80 million in savings for 800,000 changeovers in suburban neighbourhoods, and in the urban areas you're talking about \$32 million in savings for the same volume of changeovers. Does that number include the accommodation built in, and is that number discounted for accommodations that you would have to provide?

Mr. Deepak Chopra: Yes, we have accommodations built in for the trend line we have seen in our recent experience.

Mr. Nick Whalen: With respect to pensions, another thing that we heard from experts who appeared before the panel is that there are different opportunities to help decouple the pension risk from the financials and also from the labour negotiations through a couple of ways. One would be to have joint management of the plans, and that's one that we were focusing on a bit. In addition to that idea of what your board and you have done to try to push forward ways to do going-concern accounting on the pension plan to alleviate that problem at the corporation, we've also heard that it's much more costly, certainly in markets like this, to change a plan from a defined benefit plan to a defined contribution plan. I'd like your thoughts on whether at this point, with markets offering very low returns, it's even a cost-effective move to switch from a defined benefit to a defined contribution. So both of those points I'd love to hear—

Mr. Deepak Chopra: I'll ask my colleague. Mr. Cheeseman has led the pension file extensively, and I'm sure he'll be able to share—

The Chair: You'll probably have just a little over a minute for a response.

Mr. Wayne Cheeseman (Chief Financial Officer, Canada Post Corporation): We successfully transitioned our management employees in 2010. A number of our unions have transitioned. There is no significant cost to changing over. We're not saying that moving to a DC for new employees is the total solution. We think there needs to be a very comprehensive solution for our pension plan, but it's much more than just getting rid of the solvency. I think things like looking at joint governance, but joint governance has to also include joint responsibility for the funding of the pension plan. I think those are all good options to consider in a comprehensive solution to the pension challenges we're facing.

The Chair: Thank you.

Mr. McCauley, please, you have seven minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Welcome back.

This is for anyone.

We've heard over the last month almost a narrative put forth that Canada Post has not been innovative in its business operations; it can't think out of the box on how to do operations. I wonder if any of the three of you can offer some comments on that and just maybe give us an idea over the last several years of some of the innovations Canada Post has taken. Not the community mailbox, but business innovations to increase revenue, reach out to grow the business, grow the parcel business.

• (1555)

Mr. Deepak Chopra: Innovation has been at the core of virtually everything we've been doing over the last five years. When you grow a business that is roughly a \$1-billion business to almost \$1.6 billion, which we're forecasting in our parcel business, and going against globally capitalized competitors like UPS, FedEx, and others, it requires a great amount of innovation.

In 2013 we launched the Delivered Tonight product, which is the first of its kind in Canada where consumers can order a product by noon, or in some cases by 1 o'clock, and have it at their door by 6 p.m. That was a revolutionary service, which we have since launched in Vancouver and Montreal.

In late 2014 we launched FlexDelivery. That allows almost 40% of Canadian two-income families, who are not home during the daytime, to have their package delivered to a post office of their choice, any one of more than 6,000 locations, the one that's most convenient to their work or most convenient to their home. On their way home, they can pick it up. We have already delivered more than a quarter million packages in the short period of launch that we did in the early stages.

We have been innovating by partnering with some of the leading-edge companies like Shopify to make it easier for small businesses to use Canada Post as their carrier.

If you open a store at the Shopify platform—or for that matter, many other platforms—you never have to speak to anybody at Canada Post, and you are instantly enabled to offer the entire suite of Canada Post services, including track and trace, including analytics on their business, and best prices for small businesses are automatically enabled if they were to partner with any of the retail platforms.

Last year we introduced the most innovative idea in the concept store, in our retail store—North America's first drive-through parcel pickup centre. Again, Canadians are leading busy lives. Moms with young kids in their car seats, when it's winter and it's snowing, don't have to take them out of the car to go and pick up a package or to visit the post office. They can use the drive-through capability. In fact that was very well received in our first concept store in Richmond Hill, Ontario. We're now rolling out in a few other locations.

Much of our innovation has come from employee ideas and business ideas and retailers that are pure online players that have no store. We are offering our retail stores—

Mr. Kelly McCauley: Sorry to interrupt, but you mentioned employee ideas and customer ideas. Do you have a couple you could elaborate on?

Mr. Deepak Chopra: The idea for—

Mr. Kelly McCauley: Not that this is *Jeopardy* but—

Mr. Deepak Chopra: The ideas for both FlexDelivery and Delivered Tonight came from our employees who were interacting with the customers, asking large retailers what we could do differently for them that would help them grow their business. The customers asked for a pilot to do a same-day product such as Delivered Tonight.

In fact, that one required extensive collaboration with the Canadian Union of Postal Workers. I applaud its co-operation on bringing that idea to life, because we needed a different cost structure. When you're launching an idea in a very competitive environment, you need collaboration, and if that idea takes off, yes, you can grow with it. Those are examples of the employee ideas.

Shopify came to us in 2011 for the first time—in fact, we talk to them virtually every day now—on the idea of making it easy for small businesses to deal with Canada Post. They said they have made it easier for businesses to get their PayPal account, to do a checkout engine, to do credit card acceptance. They asked why they couldn't make it easier for them to conduct commerce through Canada Post without having to open an account with Canada Post, without having to get a price structure with Canada Post. It is now a seamless process. When you open an online store at \$25 a month with Shopify, you get Canada Post built in.

Those types of ideas have come from innovative leading-edge companies that are redefining retail for Canadians.

I think innovation...and we have half a billion dollars of revenue to show for it. This has been a remarkable journey of collaborating with small businesses, large businesses, employees, and our unions and is showing a really great result in an area that is highly competitive.

• (1600)

Mr. Kelly McCauley: Great.

I have a couple of quick questions, because I'm short on time.

As for the money you make from regular mail delivery, DM as you call it, versus parcels, am I understanding correctly that the profit level on a DM is much higher per dollar than on parcels, which is why we see that, even though parcel revenue is rising rapidly, it's not offsetting the profit loss?

Mr. Deepak Chopra: The cost of our network, the costs of all of our lines of business, are allocated and audited; and we have had an independent, audited cost study that has been verifying the lines of business in our cost allocations. They're absolutely following the rules and they comply with all of the requirements for our cost allocations. In fact, each of the lines of business stand on their own feet.

Mr. Kelly McCauley: On the increase in parcel revenue, do you have an equal amount of drop in DM revenue?

Mr. Deepak Chopra: No. I think you're referring to transaction mail....

Mr. Kelly McCauley: Transaction mail versus personal delivery.

Mr. Deepak Chopra: I think two very different dynamics are playing out in the market. Transaction mail is declining because more and more Canadians are using—

Mr. Kelly McCauley: That's right, but I'm wondering about the profit per dollar for each.

Mr. Deepak Chopra: Go ahead.

Mr. Wayne Cheeseman: The profit for dollar, what we call the contribution margin, would be much higher for transaction mail than parcels.

Mr. Kelly McCauley: That's what I was asking, yes. I should have just gone to Mr. Cheeseman to start.

The Chair: We have Mr. Weir for seven minutes, please.

Mr. Erin Weir (Regina—Lewvan, NDP): Canada Post has reported a profit of \$45 million in the first two quarters of this year. Typically, the fourth quarter is the most profitable for Canada Post, with Christmas cards and parcels. How do you square these facts with the task force prediction that Canada Post will lose money this year?

Mr. Deepak Chopra: In fact, learning from my previous question, I'm going to pass it on to my colleague here, the chief financial officer.

Mr. Wayne Cheeseman: First of all, I would say it's very challenging to do forecasting at Canada Post when you have \$6 billion of revenue, \$6 billion of costs, so you have \$12 billion; and you're trying to put a needle in, do I make \$50 million a year, \$100 million a year, or have a \$50-million loss? That is very challenging in our business. Our forecasting is very solid. In fact, our average forecasting accuracy is about 3% of our revenue cost base.

I look at anything less than \$50 million, \$75 million, as really rounding. I would say this year we're probably going to be in a situation for the year where we could probably make \$50 million of profit, or lose \$50 million.

