



CANADIAN POSTAL SERVICE CHARTER

Preamble

The Canada Post Corporation was created to provide a standard of postal service that meets the needs of the people of Canada. The Government of Canada is committed to ensuring transparency in how Canada Post provides quality postal services to all Canadians, rural and urban, individuals and businesses, in a secure and financially self-sustaining manner.

The Government has therefore established the *Canadian Postal Service Charter* to describe its expectations regarding Canada Post's service standards and related activities in providing postal services that meet the needs of consumers of postal services in Canada. These expectations are not intended to modify or derogate from Canada Post's obligations as set out in the *Canada Post Corporation Act* or any other legislation.

Universal Service

1. Canada Post will maintain a postal system that allows individuals and businesses in Canada to send and receive mail within Canada and between Canada and elsewhere. Canada Post will provide a service for the collection, transmission and delivery of letters, parcels and publications.
2. The provision of postal services to rural regions of the country is an integral part of Canada Post's universal service.

Affordable Rates

3. Canada Post will charge uniform postage rates for letters of similar size and weight, so that letters to Canadian addresses will require the same postage, regardless of the distance to reach the recipient.
4. As required by the *Canada Post Corporation Act*, Canada Post will charge postage rates that are fair and reasonable and, together with other revenues, are sufficient to cover the costs incurred in its operations.
5. Canada Post will provide advance notice of and publicly advertise proposed pricing changes for regulated letter mail products and consult with consumers during the rate-setting process.

Frequent and Reliable Delivery

6. Canada Post will deliver letters, parcels and publications five days a week (except for statutory holidays) to every Canadian address, except in remote areas where less frequent service may be necessary due to limited access to the community.
7. Canada Post will deliver to every address in Canada. This may be delivery to the door, a community mail box, group mail box, a rural mail box, a postal box, general delivery at the post office or delivery to a central point in apartment/office buildings.
8. Canada Post will deliver letter mail:
 - Within a community within two business days;
 - Within a province within three business days; and
 - Between provinces within four business days.

Convenient Access to Postal Services

9. Canada Post will provide an extensive network for accessing postal services that includes retail postal outlets, stamp shops and street letterboxes, as well as access to information and customer service through the Canada Post's website and call centres.
10. Canada Post will provide retail postal outlets, including both corporate post offices and private dealer operated outlets which are conveniently located and operated, so that:
 - 98 percent of consumers will have a postal outlet within 15 km;
 - 88 percent of consumers will have a postal outlet within 5 km; and
 - 78 percent of consumers will have a postal outlet within 2.5 km.
11. The moratorium on the closure of rural post offices is maintained. Situations affecting Canada Post personnel (e.g., retirement, illness, death, etc.) or Canada Post infrastructure (e.g., fire or termination of lease, etc.) may, nevertheless, affect the ongoing operation of a post office.

Secure Delivery

12. Canada Post will take into consideration the security and privacy of the mail in every aspect of mail collection, transmission and delivery.

Community Outreach and Consultation

13. Where Canada Post plans to change delivery methods, Canada Post will communicate, either in person or in writing, with affected customers and communities at least one month in advance to explain decisions and explore options that address customer concerns.
14. At least one month before deciding to permanently close, move or amalgamate corporate post offices, Canada Post will meet with affected customers and communities to jointly explore options and find practical solutions that address customer concerns.
15. Each year, Canada Post will hold an Annual Public Meeting open to the public to provide an opportunity for the public to express views, ask questions and provide feedback to Canada Post.

Responding to Complaints

16. Canada Post will establish and promulgate complaint resolution processes that are easily accessible to customers and will address complaints in a fair, respectful and timely manner.
17. The Canada Post Ombudsman will investigate complaints about compliance with the *Canadian Postal Service Charter* in situations where customers remain unsatisfied after they have exhausted Canada Post's complaint resolution processes.

Reporting on Performance

18. Each year in its Annual Report, Canada Post will report on its performance against each of the expectations in this *Canadian Postal Service Charter*.
19. In addition, Canada Post will present in its Annual Report an overview of the delivery methods it uses, indicating the number of addresses served with each delivery method and the financial costs associated with each method of delivery.

Reviewing the Charter

20. The Government will review the *Canadian Postal Service Charter* every five years after its adoption to assess the need to adapt the Charter to changing requirements.



From anywhere... De partout...
to anyone jusqu'à vous

Moratorium Post Offices

Open May 14, 2007

3,838 TOTAL
3,479 CPAA
359 CUPW

OUTLET NAME / BUREAU DE POSTE	CITY / LOCALITE	PR	P.C. / C.P.
1 ABEE PO	ABEE	AB	T0A 0A0
2 ACADIA VALLEY PO	ACADIA VALLEY	AB	T0J 0A0
3 ACME PO	ACME	AB	T0M 0A0
4 AIRDRIE STN MAIN	AIRDRIE	AB	T4B 1A0
5 ALBERTA BEACH PO	ALBERTA BEACH	AB	T0E 0A0
6 ALDER FLATS PO	ALDER FLATS	AB	T0C 0A0
7 ALHAMBRA PO	ALHAMBRA	AB	T0M 0C0
8 ALIX PO	ALIX	AB	T0C 0B0
9 ALTARIO PO	ALTARIO	AB	T0C 0E0
10 AMISK PO	AMISK	AB	T0B 0B0
11 ANDREW PO	ANDREW	AB	T0B 0C0
12 ARDMORE PO	ARDMORE	AB	T0A 0B0
13 ARDROSSAN STN MAIN	ARDROSSAN	AB	T8E 0E0
14 ARMENA PO	ARMENA	AB	T0B 0G0
15 ARROWWOOD PO	ARROWWOOD	AB	T0L 0B0
16 ATHABASCA STN MAIN	ATHABASCA	AB	T9S 1A0
17 ATMORE PO	ATMORE	AB	T0A 0E0
18 BANFF MAIN PO	BANFF	AB	T1L 1A0
19 BARNWELL PO	BARNWELL	AB	T0K 0B0
20 BARONS PO	BARONS	AB	T0L 0G0
21 BARRHEAD STN MAIN	BARRHEAD	AB	T7N 1A0
22 BASHAW PO	BASHAW	AB	T0B 0H0
23 BASSANO PO	BASSANO	AB	T0J 0B0
24 BAWLF PO	BAWLF	AB	T0B 0J0
25 BAY TREE PO	BAY TREE	AB	T0H 0A0
26 BEAR CANYON PO	BEAR CANYON	AB	T0H 0B0
27 BEAUMONT STN MAIN	BEAUMONT	AB	T4X 1A0
28 BEAUVALLON PO	BEAUVALLON	AB	T0B 0K0
29 BEAVERLODGE PO	BEAVERLODGE	AB	T0H 0C0
30 BEISEKER PO	BEISEKER	AB	T0M 0G0
31 BELLEVUE PO	BELLEVUE	AB	T0K 0C0
32 BERWYN PO	BERWYN	AB	T0H 0E0
33 BIG VALLEY PO	BIG VALLEY	AB	T0J 0G0
34 BITTERN LAKE PO	BITTERN LAKE	AB	T0C 0L0
35 BLACK DIAMOND PO	BLACK DIAMOND	AB	T0L 0H0
36 BLACKFALDS PO	BLACKFALDS	AB	T0M 0J0
37 BLACKIE PO	BLACKIE	AB	T0L 0J0
38 BLAIRMORE PO	BLAIRMORE	AB	T0K 0E0
39 BLUFFTON PO	BLUFFTON	AB	T0C 0M0
40 BON ACCORD PO	BON ACCORD	AB	T0A 0K0
41 BONNYVILLE MAIN PO	BONNYVILLE	AB	T9N 1A0
42 BOTHA PO	BOTHA	AB	T0C 0N0
43 BOW ISLAND PO	BOW ISLAND	AB	T0K 0G0
44 BOWDEN PO	BOWDEN	AB	T0M 0K0
45 BOYLE PO	BOYLE	AB	T0A 0M0
46 BRAGG CREEK PO	BRAGG CREEK	AB	T0L 0K0
47 BRANT PO	BRANT	AB	T0L 0L0
48 BRETON PO	BRETON	AB	T0C 0P0
49 BROCKET PO	BROCKET	AB	T0K 0H0
50 BROOKS STN MAIN	BROOKS	AB	T1R 1A0
51 BRUCE PO	BRUCE	AB	T0B 0R0
52 BRUDERHEIM PO	BRUDERHEIM	AB	T0B 0S0



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53 BUCK CREEK PO	BUCK CREEK	AB	T0C 0S0
54 BUCK LAKE PO	BUCK LAKE	AB	T0C 0T0
55 BUFFALO PO	BUFFALO	AB	T0J 0K0
56 BURDETT PO	BURDETT	AB	T0K 0J0
57 BUSBY PO	BUSBY	AB	T0G 0H0
58 CADOGAN PO	CADOGAN	AB	T0B 0T0
59 CADOTTE LAKE PO	CADOTTE LAKE	AB	T0H 0N0
60 CALLING LAKE PO	CALLING LAKE	AB	T0G 0K0
61 CALMAR PO	CALMAR	AB	T0C 0V0
62 CAMROSE STN MAIN	CAMROSE	AB	T4V 0S0
63 CANMORE PO	CANMORE	AB	T1W 1A0
64 CARBON PO	CARBON	AB	T0M 0L0
65 CARDSTON PO	CARDSTON	AB	T0K 0K0
66 CARMANGAY PO	CARMANGAY	AB	T0L 0N0
67 CARROT CREEK PO	CARROT CREEK	AB	T0E 0G0
68 CARSELAND PO	CARSELAND	AB	T0J 0M0
69 CARSTAIRS PO	CARSTAIRS	AB	T0M 0N0
70 CASLAN PO	CASLAN	AB	T0A 0R0
71 CASTOR PO	CASTOR	AB	T0C 0X0
72 CHAMPION PO	CHAMPION	AB	T0L 0R0
73 CHERRY GROVE PO	CHERRY GROVE	AB	T0A 0T0
74 CHERRY POINT PO	CHERRY POINT	AB	T0H 0T0
75 CHINOOK PO	CHINOOK	AB	T0J 0R0
76 CHIPMAN PO	CHIPMAN	AB	T0B 0W0
77 CHISHOLM MILLS PO	CHISHOLM MILLS	AB	T0G 0N0
78 CLANDONALD PO	CLANDONALD	AB	T0B 0X0
79 CLARESHOLM PO	CLARESHOLM	AB	T0L 0T0
80 CLIVE PO	CLIVE	AB	T0C 0Y0
81 CLUNY PO	CLUNY	AB	T0J 0S0
82 CLYDE PO	CLYDE	AB	T0G 0P0
83 COALDALE STN MAIN	COALDALE	AB	T1M 1A0
84 COALHURST PO	COALHURST	AB	T0L 0V0
85 COCHRANE STN MAIN	COCHRANE	AB	T4C 1A0
86 COLD LAKE STN MAIN	COLD LAKE	AB	T9M 1A0
87 COLINTON PO	COLINTON	AB	T0G 0R0
88 COMPEER PO	COMPEER	AB	T0C 1A0
89 CONKLIN PO	CONKLIN	AB	T0P 1H0
90 CONSORT PO	CONSORT	AB	T0C 1B0
91 COOKING LAKE STN MAIN	COOKING LAKE	AB	T0B 0Y0
92 CORONATION PO	CORONATION	AB	T0C 1C0
93 COUTTS PO	COUTTS	AB	T0K 0N0
94 COWLEY PO	COWLEY	AB	T0K 0P0
95 CREMONA PO	CREMONA	AB	T0M 0R0
96 CROSSFIELD PO	CROSSFIELD	AB	T0M 0S0
97 CZAR PO	CZAR	AB	T0B 0Z0
98 DAYS LAND PO	DAYS LAND	AB	T0B 1A0
99 DEADWOOD PO	DEADWOOD	AB	T0H 1A0
100 DEBOLT PO	DEBOLT	AB	T0H 1B0
101 DEL BONITA PO	DEL BONITA	AB	T0K 0S0
102 DELBURN PO	DELBURN	AB	T0M 0V0
103 DELIA PO	DELIA	AB	T0J 0W0
104 DEVON STN MAIN	DEVON	AB	T9G 1A0



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105 DEWBERRY PO	DEWBERRY	AB	T0B 1G0
106 DIDSBURY PO	DIDSBURY	AB	T0M 0W0
107 DIXONVILLE PO	DIXONVILLE	AB	T0H 1E0
108 DONALDA PO	DONALDA	AB	T0B 1H0
109 DONNELLY PO	DONNELLY	AB	T0H 1G0
110 DRAYTON VALLEY STN MAIN	DRAYTON VALLEY	AB	T7A 1A0
111 DRUMHELLER PO	DRUMHELLER	AB	T0J 0Y0
112 DUCHESS PO	DUCHESS	AB	T0J 0Z0
113 EAGLESHAM PO	EAGLESHAM	AB	T0H 1H0
114 ECKVILLE PO	ECKVILLE	AB	T0M 0X0
115 EDBERG PO	EDBERG	AB	T0B 1J0
116 EDGERTON PO	EDGERTON	AB	T0B 1K0
117 EDSON STN MAIN	EDSON	AB	T7E 1A0
118 ELK POINT PO	ELK POINT	AB	T0A 1A0
119 ELMWORTH PO	ELMWORTH	AB	T0H 1J0
120 ELNORA PO	ELNORA	AB	T0M 0Y0
121 EMPRESS PO	EMPRESS	AB	T0J 1E0
122 ENDIANG PO	ENDIANG	AB	T0J 1G0
123 ENILDA PO	ENILDA	AB	T0G 0W0
124 ENTWISTLE PO	ENTWISTLE	AB	T0E 0S0
125 ETZIKOM PO	ETZIKOM	AB	T0K 0W0
126 EVANSBURG PO	EVANSBURG	AB	T0E 0T0
127 EXSHAW PO	EXSHAW	AB	T0L 2C0
128 FAIRVIEW PO	FAIRVIEW	AB	T0H 1L0
129 FALHER PO	FALHER	AB	T0H 1M0
130 FALLIS PO	FALLIS	AB	T0E 0V0
131 FAWCETT PO	FAWCETT	AB	T0G 0Y0
132 FLATBUSH PO	FLATBUSH	AB	T0G 0Z0
133 FOREMOST PO	FOREMOST	AB	T0K 0X0
134 FORESTBURG PO	FORESTBURG	AB	T0B 1N0
135 FORT ASSINIBOINE PO	FORT ASSINIBOINE	AB	T0G 1A0
136 FORT CHIPEWYAN PO	FORT CHIPEWYAN	AB	T0P 1B0
137 FORT KENT PO	FORT KENT	AB	T0A 1H0
138 FORT MACLEOD PO	FORT MACLEOD	AB	T0L 0Z0
139 FORT MCMURRAY MAIN PO	FORT MCMURRAY	AB	T9H 2T0
140 FORT SASKATCHEWAN STN MAIN	FORT SASKATCHEWAN	AB	T8L 2E0
141 FORT VERMILION PO	FORT VERMILION	AB	T0H 1N0
142 FOX CREEK PO	FOX CREEK	AB	T0H 1P0
143 FROG LAKE PO	FROG LAKE	AB	T0A 1M0
144 GAINFORD PO	GAINFORD	AB	T0E 0W0
145 GALAHAD PO	GALAHAD	AB	T0B 1R0
146 GIBBONS PO	GIBBONS	AB	T0A 1N0
147 GIFT LAKE PO	GIFT LAKE	AB	T0G 1B0
148 GIROUXVILLE PO	GIROUXVILLE	AB	T0H 1S0
149 GLEICHEN PO	GLEICHEN	AB	T0J 1N0
150 GLENDON PO	GLENDON	AB	T0A 1P0
151 GLENEVIS PO	GLENEVIS	AB	T0E 0X0
152 GLENWOOD PO	GLENWOOD	AB	T0K 2R0
153 GOODFISH LAKE PO	GOODFISH LAKE	AB	T0A 1R0
154 GOODRIDGE PO	GOODRIDGE	AB	T0A 1S0
155 GRANDE CACHE PO	GRANDE CACHE	AB	T0E 0Y0
156 GRANUM PO	GRANUM	AB	T0L 1A0



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157 GRASSLAND PO	GRASSLAND	AB	T0A 1V0
158 GRIMSHAW PO	GRIMSHAW	AB	T0H 1W0
159 GROUARD PO	GROUARD MISSION	AB	T0G 1C0
160 GROVEDALE PO	GROVEDALE	AB	T0H 1X0
161 GUY PO	GUY	AB	T0H 1Y0
162 GWYNNE PO	GWYNNE	AB	T0C 1L0
163 HAIRY HILL PO	HAIRY HILL	AB	T0B 1S0
164 HALKIRK PO	HALKIRK	AB	T0C 1M0
165 HANNA PO	HANNA	AB	T0J 1P0
166 HARDISTY PO	HARDISTY	AB	T0B 1V0
167 HAY LAKES PO	HAY LAKES	AB	T0B 1W0
168 HAYTER PO	HAYTER	AB	T0B 1X0
169 HEINSBURG PO	HEINSBURG	AB	T0A 1X0
170 HEISLER PO	HEISLER	AB	T0B 2A0
171 HIGH LEVEL PO	HIGH LEVEL	AB	T0H 1Z0
172 HIGH PRAIRIE PO	HIGH PRAIRIE	AB	T0G 1E0
173 HIGH RIVER STN MAIN	HIGH RIVER	AB	T1V 1A0
174 HILDA PO	HILDA	AB	T0J 1R0
175 HILL SPRING PO	HILL SPRING	AB	T0K 1E0
176 HILLCREST MINES PO	HILLCREST MINES	AB	T0K 1C0
177 HILLIARD PO	HILLIARD	AB	T0B 2B0
178 HINES CREEK PO	HINES CREEK	AB	T0H 2A0
179 HINTON STN MAIN	HINTON	AB	T7V 1A0
180 HOBBERMA PO	HOBBERMA	AB	T0C 1N0
181 HOLDEN PO	HOLDEN	AB	T0B 2C0
182 HUGHENDEN PO	HUGHENDEN	AB	T0B 2E0
183 HUSSAR PO	HUSSAR	AB	T0J 1S0
184 HYTHE PO	HYTHE	AB	T0H 2C0
185 INNISFAIL STN MAIN	INNISFAIL	AB	T4G 1A0
186 INNISFREE PO	INNISFREE	AB	T0B 2G0
187 IRMA PO	IRMA	AB	T0B 2H0
188 IRON RIVER PO	IRON RIVER	AB	T0A 2A0
189 IRVINE PO	IRVINE	AB	T0J 1V0
190 ISLAY PO	ISLAY	AB	T0B 2J0
191 JAMES RIVER BRIDGE PO	JAMES RIVER BRIDGE	AB	T0M 1C0
192 JARVIE PO	JARVIE	AB	T0G 1H0
193 JASPER PO	JASPER	AB	T0E 1E0
194 JENNER PO	JENNER	AB	T0J 1W0
195 JOUSSARD PO	JOUSSARD	AB	T0G 1J0
196 KEG RIVER PO	KEG RIVER	AB	T0H 2G0
197 KELSEY PO	KELSEY	AB	T0B 2K0
198 KIKINO PO	KIKINO	AB	T0A 2B0
199 KILLAM PO	KILLAM	AB	T0B 2L0
200 KINGMAN PO	KINGMAN	AB	T0B 2M0
201 KIRRIEMUIR PO	KIRRIEMUIR	AB	T0C 1R0
202 KITSCOTY PO	KITSCOTY	AB	T0B 2P0
203 LA COREY PO	LA COREY	AB	T0A 2E0
204 LA CRETE PO	LA CRETE	AB	T0H 2H0
205 LA GLACE PO	LA GLACE	AB	T0H 2J0
206 LAC LA BICHE PO	LAC LA BICHE	AB	T0A 2C0
207 LACOMBE STN MAIN	LACOMBE	AB	T4L 1A0
208 LAMONT PO	LAMONT	AB	T0B 2R0



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209 LANGDON PO	LANGDON	AB	T0J 1X0
210 LEDUC STN MAIN	LEDUC	AB	T9E 2E0
211 LEGAL PO	LEGAL	AB	T0G 1L0
212 LETHBRIDGE MAIN PO	LETHBRIDGE	AB	T1J 0N0
213 LINDALE PO	LINDALE	AB	T0C 1W0
214 LINDBERGH PO	LINDBERGH	AB	T0A 2J0
215 LINDEN PO	LINDEN	AB	T0M 1J0
216 LODGEPOLE PO	LODGEPOLE	AB	T0E 1K0
217 LONGVIEW PO	LONGVIEW	AB	T0L 1H0
218 LOUGHEED PO	LOUGHEED	AB	T0B 2V0
219 LOUSANA PO	LOUSANA	AB	T0M 1K0
220 LYALTA PO	LYALTA	AB	T0J 1Y0
221 MAGRATH PO	MAGRATH	AB	T0K 1J0
222 MALLAIG PO	MALLAIG	AB	T0A 2K0
223 MANNING PO	MANNING	AB	T0H 2M0
224 MANNVILLE PO	MANNVILLE	AB	T0B 2W0
225 MANYBERRIES PO	MANYBERRIES	AB	T0K 1L0
226 MARIE REINE PO	MARIE REINE	AB	T0H 2N0
227 MAYERTHORPE PO	MAYERTHORPE	AB	T0E 1N0
228 MCLENNAN PO	MCLENNAN	AB	T0H 2L0
229 MEDICINE HAT MAIN PO	MEDICINE HAT	AB	T1A 0A0
230 METISKOW PO	METISKOW	AB	T0B 3A0
231 MILK RIVER PO	MILK RIVER	AB	T0K 1M0
232 MILLET PO	MILLET	AB	T0C 1Z0
233 MIRROR PO	MIRROR	AB	T0B 3C0
234 MONARCH PO	MONARCH	AB	T0L 1M0
235 MORINVILLE MAIN PO	MORINVILLE	AB	T8R 1A0
236 MULHURST BAY PO	MULHURST BAY	AB	T0C 2C0
237 MUNDARE PO	MUNDARE	AB	T0B 3H0
238 MYRNAM PO	MYRNAM	AB	T0B 3K0
239 NACMINE PO	NACMINE	AB	T0J 2E0
240 NANTON PO	NANTON	AB	T0L 1R0
241 NEW BRIGDEN PO	NEW BRIGDEN	AB	T0J 2G0
242 NEW DAYTON PO	NEW DAYTON	AB	T0K 1P0
243 NEW SAREPTA PO	NEW SAREPTA	AB	T0B 3M0
244 NEWBROOK PO	NEWBROOK	AB	T0A 2P0
245 NISKU STN MAIN	NISKU	AB	T9E 7M0
246 NOBLEFORD PO	NOBLEFORD	AB	T0L 1S0
247 NORDEGG PO	NORDEGG	AB	T0M 2H0
248 OKOTOKS STN MAIN	OKOTOKS	AB	T1S 1A0
249 OLDS STN MAIN	OLDS	AB	T4H 1A0
250 ONOWAY PO	ONOWAY	AB	T0E 1V0
251 OYEN PO	OYEN	AB	T0J 2J0
252 PARADISE VALLEY PO	PARADISE VALLEY	AB	T0B 3R0
253 PEACE RIVER STN MAIN	PEACE RIVER	AB	T8S 1A0
254 PENHOLD PO	PENHOLD	AB	T0M 1R0
255 PICKARDVILLE PO	PICKARDVILLE	AB	T0G 1W0
256 PICTURE BUTTE PO	PICTURE BUTTE	AB	T0K 1V0
257 PINCHER CREEK PO	PINCHER CREEK	AB	T0K 1W0
258 PLAMONDON PO	PLAMONDON	AB	T0A 2T0
259 PONOKA STN MAIN	PONOKA	AB	T4J 1A0
260 PRIDDIS PO	PRIDDIS	AB	T0L 1W0



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261 PROVOST PO	PROVOST	AB	T0B 3S0
262 RAINBOW LAKE PO	RAINBOW LAKE	AB	T0H 2Y0
263 RAINIER PO	RAINIER	AB	T0J 2M0
264 RANFURLY PO	RANFURLY	AB	T0B 3T0
265 RAYMOND PO	RAYMOND	AB	T0K 2S0
266 REDCLIFF PO	REDCLIFF	AB	T0J 2P0
267 REDWATER PO	REDWATER	AB	T0A 2W0
268 RIMBEY PO	RIMBEY	AB	T0C 2J0
269 ROCKY MOUNTAIN HOUSE STN MAIN	ROCKY MOUNTAIN HOUSE	AB	T4T 1A0
270 ROLLING HILLS PO	ROLLING HILLS	AB	T0J 2S0
271 ROLLY VIEW PO	ROLLY VIEW	AB	T0C 2K0
272 ROSALIND PO	ROSALIND	AB	T0B 3Y0
273 ROSEDALE STATION PO	ROSEDALE STATION	AB	T0J 2V0
274 ROWLEY PO	ROWLEY	AB	T0J 2X0
275 RUMSEY PO	RUMSEY	AB	T0J 2Y0
276 RYCROFT PO	RYCROFT	AB	T0H 3A0
277 RYLEY PO	RYLEY	AB	T0B 4A0
278 SANGUDO PO	SANGUDO	AB	T0E 2A0
279 SCANDIA PO	SCANDIA	AB	T0J 2Z0
280 SEBA BEACH PO	SEBA BEACH	AB	T0E 2B0
281 SEDALIA PO	SEDALIA	AB	T0J 3C0
282 SEDGEWICK PO	SEDEWICK	AB	T0B 4C0
283 SEXSMITH PO	SEXSMITH	AB	T0H 3C0
284 SLAVE LAKE PO	SLAVE LAKE	AB	T0G 2A0
285 SMITH PO	SMITH	AB	T0G 2B0
286 SMOKY LAKE PO	SMOKY LAKE	AB	T0A 3C0
287 SPIRIT RIVER PO	SPIRIT RIVER	AB	T0H 3G0
288 SPRING COULEE PO	SPRING COULEE	AB	T0K 2C0
289 SPRUCE GROVE STN MAIN	SPRUCE GROVE	AB	T7X 1A0
290 SPRUCE VIEW PO	SPRUCE VIEW	AB	T0M 1V0
291 SPUTINOW PO	SPUTINOW	AB	T0A 3G0
292 ST LINA PO	ST LINA	AB	T0A 2Z0
293 ST MICHAEL PO	ST MICHAEL	AB	T0B 4B0
294 ST PAUL PO	ST PAUL	AB	T0A 3A0
295 ST VINCENT PO	ST VINCENT	AB	T0A 3B0
296 STAND OFF PO	STAND OFF	AB	T0L 1Y0
297 STANDARD PO	STANDARD	AB	T0J 3G0
298 STAVELY PO	STAVELY	AB	T0L 1Z0
299 STETTLER PO	STETTLER	AB	T0C 2L0
300 STIRLING PO	STIRLING	AB	T0K 2E0
301 STONY PLAIN STN MAIN	STONY PLAIN	AB	T7Z 1A0
302 STRATHMORE STN MAIN	STRATHMORE	AB	T1P 1A0
303 STROME PO	STROME	AB	T0B 4H0
304 SUNDRE PO	SUNDRE	AB	T0M 1X0
305 SUNNYBROOK PO	SUNNYBROOK	AB	T0C 2M0
306 SUNSET HOUSE PO	SUNSET HOUSE	AB	T0H 3H0
307 SWAN HILLS PO	SWAN HILLS	AB	T0G 2C0
308 SYLVAN LAKE STN MAIN	SYLVAN LAKE	AB	T4S 1A0
309 TABER STN MAIN	TABER	AB	T1G 1A0
310 TANGENT PO	TANGENT	AB	T0H 3J0
311 THORHILD PO	THORHILD	AB	T0A 3J0
312 THORSBY PO	THORSBY	AB	T0C 2P0



From anywhere... De partout...
to anyone jusqu'à vous

Moratorium Post Offices

Open May 14, 2007

3,838 TOTAL
3,479 CPAA
359 CUPW

OUTLET NAME / BUREAU DE POSTE	CITY / LOCALITE	PR	P.C. / C.P.
313 THREE HILLS PO	THREE HILLS	AB	T0M 2A0
314 TOFIELD PO	TOFIELD	AB	T0B 4J0
315 TORRINGTON PO	TORRINGTON	AB	T0M 2B0
316 TROCHU PO	TROCHU	AB	T0M 2C0
317 TROUT LAKE PO	TROUT LAKE	AB	T0G 2N0
318 TURIN PO	TURIN	AB	T0K 2H0
319 TURNER VALLEY PO	TURNER VALLEY	AB	T0L 2A0
320 TWIN BUTTE PO	TWIN BUTTE	AB	T0K 2J0
321 TWO HILLS PO	TWO HILLS	AB	T0B 4K0
322 VALLEYVIEW PO	VALLEYVIEW	AB	T0H 3N0
323 VAUXHALL PO	VAUXHALL	AB	T0K 2K0
324 VEGREVILLE STN MAIN	VEGREVILLE	AB	T9C 1A0
325 VERMILION STN MAIN	VERMILION	AB	T9X 1A0
326 VETERAN PO	VETERAN	AB	T0C 2S0
327 VIKING PO	VIKING	AB	T0B 4N0
328 VILNA PO	VILNA	AB	T0A 3L0
329 VIMY PO	VIMY	AB	T0G 2J0
330 VULCAN PO	VULCAN	AB	T0L 2B0
331 WABAMUN PO	WABAMUN	AB	T0E 2K0
332 WABASCA PO	WABASCA	AB	T0G 2K0
333 WAINWRIGHT STN MAIN	WAINWRIGHT	AB	T9W 1A0
334 WANDERING RIVER PO	WANDERING RIVER	AB	T0A 3M0
335 WANHAM PO	WANHAM	AB	T0H 3P0
336 WARBURG PO	WARBURG	AB	T0C 2T0
337 WARNER PO	WARNER	AB	T0K 2L0
338 WASKATENAU PO	WASKATENAU	AB	T0A 3P0
339 WATERTON PARK PO	WATERTON PARK	AB	T0K 2M0
340 WEMBLEY PO	WEMBLEY	AB	T0H 3S0
341 WESTLOCK STN MAIN	WESTLOCK	AB	T7P 1A0
342 WETASKIWIN STN MAIN	WETASKIWIN	AB	T9A 1L0
343 WHITECOURT STN MAIN	WHITECOURT	AB	T7S 1A0
344 WILDWOOD PO	WILDWOOD	AB	T0E 2M0
345 WILLINGDON PO	WILLINGDON	AB	T0B 4R0
346 WIMBORNE PO	WIMBORNE	AB	T0M 2G0
347 WINFIELD PO	WINFIELD	AB	T0C 2X0
348 WORSLEY PO	WORSLEY	AB	T0H 3W0
349 YOUNGSTOWN PO	YOUNGSTOWN	AB	T0J 3P0
350 100 MILE HOUSE PO	100 MILE HOUSE	BC	V0K 2E0
351 70 MILE HOUSE PO	70 MILE HOUSE	BC	V0K 2K0
352 ABBOTSFORD STN A	ABBOTSFORD	BC	V2T 1X0
353 AGASSIZ PO	AGASSIZ	BC	V0M 1A0
354 AHOUSAT PO	AHOUSAT	BC	V0R 1A0
355 ALDERGROVE STN ALDERGROVE	ALDERGROVE	BC	V4W 1A0
356 ALERT BAY PO	ALERT BAY	BC	V0N 1A0
357 ALEXIS CREEK PO	ALEXIS CREEK	BC	V0L 1A0
358 ALTONA PO	ALTONA	BC	V0C 2T0
359 ANAHIM LAKE PO	ANAHIM LAKE	BC	V0L 1C0
360 ANGLEMONT PO	ANGLEMONT	BC	V0E 1A0
361 ARGENTA PO	ARGENTA	BC	V0G 1B0
362 ARMSTRONG PO	ARMSTRONG	BC	V0E 1B0
363 ARRAS PO	ARRAS	BC	V0C 1B0
364 ASHCROFT PO	ASHCROFT	BC	V0K 1A0

1. Broadband Service

In today's world, access to high speed Internet, at a reasonable cost, has become essential. An Environics poll found that "80% of respondents indicated that Broadband Internet service at home is essential, to varying degrees, with 37% responding that it is "absolutely essential." Another question found "84% of respondents believe that all Canadians should have access to broadband Internet service at home no matter where they live in Canada, compared to only 15% who do not."¹

What is needed now in most of Canada is high speed access to Internet Broadband through fibre lines in urban areas as well as coverage in all rural areas. The Canadian Radio-television and Telecommunications Commission (CRTC) defines high-speed as any download speed greater than 256 Kbps and broadband is defined as any service with a 1.5 Mbps download speed or greater.² Dial up through copper lines or copper to home from fibre is no longer good enough if Canada wants to provide the kind of speeds that people want today and businesses need. At the same time many Canadians in rural and remote areas do not have any access at all. And many low income Canadians cannot afford the connection charges as well as the equipment necessary to use the Internet at home.

Canada Post can play an important role in the roll out of a comprehensive broadband strategy. Canada Post has long recognized that the world is switching more and more from paper mail to internet and email. This massive change has led to a decline in letter mail but a rise in parcels as more and more citizens order goods on line. Canada Post has tried to adjust to this in several ways such as:

- 1) Increasing parcel delivery services with postal delivery having trucks to carry parcels as well as letters for home delivery, online parcel tracking and even installing same day parcel delivery for on-line shopping in Toronto, Vancouver and Montreal
- 2) Building an epost network to deliver bills and notices
- 3) Offering many online services such as mail holds, flex delivery and forwarding

Canada Post has gone too far in recently writing off home delivery of letters claiming erroneously that because mail has declined, home delivery is no longer needed. But on the other side, has Canada Post done enough to develop the Internet business to its fullest extent? And does offering Broadband Internet services fit into the mandate of Canada Post?

The basic "objects of the Corporation" as found in the Canada Post Corporation Act of 1985 note that the first object is "(a) to establish and operate a postal service for **the collection, transmission and delivery of messages, information, funds and goods both within Canada**

¹ Appendix "A" – Environics June 2015 Survey Results

This survey was commissioned by the Public Interest Advocacy Centre (PIAC) and carried out by Environics Research Group. <https://services.crtc.gc.ca/pub/ListeInterventionList/Documents.aspx?ID=224017&en=2015-134&dt=f&lang=e>

² CRTC, Communications Monitoring Report 2015,

<http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2015/cmr.pdf>

and between Canada and places outside Canada and (b) to manufacture and provide such products and to provide such services as are, in the opinion of the Corporation, necessary or incidental to the postal service provided by the Corporation; And then in the next section the Act notes " While maintaining basic customary postal service, the Corporation, in carrying out its objects, shall have regard to a) ***the desirability of improving and extending its products and services in the light of developments in the field of communications;***"³

All of the above points, as interpreted in the light of today's advances in communications, surely imply that Canada Post should move with the times and offer Internet services across Canada, with a particular emphasis on services to low income citizens and to rural communities and indigenous communities as well as helping small businesses to upgrade their Internet connectivity.

Many of the points in Canada Post Service Charter (all quotes below are from the Charter) also fit with the delivery of new services such as broadband, which we can say are now necessary to:

- "maintain a postal system that allows individuals and businesses in Canada to send and receive mail within Canada and between Canada and elsewhere."
- Assure "the provision of postal services to rural regions of the country"
- Guarantee "Uniform postage rates" for Canada that are "fair and reasonable" and,
- Offer "Frequent and Reliable Delivery" "to every Canadian Address"⁴

These are now points which need to be offered by electronic means as well as letter and parcel mail. Offering Broadband services could assure a new continuum.

This study will try to examine how Canada Post could do just that.

Before getting into the study, it is important to note that in April 2015, the Canadian Radio and Telecommunications Commission (CRTC) launched "a review of basic telecommunications services to address "a range of related topics, including upload/download speeds necessary in the digital age, the roles of economic and regulatory players in the public and private sectors, possible funding mechanisms to support telecommunications services and a range of related topics."⁵ This process resulted in hearings and reports from many of the most important stakeholders particularly around broadband issues. The CRTC is expected to report back on its conclusions in December 2016, so much of what we say here now may hopefully be surpassed by some progressive new policy decisions.

³ <http://www.laws.justice.gc.ca/eng/acts/C-10/page-1.html#h-6>

⁴ Canada Post Service Charter

https://www.canadapost.ca/cpo/mc/assets/pdf/aboutus/ombudsman/en/cpservicecharter_en.pdf

⁵ CRTC, Communications Monitoring Report 2015,

<http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2015/cmr.pdf>

2. International Examples of Postal Services which offer Broadband

Many post office services around the world have gone further in digital services than Canada Post and now offer Internet services. Among these in countries with comparable development levels to Canada are the British, French and Italian Post Office systems.

United Kingdom

The UK Post Office offered both telephone landlines, e-cards and Broadband services to some 454,000 customers in 2014-15. These services brought in some £130 million in sales in 2015-16 and an increase of 36,000 new Broadband customers and a 8.3% rise in sales over 2014-15.⁶ UK Post Office Broadband rates are cheap and the premium package costs run at £24 a month but delivered over phone lines with low broadband speeds but with unlimited downloads. The number of Broadband customers alone is not stated.

In 2012, the PO announced a five year deal with Fujitsu, along with TalkTalk, Capita and billing specialist MDS, which took over taking over from previous service providers British Telecom Wholesale and Logica. The deal is expected to bring in £500 m in revenues.⁷

However, these Broadband services will no longer be offered over Post Office mobile phones. The PO announced it would shut down its mobile phone network on August 8, 2016. The short experiment was ended after little over a year.

"Since June 2015 Post Office has offered a "Pay As You Go" mobile service online and in 263 of its 11,600 branches, but has now decided to conclude the trial as the results did not give us sufficient confidence that mobile will contribute to our goal of commercial sustainability. The money needed to invest further in the mobile could not be justified at a time that Post Office is investing in modernising our branches."⁸

France

In France, La Poste offers Internet services through La Poste Telecom's Poste Mobile brand. Poste Telecom is 51% owned by the Groupe la Poste and 49% by SFR. SFR, one of France's largest private telecom companies, as of December 2015, has 21.9 million customers in France for mobile services, and 6.35 million households with high-speed internet access.⁹ Poste Telecom does not own a network but uses SFR's. Poste Telecom has gained over 500,000 new clients in 2014 and now has some 1.25 million clients at the end of 2015.

⁶ UK Post Office Annual Reports 2014-15 and 2015-16

http://corporate.postoffice.co.uk/sites/default/files/Annual%20Report_201415.pdf and

<http://corporate.postoffice.co.uk/sites/default/files/AnnualReport1516.pdf>

⁷ <http://www.techweekeurope.co.uk/workspace/fujitsu-post-office-deal-79986#CPXERe4VKYh7AdAd.99>

⁸ "Post Office Mobile Closure", http://mobile.postoffice.co.uk/we-are-closing?awc=6375_1469717899_71067af632045a2968371b423c261faa#undefined

⁹ Numericable-SFR regagne enfin des clients sur le marché mobile <http://www.nextinpact.com/news/99052-numericable-sfr-regagne-enfin-clients-sur-marche-mobile.htm>

La Poste also offers *digiposte* which is an electronic safe to store documents. There are 1.5 million electronic safes open with 20 million documents stored and this service is used also by 300 companies.

Mediapost also offers digital targeting of potential customers through an email, telephone, web and regular mail.

La Poste has also introduced and is piloting in the South of France the sale and servicing of a tablet called **Ardoiz** designed especially for seniors but could be used by anyone. A Post Office employee even comes to your home to set it up. The cost is only 5.99 euro per month to use it at home or more for mobile connections.¹⁰

La Poste also had, in 2015, 36 000 subscriptions of their package « Quatro » which offers four services (TV, internet, land line and mobile).



Sales products for the Internet in La Poste office. Photo Christopher Schwartz

Italy

The subsidiary of Poste Italia, Poste Mobile, offers Internet services both on mobile phones and tablets and through computers, now through the WIND network. WIND is one of the largest mobile phone services in Italy with 22.8 million customers. Poste Mobile has 3.9 million lines as of December 2015.¹¹ Like the French LaPoste, Poste Mobile does not have its own network but uses that of WIND and is part of the MVNO, mobile virtual network operators, in

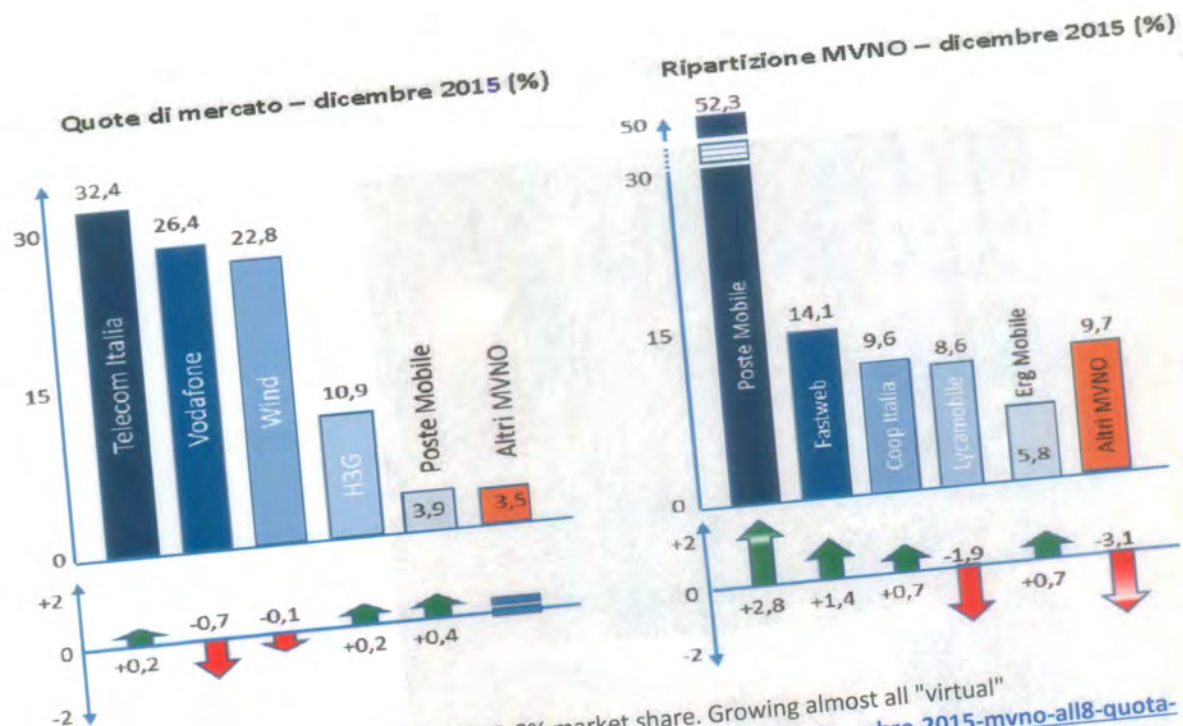
¹⁰ <http://www.ardoiz.com/offres-ardoiz.html>

¹¹ <http://www.mvnonews.com/2016/03/30/agcom-al-31-dicembre-2015-mvno-all8-quota-mercato/>

Italy. Poste Mobile is now the largest MVNO in Italy but still much smaller than the stand alone mobile phone networks.



Poste Mobile counter in Italian post office. Photo Christopher Schwartz



Source: AGCOM at December 31, 2015 MVNO 8% market share. Growing almost all "virtual"
 March 30, 2016 <http://www.mvnonews.com/2016/03/30/agcom-al-31-dicembre-2015-mvno-all8-quota-mercato/>

Poste Mobile sold some 333,530,000 euros of services and made over 18 million euros in profit in 2015. There is no separation of phone and Internet services, revenues or profits.

What is important to note about all three of these examples is that all three involve a partnership deal with major private sector companies who already provide these services. There has been no attempt to build a separate Post Office Broadband network in any of these countries. But, in all of these examples, the Post Offices have signed contracts for a limited period of time. In some cases, the Post Office has changed the original service partner provider to a new one when the first contract expired.

3. Who has access to high quality Internet and who does not in Canada

While Canada is thought of by many as a highly developed society technologically, and has been since the partial invention of the telephone here in the 19th century by Alexander Graham Bell, Canada is not one of the leaders in the provision of Broadband. A recent study by the International Telecommunications Union, "Measuring the Information Society Report 2015", listed Canada, in provision of Broadband fixed services, as #25, far behind the USA as #3 and other countries such as United Kingdom, Japan, and France etc.

Many people in rural Canada do not even have access to quality Internet. Indigenous peoples in rural and remote Canada are particularly underserved. As well low income people are also underserved as we shall demonstrate.

Table 4.4: Fixed-broadband sub-basket, 2014

Fixed-broadband sub-basket						
Rank	Economy	as % of GNI p.c.	USD	PPP\$	Speed in Mbit/s	Cap per month in GB
1	Kuwait	0.29	11.25	17.33	1	Unlimited
2	Macao, China	0.32	17.28	23.37	4	Unlimited
3	United States	0.37	16.32	16.32	2	Unlimited
4	United Kingdom	0.47	16.45	12.68	17	10
5	Switzerland	0.49	37.11	22.06	5	Unlimited
6	Japan	0.53	20.59	19.46	12	900
7	Austria	0.61	25.41	22.06	8	Unlimited
8	Andorra	0.61	20.80		0.5	2
9	Norway	0.61	52.21	33.10	6	Unlimited
10	Luxembourg	0.66	38.48	29.48	8	2
11	Ireland	0.67	23.88	18.51	100	30
12	Hong Kong, China	0.68	21.67	27.85	200	Unlimited
13	Russian Federation	0.68	7.82	17.94	15	100
14	Singapore	0.70	31.49	32.97	100	Unlimited
15	France	0.77	27.86	23.60		Unlimited
16	Iceland	0.84	32.46	26.15	12	5
17	Sweden	0.85	43.58	32.42	10	Unlimited
18	Belgium	0.88	33.83	28.41	30	100
19	Finland	0.88	35.69	26.96	10	Unlimited
20	Iran (I.R.)	0.88	4.24	12.84	0.25	2
21	Qatar	0.89	64.01	86.99	1	Unlimited
22	Denmark	0.90	46.15	30.75	25	Unlimited
23	Trinidad & Tobago	0.94	12.33	15.41	0.25	Unlimited
24	Italy	0.98	29.06	26.20	7	Unlimited
25	Canada	1.00	43.35	37.09	5	40
26	Cyprus	1.01	21.28	21.67	2	Unlimited
27	Netherlands	1.01	43.12	36.10	10	Unlimited
28	Czech Republic	1.06	16.81	26.12	2	Unlimited
29	Uruguay	1.08	13.64	17.03	5	15
30	Kazakhstan	1.12	10.77	21.49	1	10

Source: Measuring the Information Society Report 2015, International Telecommunications Union
<http://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2015/MISR2015-w5.pdf>

One of the reasons Canada has fallen behind many other countries is the low country-wide goals in terms of access to basic Internet services such as setting very low download and upload speeds. In 2011, the CRTC set a target speed for broadband Internet access across Canada (Telecom Regulatory Policy CRTC 2011-291). By the end of 2015, the CRTC expected all Canadians to have access to broadband speeds of at least:

- 5 Mbps for downloads (data that consumers are receiving from the Internet, including files, web sites, pictures, music, and movies)
- 1 Mbps for uploads (data that consumers are sending to the Internet)¹²

However, this goal was not realized and the date has now been set as 2017 to achieve near 100% access.

As we will discuss later, these 5/1 speeds are very low by international standards and no longer are adequate for doing many tasks of business and for the home such as watching many of the newest online downloadable video or playing the latest video games, or allowing many users in the same household to use the Internet for these purposes at the same time.

In 2013, the CRTC estimated 95% of Canadians had access to these relatively low Broadband speeds of 5 Mbps or higher. This has now risen in 2015 to 96%, but only 77% of households actually subscribe to services offering this speed.¹³ 94% of Canadians can access these speeds through either landline or fixed-wireless facilities, and an additional 1.5% may have access via satellite.

¹² <http://www.crtc.gc.ca/eng/internet/performance.htm>

¹³ CRTC, Communications Monitoring Report 2015,
<http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmr2.htm>

The cost for communications access is also now very high in Canada. The average cost for 2014 is \$203.04 per month per household for all their communications services, an increase of \$11.92 from 2013, with Internet now at an average of \$38.91 per month and wireline telephone services at \$31.10.¹⁴ According to the CRTC, Canadian households currently spend even more on wireless \$79.08 and BDU (television) services \$53.95.¹⁵ More and more Canadians now also own a smartphone and get their Internet services through their mobile phone. "In 2014, 66% of Canadians 18 years of age and older owned a smartphone compared to 62% in 2013 and 24% in 2010."¹⁶ The cost of mobile Internet services in Canada was ranked 45th in terms of costs, a very high rate.¹⁷ A new report commissioned by the CRTC. "2016 Price Comparison Study of Telecommunications Services in Canada and Select Foreign Jurisdictions" noted that while landline costs were amongst the lowest in comparison to other countries, Broadband costs were amongst the highest (see Appendix One for 5 tables showing differences in costs with other countries).¹⁸ Using costs at different levels of download speeds and data amounts, the Report found: "In the Fixed Broadband Internet category, Canada ranked third highest in pricing in the Level 1(basic level) and Level 3 service baskets, fourth in the Level 2 service basket and second in the Level 4 and Level 5 service baskets."

An interesting finding in costs of Internet was that the costs were significantly lower when the user purchased from a reseller that is to say a company which was buying its Internet at wholesale from one of the big four such as Rogers, Bell, Telus or Videotron. "For example, there was a differential of 36% for Level 1, 41% for Level 2, 29% for Level 3 and only 16% for Level 4. This implies that resellers were not as competitive in higher-level baskets"¹⁹

What is particularly interesting in all this data here is that 23% of households representing over 3 million households do not even have the very low standard of 5 Mbps.

4. Why do many Canadians still not have decent Internet service?

A) First there is the issue of Internet not being available by place of residence even if you can afford it and want it.

There were 13,320,610 households in Canada in 2011 and 4% do not have access to what is called "high speed" Internet (but is in reality now a relatively low speed). This would mean some 532,824 households, at least, do not have access.