As an example about the size of the organization...we just were successful in a CPAA arbitration case on post-retirement benefits that we'll be reporting in our third-quarter results. That was worth \$44 million to us. It's non-cash, one time, but that will be reported in our results. When you're down talking about plus or minus \$100

million, when you're dealing with \$6 billion of revenue, \$6 billion of costs, \$22 billion of assets—

Mr. Erin Weir: I take the point that it's hard to predict, but knowing what we know now, that Canada Post did make \$45 million in the first half of the year, and it's probably going to make a lot of money in the fourth quarter of the year, do you think it's reasonable to expect the corporation will be profitable in 2016?

Mr. Wayne Cheeseman: What I've said is that I think now, using my crystal ball, we could be in the range of \$50 million profitable, \$50 million loss.

Mr. Erin Weir: Could you lay out the scenario for the \$50-million loss? Is it like Canada Post is going to lose a couple of hundred million dollars in the third quarter?

Mr. Wayne Cheeseman: A \$50-million loss would mean that we would move from \$45 million to.... For the back half of the year, we would be \$100 million. I don't know what's going to happen to discount rates—

Mr. Erin Weir: Okay. But if you're making money in the fourth quarter, that would involve a huge loss in the third quarter, wouldn't it?

Mr. Wayne Cheeseman: Not to get into too much detail, but there are obligations that we have on our balance sheet, obligations where the valuations depend on discount rates. If the discount rate is low at the end of the year, it's decided on one day, December 31, and whatever the rate is, it impacts what our costs and our savings are.

Mr. Erin Weir: Okay, thanks.

I'm going to turn things over to Karine Trudel.

[Translation]

Ms. Karine Trudel (Jonquière, NDP): Good afternoon.

I would like to apologize to the committee members for our absence. Some Olympians came to the House of Commons to see us, including Antoine Bouchard, who is from my riding of Jonquière. He is a young judoka who almost landed a bronze medal, and I wanted to congratulate him. Again, my apologies to the committee members.

Welcome, Mr. Chopra, Mr. Cheeseman and Ms. Margles.

Mr. Chopra, in your remarks today and at your last appearance, you said that employee payroll was high. It came up regularly in the remarks of various Canada Post stakeholders.

For our analysis, could you tell us how much the total salaries are for senior management so that we can do a comparable analysis? We are talking about the payroll of employees, but we would like to be able to compare that payroll with the payroll of senior management to do an overall analysis.

• (1605)

[English]

Mr. Deepak Chopra: As I mentioned in the last committee hearing, the management payroll is in the range \$200 million to \$220 million, and management accounts for less than 5% of the workforce. This is in relation to almost \$3 billion of payroll for the whole corporation.

[Translation]

Ms. Karine Trudel: You are giving percentages. It's normal for there to be fewer supervisors.

Does Canada Post still have 22 vice-presidents? Is the management still made up of a single president and 22 vice-presidents?

[English]

Mr. Deepak Chopra: We currently have 17 vice-presidents.

[Translation]

Ms. Karine Trudel: You said that senior management represented 5% of the workforce. It's normal for there to be fewer managers than employees. Could you give us the overall amount of the proportion of employees and not a percentage?

[English]

Mr. Deepak Chopra: There are many questions. Is having 17 vice-presidents appropriate for the size of the organization? We have an organization of 60,000 employees, and we are probably one of the top 10 postal administrations around the world. Our business covers coast to coast, with three different lines of businesses. We have over 16,000 vehicles. We cover over 15 million addresses. We manage a cost structure of \$6 billion. We have the largest transportation network. We use the largest air transportation network.

When you look at the complexity, whether we're talking about sales, marketing, engineering, managing a transportation network, procurement, or finance, an organization of this size with a consolidated revenue of \$8 billion requires the best talent. In order to manage and organize in such a way that functions have the right leadership at the top to provide them the best guidance, we need what we believe to be the right structure for the corporation.

The Chair: I'm afraid we're going to have to stop there. Thank you.

We'll go to Madam Ratansi for seven minutes.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you, Mr. Chopra.

This is an interesting juxtaposition. We have heard from the field and we have heard from you, and now we have to do a gap analysis. We also heard from E and Y, and they are not very confident that your figure of \$700 million in the 10th year is viable, but you know, things change, environments change. Also the financial statements showed top management at \$650 million, but if that's wrong, maybe you can correct me later.

So there is some incongruence, and I just want to see how we can assist change management. You say change management, and change management is very important. Did you have change champions, from both management and labour, to take the vision over, to say that this is the vision for Canada Post? Did you have such a group? Could I just get a "yes" or "no"?

• (1610)

Mr. Deepak Chopra: Yes, we did.

Ms. Yasmin Ratansi: Okay. And they were functioning well? We heard from CUPW that there was no consultation, and that their ideas were never taken into consideration. We hear that they had very good ideas, but they were not taken into consideration.

Mr. Deepak Chopra: I think this deserves a little bit more than a yes or no answer, so let me give you the context. With all of our unions, we meet on revenue and financials, on technical changes, and on health and safety issues. At the very high level, twice a year with all unions, we meet for what is known as a semi-annual financial update. The senior leadership of the union and senior leadership of Canada Post sit across the table from each other. We tell them what's going on in our business, the challenges we are facing, and then all of the revenue ideas that we are considering. As I mentioned earlier in one of my answers, the Delivered Tonight product would never have materialized if it had not been done in consultation with the Canadian Union of Postal Workers. It was a great breakthrough for us to be able to try something that we would otherwise have been unable to afford.

With regard to changes, if we're making a change anywhere in our operations, there are constant consultations going on at the local, regional, and national levels. We have local health and safety committees, the LJOSH, and national committees. In terms of revenue ideas, recent discussions we had with our unions led to a solution for a weekend delivery. Weekend deliveries are something that Canadians are asking for. So we have found common ground in many areas.

Ms. Yasmin Ratansi: Okay, fair enough. This is your chance to rebut whatever we heard from the field, and we don't have to buy everything they say, and we don't have to buy everything you say. We have to look at the gap.

The assessment we heard from academics and other businesses was that Canada Post lacks vision, that management lacks vision. You're from Pitney Bowes and Pitney Bowes has been reinventing itself. You were there, reinvented it. What are some of the factors that are preventing you from reinventing Canada Post in areas that will generate revenue? For example, we were told you unilaterally said no to postal banking despite the fact that when we spoke to Oliver Wyman and EY, they had not even done a review of the Australian model, which is so similar to the Canadian situation.

Could you give me your thoughts on it, please.

Mr. Deepak Chopra: There are two points to that. I'm going to ask my colleague to answer the banking question first, and then I'll answer your question on the vision and our ability to grow.

Ms. Yasmin Ratansi: Okay.

Mr. Wayne Cheeseman: Certainly on banking we looked at banking over the years. We had a couple of pilots on banking many years ago. The second one ended in 2006. Coming out of the 2008 economic recession we lost almost 20% of our assets in our pension plan; it was a general worldwide economic recession. In 2009 we lost \$300 million in revenue on a year-over-year basis. We were looking at opportunities to improve our self-sustainability. One of the areas we looked at—it wasn't the only one—was banking and we did some reviews on that.

Ms. Yasmin Ratansi: What bank areas did you look at? What geographic context did you look at?

Mr. Wayne Cheeseman: We looked nationally across the country and it was retail banking. What we found when we looked at the analysis, what we realized, was that the risks from a financial and reputational view were not worth looking after the potential benefits. On a cost-benefit—

Ms. Yasmin Ratansi: I'm sorry, I'll have to stop you because there are two minutes and I think Mr. Chopra needs to answer a question. That's where you said you did not look at tactics from outside, internationally, like in Australian banks. All the postal offices across the globe have faced what you're facing.

I'll leave it at that and let Mr. Chopra answer that question.

Mr. Deepak Chopra: In terms of innovation, if you talk to our customers, if you look at the retail innovation that we have been part of—and the proof is in the pudding, as you would always say—you would not have been able to grow a business by half a billion dollars when you are competing in a highly competitive marketplace if you were not innovating.

As I mentioned earlier on to Mr McCauley's questions, Delivered Tonight, FlexDelivery, drive-through, retail concept stores, self-serve, and fully integrated products with Shopify or Magento or IBM platforms, these are innovative products that none of our competition offers at that level. We continue to do that. In fact, this is not a one-time job, and we believe that there are ways to reinvent Canada Post, one way being e-commerce, which plays to our strengths, and we're winning in that space.

•(1615)

Ms. Yasmin Ratansi: I have a last question, which is a sensitive question. As a civil servant, when a government is changed, would you follow the mandate of the government, because we were at a place where we really got hammered because community mailboxes were put in six days after the election?

There is this perception that you were following the previous government's mandate of dismantling Canada Post or privatizing.

Mr. Deepak Chopra: The CMB program is a large infrastructure program. A program of this size.... As you know, we converted 840,000 addresses in the period in which we were implementing those, and the process is almost a nine-month process of planning, construction, delivery, and ultimately reassigning employees to their new routes where they will be delivering. This is something you cannot stop in six days. In fact, we had a plan and out of our overall plan we were able to stop two-thirds of the addresses that were scheduled out of respect for the mandate of the new government. One-third were in the stage that had to be implemented to avoid disruption of service.

The Chair: Thank you very much.

Monsieur Clarke.

[*Translation*]

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Thank you, Mr. Chair.

I would like to thank the witnesses for being with us this afternoon. We greatly appreciate it.

Mr. Chopra, here is my first question for you. Is Canada Post a symbol of national unity for the country?

[*English*]

Mr. Deepak Chopra: Canada Post is one of the most respected brands and institutions for Canadians, indeed.

[*Translation*]

Mr. Alupa Clarke: Right. Thank you.

I almost forgot; I want to correct a fact for the members of this committee. The Conservative government never gave the mandate to dismantle Canada Post. I don't really agree with my colleague.

Here is my second question for you, Mr. Chopra. I ask it in all due respect. In fact, it's even to your benefit that I'll ask the question so you can defend yourself to this committee.

Throughout our travels, I have repeatedly heard that you had a hidden agenda. The Canada Post unions accused you of pursuing an ideological objective, which was to move toward a kind of privatization.

I would like to know what you have to say about this statement we have heard many times. I'm giving you, sir, the opportunity to express your thoughts on that to this committee.

[*English*]

Mr. Deepak Chopra: The mission and the responsibility that I was given when I was hired by the board of directors was to run a financially self-sustainable Canada Post as a great institution. It was at a crossroads. The mail volumes were declining, and it was facing a serious challenge.

The mission at no point has been to do anything other than to run an efficient, profitable, self-sustaining postal institution. In fact, I would like to say we have done a good job of carrying out that mission. If you look at our business, our letter mail business is about \$3 billion, and it's declining at about 6% a year. That's \$180 million that we know we're going to lose from day one. If you take 2% inflation in our cost structure of \$6 billion, that's about \$120 million. The day we start, on January 1, we know we're facing a challenge of roughly \$300 million.

If you look at our track record over the last five years, after facing some challenges in 2011 and 2012, we have managed to turn the business around. It is profitable. It has a growth agenda. It has an innovation agenda. It has a transformational agenda. It's now going through a period where your committee is reviewing what its mandate should be.

That remains our sole purpose: to deliver the postal mandate that we have been asked to do.

[*Translation*]

Mr. Alupa Clarke: It has been three years since the five-year plan was implemented. You have seen the reaction of Canadians in general, as well as that of certain interest groups and political parties.

If you had to redo it today, November 2, 2016, would you create the same five-point plan? Would you remove or add anything?

[*English*]

Mr. Deepak Chopra: I think in any large-scale change, which is a multi-year, five-year to seven-year project, you start off and you learn, and you improve. It is no different than a large IT deployment, a large infrastructure deployment, or transforming a 253-year-old institution that is literally facing its existential problem with the decline of the sole purpose that it has served for almost 240 of the 253 years, which was to deliver letter mail. I think when you put that in the context of our current phase, every step of the way—even the first six months were harder than the next six months and the following six months—we have learned.

I'll give you the example of when we deployed our community mailboxes in certain communities. Madam Margles led the municipal engagement project, and personally attended numerous municipal committee meetings and public meetings. Where we had collaboration, we found better solutions. We moved almost 25% of the locations based on the input from the communities, from municipalities, where we had collaboration. We learned every step of the way. Our accommodation program got better when we learned new needs of Canadians. Our communication program got better as we understood there is no one-size-fits-all solution. No two streets are the same.

I think we have constantly been learning, and that will continue to be the case. I think any good organization needs to learn and improve, and continue to learn from those lessons. I think we will deploy everything we've learned in future changes.

● (1620)

The Chair: Thank you.

Our final intervention will be Monsieur Ayoub.

[*Translation*]

Mr. Ayoub, you have the floor for five minutes.

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

I would also like to thank our witnesses for being here.

We learned many things on our committee's cross-country tour to discuss Canada Post. I will focus on labour relations or relations between union groups and management. The working relationship must be able to advance a plan.

I don't know if you'll agree with my observation. I found that there was a significant gap in achieving a common goal. The common goal did not seem to be the same. I agree that making a change is never easy. The vision of change that you wanted to make did not seem to be shared at all. No one supported your vision. I didn't find any place in Canada, locally or nationally, that supported your change process.

How did you manage to proceed with a change like that without the union's support?

[*English*]

Mr. Deepak Chopra: Mr. Ayoub, it is a very important question for an institution where unions are as much part of the solution to our future as management's ideas would be.

Let me start by saying that we both agree—our unions and us—that we have a problem. There is no denying it. I'm sure they will appear before you, following us, and you'll hear from CUPW. We both agree that Canada Post is facing a significant challenge on its pension issues and on its business model. But we do disagree on how to address this monstrous, big challenge.

Now, I'll agree with you that there are two different visions of how we transform the business. There is a view that no element of any cost should be touched in order to transform the business. It is very difficult. It is very difficult for a corporation that was built on serving the needs of the 19th and 20th centuries to serve the needs of the 21st century. We have to change. I can't think of one organization, one business, that has not been disrupted through the Internet. The closest neighbours to our business are the publishing industry, the newspaper industry, the book industry. I don't have to tell you what's going on in those places.

The answer lies in finding common ground on revenues, where we believe we have lots of collaboration. I mentioned weekend deliveries, larger sizes of direct mail, and Delivered Tonight. These are innovations where we worked together with the union.

On the cost side, however, there are two different visions. There are two different views. Pension is a great example. It's an \$8-billion solvency deficit. Even on a going-concern basis, if there's a market crash we'll be down 20%. So there are serious differences.

● (1625)

[*Translation*]

Mr. Ramez Ayoub: The actions and the understanding of the situation differ.

Do you think the obstacle to moving toward a common goal and ensuring that Canada Post continues to offer a quality service is that the union doesn't want to lose any jobs?

Do you think there's resistance to change and that the loss of the overall number of employees is the key part of the change that the union does not accept?

If not, is the problem working conditions and pensions?

What do you think the problem is?

[English]

Mr. Deepak Chopra: I can't speak for the union—you will hear from them directly—but I think it is a view that anything that affects the costs should not be touched. I have often used the extreme example that if we do nothing, the last letter we deliver will cost Canadians \$3 billion. As letters keep declining, they are down one third—

[Translation]

Mr. Ramez Ayoub: We aren't there yet.

[English]

Mr. Deepak Chopra: It's a difficult issue. I understand it's a difficult issue. We must acknowledge that technology and changes require all organizations...and not just Canada Post. It includes media companies, manufacturing; virtually any industry you look at is being disrupted by digital technology. We are no different. We must change with the times.

We have been very diligent. That's why I mentioned in my remarks that we have 16,000 employees retiring, and the most respectful way of dealing with this change is through attrition. That is something we have done successfully in the past.

The Chair: Thank you very much.

Mr. Chopra, on behalf of the committee, I want to thank you and your management team for appearing before us once again today.

I also want to thank you for your kind comments in your opening remarks about the work this committee is doing. I can assure you that over the last month, this committee has done extraordinary work in consulting with Canadians from coast to coast to coast. I can also assure you, on behalf of this committee, that the final report, whenever it is tabled in Parliament, will be absolutely reflective of what we've heard. I'm quite confident that the recommendations that this committee comes up with will be in the best interests of both consumers and the corporation itself.

Mr. Deepak Chopra: Mr. Chair, I would like to echo what you just said, in a slightly different way.