¹⁴ Ibid

¹⁵ Ibid

¹⁶ Ibid

¹⁷ ITU, Measuring the Information Society, 2015 [http://www.itu.int/en/ITU-](http://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2015/MISR2015-w5.pdf)

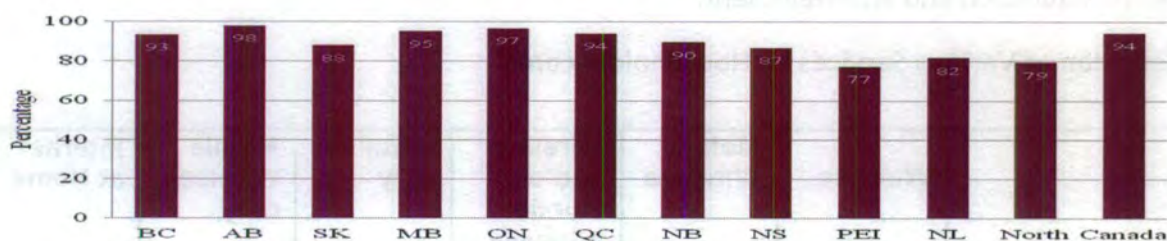
[D/Statistics/Documents/publications/misr2015/MISR2015-w5.pdf](http://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2015/MISR2015-w5.pdf)

¹⁸ CRTC, 2016 Price Comparison Study of Telecommunications Services in Canada and Select Foreign Jurisdictions, Prepared for the Canadian Radio-television and Telecommunications Commission (CRTC) by NGL Nordicity Group Ltd. (Nordicity), 2016, <http://www.crtc.gc.ca/eng/publications/reports/compar/compar2016.htm#5.3>

¹⁹ Ibid

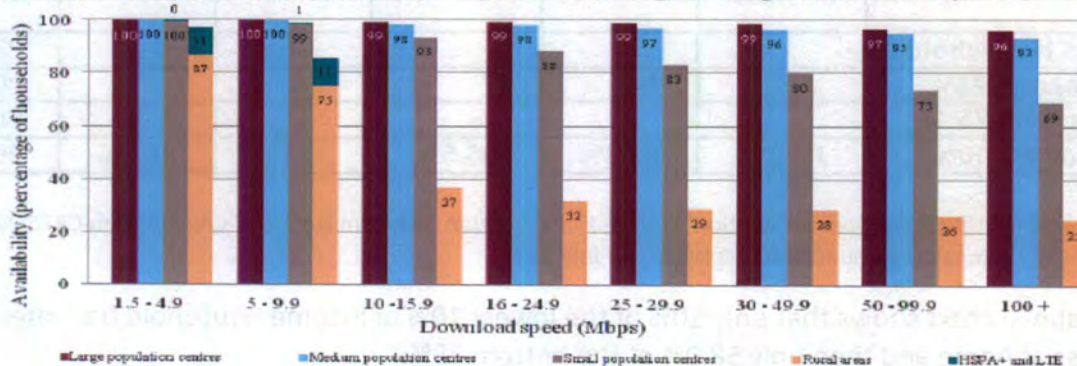
Provinces and territories, let alone regions, have a very uneven availability of 5 Mbps Internet, ranging from a high of access at 98% in Alberta to a low of 77% in PEI. But even an access rate of 94% in Québec means roughly 6% of the population, which is about 500,000 people, have no access to basic quality Internet.

Access to 5 Mbps by Province and Territories



Access to Internet by speed in Urban and Rural Areas

Figure 5.3.17 Broadband availability – Urban vs. rural (percentage of households), 2014



Sources: Industry Canada and CRTC data collection

Source: Residential broadband availability by province at 5 Mbps or higher and urban versus rural. Industry Canada and CRTC <http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmr2.htm>

Rural areas have much less access to Internet particularly at higher speeds. As the chart above shows, at 50 Mbps the access is only 25% in rural Canada compared to 96% in large urban areas.

Bell has argued that the cost of bringing access to the 4% (mainly in rural areas) who do not get 5/1 access “would cost approximately \$1.2 to \$1.7 billion to extend broadband connectivity to these remaining households.” They said this could be done through government subsidies and using subsidies allocated for other purposes.²⁰

²⁰ Bell, CRTC Review of Telecommunications, Final Submission Of Bell Canada and its Affiliates, May 2016

B) Cost of Internet prevents many from getting access

A second major problem why many do not have Internet is the high cost. In Ottawa, high speed Internet at the rate of 30 Mbps costs \$67.99 plus HST from Rogers with limited downloads. Bell Internet costs \$69.95 for 25 Mbps plus HST. If you are a single person on welfare receiving about \$650 a month or earning minimum wage at \$393 a week in Ontario for 35 hours, the above prices for Internet are just too expensive for a service that is now essential for work, education and entertainment.

Penetration of Various Services by Household Income

	Wireline	Mobile Wireless	Wireline and/or Mobile Wireless	Wireline only	Mobile Wireless only	Internet at Home
Current StatsCan Publications						
All Households	83.5%	81.4%	99.2%	17.8%	15.7%	
Second 20%	80.3%	75.1%	99.5%	24.4%	19.2%	
Bottom 20%	74.6%	61.7%	97.4%	35.7%	22.8%	
All Households						82.5%
Second 25%						80.1%
Bottom 25%						58.0%
Bottom 10%	68.6%	63.4%	96.5%	33.1%	27.9%	50.3%

Source: The "Affordable Access Coalition", Phase 1 Intervention, Telecom Notice of Consultation CRTC 2015-134, Review of basic telecommunications services, 14 July 2015

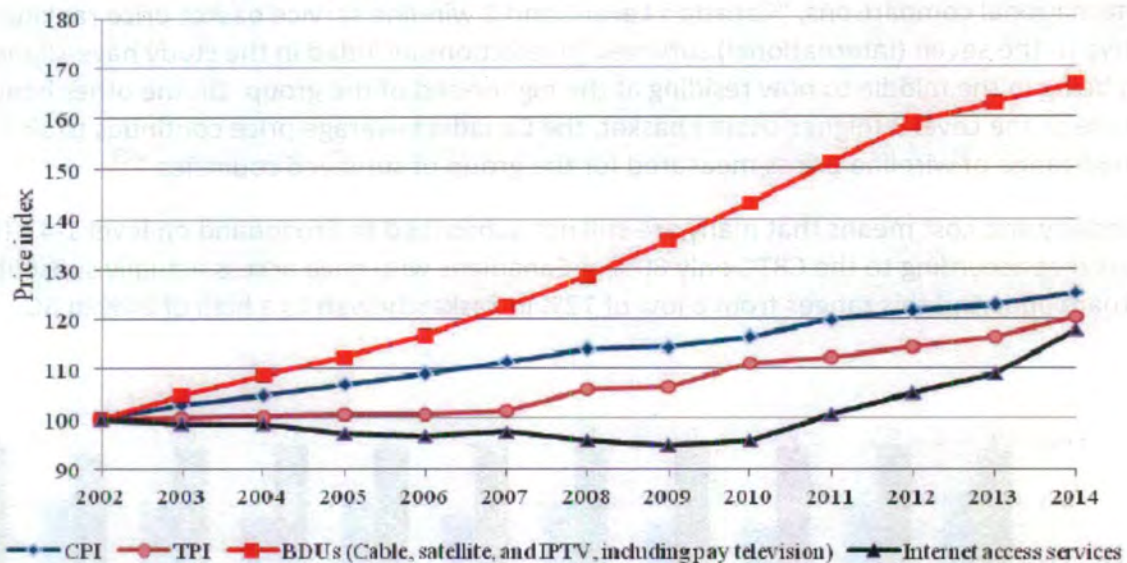
The above chart shows that only 10% of the lowest 10% of income household had Internet access at home and then only 58.0% of the bottom 25%.

The price of communications services has risen dramatically and has outpaced overall consumer prices. Between 2013 and 2014, overall consumer prices jumped by 2.0%, while prices for some communications services increased as follows: 3.4% for home telephone, 2.3% for cable, direct-to-home satellite and Internet Protocol Television (IPTV), and 8.0% for Internet."²¹ Note that by far the highest increase was for Internet. The CRTC also showed how in 2014 the price of 5 Mbps Internet service was generally higher in rural communities than in urban centres, except in New Brunswick.²²

²¹ CRTC, Communications Monitoring Report 2015, <http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2015/cmr.pdf>

²² ibid

Figure 2.0.2 Price indices for telephone services, broadcasting distribution servi (cable, DTH satellite, IPTV and pay television) and Internet service compared to the CPI



Source: Statistics Canada

Table 2.0.8 Home computers and Internet use from home per 100 households, by income quintile

	Year	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Average for all quintiles
Home Computer	2012	62.1	76.3	90.5	93.9	97.4	84.0
	2013	64.4	80.6	89.8	95.4	97.9	85.6
	Growth (%)	3.7	5.6	-0.8	1.6	0.5	1.9
Internet Use From Home	2012	55.9	72.4	87.6	93.1	98.5	81.5
	2013	59.7	77.6	89.0	94.9	98.4	83.9
	Growth (%)	6.8	7.2	1.6	1.9	-0.1	2.9

Source: Statistics Canada

Sources: CRTC, 2015 Policy Monitoring

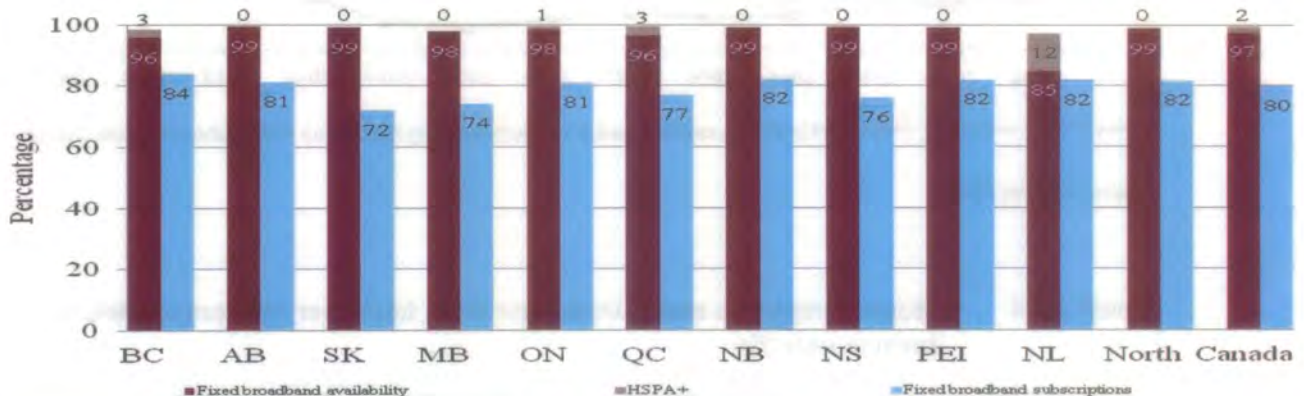
<http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmr5.htm>

While Canadian Internet prices were similar to other International prices at the low end < 3 (Level 1) and 4-15 Mbps (Level 2), at the higher end 16-40 Mbps (Level 3) and >40 Mbps (Level 4), the Canadian prices generally compare poorly as being too high except with the USA. In 2015, the Wall Report noted that "Canadian wireline service baskets prices have increased significantly. The Level 1, 2 and 3 service basket prices increased 4%, 9% and 8%, respectively, relative to last year. These increases are consistent with the historical trends in wireline service

prices over the last five years which has seen Level 1 and 2 basket prices increase at average annual rates of 6% and 5%, respectively, whereas Level 3 basket prices have increased more slowly at 2% per year on average (i.e., at roughly the rate of inflation)."

In international comparisons, "Canada's Level 1 and 2 wireline service basket price rankings relative to the seven (international) surveyed jurisdictions included in the study have slipped from being in the middle to now residing at the higher-end of the group. On the other hand, in the case of the Level 3 (higher-usage) basket, the Canadian average price continues to sit in the mid-range of wireline prices measured for the group of surveyed countries."²³

Availability and cost means that many are still not subscribed to Broadband on level 1-4. This means that according to the CRTC only 80% of Canadians who have access actually subscribe to Broadband. And this ranges from a low of 72% in Saskatchewan to a high of 84% in BC.



Source: CRTC, 2015 Policy Monitoring, Figure 5.3.14 Broadband availability vs. broadband subscriptions by province/territory, 2014 <http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmr5.htm>

Indigenous regions often have poor service. Nunavut has no land connections. Internet plans there limit downloads to 10 GB per month Canadians download as much as 66.5 GBs per month.²⁴ Internet is delivered by satellite and costs for a business can range up to \$1000 per month for a bad service.²⁵ Quebec's Nunavik region is exploring undersea cable as a way of connecting communities.²⁶

²³ "Price Comparisons of Wireline, Wireless and Internet Services in Canada and with Foreign Jurisdictions 2015 Edition" March 30, 2015, Prepared for the Canadian Radio-television and Telecommunications Commission and Industry Canada, Wall Communications Inc. http://www.wallcom.ca/pdfs/price-comp-report_2015edition_final_CRTC.pdf

²⁴ Kieran Oudshoorn, "Will Nunavut's satellite internet service upgrades make enough of a difference?" CBC News, Jan 20, 2016 <http://www.cbc.ca/news/canada/north/nunavut-internet-speed-upgrade-1.3410938>

²⁵ Karen McColl, "Bare minimum' \$1,000-a-month Internet services hobble Nunavut businesses" The Globe and Mail, April 25, 2016 <http://www.theglobeandmail.com/report-on-business/small-business/sb-managing/bare-minimum-1000-a-month-internet-services-hobble-nunavut-businesses/article29745729/>

²⁶ "Submarine Cable Route Study for Nunavik" <http://subseaworldnews.com/2016/08/08/submarine-cable-route-study-for-nunavik/>

5. Solutions for unserved and underserved areas and for low income users

So what can be done to secure access for unserved and underserved areas and for low income users?

A) Public Policy

The “Affordable Access Coalition” or “AAC made up of

- The Association of Community Organizations for Reform Now, Canada (“ACORN Canada”);
- The Consumers’ Association of Canada (“CAC”);
- The Council of Senior Citizens Organizations of British Columbia (“COSCO”);
- The National Pensioners Federation (“NPF”); and
- The Public Interest Advocacy Centre (“PIAC”)

presented a brief²⁷ to the CRTC hearings, Telecom Notice of Consultation CRTC 2015-134, Review of basic telecommunications services, which called for both a “baseline” Affordability Funding Mechanism which would provide a monthly subsidy of \$11 available to approximately 1.34 million households, for an annual capped cost of \$70 million, and an “ambitious” version which would provide a \$22 subsidy to approximately 2.61 million households for an annual capped cost of \$410 million.²⁸

The AAC argued that, “The Commission should also set a goal of all Canadian households being able to access 25 Mbps broadband home Internet service by 2020 (the “25 Mbps by 2020” goal), subject to annual updates to the definition of “basic” broadband.”

The AAC also concluded that:

“To support the “25 Mbps by 2020” goal, the Commission should establish a new funding mechanism, financed through the existing but modified National Contribution Fund, to supplement the current residential local wireline subsidy regime, which would continue to operate as is. The new Broadband Deployment Funding Mechanism would be to support broadband deployment. Funding, which would be capped annually, could be achieved through broadening the contribution-eligible “tax base” by including retail Internet and paging service revenues, and by returning the contribution rate to historic (2001-14) levels. The Broadband Deployment Funding Mechanism could be implemented beginning 2017”

ACORN Canada, a national organization of low- and moderate-income families, has asked the Canadian Radio-television and Telecommunications Commission (CRTC) to “mandate a \$10-per-month high-speed home Internet product for all families and individuals living below

²⁷ The “Affordable Access Coalition”, Phase 1 Intervention, Telecom Notice of Consultation CRTC 2015-134 Review of basic telecommunications services, July 14, 2015

²⁸ *ibid*

Statistics Canada's low income measure. In 2013, the LIM was \$20,933 for an individual and \$41,866 for a family of four, after taxes."²⁹

"An ACORN survey of 400 members last year found that almost 84 per cent said the cost of Internet services was "extremely expensive" and that almost 59 per cent of those skimped on food, recreation and rent to pay for it."³⁰

Ipsos-Reid found 91 per cent of Canadians have home Internet service but only 70 per cent for households with an annual income of less than \$25,000.

OpenMedia another public lobby group also "supports proposals for an industry-funded mechanism at the Commission to contribute to rural network infrastructure development, as well as targeted demand-side subsidies for vulnerable groups."³¹

Open Media argues that "Given that dominant operators such as Bell and Telus are allowing those with basic packages to purchase unlimited data for a price of around \$15 (with bundle) and \$30 (standalone) per month, ...the bundled discount price of \$15 per month represents a just and reasonable price for variable data charges, including a reasonable rate of return for the operators. Adding this variable charge for data to the \$10 a month access charge of serving a customer on legacy DSL/FTTN or cable networks deployed many years ago allows us to conclude that a mandated package of between 5 and 15 Mbps download, with about 1 Mbps upload advertised speeds should cost around \$25 per month."

The Federation of Canadian Municipalities has asked for the CRTC to:

"Expand the basic service objective to include universal access to affordable high-speed Broadband Internet at speeds that reflect present realities and guarantee long-term, reliable connectivity;

Continually re-evaluate its broadband speed targets to reflect technological advancements, changes in user needs, traffic, and network capacity; and

Adopt a national, comprehensive and long-term funding mechanism for basic broadband access to complement the current mix of targeted government programs and public-private partnerships"³²

B) Private Sector Moves

Rogers has taken one path towards a solution which could be made available to all low income households. On April 7, 2016, Rogers expanded its low-cost \$9.99 Internet service for tenants in Toronto public housing, which it introduced in 2013, to all 150,000 social housing households across Ontario, New Brunswick and Newfoundland, the provinces where Rogers

²⁹ Laurie Monsebraaten, "Rogers to expand low-cost Internet to social housing tenants"

April 7, 2016 <https://www.thestar.com/news/gta/2016/04/07/rogers-to-expand-low-cost-internet-to-social-housing-tenants.html>

³⁰ *ibid*

³¹ Open Media, Submitted to the CRTC, Re: Telecom Notice of Consultation 2015-134 Review of Basic Telecommunications Services, Final Submission, May 25, 2016

³² Federation of Canadian Municipalities, Intervention – Telecom Notice of Hearing CRTC 2015-134-5, Review of basic telecommunications services, May 25, 2016

operates.³³ Rogers started off the new expansion in Ottawa, in partnership with Centretown Citizens Ottawa Corporation and other non-profit housing agencies. The service has speeds of up to 10 Mbps download and up to 1 Mbps upload.

However "Connected for Success" as the program is called had only 9,000 active participants in Toronto by 2016 or only 17 percent of eligible households in social housing. This means that even \$10 a month is high for many low income families on top of TV and phones and that many may not have a modern computer or tablet able to connect to the service. Other reasons for this lack of participation may be lack of training in computer skills and low levels of basic literacy.³⁴

6. How internet upload speeds in Canada lag behind other countries

While the U.S. telecommunications regulator, the Federal Communications Commission, announced last year that, in order to meet its new "broadband benchmark," an internet service now has to be able to support downloads of 25 megabits per second (Mbps) and uploads of 3 Mbps, Canada trails far behind.³⁵ The targets for Canada now, as we noted, are only having 98% at 5 Mbps download by 2017, although they will be hopefully adjusted upwards when the CRTC announces its decisions on basic telecom in December 2016. These are woefully low compared to most other countries of similar income and industrial levels.

Peer Countries' Broadband Access Goals		
Who?	What?	By When?
U.S.A.	10 Mbps (rural/underserved communities) 100 Mbps to 100 million households	(no fixed date) 2020
European Union	30 Mbps to 100%	2020
Australia	50 Mbps to 90% of fixed line premises 25 Mbps to 100%	2019 2021
U.K.	2 Mbps to 100% 24 Mbps to 95%	2016 2017
France	3-4 Mbps to 100% Fibre-to-the-home to 100%	2017 2022
Germany	50 Mbps to 100%	2018

Source: Affordable Access Coalition, Presentation to CRTC. July 2015

If we look at our international rankings for download speeds, Canada is, in 2015, far behind the top countries and even the USA. For example, Canada is ranked global 24th in average download speeds with about half the average speeds of #1 South Korea and about 2/3 that of

³³ Rogers, "Rogers bridging the digital divide for up to 150,000 Canadians", April 7, 2016

<http://rogers.mediaroom.com/2016-04-07-Rogers-bridging-the-digital-divide-for-up-to-150-000-Canadians>

³⁴ Rogers, Telecom Notice of Consultation CRTC 2015-134, 2015-134-1, 2015-134-2, 2015-134-3, 2015-134-4, Review of Basic Telecommunications Services, Oral Presentation, April 21, 2016

³⁵ FCC's new broadband internet target leaves Canada behind

U.S. says broadband internet downloads must hit 25 Mbps, while Canada still aims for 5 Mbps

By Emily Chung, CBC News Posted: Jan 30, 2015 5:32 PM ET Last Updated: Jan 30, 2015 5:32 PM ET

<http://www.cbc.ca/news/technology/fcc-s-new-broadband-internet-target-leaves-canada-behind-1.2938440>

#2 Norway.³⁶ Canada is 21st at only 32% in percentage with access to download speeds above 15 Mbps. The number one country, South Korea, had 69% with access to these speeds. For peak download speeds, we were 33rd and had an average of 40% of the speeds of the number one country, Singapore or 60% of the number 3 country Indonesia.

Average Connection Speed

Country	Rank	Avg. Mbps
United States	16	15.3
Canada	24	14.3
South Korea	1	29
Norway	2	21.3
Sweden	3	20.6
Hong Kong	4	19.9
Switzerland	5	18.7

Average Peak Connection Speed

Country	Rank	Avg. Mps
United States	22	67.8
Canada	33	59.6
Singapore	1	146.9
Hong Kong	2	110.3
Indonesia	3	110.2
South Korea	4	83.1
Qatar	5	89.2

Percentage users above 15 Mbps

Country	Rank	% above 15 Mbps
Canada	21	32%
United States	18	35%
South Korea	1	69%
Norway	2	50%
Hong Kong	3	48%
Sweden	4	46%
Switzerland	5	44%

Source for tables: akamai's [state of the internet] Q1 2016 report
<https://www.akamai.com/us/en/multimedia/documents/state-of-the-internet/akamai-state-of-the-internet-report-q1-2016.pdf>

This is why many stakeholders, including AAC, Open Media and others, have argued for an increase to 25 Mbps as the new rate standard.

³⁶ <https://www.akamai.com/us/en/multimedia/documents/report/q4-2015-soti-connectivity-final.pdf>

7. What is being spent by governments to improve the situation?

In 2014, the Harper Government promised \$305 million over five years (2014-2019) to “bring high-speed Internet to 280,000 Canadian households currently without Internet or with slower access. Between now and 2017, the Government will invest up to \$305 million to extend access to broadband Internet at speeds of 5 megabits per second (Mbps) to 98 percent of Canadian households, mainly in rural and remote communities.”³⁷ This contribution was judged too little and too late. In Budget 2016 the new Liberal government proposed to increase high-speed broadband coverage by investing up to \$500 million over five years, starting in 2016–17, for a new program to extend and enhance broadband service in rural and remote communities.³⁸

This money, while allowing the funding of many positive projects, is insufficient to meet the needs of assuring proper access to all those without it now.

As one of the better known IT analysts in Canada, Michael Geist, said of this initiative, “Moreover, the \$500 million commitment is heavily back-loaded with only \$6 million promised for 2016-17 and \$81 million for 2017-18. In other words, most of the broadband money won’t be spent until 2018-19 at the earliest, leaving some Canadians without affordable Internet access for years. Given the government’s emphasis on infrastructure spending, \$6 million on broadband – the essential digital infrastructure – is embarrassing.”³⁹

These initiatives by the federal government are, of course, complemented by many provinces which are also contributing to Broadband expansion.

The Federal government also included monies for Indigenous Internet development but the Investing in Community Infrastructure package of only \$255 million over two years, starting in 2016–17, includes a wide range of infrastructure such as “roads and bridges, energy systems, broadband connectivity, physical infrastructure to mitigate the effects of natural disasters and fire protection services.” How much of the package will go to broadband connectivity is not stated.⁴⁰

A National Broadband or a National Digital Strategy

The Chairperson of the CRTC, Jean-Pierre Blais, called in April 2016, at the hearings into basic telecom services for the development of “coherent national broadband strategy.” He expressed disappointment that the Liberals’ recent budget “doesn’t appear to be tied to a clear policy on broadband and its deployment in Canada.” Compared to other countries such as the USA, the European Union and Australia, Canada has no overall plan and very small new

³⁷ “Harper Government launches program to bring high-speed Internet to an additional 280,000 Canadian households” July 22, 2014, <http://news.gc.ca/web/article-en.do?nid=869539>

³⁸ Budget 2016 <http://www.budget.gc.ca/2016/docs/plan/budget2016-en.pdf>

³⁹ Michael Geist, “Budget 2016: Is It The End of a Canadian Digital Strategy?” March 23, 2016 <http://www.michaelgeist.ca/2016/03/budget-2016-is-it-the-end-of-a-canadian-digital-strategy/>

⁴⁰ Budget 2016, Chapter 3 - A Better Future for Indigenous Peoples, <http://www.budget.gc.ca/2016/docs/plan/ch3-en.html>

funding for increased services.⁴¹ A broadband strategy has to include how access at increasing speeds will be delivered to people in all regions and at all income levels.

Others have said that what we need is a national **digital** strategy as Internet use now goes way beyond traditional Broadband use of email, web searching, games and videos to building the Internet of Things.⁴² What is meant by this is using the Internet more for business purposes such as in logistics, parcel delivery as well as in supplying goods and services to customers. For citizens, this means using the Internet to control and manage everything from cars, to home heating and lighting to appliances and of course to the delivery of television and video to the home and to mobile devices. Canada Post can have a special role in the development of these other uses starting of course with the logistics of delivery. Deutsche Poste⁴³ and Swiss Post⁴⁴ both are developing plans for these new uses for the Internet.

⁴¹ Christine Dobby, "CRTC chair makes strong call for national broadband strategy", The Globe and Mail, April 18, 2016 <http://www.theglobeandmail.com/report-on-business/crtc-chair-makes-strong-call-for-national-broadband-strategy/article29671174/>

Open Media, Submitted to the CRTC, Re: Telecom Notice of Consultation 2015-134
Review of Basic Telecommunications Services, Final Submission, May 25, 2016⁴²

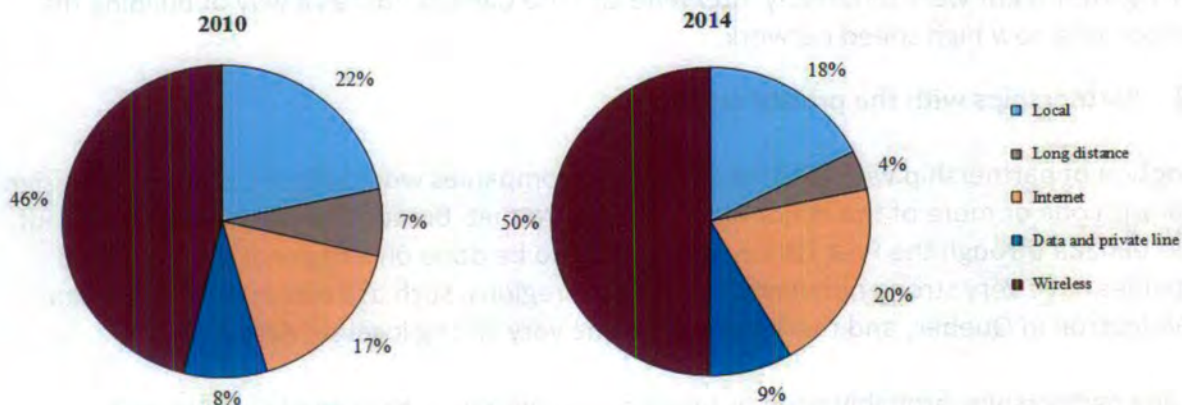
⁴³ "Internet of Things will deliver \$ 1.9 trillion boost to supply chain and logistics operations", 04/15/2015, http://www.dpdhl.com/en/media_relations/press_releases/2015/dhl_and_cisco_trend_report_internet_of_things.html

⁴⁴ "Swiss Post is developing an Internet of Things", 02.03.2016, <https://www.post.ch/en/about-us/company/media/press-releases/2016/swiss-post-is-developing-an-internet-of-things>

8. How could Canada Post offer Broadband Services?

Today in Canada, Internet services are very profitable and are growing in sales revenues. Revenues in 2014 for Internet Service Providers increased 8.6% from 2013, from \$7.7 to \$8.4 billion. 80% of these revenues were from residential sources and 20% were from business sources.⁴⁵ There are now over 525 ISPs in Canada and, while the top 5 control 74% of the market, in 2014 that was a decline from 75% in 2013. About 242 companies provide services solely through the use of resale.⁴⁶

Distribution of telecommunications retail revenues, by market sector



Source: CRTC 2015 Communications Monitoring Report 2015: Telecommunications sector overview
<http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmr5.htm>

This means there could be an opening for Canada Post. Here are some possible options.

1. **Building a broadband infrastructure alone**

The first option would be to build a dedicated Canada Post Broadband infrastructure which would cost a very large sum of money. For example, the Alberta SuperNet, which connects 429 communities in both urban and rural Alberta through over 13,000 kilometers of trenched fibre optic cables and 2,000 kilometers of high-speed wireless links, cost hundreds of millions of dollars (the exact total cost is not known but the initial cost of the project begun in 2001 was \$193 million from the province and \$102 million from Bell.). One part is owned by Bell and covers the 27 major cities. The other part owned by the Alberta government covers 402 communities in rural Alberta and is operated by Axia SuperNet Ltd. The Supernet connects 1425 government locations, 516 health-care facilities, 2,203 schools, 333 libraries, 244

⁴⁵ CRTC, Communications Monitoring Report 2015,

<http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2015/cmr.pdf>

⁴⁶ Ibid

municipalities, First Nations of Treaty 6, 7 and 8, Métis settlements, 157 education facilities, 95 schools and 44 federal health care facilities.⁴⁷

But the Alberta network does not connect directly to residences in most communities. This is left to private ISPs. One community, Olds, Alberta has taken the radical step of building its own high speed Internet O-Net. Olds now has one of the fastest Internet services in Canada.⁴⁸

To make this kind of new investment across Canada would require major sums of capital and would require many partnerships, at the very least with provinces, territories, municipal governments and Indigenous governments. This way forward would only be possible if the federal government were to directly intervene and use Canada Post as a way of building the backbone of a new high speed network.

2. Partnerships with the private sector

The option of partnership with existing Broadband companies would allow Canada Post to sign a deal with one or more of the major players to assure that Broadband service was rolled out across Canada through the Post Office. This could also be done on a regional basis as some companies have very strong networks in only some regions, such as Telus in BC and Alberta, and Videotron in Quebec, and there are even some very strong local services.

Also any partnerships probably need to take into consideration the use of satellite and microwave transmission in certain rural or northern areas where fibre to home is not feasible at the present time.

As has been pointed out in the paper the prices offered by resellers of Internet services are below that of the major providers such as Bell, Rogers, Telus, and Shaw etc. The CRTC has ruled that these large providers must offer wholesale prices to independent Internet service providers including reselling new fibre Internet services. This decision was appealed by Bell but recently upheld by the federal government.⁴⁹

These kinds of partnerships between Canada Post and the private sector could be modeled on the kind of deal signed by the UK Post Office with the Bank of Ireland to deliver financial services. This would entail a call for tenders process and then a contract for a limited period of time. This way control of the process remains in the hands of Canada Post.

⁴⁷ <https://www.akamai.com/us/en/multimedia/documents/content/state-of-the-internet/q4-2015-state-of-the-internet-connectivity-report-us.pdf>

⁴⁸ Emily Chung, "mall Alberta town gets massive 1,000 Mbps broadband boost Rural community of Olds builds its own fibre network and starts its own ISP" CBC News, July 18, 2013 <http://www.cbc.ca/news/technology/small-alberta-town-gets-massive-1-000-mbps-broadband-boost-1.1382428>

⁴⁹ Josh Tabish, "Open Media, "Huge win for Canadians, as Minister Bains rejects Bell Canada's attempt to block small providers from ultra-fast Fibre Internet", May 11, 2016, <https://openmedia.org/en/huge-win-canadians-minister-bains-rejects-bell-canadas-attempt-block-small-providers-ultra-fast>

3. Public public partnerships

There are a significant and growing number of regional and local community owned Internet Broadband services such as Olds, Alberta⁵⁰, Coquitlam⁵¹ and New Westminster, BC⁵², Chebucto in Nova Scotia⁵³ as well as in regions such as Eastern Ontario (EORN)⁵⁴. Canada Post could partner with these kinds of initiatives, as well as existing free nets. However, while these initiatives are important they only cover a very small part of Canada, Canada Post probably would need to have multiple kinds of partnerships to cover the Canadian territory.

What a Canada Post Broadband service could look like

- 1) Offering package deals on Internet services which could include
 - special packages to all low income citizens such as Rogers now offers to all Social Housing residents in its areas of operations
 - special services to rural residents at fair rates
 - special services targeted to Indigenous communities which now receive poor service
 - services to small businesses below a certain income threshold
 - VOIP phone services as well as TV packages
- 2) Installing public access to very high speed Internet in all post offices on desk top computers and making some post offices community access centres as many libraries do
- 3) Making all Post Offices hot spots that could offer wireless Internet to all those in a surrounding area
- 4) Selling tablets, smart cell phones and computers in all post office locations. (If Loblaw's and Shopper's Drug Mart can do it so can Canada Post!)
- 5) Offering special business services such as developing Internet services and sending out combined mail and email targeting
- 6) Offering special document storage facilities for all citizens and business to store key documents and images in secure cloud storage

⁵⁰ O-NET, "In 2011, the construction of a state-of-the-art fibre-optic to the premises municipally owned network began." <http://o-net.ca/about-us/>

⁵¹ QNet (a municipal owned company) has 60 km of fibre cable in that city <http://www.qnetbc.net/about-us/overview>

⁵² Randy Shore, "New Westminster to build city-owned fibreoptic network", June 20, 2016

<http://vancouver.sun.com/business/local-business/new-westminster-to-build-city-owned-fibreoptic-network>

⁵³ Chebucto Community Net <https://www.chebucto.ns.ca/> "On June 7, 2013 we completed the first phase of our Manors Project, a bold plan to provide highspeed wireless Internet access to public-run low-income seniors housing. Joseph Howe Manor and H.P. MacKeen Manor became the first examples of non-profit home highspeed Internet access in Eastern Canada and the first multi-dwelling residences in the Maritimes with full ubiquitous wifi access."

⁵⁴ "EORN includes: A 5,500-km network of new and existing fibre optic cable, with 160 new access points for Internet Service Providers." <https://www.eorn.ca/en/news/Changing-Internet-Access-in-Eastern-Ontario.asp>

- 7) Offering help in accessing Federal and other Government services on Post Office store computers

How to roll out such a process

Canada Post could establish a Broadband Digital Strategy committee and have as members: management, unions, as well as Internet advocacy and access experts from Canada and from other Postal systems which already offer Internet services.

The first task would be to look at how best to offer the services across Canada. All but point one in the above list could be begun very quickly.

Point one would require more study and then negotiations with partners once possible partnerships have been chosen.

Canada Post could begin with a pilot program in one or two regions of the country and then expand offerings to all regions.

Recommendations:

- That Canada Post offer a broadband service
- That Canada Post establish a Broadband Digital Strategy committee to begin the process and have as members: management, unions, as well as Internet advocacy and access experts from Canada and from other Postal systems which already offer Internet services.

Appendix One

The following charts are sourced from "2016 Price Comparison Study of Telecommunications Services in Canada and Select Foreign Jurisdictions". prepared for: The Canadian Radio-television and Telecommunications Commission (CRTC) by: NGL Nordicity Group Ltd. (Nordicity) <http://www.crtc.gc.ca/eng/publications/reports/compar/compar2016.htm#5.3>

They note the comparative cost of Broadband services at different levels.

Level 1: Speed: 'basic' Internet service with advertised download speeds of 3 to 9 Mbps

Data usage per month: 10 GB.

Level 2: Speed: 'average' (Canadian) high-speed Internet service with advertised download speeds of 10 to 15 Mbps

Data usage per month: 50 GB.

Level 3: Speed: high-speed Internet service with advertised download speeds of 16 to 40 Mbps

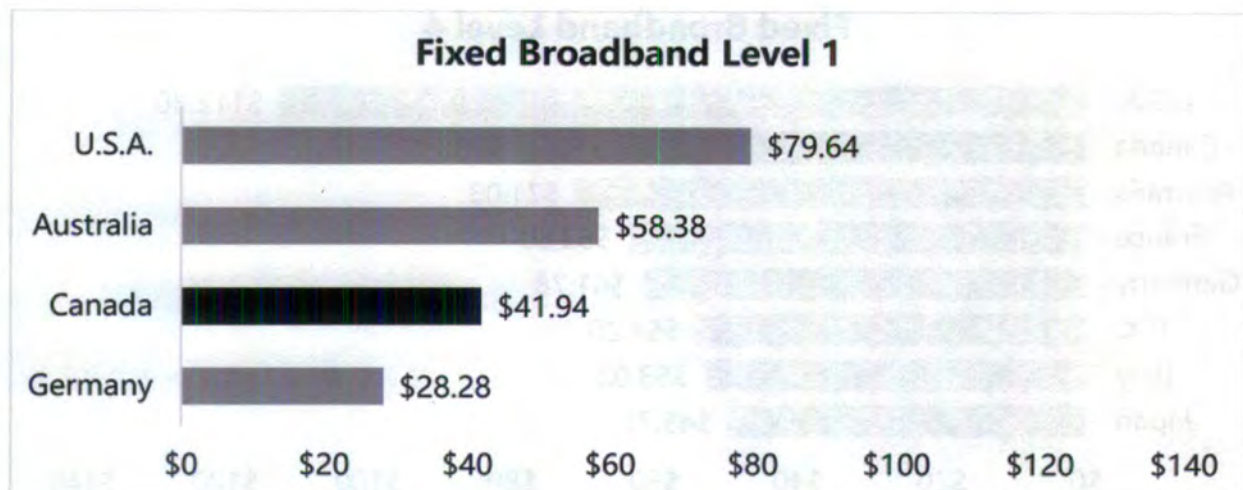
Data usage per month: 100 GB.

Level 4: Speed: high-speed Internet service with advertised download speeds of 41 to 100 Mbps range.

Data usage per month: 150 GB.

Level 5: Speed: high-speed Internet service with advertised download speeds of over 100 Mbps (targeted speed in the 100-1,000 Mbps range).

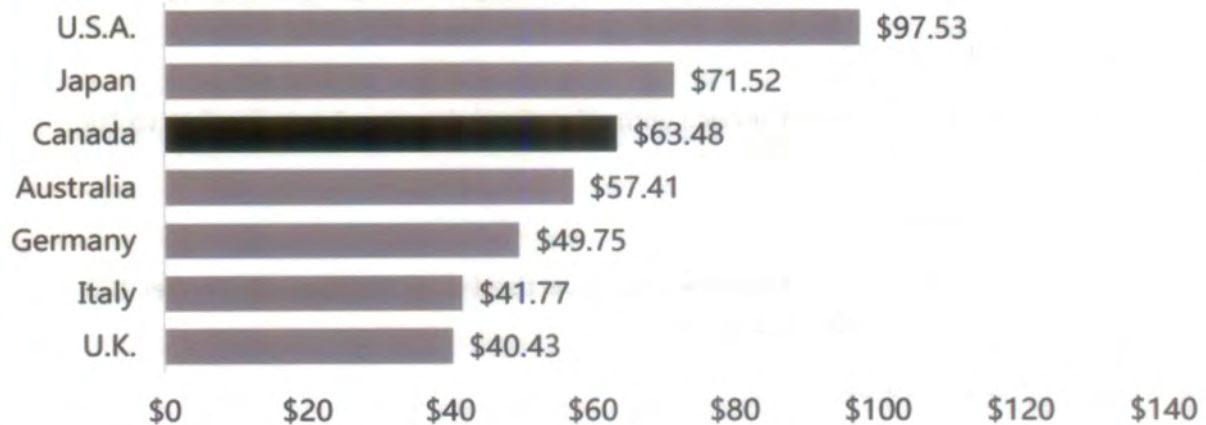
Data usage per month: 500 GB.



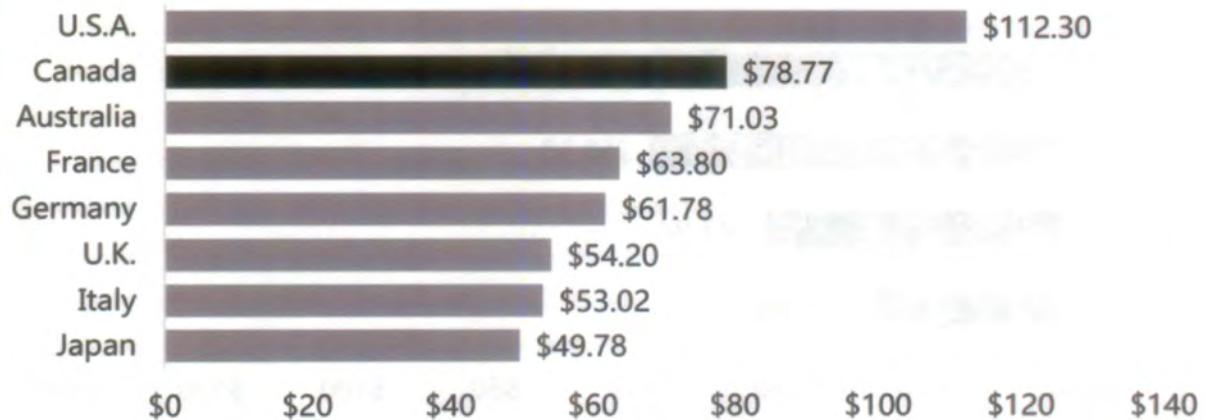
Fixed Broadband Level 2



Fixed Broadband Level 3



Fixed Broadband Level 4



Fixed Broadband Level 5



A bank for everyone – Support postal banking

Whereas we need a “public” review of Canada Post to discuss the future and our options for building a successful 21st century post office with the ability to meet the needs of Canadians and create new revenue streams, such as postal banking.

Whereas there is an urgent need for this service because thousands of rural towns and villages do not have a bank and nearly two million Canadians desperately need alternatives to payday lenders.

Whereas postal banking helps keep post offices viable and financial services accessible in many parts of the world

Whereas postal banking has the support of hundreds municipalities and close to two-thirds of Canadians (Stratcom poll, 2013).

Be it resolved that the (name of organization, municipality) supports the addition of postal banking at Canada Post.

Be it also resolved that (name of organization, municipality) call on the federal government to establish a taskforce to determine how to deliver new financial and banking services through our public postal service so that this matter can be properly assessed during a public review of Canada Post.

MAILING INFORMATION

Please send your resolution to: Judy Foote, Minister of Public Services and Procurement, Rm 18A1, 11 Laurier Street Phase III, Place du Portage, Gatineau, QC, K1A 0S5

Please send copies of your resolution to:

Mike Palecek, President, Canadian Union of Postal Workers, 377 Bank Street, Ottawa, Ontario, K2P 1Y3

Your Member of Parliament. You can get your MP's name, phone number and address by calling 1-800 463-6868 (at no charge) or going to the Parliament of Canada website: <http://www.parl.gc.ca/common/index.asp?Language=E>.

Raymond Louie, President, Federation of Canadian Municipalities, 24 Clarence St, Ottawa, Ontario K1N 5P3

JUST IMAGINE....

- A renewable-powered postal fleet that connects farms to dinner tables
- Door to door mail carriers expanding their role in strengthening the social fabric
- Post offices as hubs for green innovation, connecting local businesses and customers
- Postal banking, providing small towns with financial services
- Canada Post's public-interest finance fuels the green energy transition

We want a 100% renewable economy that addresses inequality, puts power in our hands and improves our lives.

The post office can deliver it.

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How Canada Post can be the hub
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CUPW.CA | PUBLICSERVICES.CA | LEAPMANIFESTO.ORG



“We face too many crises in this country to address them one at a time. What’s powerful about Delivering Community Power is how it takes on economic, environmental and social issues at the same time. Our post offices can become centres of community care and economic development, while bringing emissions down—this is the kind of leap we need in Canada.”

Naomi Klein

DELIVERINGCOMMUNITYPOWER.CA

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A Call for a Canada Based on Caring for the Earth and One Another

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DELIVERINGCOMMUNITYPOWER.CA

- 1** SHAPE CANADA POST'S FUTURE. We have a rare chance to push for a bold vision and a leap forward. Remember the ideas we've presented in this pamphlet and contribute your own innovative thinking.
- 2** JOIN US. Visit deliveringcommunitypower.ca to join the call for Canada Post to Deliver Community Power.
- 3** SPREAD THE WORD. On our web site, you can request copies of this pamphlet to distribute in your community.
- 4** GET YOUR MP ON BOARD. Call your federal Member of Parliament and ask them to support the campaign.
- 5** JOIN OR HOST A LOCAL EVENT. Spread the word about the campaign and identify local allies. Details at deliveringcommunitypower.ca

REIMAGINING OUR POSTAL SERVICE

Many think of Canada Post as a place to mail a care package, buy stamps or pick up the latest commemorative coin.

Some consider the post office past its prime: the last decade has seen efforts to cut, devalue and undermine this quintessentially public service. These moves have been fiercely resisted by people across the country.

What if our cherished national institution, with its vast physical infrastructure and millions of daily human interactions, could offer us something completely different? What if the post office could play a central role in building our next economy—an economy that is more stable, more equal, and less polluting?

We're thinking big. Will you join us?

JUST IMAGINE...

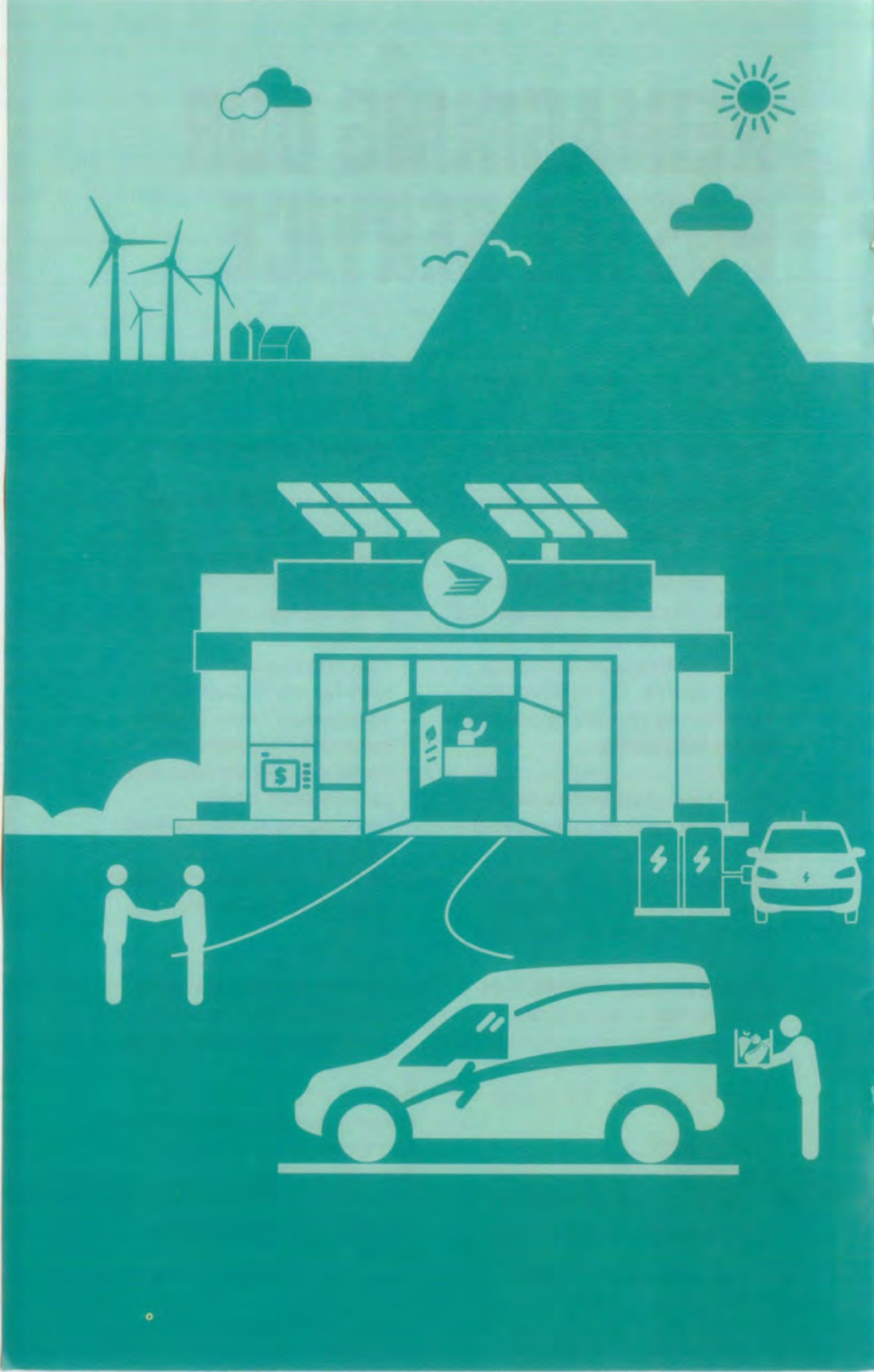
- Charging stations for electric vehicles at post offices
- A renewable-powered postal

fleet that connects farms to dinner tables

- Door-to-door mail carriers checking in on seniors and people with mobility issues as well as delivering locally-produced food and other services
- Post offices as community hubs for social innovation, connecting climate-friendly businesses to customers
- Postal banking services that provide small towns and Indigenous communities with inclusive financial services – like loans to families underserved by commercial banks
- Public-interest financial services that fuel the green energy transition in urban, rural and Indigenous communities

We want a 100% renewable economy that addresses inequality, puts power in our hands and improves our lives.

Our post office can deliver it.



WHY NOW?

WE ARE AT A CROSSROADS.

Our land, air and water are already feeling the effects of climate change. Economic inequality and precarious work are on the rise. Layoffs across the oil sector are triggering economic uncertainty, and scientists tell us that to prevent climate catastrophe, we must transition completely off of fossil fuels in our lifetime.

Leading researchers have already laid out how Canada can run entirely on renewable electricity by 2035¹ and transition to a 100% clean economy by 2050.² But we need to start now.

This energy transition is about more than just renewable technology. A “justice-based transition” is the idea that changing energy systems can also improve all of our economic and social circumstances. We can create thousands of stable, well-paying jobs, help those who have lost work due to the oil bust, and support those who have suffered the negative impacts of polluting industries. We can reduce poverty and improve quality of life


for people across the country. We can recognize the aboriginal rights and title of Indigenous nations, ushering in genuine reconciliation. We can build a strong, healthy local food system, protecting families from rising grocery prices. And we can support our elders and strengthen our communities in the process.

YES, WE'RE THINKING BIG. WE CAN'T AFFORD NOT TO.

A revitalized Canada Post can lead the way. If you want renewable energy in your home and neighbourhood, affordable banking and financial services, farm-fresh food delivered to your door, expanded elder care and a stronger local community and economy, join the Delivering Community Power campaign today.

¹ Sustainable Canada Dialogues. (2015). *Acting on climate change: Solutions from Canadian scholars*. Montreal, QC: McGill University

² Jacobson, M., et al. “Providing all global energy with wind, water, and solar power, Part I: Technologies, energy resources, quantities and areas of infrastructure, and materials.” *Energy Policy* 39:3 (2011);



“Boom and bust resource extraction has polluted our communities and spoiled much of our lands. But Indigenous peoples are at the forefront fighting for alternatives. Jobs that don’t destroy our land and water. Affordable access to renewable energy, banking services and secure healthy local food. This proposal will make a difference in First Nations and rural communities across the country.”

Clayton Thomas-Muller,
Stop it at the source campaigner, 350.org

MEET YOUR NEW LOCAL POST OFFICE


Mary is going to her post office in Tatamagouche, Nova Scotia, to mail a letter. Things have really changed over the past year.

Outside, there’s an electric car plugged into the post office’s rapid charging station. Next to it, a mail carrier is loading produce from a local farm into a new Canada Post delivery van—a plug-in hybrid model made in Canada. On the post office’s roof are solar panels, and a wall display tracks how much power they’re generating.

Stepping inside, Mary sees a poster advertising loans for solar panels and energy-saving home retrofits. As the clerk takes her letter at the counter, he explains that the post office is once again offering banking services. With a small loan, tax credits and other incentives, any household, farm or business can become a renewable power generator. The system will pay for itself over time.

A week later, Mary heads back to the post office to sign up for solar panels. On the way, she passes a payday lending operation that used to charge exorbitant fees but that has recently gone out of business. This time, she’s greeted by a postal worker in a green windbreaker, who’s just returned from a regional training program. She tells Mary about a proposed community-owned wind energy project (there’s already one in the territory of a nearby First Nation), and that the postal bank is ready to finance its expansion if more local investors come forward—she’s already sent letters to everyone who lives within 20 km.

At the counter, Mary hands in her loan application. As soon as it’s approved, the post office will help her coordinate with the solar installer. On her way out, she sees the new Canada Post van setting off on a round of elder visits, with prescription medications and farm-to-table groceries on board.



“Meeting our climate commitments requires a bold vision, and public support for that vision. By working closely with communities, Canada Post could deliver green energy in ways that address their concerns and meet their needs.”

David Suzuki

BUILDING CANADA'S NEXT ECONOMY

GREEN JOBS

Purchasing Canadian-made electric cars and vans for the postal fleet could create jobs for auto workers and mechanics, boosting our manufacturing sector.

ELECTRIC VEHICLE INFRASTRUCTURE

Turning post offices into charging stations for electric cars would help build Canada's green infrastructure.

COMMUNITY ELDER CARE

Postal workers could check in on elders and deliver medicine, offering innovative ways to care for Canada's aging population.

FINANCING COMMUNITIES AND CLEAN ENERGY

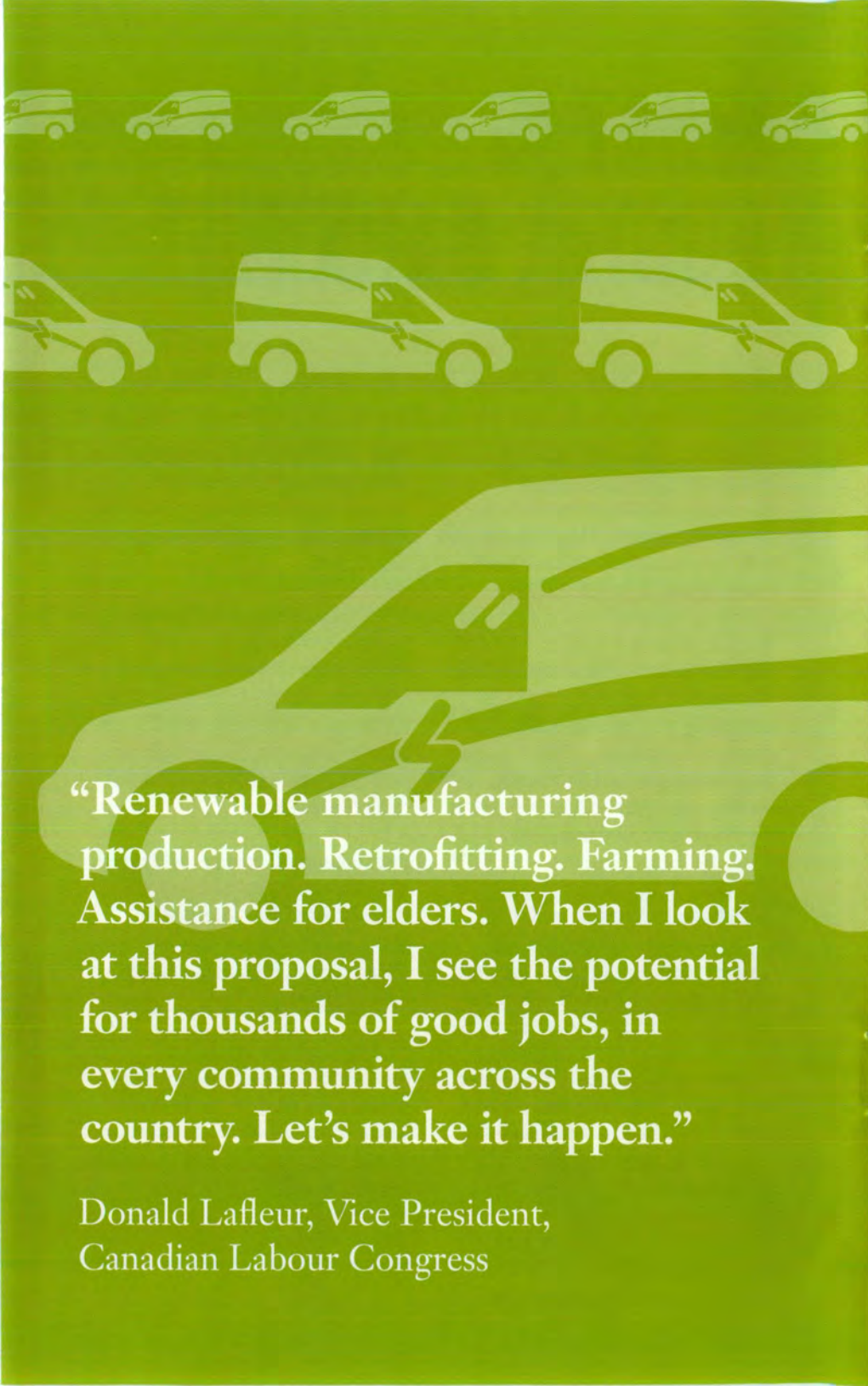
Providing access to credit via a postal bank to those dependent on seasonal, precarious, or low-income work can stop predatory payday lenders, while communities could access one-stop support for clean energy grants, energy-efficient heating systems, green power generation and cost-saving retrofits.

LOCAL FOOD SYSTEMS

Delivering fresh produce from farms to households would strengthen local food systems, support farmers and pollute less.

LOCAL BUSINESSES

Canada Post offices could connect innovative local businesses to customers and communities through the largest retail network in the country.



“Renewable manufacturing production. Retrofitting. Farming. Assistance for elders. When I look at this proposal, I see the potential for thousands of good jobs, in every community across the country. Let’s make it happen.”

Donald Lafleur, Vice President,
Canadian Labour Congress

DELIVERING OUR RENEWABLE FUTURE

Canada Post’s vast infrastructure and delivery network has the potential to become the hub of a green and social economy. Here’s how we could do it:

- 1** It starts with those negatively affected by the old economy. Indigenous communities downstream from polluting projects; neighbourhoods relying on precarious or low-paying work; regions facing job losses in extraction industries: postal banking and new sustainable businesses could provide solutions for all.
- 2** Transition the Canada Post fleet to 100% renewable energy. Canada Post has the largest public vehicle fleet in the country. Federal infrastructure funding could add a nation-wide network for charging electric vehicles—a springboard toward a broad shift to low-carbon vehicles.
- 3** Electric charging stations could be added to every post office and depot, which would encourage public use and build infrastructure for electric vehicles.
- 4** Expand door-to-door delivery services. Door-to-door delivery reduces use of fossil fuels than customers driving to pick up their mail.
- 5** Support for elders and those with limited mobility. Mail carriers, already the eyes and ears of their neighbourhoods, could check in on elders and deliver medicines and other services.
- 6** Turn post offices into community hubs. Local entrepreneurs can use the post office as a meeting space or pop-up shop to connect with customers and collaborators.

We own the
biggest retail
network in
the country.
What will we
do with it?

3,468

Tim Hortons



6,300

Post offices



WHAT IS POSTAL BANKING?

Post offices operate banks in dozens of countries around the world, including the United Kingdom, France, Italy, Switzerland and Japan. Canada Post offered banking services until 1968.

Postal banking is simple: like the big banks, post offices can provide everyday financial services like chequing and savings accounts, loans and insurance. There's one key difference: unlike the big banks, our postal banks are owned by the people who use them.

Canada's major banks raked in \$35 billion dollars in profits in 2015—while cutting jobs and raising their already high fees for day-to-day services. Hundreds of thousands of Canadians don't have bank accounts at all. Access to banking is particularly limited for Indigenous communities; only 54 of 615 First Nations communities are served by local bank branches.¹

About 2 million people a year in Canada use payday lenders, which often charge interest rates of

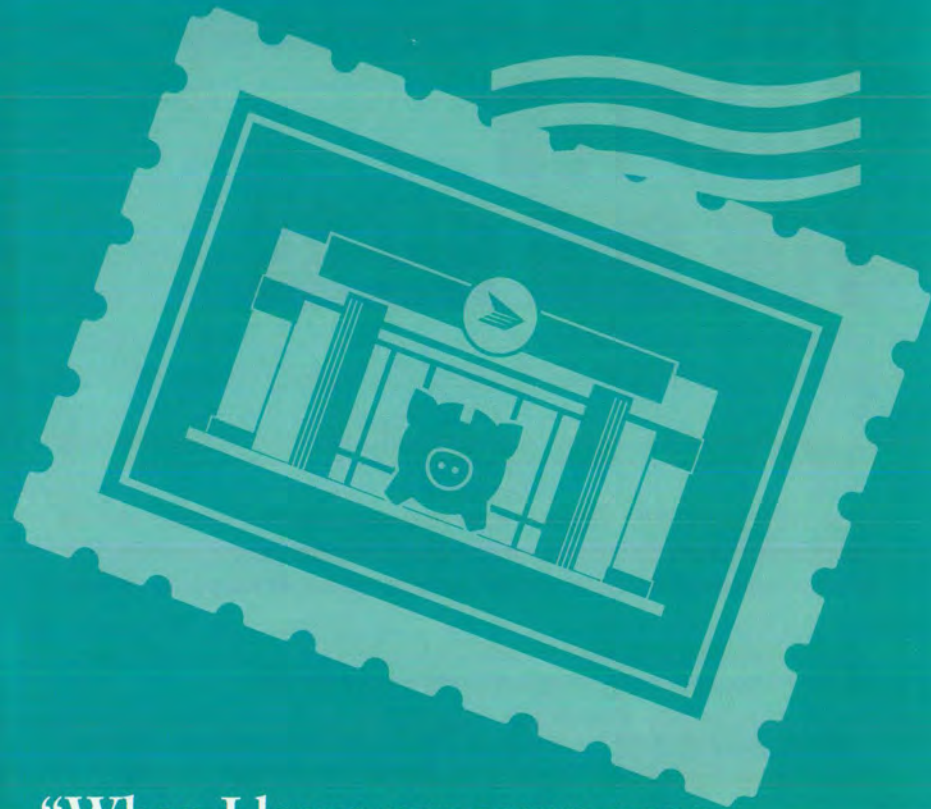
over 400%. For various reasons, these customers are denied overdraft protection, lines of credit, credit cards, and short-term loans.

Every year, workers in Canada transfer billions of dollars in remittances to family members overseas, but the cost of sending money can be as high as 20% on smaller amounts. These high rates hurt the people that depend upon them the most.

Postal banking could provide basic financial services for everyone. It could also offer affordable loans to boost renewable energy development, including energy-saving retrofits.

By offering banking services through its network of over 6000 postal outlets, Canada Post could overnight become the most accessible—and greenest—bank in the country.

¹ *Why Canada Needs Postal Banking*, Canadian Centre for Policy Alternatives, 2013



“When I leave my camp near Thessalon to drive to Sudbury, it takes two hours to get to my bank – but I pass seven post offices along the way.”

Peter Denley, Canadian Union of Postal Workers

For more on postal banking, see: *Why Canada Needs Postal Banking* (2013). Available at policyalternatives.ca

WHY CANADA POST?

What would you do if you owned...

- The biggest chain of retail outlets in the country?
- A way to easily communicate and connect with every household from coast to coast to coast?
- A logistical network that can mobilize people and move materials to every corner of the world's second-largest country?

WE OWN IT. Canada Post isn't just a mail and parcel delivery service; it's a powerful national logistics network that could address some

of our most pressing challenges, such as:

- climate change,
- delivering services to an aging population,
- providing financial services to low-income communities
- using profits to help fund other public initiatives

For over a century, Canada Post has provided the same world-class service to everyone in the country. By reinventing our post office as the engine of the next economy, we will connect people and communities into the next century.

“Canada's public postal service owns the country's largest retail and logistics network. In every province and territory, the thousands of dedicated postal workers have thorough knowledge of their communities. CUPW is really proud of them. Let's develop our public postal service to its full potential.”

Mike Palecek, Canadian Union of Postal Workers



“In Germany, many municipalities now produce more power from renewable sources than they consume — creating 400,000 new jobs in the process. Widespread local participation was the key to making that transition happen. Canada Post and postal banking can help bring this same approach to Canada, speeding the transition to renewables in ways that directly benefit local communities.”

Dr. Hans Thie, Advisor to Die Linke, and
Tadzio Mueller, Rosa Luxemburg Foundation

PROVEN MODELS, ADAPTED FOR OUR NEEDS

NORWAY replaced its diesel postal fleet with new electric vehicles.

The UNITED KINGDOM, FRANCE, NEW ZEALAND, BRAZIL and ITALY all have successful postal banking services that assist rural, remote and low-income communities while providing new revenues for the postal service.

JAPAN expanded postal worker service to provide assistance to elders, deliver food, and check in on those with limited mobility.

FRANCE and AUSTRALIA use their postal fleets to deliver fresh and frozen food, connecting farmers and local businesses directly to customers.

FRANCE has also started a pilot project to provide access to affordable 3D printing through post offices and its postal bank finances expansion and improvement of social housing.

SWISS POST provides public transportation in rural areas, and offers businesses online payment processing.

AUSTRALIA POST acts as an alternative to Paypal.

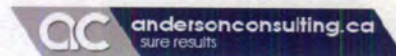
POSTE ITALIANE provides e-commerce services for businesses.



**Rural Canada is underserved
by financial services**

Why Post Offices Need to Offer Banking Services

**The results of a survey of 3,326 rural post offices
carried out for the Canadian Postmasters and
Assistants Association by Anderson Consulting.**



September 2014

The Canadian Postmasters and Assistants Association

<http://cpaa-acmpa.ca/pub/>

The Canadian Postmasters and Assistants Association was founded in 1902 in Stonewall, Manitoba as a grass roots organization dedicated to improving the working conditions of Postmasters in rural Manitoba. CPAA grew from a local organization to a national association that is the second largest bargaining unit representing employees of Canada Post Corporation.

Anderson Consulting

www.andersonconsulting.ca

Anderson Consulting is an Ottawa based consultancy firm. John Anderson is the author of this study and Principal at Anderson Consulting. The firm can be reached by telephone at 613-290-0016 or by email at info@andersonconsulting.ca



Table of Contents

1. INTRODUCTION	1
Methodology	1
Overall Results	2
2. POSTAL BANKING	4
Background	4
Detailed Results from the Survey on Postal Banking.....	5
Have Facilities and Services	11
Banks and Credit Unions Closing	11
Why we should not do it.....	12
Yes but Improve Security and Training	12
Partnerships.....	12
3. CONCLUSIONS	13
4. APPENDIX	14
Other Issues	14



1. INTRODUCTION

A new study, carried out for the Canadian Postmasters and Assistants Association by Anderson Consulting, shows that nearly half of rural communities with post offices which participated in the survey have no bank or credit union and, in some provinces, the rate is much higher. The implications of these results are that Canada Post could immediately bring in banking and financial services in post offices in these communities as a first step to introducing postal banking all across Canada. This would not only help the revenue side of Canada Post, and serve as a test for introducing postal banking everywhere but it would help in the economic development of rural Canada.

Methodology

This study was carried out in spring and summer 2014 and involved surveying some 3326 rural post offices where the post master and other employees are members of the Canadian Postmasters and Assistants Association. A survey with a stamped return envelope allowed respondents to mail back their answers and some 2620 did.

This overall response rate of 78.8% of those surveyed is an excellent response rate for a survey.¹

Our main questions are about:

1. **Postal banking:** Here we ask whether there are any banks or credit unions in their community and how far are the nearest financial institutions.
2. **Franchise operations:** Here we ask whether the communities in question have only the federally owned post office or whether they have franchise operations also operating postal services.
3. **Fringe Financial Institutions:** Lastly we ask whether there are any Fringe Financial Institutions, such as Money Marts and Insta-chèques, which offer pay day loans and cheque cashing for interest rates in the usurious 300-900% range.

¹ Because of the tremendous response we have not been able to put in all the comments from all the respondents. We have selected a representative sample on each topic.

Overall Results

The results of the survey show that some 45% of the post offices which responded have no bank or credit union within at least a 6 kilometre radius and most are much further away, from 15-20 kilometres on the average to over 300 kilometres. The record in this category is the Post Office in Kugluktuk in Nunavut where the nearest bank is 1500 kilometres away!

And the most complicated post office to financial service route location is from a New Brunswick island post office, Welshpool, where you have to take a ferry to the USA and then drive across the US-Canadian border to get to a bank. In other words, you must make a total of 4 international border crossings and use up about a day's time just to get to a bank!

But we also found that while the vast majority of post offices with no financial services want them, even many post offices with a bank or credit union in their community see the value of having these services. These post offices report that the credit union or bank branch in their community have reduced their hours to only a very few a week, and many bank and credit union branches have announced they were soon closing.

We also asked people about whether they have franchises in their communities. Franchises are privately owned businesses which offer some postal services but do not hire staff at Canada Post standards for wages and benefits, but rather at lower standards. They are allowed to be open very different hours usually more than Canada Post directly owned post offices. Part of the current strategy of Canada Post is to open more franchises and close down traditional post offices.

So far the spread of franchise operations varies widely according to the province in which the respondents are located. Some provinces have a very high rate of franchises in their communities. British Columbia has the highest rate, at 36%, of all post offices surveyed having one or more franchises in their community. Quebec also has a high rate of 24% of post offices with a franchise in their communities, while the national average is only 14.5%. Newfoundland, on the other hand, has a very low rate with only 4.7% of communities having a franchise.

We also had questions on the survey about the existence of Fringe Financial Institutions, such as Money Mart or Cash Money, which offer pay day loans and credit cards at very high rates. On the average these rates can approach 300-900 %.² The US Post Office Inspector General's recent report³ on why and how the US Post office should offer financial services outlined how postal financial services could offer products to replace the usurious interest rates for "pay day" loans offered at the Fringe Financial Institutions. So far, the progress of FFIs in rural Canada is quite slow, but it is still quite threatening to find FFIs are now found in more rural communities.

Our survey shows only 41 communities have FFIs amongst the over 2600 communities with post offices surveyed.

Rural Post Offices Surveyed on Financial Services & Franchises 2014

Provinces and territories	Total	No bank or credit union	% Communities with no bank or credit union	Franchises	% of Communities with franchises	Fringe Financial Institutions
British Columbia	176	107	61%	64	36%	7
Alberta	211	60	28%	20	9.50%	10
Saskatchewan	322	144	45%	25	7.80%	5
Manitoba	177	85	48%	14	8%	2
New Brunswick	111	55	50%	11	9.90%	0
Nova Scotia	157	102	65%	18	11.50%	2
Newfoundland and Labrador	255	215	84%	12	4.70%	3
Prince Edward Island	27	16	59%	3	11.10%	0
Ontario	457	202	44%	39	8.50%	9
Quebec	718	189	26%	172	24%	3
Nunavut	3	1	33%	1	33%	0
Yukon	6	2	33%	0	0%	0
Canada	2620	1178	45%	379	14.50%	41

² Fringe Financial Institutions, The Unbanked, And The Precariously Banked: Survey Results From Prince George, B.C. Dr. Paul Bowles, Keely Dempsey And Trevor Shaw, National Collaborating Centre for Aboriginal Health, 2010 <http://www.nccah-cnsa.ca/docs/nccah%20partner%20documents/ABDCReportOct15.pdf>

³ <https://www.uspsig.gov/sites/default/files/document-library-files/2014/rarc-wp-14-007.pdf>

2. Postal Banking

Background

Most developed countries' post office systems offer financial or banking services. A study by the author, "Why Canada Needs Postal Banking?"⁴, showed that banking services are profitable and effective in many countries such as France, Italy, New Zealand, UK and Switzerland, all countries with large and comprehensive banking systems. Thus, even when there are banks or credit unions in place, a new competitive service offered by the post office can deliver equal or cheaper and better services than existing banks. In Canada, banking services were offered for over 100 years from the time of Confederation to 1968 when they were suddenly closed at the same time as the US Post Office closed its banking services.

In Canada, we also know that the number of banks and credit union branches has declined over the last decades, and that many communities now have no branches or fewer bank or credit union branches than before. In 1990, there were almost 8,000 bank branches (7,964) and, by 2012, the number was down to 6,205. The total number of credit union and caisse populaire branches has dropped from 3,603 in 2002 to 3,117 in 2012. Thus, if the 6400 post office branches began to offer financial services, this would mean that access to financial services would improve dramatically.⁵

As this survey shows, many communities in Canada now have no banks or credit unions at all and others never have had any local financial services. Many citizens have to drive double digit kilometer distances to reach the nearest bank. As well, many banks and credit unions still have a branch in the community but the opening times have been cut back with many branches only being open a few days or a few hours.

All this while there is a post office in the community which has:

- Regular secure pickup and delivery
- Safes and secure storage
- Computer and Internet connection
- Staff trained to deal with retail services
- Already offering some financial products such as International and national money transfers, money orders, credit cards with an assigned value etc.

⁴ John Anderson, *Why Canada Needs Postal Banking*, Canadian Centre for Policy Alternatives, 2013, <https://www.policyalternatives.ca/publications/reports/why-canada-needs-postal-banking>

⁵ Ibid

In other countries studied, the transition to offer postal banking services was accomplished with existing staff and the addition of some specialists in banking. In the UK, for example, some 300 banking specialists in the Post Office manage the offering of financial services at over 11,000 post offices.⁶

Postal banking can be a win-win both for the communities, for citizens and for local businesses as well as for maintaining good jobs in rural communities where employment with decent wages and benefits is often difficult to find.

Detailed Results from the Survey on Postal Banking

Our study shows that 1178 communities with a post office out of 2620 which responded have no bank or credit union in their community.

The rates of communities without a bank or credit union vary widely by province. Some provinces such as Newfoundland have 84% of communities surveyed without a bank or credit union. In Nova Scotia the rate is 65% and in British Columbia 61% without a bank or credit union. The communities with a low rate of no bank or credit union, or in other words a high rate of a bank or credit union close by, are Quebec at 26% (with a strong credit union network) and 28% in Alberta (with the province owned ATB Financial banking network). But even with the stronger presence of banks and credit unions in these provinces, there are still 189 communities surveyed in Quebec and 60 in Alberta that have no bank or credit union but each community has a post office.

Many who answered the survey responded in a very positive manner to the need for postal financial services being offered.⁷ Many mentioned how it would be good for the community as well as helping to sustain the local post office.

- I strongly believe that it would be advantageous for our nation's rural communities for financial services to be offered in the post office, as this would provide more services to individuals, which, in turn would help to ensure the sustainability of the post office. **Saskatchewan**
- We are convinced that this service would be very useful and appreciated by our community. **Quebec**
- I believe that adding banking services to this rural community would enhance sales at this office. **Ontario**

⁶ Ibid

⁷ In order to protect the identity of the post offices which answered the survey we have mentioned only the name of the province in which the community is situated.

- This post office is a very important place in this community. A vital link for many; and it is exciting to see more and more people using online purchasing. It would definitely be a positive step to be able to provide financial or banking services here also. **Saskatchewan**
- I think you have a great idea, and I hope this could be introduced. I have used this service in the Post Office in Italy. A great way for customers to pay bills etc. **Ontario**
- I think adding banking services in XXXX would be a great idea because we are the biggest community in the old XXXX Township and we have absolutely nothing here except a grocery store. **Ontario**
- To have some kind of banking in XXXX would be a step up - as of there isn't even a bank machine. People have to drive to Eganville, Cobden or Renfrew to do banking. Even to get a bank machine would be good. **Ontario**
- The citizens of Ste. XXXX complain a lot about not having a financial institution in their community. Since 2013 it is the Ste. XXXX post office which serves the whole municipality of XXXX. **Quebec**
- Many community members do not have transportation to go to Masset at a whim to do their banking. Due to our isolation, bills often arrive late and customers end up with late cheques if unable to get to the credit union. **British Columbia**
- We have a population of about 800 permanent residents, and a high school/trade school that is expanding to accommodate approx 500 students during the school year- being able to offer them financial services would definitely be a huge bonus for our post office, plus a much-needed service for the people, especially the students who mainly come from remote areas and have no vehicles here. **Manitoba**

An aging population and many who do not have access to a car

Some who answered the survey note the aging population in their community, and the many who cannot get to a bank because they do not have access to a car, as amongst the groups who are particularly interested in postal banking.

- A large portion of XXXX is seniors and low income. This service would be greatly needed. **Ontario**
- XXXX is a tiny but "rich in the summers" community. It would certainly make use all year long of banking services, winters leave behind the locals who are all older. They also say they would use it. Thanks. **Ontario**
- I believe that Postal Banking would be a huge plus for my community. With a population of about 800, many of whom are seniors or have no transport to nearby towns - this is a service that would increase traffic in my post office and be convenient for my customers - a win-win for everybody!!! **Nova Scotia**

- Our community is a community of 95% senior citizens, many of whom have no vehicle or do not drive in winter months. **Newfoundland and Labrador**
- This would be very interesting for all the people, who can not travel, to be able to get banking services at the post office. **Quebec**
- I think this is a great idea! We have a lot of seniors in the community that find it hard to get to the bank. I believe it would increase sales in this office, by bringing in a lot more people. **Nova Scotia**
- Banking services would be a "great" benefit to the community we have mostly seniors and many of them do not have their own vehicle and have to rely on others to take them. --- (Note: 232 kilometres (return) to major centres) **Newfoundland and Labrador**
- Our community has a lot of seniors in it and farms. Driving to do banking is very time consuming and inconvenient. **Saskatchewan**
- XXXX is a retirement community and the elderly would greatly benefit from banking services and not having to travel to Digby. Canada Post should definitely consider adding these services. My customers would use it for sure. **Nova Scotia**
- I do believe offering banking will benefit our community as well as Canada Post. We live in an ageing community where people do not use phone or internet banking and prefer face to face service. **Newfoundland and Labrador**

Long and often dangerous distances to reach a bank or credit union

Other community post offices note the long dangerous drives or drive and ferry rides to get to a bank. Some post offices are in communities which have no land or water connection to the mainland.

- All the nearest banking services are in Thompson which is about 220 kilometres away, or a 2 and a half hour drive. Not very convenient. **Manitoba**
- The nearest banks are 320 kilometres away. Two businesses in town have their own private banking machines that give out cash only. The nearest banks are in Terrace, British Columbia or Smithers, British Columbia. **British Columbia**
- If I need to go to the bank I can leave my home at 10:15 AM -to get in line to catch the 10:30 ferry and cross to XXXX where I go directly to the bank, then directly back to the ferry arriving at my house again approx 12:15 PM. So it is approx 2 hours to get to the bank. Any other trip of the day would take longer - approx 3 hours. --- the Bank - is on XXXX which is a half hour ferry ride plus 10 minute drive to ferry then a substantial wait for the return ferry which again is a 1/2 [hour] ride. **New Brunswick**

Some of the longest trips to a bank are in Newfoundland and Labrador.

- The closest bank to my office is a 45 minute drive which could take 2 hours in the winter months, depending on the road conditions. I have customers who pay their monthly bills via MoneyGrams and Canada Post money orders, but the majority pay their bills through their own personal banks. I think that post offices offering financial or banking services would be a great asset to our offices.

Newfoundland and Labrador

- We are located on an isolated Island XXXX the nearest bank is 100 kilometres away, a 6 hour ferry ride (summers -once a week - Saturdays) or a 3 hour snowmobile ride (winter). \$500.00 plane ride (one way), we have no internet service other than dial-up therefore online banking is very minimal. This service offered at our postal facility would be an amazing asset to our community.

Newfoundland and Labrador

- Our community of XXXX has a ferry service, connecting us to the mainland. Most customers travel to XXXX for banking which is approx: a 35 minute ferry ride plus 1 hour driving, which is very an expensive trip. (\$50.00 return trip).

Newfoundland and Labrador

- There is only one store and the Post-Office for cashing cheques. --- The nearest bank is XXXX via airplane 45 minute flight, cost - roughly \$600.00 return - no road connection. ***Newfoundland and Labrador***

Some also think that right now would be a very appropriate time to bring in the banking services.

- When the government of Canada makes it mandatory to have OAS/CPP/EI direct deposit, it would be great to have banking services in the post offices. XXXX

Newfoundland and Labrador

Not all those who want postal banking services have no banking services in their community. Many think that the one stop for postal and financial services is a good idea and will be an improvement in their existing situation.

- We are a(n) ...office in a community of 18,000. Although we have many services in town, we have a huge national and international tourist base and a very transient population we could use this service. Though we don't tick the right boxes in this survey. ***Alberta***

- We feel adding banking services to our post office would be a great benefit, we would welcome it. Being a senior town, we have a lot of customers I believe would use the service, many don't want or like using the bank and we already have many customers using our MoneyGram services on a regular basis, even with all the financial institutions around. **Ontario**
- Even though the banks are close to the post office it would still be more convenient for customers to do all their business in one place. I think it would be a great idea to offer banking services. **Alberta**

One post office mentions the lack of banking on First Nation reserves and how postal banking could help. Most reserves have no financial services.

- Our community is surrounded by 4 reserves. First Nations use services such as MoneyGram etc. ..I think this would be a great idea. **Saskatchewan**

Minority religious communities near rural post offices will also benefit.

- The XXXX post office serves a huge Mennonite/Amish community. These people rely on Canada Post as their sole means of communications as they don't own phones, computers..., yet most of them run their own small business. They rely on the post office for letter mail and faxes. They do a lot of their banking by mail and would love to have banking services within their community. **Ontario**

Many underline the exorbitant cost that citizens now pay to get to a bank with no public transit.

- People usually pay \$20 for a trip to the nearest bank. (300 kilometres distance). **Ontario**
- We are a small community. We are the only facility on the Island who does money orders, bill payments via MoneyGram or wires money. The ferry from our island to a larger community to do these services is almost \$40 a trip. **British Columbia**

Not having a bank or credit union is bad for the post office too. One points out the disadvantage for the Post office to get cash for operations with no bank or credit union.

- The Credit Union has been closed for a year now and I am alone and thus cannot absent myself to go and get change at the (nearest) credit union which is 9 km away. The 18 km return trip can take at least half an hour before I get back. I cannot close the post office for such a long time. Very unpleasant. **Quebec**

Problems with banks and credit unions in the community

Many note that while the post office is open at least 5 days a week, often, the existing bank or credit union is not, as hours have been reduced in many communities. Another criticism often cited is that, where there was one only bank or one credit union, it would not serve other institutions' customers.

- Our bank is only open part time 5 days a week. The post office is the hub of our small town. **British Columbia**
- Both banks in town have very short hours 9:30-12 and 1 pm - 4 pm. Most people cannot get in to do business at those hours. **Alberta**
- I make the deposits for two post offices which are in other communities (St XXXX and St XXXX) which do not have financial institutions. I receive their deposits by registered mail. **Quebec**
- Although we have a Credit Union in our Community, CPC refuses to deal with B.C. Credit Unions. The company deals with Credit Unions in other provinces but not in B.C. **British Columbia**
- The ATM which is one block from my office does not offer all the services (no deposits and no bill payment). Only withdrawal is possible. This is, of course, not very practical. **Quebec**
- The Credit Union is open 3 days a week. All the other banks are in St. Jean sur Richelieu which is about 25 kilometres away. **Quebec**
- In our municipality, we have a Service Centre, which only does withdrawals, deposits and bill payments. No requests for financing (loans etc.) are done at this location. **Quebec**
- Good idea to offer financial services. Our credit union is open only very limited hours while our post office has many more hours which is much more practical than the credit union. **Quebec**
- Credit Union is going cash less starting July 2014. There is a lot of negative talk about this. **Prince Edward Island**
- A lot of customers in our area have business with Bank of Nova Scotia, Royal Bank and BMO. They cannot access these in this area. Also the MoneyGram cheques we issue are Royal Bank--the bank here will not cash them unless you have an account with them-- which is inconvenient with tourists, students, foreign workers, etc. **Prince Edward Island**
- The Credit Union does not offer a lot of services any more. I cannot even make my deposits and the credit union is just across the street. We cannot change US money anymore and do many other things. I think they want to close the credit union. The nearest other financial institutions are about 25 km away from the post office. **Quebec**

- The Credit Union in XXX is only open a few hours a week. **Manitoba**
- The Caisse Populaire is only open for 4 hours, 2 days a week (total 8 hours per week). **Manitoba**

Have Facilities and Services

A few post offices already have or had a bank or financial office in the post office which works or worked well.

- ATB Financial has been a part of my office for approximately 25 years (I have been here 29 years) and it significantly increases the traffic flow in my office. They are 2 businesses which complement each other immensely. --- It is the only banking in our small community. **Alberta**

Some note they already cash cheques or do a booming business in some financial services.

- No roads connecting anywhere. Travel is by British Columbia Ferries, boat or float plane (Pacific Coastal or charter). We currently cash cheques (business/government only, no personal) for people living within the community (depending on cash availability) or people will purchase money orders for smaller accounts. **British Columbia**
- There used to be a Western Union next door. It closed earlier this year. We are now so busy there are days we stand at the counter for 1.5 hours non-stop to send MoneyGrams. Being alone on our shifts after 10 am makes it difficult to serve regular customers. Every second Friday (afternoon) is the worst since it is payday for immigrants (not complaining, I like the extra money). **Alberta**

Banks and Credit Unions Closing

The survey notes a wave of recent or announced banking closures which make postal banking even more necessary.

- Our Credit Union will be closing July 5th 2014. People will have to take the ferry to XXXX or to XXXX to do any banking transactions. XXXX to XXXX is about 40 minute crossing plus 10 minute driving across the island to the bank. To XXXX is about 40 minute crossing plus 10 minutes driving to XXXX. **British Columbia**
- The management of Desjardins are talking of closing their branch at the end of their lease in December 2014 because of the cost of the lease with Hydro-Québec. They talked about their plan to the elected municipal leadership in order to try to find a solution and naturally they thought of Canada Post. The community and the business people are worried about this closing as it is the only financial institution here. Living in remote regions, the nearest credit union is 624 km away in XXXX. There is a XXXX bank in the Aboriginal community of XXXX 100 km away but people do not want to displace themselves and this is very long way to go! We need these services so why not. **Quebec**

- We will be losing our credit union after 30 years. We have 2 very upset communities. This would be a great opportunity. **British Columbia**
- ...this Credit Union is closing on October 31, 2014. **Saskatchewan**
- Our branch of the Credit Union will be closing 2017. **Saskatchewan**
- RBC but will be closing in December 2014. Nearest bank in village is in XXXX 15 minutes away. **Ontario**

Why we should not do it

A very few post offices do not want financial services. These criticisms seem to come from a few places with a bank or credit union already.

- I am not in agreement with your decision to bring banks or credit unions in our post offices because the franchises have taken our jobs so now we are going to take the jobs from the banks and credit unions. This does not make sense.
Quebec
- Banks (postal banking) only work in countries that don't have a satisfactory banking system. Now I can deposit cheques with my phone. It is a losing idea. Internet is ending banks quicker than ending letter mail. The only reason at all to have a bank is to do loans and mortgages. **British Columbia**

Yes but Improve Security and Training

Some are in favour of postal banking but wanted improved security.

- I am in agreement with banking services but we need to install a security system for the employees because we will be a target for robbery in isolated communities. **Quebec**
- Relating to banking services would ...offices be required to increase extra security such as an "Alarm System" and if so who would pay for it? **Ontario**
- many offices would be targets for break-ins- this is NOT a good option unless a lot of work went into making a safer workplace. **Manitoba**
- If we expand our products and services offered, I hope we have a quality training program. **Quebec**

Partnerships

One respondent proposes moving the credit union into the post office building.

- The ideal would be to move the credit union into the post office. Our local has a very large area, is in the centre of village and is equipped with telephone, fax and Internet. We are also open 40 hours a week. **Quebec**

3. Conclusions

Our study shows that there is a real need for postal financial services in thousands of communities across Canada. We now have clear proof that financial services are really needed across Canada.

1. There are almost 1200 communities where there is right now no bank or credit union but there is a post office. Residents of these communities not only have to waste time, endure often dangerous travel routes and pay extra in travel costs to reach a bank or credit union, they are deprived of having the local financial services that could help them secure a mortgage or a loan.
2. Many communities have a bank or credit union, but the hours they are open have been reduced to only a few a week, which does not provide adequate service opportunities. The number of post offices which reported banks or credit unions that are only open certain days or certain hours was very large. Post offices are open a minimum of 5 days a week and generally have regular office hours.
3. Many other communities have a bank or credit union but would like the opportunity to offer one stop postal and financial services. We know Canadian banks charge amongst the highest service fees in the world just to maintain an account. In other countries, with postal banking services, low fees have forced traditional banks to remain competitive.
4. Fringe Financial services, such as Money Mart and Cash Money, have been expanding, particularly in large urban areas, and are now starting to appear in rural communities. Postal banking could stop their progress and allow FFI users another, better and fairer option where loans would not be set at usurious rates.

When the issue of postal banking was first raised in the latest period, some asked where would we start, how would we begin. This study shows that there is a clear first step and that could be to open postal banking in those the nearly 1200 communities where there is no bank or credit union. A second step could be to open postal financial services in those communities where banks and credit unions only open a few hours and a third step would be to expand the network across to every post office.

4. Appendix

Other Issues

Our study also allowed respondents to tell us other ways Canada Post can help save and expand the post office other than through financial services.

1. End the strategy of moving to franchises and giving cheaper rates to Pitney Bowes

Many mention that part of the solution to saving and expanding the post office is stopping the opening of franchise offices which are in competition with the existing post office as well as ending the allowing of Pitney Bowes to undercut post office rates.

- We need to end franchises in order to save our traffic and promote our sales... and save the morale of our troops. I do not believe that franchises are the future of Canada Post. Our sales shrunk by 70% since the franchise opened. It would be best to reassure and best serve our clients by preserving the real corporate offices by assuring top notch training of staff, and by increasing the opening hours. **Quebec**
- The franchise offices often do not follow the rules/regulations of Canada Post. A community as large as XXXX should be serviced by a Canada Post run office - Instead of cutting back and closing offices the corporation should be looking in to giving more services in their offices like banking etc.... The communities here are small and the next one is only 10 minutes down the highway - they do have a franchise and their community is larger than this one. **British Columbia**
- I feel that the corporation is phasing out rural post offices one day at a time with the five point action plan. Opening franchises and limiting what type one office can do. Also offering meters to businesses for \$.75 is taking away from our offices and they expect revenue to be up! **Nova Scotia**
- I just want to say I do not agree with Canada Post's plan to go to all franchised post offices. (Very sad day when we lose customer service!) **British Columbia**
- Why does Pitney Bowes get a break on postage?? How do we keep selling postage to our small businesses when they see the savings using a postage meter?? Canada Post is killing our small towns. **Saskatchewan**

2. Offering Other Services

Many respondents noted that as well as postal banking there can be other services offered at the Post Office.

- I think the Post offices in rural areas could sell fishing and hunting licences, would be a money maker. **Ontario**
- I think that is a good idea to offer banking also maybe to offer registry services as there are very few if any in the small communities. **Alberta**
- We are often asked if we have a fax. We could also offer office services. **Quebec**
- Passports at more offices. /Dog licenses/Red Box Movie Kiosk/Cash back on debit/... Rent advertising space in lobbies + windows + on vehicles. **Ontario**
- I feel that Canada Post in smaller communities should look at having Service Ontario (or other provincial equivalents) or Service Canada services in their office to provide essential services and increase traffic. **Ontario**
- We could be a Sears's pick-up location because Sears is 50 km away. **Quebec**
- If I had a photocopier, I could charge to make copies and sell postage to send those photocopies. There are no businesses/schools providing this popular service. **Manitoba**
- Do not forget about fax and photocopying. I am asked for these services 5 times a day. **Quebec**
- Canada Post could, at low cost, pick up parcels that are to be sent. An email, a phone call, and it is done! The post person arrives for the pick-up. A signature is all that would be needed and that is it. **Quebec**
- Bring back the machines for stamping letters which have been taken away from our post office. We are no longer asked to check weight and the stamp value on letters. This is a loss of revenue for Canada Post. **Quebec**
- We should open earlier and shut later and open on Saturdays if we want to make our clients happy. An information centre for Employment Insurance would also be appreciated. This was talked about as a possibility 20 years ago. **Quebec**

- For post offices, why not offer passport services, car registration, government (SAAQ) car insurance, Quebec health card renewal with photos? The Government could develop Internet services. Not everybody can receive these at home. Why not offer Internet access for government services.

Quebec

- Make an alliance with Purolator so that they leave us their undelivered parcels because we get clients each week who ask us where should they go to pick up their Purolator parcels. **Quebec**
- If you want people to use post office more there should be a variety of small boxes you can buy and ship anything in them regardless of weight- to a maximum- for the price of the box. Stamp sales have dropped drastically.

British Columbia

- We see a lot of revenue sources like the selling of address labels that need to be signaled to the head office. We also see plenty of wasted revenue being generated by the head office. A new tab on the CPAA website would be useful so that these opportunities and wastes are reported. **Quebec**
- Canada Post already reduced our hours and our community is growing. It opens when people are already at work, closed during lunch when they have a minute to come and again closed before they get home from work. 9-12, 2-4 are the new hours starting July 2014. This will affect online shopping as people will not be able to send parcels. **Alberta**



THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

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BY JIM HOLLAND, KATHERINE STEINHOFF AND GEOFF BICKERTON

Table of content

Acknowledgments	1
Introduction	1
U.S. Postal Service and Non-Bank Financial Services.....	1
Postal Banking.....	1
More Than One Quarter of the United States Is Financially Underserved.....	3
Financially Underserved: “Underbanked” and “Unbanked”	3
“Fully Banked”, But Looking for Another Option	4
Banking “Deserts” Are A Real Problem	5
Bank Concentration	5
Non-Bank Financial Services - Current and Proposed Law	6
Existing USPS Authority and S. 1486 Section on Nonpostal Services.....	6
USPS National Network.....	8
Leveraging The Postal Network to Offer Non-Bank Financial Services.....	8
Brief USPS Overview	8
A National Footprint Based on Geography	8
Not Subject to Demands of Shareholders	12
Postal Service Finances and Risk.....	13
Postal Service Business Finances	13
Risk in Postal Service Lending Overblown	13
A Real Risk - Product Concentration	14
Postal Banking Success Stories From Other Countries	14
Employees.....	15
Conclusion	16
Potential for Postal Banking in Canada.....	16
Banking trends and problems.....	16
Record Profits.....	17
High Fees	17
Decades of Rural Closures	18

Deliberate Exclusion	18
Many Unbanked Canadians.....	19
Payday Lenders	20
What they are	20
What they charge	21
Who uses them.....	22
Patterns and Potential for Postal Banking: Two case studies	24
Newfoundland and Labrador	24
Greater Toronto and Hamilton Area	28
Support for postal banking in Canada	32
Federal political parties.....	32
Municipalities	33
Organizations and unions	33
Public	33
Postal workers	33
Postal management.....	34
Research	34
Conclusion	35
Appendix A	37
Methodology	37
Appendix B	39
Communities in Newfoundland and Labrador With a Postal Outlet but No Bank	39
References	45

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

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INTRODUCTION

This paper will examine ways in which the United States Postal Service and Canada Post could solve critical national problems associated with banking. These problems include the increase in financial exclusion associated with the growth in unbanked and under-banked citizens in urban centres and inadequate access to banking services available to First Nations and people and small businesses in rural areas.

It includes geographic data which illustrates the magnitude of the geographic exclusion practiced by the banks in rural areas. Also it maps the proliferation of payday loan enterprises in large urban centres which exist to meet the unmet financial and banking needs of a growing section of the urban population.

The paper will demonstrate how the re-establishment of postal banking services in both the US and Canada may be a enormous opportunity to enhance the value of the postal service's retail locations, provide good jobs and provide services to an unbanked and under-banked population.

U.S. POSTAL SERVICE AND NON-BANK FINANCIAL SERVICES

POSTAL BANKING

Since the publication of a January 2014 U.S. Postal Service Office of Inspector General (OIG) white paper, "Providing Non-Bank Financial Services for the Underserved" (OIG 2014), the idea of non-bank financial services at Post Offices has captured the imagination of many people in the United States. It is widely recognized that many people in the United States do not have access to accessible, affordable financial services. This is a particularly acute problem for the working

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

poor, who often rely on a patchwork of expensive, non-traditional financial service providers to fill the void left by the banks. In addition, the Great Recession, spawned in large part by the actions of the country's banking institutions, as well as rising bank account fees, have caused a number of people to rethink their relationships with their banks.

The OIG does a superb job exploring the idea of offering non-bank financial services at Post Offices, as a way to help the Postal Service generate revenue, and provide an accessible, affordable financial services option to the underserved and to people who would like a non-bank financial services option. They outline the extent of the financial exclusion problem, and propose ways in which the Postal Service might be able to help fill-in the void left by financial service providers.

While the OIG report has caused many to embrace the possibility of Post Office banking, there are some who say that the idea of offering non-bank financial services at Post Offices is far-fetched and risky. They argue that the Postal Service should not expand beyond traditional mail products because they do not have the capability to succeed at anything beyond current services. They point to the past few years of Postal Service reported net losses as evidence of ineptitude, and claim that these net losses mean the Postal Service is in no position to offer any new products. They argue that the existing network of banks and non-financial service providers already meet the needs of consumers, and that non-bank financial services carry a particularly high business risk for the Postal Service. Others simply do not believe the Postal Service has the authority to offer non-bank financial services under current law. Some even say that Postal Service employees are not up to the job of providing financial services.

While a few of these arguments may sound plausible, upon closer inspection, none is supported by strong evidence. All of these arguments ignore the fact that U.S. Post Offices successfully provided banking services in the relatively near past. For more than five decades, from 1911 through 1967, Post Office Department employees provided banking services alongside postal services (OIG 2014). Post Office banking gained popularity after the bank failures of the 1930's, and were frequented by low-income households and immigrants. By 1947, deposits with the Post Office reached \$3.4 billion (\$36 billion in today's dollars) spread among 4 million customers. Deposits fell to \$416 million by 1964 (about \$3 billion in today's dollars) as government guarantees for commercial bank deposits were strengthened, and banks offered higher interest rates than the Post Office bank accounts (OIG 2014). In

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

1967 the Post Office bank was closed. However, this past experience shows that a combination Post Office-Postal Banking Center has worked well domestically. With the largest network of brick-and-mortar retail locations in the United States, and many years of experience successfully providing money orders and remittances, the Postal Service and its employees are strongly positioned to offer accessible and affordable non-bank financial services.

This paper will take a closer look at the arguments that have been used against basic postal non-bank financial services, and demonstrate why they should not prevent the Postal Service from exploring its current authority to begin to offer non-bank financial services. This paper will also help the reader visualize how the Postal Service could complement the existing network of FDIC branch banks, by showing the size of the Postal Service's physical footprint compared to the FDIC branch bank network. In addition, it will take a look at Post Offices locations and FDIC bank branches in the U.S. States of Nevada and Kentucky to show how Post Offices could provide service at the State level. Finally, this section will conclude with a discussion of ways the Postal Service and its networks could be used for important public purposes.

MORE THAN ONE QUARTER OF THE UNITED STATES IS FINANCIALLY UNDERSERVED

Some claim that the existing network of commercial banks and non-bank financial service providers satisfies the needs of consumers in the United States. However, according to a January 27, 2014 USPS OIG white paper, millions of Americans lack access to basic financial services (OIG 2014). The USPS OIG cites the most recently published FDIC National Survey of Unbanked and Underbanked Households, which revealed there are 68 million financially underserved adults in the United States - more than a quarter of the country's adult population (OIG 2014). This is a shocking number of people in the United States who are financially underserved and a real opportunity for the Postal Service to step-in to fill an unmet need.

FINANCIALLY UNDERSERVED: "UNDERBANKED" AND "UNBANKED"

The OIG cites FDIC research that found at least 20% of U.S. households are "underbanked" and 8% of U.S. households are completely "unbanked" (OIG 2014).

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

The underbanked are defined as people who have a bank account but used at least one non-bank financial service during the past year, and the unbanked are defined as people who have no checking or savings account (OIG 2014). Together, the underbanked and unbanked form the “financially underserved” (OIG 2014).

According to demographic research from the FDIC, minorities, low-income residents, younger households, and the unemployed are particularly impacted this issue. The FDIC reports that nearly half of all households in these groups are financially underserved compared to slightly more than one-quarter of all households (FDIC 2011).

In the absence of accessible, affordable banking services, the financially underserved often turn to non-bank financial services such as check cashing, money orders, remittances, payday lending, pawn shops, rent-to-own agreements, and other similar services (OIG 2014). These services are generally much more expensive than traditional banking services, and can cost thousands of dollars per year in fees (OIG 2014). They are also much more unevenly regulated from State to State than FDIC-backed commercial banks (The Pew Charitable Trusts 2012).