The committee's work is so important at this stage in our journey. You've talked to Canadians, and we do share a common goal. Serving Canadians and having an institution survive for another 250 years is as important to this committee and to this country as it is to us. I think we all will do our very best and contribute and serve, and then the next generation will take over. I think we share your pain and your joy as you go through this. We have a common goal, and we'll do anything we can to give support.

The Chair: Thank you for that. Well said, sir.

We are suspended until the next group of witnesses comes to the table.

• (1625) _____ (Pause) _____

• (1630)

The Chair: Ladies and gentlemen, could you all take your seats as quickly as possible?

Thanks for your attentiveness. Thank you, Ms. McAuley. I was hoping we hadn't missed anyone.

Ms. Brenda McAuley (National President, Canadian Postmasters and Assistants Association): I wasn't too far down.

The Chair: To our witnesses, thank you for your appearance here today.

I believe all of you have appeared before us before and are very familiar with how the process works. Normally, we would give five minutes for brief opening statements. You still have that, if you wish. However, that would curtail the amount of time we have for questions, because the bells will start ringing in less than an hour, and we will have to adjourn at that time.

I would ask all of you, if you have an opening statement, to please curtail it perhaps to just new information that you haven't presented before, or, if needed, just a re-emphasis of some of the priority items you wish to present. Otherwise, we'll be running out of time.

With that, we will start with Ms. McAuley.

Ms. Brenda McAuley: My name is Brenda McAuley. I'm a postmaster. I've worked in a post office for 18 years. With me today is my co-worker, Daniel Maheux, who is presently the vice-president of the Canadian Postmasters and Assistants Association. Daniel is a postmaster, as well. We represent our members who work in 3,260 rural post offices across Canada. Our members consist of 95% women.

Once again, thank you for giving CPAA a second opportunity to express our views. We do value all the effort that your committee has put forward and will continue to put forward.

When we were last here, there were questions that were asked of the panel that, due to time constraints, CPAA did not have a chance to respond to. We would like to take the opportunity to do so now.

One of the questions that Francis Drouin posed was whether our members would need to have certified financial planning training, if we had postal banking. To respond to that, I would say no, and I'll tell you why.

When Canada Post partnered with the Bank of Montreal in 1997, they partnered for a two-year pilot. The pilot was so successful it went on until July 2013. The way that looked for 16 years was that it was so successful, all the community members had bank accounts. They would do the day-to-day transactions in the post office. If anybody wanted a mortgage or any kind of special investment or if there was paperwork that needed to be provided, the clerk at the post office would provide the paperwork. If they wanted a mortgage, the postmaster would let the bank manager know that. The bank manager would come to town once a month and service the needs of the community.

This went on for 16 successful years. The reason, I understand from all the minutes of meetings, Canada Post pulled out was because the banking hours were not supported for the workers. The workers were torn between "Am I a post office or a bank?" Had those banking hours been supported, it would have been very successful and would have continued to be successful.

That said, the Bank of Nova Scotia also partnered in a community in Newfoundland. The two-year pilot was successful and it went on for four years. The Bank of Montreal also partnered in Moose Factory, and the two-year pilot went on for eight years.

The task force report, on page 86, states, "Canada Post piloted partnerships with a couple of banks in the late 1990s did not succeed". Well, just from what I've explained to you, CPAA has a different perspective.

The task force report states, in essence, that the post office could become the community hub. Another question was on what services could be added.

CPAA believes that the post office is a community hub now and always has been. Having personally worked there for 18 years, I know that when people are looking for information, whether it has to do with taxes, pension forms, passports, directions, assisting seniors with various needs, you name it, the post office is the place to stop for the information.

The task force's suggestion of having a business centre with the availability of Internet would just increase the traffic and potentially generate revenues for Canada Post. It would also continue to drive growth in rural Canada.

Our offices can become the financial engine for social and economic development in rural Canada. They could also be the information reference centre for federal government departments.

For example, information and/or forms on the following services could be made available to improve commercial and customer traffic: post banking and more financial services, social insurance number kits, employment insurance applications, Canada Pension Plan applications, old age security applications, passport forms, specialized income tax forms, and general tax forms. Often, people would come in looking for specialized forms. There are also student loans and the list goes on. We could also partner with the province for motor vehicle registration and renewal of driver's licences; insurance renewal; fishing, hunting, and marriage licences; etc.

• (1635)

In closing, despite the moratorium being in place, we have seen over 350 public post offices close. We have also seen public post offices replaced with privatized franchises. As for point three of the previous government's supported five-point action plan, it appears Canada Post is still promoting franchises.

Since 2010, we have seen a drastic reduction of service to our communities, with 8,000 hours removed from our public post offices. There have been over 500 good-paying jobs with benefits lost. Our members are 95% women, and there are few living wage jobs in rural Canada.

Just recently, we heard Bill Morneau announce the creation of a new infrastructure bank. He stated, "We need to create good-paying jobs." Our question is, "Why can't we keep the good-paying jobs we already have?" By investing in the infrastructure that is already in place, let's build up this public corporation and not tear it down.

• (1640)

The Chair: Mr. Paradis.

Mr. François Paradis (National President, Union of Postal Communications Employees): To the chair's point, I'll definitely keep it brief.

I believe we articulated our position last time, when we provided an opening statement, as well, as through our written submission. I won't be covering that part. I'm more than happy to answer any questions you may have.

In my opening statement, I would like to thank the committee for a second invitation. I certainly appreciate the opportunity to at least provide our thoughts and concerns regarding the discussion paper or even the Canada Post review process.

There are some concerns with the process. I don't feel like our ideas were necessarily considered by the task force. There are a number of ideas that didn't appear in the paper whatsoever. We also think it would have been beneficial to have an employee representative on the task force. I'm not too sure how the task force representatives were selected or named, but there would have been value to having some form of balance on the task force, to have someone who is coming from labour, and someone who has that history as an employee representative, to provide their perspective on certain issues.

We also feel that throughout the document, it appears that the task force would have had multiple conversations with the corporation. From one perspective, I understand that. From another perspective, when you're trying to build an objective document, it doesn't necessarily look good when you're getting a lot of information from one of the stakeholders, and the other stakeholders, the unions, only get one opportunity to provide their perspective on the issues.

Those were some areas of concern. We talked about privatization, and the way that it is written it's almost like a road map to the eventual privatization of the corporation, just with the amount of outsourcing that would be involved and some of the things that the task force brings forward.

There will be significant job losses, the elimination of many jobs, not just for the current incumbents, but also removing those jobs from the labour market. That will have an impact on the economy, and that will have an impact on future generations. Those jobs are being eliminated completely from the economy.

The other concern that we had, of course, is around the pension plan. As was discussed, the position that the unions took was exactly one that I believe Mr. Cheeseman spoke of briefly. The option that we brought forward, essentially, is seeking permanent solvency exemption. That would require some legislative change. I don't believe it's an option that's discussed in the task force discussion paper, but is certainly one we brought forward to Ms. Foote and to Bill Morneau, and it's something we certainly would want to explore further, or to have the committee at least consider.

If you have any questions, Howie and I are both here to answer any questions you might have.

The Chair: I'm sure there will be several questions.

Finally, we have Monsieur Dubois.

Mr. Guy Dubois (National President, Association of Postal Officials of Canada): Once again, thank you for the invitation to participate in this process. I would like first to introduce my colleague Michael Ling, first vice-president for the association.

Let me start by saying that the association supports some of the five-point action plan from Canada Post. We agree with the corporation and the task force that in some way we need to evolve. We are in 2016, so something needs to happen.

The association is a trade union and sees itself as having a very progressive approach to labour relations. We are a strong advocate of alternative dispute resolution, interest-based negotiation, consultation, and open dialogue. Our unique blend of broad-minded thinking and collaborative problem-solving places us in the distinctive position to assist the corporation in implementing some of the five-point action plan.

In fact, our members have directly participated in a conversion of urban Canadian households receiving door-to-door mail delivery to less costly community mailboxes. The corporation has placed this part of the five-point action plan on pause pending the result of the standing committee, and we are anxious to see the outcome of it.

Beyond this initiative we see a number of opportunities for the future of Canada Post, including leveraging of one of the largest retail network infrastructures. This network has served Canada as well as merging the rural with the urban, as well as the corporation's fleet transportation network, which can be further leveraged to serve Canadians.