“FULLY BANKED”, BUT LOOKING FOR ANOTHER OPTION

The OIG also notes that there are many people who are fully-banked, but are unhappy with their current banking services and are seeking alternatives (OIG 2014). This may be due to the trend over the past few years of banks charging increased fees for transactions and/or requiring customers to meet some deposit threshold in order to avoid monthly fees (sometimes a minimum balance, or requiring direct deposit of paychecks). One of the most notorious attempts at raising fees happened in late 2011 when Bank of America tried to charge \$5 per month to debit card holders. This was met with consumer anger, and Bank of America eventually cancelled the increase (Son 2011). These days a free checking account, without conditions attached, is very difficult to find. Savings accounts are available, but often pay no interest or a token amount of interest. This is partially due to low market interest rates, but it also reflects the value that major banks place on customers who have low account balances. In addition, some people are also reluctant to do business with big banks due to their role in the financial crisis that caused the Great Recession. When banks foreclose on properties in a community, some residents have protested by closing their accounts with the banks.

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

BANKING “DESERTS” ARE A REAL PROBLEM

Since 2009, banks have cut back on their total number of brick and mortar bank branches, but have made particularly deep cuts in low-income communities (OIG 2014). In 2009 there were nearly 100,000 bank branches in the United States. Last year, this number was reduced to around 98,000 (FDIC 2014). While a decline of 2,000 branches may not seem like a very drastic decline, this net number does not reflect how the banks are being reshuffled out of low-income areas and opened in more prosperous areas. For example, if a bank closes ten branches in a low-income area, and opens nine branches in a more prosperous area, the net change is only 1 bank, but the impact on the low-income area may be devastating.

Some communities have been left with no bank branches at all. The Wall Street Journal ran a story on January 27, 2014 titled, “U.S. Banks Prune More Branches, Migration to Mobile, Online Services Has Lenders Closing Local Outposts” (Chaudhuri 2014). This story focused primarily on the impact that mobile and online technology have had on bank branch networks, but it gave a very good example of the banking desert problem. In 2013 the only bank in Meigs, Georgia closed. The closure of the only bank in the town of 1,000 residents has forced people to drive about five miles to the next town to do their banking in a branch. According to the Meigs, Georgia city clerk, “If someone doesn’t have a car, it’s going to cause a large impact” (Chaudhuri 2014). In situations such as these, perhaps co-locating basic non-bank financial services at the local Post Office could make a big difference for residents.

BANK CONCENTRATION

Four banks dominate the U.S. banking industry – Citigroup (\$1.9 trillion of assets), JP Morgan Chase (\$2.5 trillion of assets), Bank of America (\$2.1 trillion of assets), and Wells Fargo (\$1.5 trillion of assets) (SNL Financial 2013). Wells Fargo, the smallest of the four, is four times the size of the fifth largest bank by assets, Bank of New York Mellon (\$372 billion of assets). Due to the concentration of assets among these four banks, the banking market sometimes resembles an oligopoly, or a market dominated by a small number of sellers. As a result, sometimes even if a community has a bank or banks, the options may seem limited. The size of the overall market and the dominance of a few players may be a good metric to consider when evaluating whether or not consumers have real “choice” even in areas where one or more of the largest banks maintains a branch.

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

NON-BANK FINANCIAL SERVICES - CURRENT AND PROPOSED LAW

EXISTING USPS AUTHORITY AND S. 1486 SECTION ON NONPOSTAL SERVICES

The Postal Service already has the authority to provide domestic and international money orders, as well as international electronic money transfers. It has successfully provided customers with these services for years. The Postal Service also has experience selling open-loop plastic gift cards (cards that can be used at any retailer) and closed-loop plastic gift cards (cards that can only be used at the named merchant). Some argue that the USPS lacks the authority to offer any non-bank financial services. However, according to the January 27, 2014 OIG white paper:

"The 2006 Postal Accountability and Enhancement Act (PAEA) generally prohibits the Postal Service from offering new nonpostal services [USPS OIG footnote to 39 U.S.C § 404(e)(2)]. However, given that the Postal Service is already providing money orders and other types of non-bank financial services, it could explore additional options within its existing authority."
(OIG 2014)

This comment suggests the Postal Service should carefully look at its existing authority to find out what it might be able to offer right away without any new authority.

For example, perhaps the Postal Service could offer a plastic card in place of money orders? The Postal Service already essentially "loads" cash onto paper-based money orders. Once cash is loaded onto a money order, the money order can be used to pay for any product or service that accepts paper money orders. As technology has changed over the years, and plastic card-based commerce has become very common, customers might want to load cash also onto plastic cards instead of paper money orders. Cash loaded onto a paper-based money order has been very useful for people who make a payment in person or in the mail. However, cash loaded onto a plastic card might have the expanded benefit of use in online shopping, a sector of the economy that is growing.

The item onto which the cash is loaded might not make a difference in terms of regulation, because the service provided by the Postal Service would be the same. Cash would be loaded onto a plastic card or paper money order in-person at a Post Office, or, might potentially be electronically loaded onto a plastic card via a direct

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

deposit. This would immediately open up new possibilities for people who do not have access to traditional credit cards and debit cards and who want to access products that require a plastic card.

In addition to expanded cash loading options, perhaps the Postal Service could offer a “Post Office to Post Office” or “Post Office to Bank” money transfer service, under the same authority that allows it to currently process international electronic money transfers? The process would be the same – loading cash into an electronic format for transfer. The only difference would be the destination. This would also be an enhancement to an existing non-bank financial service offering.

In addition to the Postal Service exploring enhancements using its existing authority, Senate bill 1486, which was favorably reported out of the Homeland Security & Government Affairs Committee on February 6, 2014, also includes a full section called “Nonpostal Services”. This section lays out several tests that the Postal Service would have to meet in order to introduce a new nonpostal product beyond its existing authority. Under this section, the USPS would be allowed to provide services that are not postal services if the provision of such services: (1) uses the processing, transportation, delivery, retail network, or technology of USPS; (2) is consistent with the public interest; (3) does not create unfair competition with the private sector; and (4) has the potential to improve the net financial position of USPS (S.1486 2014).

This section of the Senate bill recognizes that the Postal Service must have product flexibility to keep up with changing times and changing technology. It acknowledges the Postal Service is put at an unfair disadvantage when it cannot adapt its offerings as technology progresses, while at the same time protecting private industry. When revenue from one product declines due to changes in technology, the Postal Service should have the freedom to adapt its offerings. This section of S. 1486 will expand the Postal Service’s ability to offer relevant non-postal products to consumers, including additional non-bank financial services, as long as the Postal Service meets the tests for new products. If the government wants the Postal Service to act more like a private company, adapting their products to their customers is what private companies do.

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

USPS NATIONAL NETWORK

LEVERAGING THE POSTAL NETWORK TO OFFER NON-BANK FINANCIAL SERVICES

U.S. Post Offices have a ubiquitous presence across the United States. They are accessible to residents of large cities, suburban communities, and rural communities alike. Post Offices serve as a hub for residents in both low and high income communities, and have a much greater geographic reach than U.S. banks.

BRIEF USPS OVERVIEW

The United States Postal Service is the largest postal operator in the world, delivering 40% of the world's mail volume. Last year, the Postal Service generated \$67.318 billion in operating revenue and delivered over 158 billion pieces of mail to 153 million delivery points across the United States (United States Postal Service 2013). The USPS has 491,000 career employees who live and work in communities in every U.S. State and territory and has one of the largest brick and mortar retail networks in the world. With more than 30,000 wholly-owned Post Offices, the USPS has a ubiquitous presence in urban, suburban, and rural communities in the United States. As a result, Post Offices could be the ideal venues for local residents who want good, affordable financial services, but do not have access to them otherwise due to geography or income.

A NATIONAL FOOTPRINT BASED ON GEOGRAPHY

The following maps show clearly that Post Offices are spread throughout the United States in a much different way that FDIC insured banks. While FDIC banks are concentrated around population centers and economic centers in order to maximize returns, Post Offices are spread out geographically to offer Americans service. There are many postal zip codes where Post Offices and banks overlap, but there are also thousands of zip codes where there are no banks at all. These locations would be ideal places for the Postal Service to step-in to provide financial services.

On a very large scale, below are maps of the continental United States showing the density of FDIC banks around major cities, and the more geographically spread Post Offices. It is striking to think about these maps – while the Post Office map contains 30,000 individual sites, the FDIC branch bank map contains more than three times the number of sites (98,000 individual sites). However, due to geographic density, the USPS network appears much larger than the FDIC branch bank network.

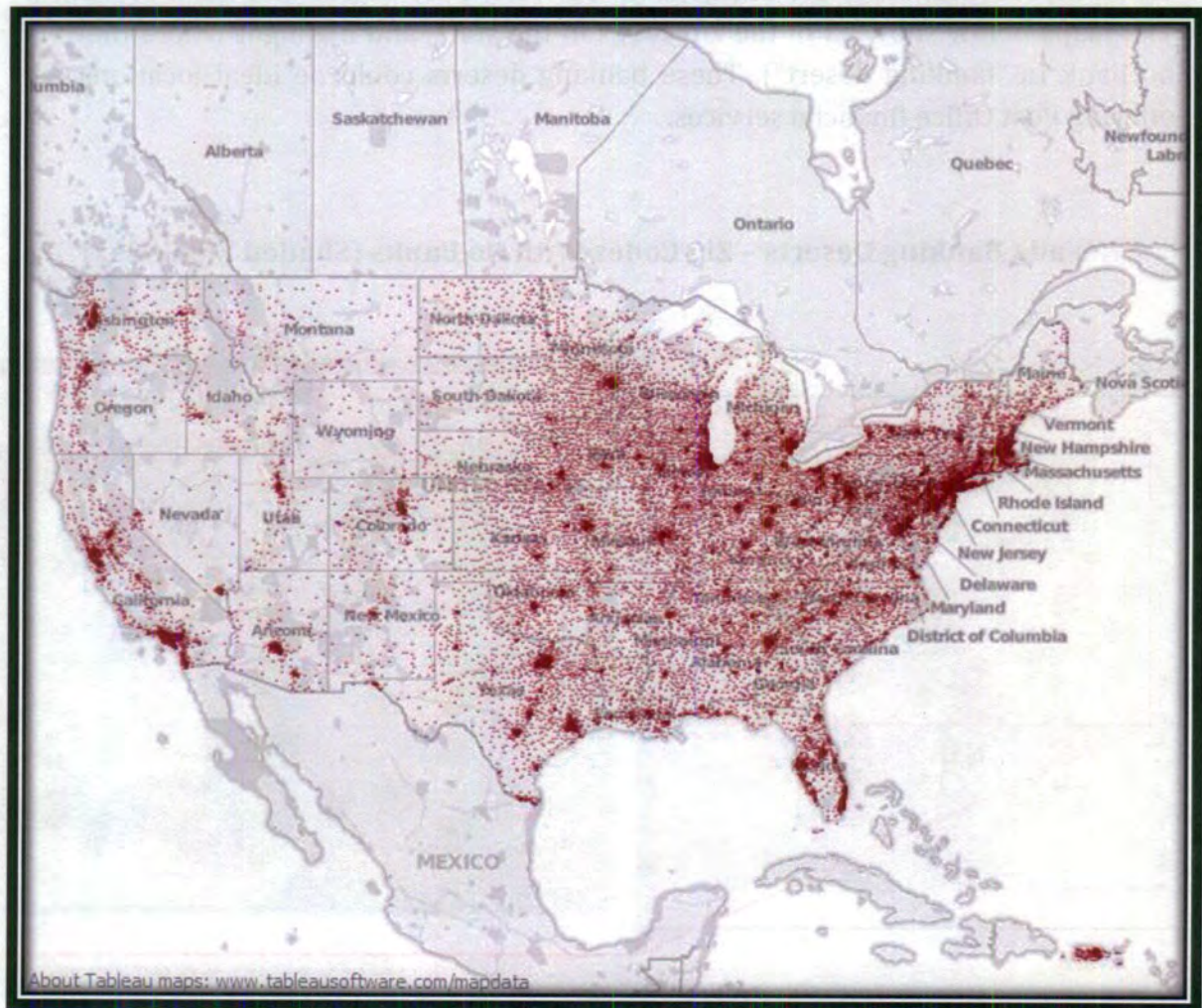
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Network of 30k Wholly-Owned Post Offices



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98k FDIC-Insured Bank Branches



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Nevada and Kentucky – State Geography

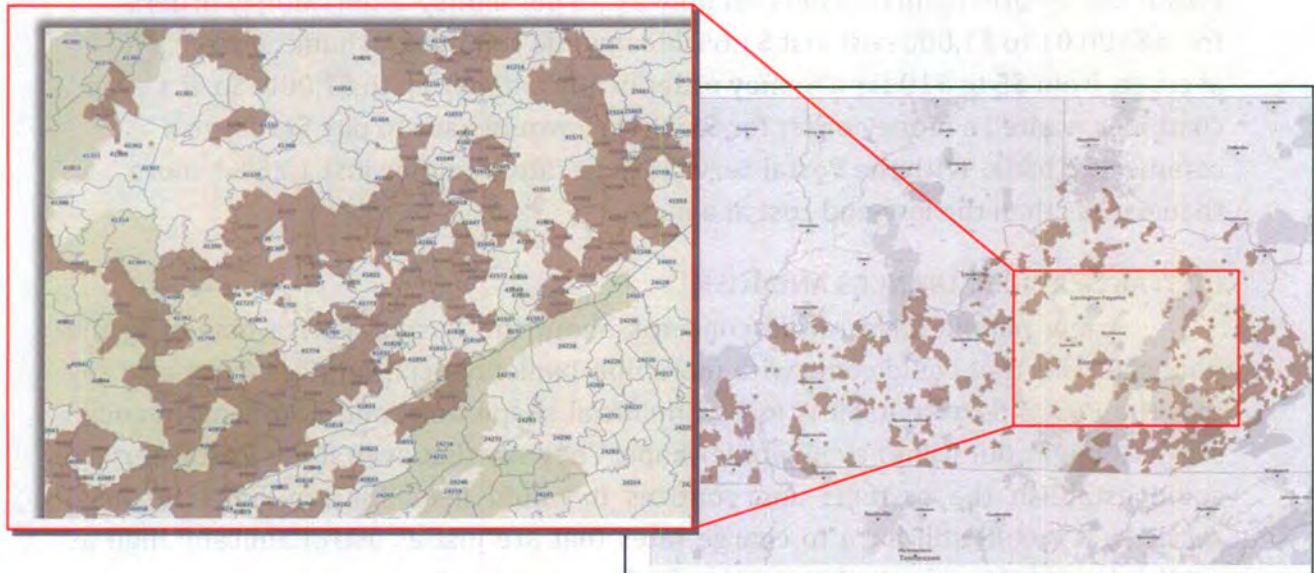
A closer look at two U.S. States, Kentucky and Nevada, provides another interesting visual representation of the relationship between Post Offices and bank branches. The maps below show all of the zip codes in the state, and highlight where there is no bank (a “banking desert”). These banking deserts could be ideal locations for offering Post Office financial services.

Nevada Banking Deserts – Zip Codes With No Banks (Shaded Zip Codes)



THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Kentucky Banking Deserts – Zip Codes With No Banks (Shaded Zip Codes)



The Postal Service Could Provide A More Accessible, More Affordable Alternative

Some argue that the Postal Service will face a moral dilemma in offering non-bank financial services. If it offers services such as small loans or check cashing for a fee, the Postal Service may generate revenue, but this revenue will come from people who are vulnerable, so the argument goes. This might be a valid concern if the Postal Service faced the same pressures as a publically held corporation. However, due to its ownership structure, the Postal Service does not face the same pressures.

NOT SUBJECT TO DEMANDS OF SHAREHOLDERS

As a public agency, the Postal Service could offer a different kind of service from those offered by shareholder-owned banking corporations, and shareholder-owned non-bank financial service providers. While the primary motivation for shareholder-owned banks and financial services companies will always be to maximize profits for shareholders, a Postal Service bank's offerings would be motivated by a combination of what makes business sense for the Postal Service, and what makes sense for the people who live in communities. As a result, it is very likely that the Postal Service would offer services at a much cheaper cost to consumers than the big shareholder-owned corporations.

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

The pricing of Postal Service money orders provides some evidence of fair pricing. Postal money orders up to \$500 cost only \$1.25 per money order. Money orders from \$500.01 to \$1,000 cost just \$1.65. Meanwhile commercial banks charge, on average, from \$5 to \$10 for a money order of any amount up to \$1,000. So, if a customer wanted a money order for \$100, they would have to pay 5-10% to a commercial bank. With the Postal Service, their rate would be just 1.25% - more than 4x less than the low-end cost at a bank.

POSTAL SERVICE FINANCES AND RISK

A few people have raised concerns about the Postal Service managing the financial risks that could come with more non-bank financial services. They also say that the Postal Service itself is in bad financial shape now, and non-bank financial services might put it into even worse shape. They say that even if the Postal Service could establish the systems and controls it would need for non-bank financial services, it would still have to charge rates that are just as astronomically high as payday lenders in order to compensate for borrowing risk.

POSTAL SERVICE BUSINESS FINANCES

The idea that the Postal Service is somehow going out of business soon is a myth that has been circulating for several years. More and more people are recognizing that the vast majority of the USPS bottom line losses have nothing to do with mail operations. While the Great Recession and e-substitution of letter mail did cause a decline in mail volumes and revenue, the primary driver of USPS losses since 2006 has been a Bush-era law that required the USPS to pre-fund nearly \$56 billion of retiree healthcare benefits over a 10-year period. This requirement, unheard of in the private sector (or in any other government agency for that matter), has caused over 80% of the USPS losses from 2007-2013.

These manufactured pre-funding losses now account for 100% of the Postal Service's reported net losses since October 2012. Without the impact caused by this pre-funding mandate, last year the USPS would have reported net income of \$623 million, and in 2014 is on track to make \$1.1 billion (United States Postal Service 2014). So, in other words, aside from the pre-funding expenses, the Postal Service has profitable operations.

RISK IN POSTAL SERVICE LENDING OVERBLOWN

The first non-bank financial services offering would probably have nothing to do with lending, so the risk of loan repayment is not a near-term concern. Even if the

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Postal Service eventually offers small loans to customers, the agency would not put itself into a high risk situation with borrowers. Other posts around the world have had many years of experience developing systems to mitigate credit risk and the U.S. Postal Service could consult with experts who have advised those posts. For example, in Brazil, banking services have been offered for years, and are currently available in more than 6,000 post offices. Correios, the Brazilian postal operator, provides postal banking services in partnership with a financial institution, Banco do Brasil. While loans would not receive the same low rates as money orders, there is a strong possibility that the Postal Service will be able to offer significant improvement in lending rates, as some companies charge high rates on payday loans in order to meet shareholder expectations for near-term financial returns.

A REAL RISK - PRODUCT CONCENTRATION

One of the real risks for the Postal Service is its highly-concentrated product base. Unlike many other postal operators across the world, the USPS has a very high exposure to mail. In 2013, 94% of the Postal Service's revenue came from mail products (letter mail + packages, including international) (United States Postal Service 2013). This compares to countries such as Italy, where non-postal services generate 80% of their total revenue (Anderson 2013), or New Zealand, where KiwiBank comprises 70% of New Zealand Post Group profits (Anderson 2013).

The USPS package business is booming as e-commerce continues to grow at a rapid pace in the United States. Package revenue grew by 11.2% in the first 6 months of FY 2014 (United States Postal Service 2014). Letter Mail revenues have finally stabilized, and are projected to grow in 2014, but there is a continued decline in First-Class Mail volume. In addition, macroeconomic shocks tend to have a strongly negative impact on the mail business. So, an expansion of the USPS product base could help to add some much needed diversification to the business, spreading risk beyond traditional mail products.

POSTAL BANKING SUCCESS STORIES FROM OTHER COUNTRIES

There is strong precedent for a successful combined platform of postal services and banking services under one roof. Many countries have had great success offering a range of banking services alongside traditional postal services.

Countries such as Italy, France, and New Zealand, all have very successful postal banking operations. BancoPosta in Italy is the leading banking services provider in the Italian market, with 5.8 million customer accounts. It is also a leader in Europe

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

in payment cards, having issued a total of 16 million payment cards, including 6.6 million debit cards and 9.6 million prepaid cards (Anderson 2013). In France, Banque Postale, created in 2006, now has 10.6 million customer accounts (in a country of 65 million people) as well as a number of corporate and institutional customers (Anderson 2013). Banque Postale has paid strong attention to the financially underserved in France. In New Zealand, Kiwibank has been a great success story. Over a 10 year period since its founding in 2002, Kiwibank has grown into a bank with 800,000 customers (in a country of 4.5 million people) and has focused on providing community banking service (Anderson 2013). These banking services have been good for the community and have offered new jobs for postal employees.

These examples of postal banking prove that the combination of postal services and banking services under one roof has been financially successful and popular with residents of other countries.

EMPLOYEES

A few people have commented that Postal Service employees could have difficulty handling non-bank financial services. Nothing could be further from the truth. Should the Postal Service branch out into other forms of non-bank financial services, such as check cashing, or small short-term loans, some additional training and technology would be needed. However, the postal workers themselves are very capable of successfully managing bank-type transactions. The Postal Service already conducts around 70% of the United States' entire money order business (OIG 2014). This kind of market share would not have been reached without skilled employees processing the transactions in Post Offices.

Postal employees already handle money orders and wire transfers for customers - transactions that involve the exchange of cash for physical and electronic non-bank financial services (paper money orders and electronic remittances to other countries). These transactions involve using computer-systems to complete the process of loading money onto a money order or transferring it electronically, as well as safeguarding cash, and accounting for receipts. Training for additional non-bank financial services offerings could be built on existing training for handling money orders and remittances. In the U.K., for example, postal workers receive around six weeks of training in banking services. It may be possible to create a comparable training program for U.S. postal workers.

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

CONCLUSION

This addition of basic postal banking services could be very beneficial for both the Postal Service and residents in communities across the United States. Basic postal banking services could generate more revenue for the Postal Service and could help millions of unbanked and underbanked American workers hold onto more of their own money. The Postal Service should explore its current authority to see what types of non-bank financial services it can offer immediately.

In the longer-term, the Postal Service should explore using its network for other public purposes. Postal banking deposits might be used to fund a national infrastructure bank, which would lend money to finance public infrastructure projects. The network could also be used to expand vote-by-mail in elections, a feature that helped increase participatory democracy in the U.S. States of Washington and Oregon. In addition, the Post Office could become a type of “front office” for many other federal, State, local and tribal government services, helping to facilitate better government services. In short, the Postal Service has a tremendous amount of untapped potential in its networks, which can be used to provide important services to communities across the United States.

POTENTIAL FOR POSTAL BANKING IN CANADA

There is a debate in Canada about postal banking. Opponents argue that banks in Canada are adequate and meet the needs of people. Canada Post President Deepak Chopra, for example, is on record as saying that there isn't “much demand in Canada for a more secure alternative to our current banks. (Chopra 2014).” Advocates disagree. They believe there are opportunities for postal banking because there is a need for more affordable and accessible service. Moreover, there is broad support for the concept.

The paper examines banking trends and problems in Canada. It looks at two case studies to determine whether banks are meeting the need for affordable and accessible financial and banking services. The paper also accesses opportunities for postal banking and outlines current support.

BANKING TRENDS AND PROBLEMS

The Canadian banking sector spares no effort to portray the Canadian banking industry as a model of stability and good management. While it is true that the

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Canadian financial sector weathered the recent recession better than most other G7 countries this is largely a result of greater regulation on the part of the federal authorities. Even Stephen Harper, Canada's right wing Prime Minister, has grudgingly acknowledged that the nation avoided the sub-prime problem due to Canada's strong system of regulations and "activist regulators".

However despite their relative success, Canada's banks are failing to meet the needs of growing numbers of Canadians. In fact their enormous profitability is increasingly the result of service cutbacks, branch closures, foreign investments, and imposing fees for Canadians that are among the highest in the world.

RECORD PROFITS

The banking industry in Canada has consistently been among the most profitable sector of the economy.

Last year Canada's major banks reported profits of \$ 29.4 Billion, the equivalent of approximately \$918.00 for every citizen of the country.

Much of this money comes directly at the expense of non commercial bank fees charged to individuals holding accounts.

There are fees for using cheques, fees for using one's ATM card, fees for investing in mutual funds, fees for transferring a mortgage and fees for simply having an account with deposits at the bank.

More than half of all adult Canadians have a fee-based chequing account and pay, on average, bank service fees of \$185.00 annually.

HIGH FEES

A study conducted by Oxera Consulting Ltd. for the British Bankers Association of the banking fees in eleven countries(UK, Austria, Canada, France, Finland, Germany, Ireland, Italy, the Netherlands, Sweden and the USA) found that Canada placed among the three highest annual fees on current accounts for students, low income families and pensioners. Canadian banks had a much better record when it came to servicing medium and high income customers.

Not surprisingly the high fees charged by the banks are very unpopular in Canada. An extensive study of Canadian public opinion conducted by the market research company Pollara found that Canadians believe they are treated unfairly by banks with respect to fees for services. More than one-half (56%) of Canadians say that

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

banks charge unfair service fees for chequing and other services, while 38% see them as fair, and 6% were undecided. However when it comes to services directed to home owners Canadians were much more likely to believe that they were receiving fair value.

Fully six in ten (58%) Canadians say that banks treat them fairly in regard to mortgages. In light of these findings, it is not surprising that the majority (70%) believes that banks profits are too high.

ATM fees are also very expensive in Canada. Although bit typically costs the banks in the range of \$0.36 per transaction ATM fees in Canada often run in the \$2.00 to \$3.00 range and can cost up to \$5.96. Canada's Official Opposition Party, the New Democratic Party is currently campaigning for a \$0.50 cap to be placed on all ATM transactions.

DECADES OF RURAL CLOSURES

In many parts of the country the banks have simply given up providing banking services to the population.

During the period 1990 to 2012 Canada's population increased by over 20% yet the number of bank branches decreased by 22%, from 7,964 to 6,205.

The greatest areas of decline have been in rural Canada and in low income areas of urban centres. For example between 1993 and 2003, Newfoundland and Labrador lost 23% of their bank branches. Recent studies show that the vast majority of rural residents expect this trend to continue and are very concerned about it. For a further discussion of the lack of bank branches in rural Newfoundland and Labrador see section entitled Patterns and Potential for Postal Banking: Two case studies.

DELIBERATE EXCLUSION

There is also the issue of the deliberate attempts of Canadian banks to discourage low income people from availing themselves of their services.

The National Symposium on Financial Capability held in 2005 and sponsored by the Financial Consumer Agency of Canada, a federal government agency, described financial exclusion as a result of a variety of, often interrelated, factors.

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

It referred to five dimensions of financial exclusion:

1. restrictions to access through the processes of risk assessment and other bank procedures;
2. exclusion due to conditions and rules for financial products (like credit scoring, minimum balances, and overdraft) that make it difficult or inappropriate for the needs of certain subgroups;
3. exclusion based on the actual cost of owning a financial product or providing service to specific subgroups;
4. targeted marketing and sales that do not seek to gain business from certain subgroups; and
5. self-exclusion based on the unwillingness to access financial products or a belief that products are not appropriate for their circumstance.

All of these dimensions are active in Canada's banking system with the result that large numbers of Canadians have either no bank account or have abandoned their accounts leaving a zero balance.

MANY UNBANKED CANADIANS

The proportion of the Canadian adult population which can be characterized as unbanked is estimated as being anywhere between 3% and 15%. Surveys that simply ask if people have bank accounts typically arrive at the 3% number. However when respondents are asked if they have a bank account without a positive balance the figure rises to 12-13%.

There are also problems with the manner in which this data is collected and the way in which the population has been canvassed. Most major surveys are conducted by telephone asking people if they have a bank account. These surveys tend to exclude many low income people, the homeless and aboriginal persons on reserves.

This number does not represent the number of Canadians who have bank accounts but rely on fringe financial institutions for much of their financial needs. Nor does it reflect the situation of many rural Canadians who may have bank accounts but can rarely access banking services.

This is especially true of low income people and aboriginal persons. A study conducted in Prince George B.C. found that fully 50% of the aboriginal population that used fringe financial institutions had bank accounts. The reasons given for not

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

using banking services included location, hours, placing holds on cheques, ID requirements, and the feeling that they were not welcome at banks.

PAYDAY LENDERS

Payday lenders have moved in and filled the void left by banks in many communities. This is not conjecture but the view of lenders themselves. As one company put it, there are opportunities for growth in the industry because of the “failure of commercial banks and other traditional financial service providers to address adequately the needs of lower and middle income individuals (ACORN 2004 12)”.

WHAT THEY ARE

The pay day lending industry in Canada is believed to have started in the early 1990s in response to a demand for small-sum, short-term credit.

Payday lenders provide short-term loans, normally for small amounts of money (\$100 to \$1,500). They take their name from the fact that they require loans to be paid back, with interest, before or when borrowers gets their next paycheck. Some pay lenders offer a number of other services including cheque-cashing, money transfers and pre-paid credit cards.

There were an estimated 1,200 lenders in 2004 and 1,350 in 2009, plus a number of internet and telephone lenders. According to reports from 2009, payday lenders generated approximately \$2 billion in annual revenue. On average, people borrowed about \$300 for a two-week period.

At present, 'Money Mart' is one of the largest payday lenders in the country with more than 500 branches. Until recently, Cash Store Financial had a similar number of locations operating under the names 'Cash Store' and 'Instaloans' (See update below). 'Cash Money' has about 140 branches, while 'CashMax', 'Cash 4 You' and 'Cash Canada Financial' have approximately 60 stores each. There are number of other smaller providers as well.

Canada's payday lending market is currently “worth about \$2.5 billion in loan volume each year and consists of about 2 million customers (The Star April 26, 2014).”

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

WHAT THEY CHARGE

The Financial Consumer Agency of Canada estimates the cost of taking a \$300 payday loan for 14 days is \$63 (cost of interest, fees, etc.). This is equivalent to an annual interest rate of 547%, which is a usurious rate by most standards.

The Agency points out that the cost of other short-term borrowing for the same amount is much less expensive, such as a cash advance on a credit card (\$7.42 or 64.5%), overdraft protection (\$7.19 or 62.5%), or a line of credit (\$5.81 or 50.5%).

Usury or the charging of exorbitant interest rates is a criminal act in Canada.

Under federal law, it is a criminal offence to charge an annual rate of interest that exceeds 60% (interest includes related fees, fines, penalties, or similar charges). But payday lenders and others charge annual interest rates that far exceed the maximum and get away with it.

Why is this? In Canada, the federal government has jurisdiction over interest rates while provincial governments have been given authority over the regulation and licensing of payday lenders.

In 2007, the federal government passed legislation exempting payday lenders from criminal prosecution so long as they restrict themselves to small loans of short duration, and are licensed by provinces that opt into a federally-defined regulatory scheme. This scheme enables provinces to regulate the payday loan industry on the condition of enacting consumer protection legislation and setting limits on the overall cost of borrowing. Most provinces have met these conditions.

Unfortunately, provincial limits allow payday lenders to charge much more than a 60% annual interest rate (Quebec is an exception). Even so, some lenders appear to be having difficulty respecting the provincial ceiling on the cost of borrowing. For example, in 2013, the province of Ontario issued a proposal to revoke all Cash Store/Instaloan licences for charging more than the legal maximum of \$21 for every \$100 borrowed, and for other issues. As a result, the company is not allowed to offer any payday loans or line of credit products in Ontario. Cash Store Financial has subsequently sought protection from creditors under the Canadian Companies' Creditors Arrangement Act (CCAA). The company has invoked the CCAA process so that it can restructure. (As of April 26, 2014).

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

WHO USES THEM

Statistics Canada surveyed 5,300 families in 2005 on the use of pay day loans.

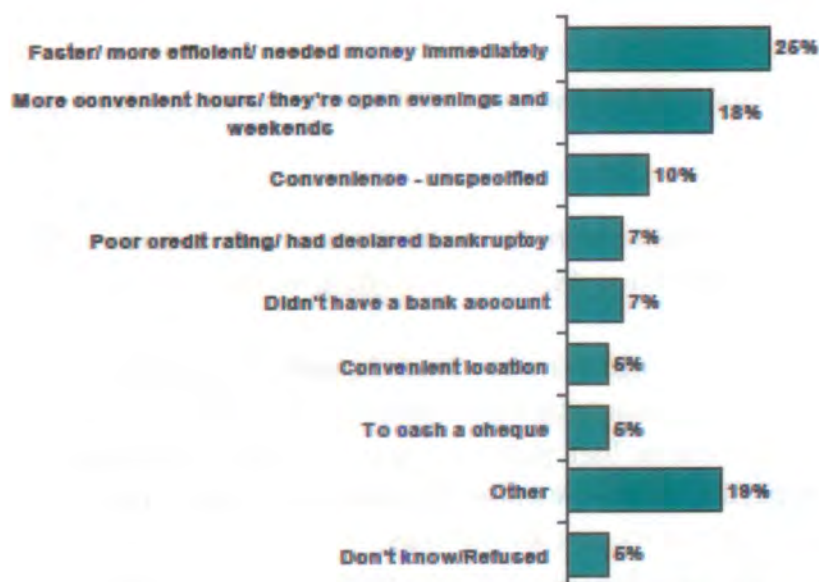
This survey found:

- Age is key. Young families were three times more likely to have used payday loans than those aged 35 to 44, after controlling for other family characteristics.
- Families with little savings or no credit cards, particularly those who had been refused, were significantly more likely to have used payday loans.
- Families behind in bill or loan payments were more than four times as likely to have used payday loans, even after controlling for other key characteristics such as income and savings.
- Four in 10 families who borrowed money through payday loans had spending that exceeded income, substantially more than families who had not used payday loans.
- Almost half of families who used payday loans had no one to turn to if they faced financial difficulty. More than one-quarter reported that they could not handle an unforeseen expenditure of \$500, and nearly half could not handle one of \$5,000.

The survey concluded by saying that while the findings “do not directly tell us why families borrow through payday loans, important indicators of past and current financial difficulties suggest that families who do have few other options. (Statistics Canada 12)”

An Ipsos Reid poll from 2005 provides some guidance on why people borrow through payday lenders. This poll asked “Why have you used a cheque-cashing or payday loan service instead of using the services of a regular financial institution, such as a bank, credit union or caisse populaire (Financial Consumer Agency of Canada 2005 11)?”

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE



Base: Used a cheque-cashing outlet or a payday loan company N=370

Source: Financial Consumer Agency of Canada and Ipsos-Reid, "Public Experience with Financial Services and Awareness of the FCAC," 2005.

While the 2005 Statistics Canada survey reported that less than 3% of families had taken out a payday loan within the previous three years, the Ipsos Reid poll found that about 7% of respondents had used a cash-chequing or pay day loan company at some point. Twenty-two percent (22%) of poll respondents used these companies at least once a month. This suggests that quite a few people may be stuck in a cycle where they are regularly cashing cheques early or taking out loans to pay off loans, thereby increasing their debt load.

Based on the above information, it is fair to say that quite a few of the people needing small loans and cash-chequing services are young. Many are in financial difficulty. In addition, more than one out of every five payday loan users appears to rely on small loans and cash-chequing to get by every month.

A recent poll conducted for the Canadian Payroll Association suggests that a huge number of Canadians are just one step away from needing a quick loan. 42% of poll respondents said they would be in financial trouble if their pay was delayed by just one week.

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

At the moment, payday lenders are meeting the demand for small loans and cheque-cashing services, but at predatory rates. Banks do not appear to be interested in this market or willing to meet the needs of customers (immediate service/money, cheque-cashing, etc.). It is reasonable to conclude that there is a desperate need for a service provider in Canada that is willing to provide fair and accessible small loans as well as other credit products.

A closer and more current examination of payday lenders, banks and post offices reveals more.

PATTERNS AND POTENTIAL FOR POSTAL BANKING: TWO CASE STUDIES

The Canadian Union of Postal Workers contracted with geographer Rob Fiedler to map Canada Post's retail network (public and private outlets), Canada's "big six" banks, and major payday loan chains in two locations: the Greater Toronto and Hamilton Area (GTHA) and the province of Newfoundland and Labrador (See Appendix A: Methodology).

The objective of the mapping exercise was to:

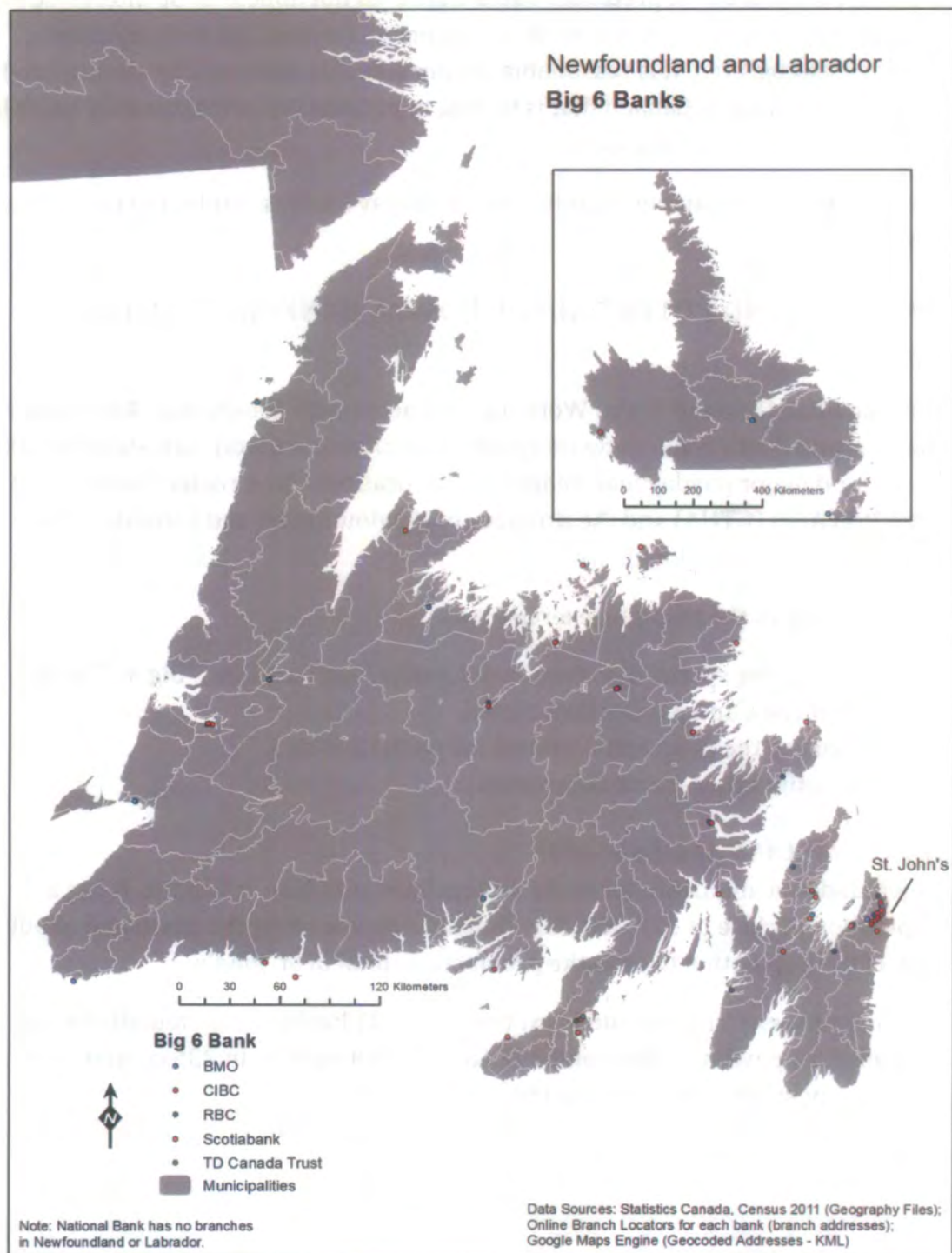
- 1) Reveal the spatial distribution of Canada Post locations, "Big Six" bank branches, and payday loan stores.
- 2) Explore the geographic context for postal banking.
- 3) Identify urban/rural differences.

NEWFOUNDLAND AND LABRADOR

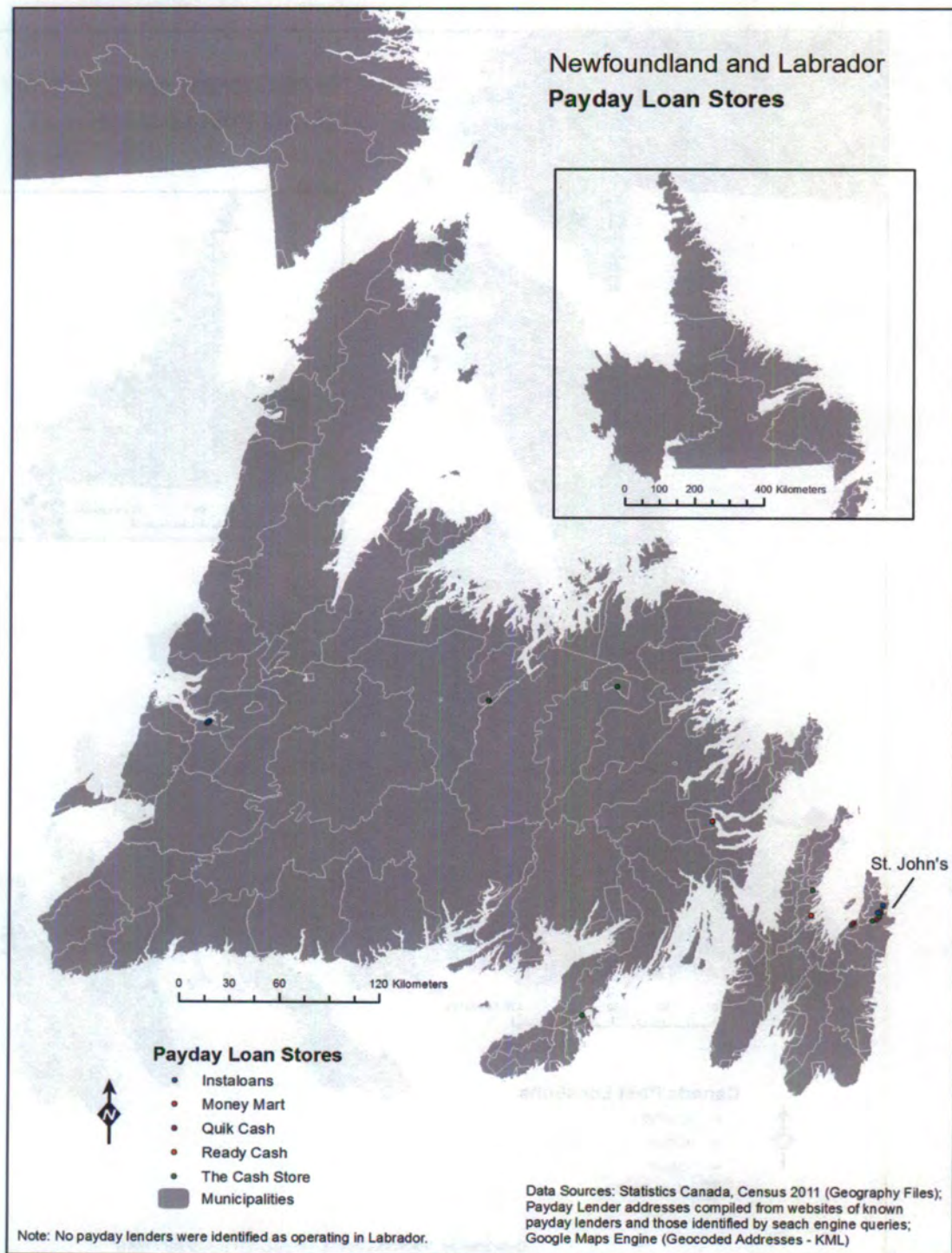
Newfoundland and Labrador is the easternmost province in Canada. It has a population of close to 527,000. Most inhabitants live along the coast, and about one-fifth of the population lives in the provincial capital of St. John's.

The mapping exercise revealed that there are 101 banks in Newfoundland and Labrador, 21 payday lenders and 397 Canada Post outlets. In 235 communities, there is a post office but no bank (See Appendix B).

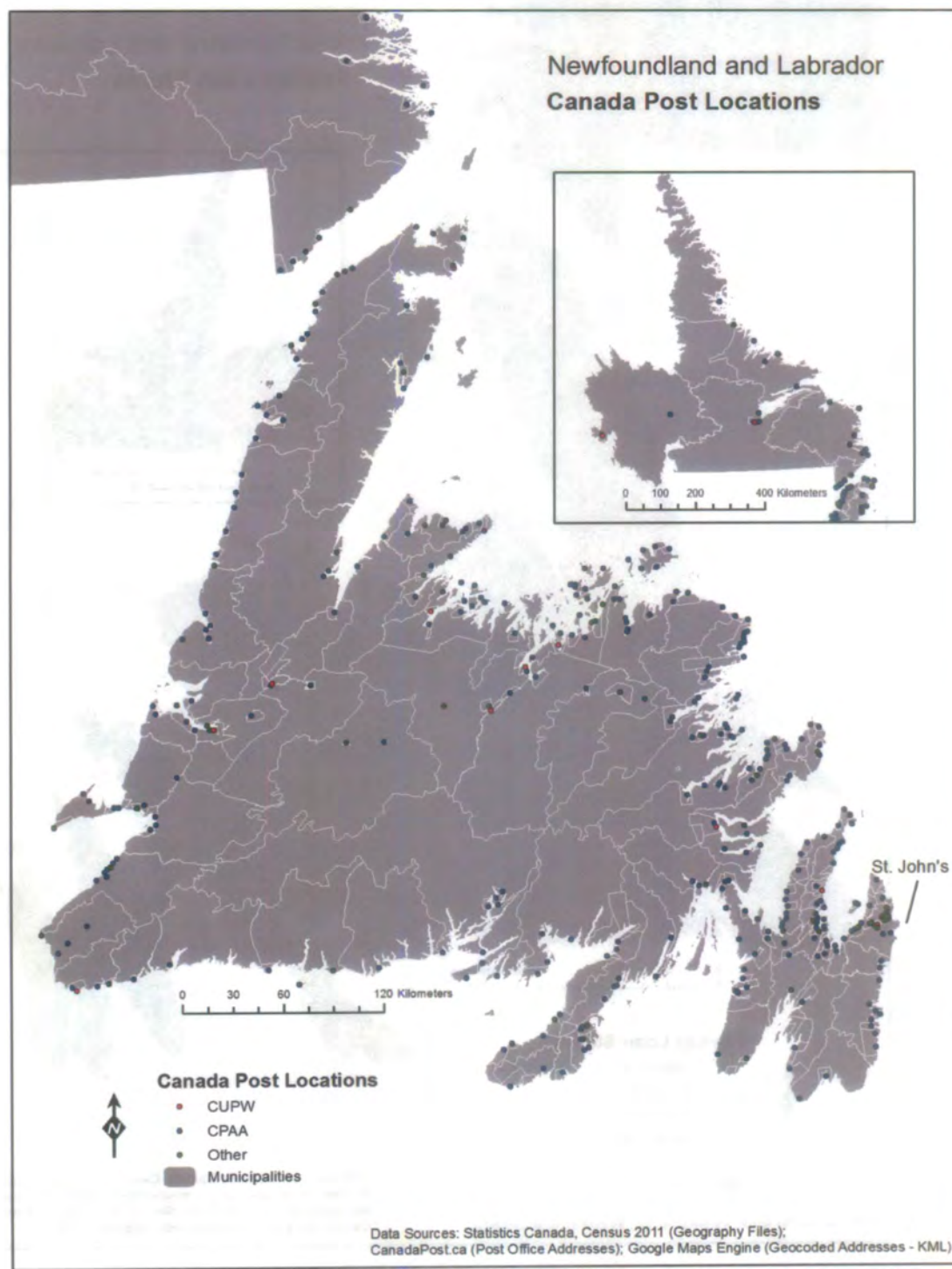
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THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE



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THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

The mapping exercise showed that 63.4% of the population (not including the City of St. John's) lives within two kilometres of a postal outlet, but only 32% of people live within two kilometres of a bank.

In addition, while 2.5% of the population (not including the City of St. John's) lives more than 10 kilometres from a postal outlet, an astonishing 44% of people live more than 10 kilometres from a bank.

Fiedler's findings strongly suggest that there is a geographic-based need for additional banking services in Newfoundland and Labrador that could be filled by a postal bank.

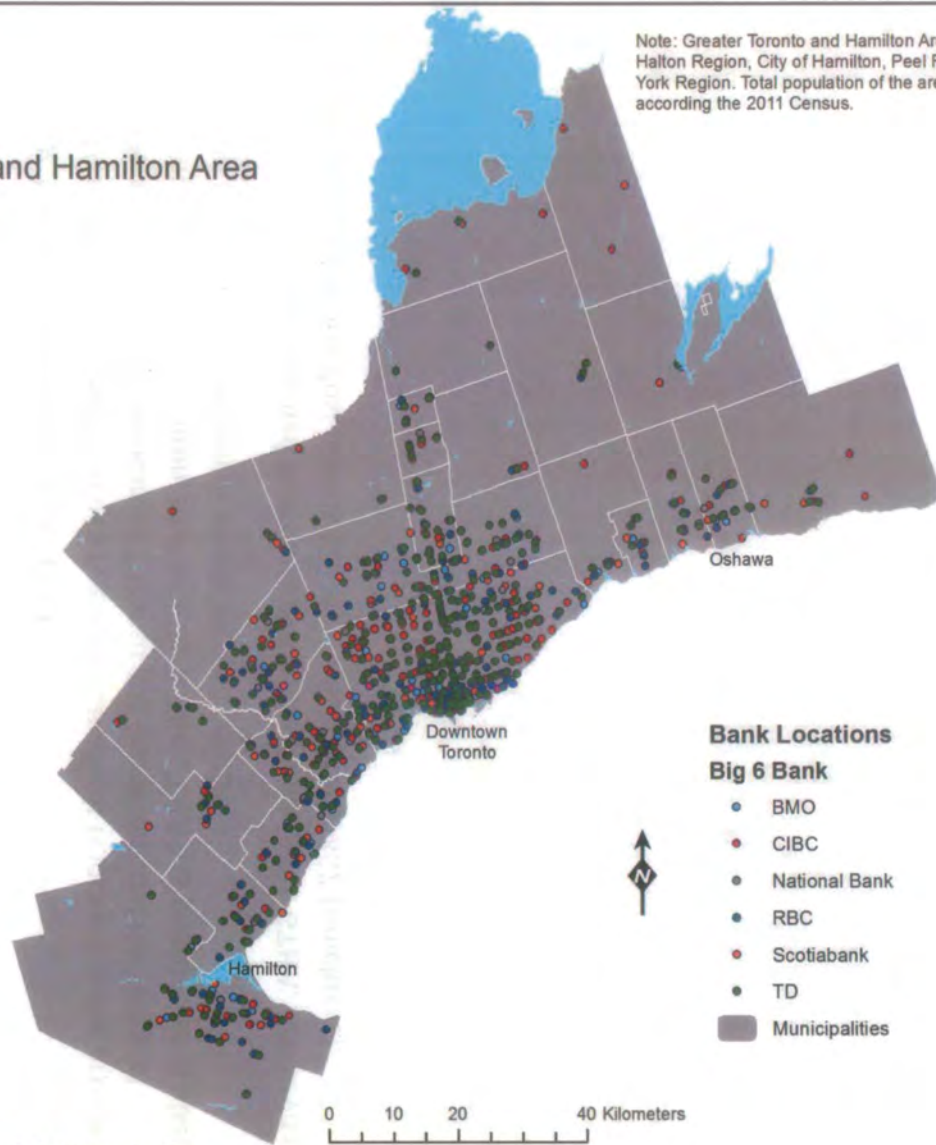
GREATER TORONTO AND HAMILTON AREA

The GTHA is the largest, largely urban region in Canada. It is located in the province of Ontario and consists of the cities of Toronto and Hamilton, and the regional municipalities of Durham, Halton, Peel and York. The GTHA has population of about 6.5 million residents, 2.6 million of which live in Toronto.