The association can state unequivocally that the past success of Canada Post has been a direct by-product of the work and contribution of all its employees. It is the association's impression that any change to the corporation may result in a negative impact on the terms and conditions of employment of those employees. It is the association's belief that in order for the corporation to be successful it must attract a high level of talent. This can only be achieved by providing attractive working conditions and employment which must include good benefits and a strong pension plan for its employees.

We believe that we must be involved in the conversation. By way of example, in late 2013, the honourable Mr. Flaherty spearheaded government legislation that provided a five-year exemption to Canada Post from the requirement to make payment to address the

solvency deficit required under the Pension Benefits Standards Act. It appears that the reprieve will come to an end without any further resolution on the horizon.

We unfortunately have not been part of those discussions. The association believes in the collaborative approach to seeking solutions to address the concerns of all employees of Canada Post. This would include consultation on how to assure the provision of a solid and fair retirement. It is the association's view that a successful Canada Post results in a content and thriving employee, which will benefit all Canadians.

The association looks forward to working with the corporation and participating in the mandate review process, particularly in light of the challenge and opportunity facing Canada Post Corporation today, and we believe we have a lot to offer. As long as we keep our focus and our goal to deliver quality and affordable postal service for Canadians and to consult with each other, we believe this can be achieved.

I know my English is not as perfect as some of yours but I think everybody understood. Thank you.

• (1645)

The Chair: It was very good.

We'll start with our seven-minute rounds, and we have Madam Shanahan for seven minutes.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much to all the members of the panel for being here.

I heard some interesting key words, and we certainly heard them when we were on the road, "collaboration" being one, and also "flexibility" and "working in partnership" as well.

I'd like to explore the pilot program with the banks a little further with you, Ms. McAuley.

What was the format? Was it the postal workers themselves who were trained in the banking transaction? How did that work? Did you share space? What did the security look like?

Ms. Brenda McAuley: Right now, we have security in the post office. What that looks like was they'd have the wicket for the banking on one section, and the wicket for the postal services on the other section. All the postal workers in the post office were trained.

Mrs. Brenda Shanahan: Something that we heard from the credit unions the other day was that they would be interested in exploring that kind of a partnership. They would want to be sure that it would be an open concept, and there was some concern about the post office crowding out the credit union sector business. What I like to hear is that people are open to considering that kind of business. If there's a way to provide that service across the country, in rural and remote areas where it doesn't exist, that's certainly something that's interesting to me.

On the other side, though, is the importance of revenue growth. To ensure revenue growth, we need to have flexibility in the delivery mechanisms. Something that we heard in places like Scantbury and Yellowknife was that, in one case, the stand-alone post office was only open three hours a day, so that wasn't serving anyone. We actually saw it. It was quite small, and you couldn't fit more than half a dozen people in the post office. They were moving to a grocery store concept. In other words, because they were able to collaborate on this, they were able to find a solution that fit the community.

How open are your members to finding different kinds of solutions to ensuring delivery, both to individual Canadian customers, and also to the businesses, the micro-businesses, that are growing and need extended service hours?

• (1650)

Ms. Brenda McAuley: As I was mentioning, our hours have been drastically reduced, and that's why you see those post offices that are only open three hours a day. That happened in 2013 under the five-point action plan. There was a flood of hour cuts that went across the country, 25%.

However, with that said, our members would be really excited about that, because right now they're doing basic banking anyway to a certain extent. You know, money orders, MoneyGram, authenticating PINs on credit cards. Our members are good at authenticating people because we know who the people are in the community. Absolutely. There are few good-paying jobs with benefits for women in rural Canada, so they would absolutely be open to that.

As far as the security goes, to my knowledge, in all the minutes I've seen, there was never a break-in in Newfoundland in the 16 years that they had the post office there.

Mrs. Brenda Shanahan: Chair, how much time?

Ms. Brenda McAuley: They had the bank there.

The Chair: About three and a half minutes.

Mrs. Brenda Shanahan: Excellent.

I'm curious. Mr. West, you're here representing the Public Service Alliance of Canada.

What does—?

Mr. Howie West (Work Re-Organization Officer, National Programs Section, Public Service Alliance of Canada): Yes, the Union of Postal Communication Employees is a component, a sub-union, of the Public Service Alliance of Canada.

Mrs. Brenda Shanahan: Okay.

I wanted to hear your thoughts. Something that we've heard a lot about is the community hub, where we could leverage the postal offices across the country to provide these additional services, many of them that are being served now, either in person by Service Canada, or by online or telephone services. How feasible is that to retrain people or to provide those services in an all-in-one community hub?

The reason I say that is because a complaint we had from some of the commercial retailers, e-commerce people who were using Canada Post to deliver their parcels, is that time is money, and they couldn't afford to be waiting in line. They needed specialized

commercial parcel services. That's where the money is, and they couldn't be waiting in line behind somebody who was trying to fill out a remittance or something else.

Mr. Howie West: I'm not quite sure I understand the question, but certainly, I think the problem you described goes to staffing levels. Whether it's at a Canada Post office or a Service Canada office, if there aren't enough people on the front counter to provide the services, you're going to have a queue. It only stands to reason. It's the same as at the grocery store. If you only have one cash register open at the grocery store, people are going to line up at that cash register and the person at the back of the line is going to be less happy than the person at the front.

In terms of where I thought your question was going initially, I do think that postal services could better handle some services that now are provided only by computer terminals in remote locations. For instance, for employment insurance at Service Canada, they advertise that they have all kinds of places where that can happen, but what it is, really, is that they have a computer terminal that someone can sit down in front of and use. Also, in a remote location, there's no guarantee that everyone really understands how to work that computer terminal. More trained people to provide those employment insurance services that Canadians need, for instance, would be a good thing.

• (1655)

[*Translation*]

The Chair: Mr. Clarke, you have seven minutes.

Mr. Alupa Clarke: Thank you, Mr. Chair.

Good afternoon, everyone, and thank you for being here. I think there are a few French Canadians among you. That's good, so we can have a good discussion.

You know that Mr. Chopra was with us before you arrived. I don't know whether you crossed paths when he left. I hope he shook your hand.

Ladies and gentlemen, I would like to come back to one of the things that Mr. Chopra said and that I would like to confirm. He said that both Canada Post management and the employees and various groups and unions that represent Canada Post workers had agreed that Canada Post needs to adjust and renew itself for the 21st century, but he did not go into detail.

Is it true that you and Mr. Chopra agree on that? The question is open to everyone.

Mr. Daniel Maheux (National Vice-President, Canadian Postmasters and Assistants Association): Indeed, the unions and management of the Canada Post Corporation agree on this. They think that there is a serious problem and we have to find solutions.

In fact, for the first time in the history of the Canada Post Corporation, following Minister Flaherty's announcement in 2013, the four unions agreed to meet with management together. Management resisted initially. We persisted and, in the end, we—all the corporation's unions—met with the Canada Post Corporation's management to tell it that there was a problem with the pensions and that we had to find a solution.

A special committee was set up after that according to the guidelines of the Office of the Superintendent of Financial Institutions. I have to say that I have not found it productive so far. I also find that the Canada Post Corporation lacks transparency toward us. Let me give you an example. I was the chief negotiator for the Canadian Postmasters and Assistants Association. On August 5, we were before the arbitrator and neither the arbitrator nor we had heard about the \$8.1-billion pension deficit that Mr. Chopra mentioned today.

Mr. Alupa Clarke: You say that you sat down with Mr. Chopra and concluded with him that there was a problem with the pensions. Are you also—you and he—of the opinion that Canada Post needs to renew itself given the changes in the world and the way Canadians use Canada Post?

Mr. Daniel Maheux: We quite agree. This is one of the things the unions agree on. The report that was submitted to you indicates that 7% of Canadians would be in favour of opening a bank account at a postal bank. That is a huge percentage, and 22% of merchants also say that they are interested. That percentage is very high, as well.

Mr. Alupa Clarke: Thank you, Mr. Maheux. I have several questions, so I'll continue.

Mr. Dubois and Mr. Ling, you mentioned that you support some of the five points. Which ones?

Mr. Guy Dubois: We were involved in installing community mailboxes from day one. When we say “day one”, we mean it.