The mapping exercise revealed that there are 1,270 banks in the GTHA, 326 payday lenders and 424 Canada Post outlets (72 corporate outlets, 352 franchises).



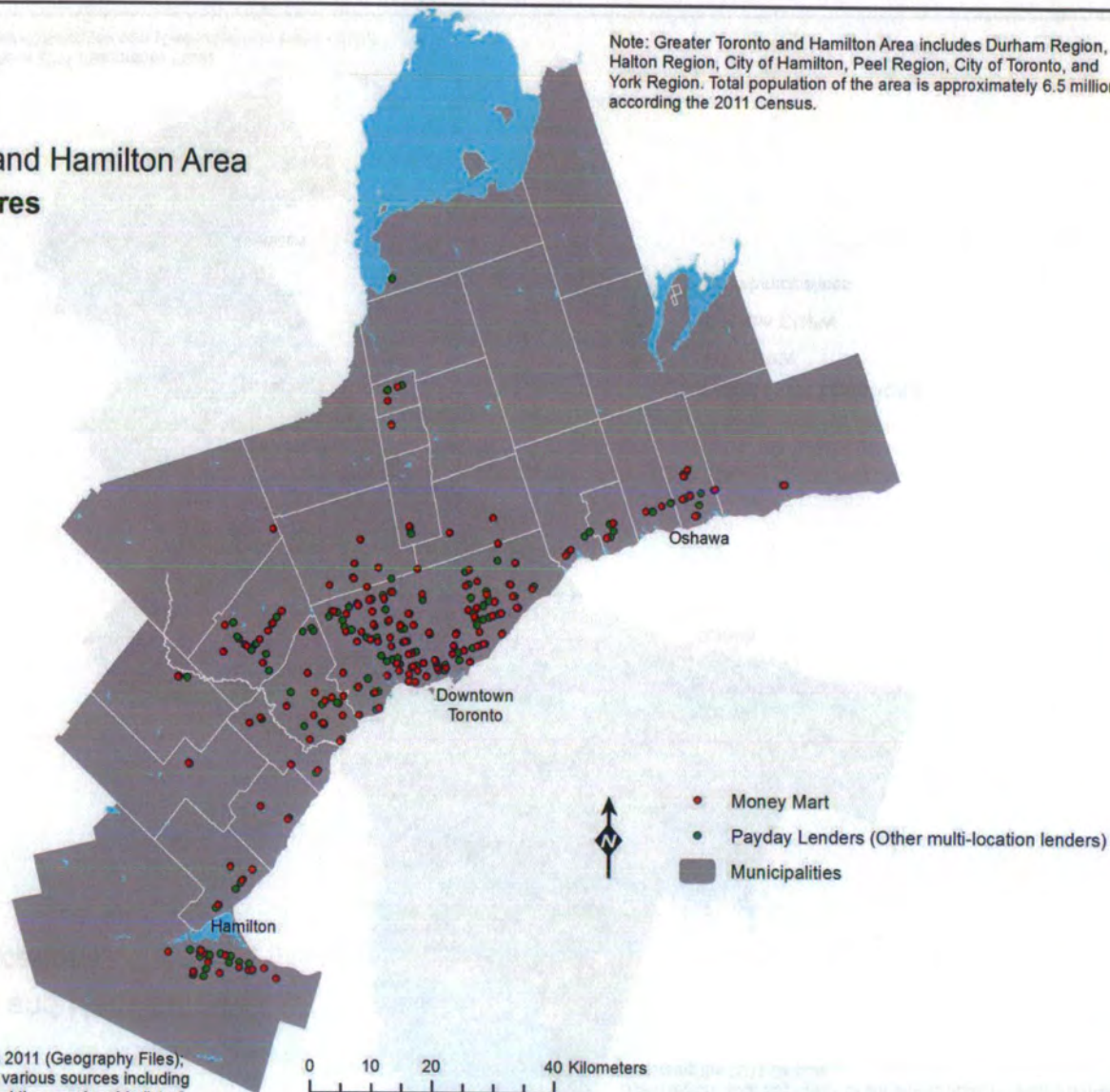
Greater Toronto and Hamilton Area Big Six Banks



Data Sources: Statistics Canada, Census 2011 (Geography Files);
 Online Branch Locators for each Bank (Branch Addresses); Batchgeo.com (Geocoded Addresses - KML)

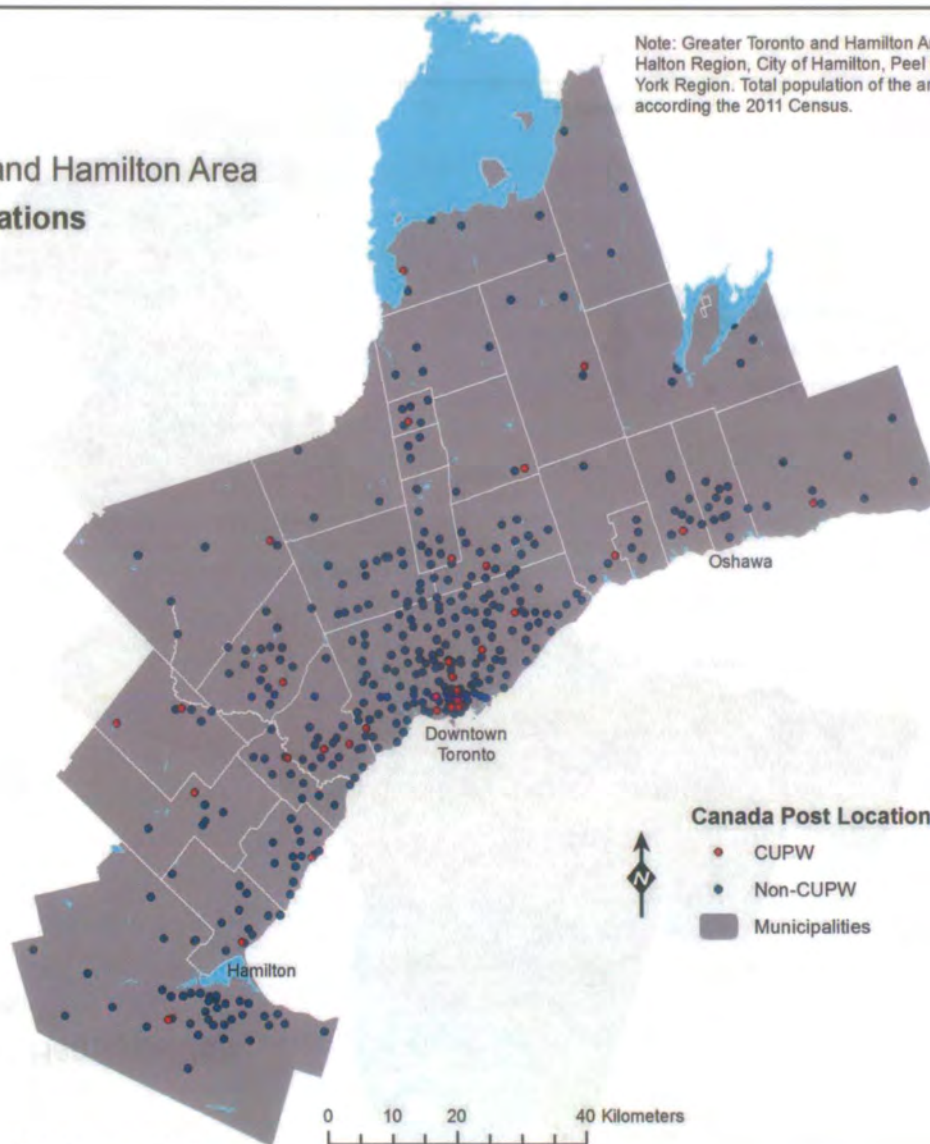
Greater Toronto and Hamilton Area Payday Loan Stores

Note: Greater Toronto and Hamilton Area includes Durham Region, Halton Region, City of Hamilton, Peel Region, City of Toronto, and York Region. Total population of the area is approximately 6.5 million according to the 2011 Census.



Data Sources: Statistics Canada, Census 2011 (Geography Files), Payday Lender addresses compiled from various sources including websites and online locators of lenders and the membership list of the Canadian Payday Loan Association (www.cpla-acps.ca); Batchgeo.com (geocoding service).

Greater Toronto and Hamilton Area Canada Post Locations



Data Sources: Statistics Canada, Census 2011 (Geography Files);
CanadaPost.ca (Postal Office Addresses); Batchgeo.com (Geocoded Addresses - KML)

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Fiedler found that payday lenders shadow the banks in the GTHA, except in the more rural areas on the northern, eastern and western periphery.

76.4% of payday lenders are located within a 1/2 kilometre of a bank and a full 99.4% are found within two kilometres. There are virtually no payday lenders located in the aforementioned peripheral areas.

This shows that payday loan stores are not filling a geographic need and are likely filling needs that banks are not (e.g. more respectful treatment, cheque-cashing without holds, etc.). That is, banks appear to have problems with financial inclusion. Arguably, it would be better to solve these problems through postal banks rather than predatory payday lenders.

Fiedler also found that Canada Post outlets are located in close proximity to banks and pay day lenders. 88% are found within one kilometre of a bank and 93.4% are within two kilometres. 41.3% are situated within one kilometre of a payday lender and 61.8% are within two kilometres.

The findings show that Canada Post is close enough to payday lenders to provide an alternative.

The results for both the GTHA and Newfoundland and Labrador indicate the corporation has enough reach to do postal banking.

SUPPORT FOR POSTAL BANKING IN CANADA

There is considerable and growing support for postal banking in Canada.

FEDERAL POLITICAL PARTIES

All parties within Canada's Parliament, except for the governing Conservative Party, are interested in postal banking. Some are calling on Canada Post to add banking while others think it makes sense to explore the merits of adding this service.

The New Democratic Party (NDP), the official opposition party in Canada's House of Commons, has encouraged Canada Post to deliver lucrative financial and banking services instead of cutting services and hiking postage rates. The NDP thinks there is "an excellent business case for the return of postal banking, providing services and meeting needs not met by the traditional banking sector (Canada House of Commons 2206)." The Liberal Party of Canada says the merits of postal banking should be explored in the context of several different options for the future of

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Canada Post. The Bloc Quebecois has suggested that Canada Post follow the example of other post offices that provide financial services to help improve its bottom line. The Green Party believes Canada Post could diversify, remain competitive and provide the kind of service Canadians expect by offering postal banking.

MUNICIPALITIES

Over 300 municipalities have passed a resolution in support of adding banking services at Canada Post.

ORGANIZATIONS AND UNIONS

A wide range of groups throughout Canadian society are solidly behind the idea of adding banking services at Canada Post. The following unions and groups attended a media conference in support of postal banking on October 16, 2013: the Canadian Union of Postal Workers, the Canadian Postmasters and Assistants Association (CPAA), the Association of Community Organizations for Reform Now (ACORN) and the National Farmers Union (NFU). The Canadian Community Reinvestment Coalition (CCRC) was unable to attend but sent a statement backing the concept of providing basic banking services for all through postal outlets. Similarly, representatives of the following organizations attended a speaking event on October 19, 2013 in support of ensuring universal public postal service through the addition of new services such as postal banking: Rural Solidarity, Integration of Persons with Disabilities, Coalition of Union Retirees, National Council of the Unemployed, Regional Council for Metropolitan Montreal and the Quebec Federation of Labour.

PUBLIC

Canadians like the idea of Canada Post making money through financial services according to a poll from April 2014. Close to two out of every three respondents (63.5%) supported Canada Post expanding revenue-generating services, including financial services like bill payments, insurance and banking.

Poll results were drawn from a Stratcom national online survey which interviewed a nationally representative sample of 1,512 randomly selected adult Canadians between April 9th and April 10th, 2014.

POSTAL WORKERS

The Canadian Union of Postal Workers (CUPW) and the Canadian Postmasters and Assistants Association support postal banking. CUPW launched a campaign called “Banking on a Future for Canada Post” in October 2013. The campaign aims at

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

adding financial services and introducing banking at Canada Post in order to raise postal revenues, preserve public postal service and increase access to financial and banking services. To date, CUPW has managed to make postal banking part of the national conversation about the future of Canada Post.

POSTAL MANAGEMENT

Although the current president of Canada Post does not favour postal banking, many of his predecessors have considered and even promoted the notion of Canada Post getting more involved in financial services.

In 1982, Michael Warren argued for an increase in financial services at retail counters. Warren said that there were 2,000 communities in Canada which had a post office but no bank and suggested that the postal service could step into this service vacuum. In 1998, André Ouellet told a parliamentary committee that Canada Post used to provide banking services and suggested that the corporation could do it again. In 2010, Moya Greene told a standing committee of Canada's Senate that she was giving serious consideration to providing "a more traditional and generalized banking offer (Canada, Senate 4:48)."

In addition, Canada Post management conducted a secret four-year study on postal banking (2009 – 2013), which appears to indicate that getting into financial services would be "a win-win strategy" and a "proven money-maker" for the corporation. An online media outlet obtained study documents through an Access to Information request. 701 of 811 pages were redacted. To date, Canada Post President Deepak Chopra has refused to release study documents in their entirety.

RESEARCH

In 2005, Canada's Library of Parliament produced a research paper arguing in favour of Canada Post offering financial and banking services. The paper pointed out that "today's postal administrations can either sink, while continuing to complain about declining mail volumes and electronic alternatives in the world of rapid technological change, or swim, by harnessing new technology, forming new business partnerships, and adopting new ways of doing business to create new products and services that will help them boost their performance and their earnings. From this perspective, the financial services option would seem to be the logical way to ensure the Canadian postal system's viability (Library of Parliament 20)."

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

In June 2013, CUPW presented a paper entitled *Banking on a Future for Posts* at the Rutgers Conference on Postal and Delivery Economic. This paper looked at the financial and banking services provided by postal administrations in Brazil, France, India, Italy, Switzerland and the United Kingdom. It examined how these services have contributed to the economic situation of the aforementioned post offices and discussed the potential for adding similar services at Canada Post. The paper found that postal banking was lucrative and that it also had social and economic benefits. It suggested that Canada Post would be wise to consider a variety of postal banking models to ensure that it is able to maximize service to the public, meet its objective of financial self-sufficiency and promote financial inclusion, especially in rural and low-income areas where banks do not compete or provide adequate service.

In October 2013, the Canadian Centre for Policy Alternatives, released a study called *Why Canada Needs Postal Banking*. This study looked at the changing banking environment in Canada as well as Canada Post's experience with banking. In addition, it reviewed the status of postal banking around the world, highlighting five successful models in the United Kingdom, France, Italy, Switzerland and New Zealand. After establishing that there is a need for improved financial services in Canada and viable models in other countries, the study concluded by suggesting possible models for postal banking in Canada. It recommended that the federal government and Canada Post immediately establish a task force to determine how to deliver new financial services, and establish priorities for delivering new products.

CONCLUSION

This paper shows that it is a myth that the "Big Six" banks in Canada provide good service. It demonstrates that there is a clear need for an alternative to these financial institutions and the payday lenders that have stepped in to do what the banks are not.

The Newfoundland and Labrador case study indicates that there is a need for financial and banking services in rural areas. It reveals that hundreds of thousands of people in this province have to travel long distances to get financial and banking services. If this province is indicative of the overall country, millions of rural residents in Canada are wanting.

The GTHA case study shows that payday lenders are flourishing right beside banks. It indicates that banks are not providing people with adequate or accessible services

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

and that, as a result, a considerable segment of the population is using payday lenders who charge outrageous amounts for their services. This suggests that there is a desperate need for fair and accessible small loans as well as other credit products in urban areas.

In short, the banks have failed to provide Canadians with affordable and accessible service. It would therefore make perfect sense to bring postal banking to the rescue.

APPENDIX A

METHODOLOGY

Address information for each Canada Post location and Big "Six" Bank branch was collected using locators provided by Canada Post and each of the Big "Six" banks on their corporate websites. Collecting addresses for Payday Lenders utilized multiple sources. The Canadian Payday Loan Association maintains a list of its members which includes most of the major chains, including Money Mart (but not the Cash Store). Their members list provided the foundation from which additional searching using 411.ca and Google identified other providers. The Ontario Ministry of Consumer Services also maintains a searchable database of registered/licensed Payday Lenders (a list of all results for the GTHA was created). For simplicity only multi-location or chain store Payday Lenders were mapped for analysis (not all payday lenders are licensed, the Cash Store, being the most obvious, but also it isn't always clear from the database what the precise nature of each licensee's business is or whether it involves a storefront/retail business). A final point must be made in relation to completeness. Despite considerable efforts to ensure that all locations were identified and included in the dataset for geocoding, missed locations are possible given the nature of the search process and number of addresses (online locators are designed to aid in finding the nearest branches to a location, rather than all branches within a designated area like a city or region).

Geocoding was done by processing the addresses stored in MS Excel tables using Batchgeo.com (GTHA) and Google geocoding service (Newfoundland and Labrador). Each service takes the address information provided and attempts to match it to property or building parcels or street addresses, and if these fail to place name and/or postal code. Manual adjustment is required where the geocoding services address locator fails to find an exact match (this can result from mismatched names or conflicting or ambiguous addresses ... i.e. more than one match is found). Both services return geocoded results in KML format (i.e. Google Maps or Google Earth compatible files). KML files can be imported into ESRI ArcGIS 10 and converted to Shapefiles for spatial analysis (technical detail).

The proximity and coverage analysis was completed in ESRI's ArcGIS software using a mix of attribute and spatial queries (Select by Attribute and Selection by Location). Canada Post locations, Big "Six" Bank branches, and Payday Loan Stores each form a separate point layer that can be used to measure distances between locations and capture census polygons found within specified distances (hypothetical service or

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

trade areas). In practice, this means determining which dissemination blocks, dissemination areas, or census tracts have their centroids (geographic centres) within a specified distance of a Canada Post location, Bank branch, or Payday Loan store or determining how many Canada Post locations, Bank branches, or Payday Loan stores are within a specified distances of each other. These figures can be calculated for the entire dataset or any subset or selection of features (points or polygons) desired.

Note: dissemination blocks (DBs), dissemination areas (DAs), and census tracts (CTs) are the main areal units used for small-area or neighbourhood-scale analysis (i.e. sub-municipal). They are nested and are created by Statistics Canada by aggregating individual household responses. The publication of census data requires individual anonymity be protected. DBs are very small and only include population and dwelling counts, while DAs and CTs include a wide-range of information on social, cultural, and economic characteristics of residents.

Detailed explanations of census geography can be found at:

<http://www12.statcan.gc.ca/census-recensement/2011/ref/overview-aperçu/pop9-eng.cfm>

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

APPENDIX B

COMMUNITIES IN NEWFOUNDLAND AND LABRADOR WITH A POSTAL OUTLET BUT NO BANK

Trepassey	Southern Harbour
St. Shott's	Come By Chance
Division No. 1, Subd. U	Sunnyside
Cape Broyle	Chance Cove
Renews-Cappahayden	Norman's Cove-Long Cove
Fermeuse	Chapel Arm
Aquaforte	Division No. 1, Subd. Y
Ferryland	Division No. 1, Subd. E
St. Vincent's-St. Stephen's-Peter's River	Heart's Delight-Islington
St. Mary's	Division No. 1, Subd. F
Mount Carmel-Mitchells Brook-St. Catherine's	Winterton
Colinet	Hant's Harbour
Branch	Division No. 1, Subd. G
St. Bride's	Old Perlican
Division No. 1, Subd. B	Bay de Verde
Fox Harbour	Victoria
Division No. 1, Subd. A	Upper Island Cove
Long Harbour-Mount Arlington Heights	Spaniard's Bay
	Division No. 1, Subd. L
	Division No. 1, Subd. M

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Clarke's Beach	Division No. 2, Subd. I
Cupids	Division No. 2, Subd. C
Brigus	Rushoon
Division No. 1, Subd. O	Red Harbour
Colliers	Baine Harbour
Conception Harbour	St. Bernard's-Jacques Fontaine
Avondale	Division No. 2, Subd. L
Harbour Main-Chapel's Cove- Lakeview	Division No. 2, Subd. K
Wabana	Little Bay East
Portugal Cove-St. Philip's	Rencontre East
Pouch Cove	St. Jacques-Coomb's Cove
Bay Bulls	Belleoram
Witless Bay	Pool's Cove
Division No. 2, Subd. E	Seal Cove (Fortune Bay)
Lewin's Cove	Hermitage-Sandyville
St. Lawrence	Gaultois
Lawn	Division No. 3, Subd. D
Lamaline	Milltown-Head of Bay d'Espoir
Division No. 2, Subd. H	Division No. 3, Subd. E
Frenchman's Cove	Division No. 3, Subd. F
Fortune	Burgeo
Garnish	Isle aux Morts
	Burnt Islands

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Division No. 3, Subd. I	Badger
Rose Blanche-Harbour le Cou	Millertown
Samiaijj Miawpukek	Buchans
Division No. 4, Subd. A	Division No. 7, Subd. M
Division No. 4, Subd. B	Division No. 7, Subd. L
Division No. 4, Subd. C	Port Rexton
St. George's	Elliston
Division No. 4, Subd. D	Trinity Bay North
Gallants	Division No. 7, Subd. G
Stephenville Crossing	Keels
Division No. 4, Subd. E	King's Cove
Cape St. George	Division No. 7, Subd. F
Lourdes	Division No. 7, Subd. E
Port au Port West-Aguathuna-Felix Cove	Musgravetown
Mount Moriah	Port Blandford
York Harbour	Traytown
Norris Arm	Division No. 7, Subd. D
Division No. 6, Subd. E	Savage Cove-Sandy Cove
Glenwood	Eastport
Bishop's Falls	Sandringham
Peterview	Salvage
Botwood	Gambo
	St. Brendan's

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Hare Bay

Centreville-Wareham-Trinity

Greenspond

Division No. 7, Subd. A

Dover

Indian Bay

Division No. 8, Subd. M

Lumsden

Musgrave Harbour

Division No. 8, Subd. L

Carmanville

Fogo Island Region (Part)

Joe Batt's Arm-Barr'd Islands-Shoal
Bay

Tilting

Change Islands

Seldom-Little Seldom

Division No. 8, Subd. H

Cottlesville

Summerford

Division No. 8, Subd. G

Campbellton

Birchy Bay

Comfort Cove-Newstead

Baytona

Division No. 8, Subd. F

Embree

Little Burnt Bay

Leading Ticks

Point Leamington

Pilley's Island

Triton

Brighton

Lushes Bight-Beaumont-Beaumont
North

South Brook

Robert's Arm

Little Bay

Little Bay Islands

Division No. 8, Subd. O

King's Point

Nippers Harbour

Burlington

Middle Arm

Division No. 8, Subd. A

Fleur de Lys

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

LaScie	Flower's Cove
Brent's Cove	Bird Cove
Pacquet	Main Brook
Seal Cove (White Bay)	St. Anthony
Westport	Glenburnie-Birchy Head-Shoal Brook
Ming's Bight	St. Lunaire-Griquet
Woodstock	Cook's Harbour
Miles Cove	Raleigh
Englee	Division No. 9, Subd. H
Roddickton-Bide Arm	Bellburns
Conche	Division No. 9, Subd. G
Division No. 9, Subd. A	River of Ponds
Woody Point, Bonne Bay	L'Anse au Loup
Norris Point	Red Bay
Rocky Harbour	L'Anse-au-Clair
Daniel's Harbour	Forteau
Cow Head	West St. Modeste
Parson's Pond	Division No. 10, Subd. B
Hawke's Bay	Port Hope Simpson
Port Saunders	Mary's Harbour
St. Pauls	Charlottetown (Labrador)
Division No. 9, Subd. C	Division No. 10, Subd. C
Anchor Point	North West River

THE BANKS HAVE FAILED US: POSTAL BANKING TO THE RESCUE

Division No. 10, Subd. D

Howley

Natuashish 2

Hampden

Rigolet

Pasadena

Postville

Division No. 5, Subd. D

Makkovik

Humber Arm South

Hopedale

Cox's Cove

Nain

Lark Harbour

Division No. 5, Subd. G

Irishtown-Summerside

Jackson's Arm

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A bank for everyone

Support Postal Banking

Postal banking is the provision of financial and banking services through a post office. It is not a new or radical idea. Postal banks already exist in many parts of the world where they are used to:

- increase financial inclusion
- promote economic development
- and generate revenue to preserve public postal service and jobs

In fact, our post office used to have a national savings bank – up until 1969 – and there is no reason we shouldn't have one today.



Why do we need postal banking?

1 Banks are failing to meet the needs of a growing number of Canadians. Thousands of towns and villages across our country do not have a bank. But many of them have a post office that could provide access to financial and banking services.

2 Nearly two million Canadians in urban and rural areas desperately need an alternative to predatory payday lenders. A postal bank could be that alternative.

3 Canadian banks have raked in enormous profits while cutting service, closing branches and charging some of the highest banking and ATM fees in the world. We deserve better.

4 Post administrations around the world, including Canada Post, have seen traditional mail volumes decline in recent years. Many post offices have added or expanded financial services in order to lessen their dependence on declining mail volumes and revenues. Postal banking could help Canada Post make money and increase its ability to provide public postal service and create decent jobs in communities throughout Canada.

Postal banking is lucrative!

New Zealand: Kiwibank generated 81% of New Zealand Post's after tax profits.

Switzerland: PostFinance produced 48% of Swiss Post's operating profits.

Italy: BancoPosta profits allowed the Italian post office to make 57 million Euros in profits (\$86.1 million CAD) in spite of losses incurred by its postal business.

France: La Banque Postale's operating profits of 842 million Euros (\$1271.6 million CAD) made a significant contribution to Le Group La Poste's operating profits of 719 million Euros (\$1085.8 million CAD).

Sources: New Zealand Post, Swiss Post, Poste Italiane and Le Group La Poste, 2014

Postal banking has social & economic benefits

France: Banque Postale has an obligation to provide products and services to as many people as possible. It provides a Livret A or passbook savings account, at no charge, to anyone who requests it. It also provides banking services to the financially vulnerable and financing for social housing, voluntary organizations and microentrepreneurs lacking bank credit.



Brazil: Since its creation in 2002, Banco Postal at Brazil's post office has opened over 6,200 postal bank branches and provided bank accounts to about ten million people. These efforts are largely designed to meet the needs of poor and marginalized populations living in rural and underdeveloped areas.



Italy: BancoPosta offers current accounts, payment services and postal savings products on behalf of Cassa depositi e prestiti (CDP). The CDP, which is 80% owned by the Italian government, supports the development of the country

Posteitaliane

by financing the investments of public entities, helping local authorities leverage their real estate assets, investing in social housing, and supporting energy efficiency policies.

We had a postal bank

Canada had postal banking for over a hundred years. The federal government passed legislation establishing a post office savings bank system just after Confederation in 1867 in order to provide a savings service to the working classes and small town residents. This system began operating in 1868 with 81 locations and grew quickly. By 1884, there were 343 post office savings banks, with a balance of \$13 million from almost 67,000 accounts. However, Canada's postal banking system confronted challenges from chartered banks by the 1890s. These banks, facing a recession, became interested in attracting the kind of small-time depositors who used post office savings





banks and they actively worked to undermine postal banking. In 1898, the chartered banks successfully lobbied the government to reduce the interest rate paid on deposits at postal savings banks from 3% to 2.5%. They also worked to eliminate advertising by postal banks. As time went on, chartered banks and credit unions increased their presence in communities and the post office and government became less interested in maintaining the network. The post office savings bank system was closed down in 1969.

Support for postal banking

Municipalities: Over 600 municipalities have passed resolutions that support postal banking.

Public: Almost two out of every three respondents (63%) to a 2013 Stratcom poll supported Canada Post expanding revenue-generating services, including financial services like bill payments, insurance and banking.

Canada Post: A number of former Canada Post presidents have considered and even promoted the notion of the corporation getting more involved in financial services: Michael Warren, Andre Ouellet, Moya Greene.

Universal Postal Union: The UPU, a United Nations agency, thinks post offices should be looking at expanding financial services. It has produced a global roadmap for the future. This roadmap calls for the continued development of postal networks along three dimensions – physical, financial and digital/electronic.

Federal parties: Most federal parties have expressed either support for or an interest in postal banking. In 2014, the Liberal Party postal critic said the merits of postal banking should be explored in the context of several different options for the future of Canada Post.



Canada Post's secret postal banking study

Canada Post conducted a secret four-year study on postal banking that indicates that adding this service "would be a win-win strategy" for the corporation. This study was obtained through an Access to Information (ATI) request. Unfortunately, 701 of the study's 811 pages were redacted. CUPW has asked Canada Post's President to release the full report, but he has refused.

What would a postal bank look like?

There are many different models of postal banking. Some postal administrations set up their own bank. Others act as a financial intermediary by providing services in partnership with banking and other financial institutions, such as credit unions. In this instance, they work with one or a number of institutions, which operate nationally or in different regions. Some postal banks deliver a broad range of financial services, while others provide a more limited offering.

Services provided by postal banks:

- Savings and checking accounts
- Online banking
- Bank machines
- Credit cards, debit cards, pre-paid cards
- Money transfers, including remittances
- Insurance (home, auto, travel, etc.)
- Loans and mortgages
- Investment products (RRSPs, mutual funds, annuities)
- Foreign currency
- Other services such as financial counselling

Government review of Canada Post

CUPW wants the government review of Canada Post to recommend the addition of financial and banking services at Canada Post, or at a minimum, a task force to determine how to deliver new financial and banking services through our postal service.

Please consider making this recommendation to the review.

For more information:

A postal bank for everyone – Support Postal Banking
www.cupw.ca/PostalBanking

Why Canada Needs Postal Banking
<https://www.policyalternatives.ca/publications/reports/why-canada-needs-postal-banking>

The Banks Have Failed Us: Postal Banking To The Rescue
<http://www.cupw.ca/postal-banking-rescue>

Rural Canada is underserved by financial services:
Why post offices need to offer banking services
http://cpaa-acmpa.ca/pub/files/banking_services_SEPT23Eng.pdf

Banking on a future for posts
<http://www.cupw.ca/campaign/resources/banking-future-posts>



CANADA POST CORPORATION

PROFITS, DIVIDENDS AND INCOME TAX (in millions)			
YEAR	NET PROFITS	DIVIDENDS	INCOME TAX
Apr 1988- Mar 1989	96		
1990	149		
1991	14	60	
1992	(128)	6	
1993	26		
1994	(270)		
1995	(69)		4
1996	28		4
1997	112 ¹	10	6
1998	36 ²	10	9
1999	50 ³	212	16
2000	75 ⁴	12	5
2001	84 ⁵	19	81
Apr 2001-Dec 2001	67 ⁶	21	65
Jan 2002-Dec 2002	71 ⁷	16	56
2003	253 ⁸	18	(69)
2004	147	63	93
2005	199	59	80
2006	119	80	44
2007	54	47	102
2008	90	22	67
2009	281	0	95
2010	439	0 ⁹	(136) ¹⁰
2011	(188) ¹¹	0	(65)
2012	94 ¹² (83) ¹⁴	0	33 (27) ¹³
2013	(29)	0	(29)
2014	198	0	71
2015	99	0	37

Source: Canada Post Annual Reports and Business Plans

1. 95 million from Canada Post, 17 million from Purolator
2. 24 million from Canada Post, 12 million from Purolator
3. 43 million from Canada Post, 7 million from Purolator
4. 84 million from Canada Post, 9 million loss from Purolator
5. \$106 million from Canada Post; \$22 million loss from Purolator
6. \$57 million from Canada Post; \$10 million from Purolator
7. Canada Post stopped providing net profit figures for its various operations.
8. Includes one time payment of \$118 million, a settlement with a foreign postal administration over terminal dues.
9. The 2010 Canada Post Annual Report says "no dividend paid to the shareholder in recognition of the need for significant capital reinvestment to modernize the postal system."
10. Canada Post recorded a non-cash income tax benefit, "driven mainly by the release of a \$768 million valuation allowance and hence the recognition of a previously unrecognized future income tax asset" Source: Canada Post 2010 Annual Report, pg. 35, 129.
11. The Canada Post segment lost \$233 million but other parts of the CPC group made money. Note: Canada Post took the unusual step of publicizing the higher *before tax* loss figure of \$327 million (for the Canada Post segment alone). Canada Post would not have lost money if it were not for the one-time benefit increase of \$63 million as a result of the pension adjustment in the second quarter, and the one-time payment for pay equity in the third quarter (estimated to be between \$150 million to \$250 million).
12. As in 2011, Canada Post took the unusual step of publicizing *before tax* figures for the Group (\$127 million in *before tax* profit) and the Canada Post segment (\$98 million in *before tax* profit). It said that Canada Post's \$98 million in profit "was created by non-recurring, non-cash adjustments worth approximately \$152 million in 2012" and that "without the non-cash adjustments, the Canada Post segment would have incurred a before-tax loss of \$54 million in 2012."
13. Restated as a tax credit of \$27 million in 2013. 2012 report indicated CPC paid \$33 million in tax.
14. Due to new or revised accounting standards, CPC lost \$83 million in 2012, instead of making \$94 million as stated in the 2012 annual report.

To whom it may concern;

(For consideration of Council and Municipalities)

As you may know, the standing committee on government operations and estimates (OGGO) presented its recommendations following its public consultations on the future of Canada Post. Notwithstanding some concerns, we believe that many of these recommendations could have a positive impact on Canada's population.

We are pleased that the committee would like to see door-to-door delivery restored to many household, though unfortunately only to addresses that were converted after August 3, 2015. Among the 45 recommendations of the Parliamentary committee, following are some that we hope will be among those to be submitted by Minister Foote between April and June 2017.

- Maintain the moratorium on Post office closures;
- Study how to transform post offices into community hubs;
- Assess how Canada Post could offer more services through its existing retail network;
- Maintain Canada Posts moratorium on community mail box (CMB's) conversions and develop a plan to restore door-to-door delivery for communities where conversions took place after August 3, 2015;
- Study the possibility of using Canada Post to offer wide band internet services and better cellular phone services in rural areas;

We believe that these proposals represent for Canadians and for Canada Post an opportunity to expand the mandate of the Crown Corporation.

On the other hand, we remain concerned by the fact that there is a total lack of reflection and directives on Postal Banking services. We would like the Government to seriously study the possibility of offering such services when it tables its response to the parliamentary committee. Additionally, we feel that with the aging population of Canadians and the desire to remain living independent the government should look at services for seniors.

We know that several of you are committed to the future of the postal service and we Thank You very much for your support and involvement in the defence and improvement of Canada Post. The Government expects to make a decision between April and June 2017. We much ensure, among other things that the moratorium on the conversion to CMB's is maintained and that door-to-door delivery, as recommended by the Parliamentary committee, is re-established. We believe that this measure should apply to all households that lost door-to-door delivery, as promised by the Prime Minister and Liberal MP's.

We hope that you will be able to make your voice heard by Minister Foote so as to ensure that Canadians continue to enjoy a public, universal Postal service, a proximity service which Canadians consider very important. You will find below the contact information for Minister Foote as well as a template letter to which you may refer for inspiration or send as is. We would appreciate receiving a copy of your letter or any other document that you may send to the Minister.

The Honorable Judy Foote,

Minister of Public Services and Procurement

11 Laurier Street, Suited 18A1

Phase III, Place du Portage Gatineau, Quebec

K1A 0S5

Telephone: 819-956-5421

Facsimile: 819-956-8382

Email: minister@pwgsc.ca

Should you have any further questions, please feel free to contact Nancy Dodsworth.

Sincerely,



Nancy Dodsworth

President,

Canadian Union of Postal Workers

Local 730 Edmonton

union@cupwedm.net

Telephone: 780-423-9000 ext.: 1

Facsimile: 780-423-2883



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

THE WAY FORWARD FOR CANADA POST

Report of the Standing Committee on Government Operations and Estimates

Tom Lukiwski
Chair

DECEMBER 2016

42nd PARLIAMENT, 1st SESSION

5. CONCLUSION

Canada Post is an essential public service that Canadians across the country rely on to communicate with each other and with various levels of government. The Committee believes that, by implementing the recommendations outlined in this report, Canada Post will be able to better meet the needs and expectations of Canadians by providing quality services while ensuring the Corporation is financially self-sufficient over the long term.

In the Committee's opinion, Canada Post's priority must continue to be providing quality mail and parcel delivery services at affordable prices. To accomplish this, the Corporation should focus on the following five themes:

- Align the interests of management and Labour;
- Update the *Canadian Postal Service Charter* to meet the demands of the 21st century;
- Modernize Canada Post's defined benefit pension plan;
- Focus on excellence on its core competencies and generate additional revenue in the digital markets; and,
- Continue the moratorium on community mailbox conversion and reinstate home mail delivery services.

Canada Post is important to Canadians. The Committee is of the opinion that it is essential for Canada Post to maintain good communication with its employees, clients and stakeholders. In addition, the Corporation should focus its activities and decisions on maintaining reliable service, on mail security, on infrastructure safety and on its unique, well-established communication infrastructure that extends across Canada. Furthermore, Canadians' needs are affected by where they live, how old they are, their state of health, their mobility, and their ties to Canada Post. As a result, Canada Post cannot use a one-size-fits-all approach; it must adapt its services to the specific needs of its clients, offering solutions tailored to rural communities and businesses, as well as seniors and people with disabilities or reduced mobility. The Corporation's success depends on its employees, as they are its most valuable resource.

With regard to the current service model, the many witnesses who appeared as part of this study made it clear that delivering mail to community mailboxes was not acceptable to everyone, and that certain changes will have to be made due to the various issues associated with the community mailbox conversion plan. In addition, given its well-established infrastructure, Canada Post is in a position to build on and profit from providing parcel delivery services to meet the increased demand. The Committee believes that the current five-day-a-week delivery schedule should be maintained, because cutting delivery frequency could accelerate the decline of mail volume. Furthermore, service standards must be maintained and must be taken into consideration when the Corporation consolidates its processing activities, and postage rates should increase based on the rate

of inflation. Moreover, the Committee believes that the 1994 moratorium on closing rural post offices should be updated to reflect demographic changes, and that it would be beneficial to make the best use of the Corporation's real property holdings, such as its post offices.

Lastly, with regards to the Corporation's challenges and opportunities, the Committee believes that Canada Post must find ways to increase its revenues without jeopardizing its core business by exploring private-sector partnerships, as well as focus its activities on its areas of expertise, explore the possibility of converting some post offices into community hubs, and consider the possibility of providing broadband Internet services and cellular services.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

Canada Post be maintained as a universal public service for all Canadians and conduct its operations on a self-sustaining financial basis while ensuring that profits generated are reinvested within the Corporation..... 66

RECOMMENDATION 2

Canada Post prioritize and concentrate efforts in protecting its core mandate to provide high-quality, affordable letter and parcel delivery services to all Canadians in an innovative manner befitting the 21st century. 66

RECOMMENDATION 3

The Minister of Public Services and Procurement consider broadening the mandate of Canada Post to include delivering critical digital communications infrastructure to rural Canadians..... 66

RECOMMENDATION 4

The *Canadian Postal Service Charter* be reviewed by the Minister of Public Service and Procurement to ensure that it is relevant for the 21st century and onwards. 68

RECOMMENDATION 5

The review of the *Canadian Postal Service Charter* by the Minister of Public Services and Procurement include a Gender-based analysis Plus..... 68

RECOMMENDATION 6

The Minister of Public Services and Procurement investigate options for greater oversight of Canada Post, to ensure transparency, accountability and good governance through the establishment of a regulator..... 70

RECOMMENDATION 7

Canada Post examine better synergy with Purolator, SCI Group and Innovapost for augmenting revenue and efficiencies..... 72

RECOMMENDATION 8

To ensure better relations between the Corporation and its employees, Canada Post use arbitration and mediation processes effectively to enhance renewed co-operation and trust between Labour and management and provide a venue for discussion of creative ideas from employees. 75

RECOMMENDATION 9

Canada Post appoint a labour representative to the Canada Post Board and that they meet regularly. 75

RECOMMENDATION 10

The Minister of Public Services and Procurement establish a tripartite advisory council composed of the federal government, the various unions representing Canada Post employees and Canada Post Corporation for the expansion and implementation of new service offerings at the Corporation. The council's goal would be to develop a more proactive, collaborative relationship between employees and management, anchored by specific governance reforms that formalize this partnership. 75

RECOMMENDATION 11

Canada Post develop a defined and rigorous collaborative process with municipalities, respecting their fundamental jurisdiction over land use and planning, in order to reach agreements with them, and avoid litigation, regarding conditions for the installation of equipment as it is already the case in the telecommunications sector. 77

RECOMMENDATION 12

The federal government create a formal, transparent and accountable, consultation process to ensure stakeholder engagement is significant and undertaken regularly in accordance with the *Canadian Postal Service Charter*. 77

RECOMMENDATION 13

Canada Post and the federal government take steps to modernize Canada Post's defined benefit pension plan so that it can operate on a going-concern basis and no longer be subject to solvency funding requirements, including examining the feasibility of the following options:

- Adopting a shared-risk model between the employer and plan members;
- Pursuing joint management between the employer and plan members; and,
- Incorporating the Canada Post defined benefit pension plan into the Public Service Pension Plan..... 80

RECOMMENDATION 14

Canada Post maintain its focus on excellence in service in its core competencies in meeting the *Canadian Postal Service Charter* standards and explore additional venues of revenue within those competencies, e.g. e-commerce. 82

RECOMMENDATION 15

Canada Post continue investing in the growth of its parcel/e-commerce services, which provide needed infrastructure for Canadian businesses..... 83

RECOMMENDATION 16

Canada Post look to other industry leaders that have successfully adopted innovative service models, to develop a more innovative growth agenda to expand its services, without marginalizing rural and remote areas..... 83

RECOMMENDATION 17

Canada Post consult with stakeholders on placement and accessibility of the community mailboxes as well as door-to-door delivery to meet the needs of seniors and people with disabilities and reduced mobility..... 84

RECOMMENDATION 18

Canada Post communicate options available to seniors and people with disabilities and reduced mobility..... 84

RECOMMENDATION 19

Canada Post focus on expanding services to the small- and medium-sized enterprises and provide excellence in service so that businesses have confidence in Canada Post's service delivery model..... 85

RECOMMENDATION 20

Canada Post review the impact on efficiency of delivery before implementing strategies, e.g. local processing versus centralized processing..... 85

RECOMMENDATION 21

Canada Post provide training on different aspects of business to its employees as the Corporation moves into newer areas..... 86

RECOMMENDATION 22

Canada Post align the interests of employees with those of the Corporation by including labour representatives at the design stage of any change management project and not simply at the implementation stage..... 86

RECOMMENDATION 23

Canada Post continue the moratorium on community mailboxes conversion, and develop a plan to re-instate door-to-door delivery for communities that were converted after 3 August 2015..... 90

RECOMMENDATION 24

Canada Post consider greening its operation through addition of recycling containers and garbage containers at community mailboxes..... 90

RECOMMENDATION 25

Canada Post continue to focus on growing its share of the parcel market through new and innovative services to meet market and customer expectations..... 92

RECOMMENDATION 26

Canada Post work with businesses to ensure that it maintains a level of service commensurate with business and Canadian needs when looking at frequency of delivery..... 94

RECOMMENDATION 27

Canada Post look at ways to make its processing more efficient, while maintaining its delivery standards, especially in rural areas, where depot rationalization may have negatively impacted service standards. 95

RECOMMENDATION 28

Canada Post be transparent about the service-level impact of processing plan rationalization on different communities. 95

RECOMMENDATION 29

Canada Post examine ways to provide more services and meet service level commitments in all types of communities using its existing retail network. 95

RECOMMENDATION 30

Canada Post be permitted to raise postal rates based on the rate of inflation, while maintaining a single price for lettermail delivery across Canada. 97

RECOMMENDATION 31

Canada Post work at being competitive in the parcel delivery area and utilize its distribution network and last mile delivery services to its advantage, when working with its competitors, e.g. UPS, FedEx, DHL, etc. 97

RECOMMENDATION 32

Canada Post work with Global Affairs Canada officials to ensure either:

- that international postal rates from other countries reflect the true delivery cost; or
- that Global Affairs Canada compensate Canada Post for the cost of delivering mail at a lower cost, which is offered to other countries as a form of development assistance. 99

RECOMMENDATION 33

Canada Post undertake a demographic analysis to ensure rural areas are truly protected and reflected in the moratorium on the closure of rural post offices. 100

RECOMMENDATION 34

Canada Post examine ways to increase the hours of operations in rural post offices, and perform more regional sortation of mail and packages so that rural customers can access their local market easily. 100

RECOMMENDATION 35

Canada Post develop synergistic partnerships for increasing revenue at each location and optimize usage of its real estate in areas where there are multiple post offices. 102

RECOMMENDATION 36

Canada Post preserve its post offices, along with the associated moratorium on the closure of rural post offices, even in areas where there are franchise postal outlets. 102

RECOMMENDATION 37

Canada Post focus on investing in growth in parcel services, e-commerce and exploring partnerships to remain competitive, without sacrificing its core business. 104

RECOMMENDATION 38

Canada Post focus on its core competencies to help Canada meet the challenges of the 21st century. 107

RECOMMENDATION 39

Canada Post explore location-specific opportunities for post offices to act as community hubs and respond to the local needs of its surrounding community. 109

RECOMMENDATION 40

Canada Post leverage its reputation and extensive network to identify customized solutions that its post offices can offer as community hubs. 109

RECOMMENDATION 41

Canada Post explore partnering with government departments and agencies at all levels, to provide services and enhance the use of post offices as economic hubs. 109

RECOMMENDATION 42

Canada Post pilot the community hub model for franchise postal outlets in a representative sample of urban, suburban, rural and remote rural post offices, operating on both a corporate and franchised service model, with a view to increasing profitability. 109

RECOMMENDATION 43

The federal government examine, with the Minister of Innovation, Science and Economic Development Canada and the Canadian Radio-television and Telecommunications Commission, the possible delivery of broadband Internet and improved cellular service to rural Canada using Canada Post real estate to house servers and offer retail services to customers. 110

RECOMMENDATION 44

Canada Post look at new revenue streams from government customers such as expanding the Nutrition North Program. 112

RECOMMENDATION 45

Canada Post explore the possibility of partnering with e-commerce companies to expand the footprint and synergize services that add value and revenue. 112

Subject: Future of Canada Post

(**This letter would have to be modified to be sent to Prime Minister Trudeau)

Date: _____

The Honourable Judy M. Foote
Minister of Public Services and Procurement
Place du Portage, Phase III, Suite 18A1
11 Laurier Street
Gatineau, Quebec
K1A 0S5

Dear Minister Foote:

Subject: Future of Canada Post

The review of Canada Post has now been completed and the Standing Committee on Government Operations and Estimates (OGGO) has tabled its 45 recommendations. We are now expecting the Government's decision on the future of Canada Post. (WRITE IN THE NAME OF THE MUNICIPALITY OR OF THE ORGANIZATION) would like to provide its views on the recommendations tabled by the Parliamentary Committee.

We are pleased that the Committee would like to see the moratorium on conversion to community mail boxes (CMBs) maintained and that it recommends the restoration of door-to-door delivery, however, we are asking you to apply this measure to all the households who lost door-to-door delivery, as promised by the Prime Minister and Liberal MPs.

Here are some of the Committee's recommendations that, we hope, will be among those of your Government:

- Maintain Canada Post's moratorium on CMB conversion and restore door-to-door delivery for all households who lost it;
- Maintain the moratorium on post office closures and examine how to expand their opening hours;
- Assess how Canada Post could offer more services through its existing retail network;
- Study how to transform post offices into community hubs;
- Study the possibility of using Canada Post to offer wide band Internet services and better cellular phone services in rural areas;
- Develop a specific and rigorous process for collaboration between Canada Post and municipalities.

Surprisingly, even though more than 600 municipalities as well as many organizations adopted resolutions in favour of postal banking services, we have noticed a total lack of reflection and instructions on this matter in the Parliamentary Committee's report. We would like the Government to seriously study the possibility of offering such services when it tables its reply to the Parliamentary Committee's report.

We believe that these proposals represent an excellent opportunity to expand the mandate of the Corporation and thereby develop new services that would better respond to citizens' needs and that would reflect what a 21st century post office should look like.

(WRITE IN THE NAME OF THE MUNICIPALITY OR OF THE ORGANIZATION) is also concerned with (INDICATE THE OTHER CONCERNS OF YOUR MUNICIPALITY OR ORGANIZATION, IF APPLICABLE).

We hope you will take our concerns into consideration in drafting your recommendations.

Sincerely yours,

Signature: _____

Name of municipality or organization: _____

Address: _____



May. 15. 2017 6:59AM

No. 0931 P. 1



CITY OF MOOSE JAW

PHONE (306) 694-4422
FAX (306) 692-4518
e-mail: mayor@moosejaw.ca

OFFICE OF THE MAYOR

228 Main Street North • Saskatchewan • Canada • S6H 3J8
www.moosejaw.ca

File: 1000

April 6, 2017

The Honourable Judy Foote
Minister of Public Services and Procurement
House of Commons
Ottawa, ON K1A 0A6

Dear Minister Foote:

Re: Community Mailbox Conversion - Moose Jaw, Saskatchewan

The City of Moose Jaw was affected by the implementation of community mailboxes and would like to reiterate its support for the return of door-to-door mail delivery.