Mr. Alupa Clarke: Rather, I meant “one” and “two”.

Mr. Guy Dubois: Increasing the price of a stamp may be one solution. According to the reports we have, the price of a stamp in Canada is one of the lowest in the world.

Some things have moved forward, but we probably aren't there yet. There are two. I think the biggest is the installation of community mailboxes.

Let me clarify that the unions don't all have the same vision in this regard. This is the future; technologies change. Many houses are built, and we must try to rationalize. Since it was set up, we have been involved in discussions on the developments. We worked with the employer to try to minimize the impact on our end.

• (1700)

Mr. Alupa Clarke: Thank you very much.

I'll continue. I'll come back to a question that is open to everyone.

[English]

The Chair: Mr. Clarke, you're out of time.

[Translation]

Mr. Alupa Clarke: It's up.

[English]

The Chair: Time is fleeting. Time is precious.

[Translation]

Mr. Alupa Clarke: I thought it was seven minutes.

[English]

The Chair: Mr. Weir, go ahead for seven minutes, please.

Mr. Erin Weir: Thanks very much.

The two hottest issues facing our committee have been the Phoenix payroll system and Canada Post. Since we have representatives from PSAC here, I'm inclined to suggest that perhaps we should enlist Canada Post to deliver paycheques to federal employees. Maybe we could get two birds with one stone.

My serious question to Mr. West is that most of the members you represent are part of a federal public service pension plan that is not subject to solvency valuation because it's understood that the federal government is a going concern. Given that no one is proposing to privatize Canada Post, I wonder whether it makes any sense to subject its pension plan to solvency valuation.

Mr. Howie West: I'm not an expert on pensions, Mr. Weir, so I think François could probably respond to that more, if that's okay, because he's dealt significantly with the pensions for his members.

Mr. François Paradis: I'm not sure I understand the question. You're asking whether or not the PSAC should be subject to the solvency test?

Mr. Erin Weir: I'm asking about the Canada Post pension plan. I believe, in fact, you recommended a permanent exemption from solvency valuation. It strikes me that one of the reasons for that would be that Canada Post is a crown corporation; it's really part of the public sector, and I was just making the point that most federal public servants are part of a pension plan that is never subject to solvency valuation.

Mr. François Paradis: Right. Our point of view is that it was brought in for private sector employers and it's counterproductive to what we're trying to achieve, because it does take away, essentially, money the corporation would have to fund other areas of the business and, essentially, it serves no purpose. The pension plan currently, as stated in the task force document, has an \$8.1-billion solvency deficit, but it is in a surplus situation on a going-concern basis, meaning that if the plan is able to continue into the future, which is, of course, the expectation, then there is no issue, and we will have enough assets to meet liabilities on a going-forward basis.

Mr. Erin Weir: That's excellent. I'd just like to turn things over to Karine Trudel.

[Translation]

Ms. Karine Trudel: Thank you.

I'm pleased to see you again.

Ms. McAuley, earlier you spoke about the study on the postal bank. I would like to point out that I moved a motion to have all the documents that the committee studied.

I didn't find the Canada Post study on postal banks among the ones I received on Monday, as I had requested. I didn't find the briefs or the names of people involved in the study, either. So I have a request for you, Mr. Chair. Will we receive the information in dribs and drabs or will it be sent to us in full?

[English]

The Chair: Madam Trudel, in order for you to complete the seven minutes, we'll deal with that at the conclusion of this presentation by the witnesses.

[Translation]

Ms. Karine Trudel: Thank you. That's kind.

Ms. McAuley, I would like to hear your thoughts on this. I know that you didn't have time to finish your presentation. Time went quickly. You could probably continue your presentation. You were on a roll telling us about the set-up and a study on postal banks. I'd like to know more about that. Do you have anything to add?

[English]

Ms. Brenda McAuley: I met with the corporation last week at our semi-annual meeting. Mr. Chopra was referring to those meetings earlier today, and I had asked if the task force was given the unredacted study of the postal banking study that the corporation did. We were told that the experts that the task force was using were given the unredacted study.

That's where we are at right now. Of course, we asked for it again, and to date we haven't been given the study. It's hard to collaborate with the corporation on postal banking when we've given them our study, and we've met with them, and they won't give us their unredacted study. In it 711 of the 800 pages were redacted, and there is one page that said it's win-win, so we're very curious about that.

As far as our study goes, it was established that there are 1,200 communities across Canada that do not have banking services. Out of the 615 indigenous communities, there are only 54 of those that do have postal banking. We see the need is there. We have the infrastructure, and we have the people ready and available, and they're FINTRAC trained. Our folks are security clear. FINTRAC training is the highest level of security training, and all our folks have that, so we're ready to go

• (1705)

[Translation]

Ms. Karine Trudel: Several people addressed hours of service during the committee's consultations. They told us about the service of post offices and the hours of service. You mentioned earlier that the number of those hours had decreased at Canada Post.

Do you think increasing the number of hours would be a good thing? Would you be willing to have more flexible schedules? Saturday mornings were mentioned, especially in small communities where people have to work elsewhere and return late in the evening. What could we do to offer more services in the post offices?

[English]

Ms. Brenda McAuley: I worked Saturdays for 17 years, and I loved it. I got out of housework. Sorry, I had to go there. It was the standing joke in the house. I had three young sons, and it was sometimes fun to leave and have that break.

With that said, our folks were devastated when they lost their Saturday hours and Saturday hours of service, and again that was in line with promoting franchise. I say this with all due respect. The corporation had a mandate to do the five-point action plan, but they closed us at lunch, opened us later in the day, closed us earlier—to make us less convenient. The public would embrace the privatized franchises, which are open, I believe, about 76 hours a week.

Absolutely, we would love to have the extended hours, and we're ready. There are lots of folks who are looking for good-paying jobs in rural Canada. In fact, it's not just rural; it's all over Canada. We've seen it in the urban too.

The Chair: Thank you very much.

[Translation]

Mr. Drouin, you have the floor.

[English]

Mr. Francis Drouin: Thank you, Mr. Chair.

I'll just be sharing 45 seconds, Mr. Whalen, it's yours.

[Translation]

Mr. Nick Whalen: I hope I will have at least that.

[English]

On the question Ms. Trudel posed, I just wanted to ask if we could convene at the end of the meeting for a couple of minutes about the issue, the basis on which we will get that report.

The Chair: We will be. Thank you.

Mr. Nick Whalen: Okay, thank you, Mr. Chair. Thank you, everybody, for being here and, Ms. McAuley, thank you for following up on that question and clarifying the point. I really appreciate it, but I'm not going to concentrate on postal banking today.

I wanted to talk about pensions and get your view. During the previous testimony, we heard from Mr. Chopra and Mr. Cheeseman. He said that we've been working with...the solvency issue is not the only issue, but we would like to see perhaps joint governance.

I just want to find out from you if the management has reached out to any of you. I'm opening up the floor.

Mr. Daniel Maheux: The short answer is no.

[Translation]

Mr. Francis Drouin: Earlier, Mr. Cheeseman said that the problem of solvency wasn't everything. We talked about joint governance. That would mean that the unions would have a seat on the board of directors and would participate in management. This model is used in Ontario by teachers. Are you in favour of this? Have the managers spoken to you about it?

Mr. Guy Dubois: I'm not aware of that. In terms of whether we are open to it, nothing is impossible, but I haven't heard about it.

Mr. Francis Drouin: What do you think, Mr. Paradis?

[English]

Mr. François Paradis: It's hard to tell. Right now I don't think there are any provisions at the federal level that allow for joint governance. There are no specifications. I think some provincial jurisdictions allow it. I think that would require some legislative changes, which may be part of the bill that the Liberals are bringing forward in terms of target benefit legislation. It's possibly why Mr. Cheeseman was talking about joint governance and things like that. We would be open to options that would not reduce our members' pension benefits. There are a number of options that we can explore that would have no negative impact on pension benefits for our current members and future members. I think that the primary focus should be on finding a solution that's right for the business and also right for the employees and the members of the plan.

• (1710)

Mr. Francis Drouin: It's actually something that my colleagues have heard on the road in Toronto. As somebody brought up, both health care workers in Ontario, and the Ontario teachers' plan have that model. They did make some legislative changes, but it allows them not to make those solvency payments because the risk and governance...it's trusted.