According to the 2011 Census, 31.4% of Moose Jaw's population was aged 64 and older. Many of our older citizens continue to reside in their own homes, particularly in our older neighborhoods. These are the citizens, and the neighborhoods, who have been most adversely impacted by the withdrawal of door-to-door mail delivery since August 2015.

The withdrawal of this service has been most difficult for our seniors and others with mobility restrictions. They are dependent on the mail service for delivery of bills and other communications which have been their link with the outside world. Many in this demographic are not computer literate and don't have the means to interact in the electronic world. Many are dependent on others to collect their mail. They therefore have more erratic and less frequent access to inbound mail and communication.

This move by Canada Post was counter to the thrust by other levels of government to do everything possible to assist seniors, in particular, to remain in their homes and enhance their quality of life as long as possible.

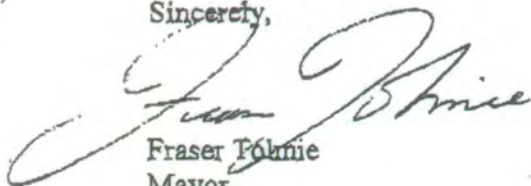
City Council passed a resolution that the City of Moose Jaw support the reinstatement of door-to-door mail delivery. We recognize that this will involve policy and financial decisions by Canada Post and the Federal Government. In the meantime, our citizens enjoy a lesser degree of service than that enjoyed by their counterparts in the neighborhoods of most other cities across the country. We pay the same postal rates, but get a reduced level of service.

.../2

The Honourable Judy Foote
April 7, 2017
Page 2

I look forward to hearing from you respecting this very important matter.

Sincerely,



Fraser Fohme
Mayor
FT/cd

c: Ms. Julee Sanderson, CUPW Representative
730A-45th St W, Saskatoon, SK S7L 5X1

Matt Noble, City Manager
Michelle Sanson, Director of Planning & Development Services

\\omjvm\private\caroline\documents\letters\canada post letter april 2017.docx



City of
Prince Albert

March 27, 2017

Government of Canada
11 Laurier Street
Place du Portage, Phase III
Floor 18A1
Gatineau, Quebec K1A 0S5

Attention: Honourable Judy M. Foot, Minister of Public Services and Procurement

Dear Minister:

Re: Door to Door Postal Services

At the February 13, 2017 City Council meeting, the following resolution was passed:

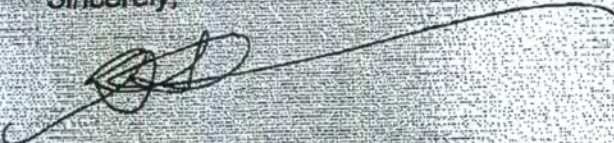
"That City Council request the present Federal Government to reinstate door to door postal service in the City Of Prince Albert as soon as possible and enhance door to door service, not regress."

City Council will be forwarding a resolution to SUMA advising how many citizens in Prince Albert lost door to door mail service; and, that the convenience of the door to door service is one of the visible physical services many city taxpayers see for their federal taxes.

Therefore, the City of Prince Albert is asking the present Federal Government to reinstate door to door postal service in our City as soon as possible.

Please do not hesitate to contact me if you have any questions regarding this matter.

Sincerely,



Greg Dionne
Mayor

cc: Sent by Email:

minister@pwgsc.gc.ca

Premier Brad Wall, premier@gov.sk.ca

Randy Hoback, MP, randy.hoback.c1@parl.gc.ca

Ralph Goodale, MP, ralph.goodale@parl.gc.ca



A Canada Post for Everyone



Daily door-to-door delivery: It's not just more convenient. It's better for the environment.

Canada Post delivers billions of letters and parcels to homes and businesses every year. Many Canadians consider it a trusted and valuable service.

But did you know that home mail delivery is the most environmentally friendly way of moving letters and parcels from sender to receiver? And it's greener when it's done five or six days a week.

Why Canada Post is the greener option

The boom in online shopping means that millions more parcels are being delivered by Canada Post and other delivery companies. That's a lot of cars and trucks on delivery runs.

Last year, the number of parcels delivered by Canada Post alone increased by almost 10%. But with Canada Post, the amount of greenhouse gas emissions barely increases. Why? Because, unlike other delivery companies, Canada Post already has people delivering mail and parcels to every neighbourhood in the country on a daily basis.

From an environmental perspective, Canada Post is the best delivery option. According to a 2011 report, getting a parcel delivered by Canada Post can cause up to 6 times less CO₂ emissions than an overnight delivery by a courier, and 3 times less than having a customer make a 5-km trip to pick it up in a store.

Why daily delivery is the greener option

If we cut mail delivery back to three days per week, Canada Post would lose its environmental advantage. It would make Canada Post's parcel delivery more expensive, which would result in the corporation losing market share to less environmentally efficient companies.

A vehicle delivering letters and parcels together keeps down the cost and environmental impact of each piece.



**Our daily
door-to-door
delivery network
is part of a
sustainable future
for Canada Post.**

**Let's keep it
greener.**

What if I don't get my mail every day?

Lots of us don't get mail every day. That kind of fluctuation in volume is already built into the delivery system. Having carriers deliver fewer days per week would only make it harder to reduce our carbon footprint.

Businesses of all sizes rely on daily delivery for cash flow and time-sensitive items. So courier companies would step in to fill in the gap, meaning three or more delivery trucks and vans driving the same streets.

Why door-to-door delivery is the greener option

There are many reasons why people hate so-called "community mailboxes":

- they cause more traffic congestion
- lower property values
- thefts, and injuries due to slips and falls

They also cause more people to drive to pick up their mail, creating more pollution. Cars sit idling while residents struggle to open frozen locks and get the mail.

One poll shows that over a third (34.2%) of people drive to pick up their mail from a group mailbox.





Do you want your home mail delivery back?

Let the Prime Minister know!

Justin Trudeau promised to restore home mail delivery during the 2015 federal election. Other Liberal MPs made similar commitments.

However, the Prime Minister and his party have been silent on this matter pending a review of Canada Post. As part of this review, a House of Commons committee recently recommended that door-to-door delivery be restored to Canadians who lost this service as of the election call in 2015. This is welcome news and a step in the right direction. But it's not exactly fair — *to the people who lost delivery before the election* — or what the Liberals promised.

So will the Prime Minister and other Liberal MPs live up to their promises? We should know soon. The government is expected to make decisions relating to home mail delivery and its review of Canada Post this spring.

What can you do?

You can encourage the government to do the right thing by contacting Prime Minister Justin Trudeau.

What to say?

Just tell the Prime Minister that you want your home mail delivery back. A promise is a promise.

Contact information the PM:

Telephone at 613-992-4211

Email at pm@pm.gc.ca

Fax at 613-941-6900

Mail to Prime Minister of Canada, Langevin Building
80 Wellington Street, Ottawa, Ontario, K1A 0A2



Vous voulez le retour de votre courrier à domicile?

**Dites-le au
premier ministre!**

Lors de la campagne électorale de 2015, Justin Trudeau a promis de rétablir le service de livraison du courrier à domicile. D'autres députés libéraux ont eux aussi pris des engagements en ce sens.

Dans l'attente des résultats de l'examen public de Postes Canada, le premier ministre Trudeau et son parti demeurent toutefois silencieux sur la question. Dans le cadre de cet examen public, un comité parlementaire a recommandé de rétablir la livraison à domicile aux ménages qui ont perdu ce service après le déclenchement de la campagne électorale de 2015. Ce sont là de bonnes nouvelles et un pas dans la bonne direction. Cependant, la mesure n'est pas très juste à l'égard des ménages qui ont perdu ce service avant le déclenchement de la campagne électorale, et elle ne remplit pas non plus la promesse des libéraux.

Le premier ministre et les autres députés libéraux vont-ils respecter leur promesse? Nous le saurons bientôt, car plus tard au printemps, le gouvernement est censé prendre une décision sur la livraison à domicile, et cette décision s'appuiera sur l'examen public de Postes Canada.

Quoi faire?

Vous pouvez encourager le gouvernement à prendre la bonne décision en communiquant avec le premier ministre Justin Trudeau.

Quoi dire?

Dites simplement au premier ministre que vous voulez le retour de votre courrier à domicile. Chose promise, chose due.

Coordonnées du premier ministre

Téléphone : 613-992-4211

Courriel : pm@pm.gc.ca

Télécopieur : 613-941-6900

Par la poste : Premier ministre Justin Trudeau, Édifice Langevin,
80, rue Wellington, Ottawa (Ontario), K1A 0A2.

THE IMPLICATIONS OF CONVERTING HOME MAIL DELIVERY TO COMMUNITY MAILBOXES: THE CANADIAN EXPERIENCE

By Geoff Bickerton and Katherine Steinhoff

Canadian Union of Postal Workers

**Prepared for the 23rd Conference on Postal and Delivery Economics
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TABLE OF CONTENTS

Introduction.....	1
Economic Performance and Rationale For Cut.....	1
Conference Board of Canada Report: Incorrect Projections, Bias and Refusal to Examine Alternatives	2
Canada Post Financial Projections and Statements	3
Input of Stakeholders.....	4
Response of Stakeholders	5
The public.....	5
Municipalities	5
Small business	7
Large volume mailers	7
Political parties	8
Unions representing employees.....	8
Organizations representing seniors and people with disabilities.....	9
Canada Post Anticipates Savings but Additional Costs will be Borne by Other Segments of Society.....	11
The Public.....	11
People with disabilities and mobility issues.....	12
Municipalities	15
Problems unique to dense urban core.....	15
Site Review	15
Litter	16
Snow removal.....	16
Theft and vandalism	17
Real estate values	18
Community associations.....	18
Mail recipients.....	18
Canadian healthcare system	19
The Environment.....	21
Conclusion	21
Appendix A	22
Appendix B	29
Appendix C.....	30

Appendix D	34
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Endnotes	39
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INTRODUCTION

Many postal administrations are struggling to cope with the impact of falling mail volumes. However, Canada is the first country to announce it intends to eliminate all home mail delivery and force people to use community mailboxes (CMBs).

This paper will address the economic, social and political implications of Canada Post Corporation's (CPC's) decision to replace all residential mail delivery with community mailbox (CMB) delivery.

It will examine Canada Post's recent economic performance and the economic rationale it provided to justify the change in delivery mode.

The paper will also review the responses of various stakeholders, including the public, municipalities, small businesses, large volume mailers, political parties, unions representing employees, and organizations representing seniors and people with disabilities. It will identify the financial savings anticipated by Canada Post management and the additional costs to be borne by the public, seniors and people with disabilities, municipalities, community associations, mail recipients and the Canadian healthcare system. As well, it will examine the environmental implications of relocating the delivery location away from the premises of the recipient.

This paper aims at adding to the analysis of recent papers by Andreas Haller, Christian Jaag, and Ures Trinkner on the calculation of the net cost of home mail delivery obligations (2013), Frédéric Fustier, Lionel Janin and Racha Sahly on the potential gains and losses associated with a partial lifting of home delivery obligations (2014), Paul Hodgson, Malcolm Shaw and Helen Duignan on the realignment of New Zealand's universal service obligation (2014) and Kari Elkelä, Heikki Nikali and Päivi Rokkanen on options for dealing with decreasing mail volumes (2014).

ECONOMIC PERFORMANCE AND RATIONALE FOR CUT

Canada Post has been adamant that it needs to eliminate home delivery and take other measures in order to control costs and remain financially self-sufficient.

On December 11, 2013, Canada Post announced the adoption of a five-point plan designed to reduce costs by approximately \$1 billion per year by 2020. In addition to the elimination of door-to-door delivery, the plan included price increases, greater privatization of post offices, the introduction of new work methods and reductions in employee compensation costs. When CPC announced this plan, it stated "the implementation of this plan means Canada Post can return to financial sustainability by 2019 (Canada Post 2013)." This was a curious thing to say given that, in its most recent 2012 annual report, CPC had reported profits of \$94 million for the previous year.

The basic justification for these dramatic actions was a projection provided by the Conference Board of Canada that Canada Post would lose approximately \$1 billion per year by 2020. This projection was included in a paper entitled *The Future of Postal Service in*

Canada. This paper, which was published in April 2013, was entirely paid for by Canada Post Corporation.

From the very beginning, *Canada Post's Five-point Plan* has been justified on the basis of misinformation. Almost everything that we have been told about this plan, whether it be the financial projections used to justify it, or the description of the impact it will have on people, has been a distortion of reality or completely untrue.

CONFERENCE BOARD OF CANADA REPORT: INCORRECT PROJECTIONS, BIAS AND REFUSAL TO EXAMINE ALTERNATIVES

When announcing its five-point plan, Canada Post's press release stated: "The Conference Board of Canada study projected a financial loss of close to \$1 billion by 2020 unless Canada Post makes fundamental changes to its business (Canada Post 2013)". The five-point plan document states: "The Conference Board of Canada projected that Canada Post could lose roughly \$1 billion a year by 2020 (Canada Post 2013)."

The financial projections relied upon by Canada Post to justify its massive cutbacks were false from the beginning. The Conference Board arrived at the \$1 billion calculation by assuming Canada Post would incur financial losses beginning in 2012. Altogether, the Conference Board projected a cumulative loss of \$950 million for the first three years for the Canada Post segment. But how did CPC really do?

As seen in Table 1, Canada Post did not experience catastrophic financial losses in the years immediately following the publication of the Conference Board report. In fact, instead of a cumulative loss of \$950 million, CPC actually reported a profit from operations during this period.

Table 1

CPC Performance versus Conference Board Projections

	Canada Post Profit (loss) From Operations (\$millions)		
	2012	2013	2014
Conference Board projection	(250)	(300)	(400)
Canada Post Result*	+77	(269)	+204

**As reported in Canada Post Annual reports*

It should also be noted that the 2013 results were heavily influenced by Canada Post applying new and revised International Financial Reporting Standards. Without the amendments to IAS 19, Canada Post would have reported very significant profits.

In addition to its faulty financial projections, there are other reasons to question the wisdom of taking any decision based on the Conference Board report. The report also contains errors with respect to volume projections. The report estimated a drop in lettermail volumes of 9.5% for the fourth quarter of 2012. The actual reduction in volumes was almost half of this prediction. The report also significantly underestimated the increase in parcel volumes actually experienced by Canada Post.

There are also reasons to question the impartiality of the Conference Board report. First, as previously mentioned, the report was bought and paid for by Canada Post Corporation. Canada Post President Deepak Chopra is on the Board of Directors of the Conference Board of Canada. David Crapper, who was paid to organize the focus groups and conduct the residential and small business polling used in the report, has worked on many Conservative campaigns and advised the party on polling data during the 2006 election.

Finally, perhaps the most damning problem with the Conference Board report is what it does not address. The report does note that other postal administrations are responding to reduced letter volumes by expanding into financial services and banking but does not examine the feasibility of these options for CPC.

CANADA POST FINANCIAL PROJECTIONS AND STATEMENTS

When considering the financial situation of Canada Post, it is very important to consider the lack of consistency and credibility of its previous financial statements.

There is a consistent pattern of Canada Post management to project the most negative image possible about the financial prospects for the corporation.

Table 2

CPC Overall Financial performance versus CPC Corporate Plan (\$millions)

	2009	2010	2011	2012	2013	2014
CPC Consolidated net profit	281	439	(188)	94	(29)	198
CPC Plan	71	48	95	20	(256)	(206)

Source: CPC Annual reports and Corporate Plans

As seen in Table 2, with the exception of 2011, Canada Post management has consistently greatly underestimated its financial performance. For the five years 2009-10 and 2012-14, CPC estimated that it would show total losses of \$323 million when in fact the corporation

reported total net profits for these five years of \$983 million, a net difference of \$1,306 million.

CPC's performance in 2011 deserves to be examined as the entire loss of that year can be explained by two one-time events that in no way reflect the ongoing financial well-being of the corporation. In May 2012, Canada Post released its *2011 Annual Report* in which the corporation reported a net loss of \$188 million. This included a \$63 million one-time pension adjustment attributed to past service costs, and one-time costs due to CPC losing a pay equity complaint before the Supreme Court of Canada. The Court's decision required the corporation to make retroactive payments to administrative staff for the period 1983-2002. The one-time cost of this payment was estimated to be in the range of \$170 – \$250 million. These two one-time events, coupled with the financial impact of the strike-lockout of that year, estimated to be \$58 million, more than account for the financial losses incurred in 2011. There was no need to make future plans on the basis of these non-recurring events.

Taken together, the proven inaccuracy of the Conference Board projections, the consistently overly negative financial estimates of Canada Post management, and the reality of very significant profits in 2014, there is no reason to assume that Canada Post Corporation is facing any imminent financial problems that would justify the hardship and additional costs that will result from the conversion of home mail delivery to community mailboxes. CMBs are a solution in search of a non-existent problem.

INPUT OF STAKEHOLDERS

Canada Post management has also claimed public support as justification for its cutbacks to service. It claimed that consultations it conducted in 2013 showed public support for the move to CMBs, including backing from seniors. Nothing could be further from the truth.

The post office's consultation process was set in motion by the release of the Conference Board of Canada report, *The Future of Postal Service in Canada*. In addition to working with the Conference Board, Canada Post held invite-only meetings in 46 communities and conducted a largely online public consultation on its future, focusing on cuts. However, municipal leaders in cities such as Hamilton and Montreal, where Canada Post claimed to have held consultations, reported that no such consultations were held at any time.

The corporation did not hold any public meetings. It did not meet with stakeholders, such as seniors groups or organizations representing people with disabilities. Most people did not even know that Canada Post was asking for input on its future.

Nevertheless, from April to October of 2013, Canada Post's website featured a "Future of Canada Post" page where members of the public were invited to answer the question: "What kind of postal service will you need in the future?" The corporation posted the Conference Board's report as background information. The public was also invited to mail in comments.

CUPW reviewed and analyzed all the comments on the “Future of Canada Post” web page from April to October 2013 (The union did not have access to mailed-in comments):

- Less than 20 percent of people called for cuts to services.
- Almost 30% of people indicated that they didn't want cuts, or that they wanted the status quo.
- Over 45% of people who mentioned mail delivery said they wanted to keep delivery the same and almost 7% said they wanted delivery to increase.
- Only 15% of people suggested that door-to-door delivery or rural box delivery be converted to community mailbox delivery.
- Almost 14% of people said Canada Post should expand the services they offer.

In short, very few members of the public proposed the kind of service cutbacks that Canada Post called for in its five-point plan, even though they had been encouraged to by false reports of impending financial collapse. Canada Post's claim of support for CMBs was based on self-serving anecdotal statements. The corporation did not provide any objective or quantitative information to back its report of widespread public support.

RESPONSE OF STAKEHOLDERS

THE PUBLIC

Canada Post's announcement that it would be converting home mail delivery to CMB delivery was not supported by a majority of the public. In a national public opinion poll conducted in December 2013 by Angus Reid, fully 58% of respondents opposed the conversion to community mailboxes and 38% supported the move. Not surprisingly, people who had home mail delivery were the strongest advocates of keeping home delivery, with 73% opposed to the move to CMBs. Notably, 80% of respondents agreed with the statement that “losing home mail delivery will pose a real hardship for some people” and 71% stated they were worried about the loss of 6,000 to 8,000 jobs as a result of the cutbacks.

It is also worth noting that the preference of people who have, in the past, experienced a service change from CMB to door-to-door delivery. In 2005, as part of a joint union-management pilot project, 98 residences in Burlington had their delivery converted from CMBs to home mail delivery. When later surveyed, as part of the same union-management process, 83% said that they preferred delivery to their door.

MUNICIPALITIES

Opposition to this change is also very widespread from municipal representatives of communities. To date, 574 municipalities in Canada have passed resolutions opposing the

elimination of door-to-door delivery or calling for a halt to delivery changes until there is proper consultation (See Appendix A).

Some cities have done much more than pass resolutions by objecting to the installation of CMBs in their communities. In the City of Montreal, for example, la Commission sur le développement social et la diversité montréalaise (a committee composed of city and borough mayors and councillors) held three days of public hearings about Canada Post's plan to end door-to-door delivery and replace it with community mailboxes. The Committee heard from Canada Post officials, unions, community groups, individual citizens and businesses and received extensive research reports from city staff.

Following the hearings, the Committee released its report which recommended:

- Having the City of Montreal and the greater region surrounding it do everything possible to prevent Canada Post from putting community mailboxes on its territory.
- Refusing Canada Post's five-point action plan in the name of Montreal residents and imploring the Crown corporation to maintain urban home delivery.
- Asking Canada Post to perform a study on the economic consequences of the direct and indirect job losses that the end of home delivery would have.

The report also proposed that the city file a motion for intervention at the Federal Court so that it can monitor the legal challenge launched by the Canadian Union of Postal Workers, along with groups representing seniors and the disabled.

The City of Hamilton also investigated the implications of introducing community mailboxes in a report. In addition to the cost of having city staff review each location proposed by CPC to ensure compliance with city by-laws, which it estimated at \$522 per location, the report also identified the following issues which would require attention from the city.

- Installation requests for additional sidewalks where no sidewalks currently exist.
- Installation of additional sidewalk approach ramps for easier access, for persons in wheelchairs or pushing strollers.
- Increased snow clearing responsibilities for adjacent property owners and City crews.
- Installation of additional sign posts, adjacent to community mailboxes for parking regulation changes.
- Reduction in legal parking spaces in some locations.
- Additional streetlight requests to improve visibility to and from community mailbox locations and security at these locations.

- Additional waste container requests around community mailbox locations to prevent litter resulting from discarded mail.
- Graffiti on and/or vandalism of community mailboxes and adjacent private property.
- Possible bus stop conflicts.
- Interference with cycling traffic
- Increased claims against the City for personal injury or property damage associated with community mailboxes.

Following the publication of the report, the City of Hamilton passed a bylaw dictating that Canada Post obtain a permit for each community mailbox it wants to install on municipal property. The permit fee was set at \$200. Canada Post refused to obey the municipal law despite the fact that its own site selection guide governing community mailbox locations says it must respect local by-laws. At the time of writing, the city was attempting to obtain a court injunction to prohibit Canada Post from proceeding.

SMALL BUSINESS

The Canadian Federation of Independent Business (CFIB) represents 109,000 small and medium-sized businesses throughout Canada. The CFIB was alarmed by the massive price hikes announced in Canada Post's five-point plan. The plan revealed that the price of buying one stamp would increase by 59% and that the price of buying a book or coil of stamps would increase by 35%. In addition, it indicated pre-sorted and incentive letters rates would go up by 15% and metered mail by 19% (See Appendix B - Pricing Announcement in Canada Post's Five-Point Action Plan).

The CFIB said that the rate hikes would have a significant impact on many small businesses, pointing out that 40% of members send at least 50 pieces of lettermail per month and 46 % continue to rely on payments from their customers by cheque. It also stated that two thirds of members support the move to community mailboxes.

The CFIB argued that, instead of increasing rates, Canada Post should aggressively reduce costs such as wages and pensions to be relevant in the future. It said rate hikes would only hasten the decline of small business mail volumes. In the end, Canada Post did not agree to reduce the rate hikes. However, it did introduce some temporary discounts for small businesses and charities. The CFIB acknowledged this financial relief but said it did not outweigh the additional cost to businesses.

LARGE VOLUME MAILERS

The National Association of Major Mail Users (NAMMU) represents mail end users and the supplier infrastructure, including major large volume mailers. NAMMU told Canada Post and the federal government to go back to the drawing board on the five-point plan. It

pointed out that customers and Canada Post were far apart on pricing and home delivery. NAMMU told the corporation that pricing itself out of the business market would rapidly destabilize its revenues. In March 2014, Canada Post announced some temporary discounts, which NAMMU welcomed, and the corporation also agreed to lower minimum volume requirements for addressed admail users (to 500 pieces) and large volume commercial incentive lettermail users (from 5,000 pieces to 1,000 pieces on machineable mail). NAMMU indicated it was not happy about being forced to accept an unexpected 15% increase on commercial lettermail rates but that it was pleased about the new minimum volume requirements.

POLITICAL PARTIES

The governing Conservative Party of Canada fully supports the home mail delivery cuts and other changes announced in Canada Post's five-point plan. It issued a media release backing the plan on the same day that Canada Post announced it. Also, Conservative Members of Parliament (MPs) voted against an opposition motion in Canada's House of Commons in support of door-to-door delivery.

All federal political parties except the Conservatives have promised to stop or put a moratorium on the home mail delivery cuts, if elected. There is an election scheduled for October 19, 2015, although the election could be called earlier.

The New Democratic Party, which is the official opposition in the House of Commons, would put a moratorium on the move to CMBs. It also supports the restoration of home mail delivery.

The Liberal Party of Canada would impose an immediate moratorium on the decision to end door-to-door mail delivery and undertake a full review of Canada Post's business plan.

The Green Party would instruct Canada Post to halt the changes outlined in the five-point plan and consult with the public on the future of Canada Post. It also supports the restoration of home mail delivery.

The Bloc Québécois would instruct Canada Post to halt the changes outlined in the five-point plan and consult with the public on the future of Canada Post.

UNIONS REPRESENTING EMPLOYEES

Postal unions denounced Canada Post's five-point plan. The Canadian Union of Postal Workers (CUPW), which represents about 50,000 urban postal workers and rural and suburban mail carriers, immediately issued a media release calling Canada Post's plans short-sighted and foolish. The union pointed out that many postal operators were responding to a changing postal business with innovation, but that Canada Post was relying on cuts and rate increases that could hurt business. It argued that the corporation could preserve public postal service and improve its financial position by expanding parcel delivery and adding lucrative financial and banking services.

CUPW also wrote to Lisa Raitt, minister responsible for Canada Post, to condemn the government's support for Canada Post's plan. The union noted that major cuts to public postal service were being pursued without proper public consultation. It urged the government to put a hold on the five-point plan and use its review of the Canadian Postal Service Charter - scheduled to occur in the fall of 2013 - to consult with the public and others about what kind of postal service they need. The union said the government's decision to support the five-point plan was a bad decision that would be resisted at every turn.

CUPW has remained true to its word. The union launched a Save Canada Post Campaign in December 2013 that continues at full tilt to this day. CUPW members have petitioned, protested, canvassed and taken many other actions in communities from one end of the country to the other. Working with other postal unions and allies, they have garnered a huge amount of support and have succeeded in getting federal opposition parties to commit to stopping or putting a moratorium on the home mail delivery cuts, if elected. The NDP and Green Party also support the restoration of home mail delivery to people who have lost it. In addition, most parties have gone on record as being opposed to the rate hikes and other cuts in Canada Post's five-point plan.

The Canadian Postmasters and Assistants Association (CPAA), which represents about 5,500 people working at rural post offices, opposed Canada Post's five-point plan as well. The union stated that the announced changes were the wrong way to go and that they were brought in without any real consultation with the public, including citizens, business, unions and communities. In particular, the CPAA took issue with the plan to streamline the postal network and increase the use of private postal outlets or franchises. It said Canada Post should add new revenue streams such as postal banking. In September 2014, the union released a study called *Why Post Offices Need to Offer Banking Services* which indicates there is a real need for postal banking in rural areas. The study outlined the results of a survey involving 3,326 rural post offices. It showed that almost 1,178 of the 2620 post offices that responded to the survey were located in communities with post offices but no banks or credit unions.

The Union of Postal Communications Employees at the Public Service Alliance of Canada (UPCE/PSAC) also rejected the plan to eliminate home mail delivery. UPCE represents approximately 1,400 people working at Canada Post in an administrative, clerical, technical, or professional capacity. The union expressed concerns about the impact on services, Canadians, Canadian jobs, seniors, and individuals with disabilities. In addition, PSAC urged governments at all levels to reject the service reductions and called on Canada Post to adopt innovative strategies such as banking, public internet access and improved parcel delivery.

ORGANIZATIONS REPRESENTING SENIORS AND PEOPLE WITH DISABILITIES

As indicated earlier, Canada Post did not meet with groups representing seniors and people with disabilities prior to announcing the decision to eliminate home mail delivery.

Shortly after the corporation's announcement, the Council of Canadians with Disabilities (CCD) told a parliamentary committee that the end of door-to-door-delivery would adversely affect Canadians with disabilities. CCD is a national human rights organization of people with disabilities working for an inclusive and accessible Canada. It said ending home delivery would make a service that is currently accessible less accessible to persons with disabilities, noting that Canada made a commitment not to do anything that would reduce accessibility services when it ratified the *Convention on the Rights of Persons with Disabilities*.

CCD identified a number of barriers CMBs would impose on Canadians with disabilities. For example, it indicated that a trip to a CMB in bad weather conditions and snow would be difficult, if not impossible, for people who use wheelchairs and other mobility aides. It also said that people with disabilities may feel vulnerable retrieving their mail at a CMB, especially those living in unsafe neighbourhoods where housing costs are lower. The CCD noted that low income is a significant issue for a large number of people with disabilities. As well, the council warned that having other people pick up mail was not a solution as it reduced privacy and could cause problems for women with disabilities living in abusive situations.

The National Pensioners' Federation, National Association of Federal Retirees, Congress of Union Retirees of Canada, Association Québécoise de Défense des droits des personnes Retraitées et préretraitées, Association coopérative d'économie familiale de Lanaudière, Association de personnes retraitées de la Fédération autonome de l'enseignement, Association québécoise de défense des droits des personnes retraitées et préretraitées de Joliette, Association québécoise de défense des droits des personnes retraitées et préretraitées de Mékinac and Citizen Advocacy Ottawa also expressed concerns about the cuts announced by Canada Post. Some groups raised concerns similar to those expressed by CCD while others called for an end to the cuts or requested that the government consult prior to making such major changes to public postal service.

Some organizations have also taken legal action to fight the elimination of door-to-door delivery. CUPW, along with groups representing seniors and the disabled, launched a federal court challenge in November 2014.

The case asks the court to declare that eliminating home mail delivery is contrary to the *Canada Post Corporation Act*, the *Canadian Charter of Rights and Freedoms*, the *Canadian Human Rights Act*, the *Convention on the Rights of Persons with Disabilities* as well as the Universal Postal Union's Universal Service Obligation.

The court challenge was filed by the DisAbled Women's Network, the Alberta Network for Mental Health, ARCH Disability Law Centre, La Confédération des organismes de personnes handicapées du Québec, the National Pensioners Federation, the Congress of Union Retirees of Canada, Patricia Israel and Susan Dixon.

CANADA POST ANTICIPATES SAVINGS BUT ADDITIONAL COSTS WILL BE BORNE BY OTHER SEGMENTS OF SOCIETY

THE PUBLIC

CUPW asked consulting firm Stratcom to conduct a poll of people who lost home mail delivery in the first wave of cuts (See Appendix C).

Stratcom surveyed 497 of the 100,000 people who lost delivery in 2014.

21.3% (106) of respondents reported experiencing an accident, such as a slip or fall, either at the community mailbox or going to and from the mailbox. 8.5% (9) of this group required medical attention.

The most commonly reported issues that people have *experienced* with their community mailboxes are:

- Difficulty with access due to snow (44%),
- Litter (42%),
- Difficulty with access due to frozen locks (36%)
- Increased vehicular traffic (34%)

The most commonly *expressed* concerns are:

- Difficulty with access due to snow (61% are somewhat or very concerned)
- Litter (60% are somewhat or very concerned)
- Accidents such as slips and falls (59% are somewhat or very concerned)
- Difficulty with access due to frozen locks (59% are somewhat or very concerned)

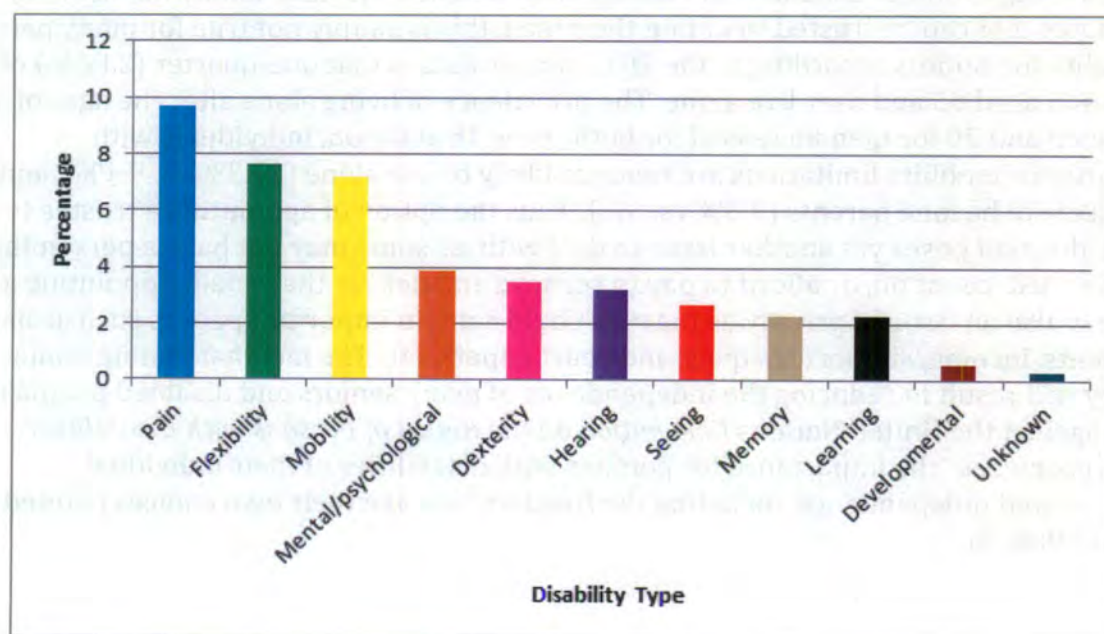
The poll was fielded online in English and French using a proprietary panel from February 20 to March 4, 2015. It used a convenience sampling technique and is therefore not fully representative of the population due to the unavailability of census demographic statistics at the FSA level (first three letters of postal code). The largest possible sample size within the online research panel was implemented given the geographical constraints. The survey aimed at showing whether there are concerns and incidents of personal injury in connection with community mailboxes. It shows that there are serious concerns and a surprising number of personal injuries, warranting further investigation.

PEOPLE WITH DISABILITIES AND MOBILITY ISSUES

An examination of the facts concerning seniors and mobility-impaired people illustrates how the senior management of Canada Post is totally out of touch with reality. In response to Canada Post's decision, the CUPW hired Caryl-Anne Stordy, an independent researcher, to conduct a study to understand how losing door-to-door services will affect Canada Post customers, specifically those individuals with disability and mobility issues, as well as seniors and low-income earners located within the first 11 communities selected for the conversion. Her research confirms that many people will suffer real hardship.

According to the 2012 Canadian Survey on Disability, the definition of disability includes an individual who reported being (sometimes, often or always) limited in their daily activity as a result of a health problem or long-term condition, in addition to any individual who indicated that they were rarely limited if they were also unable to do certain tasks without assistance. Using the definition provided above, it was estimated by Statistics Canada that approximately 13.7% or 3.8 million Canadians in 2012, aged 15 and older, reported that they were limited in their daily activities due to a disability. In 2012, one in ten working-age Canadians, aged 15 to 64, reported having a disability, compared with just over one-third of Canadian seniors aged 65 and older.

The most prevalent disability types reported by adult Canadians were pain (9.7%), flexibility (7.6%) and mobility (7.2%). While the same three types of disabilities were also listed as the most common disabilities reported by seniors, the prevalence was much higher: pain (22.1%); mobility (20.5%); and flexibility (19.3%).



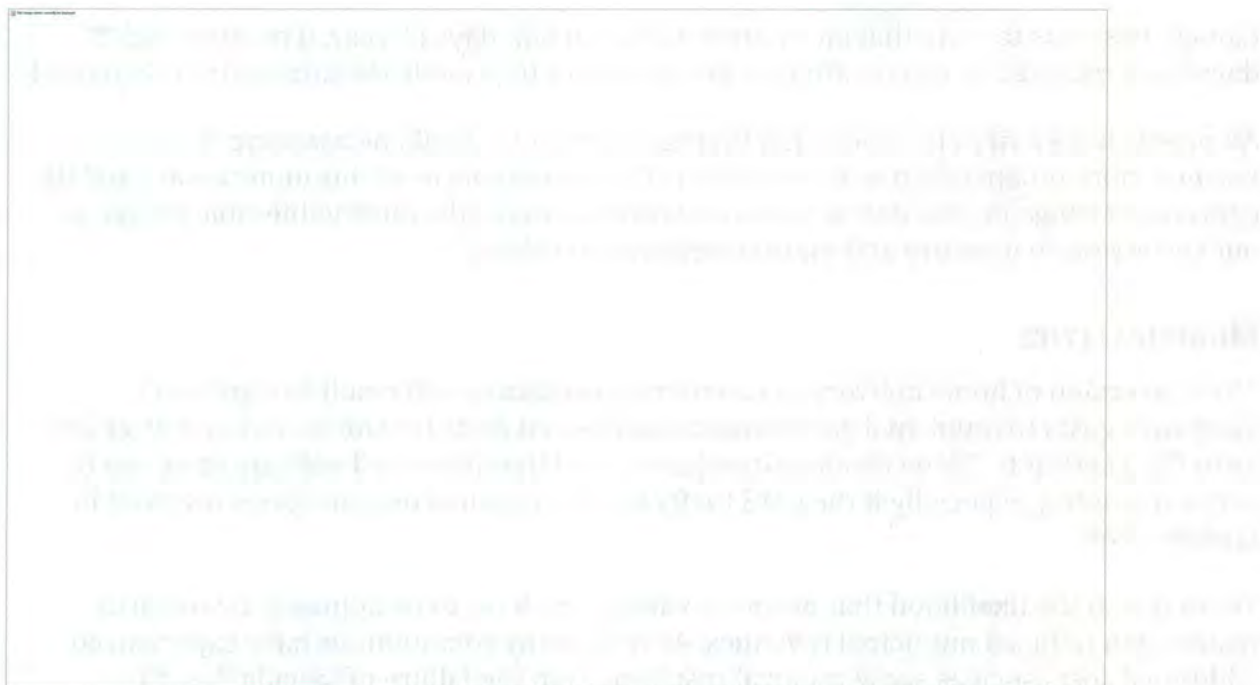
Prevalence of disability by type, Canada, 2012

Source: Statistics Canada. (2012). *Prevalence of disability by type, Canada, 2012*

In our discussions with organizations representing people with disabilities three prominent concerns that have been highlighted are security, safety and accessibility. Many people are concerned about being vulnerable and easy targets for robbery when picking up their mail (e.g. pension or disability cheques, social service payments, bank cards, identification, etc.). In regards to safety and accessibility, people are concerned about inaccessibility as a result of inclement weather, especially winter conditions. Often snow is not removed from CMB locations making them inaccessible. Many CMBs are located on streets without sidewalks, which can create special hazards for people using wheel chairs, walkers, scooters, etc.

Older adults are the fastest growing segment of the population, not just in Canada but worldwide. Within the next two years, there will be more people over the age of 65 than under the age of 25 in Canada. To better understand how this conversion will impact senior citizens located within the first 11 communities selected by Canada Post, the CUPW contracted with Statistics Canada to obtain specific data regarding senior citizens aged 65 and over who indicated that they had a disability, are in a low-income earning category and currently live in an area that will lose home delivery. These are people that have the least alternatives and will be most affected by the loss of home delivery. The results were disturbing. For example, within the three postal codes selected to lose delivery in the community of Repentigny, 8.2% to 10.6% of seniors (65 and over) were low-income and 30.9% to 36.4% of these people reported difficulty/reduced ability in performing daily activities. The results are available for all eleven communities.

As for the suggestion of Canada Post management that seniors have family members or roommates that can be trusted to obtain their mail, this is simply not true for many people. The reality for seniors according to the 2011 census data is that one-quarter (24.6%) of the population aged 65 and over live alone. The prevalence of living alone after the ages of 50 for women and 70 for men increased for both sexes. In addition, individuals with disabilities or mobility limitations are twice as likely to live alone (17.3% vs. 9.4%), and are more likely to be lone parents (7.3% vs. 5%). Thus the option of appointing a trustee to pick up the mail poses yet another issue to deal with, as some may not have a person that they can trust, count on, or afford to pay to retrieve and deliver their mail. Appointing a trustee is also an issue of privacy as the mail could contain important papers such as bank statements, income/support cheques, and court papers, etc. The fact that ending home delivery will result in reducing the independence of many seniors and disabled people runs totally against the United Nations *Convention on the Rights of Persons with Disabilities* which recognizes "the importance for persons with disabilities of their individual autonomy and independence, including the freedom to make their own choices (United Nations 2006, 2)."



Sources: Adapted from Statistics Canada, Census of population, 2001 and 2011.

Percentage of the population aged 15 and over living alone by age group, Canada, 2001 and 2011

Canada Post management's ignorance of the reality of people with disabilities stems, in part, from its failure to meaningfully consult with organizations representing the disabled prior to taking the decision to convert mail delivery to community mailboxes. Only after taking its decision did Canada Post state that it would seek "input from the various communities that best know the needs of the people with mobility challenges or other serious issues (Canada Post 2014)". Even then, the majority of organizations representing disabled persons contacted by Caryl-Anne Stordy had not been contacted by Canada Post. When Canada Post did hold consultations, they did not publish any results from these consultations and/or action plans to address concerns of the population of interest. Instead, Canada Post unilaterally announced a plan to offer people with mobility restrictions once weekly delivery provided they could provide proof of their inability to collect their mail. The plan was widely criticized by disability advocates as being time consuming, costly, and for unnecessarily adding yet one more level of discrimination that disabled people must overcome. It was also sharply criticized by Louis Francescutti, President of the Canadian Medical Association, as "totally irresponsible." Francescutti said Canada Post's plan would cost patients money, as well as needlessly expose them to other sick patients. He also said it was made without any consultation with the CMA.

A further example of the inadequate approach of Canada Post is illustrated in the failure of the corporation to explain its plans to address the needs of people with disabilities. Following three requests by CUPW for information concerning its plans, the response of

Canada Post was to state that an extension of up to 635 days (1 year, 8 months, and 27 days) was required as consultations were necessary to provide the information requested.

All people have a right to expect that their governments should be assisting them to become more independent and self-reliant. The consequences of this unnecessary and ill-conceived change in mail delivery service will be to make the most vulnerable people in our society more insecure and more dependent on others.

MUNICIPALITIES

The conversion of home delivery to community mailboxes will result in significant additional costs to municipal governments. Additional costs for site review and litter are virtually a certainty. Many communities have found that increased policing costs can be very substantial, especially if the CMB thefts involve criminal organizations involved in identity theft.

There is also the likelihood that property values may have to be adjusted downwards resulting in reduced municipal revenues. As well, many communities have experienced additional costs such as snow removal resulting from the failure of Canada Post to adequately fulfill its commitments. Sadly, there is also the very strong likelihood that the number of people experiencing injuries resulting from slips and falls during winter months will rise resulting in additional demand for municipal and provincial health and support services.

PROBLEMS UNIQUE TO DENSE URBAN CORE

Most cities already have experience with community mailboxes that were introduced in new housing projects since the mid 1980s. However it must be noted that all existing CMBs have been introduced as an integral element of the design and layout of these housing developments in consultation with the municipality and the builders. This new initiative would see community mailboxes introduced into areas that have not been designed for their presence. The result is that many of them will be placed in locations that cause traffic congestion, noise and unwanted litter for residences.

SITE REVIEW

Canada Post's site selection guide says it must respect local by-laws with respect to the location of community mailboxes. Many cities, such as the City of Hamilton, require an on-site inspection prior to issuing permits to any third-party to locate any form of structure on municipal property. In the case of Hamilton, the municipality has estimated that the cost of reviewing each of the proposed locations for community mailboxes will be \$522 per location for a total of more than \$2 million for the city. The cost estimate is based on what it currently costs to review utility permits. This review involves examining issues such as parking and transit conflicts, crosswalk locations, potential upcoming construction, lighting and drainage. This does not include the ongoing cost of policing, dealing with litter, answering traffic and noise complaints etc.

For its part, Canada Post has offered to provide \$50 per mailbox, bringing the cost to Hamilton taxpayers down to about \$1,888,000. The city estimates it will also have to hire the full-time equivalent of one to 1.5 staff members to do the site evaluations.

The Hamilton estimate of \$522 for a site review is very similar to a fee of \$525 which was implemented in the City of Medicine Hat, Alberta in February 2015. Canada Post has only offered to pay \$50 per location in this municipality as well.

LITTER

Many municipalities have had to deal with the problems of litter associated with community mailboxes. The experience of the City of Vaughan is a case in point. The issue of litter and CMBs has been on the agenda of Vaughan city council meetings since 2007. After failed attempts of working with Canada Post, including a pilot project using recycling boxes, the city is actively considering following the example of other cities such as Brampton, Ontario and introducing its own recycling units at 150 community mailbox locations that it has identified as “problem locations”. The capital cost of locating these units is estimated to be \$146,775 and the ongoing annual costs of emptying them at \$26,000. Should the City go ahead and introduce units at all CMB locations, the capital cost is estimated at \$978,500 and the annual ongoing cost at \$178,300.

SNOW REMOVAL

The issue of inadequate snow removal around community mailboxes and street letter boxes is a major complaint of residents and a constant area of friction between municipalities and Canada Post.

In the winter of 2015, many Canadian municipalities over-spent their snow removal budgets and refused to take on the extra expense of removing the snow and sanding the ice surrounding Canada Post community mailboxes.

Canada Post is responsible for snow removal in order to allow access to community mailboxes. Although there are no national statistics available on the number of complaints received because of the lack of snow removal, the issue is a frequent subject of newspaper articles and complaints from municipalities across Canada.

One problem results from the lack of national performance standards. In some areas, contractors are required to remove snow within 24 hours of a snowfall. In other areas, it is 48 hours. In Fort McMurray, Alberta, there are different standards for different areas of the city.

Also, there is no consistency with respect to contract requirements. In some areas, the contractor must provide access from the road, whereas in others, there is no requirement to make a path through a snow bank caused by snow being pushed to the side of a street by a snowplow. It was just such a situation which led to Patty Thornton, 82, of Keremeos, British Columbia (B.C.), to suffer severe head injuries when she slipped in front of her

community mailbox . Likewise Alex Tocher, a senior from Hamilton, Ontario, suffered a broken leg as he went to access his community mailbox in February 2015.

In very many instances, the standards are simply not adhered to by contractors. This can lead to serious difficulties for seniors who are more vulnerable to slips and falls on slippery surfaces. Consider the situation of Mellie Macpherson, a senior living in Moncton, New Brunswick, who despite repeated complaints to Canada Post, was unable to access her mailbox for over two months in the winter due to the failure of the corporation to arrange snow removal.

Irving Mcleod, an 81 year old senior in Windsor also repeatedly complained about the lack of proper snow removal at his community mailbox. Faced with the need for his mail, Mcleod walked to his community mailbox and slipped on the ice right in front of his CMB. He ended up hitting his head and requiring eight stitches above his left eye.

It should be noted that while residents often have difficulty accessing their mail at community mailboxes due to snow and icy conditions, Canada Post will refuse delivery to residences which do not clear snow and ice from their pathways and steps.

THEFT AND VANDALISM

The issue of theft from CMBs is real and growing. Any internet search can easily identify a multitude of news stories about CMB break-ins, even though Canada Post does its best to suppress news stories of thefts and break-ins. Although national and regional statistics are unavailable from Canada Post, a report broadcast by the Canadian Broadcasting Corporation (CBC) from British Columbia provides some idea of the magnitude of the problem. As a result of an access to information request, the CBC found that in a 5-year period there were 4,800 incidents of theft, vandalism or arson relating to CMBs in B.C., a province with 20,000 community mailboxes. In other words, almost an average of one in four CMBs experienced a break-in, theft, arson or vandalism during this 5-year period. In December 2014, hundreds of residents who were served by CMBs in Thunder Bay and Grande Prairie had to pick up their mail at post offices because of large-scale break-ins at CMBs.

The absence of national reporting of CMB break-ins and the refusal of Canada Post to release timely figures on the number of thefts from CMBs serves to undermine the ability of the public to evaluate Canada Post's claims concerning the safety and security of community mailbox delivery. In order to clarify this situation and permit a fact-based discussion of the issue, the Canadian Union of Postal Workers has submitted a number of access to information requests to the Access to Information Directorate at Canada Post for the number of incidents of theft and vandalism at CMBs.

While there is a clear need for more transparency in relation to theft and vandalism at CBMs, there is also a need for less double-talk. It is illustrative to note that one of the selling points that Canada Post uses when arguing in favour of CMBs is that residents can leave their mail in the CMB if they are away from home for periods of time. However, the reality

is that Canada Post management and police officials advise residents in high theft areas to pick up their mail as soon as it is delivered.

REAL ESTATE VALUES

There is also very good reason to believe that the introduction of CMBs into areas which have not been designed for them will result in reduced property values and depress the price of houses located near them. This was the conclusion of a real estate appraisal commissioned by the Canadian Union of Postal Workers. The real estate appraiser who prepared the report for the union concluded "It is my professional opinion that community mailboxes will have a negative impact on both demand and pricing for residential homes (Winnipeg Free Press 2014)." The report noted that noise and litter at the mailboxes are "obvious deterrents." Other issues included congestion from traffic, debris, loss of privacy and vandalism. According to the report, CMBs produce sales effects similar to nearby railway tracks and hydro corridors, making it harder for homeowners to find potential buyers. "If a prospective buyer had a choice between two identical residential homes on the same street, one with a community mailbox and the other without, the buyer would likely select the home without the mailbox (Winnipeg Free Press 2014)," the appraisal noted.

This assessment has been shared by realtor Puma Banwait in Calgary Alberta, who lost a sale in March 2015 because the home was next to a large community mailbox. He was quoted in the Calgary Herald as saying that locating a community mailbox next to a residence constitutes "a total invasion of privacy, and that definitely will bring the price of the house down at least 10 to 20 per cent (Global News 2015)."

Nelson Karpa, the Director of Assessment for the City of Calgary has stated that the city is currently examining the issue and if community mailboxes are determined to have a negative impact on sale prices, property values and taxes will be adjusted.

COMMUNITY ASSOCIATIONS

The experience of the residents of Kanata, one of the first eleven locations affected by the conversion should be noted. Following the introduction of CMBs in Kanata, the Kanata Beaverbrook Community Association rated CPC's introduction of new community mailboxes. The association awarded Canada Post a 'D'. Problems cited by the community association included the lack of communication with community groups and the city, the safety of pedestrians walking near the mailboxes, the safety of those stopping to use them and the city's plans for building sidewalks where CMBs have just been installed. Explaining why Canada Post refused to participate in the public meetings that were convened to obtain community input, CPC spokesperson Jon Hamilton explained that Canada Post did not want to inconvenience people by having them come to a public meeting.