The other issue that particular witness in Toronto raised was the need for an independent board to manage the pension issue. Would you be open to this? Right now I believe the pension report is internal to the corporation, but it's a completely third party investment board. Is that something you would entertain or would be opposed to?

Mr. Daniel Maheux: I think we would certainly be interested in learning more about it and listening to them if they were to talk to us.

Your previous question, as I understood it, was whether they had spoken to us. I stand on my answer; they have certainly not approached us.

Would we be open to the concept or the idea? I certainly would be willing to entertain discussions and find out more about it. As François mentioned, provided that the legislative changes are put in place, everything is possible.

Mr. Francis Drouin: Okay, great.

Since I still have two minutes left, I might hit postal banking.

From what I understand, Ms. McAuley, the 16-year pilot project was in Newfoundland.

Ms. Brenda McAuley: Yes, and in Moose Factory.

Mr. Francis Drouin: Okay. That involved complicated transactions. The reason why I said that you had to obtain your CFP certification was because in the task force they quoted the Scotiabank vice-president as saying that people are now going to the bank for more complicated transactions as opposed to less complicated transactions. In Newfoundland, if there were complicated transactions, was it not the bank manager of the Bank of Montreal who would take those?

Ms. Brenda McAuley: Yes, he would come to the community. People are travelling such great distances now to get to a bank. For some folks it's four hours, for others it's a two-and-a-half-hour drive, a six-hour boat ride, or a three-hour Ski-Doo ride, so the bank manager would come. It was easier for one person to be on the road.

Mr. Francis Drouin: Okay, so he would have a scheduled time, and then he would appear there. Is that right?

Ms. Brenda McAuley: Absolutely.

Mr. Francis Drouin: Okay, great.

Thank you.

The Chair: Thank you very much.

Mr. McCauley, you have five minutes, please.

Mr. Kelly McCauley: Thanks for joining us, some of you again, and Ms. McAuley especially, even though you spell your name wrong.

Voices: Oh, oh!

Ms. Brenda McAuley: Take that up with my husband.

Mr. Kelly McCauley: Anyway, it's great to have you here, and I appreciate the comments.

We have travelled a lot, as you know, and we've heard very clearly from a lot of Canadians, especially in the rural areas, just how important the rural post office is. We had a couple of wonderful members of your association from Carstairs and veterans who joined us in Edmonton, so kudos to you.

We've heard it very loud and clear. In rural areas it really is a vital service. In big cities such as Edmonton, not as much. Where I live, within a five-minute drive I can run into 20 outlets and several corporate stores as well.

I'll open it up to everyone here.

One of the suggestions we heard for pensions was by a representative from the Ontario Teachers' Pension Plan, who talked about a shared risk. You would have your set defined amount, and then the last part would be a shared risk. If the fund did very well in a good year, the workers would share in the excess money. In a difficult year when the market drops, they would receive the base amount. Again, it came up with the Ontario Teachers' Pension Plan, but there was another pension expert, perhaps from Mercer, who commented that it was a valid thing to look at and could be a way forward for Canada Post without having to look at defined contributions or other issues.

I wonder if you folks could comment on that.

• (1715)

Mr. François Paradis: Our position continues to be, in terms of the solvency deficit, that the permanent solvency exemption would be the first thing to take a look at.

In terms of what you're raising against shared risk, usually that's what they call target benefit plans and things like that, but in terms of shared risk, a significant amount of the risk is still on the individual—in essence, people who retire on fixed incomes.

Mr. Kelly McCauley: You're very loud and clear, and I know that's your position. You need to protect the interests of your workers. Your comment was that you're open to discussion as long as it does not affect their end benefit, which means someone else is going to have to bear the cost.

Again, that was brought up and suggested by Ontario Teachers', so I just want to hear, would you be open to something such as that where the large benefit is there but just the last little part is shared risk, or is that off the table altogether?

Mr. François Paradis: At this point, I think there are other options to explore—

Mr. Kelly McCauley: Okay. That's a fair answer.

Mr. François Paradis:—prior to reducing employee benefits.

Mr. Kelly McCauley: Mr. Maheux.

Mr. Daniel Maheux: I agree with what François just said, that at this point there are other options to look at. If you look at the experience of large pension plans in the U.S. that went from DB to DC, in the space of only 10 years, I believe it was, they all went back to DB and found solutions to their problem.

The shared risk model as I know it, and François mentioned it—

Mr. Kelly McCauley: I'm going to interrupt. Sorry. I'll be a bit more clear.

What the teachers were talking about with the shared risk was more the indexing part. They found that a very strong solution to a lot of the issues of rising cost was the shared risk with indexing.

Mr. Daniel Maheux: I find that interesting, actually, because in the last round of bargaining that we just concluded in August, that is one of the proposals we submitted to the corporation, and it was refused.

Mr. Kelly McCauley: We're out of time. I want to hear from everyone.

Ms. McAuley.

Ms. Brenda McAuley: Yes, we looked at indexing as an option.

Mr. Kelly McCauley: Gentlemen.

Mr. Guy Dubois: We're willing to sit down and to listen, and as François said, to explore that possibility if it comes to the table. We'll see.

Mr. Kelly McCauley: Mr. West, do you have anything to add?

Mr. Howie West: No, I don't.

Mr. Kelly McCauley: Do I have any more time?

The Chair: No, but thanks for asking.

Mr. Kelly McCauley: It's always great to see another McCauley, though.

The Chair: We'll close with Mr. Whalen, for five minutes, please.

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

We're entering maybe the last couple of hours of testimony in this Canada Post study we're undertaking, so thank you all very much for coming and sticking it out with us.

We had an opportunity when we were in Scantbury to drive by and visit one of the postal outlets. It's a very modest structure about the size of a woodshed. The people in the community told us that there's not even really enough space to store the parcels that are there and at the same time have two people retrieve parcels. I think one person even said that he had to go outside to change his mind when he visited.

Ms. McAuley, with respect to these rural post offices where the concept is to turn them into hubs, how many of them really have sufficient size to both serve the core function of parcel and mail delivery and offer any other services at all in the physical size that these facilities operate in?

Ms. Brenda McAuley: That's a really fair question. We have 1,531 group post offices. That means that the postmaster provides the premises. Often they will retrofit their home to have a post office in it, or it will be in the garage, but there are a lot more criteria now around it to make it suitable. Obviously, all those post offices won't be suitable. However, we do have 3,260 offices that our members operate, and I'm sure probably 1,800 of them are suitable locations that have suitable parking.

• (1720)

Mr. Nick Whalen: With respect to the ones that are operated out of people's homes, should we investigate making those hubs? Isn't that almost like a franchise model in itself? You're providing this person with extra business opportunities, but they are running them out of their own home. It's not a corporate-owned location.

Isn't that like a pseudo-franchise, if we were to expand on that model? How is that different from franchising?

Ms. Brenda McAuley: I'll tell you how it differs from franchises. It's supported by the big picture. It's supported by the corporation. There's a network. It's part of that network.

When we did a study, the difference was that franchises aren't supported very well by the corporation. What we often saw when we studied all those communities that had a post office was that it closed, they put in a franchise, and because that franchise wasn't supported, it wasn't sustainable. So that franchise closed, and in essence, they were left with nothing.

Mr. Nick Whalen: I see a bit—and I just want your perspective—that even with the rural moratorium in place, the severe reduction in hours and quality of service and convenience of service at rural post offices was really akin to breaching the rural moratorium. How do you feel about that type of statement? Do you think, no, the services that are provided with 15 hours a week are still sufficient to serve the communities?

Ms. Brenda McAuley: It all depends on the community. If the community has 100 people and the community is good with that and it works for that community and the mayor doesn't object, then if that works, it works. Every community is unique.

Mr. Nick Whalen: Thank you.

Very quickly, for each of the unions, how do you feel about the notion of having a postal regulator to oversee some of the higher-end complaints that might exist between the union and the management and also between pricing of mail delivery and the union? It would try to externalize some of the big issues facing postal delivery and parcel delivery in Canada and have an expert third party regulator oversee the activity in the marketplace.

The Chair: I'm afraid it will have to be a very brief answer, like a yes or no or perhaps, in each case.