MAIL RECIPIENTS

Canadians are upset and angry about losing door-to-door delivery and being forced to go to CMBs. CUPW has outlined what people have told the union in a letter to Lisa Raitt, Minister responsible for Canada Post (See Appendix D). The letter shows that Canadians have many

reasons for being concerned about the new group boxes. Many people fear for their personal safety when visiting a CMB, especially in the winter. Seniors are especially concerned. Some are falling while getting their mail. Others are understandably worried about this possibility. People with disabilities and poor health are also distressed about having to get their mail at CMBs. As well, many people are afraid to go to the group mailboxes at night, especially women. Theft and vandalism are big issues. Canadians are also frustrated with frozen locks. In addition, they believe CMBs make their property unattractive and reduce their property values. One of the most commonly mentioned complaints is litter. Canadians are also worried about traffic and parking. And they are frustrated and angry that they were not properly consulted on the move to CMBs.

CANADIAN HEALTHCARE SYSTEM

The conversion of home mail delivery to community mailboxes will not only create difficulties for many seniors and people with disabilities to obtain their mail, it will also result in an increase in the number of people who experience severe injuries as a result of slips and falls which occur when they attempt to access their mail at community mailboxes.

Slips and falls of seniors are a very serious problem in Canada. Falls are the leading cause of injury-related hospitalizations among Canadian seniors. Between 20% and 30% of seniors fall each year. Falls and associated outcomes not only harm the injured individuals but also affect family, friends, care providers and the health care system.

Falls can lead to negative mental health outcomes such as fear of falling, loss of autonomy and greater isolation, confusion, immobilization and depression. In addition to the negative physical and mental health consequences of falling, there are significant associated financial costs, estimated at \$2 billion annually, a value 3.7 times greater than that for younger adults.

The majority of falls result in broken or fractured bones, and over one third of fall-related hospitalizations among seniors are associated with a hip fracture. Fracture-induced physical limitations augment the need for support on the part of older adults themselves and their caregivers, and increase pressure on the Canadian health care system.

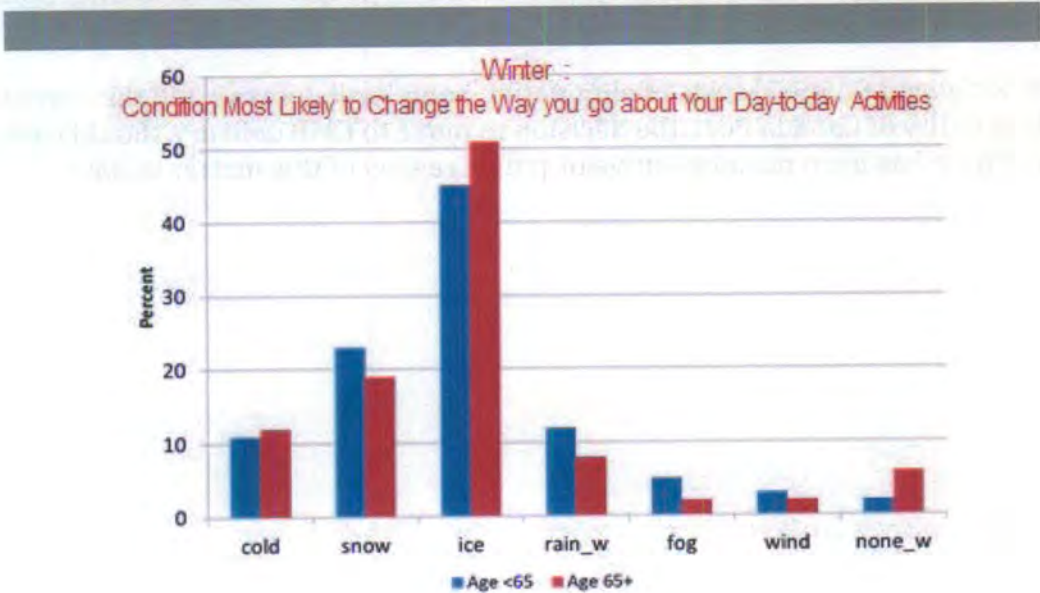
When hospitalization data are examined, the results show that seniors who are hospitalized for a fall remain in hospital an average of nine days longer than those hospitalized for any cause. This discrepancy highlights the disproportionate health care costs of fall-related injuries in comparison to other causes of hospitalization. Even more worrying is that the number of deaths due to falls is increasing.

For all winter-related causes of serious injuries (excluding motor vehicle collisions), falls on ice were by far the most common cause: they led to 7,138 hospital admissions in 2010–2011, more than for all winter sports and recreational activities combined. About half of these cases occurred in people age 60 and older and about 70% were among those 50 and older.

Not surprisingly, seniors are the segment of society most likely to avoid icy conditions for fear of injury. A study for the Institute of Social Research found that 54% of older adults (vs. 33% of younger adults) had “a great deal of difficulty” leaving their house to go about their day-to-day activities when it was icy.

Winter conditions increase fall risk as 16% of falls occur while walking on snow or ice. With the conversion of home delivery to community mailboxes, seniors will take on the role of a letter carrier and be exposed to similar weather conditions and environmental hazards, such as slipping on icy streets, and wearing improper footwear, increasing the risk of falling. Falls of seniors are expensive and use up many healthcare resources. As well, the amount of seniors in Canada is increasing. In 2011, an estimated 5 million Canadians were 65 years or older. This number is expected to double in the next 25 years and reach 10.47 million seniors by 2036. With this projected increase, it is estimated that the number of seniors who will fall at least once will reach 3.3 million, causing a significant increase in healthcare costs. The conversion to CMBs comes at a time when Canada’s population is aging. Since many seniors will be walking to their CMBs, the risk of falling is increased, especially during the winter months.

The Stratcom poll cited earlier indicated that 21.3% (106) of respondents reported experiencing an accident, such as a slip or fall, either at the community mailbox or going to and from the mailbox. 8.5% (9) of this group required medical attention. This result, coupled with what we know about the impact of snow and ice on injury rates for seniors confirms that the impact of the introduction of CMBs on fall rates among seniors in the winter is an issue that definitely requires further study.



THE ENVIRONMENT

The environmental impact of the conversion of home delivery to community mailboxes is another area that requires further study. There is every indication that many residents frequently drive to their community mailbox and allow their car to idle while they pick-up mail. The production of greenhouse gas emissions associated with the manufacture and installation of more than 250,000 community mailboxes is also an issue.

CONCLUSION

Our analysis shows that Canada Post's financial situation is not the disaster predicted in Canada Post's corporate plans or the Conference Board's report from 2013. In fact, the corporation's financial performance has consistently been vastly superior to management's predictions and official corporate plans. Canada Post has made million overall in recent years. As result, there is no real need for the corporation to take the drastic step of eliminating home mail delivery, as called for in its five-point plan.

Most stakeholders in Canada are opposed to ending door-to door-delivery. The public, municipalities, large volume mailers, most political parties, unions representing employees, and organizations representing seniors and people with disabilities have all raised serious concerns. Only the Canadian Federation of Independent Business and the Conservative Party of Canada support the move to CMBs.

Stakeholders, including CUPW, have identified a huge number of problems associated with the move to CMBs, especially for municipalities, seniors, people with disabilities and the Canadian health care system.

Given the social and financial costs of eliminating home mail delivery and the current economic viability of Canada Post, the decision to move to CMB delivery should clearly be reviewed. There has been no substantive or public review of this matter to date.

APPENDIX A

List of municipalities that passed resolutions or sent letters raising concerns about Canada Post's five point plan or the lack of consultation over this plan

Victoria, BC	London, ON
Medicine Hat, AB	Rosemère, QC
Vancouver, BC	Joliette, QC
Saanich BC	North Vancouver, BC
Sault Ste. Marie, ON	Shawinigan, QC
Kirkland Lake, ON	Westville, NS
New Westminster, BC	Sparwood, BC
Montreal, QC plus Montreal Outremont	Cape Breton Regional Municipality, NS
Charlottetown, PEI	Matane, QC
Georgina, ON	Oshawa, ON
Windsor, ON	North Bay, ON
Toronto, ON	Prince George, BC
Brantford, ON	Powell River, BC
Antigonish, NS	Owen Sound, ON
Castlegar, BC	Essex, ON
Burnaby, BC	Sorel-Tracy, QC
Winnipeg, MB	Cranbrook, BC
Hamilton, ON	Trail, BC
Dieppe, NB*	Fort Frances, ON
La Sarre, QC	Sarnia, ON
Notre-Dame-des-Prairies, QC	Wainfleet, ON
Baie-Comeau, QC	Richmond, BC
Truro, NS	West Nipissing, ON
Fort St. John, BC	Wood Buffalo, AB
Nelson, BC	Oakville, ON
*Kenora, ON	Edmonton, AB
Mascouche, QC	Lumby, BC*
Repentigny, QC	Chisholm, ON
Saint-Valérien-de-Milton, QC	Saint John, NB
Boucherville, QC	Fredericton, NB
St. John's, NL	Pointe-Claire, QC
Timmins, ON	Cowansville, QC
Miramichi, NB	Côte-Saint-Luc, QC
Brandon, MB	Halton Hills, ON
Thompson, MB	Niagara Falls, ON
Brampton, ON	St. Catharines, ON
Temiskaming Shores, ON	Kitchener, ON
Bathurst, NB	Elliot Lake, ON
West Vancouver, BC	Yarmouth, NS
Huron Shores ON	Mont-Laurier, QC

Sept-Îles, QC
 Boisbriand, QC
 Saguenay, QC
 Saint-Alexis, QC
 Campbellton, NB
 East Hereford, QC
 Conception Harbour, NL
 Collingwood, ON
 Langley, BC
 Longueuil, QC
 Bécancour, QC
 Crabtree, QC
 Saint-Léolin, NB
 Lac-des-Seize-Îles, /QC
 Lethbridge, AB
 Maniwaki, QC
 Harvey, NB*
 Grand Bank, NL
 Big Lakes, AB
 Old Perlican, NL
 Petty Harbour/Maddox Cove, NL
 Bonavista, NL
 Saint-Blaise-sur-Richelieu, QC
 Dewberry, AB
 Blainville, QC
 Castor, AB*
 Saint-Pie, QC
 Portugal Cove - St. Philip's, NL
 Rivière-Rouge, QC
 Saint-Vallier, QC
 Saint-Félix-d'Otis, QC
 Pohénégamook, QC
 Manseau, QC
 Ville-Marie, QC
 Inverness, QC
 Nantes, QC
 Saint-Ferdinand, QC
 Saint-Joseph-de-Coleraine, QC
 Sainte-Jeanne-d'Arc, QC
 Ogden, QC
 Saint-Aimé, QC
 Noris Arm, NL
 Sainte-Irène, QC
 Saint-Louis-du-Ha! Ha!, QC
 Sayabec, QC
 Sainte-Sabine, QC

Stanstead, QC
 Saint-Paul-de-l'Île-aux-Noix, QC
 Lanoraie, QC
 Newport, QC
 Ristigouche Sud-Est, QC
 Sainte-Marguerite-Marie, QC
 Les Hauteurs, QC
 Saint-Ambroise, QC
 Saint-René-de-Matane, QC
 L'Avenir, QC
 Saint-Adelphe, QC
 Chénéville, QC
 Vallée-Jonction, QC
 Sainte-Hélène-de-Mancebourg, QC
 Moffet, QC
 Saint-Valérien, QC
 Acton Vale, QC
 Gaspé, QC
 Pike River, QC
 Saint-Bernard-de-Michaudville, QC
 Beaumont, QC
 Rogersville, NB
 Canton de Cleveland, QC
 Saint-Godefroi, QC
 Saint-Patrice-de-Beaurivage, QC
 Sainte-Anne-des-Monts, QC
 Come by Chance, NL
 Channel-Port aux Basques, NL
 Notre-Dame-de-la-Merci, QC
 Saint-Robert, QC
 Napierville, QC
 Taschereau, QC
 Springdale, NL
 Notre-Dame-Auxiliatrice-de-Buckland, QC
 Grosses-Roches, QC
 La Visitation-de-Yamaska, QC
 Chichester, QC
 Saint-Mathieu d'Harricana, QC
 Issoudun, QC
 Saint-Sulpice, QC
 Saint-Édouard-de-Lotbinière, QC
 Mandeville, QC
 Saint-Benoît-Labre, QC
 Beaulac-Garthby, QC
 Saint-Alfred, QC
 Notre-Dame-du-Rosaire, QC

Saint-Maxime-du-Mont-Louis, QC
 Weedon, QC
 Saint-Clément, QC
 Dolbeau-Mistassini, QC
 Chartierville, QC
 Saint-François-du-Lac, QC
 Saint-Eugène, QC
 Saint-Pamphile, QC
 East Angus, QC
 Saint-Théodore-d'Acton, QC
 Saint-Jacques-de-Leeds, QC
 Disraeli, QC
 Sainte-Praxède, QC
 Saint-Adrien-d'Irlande, QC
 Saint-Zacharie, QC
 Saint-Léon-de-Standon, QC
 Maniwaki, QC
 Ormstown, QC
 Saint-Venant-de-Paquette, QC
 Laverlochère, QC
 Alma, QC
 Champlain, QC
 Montcerf-Lytton, QC
 Bégin, QC
 Saint-Jean-de-Dieu, QC
 Baie Verte, NL
 Mont-Saint-Michel, QC
 Saint-François-de-Viger, QC
 Saint-Médard, QC
 Grosses-Roches, QC
 Saint-Antoine-de-l'Isle-aux-Grues, QC
 Saint-Félix-de-Kingsey, QC
 Saint-Magloire, QC
 Saint-Dominique-du-Rosaire, QC
 Saint-Bernard-de-Lacolle, QC
 Sainte-Émélie-de-l'Énergie, QC
 Saint-Éloi, QC
 Trécesson, QC
 Palmarolle, QC
 Rivière-au-Tonnerre, QC
 Saint-Joseph-des-Érables, QC
 Saint-Alexandre-des-Lacs, QC
 Sainte-Florence, QC
 Berry, QC
 Ascot Corner, QC
 Waterville, QC

Sainte-Louise, QC
 Sainte-Perpétue, QC
 Saint-Robert-Bellarmin, QC
 Saint-Claude, QC
 St-Jacques-le-Majeur-de-Wolfestown, QC
 Notre-Dame-de-Montauban, QC
 Sacré-Cœur-de-Jésus
 Saint-Roch-de-Richelieu, QC
 Sainte-Anne-de-la-Rochelle, QC
 Saint-Joachim-de-Shefford, QC
 Saint-Fortunat, QC
 Saint-Wenceslas, QC
 Saint-Valère, QC
 Canton de Roxton, QC
 Laurierville, QC
 Saint-Bernard, QC
 Saint-Germain, QC
 Saint-Guy, QC
 Rivière-Héva, QC
 Sainte-Élisabeth, QC
 Saint-Narcisse-de-Rimouski, QC
 Saint-André-de-Restigouche, QC
 Fort-Coulonge, QC
 Notre-Dame-de-Lorette, QC
 Sainte-Marie-Madeleine, QC
 Saint-Hugues, QC
 Saint-Janvier-de-Joly, QC
 Town of New-Wes-Valley, NL
 Saint-Flavien, QC
 Notre-Dame-de-la-Paix, QC
 Saint-Guillaume, QC
 Saint-Placide, QC
 Maskinongé, QC
 Saint-Ignace-de-Loyola, QC
 Saint-Isidore-de-Clifton, QC
 Ripon, QC
 Sainte-Anne-du-Lac, QC
 Digby, NS
 Saint-Thomas, QC
 Batiscan, QC
 Pictou County, NS
 Lejeune, QC
 Town of Salvage, NL
 Saint-Antonin, QC
 Canton de Valcourt, QC
 Cayamant, QC

Saint-Lambert-de-Lauzon, QC
 Saint-Gabriel-Lalemant, QC
 Saint-Modeste, QC
 Saint-Nérée-de-Bellechasse, QC
 Marston-Canton, QC
 Saint-Isidore, QC
 Saint-Athanase, QC
 Sainte-Hélène-de-Kamouraska, QC
 Sainte-Rita, QC
 Val-d'Or, QC
 Saint-Louis-de-Gonzague, QC
 Huntingdon, QC
 Sainte-Paule, QC
 Bouchette, QC
 Lac-Etchemin, QC
 Sainte-Félicité, QC
 Saint-Georges-de-Windsor, QC
 Saint-Liguori, QC
 Authier-Nord, QC
 Bois-Franc, QC
 La Bostonnais, QC
 Îles-de-la-Madeleine, QC
 Trois-Pistoles, QC
 Nicolet, QC
 Saint-Simon-les-Mines, QC
 Saint-Eugène-d'Argentenay, QC
 Saint-Rémi-de-Tingwick, QC
 Amherst, QC
 Saint-Christophe-d'Arthabaska, QC
 Saint-Césaire, QC
 Chute-Saint-Philippe, QC
 Lac-du-Cerf, QC
 Saint-Ubalde, QC
 Gracefield, QC
 Paroisse de Senneterre, QC
 Authier, QC
 Témiscaming, QC
 Saint-Valentin, QC
 Canton de Hope, QC
 Clerval, QC
 Saint-Adrien, QC
 Saint-Gédéon, QC
 Sainte-Monique-de-Honfleur, QC
 Saint-Côme, QC
 Saint-Nazaire-d'Acton, QC
 Saint-Fabien-de-Panet, QC

Saint-Alphonse-de-Granby, QC
 Saint-Lin—Laurentides, QC
 Cascapédia—Saint-Jules, QC
 L'Ascension-de-Notre-Seigneur, QC
 St. Lawrence, NL
 Torbay, NL
 Mount Moriah, NL
 Carbonear, NL
 Pouch Cove, NL
 Two Hills, AB
 Saint-Damien, QC
 Saint-Chrysostome, QC
 Saint-Pierre-les-Becquets, QC
 Saint-Cléophas, QC
 Packington, QC
 Rocky Harbour, NL
 Val-Joli, QC
 Cove Newstead, NL
 Val-Brillant, QC
 Saint-Gabriel-de-Brandon, QC
 Rivière-du-Loup, QC
 Dauphin, MB
 Lac Mégantic, QC
 Saint-Henri-de-Taillon, QC
 Sainte-Gertrude-Manneville, QC
 Saint-Mathieu-de-Rioux, QC
 Béarn, QC
 Ascension-de-Patapédia, QC
 Chertsey, QC
 New Richmond, QC
 Wickham, QC
 Shigawake, QC
 La Reine, QC
 Cap-Chat, QC
 Godbout, QC
 Saint-Pascal, QC
 Portneuf-sur-mer, QC
 Saint-Joseph-de-Sorel, QC
 Stewiacke, NS
 Saint-André-d'Argenteuil, QC
 Pointe-aux-Outardes, QC
 Saint-Aubert, QC
 Litchfield, QC
 New Carlisle, QC
 Sainte-Geneviève-de-Batiscan, QC
 Belledune, QC

Notre-Dame-du-Nord, QC
 Saint-Bruno-de-Guigues, QC
 Saint-Pacôme, QC
 Lemieux, QC
 Saint-François-d'Assise, QC
 Hermitage-Sandyville, QC
 Port Saunders, QC
 Rapide-Danseur, QC
 La Motte, QC
 Clermont, QC
 Islet, QC
 Saint-Michel-de-Bellechasse, QC
 Cumberland County, NS
 Carleton-sur-mer, QC
 Asbestos, QC
 Val-des-Lacs, QC
 Port au Choix, NL
 Jackson's Arm, NL
 Saint-Paulin, QC
 Saint-Isidore, QC
 Chipman, NB
 Belleville, ON
 Harbour Main, Chapel's Cove & Lakeview,
 NL
 Wentworth, QC
 Mille-Isles, QC
 Tracadie-Sheila, NB
 L'Île-du-Grand-Calumet, QC
 Witless Bay, NL
 Cow Head, NL
 Chibougamau, QC
 Daniel's Harbour, NL
 Richmond, NS
 Foremost, AB
 Notre-Dame-des-Bois, QC
 Placentia, NL
 Hawke's Bay, NL
 Trinity, NL
 Pointe-à-la-Croix, QC
 Val-Racine, QC
 Municipality of the District of Yarmouth,
 NS*
 Avondale, NL
 Port-Cartier, QC
 Candiac, QC
 Ville de Laval, QC

Waskatenau, AB
 Kippens, NL
 Sainte-Séraphine, QC
 Saint-David, QC
 Stanbridge-Station, QC
 Flowers Cove, NL
 Saint-Louis-de-Gonzague, QC
 Saint-Elzéar, QC
 Ramea, NL
 Saint-Louis-de-Kent, NB
 Sainte-Brigide-d'Iberville, QC
 Stornoway, QC
 Escuminac, QC
 Messines, QC
 Louiseville, QC
 Lac-des-Plages, QC
 Val St-Gilles, QC
 Notre-Dame-des-Neiges, QC
 Gallichan, QC
 Saint-David-de-Falardeau
 *District of Elkford, BC
 Sacré-Cœur, QC
 Chute-aux-Outardes, QC
 Roquemaure, QC
 Lark Harbour, NL
 Aguanish, QC
 Des Cèdres, QC
 Pelee, ON
 Saint-Julien, QC
 Marcelin, SK
 Bonfield, ON
 Armour, ON
 Indian Head, SK
 Ethelbert, MB
 Stuartburn, MB
 Tehkummah, ON
 Georgian Bluffs, ON
 Greenwood, BC
 Hat Butte No. 11, SK
 Hillsburg-Roblin-Shell-River, MB
 Stewart, BC
 Morley, ON
 Brokenhead, MB
 Dubreuilville, ON
 Aylmer, ON
 Bienfait, SK

Bethune, SK
Hudson, ON
Kerns, ON
Powerview-Pine Falls, MB
Thorold, ON
Casey, ON
South Algonquin, ON
Clarington, ON
Parksville, BC
Northeastern Manitoulin and the Islands,
ON
Goderich, ON
Coleman, ON
*Lytton, BC
Port Edward, BC
Alfred et Plantagenet, ON
Courtenay, BC
Brooke-Alvinston, ON
Harley, ON
Leeds and Thousand Islands, ON
Biggar, SK
Burk's Falls, ON
Tugaske, SK
Port Alberni, BC
Pembroke, ON
Prince Albert, SK
Moose Jaw, SK
Quinte West, ON
*Simcoe, ON
Chisolm, ON
Havelock-Belmont-Methuen, ON
Stratford, ON
Campbell River, BC
Nairn and Hyman, ON
Richmond Hill, ON
Markham, ON
West Grey, ON
South Bruce, ON
Ellice-Archie, MB
Grey, MB
Shellbrook No 493, SK
Parkside, SK
Consul, SK
Brethour, ON
Rockglen, SK
Eatonia, SK

Paynton, SK
Brenda-Waskada, MB
Woodlands, MB
Rainy River, ON
Meath Park, SK
Rankin Inlet, NU
Loreburn No. 254, SK
Tahsis, BC
Creighton, SK
Murray River, PE
La Ronge, SK
Port Colborne, ON
Emerson Franklin 127, MB
Mayo, YT
Beaupré, QC
La Vallee, ON
Port McNeill, BC
Ingersoll, ON
Georgina, ON
King, ON
Colwood, BC
Smithers, BC
Fort Erie, ON
Garry # 245, SK
Wollaston, ON
Cupar, SK
Powasan, ON
St.-Charles, ON
Gimli, MB
Port Moody, BC
Gore Bay, ON
Quesnel, BC
Barry's Bay, ON
Igloolik, NU
Alvena, SK
Gainsborough, SK
Squamish – Lillooet, BC
Leroy, SK
Bonnet, MB
Alonsa, MB
Chesterfield no 261, SK
Asquith, SK
Eeyou Istchee Baie James, QC
Kingsville, ON
Tarbutt and Tarbutt Additional, ON
Cobourg, ON

Chase, BC
Star City, SK
Debden, SK
Weyakwin, SK
Vanguard, SK
Midway, BC
Hanover, ON
Reciprocity No. 32, SK
Shuniah, ON
Plympton-Wyoming, ON
Sifton, MB
Skeena Queen Charlotte Regional District,
BC
Carievale, SK
McKillop, SK
Mississauga, ON
Piapot #110, SK
Silverton, BC
Hawkesbury, ON
Kenaston, SK

Coldwell, MB
Harris, ON
Casselman, ON
Aberdeen, SK
Springfield, MB
Tay Valley, ON
Carlow/Mayo, ON
Laurentian Valley, ON
Pickle Lake, ON
Baldwin, ON
Paradise Hill, SK
Kitimat, BC
Selwyn, ON
Orillia, ON
Laird, ON
Saint-Philippe, QC
Pickering, ON
*Fort St-James, ON

** Sent letter*

APPENDIX B

Pricing Announcement in Canada Post's Five-Point Action Plan

2. A New Approach to Pricing

The plan

With rapidly declining Lettermail volumes and increasing digital alternatives to mail, Canada Post is introducing a new pricing structure for letters mailed within Canada. The new pricing structure will usher in a more commercial approach benefitting those who use the mail most and that better reflects the cost of serving various customer segments.

On March 31, 2014, Canada Post plans to launch a new tiered stamp pricing structure.

- New prices will be launched for the customers that buy stamps in booklets and coils, representing 98 per cent of the volume sold in this category. The price (per stamp) will be \$0.85, up from \$0.63 today for letters 0-30 g mailed within Canada.
- Businesses that use postage meters will pay a new discounted postal commercial rate of \$0.75 (per letter 0-30 g).
- Mailers who prepare mail in such a way that reduces processing costs (known as Incentive Lettermail) will continue to benefit from prices that are lower than the proposed meter rate of \$0.75 for 0-30 g.
- Single stamps will cost \$1 each, up from \$0.63 today. Canada Post estimates that only 2 per cent of all stamps are purchased as singles. The vast majority of stamp purchases will be at the rate of \$0.85, which is available for a minimum purchase of a booklet or coil.
- With this tiered-pricing approach, most customers will pay between 15 and approximately 30 per cent less than the single-stamp price.

The pricing for U.S., international and oversized Lettermail and mail weighing more than 30 g will also increase, and will typically fall in line with the new established pricing levels. However, unlike Lettermail less than 30 g within Canada, the pricing for these products will not include a uniquely differentiated booklet or coil price. Prices for parcels and for addressed and unaddressed advertising mail are not affected by the Lettermail increase.

Source: Canada Post, Canada Post's Five-point Action Plan: Ready for the Future, pg. 8.

APPENDIX C

STRATCOM
STRATEGIC COMMUNICATIONS

Innovation Strategy Results

Polling Results

Fielded February 20 – March 4, 2015

For Canadian Union of Postal Workers

March 4, 2015

www.stratcom.ca

Toronto
Tel 416 537 6100

Vancouver
Tel 604 681 3030

Ottawa
Tel 613 916 6215

London, U.K.
Tel 020 3318 0558

CONFIDENTIAL DO NOT CIRCULATE

		Count	Col %
Do you get your mail at a community mailbox?	Yes	497	100.0%
Total		497	100.0%

		Count	Col %
How close are you to your community mailbox?	It's on my property or on land adjacent to my property	48	9.7%
	It's near my home - less than a block away	299	60.2%
	It's a block to two blocks away	103	20.7%
	It's more than two blocks away	47	9.5%
Total		497	100.0%

		Cases	Col Response %
How do you usually get to your community mailbox?	Vehicle	170	34.2%
	Walker, Wheelchair or Scooter	4	.8%
	Walk	382	76.9%
	Bike	4	.8%
	Rely on someone to get my mail for me	19	3.8%
	Other	9	1.8%
Total		497	118.3%

Below is a list of potential issues with community mailboxes. Please indicate if you, personally, have experienced that issue with your community mailbox.

	Yes	No	Don't Know/Not applicable	Total
	%	%	%	%
Litter on or around the community mailbox	41.9%	54.7%	3.4%	100.0%
Theft of your mail	7.6%	85.5%	6.8%	100.0%
Vandalism of the community mailbox	16.3%	77.7%	6.0%	100.0%
Concern about personal safety while accessing your community mailbox	18.9%	78.3%	2.8%	100.0%
An accident, such as a slip or fall, either at the community mailbox or going to and from	21.3%	76.5%	2.2%	100.0%
Difficulty accessing your community mailbox due to snow	44.3%	55.1%	.6%	100.0%
Difficulty accessing your community mailbox due to a frozen lock	35.8%	62.6%	1.6%	100.0%
Increased noise due to people and vehicles converging at the location of the community mailbox	12.3%	80.7%	7.0%	100.0%
Increased vehicle traffic due to people driving to the community mailbox	34.4%	60.6%	5.0%	100.0%

CONFIDENTIAL DO NOT CIRCULATE

Below is the same list of potential issues with community mailboxes. This time, please indicate how concerned you are, personally, with each issue.

	Very concerned	Somewhat concerned	Not at all concerned	Don't Know/Not applicable	Total
	%	%	%	%	%
Litter on or around the community mailbox	18.3%	41.9%	37.0%	2.8%	100.0%
Theft of your mail	13.9%	27.4%	55.9%	2.8%	100.0%
Vandalism of the community mailbox	15.5%	35.2%	46.3%	2.0%	100.0%
Concern about personal safety while accessing your community mailbox	13.1%	22.1%	63.4%	1.4%	100.0%
An accident, such as a slip or fall, either at the community mailbox or going to and from	22.5%	35.0%	39.6%	1.8%	100.0%
Difficulty accessing your community mailbox due to snow	25.4%	35.0%	37.0%	1.6%	100.0%
Difficulty accessing your community mailbox due to a frozen lock	21.9%	36.6%	39.2%	2.2%	100.0%
Increased noise due to people and vehicles converging at the location of the community mailbox	6.2%	22.3%	68.4%	3.0%	100.0%
Increased vehicle traffic due to people driving to the community mailbox	15.9%	25.2%	56.1%	2.8%	100.0%

		Cases	Col Response %
You indicated that you had an accident, either at your community mailbox, or while traveling to or from. Could you briefly describe the accident?	Slipped on icy sidewalk/path on way to mailbox	42	39.6%
	Slipped on ice while trying to access mailbox	38	35.8%
	Slipped climbing over snow/snowbank in front of mailbox	9	8.5%
	Fell in front of mailbox (general)	5	4.7%
	Ice/snow are a safety concern for me (general)	16	15.1%
	Other single responses	2	1.9%
	Don't know / No Answer	2	1.9%
Total		106	107.5%

		Count	Col %
Did your accident require medical attention?	Yes	9	8.5%
	No	97	91.5%
Total		106	100.0%

Methods

This survey was fielded online in English and French using a proprietary panel from February 20th to March 4th, 2015, in 25 select FSA's across Canada which no longer receive door-to-door mail delivery.

Strategic Communications Inc. (Stratcom) is a full service opinion research and communications firm with offices in Toronto, Vancouver, Ottawa and London UK. We have been providing strategic, political and public affairs polling and focus groups since 1991. Stratcom has been the official pollster to 24 Hours newspaper in Vancouver, and its research has been recognized in the Wall Street Journal, Maclean's Magazine, the Globe and Mail, and other national and regional publications.

FSA's POLLED

Calgary	Fort McMurray	Winnipeg	Repentigny
T2B	T9H	R2P	J5Y
T3J	T9J	R2V	J6A
	T9K		J5Z
Halifax		Charlemagne	
B4A	Oakville	J5Z	Rosèmere
B4B	L6K		J7A
B4C	L6H	Ottawa	
B4E	L6J	K2K	Bois-des-Filion
B4G	L6L	K2L	J6Z
	L6M	K2M	
			Lorraine
			J6Z

APPENDIX D



50 ans de solidarité... et la lutte continue!

Fifty years of solidarity... the struggle continues.

February 17, 2015

Lisa Raitt
Minister of Transport
Place de Ville, Tower C, 29th Floor
330 Sparks Street
Ottawa, Ontario K1A 0N5

Dear Ms. Raitt:

I am writing on behalf of members of the public to let you know what they think about losing home mail delivery and being forced to use community mailboxes (CMBs). Overwhelmingly, people do not like the idea or reality of the new CMBs, or the problems associated with these boxes.

What people told us:

Many Canadians are concerned about their personal safety when visiting a CMB, especially in the winter.

A man from Calgary, Alberta, reported "the box is on a hill and ice is a hazard." A woman from Winnipeg, Manitoba, said "I have fallen once because the area in front of the boxes was not cleared."

Seniors are especially concerned. Some are falling while getting mail at CMBs. Others are understandably worried about this possibility.

One senior from Winnipeg, Manitoba, said "Stepped on slippery site, slipped and fell when retrieving mail in winter time. It's not safe for a 67 yrs. old to pick up the mail on a slippery site." A 76 year old woman from Bedford, Nova Scotia, told us she is very afraid walking the steep hill to go get her mail, especially in the winter. A senior from Burlington, Ontario, pointed out "The government is encouraging us to stay in our homes. It makes no sense to make it more difficult to do so. We are 70 and 80 years old with mobility issues. Winter escalates the health and safety concerns and having to try to walk to a mailbox with the dangers of slipping on ice...climbing snowbanks adds to the possibility of an unnecessary accident."

People with disabilities and poor health are also upset about having to get their mail at CMBs.

A woman from Calgary, Alberta, said, "I have severe arthritis in my right hip and arthritis in my knees. It is a huge worry for me to retrieve the mail as it is painful and I do not collect the mail daily...I am very fearful of a fall and breaking that hip and hurting myself further." A man from Victoria, British Columbia, said, "my wife and I are both cancer survivors but with lingering

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Syndicat des travailleurs et travailleuses des postes
Canadian Union of Postal Workers

associated problems, and getting to the mail box will create some hardship for us." A woman from Halifax, Nova Scotia, told us "The reason I don't want to lose my door to door service is this. I suffer from multiple sclerosis." A resident of Hamilton, Ontario, wrote "My daughter lives on a corner lot here in the city of Hamilton and this evening a representative from Canada Post knocked on her door, handed her a paper with a picture of her home on it and informed her that her lot was chosen for a community mailbox. She is very upset ... She suffers from arthritis and finds it difficult to clear the snow as it is." A Winnipeg resident with a disability does not have to go to a CMB because he gets delivery once a week, but he told us this "is unacceptable, and I'm being treated like a second class citizen."

Many people are afraid to go to CMBs at night, especially women.

A woman from Calgary, Alberta, said "I am not able to pick up my mail until evening... it is a personal safety reason for me." Another Calgarian reported "My wife will not go and check the mail when she gets home for a few reasons. One, when she gets home it is already dark outside and is scared for her safety walking alone at night..." This sentiment was echoed by a woman from Winnipeg, Manitoba, who said "Sometimes I have to pick up my mail when it is dark out and the area is not lit up and I feel very unsafe." Another woman told us, "The area around our community mail box is dark due to insufficient lighting. When I asked the City of Winnipeg who is responsible for that, they said it is not their jurisdiction, and I have to talk to Canada Post. I posted an inquiry with Canada Post (could not send an email to anyone since such an option does not exist). Their reply was that I can check the mail at any time (really!); therefore, I do not need the area to be lit (my comment). I leave work when it is dark and come home when it is dark outside. I do not have a luxury of being able to check whether there is any mail for me during the day."

Theft and vandalism are big issues for people.

A man from Mission, British Columbia, said "If they put one outside in my neighbourhood I can guarantee it will get vandalized, just like the one in Langley BC @ 292 a St & 80th Ave - has been 3 or 4 times in the past year." A Bedford, Nova Scotia, woman said "Went to the box, key inside to pick up parcel. No parcel, no one knows what happened, what the parcel was. I ordered everything from a computer to a pair of earrings." A woman from Thunder Bay, Ontario, reported that "Sites have been broken into since December 1st [2014] all across Thunder Bay. They say our mail and parcels are secure but it looks like the thief had no problem at all popping open 11 sites down Rosslyn rd." A resident from Burlington, Ontario, told us "I have seen banks of mailboxes covered in graffiti. This creates an eyesore (lowers property values) and it will be a worry to visit a location where vandals congregate." A Winnipegger told us she would like door-to-door delivery back because the CMB is very far from her home, and there has been vandalism. The boxes were tipped over.

Canadians are also frustrated with frozen locks at CMBs.

Winnipeggers and Calgarians are hard hit. One pointed out that "The mailbox lock was frozen a few times" while another said "Fight ice to get to box and now key does not work, one unhappy person." A woman from Bois-de-Filion, Quebec, said "In cold weather, the Canada Post [CMB]

locks freeze. When you insert the key, the latch bends and completely blocks the opening.”

They believe CMBs make their property unattractive and reduce their property values.

A resident of Calgary, Alberta, spoke for many by stating “You can paint it however you want, it is still an eyesore. A man from Dartmouth, Nova Scotia, said “It is crappy enough deal that we are losing the door to door service, but on top of that I lose value on my property.” A man from Mississauga, Ontario, repeated this view. He said “Removing door to door service will reduce my property value.”

One of the most commonly mentioned complaints is litter.

A resident of Victoria, British Columbia, told us, “in as much as we would like to think that all of our neighbours are contentious about litter, the truth is that there are always some that aren’t and the whole neighbourhood will pay the price for the junk mail and the like that ends up on the ground to be blown as the winds go.” Residents of Calgary, Alberta, are equally concerned. One complained that “People are tossing flyers & ads on the street.” Another resident said “These boxes have caused a severe increase in the amount of litter on my street and in our yards,” while yet another pointed out that “We have had the community mailboxes for about two months now and the litter around the box has already begun.”

Canadians are also worried about traffic.

Some people are distressed about having to dodge vehicles on the way to and from their CMB while others are anxious about traffic-related problems associated with having a CMB near their property. One Canadian told us “There is no sidewalk access to the mailboxes. You have to walk down the side street which doesn’t get plowed often so walking is dangerous.” Residents of Winnipeg (Manitoba) Bathurst (New Brunswick) and Bedford (Nova Scotia) said:

- “Being on the parking side of the street, they are driving closer and closer each day and driving well beyond the curb and chewing up the grass I am responsible to maintain. The ruts will begin and turn it all into muck and mush.”
- “They are proposing 3 units with 16 individual boxes per unit. This is going to create more traffic, cause we know most people will not walk to the boxes but will drive their cars up on the city property, adjoining our property, this will create more noise, much less privacy to our family.”
- “canada post wants to put CMB on my property 3 meters from my driveway on a corner lot where we already take our lives in our hands backing onto street as people fly around corner.”

People have a variety of concerns about parking near CMBs.

A woman from Winnipeg, Manitoba, said, “Why can’t we have no parking signs placed so that people can access these boxes? It has been a problem ever since they were put up.” Another residents of this city told us, “There is nowhere to park when you go to collect your mail, it

causes congestion in the street!!!!” Residents of other communities also complained about the lack of parking. For example, one man from Victoria, British Columbia, said “We live in an area of multiple families living in converted single family dwellings with the resulting serious lack of on street parking - no matter where the box is installed.” A man from Middle Sackville, Nova Scotia, stated “The mailboxes were put down the street by the elementary school. Awesome location. Nowhere to stop vehicle during day to check mail.”

Canadians are frustrated and angry that they were not properly consulted on the move to CMBs.

For instance, residents of Etobicoke (Ontario) Campbell River (British Columbia) Scarborough (Ontario) and Calgary (Alberta) told us:

- “I am also severely annoyed that no discussion about this plan was held with the general public before it was implemented.”
- “There has been no consultation as to whether we wanted this form of non-delivery nor have the postal workers been consulted and that is a great loss of jobs to them.”
- “There was absolutely no meaningful consultation with the public. If there was this wouldn’t have happened.”
- “I was given no input on location. I am not happy with the new system when the old one was not broken.”

Many Canadians truly value their letter carriers and door-to-door service.

Many Canadians believe that letter carriers are important to their communities. A woman from Campbell River, British Columbia, told us, “There are many seniors in this community....and I believe that postal delivery people offer more than just bringing mail....They are also security in our neighbourhoods, as they notice things amiss...from watching over seniors to families at risk to other social concerns.” A man from Elmira, Ontario, said “their daily walk through our community is enormously important to the health of our communities, especially for marginalized citizens they can keep an eye on.” A resident of Calgary, Alberta, pointed out, “I am one who wants home delivery back please. I do miss having the mail person come to my door as I did feel it was a great measure of security as well.” But the last word goes to a woman from Thornhill, Ontario, who put it this way: “I like my hoppity skippity mail man. He makes my day when I see him.”

It would appear the document Canada Post produced as a result of its so-called consultation with Canadians was misleading to suggest most people support going to CMBs.

In fact, I think you will find that the vast majority of people who have lost their home mail delivery are not happy with having to get their mail at CMBs.

I also think you will find, if you look, that Canada Post cherry-picked comments from its consultation process.

CUPW reviewed and analyzed all the online comments from the corporation's consultation with Canadians and found the following:

- Less than 20 percent of people called for cuts to services.
- Over 45% of people who mentioned mail delivery said they wanted to keep delivery the same and almost 7% said they wanted delivery to increase.
- Only 15% of people suggested that door-to-door delivery or rural box delivery be converted to community mailbox delivery.
- Almost 14% of people said Canada Post should expand the services they offer.

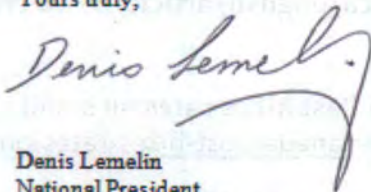
CUPW would also like to point out that the consultation process that Canada Post engaged in prior to announcing the end of home mail delivery was completely inadequate. The corporation did not meet with seniors' groups or organizations representing people with disabilities. It held invite-only meetings in just 46 communities and took comments online and through the mail. However, most people did not even know about the consultation.

Canadians own our public postal service. They deserve to be properly consulted.

As you know, your government was supposed to conduct a review of the Canadian Postal Service Charter in 2014 but failed to do so. CUPW calls on your government to take people's concerns to heart and finally conduct a public review of the Charter and Canada Post's five-point plan. There is absolutely no need for the massive changes outlined in the corporation's plan, including the home mail delivery cuts. Canada Post is still making profits and could be making even more money if it added financial and banking services like other postal administrations around the world. It's time for a real consultation with the public. It's time to look at alternatives to cuts such as postal banking.

We look forward to your response to this letter.

Yours truly,



Denis Lemelin
National President
Canadian Union of Postal Workers

c.c. National Executive Committee, Regional Executive Committees, National Union Representatives, Regional Union Representatives, Campaign Co-ordinators
Specialists, All CUPW Locals

/s/ bk cnpw 225

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<http://www.winnipegfreepress.com/local/delivering-bad-news-on-boxes-275869671.html>

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Rural Post Offices and the Communities that rely on them are being abandoned

The results of a survey of municipalities and band councils on the closure of 1700 rural post offices by Canada Post, carried out by Anderson Consulting for the Canadian Postmasters and Assistants Association.



April 2014

The Canadian Postmasters and Assistants Association

<http://cpaa-acmpa.ca/pub/>

The Canadian Postmasters and Assistants Association was founded in 1902 in Stonewall, Manitoba as a grass roots organization dedicated to improving the working conditions of Postmasters in rural Manitoba. CPAA grew from a local organization to a national association that is the second largest bargaining unit representing employees of Canada Post Corporation.

Anderson Consulting

www.andersonconsulting.ca

Anderson Consulting is an Ottawa based consultancy firm. John Anderson is the author of this study and Principal at Anderson Consulting. The firm can be reached by telephone at 613-290-0016 or by email at info@andersonconsulting.ca

Table of Contents

INTRODUCTION.....	1
OVERALL ANALYSIS.....	6
PROVINCIAL ANALYSIS.....	11
CONCLUSIONS.....	31
ALTERNATIVES.....	32
APPENDIX 1.....	34
APPENDIX 2.....	38

A comment from our survey:

"Closing the Boulter Post Office has adversely impacted our community in not only having lost its sense of identity but its closure has also created a sense of isolation for many of our seniors. Our community population is 80% seniors and with Boulter being a rural area, the post office was a place for doing business while having contact and social interaction with neighbours and friends. This closure has resulted in increased travel and expense for our residents of whom many are pensioners living only on Old Age Security payments.

This closure has resulted in increased travel and expense for our residents of whom many are pensioners living only on Old Age Security payments.

The closure has increased the carbon footprint due to the additional travel and as a result has the potential for a detrimental impact on our environment.

Our residents and business owners have begun to use courier delivery services as a means to continue to send parcels or mail which also adds a greater expense to their operating budget...

Thank you for the opportunity to express our concerns regarding the closure of the Boulter post office. Rural Ontario has traditionally and historically used postal service as a means to communicate and do business outside of our communities. We sincerely hope this necessary service will be offered once again to the residents of Boulter, Ontario."

 Bonnie Adams,
Reeve of Carlow/Mayo Township

INTRODUCTION

Much has been made, and rightly so, in the press, on the political scene, and in terms of reactions of communities, seniors, people with disabilities and unions of the recent announcements made by Canada Post of its Five-point Action Plan in December 2013.¹

Here are the five announcements in the plan and here is what they really mean.

What Canada Post calls it	What it really means
1. Community mailboxes	End home delivery. The only Organisation for Economic Co-operation and Development (OECD) country to do so! Penalizing particularly seniors and people with disabilities in a winter country.
2. A new approach to pricing Lettermail to take effect March 31, 2014	Increase stamp prices by almost 60% at once.
3. Expanding convenience through postal franchises	Close down post offices and save staff costs
4. Streamlining operations	Increase capital and machinery, vehicles etc. and reduce workforce
5. Addressing the cost of labour	Cut 8000 good jobs mainly in the letter carrier field

If this wasn't bad enough, what many Canadians do not know, is that Canada Post has been pursuing another cost cutting objective for more than 30 years. Since the start of the eighties, Canada Post has closed down over 1700 federally run (Canada Post administered) post offices mainly in rural Canada. Now some of these closures were justified, when, for example, whole communities closed down due to the shutting down of a military base or a mine operation or simply because of depopulation occurred over time. But those reasons for closures seem to represent a tiny minority proportion of the closures.

Most closures seem to have been done simply to save money by shutting down offices to consolidate operations in one region or by transferring the service from a federally run business to a franchise operation. It is important to emphasize that while many of the closed post offices have been converted to franchise operations, most of the closed post offices have been shut down permanently, forcing many customers to travel an average of 13 kilometres each way and, in many cases much further, to carry out many simple postal transactions.

¹ See Appendix 2 for the full text of this announcement

Canada Post policy on rural post offices is governed by a Moratorium on Rural Closures introduced in 1994 following public protest against a huge numbers of closures. But while most of the closings we are looking at occurred before 1995, there has been a continuation of closures in the 2000s in spite of the moratorium.

In Canada Post's Canadian Postal Services Charter (2009), the section "Convenient Access to Postal Services" reads:

9. *Canada Post will provide an extensive network for accessing postal services that includes retail postal outlets, stamp shops and street letterboxes, as well as access to information and customer service through the Canada Post's website and call centres.*
10. *Canada Post will provide retail postal outlets, including both corporate post offices and private dealer operated outlets which are conveniently located and operated, so that:*
 - *98 percent of consumers will have a postal outlet within 15 km;*
 - *88 percent of consumers will have a postal outlet within 5 km; and*
 - *78 percent of consumers will have a postal outlet within 2.5 km.*
11. *The moratorium on the closure of rural post offices is maintained. Situations affecting Canada Post personnel (e.g., retirement, illness, death, etc.) or Canada Post infrastructure (e.g., fire or termination of lease, etc.) may, nevertheless, affect the ongoing operation of a post office.²*

The Charter reaffirms the moratorium on the closures of rural post offices in point 11 but allows a great deal of wiggle room as to the interpretation of when a closing can be justified. This has allowed closures to continue as evidenced from our survey. Point 10 standards are very loose as only 18.9% of the population is rural. This means most rural people (the 12% of the total population who are not in the category of 5 km or less) will have a more than 5 km standard (5-15 km) which is quite far, and more than 10% of the rural population (2% of the total population) will have to go more than 15 km!

Our Survey

In order to find out what have been the effects of closing 1700 post offices, particularly on rural and small town Canada, we sent surveys to 1635 of these communities (the ones for which we could find complete mailing information) in which there once was a federally run post office which had been closed down. The survey was mailed out to community leaders: mayors, reeves, councilors or band chiefs who headed up municipalities, district, reserves or other locations in which a federal post office, owned and operated by Canada Post was closed down over the period from 1981-2013. The long period over which the closures occurred meant that some of today's respondents knew little about the closing when it had occurred decades ago.

² <http://www.tc.gc.ca/eng/mediaroom/infosheets-canadapost-1770.htm>

We sent a survey first by mail with a stamped return envelope and then followed up by email or telephone to the mayor, reeve, band chief or councilor for the municipality, district or reserve in which the post office which had been closed down was located.

We had a total of 377 replies to the survey which gave us a very respectable reply rate of 23%.

The highest rate of replies was in Quebec 110/245 or a 45% rate of reply. In Newfoundland, the rate was 25/94 or 26.5% and was lowest in New Brunswick at 7%. The low rate in New Brunswick is because many of the closed post offices were in unorganized territories which are administered directly by the province. While the province was contacted directly and was interested in helping, few replies have been received.

This paper describes what we found out overall and by province and territory.

What we found, is that, overall, shutting down these post offices has been, as more than one respondent said, "another nail in the coffin" for rural communities.

Canada is, surprisingly, for being the second largest country in the world by area and having one of the lowest population densities per square kilometer, one of the most highly urbanized societies in the world. The number of Canadians living in rural areas "areas with fewer than 1,000 inhabitants and a population density below 400 people per square kilometer" (Statcan definition of rural) has been declining rapidly for years. Today, even as our overall population grows to its highest number ever, in the 2011 census, our rural population fell to 18.9% of the total population, its lowest level ever. This is far below most countries except the UK and USA.