Mr. François Paradis: It's a quick answer and I can't really get into it. Based on what I've read in the discussion paper, I'd have to say no; there are some concerns with not properly evaluating risks. On what that would mean, I'd say no, but I'd want a review of the board of directors at Canada Post, their composition and basically the relationship between the government, the board of directors, and the rest of the governance structure.

Mr. Daniel Maheux: If it's a fair playing field for everybody, meaning all the postal or parcel providers and not just Canada Post, that's something that's perhaps worth exploring. Otherwise it's not worth it.

Mr. Guy Dubois: It's worth the time to explore. We have some concerns, but it's worth the time to sit down and talk about it.

Mr. Nick Whalen: Thank you.

The Chair: To all our witnesses, thank you very much for once again appearing before us. Your testimony has been helpful, and we hopefully will be getting around to drafting a report on this within the next couple of weeks or so. Obviously I know you'll be very interested in seeing the results of that report when we table it in Parliament.

The witnesses are excused.

I would ask our committee members to stay at the table just for a couple of moments. We have about six minutes before the bells start ringing.

Thank you, witnesses.

We are still public. I just want you to be aware of that.

We have a couple of issues that we need to deal with. Madam Trudel and Mr. Whalen both raised one, and that is to get our hands on the Canada Post study on postal banking in its unredacted form. Canada Post certainly is willing to accommodate; however there are a few conditions attached to that, which is natural, and quite in order, by the way, because of the commercially sensitive nature of a lot of the information contained in that report.

The second challenge is that the report itself is quite lengthy. It's about 800 pages. We'll have to deal with this in an in camera session. The suggestion, which again is in order with the compendium of procedure of the House of Commons, is that the report be delivered

at an in camera session to all members. Discussion can ensue from there, but once we leave, the reports are turned back to Canada Post.

On the timing of that, I don't know how long...obviously, it's a lengthy report. You'll see it for the first time and then go into the discussions after that. If we're looking at a meeting, we won't be able to do that now for any length of time unless we want to schedule an entire committee meeting for that purpose. If that's the case, the earliest opportunity would be the Monday we return from our Remembrance Day constituency week, which would be November 14. I'm just wondering whether or not you would like that date.

Nick.

• (1725)

Mr. Nick Whalen: One issue I have with only having it during a committee meeting is that it's 800 pages. In previous in camera discussions we had, other things have been discussed, but I would like the document to be made available in a data room, where people can go at their leisure over the course of a couple of days to familiarize themselves with the document, if that's possible, and then have a meeting based on their review of it, which wouldn't interfere with the existing schedule.

All the contents of the report are confidential, so I don't think our seeing it during the drafting of the report is a problem, but it will affect our interpretation of the testimony that we've received to date. I think it's important that we see it, but there also has to be a meaningful opportunity to review it. Meeting for two hours on an 800-page document is not meaningful.

I will draw the committee's attention to our right to reject any of these suggestions, if we choose to do so. We could simply say that is fine, well and good, but we'd mentioned our desire to see this document in early September. Here we are now, and they're still trying to negotiate conditions that we do not need to accept. We can just have the document delivered up forthwith.

I think we can accommodate an opportunity whereby the document is made available in the Centre Block, in a room that we can visit at our leisure over the course of a couple of days and take such necessary steps to review the 800 pages in a sufficient window, and then have a meeting after that time, if we so choose. It may be that we do not need to meet after having had an opportunity to meaningfully review the document. That remains to be seen.

The Chair: I will consult and, once again, review all of the protections, I guess, that Canada Post has and our rights versus their rights, to determine exactly if what you're suggesting is within the art of the possible.

Mr. Whelan, it very well may be, but your point is well taken on one level, and that is the fact that the report itself won't probably have any bearing, as we go forward on the drafting instructions and the delivery of the report. I don't want to have it delay the start of drafting the report.

We have the opportunity to see this, but it won't be until we get back from the break. I'll certainly examine the fact of whether or not.... We'll speak with Canada Post. We'll also consult with the procedural aspects of our rights and the rights of Canada Post, and we'll see what we can do to accommodate what you're suggesting. I understand what you're saying, Nick, and I understand the document you're referring to.

Go ahead, Erin.

Mr. Erin Weir: Mr. Chair, when you suggested the document would only be available to committee members in a meeting, I just want to clarify whether that's just regular members of the committee. I would certainly make the case that Karine, as the NDP's Canada Post critic, should also have access to the document.

The Chair: Yes, the rights and privileges of members of Parliament are certainly respected in that, and certainly Ms. Trudel would have that opportunity as well.

Mr. Erin Weir: I just wanted to confirm that.

I guess I just also wanted to make the point that we've had a pretty good process to receive the confidential reports prepared by the task force, where we had to sign out the documents and we got separately marked copies to prevent leaks. I'm not sure why that process wouldn't work for Canada Post's internal report on postal banking. I'm unclear on why that document would require some higher level of protection or secrecy.

The Chair: That's why I had mentioned to Mr. Whelan that I'll be examining exactly what is within the art of the possible and what our rights and privileges are in that respect.

Go ahead, Mr. Whelan.

• (1730)

Mr. Nick Whalen: I would just like to quote from page 52 of the *The Power of Parliamentary Houses to Send for Persons, Papers & Records* by Derek Lee. The top couple of paragraphs read:

The only occasion when the Canadian House of Commons imprisoned a person was in 1913, in respect of an individual (Mr. Connolly) who refused to provide documents ordered by a committee....

And it's been quoted here:

[Mr. Connolly's counsel] read a statement...explaining that the books also contained private business matters unrelated to the concerns of the committee, which if made public would prejudice other clients of Mr. Connolly. The House ordered the books to be produced and delivered to the custody of the Clerk of the House....

A House or committee need not simply demand a copy of a document, or the production of the original by the witnesses upon examination; it may also demand "control" over the document.

This is open to us. I respect the right and the desire of Canada Post to keep things as tight as possible, but at this stage, in order to preserve the legitimacy of our report, we need access to these documents, and I can't stress that any more strongly than I have.

The Chair: You've stressed it very strongly, and I agree. What Mr. Lee's analysis does not do is address the right of confidentiality.

Right of access is one thing; confidentiality is another. And that's what I'll be examining, to see exactly where the twain shall meet.

Go ahead, Mr. Drouin.

Mr. Francis Drouin: I just want to put on the record that I'm not happy, even though I look happy. Madame Trudel put this motion when I was here, and you guys, all my colleagues, went away, and we still don't have this issue resolved.

I think that shows a lack of respect for this committee, and I just wanted to state that on the record.

The Chair: Thank you.

Are there any other comments?

The second point is that as far as timing for tomorrow's meetings goes, we will convene at 10 a.m. in room 237-D. We will hear from the Canadian Union of Postal Workers at that time, followed by the task force. Then at 12 noon, in the same room, we'll switch disciplines, and go to listening to Mr. Brison, representatives from the Department of Finance, and PCO on the estimates process, and then we will have to change rooms from 1 o'clock to 2 o'clock to deal with the drafting instructions for our report on Canada Post. We will also at that time discuss both the issues we had discussed at the last meeting, the analysts' suggestion regarding the outline, Mr. Whalen's suggestion, and any suggestions from other members of the committee. That will be in camera but that will be in room 253-D.

So, again, we'll get the guide map out for you tomorrow but we'll just have to change rooms for that last portion of our meeting.

Mr. Clarke.

Mr. Alupa Clarke: I just wanted to say that I strongly agree with my colleague Mr. Whalen, and I just want to thank him for what he just read to us. I think the conventions and the rights of the House of Commons should strongly be followed by any outside actors of society, and I don't like when there's arrogance toward this House of Commons.

So thank you very much, Nick.

The Chair: Not that I'm defending Canada Post, because they certainly don't need me to defend them, but this is not arrogance, as I interpret it. It's just their rights and our rights, and both have to be observed.

Ms. Yasmin Ratansi: Mr. Chair, who commissioned the report? Was it Canada Post or an independent party?

The Chair: I don't know the answer to that, but we'll find out when we hear the report.

Ms. Yasmin Ratansi: If Canada Post hasn't commissioned it, then legally it's not Canada Post's report.

The Chair: As I say, Madame Ratansi, I'm going to be examining all aspects of this.

The meeting is adjourned.

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