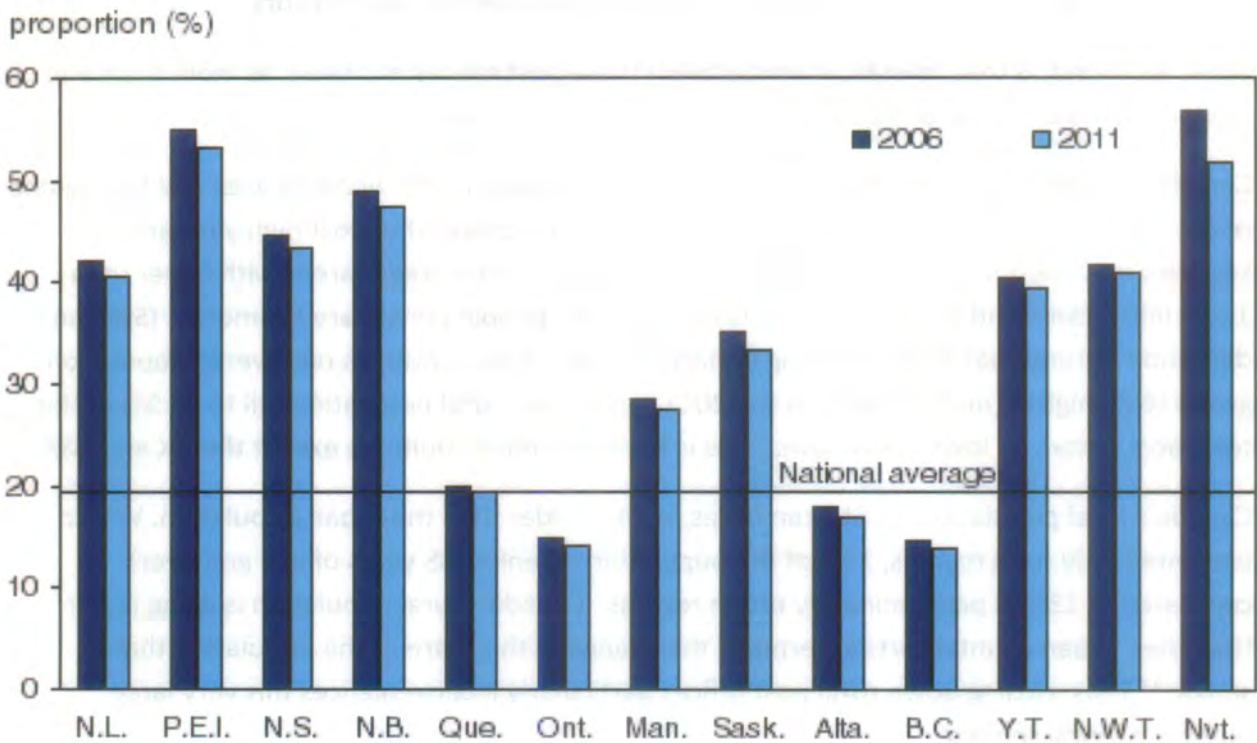
Canada's rural population, as Statcan notes, is also "older than the urban population. Within predominantly rural regions, 15% of the population is senior (65 years of age and over) compared to 13% in predominantly urban regions. Canada's rural population is aging faster than their urban counterparts in terms of the change in the share of the population that is senior."³ Thus, closing down rural post offices particularly inconveniences this very large number of rural seniors.

Closing down rural post offices, the results of this survey would contend, has only contributed to the process of hurting growth in rural Canada. In an era where, for the first time, the potential exists for rural communities to be more closely linked to services and goods across the country and around the world, closing down rural post offices cannot help. We are in a new era, where, for the first time, many kinds of work and many types of businesses are portable and moveable, due to Internet connection.

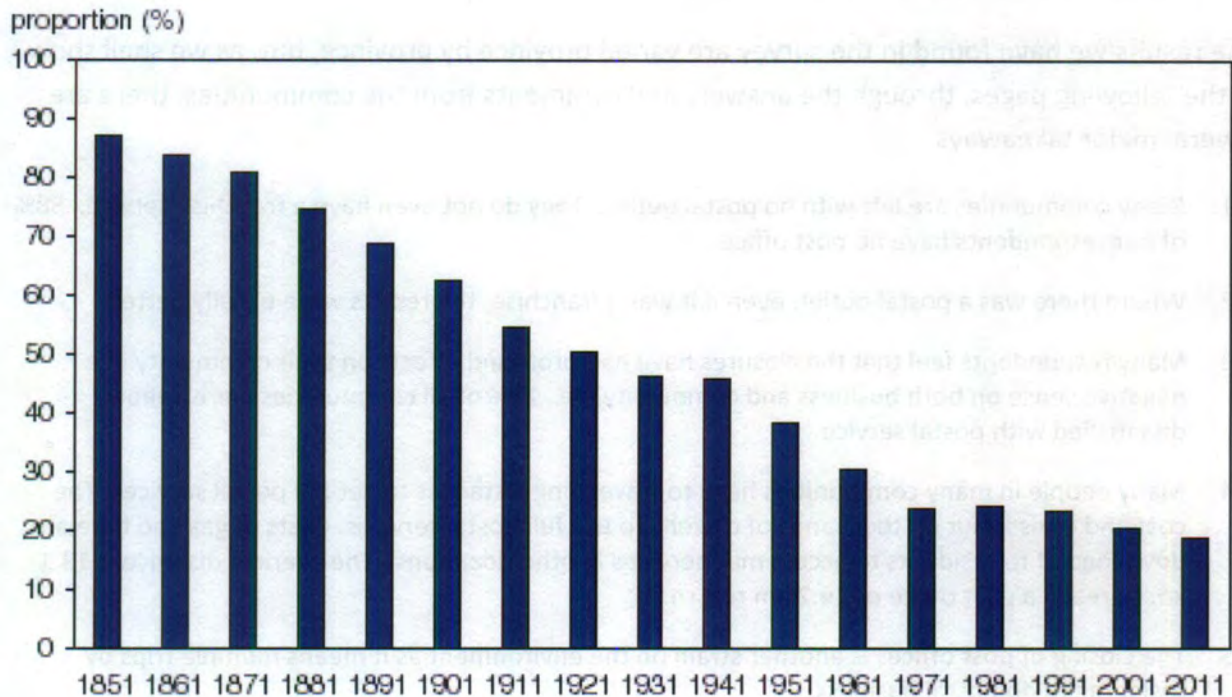
³ Kimberley Dandy and Ray D. Bollman, Seniors in Rural Canada, *Rural and Small Town Canada Analysis Bulletin* Catalogue no. 21-006-X, Vol. 7, No. 8 (December 2008), Statistics Canada <http://www.statcan.gc.ca/pub/21-006-x/21-006-x2007008-eng.pdf>

Most businesses, more than ever, need access to reasonable cost full postal services to send and receive goods and services, to carry out advertising and to correspond with customers. Most citizens in rural communities now have the opportunity to order goods and services through the Internet, but, if post offices are not nearby, and if costs are prohibitive, this can be a problem. As many respondents to our survey have noted, closing rural postal services, or at least weakening them, can have particular negative effects on seniors and people with disabilities, and on anyone who does not have or cannot use vehicles to travel to post offices.

Rural population by province and territory



**Proportion of the population living in rural areas,
Canada, 1851 to 2011**



http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-310-x/2011003/fig/fig3_2-1-eng.cfm

The closure of so many post offices has, surprisingly, not made major headlines, partly because it has been carried out gradually over the last three decades. For some communities, the closures have had little or no effect, where the community is gone or highly diminished or where other postal outlets are nearby. But for many other communities, where there is no postal outlet nearby, the closures have been a severe blow to the body and soul of the rural community.

OVERALL ANALYSIS

Our Results: A dozen take-aways from the survey

The results we have found in the survey are varied province by province, but, as we shall show in the following pages, through the answers and comments from the communities, there are several major takeaways.

1. Many communities are left with no postal outlet. They do not even have a franchise service. 58% of our respondents have no post office .
2. Where there was a postal outlet, even if it was a franchise, the results were usually better.
3. Many respondents feel that the closures have had profound effects on their community in a negative sense on both business and community life. 24% of all communities were deeply dissatisfied with postal service.
4. Many people in many communities have to travel long distances to get full postal services. The cost and onus is put on thousands of citizens to use full postal services. Costs of gas and time are downloaded to residents to access mail services in other locations. The average distance is 13.1 km to reach a post office or 26.2 km return.
5. The closing of post offices is another strain on the environment as it means multiple trips by residents to do postal business.
6. Closing postal outlets has especially onerous effects on seniors, the disabled and those without use of a vehicle.
7. Many communities are not happy with the Community Mail Box (CMB) locations and upkeep. Many complained about the fact that in winter the CMB locations were not cleared and that they were open to rain and snow. Many were unhappy that locations of CMBs were not discussed by Canada Post.
8. Many communities complained that Canada Post was unwilling to discuss alternatives to the post office closures or to CMBs.
9. Many complained that in some outlets the municipality or band had to take over the running of the postal outlet and the costs were simply being downloaded to the municipality or band administration. One respondent complained that the \$6000 per year provided to run the franchise post office was far too low.
10. The closing of many post offices meant the loss of a Canada Post employee in a rural community often with few good jobs. The transfer to a franchise outlet can also mean lower salary and benefits for the outlet employee. At the same time a franchise outlet can help to maintain a rural store.
11. Many would like to see the existing services improved. Many complained about the length of time it took to receive a letter sent within the same community or to a nearby location.

12. Many would like to have other services offered at a postal outlet such as banking, prescriptions, federal and provincial services. 60% of respondents wanted other services.

Overall Results

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to a PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5) in all	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
AB	190	22 (11.6%)	13	9	17	2.7	2.7	4	50%	11	4	4.8	4.2
BC	126	25 (19.8%)	12	13	14.2	2.8	3.4	5	24%	6	3.3	3.5	2.5
MB	145	33 (22.8%)	20	13	13	2.7	3.7	11	39%	13	3.2	3.4	3.6
NB	57	4 (7%)	2	2	10	2.5	2.5	0	75%	3	5	5	3
NFLD	94	25 (26.5%)	17	8	9.5	2.8	2.7	6	76%	19	3.6	3.8	2.4
NS	97	16 (16.5%)	13	3	10.4	3.4	2.7	6	56.3%	10	3.5	3.9	3.1
ON	417	80 (19.2%)	46	34	13.1	3.3	2.4	20	66.3%	53	2.9	3.2	2.7
PEI	9	2 (22%)	0	2	0		2.5	0	50%	1			
QC	245	110 (44.9%)	47	63	12.6	3.3	2.1	24	59%	65	2.6	3.2	2.8
SK	242	59 (24.4%)	29	30	18.5	2.8	2.2	14	51%	30	3.0	3.4	3.2
Territories	13	1 (7.6%)	0	1	0	0	1	0					
CANADA	1635	377 (23.1%)	199	178	13.1	2.9	2.5	90	60%	211	3.5	3.8	3.1

Overall Results: Let's look at Canada

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
CANADA	1635	377 (23.1%)	199	178	13.1	2.9	2.5	90	60%	211	3.5	3.8	3.1

Of the surveys received, 199 or 52.8% came from communities where there was no longer any post office; while 178 or 47.2% came from communities where there was now a franchise post office or, in a very few cases, the federally owned post office had been reopened.

The average distance of a one way trip to a post office, from a community with no post office, averages out to be 13.1 kilometres or 26.2 kilometres return. With a Honda Civic, the best-selling car in Canada in 2013, driving there and back would, according to the Federal Government records, burn 1.3 litres of fuel at highway driving or cost, in fuel alone, \$1.68 at \$1.29 a litre (which was the 2013 average fuel cost).⁴ If one were to visit the post office once a week, this could cost \$87.20 per person or family per year. The annual drain in terms of costs on communities with no post office is thus quite substantial.

Overall levels of satisfaction with postal services were not very high. On a scale of 1 to 5, where 1 is very satisfied and 5 very unsatisfied, the average level per province in communities with no post office was 2.9. Provinces with the highest levels of dissatisfaction in those communities without a post office were Nova Scotia 3.4, Quebec 3.3 and Ontario 3.3. The most satisfied levels were found in Manitoba at 2.7 and Alberta 2.7. The levels of satisfaction in communities with a franchise outlet were generally higher at 2.5 average, except for Manitoba at 3.7.

90 communities registered at 4 or 5 (where 5 is very dissatisfied) in answering about levels of satisfaction with postal services. This means that these communities were very or quite unsatisfied. This is a high number of communities. Many of these responses came from communities where there was still a franchise postal outlet.

⁴ [https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/oe/pdf/transportation/tools/fuelratings/FCG2014print_e\(1\).pdf](https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/oe/pdf/transportation/tools/fuelratings/FCG2014print_e(1).pdf)
<http://www.theglobeandmail.com/globe-drive/new-cars/auto-news/canada-versus-the-united-states-a-tale-of-two-car-markets/article16976409/>

211 or 60% of communities wanted additional services or some of the services at the post offices dramatically improved. This is a clear opening for Canada Post to move on such issues as offering postal banking and other government services.⁵

Finally, when looking at the effects of these closings on small business, economic stability and community identity, the range is quite varied.

- Provinces which noted closings had a high effect on small business ranged (where 1 is very much to 5 very little) from a high rating of 2.6 in Quebec to low effects rating of 4 in Alberta.
- Economic stability (where 1 is very much effect to 5 very little effect) ranges from a 3.2 rating in Ontario and Quebec which means about half think there have been important effects to a 4.8 in Alberta.
- Community identity ranges from a 2.4 rating, which is very high perception of the loss of community identity due to closures, in Newfoundland to a 4.2 rating for Alberta which means little effect. Overall the 3.1 rating means about half of those in communities with closures in provinces and territories think the effects have been important.

⁵ John Anderson, **Why Canada Needs Postal Banking**, Canadian Centre for Policy Alternatives, Ottawa, October 2013, <https://www.policyalternatives.ca/publications/reports/why-canada-needs-postal-banking>

PROVINCIAL ANALYSIS

Newfoundland and Labrador: “Closing a Postal Outlet in a community takes away part of the community's identity. The post office was in a private dwelling like all other postal outlets in the area. The person in the post office was a federal employee.” On the closing of Rodger's Cove in Gander Bay North LSD

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
NFLD	94	25 (26.5%)	17	8	9.5	2.8	2.7	6	76%	19	3.6	3.8	2.4

Newfoundland and Labrador had a high percentage response rate of surveys, 25/94 or 26.5% of the communities where the post office was closed. 17 of the 25 communities no longer had any form of postal outlet. Satisfaction regarding postal services was higher than, for example in Nova Scotia. On the other hand, some 76% of respondents wanted more services in the postal outlets. When asked about the effect on small business (where 1 is very much affected and 5 very little affected), the results were 3.6 and for economic stability 3.8. These results for communities with no postal outlet came in as “little” effect. But when asked about the loss of community identity, the 2.4/5 results showed communities saw very high effects, showing that many felt very touched by the loss of the post office.

Many stressed the inconvenience of no postal outlets for seniors and those without vehicles. Here are comments from different communities on the effects on seniors.

- “It is very inconvenient for seniors and anyone without a vehicle to pick up or send mail or buy stamps or money orders.” Canning's Cove
- “Inconvenient and expensive especially for our many seniors.” Norris Arm Northside, in North Arm North LSD
- “One less person employed. Not good for seniors and those who don't have their own vehicles.” Rodger's Cove, Gander Bay North LSD
- “With an aging population the loss of our postal outlet was detrimental. Many seniors do not have transportation and relied on the postal outlet to pay bills and to send and receive packages.” St. Joseph's Salmonier, in St. Joseph's

- “The closure of St. Anthony East has left residents who don't have vehicles finding alternative ways of getting to the retail outlet several kilometres away. Very inconvenient for older citizens and people with disabilities.” St Anthony East closure, St, Anthony
- Even one respondent, who thought things were generally fine, mentioned seniors who might not have direct deposit as being affected.

Four gave generally favourable comments, particularly from those who still have a franchise outlet:

- “Very little effect. The retail outlet is open to 9 PM which is some advantage for people who pick up their mail late.” Comfort Cove-Newstead
- “We have 2 post offices operating in our community. One is a standalone post office operated by the federal government and the other is operated from a retail outlet. We have no problems with the service provided at both outlets. As a matter of fact, the postal service operating from the retail outlet provides longer access per day than the one operated by the government.” Durrell in Twillingate
- “Not much. Just make it another stop when we go out of town.” Jackson’s Cove, Jackson’s Cove-Langdon’s Cove-Silverdale LSD
- “Northwest Brook was closed however residents use the Hillsview Post Office.” Northwest Brook in Random Sound West LSD

Another noted that Canada Post was not open to any changes to Community Mail Boxes:

- “After we went to community mail boxes we requested a canopy to be installed over the mailboxes on several occasions but we were denied. Is it possible that we can get one put in place now? The boxes freeze in the wintertime and the mail gets wet in heavy rain.” Canning’s Cove in Canning’s Cove LSD

One complained of the unfairness of the allocation of postal outlets:

- “As a chairperson in my community, I hear a lot of complaints about postal services in our community. I can drive out of my area for a distance of 36 km and see 3 postal services and we with nothing. One in George's Point, Clark's Head and Victoria Cove all within 20 km. You can drive anywhere in NL and see more post offices than you see in my area.” From the Main Point-Davidsville LSD (unincorporated community) about closure of Main Point.

Nova Scotia: “The closing of rural post offices is just another nail in the coffin of small communities in rural Nova Scotia.” On the Port Greville closure in the County of Cumberland

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
NS	97	16 (16.5%)	13	3	10.4	3.4	2.7	6	56.3%	10	3.5	3.9	3.1

Nova Scotia response rate was 16.5%. Nova Scotia respondents (81%) came mainly from locations with no postal outlets. In our research before the survey, we found that 75% of all the 97 locations closed now had no postal outlet. In a relatively compact province, the 20 plus kilometres return distance to reach a post office was remarkable. Two communities had to travel 50 kilometres return. The level of dissatisfaction with postal services from communities with no outlet was high at 3.4, while even those with a franchise outlet were just marginally satisfied at 2.7. A majority of all respondents (56.3%) wanted more services delivered.

Some of the communities expressed a great deal of dissatisfaction as to what happened by closing the postal outlet.

- “We have had a post office in our community since horse and wagon days. There is a huge void in our lives and services... Our community is an aging community. ... Folks lost their post office and most of all the community touch. It sure is missed.” (District of Guysborough on the closing of the Goldsboro post office) and it continued: “The office was our centre of communications. The last postmaster who retired on Sept. 29/13 had been at the job for over 40 years. Now we must travel many miles to pick up parcels and do our business. They will soon as customers find easier ways to do business. Couriers and computers don't leave you with no service.”
- “The process is very upsetting for all walks of life. Seniors, business, services, whole population. No place to buy postage stamps or express post envelopes that is nearby. Placement of Community Mail Boxes is unfair. Rural delivery was taken away from most. And if a rural mail box had to be moved in some cases it was less than 6 inches. P.S. I have to travel 19 km myself to be able to mail this back to you!!!” (Kemptville closing in the District of Yarmouth)

The comment, which perhaps sums it all up, came about the Port Greville closure in the County of Cumberland.

- "The closing of rural post offices is just another nail in the coffin of small communities in rural Nova Scotia. This now puts village against village for dollars. Canada Post does not seem to want to even deliver mail to our communities as we are being told to move our mail boxes or remove them all together after safe delivery for many years."
- "Post offices are an important vehicle in rural communities. Small communities are struggling. Loss of post offices has an economic impact on rural Nova Scotia. The service is a unifying force in the country plus every job every salary is important to sustain rural Canada." From the District of Shelburne on the Osborne Harbour closure.
- "Constituents are disappointed they lost the service of the post office.... My constituents were disappointed that Canada Post did not attempt to meet and discuss other options to the mail service. Our school board was willing to renovate their office so we could at least have our mail boxes inside a building. However, Canada Post did not want/did not make an effort to work with us." Regarding Meteghan River closure in the District of Clare:

One comment blamed the poor service on Canada Post and on the union:

- "Canada Post is in crisis. This is no secret. Part of the problem is 1) the cost to mail small light parcels is exorbitant 2) The Union (the tail) is wagging the Head (Post Office). Many employees are just plain rude 3) The computerized equipment is very slow. Have to stand there too long while they measure with a tape measure, weigh and then wait for the info to be calculated. Ridiculous!" Fisherman's Harbour, District of St. Mary's

As for comments and not ratings, only one comment was overall happy with the service.

New Brunswick: "People are using Internet and emails more and more; this is sure to have a direct impact on Canada Post." Rivière du Portage

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
NB	57	4 (7%)	2	2	10	2.5	2.5	0	75%	3	5	5	3

As mentioned previously, the majority of closed post offices were in unorganized communities under the direct supervision of the provincial government. While we contacted the government directly and they did send out an email to all staff, we received few returns. While the results of the 4 are posted above, we did not want to extrapolate for the province from these small numbers.

Prince Edward Island

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
PEI	9	2 (22%)	0	2	0		2.5	0	50%	1			

With 2, Prince Edward Island was the province with the fewest total number of returns which makes it difficult to paint a portrait with survey data. One hypothesis is that while PEI is the most rural of all provinces in terms of percentage of rural population, its geographic small size makes location of other post offices within reach for many citizens.

Quebec: "The closure of a post office in a municipality always has a negative effect and it is the whole population which feels it. It has to travel out of the village and incur extra charges to obtain an essential service. Potential new residents are little inclined to settle in a municipality which offers few services." St-Marcellin

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
QC	245	110 (44.9%)	47	63	12.6	3.3	2.1	24	59%	65	2.6	3.2	2.8

Quebec has the highest percentage of responses to the survey. 110 or 44.9%, of all municipalities contacted, responded. This is an extraordinary rate of response and shows the interest that Quebecers have in preserving and sustaining their postal services. It is by far the highest rate of response of any province.

42.7% or 47 of the community responses came from places which no longer had a post office. The average distance to reach a post office for these communities was 12.6 kilometres each way. The rate of satisfaction was 3.3 in those communities with no post office (meaning tending towards unsatisfied) and higher in those communities with a franchise postal outlet at 2.1. 24 communities of all kinds (14 with no post office and 10 with a franchise postal outlet) expressed a high degree of dissatisfaction (4 or 5) with their postal services. This represents more than 22% of all communities which is a high number.

There was also a high rate (59%) of request for more services. For example, 34 communities (31%) wanted banking services, which was surprising in that at, until recently, Quebec has had a very large credit union network in rural areas. The effect of the post office closings on small business at 2.6 was the highest rating in all provinces and the effect on community identity in communities with closed post offices at 2.8 was amongst the highest in all provinces.

With so many respondents from one province, the number of comments was also large. Here are some of the views expressed.

Many expressed their opinion on the negative effects of the closings.

- “Closing a post office and leaving only a small postal outlet at the handy store is impractical and costly. It is as if the villages are losing an important part of their ‘downtown’ and this leaves us with a less lively village.” Saints-Ange
- “The closure of a post office in a municipality always has a negative effect and it is the whole population which feels it. It has to travel out of the village and incur extra charges to obtain an essential service. Potential new residents are little inclined to settle in a municipality which offers few services.” St-Marcellin
- “We miss our post office a lot. We ask ourselves whether we will see a post office again in our municipality. A simple post office like we had before for basic needs would be very much appreciated.” Ste-Louise

Some expressed the fact that the closing meant little as there was a post office nearby

- “The closure has had little impact because the other post office is 3 kilometres away.” Cap St-Ignace Station, in Cap St-Ignace

Some mentioned that the previous post office was not profitable.

- “Because it was not profitable, the franchise postal outlet was closed last year.” Guérin

Or that there were not enough persons left in the community to have a post office.

- “The residents have adapted to the reality of the closure of the post offices. They often go to the neighbouring town for postal and other services. Needs in terms of postal services have been reduced because of development in information technologies. As well the size of the population base served does not justify an increase in services offered. Comments in a letter about the Louvicourt closing in Val d’Or

Some were very satisfied.

- “We are very satisfied with the services and reception in our post office. “
Brownsburg Annexe, Brownsburg-Chatham

Many had criticisms of the way Canada Post operates its services.

- “We would like to be able to send registered letters, send parcels and flyers which are sent to the whole community without having to go to the neighbouring village.”
Saints-Anges
- “What does the most damage is the transfer of the village post office to a distant area far from many people here. These people make no or little use of the new postal outlet. The closure has distanced people from those folks who live in neighbouring regions.”
Ste-Blandine, Rimouski
- “The closure of our post office was very hard for seniors. We are now ten kilometres from the nearest post office. People have stopped using this service and there has been a loss of jobs.” St-Gerard, Weedon
- “The postal service is slow, not very flexible and mediocre. The quality of information furnished by the post office also leaves a lot to be desired.” St-Marc, Saint-Marc-sur-Richelieu

Two respondents offered a solution.

- “The postal service is essential to a community and has an impact on the development of municipalities because potential new residents are looking for this kind of service. As well, we cannot benefit from Internet shopping. Putting certain services together would be an alternative.” St-Narcisse-de-Rimouski
- Another respondent talked of keeping the postal service by having it deliver mail to 50% of citizens Monday and Thursday, and to the other 50% on Tuesday and Friday.

Ontario: "The closure of the post office has taken away the personal touch from the community. It is hard to talk to a metal box.... Bring back our post office! We have lost our identity." David Shulist, Mayor of Wilno

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
ON	417	80 (19.2%)	46	34	13.1	3.3	2.4	20	66.3%	53	2.9	3.2	2.7

Ontario responses, at 19.2%, were on the low side but this must be balanced against the high number of overall closures at a total of 417. Of the 80 respondents, 46 or 58% have no postal outlet at all in their locations.

Average travel distance in these "no postal outlet" communities in Ontario to get to a post office is over 13 kilometres each way, and many have to travel 20, or even 30 kilometres, to buy a stamp, pick up or mail a parcel, as well as do anything more such as buy and send a money order.

These closures have severely affected community life in many of the areas. The 2.7 rating in terms of loss of identity amongst those without a postal outlet is the third highest next only to Newfoundland and Labrador and BC. One of the most incisive analyses of the effects of the loss of a post office on community life comes from Boulter. The comments touch not only on the effects on community life, seniors and businesses but bring out the very true commentary of the increased environmental carbon foot print from all the driving to the nearest postal outlet and as well as to the Community Mail Boxes.

- "Closing the Boulter post office has adversely impacted our community in not only having lost its sense of identity but its closure has also created a sense of isolation for many of our seniors. Our community population is 80% seniors and with Boulter being a rural area, the post office was a place for doing business while having contact and social interaction with neighbours and friends. This closure has resulted in increased travel and expense for our residents of whom many are pensioners living only on Old Age Security payments. The closure has increased the carbon footprint due to the additional travel and as a result has the potential for a detrimental impact on our environment.

Our residents and business owners have begun to use courier delivery services as a means to continue to send parcels or mail which also adds a greater expense to their operating budget. ...Thank you for the opportunity to express our concerns regarding the closure of the Boulter Post Office. Rural Ontario has traditionally and historically used postal service as a means to communicate and do business outside of our communities. We sincerely hope this necessary service will be offered once again to the residents of Boulter, Ontario.” Bonnie Adams, Reeve of the Township of Carlow/Mayo

- “It felt like the heart was removed from our community. Our Community was deeply saddened when the post office was closed... The miles we now drive to undertake these simple services are deflating our area.” on the closure of Westwood in Asphodel-Norwood
- “The closure of the post office has taken away the personal touch from the community. It is hard to talk to a metal box... Bring back our post office! We have lost our identity. Wilno is world famous for being Canada’s first Kashubian and Polish Settlement. Our cultural identity is lost as far as the postal service goes.” David Shulist, Mayor of Wilno
- “With no Canada Post presence in town, people don’t think of using it, other than just mailing a simple letter or card. Even that is done reluctantly as they feel Canada Post abandoned them.” on the closure of Lucknow in Huron-Kinloss
- “Any shutdown of post office services has adverse effects: lose services, lose attraction for new residents and new business.” on the closure of Meldrum Bay, in Unorganized West Part Manitoulin

In one case, in Summerstown in South Glengarry, Canada Post first put in a franchise in 1989, and then the outlet was closed permanently in 2013.

- “Harder to communicate with friends, family, work. Also store closed in 2013 where it was. Would have added stability. The closure of the post office created economic instability as it was in a store it helped their business and the overall well-being of the community through positive interaction. ... We would take the post office back as it would help generate positive feelings and aid with economic development.”

Decline or absence of services

- Many communities are dissatisfied with the postal service. 20 communities out of 80 listed a 4 or 5 rating where 5 is very unsatisfied.
- 25 out of 80 or 31% wanted banking services
- 53% of all wanted all kinds of services, such as federal and provincial forms and licenses, to be available
- Many are concerned with delivery service. Sesekinika, Unorganized West Temiskaming District. "Do not get mail until after 1:30 PM therefore outgoing mail may not reach Swastika Post Office the same day. Parcels, stamps must be picked up 20 km away."
- One municipality complained that Canada Post was not meeting its delivery standard of 2 days (in province) for the delivery of local mail.
- Another respondent complained of having to travel 30 kilometres one way to send or receive a parcel or to purchase stamps

CMBs, which Canada Post has promised to install now in every city, have many critics in terms of their state of maintenance, lighting and ability to use them in the rain and snow.

- "Residents complain about putting mail outside in rain and poor lighting." Onaping closing in Greater Sudbury

Manitoba: “Manson closing was not a huge deal because everyone now just uses McAuley which is where people have to come for gas, groceries and such. But if the post office in McAuley were to close, it would be devastating to the community. People would have to travel at least 40 km to the next closest.” on the Manson closing in McAuley RM

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
MB	145	33 (22.8%)	20	13	13	2.7	3.7	11	39.4%	13	3.2	3.4	3.6

Manitoba returned 33 surveys out of 145 for a 22.8% rate of completion. Of these survey responses, 20/33 or 60.6% were from locations where there was no longer a post office of any kind, while 13 were from locations with a franchise postal outlet. The distance community members now have to travel to a full service post office outlet is 13 kilometres each way which is a very long distance. Levels of satisfaction with postal services in communities which no longer had a post office were comparatively high at 2.7 compared to those with a franchise outlet where the satisfaction level was 3.7 or quite unsatisfied. 11 communities or 36.7% had high levels of dissatisfaction. A moderate level of perception of the effects on business and community identity was found. Many (13) said they were little or only marginally affected.

Here is one comment from a community where there was a closure but the distance to the next is post office is only 3 miles.

- “All these services are provided in St. Malo 3 miles away or in St. Pierre (Bilingual Services Building 10 miles away) where we need to go anyway from groceries, garage, church, school, restaurants etc.” Dufrost, in De Salaberry RM

Another saw the situation as very stable.

- “When there from the municipality's perspective we have not received any negative comments over the years regarding the current services offered by the post office outlet. Our post office is located in the Village of Lorette as was the previous post office and the current post office offers all the services requested of them.” Village of Lorette, in Taché RM

Others saw the closure of the post office as the start of a downward spiral which literally leads to the end of a community. Here are two remarkable testimonies:

- “We just want regular service. We want to be able to buy stamps, send and receive parcels, timely mail delivery, reliable mail service.The closure of the post office in Elgin was the beginning of the end for that community. Once people stopped being able to have regular postal service many people moved their mailing address to either Souris or Hartney. Since many people had to travel to another town for postal services anyway they started doing other business in other towns as well. The residents of Elgin that still get their mail delivered to a Community Mail Box in Elgin find it frustrating that it takes at least 3 days for mail to come from another town 20 km away and there is an awful lot of mail that gets "lost" and is either delivered weeks after being mailed or sometimes not at all.” on the closure of Elgin in Whitewater RM
- “When a post office is closed in a community, the identity of the community suffers. People usually pick up their mail every day or every other day which means they could also do other business in the community at the same time. Losing a post office is another nail in the coffin for small communities. It means travelling to larger communities for mail and in turn takes other business away as well.” Napinka closure in Brenda RM

Saskatchewan: “I believe a full service post office is the backbone of a community. Rural communities particularly are slowly dying as local businesses relocate in order to remain competitive.” Village of Pleasantdale

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
SK	242	59 (24.4%)	29	30	18.5	2.8	2.2	14	51%	30	3.0	3.4	3.2

Saskatchewan’s response rate of 59/242 or 24.4% is an excellent one and may be linked to the highest per capita number of closures of any province. The average one way distance to the nearest post office from communities with no post office is a very long 18.5 kilometres. More than half of respondents wanted more kinds of service at the post office.

26 respondents saw themselves as very satisfied or quite satisfied (1 or 2 rating) with existing postal services compared to 14 who were very unsatisfied or quite unsatisfied (4 or 5 rating).

Many noted the closures were justified as the communities had shrunk:

- “The closure did not affect Percival as the population was dwindling. Today the population is 2 people. There are many small communities like this which cannot support postal services.” Percival in RM Willowdale

One respondent criticized the amount that Canada Post gives to the village to run the post office. The respondent noted that this caused work burden on employees and financial burden on taxpayers, and went on to noted this put a strain on village taxpayers, as the amount Canada Post allots for this service is extremely low, and the village must absorb most of the cost.

Another complained of the quality of the service due to contracting out:

- “We find the quality and confidentiality of our services are very poor as our contractors who deliver our mail are not well compensated for their services and this shows in our service. Mail is constantly put in the wrong boxes. At least twice a month we receive

someone else's mail or someone gets our mail. The names and post office boxes are generally not wrong so carelessness in sorting is the main reason..... Some people have relocated their postal addresses to Stoughton because of this." Forget

A few complained of the state of the Community Mail Boxes. One noted that the Community Mail Boxes work fine, except that they need to be more sheltered, because the boxes can freeze shut.

- "We have mail services through outside mail boxes. However weather becomes a factor in winter, rain, ice etc. I do believe we would be better with an inside house heated service to reduce exposure to the weather conditions." Bradwell

Another respondent lamented the effects of centralized sorting.

- "Our post office in Unity SK now does not sort local mail. Our local mail is now shipped to Saskatoon to be sorted and then shipped back to Unity. Does this really make sense? If this makes sense, our postal service is really in trouble. (Note: Unity is 194 kilometres from Saskatoon). on the closure of Adanac, in Round Valley RM

Another criticized the way Canada Post interacted with the community:

- "Get real, there will never be a full outlet in Briercrest again. Canada Post decided to close our post office a number of year ago. There was a lot of discussion on retaining services but it fell on deaf ears. I feel that Canada Post has lost a lot of support due to increased rates and decreased service. " Briercrest

One of the most thoughtful overall comments came from the Village of Pleasantdale with 20 kilometres to the nearest Post office.

- "I believe a full service post office is the backbone of a community. Rural communities particularly are slowly dying as local businesses relocate in order to remain competitive. It is certainly more difficult for new small businesses to be successful if they do not have access to a full service postal services. "

This same commentator had a very perceptive view on the effect of the cuts on home-based businesses.

"Even home based businesses that rely on the Internet, E-Bay for example, require cheap accessible shipping of their products. Unfortunately, I also believe that rural Canada will continue to see their services cut or reduced due to relative population sparsity.

The “big ticket” businesses such as agriculture/food production and lumber and mining have product movement mechanisms in place. Finally, I believe having a comprehensive full service post office in rural communities... would benefit those communities and may better co-ordinate services among various departments within the federal and provincial governments which in turn would benefit the Canada Post entity. We cannot afford to lose Canada Post.”

Alberta: "The school closed, the store closed, the church closed" Jean Côté, M.D. Smoky River

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
AB	190	22 (11.6%)	13	9	17	2.7	2.7	4	50%	11	4	4.8	4.2

Alberta had a low response rate on the survey of 11.6%. Of the 22 respondents, 13 were received from communities where there was no longer a post office and 9 from communities where a franchise continued. Albertan respondents seemed generally more satisfied with the level of service even when the post office had been closed down. While 4 respondents expressed much dissatisfaction with the service (4 or 5 ratings), nine respondents expressed satisfaction with the service (1 or 2) or thought the closure was justified due to the small or zero size of the community where the closure occurred. As one respondent talking about the closure of Jean Côté in Smoky River MD noted: "The school closed, the store closed, the church closed."

Some respondents even saw the closure of the federally run post office as a positive step. One noted that the closure actually helped the community as the franchise postal outlet now rents space from a local community organization.

Others saw the closure as having little effect.

- "We are the municipal jurisdiction in which the Hamlet of Whitelaw lies. Whitelaw is a small community of approximately 110 residents. The loss of the post office hasn't affected the community much. In fact the only loss is the ability to mail items and money order services. Whitelaw does not even have a grocery store. So residents must travel to nearby Fairview for services and in Fairview they access any postal services they do not have in Whitelaw." Whitelaw, in M.D. of Fairview No. 136

But some still had much to say about the service:

- "(we need) Earlier mail delivery; get and mail parcels. Takes too long to send a letter from here to here." Village of Gadsby
- Another noted privatized delivery resulted in inaccuracy of delivery i.e. mail in wrong boxes and slow delivery.

British Columbia: “Whenever a postal service is closed in a community, a true disservice is imposed upon senior citizens, especially those who are unable to drive.” Elko closure, in RD of East Kootenay

Province and territories	Surveys sent	Total surveys received	No postal outlet	Franchise outlet	Avg. kms to PO	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)	Satisfaction in communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)	Levels of deep dissatisfaction (4 or 5)	Want other services	Number want other services	Effects on small business in closed PO locations (1 is very much and 5 is very little)	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)	Loss of identity in closed PO locations (1 is very much and 5 is very little)
BC	126	25 (19.8%)	12	13	14.2	2.8	3.4	5	24%	6	3.3	3.5	2.5

British Columbia had a survey response rate of 20%, and just under 50% of the surveys returned came from communities which no longer had a post office. The average distance to drive one way to a post office was 14.2 kilometres. The level of satisfaction for communities without a post office was comparable to other provinces. In other words, it was below the average level of satisfaction so somewhat negative. But what was really noticeable was that the level of loss of identity was 2.5, which signifies a strong feeling of identity loss.

- From the Peace River RD about the closure of North Pine (Pineview), the results were: “Lack of the postal signage showing our postal code. Loss of community identity”.

BC responses were interesting as mentioned in that half came from communities which had a post office which had been closed down completely and one came from a community where the closure had occurred 47 years ago! There were several responses which said closures were inevitable, or that it was not a great hardship to go to the bigger community nearby to do one’s postal business.

On the other hand, there were several communities (4) which ranked the existing postal service as quite unsatisfactory. One of the most insightful comments came from the RD of East Kootenay regarding the Elko closure.

- “Whenever a postal service is closed in a community a true disservice is imposed upon senior citizens, especially those who are unable to drive. Elko has now been closed for over 20 years and is a community which has shown an increase in population. People now have to travel to Fernie or Jaffray to mail a parcel. In rural communities, a post office is a gathering place to socialize with neighbours or catch upon the happenings in the community.”
- One of the most important comments came from the Chief Executive Officer of the Band in Hartley Bay where there is a franchise post office but there is poor delivery of mail by airplane. The CEO noted that: “Canada Post only pays the Band Council \$6000 per year for the contract. Mail is important. Canada Post wanted to cut off CODs and money orders.” In a telephone conversation, the CEO also noted that mail delivery was sometimes not met at all when the weekly flight had no room for mail. In isolated communities, where mail is a life line, \$6000 a year seems insufficient to run a postal service.
- One respondent complained about the state of Community Mail Boxes in a community which had no post office at all for 13 years. Community Mail Boxes are too easy to break into which puts a strain on police (RCMP) resources.

North West Territories, Yukon and Nunavut

Province and territories	
13	Surveys sent
1 (7.6%)	Total surveys received
0	No postal outlet
1	Franchise outlet
0	Avg. kms to PO
0	Satisfaction in communities with no PO (1 is very satisfied and 5 is very unsatisfied)
1	communities with a franchise postal outlet (1 is very satisfied and 5 is very unsatisfied)
0	Levels of deep dissatisfaction (4 or 5)
n/a	Want other services
n/a	Number want other services
n/a	Effects on small business in closed PO locations (1 is very much and 5 is very little)
n/a	Effects on economic stability in closed PO locations (1 is very much and 5 is very little)
n/a	Loss of identity in closed PO locations (1 is very much and 5 is very little)

Only one survey was returned from NWT and thus it is difficult to craft a portrait of closures in these regions.

CONCLUSIONS

Closing down rural post offices, where you then have to drive very far to get basic service, or reducing the quality of the services (which occurs in many cases when a federal post office is closed and then a franchise outlet is funded with very low subsidies, and often hours are also reduced), are contributing to the trend of the closing down or depopulation of large parts of rural Canada. This is not helping small towns and villages attract new residents and new businesses.

In an age of on-line web site shopping and on-line business, not having a post office in your community means:

- 1) *It is difficult, if not impossible, to start or maintain a business which depends on the mail.*
- 2) *It further punishes rural residents who order goods by mail (which they are often more likely to do than urban residents).*
- 3) *It is particularly affects our aging demographic of seniors who are even more important in rural Canada.*

When we began this study in the summer of 2013, we had no idea of the dramatic proposed changes that were to be revealed by Canada Post in December 2013. The closures we have looked at can be seen as part of the now almost fully revealed Canada Post "master plan", which, when you add up all the proposed moves and the closure of the rural post offices, seems to result in stripping post office services and in cutting good jobs.

What then can be the aim of this policy? In some countries, the end result has been preparing for full-scale privatization of these services. Is this our fate? I hope not and hope that Canadians can be given a chance to decide what kind of postal services they want.

ALTERNATIVES

There are possible policy alternatives!

Firstly, Canadians have governments to deliver the services they need and want. Not every service makes money or breaks even, nor does it or should it have to achieve this goal. It is up to citizens to decide on what services they want government to deliver, and which they are willing to see supported, by fees yes, but also through tax dollars if necessary. The people who saw their post offices closed were never given this choice! The federal government must put any major future decisions before popular and political scrutiny.

Secondly as postal delivery is a public service (still for now at least!) the population must have some input into the current and future policies and how they are developed and implemented.

So here are some alternate ways of dealing with rural postal services:

1. Stop the closing down of any more federally run or franchise post offices.
2. A national panel composed of Canada Post, the Federation of Canadian Municipalities, seniors associations, handicapped persons associations, Aboriginal peoples associations, and postal unions, could examine the following issues. The panel would hold public hearings and receive public input:
 - (1) Standards as to the design and upkeep of Community Mail Boxes and their conversion where at all possible to indoor Lock Boxes.
 - (2) Fees for any administration of a franchise post office outlet that are reasonable to hire staff and run services and which are then linked to inflation
 - (3) Minimum hours of operation of a post office.
 - (4) Access to other services such as postal banking, government services, prescriptions, etc.
 - (5) Costs of maintaining decent and comprehensive postal services in rural Canada.

Recommendations from this panel would be made public and discussed and voted on at the federal level before being implemented by Canada Post.

3. Establish a panel in each province and territory composed of Canada Post, Provincial Municipal Associations, Aboriginal Associations and postal unions to examine where postal services are adequate and where there are major holes in the delivery and services. This would also involve establishing maximum distances for a full service postal location from a community. These panels would hold public hearings and receive public input.

Recommendations from these panels would be made public, discussed and voted at the federal level before being implemented by Canada Post.

4. Mandatory discussion by Canada Post and the municipality concerned on an annual basis at a minimum and when major changes are being considered around such issues as:

- Delivery times and routes;
- Placement of Community Mail Boxes and Lock Boxes;
- Upkeep of all CMBs and LBs; and
- Any other major change to postal services.

APPENDIX 1

Survey on Postal Services

From the 1980s until today, approximately 1,730 post offices have been closed across Canada. We are asking you, as a community leader, to tell us how the post office(s) closures in your community have affected your area. Please complete the survey and return it to us in the self-addressed stamped envelope. Your answers will help ensure Canadians receive the postal services they need.

Name: _____ Title: _____
Community: _____ Email Address: _____
Telephone No.: _____ Fax: _____
Mailing Address: _____

Please write the name of the closed post office referenced in the attached letter:

Survey Questions

- 1) Today do you have a post office in the above named community where the post office was noted as closed?

Yes ☐ No ☐

If you answered, "Yes", please go to Question #14.

- 2) How far is the nearest post office from the closed post office we are asking you about?
- 3) Is this post office in a retail store (a franchise outlet) or is it a stand-alone post office (federally owned)?
- 4) If you are in the community where the post office was closed do people still receive their mail through a lockbox or do you pick it up from a Community Mail Box (CMB)? (lockbox=in a building, CMB=street side, boxes/compartments)

Approx. total kms

In a store ☐
Stand-alone ☐

A lockbox ☐
Community Mail Box ☐

5) Are all postal services available to the community where the post office was closed?

a. Mail and receive letters

Yes ☐ No ☐

b. Parcels

Yes ☐ No ☐

c. Postal money orders & MoneyGrams

Yes ☐ No ☐

6) Are you satisfied with the service you receive today? Circle the value where 1 is very satisfied and 5 is very unsatisfied.

1 2 3 4 5

7) Did the closure of the post office cause you to use postal services less than before? Circle the value where 1 is much less than before and 5 is much more than before.

1 2 3 4 5

8) If you had closer access to a full-service post office in the community where the post office was shut down, would you make more use of the mail system?

Yes ☐ No ☐

9) How has this affected you and your community?

10) Did these changes affect small businesses in the community? Circle the value where 1 is very much and 5 is very little.

1 2 3 4 5

11) Did it affect the economic stability of the community? Circle the value where 1 is very much and 5 is very little.

1 2 3 4 5

12) Did your community lose part of its identity when it lost the post office? Circle the value where 1 is very much and 5 is very little

1 2 3 4 5

13) What type of services/products would you like to see provided in your community through a post office?

- a) Banking services with a Canadian chartered bank, trust company or credit union
- b) Access to prescription medicine through the mail
- c) Access to provincial services such as drivers & vehicle licenses, health cards, welfare
- d) Access to federal services such as pensions (OAS, CPP,), EI, Tax forms, passports, magazine subscriptions.
- e) Other suggestions for services that would benefit the residents of the community are:

Thank you! Now go to the comments section at the end. The following sets of questions are for those who answered "Yes" in Question 1. (i.e. Do you still have a post office in your community?)

14) Was your federally operated post office closed and replaced with a Postal Outlet in a retail store or other organization? Yes ☐ No ☐

15) Was your post office reopened as a franchise or in a retail store and did this outlet later close, leaving the community with no postal outlet? Yes ☐ No ☐

16) On what date did this second closure occur? Not applicable ☐

17) How far do people in the community now have to travel to pick up your mail and receive postal service? Approx. total kms _____

18) Did these changes affect small businesses in the community? Circle the value where 1 is very much and 5 is very little. 1 2 3 4 5

19) Did it affect the economic stability of the community? Circle the value where 1 is very much and 5 is very little.

1 2 3 4 5

20) Are you satisfied with the postal service you receive today?

Circle the value where 1 is very satisfied and 5 is very unsatisfied.

1 2 3 4 5

21) What type of services/products would you like to see provided in your community through a post office?

- a) Banking services with a Canadian chartered bank, trust company or credit union
- b) Access to prescription medicine through the mail
- c) Access to provincial services such as drivers & vehicle licenses, health cards, welfare
- d) Access to federal services such as pensions (OAS, CPP, EI, Tax forms
- e) Magazine/newspaper subscription renewals
- f) Other

The End

Thanks for answering! Please feel free to write any additional comments you may have.

Can we quote your comments in our study?

Yes ☐ No ☐

Contact me first ☐

Please mail this survey in the enclosed stamped self-addressed envelope. *Thank you!*

APPENDIX 2

Canada Post 5 Point Plan

http://www.canadapost.ca/cpo/mc/aboutus/news/pr/2013/2013_action_plan.jsf

Canada Post unveils Five-point Action Plan (Dec. 11, 2013)

Plan will return system to financial sustainability by 2019 and ensure continued role of enabling trade and commerce

Ottawa (Ont.) – Today, Canada Post unveiled five initiatives that together will form the foundation of a new postal system designed to serve busy Canadians and meet their changing needs for postal services. It will also open new opportunities to businesses that are redefining how they connect and serve customers in an increasingly digital world. These changes will begin taking effect in the New Year. This comprehensive plan can be achieved without any changes to the Canadian Postal Service Charter. The integrated plan's five main initiatives are:

1. Community mailboxes

Over the next five years, the one third of Canadian households that receive their mail at their door will be converted to community mailbox delivery. This change will provide significant savings to Canada Post and will have no impact on the two thirds of Canadian households that already receive their mail and parcels through community mailboxes, grouped or lobby mailboxes or rural mailboxes. Community mailboxes have advantages for busy Canadians as they offer individually locked mail and small packet compartments as well as locked compartments for securely receiving parcels. The initial neighbourhoods slated for conversion in the second half of 2014 will be announced once plans are finalized. The transition is expected to take 5 years to complete on a national scale.

2. A new approach to pricing Lettermail to take effect March 31, 2014

Canada Post will introduce a new tiered pricing structure for Lettermail mailed within Canada, which will better reflect the cost of serving various customer segments. Under these changes, the majority of Canadians, because they buy stamps in booklets or coils, will pay \$0.85 per stamp, with discounts for customers that use the mail most. The minority of consumers who purchase stamps one at a time, which represents an estimated 2 per cent of stamp purchases, will pay \$1 per stamp. The average Canadian household purchases fewer than 2 stamps per month. These stamp price changes will take effect March 31, 2014.¹

3. Expanding convenience through postal franchises

Canada Post will strengthen its retail network by opening more franchise postal outlets in stores across Canada. The company will partner with local retail businesses that are conveniently located in the communities they serve and offer added benefits, such as better parking and longer hours.

This will allow busy Canadians to do more shopping in one place. Canada Post will also continue to align its corporate post offices to customer traffic patterns.

4. Streamlining operations

Changes to internal operations will make for a more efficient flow of parcels and mail through the network and to the customers. These changes are driven by technology (such as faster computerized sorting equipment), consolidation (such as processing mail and parcels in a central location) and providing more delivery employees with fuel-efficient vehicles, so the same employee can deliver both mail and parcels. Improved operations will yield cost-effective and more reliable delivery to Canadians, along with better parcel tracking capabilities.

5. Addressing the cost of labour

Canada Post is changing its business model and, as a result, will require fewer employees to serve the future needs of Canadians. With its current labour costs, Canada Post has a much higher cost structure than its competitors in the private sector have. This is simply not sustainable. The company will continue to bring the cost of labour in line with its competitors through attrition and collective bargaining over time. The average age of current employees is 48 and Canada Post expects nearly 15,000 employees to retire or leave the company over the next five years. This is more than enough to allow for the reduction of between 6,000 and 8,000 positions, mainly through attrition. Canada Post will also take the necessary steps to permanently address the sustainability of its pension plan. A leaner workforce will create a more flexible and competitive Canada Post, able to respond quickly to the changing marketplace.

Canada Post has a mandate to fund its operations with revenues from the sale of its products and services, rather than become a burden on taxpayers. With the increasing use of digital communication and the historic decline of Lettermail volumes, Canada Post has begun to post significant financial losses. If left unchecked, continued losses would soon jeopardize its financial self-sufficiency and become a significant burden on taxpayers and customers. In April 2013, a Conference Board of Canada study projected a financial loss of close to \$1 billion by 2020 unless Canada Post makes fundamental changes to its business. A projection of that magnitude was directionally consistent with Canada Post's own projections.

The implementation of this plan means Canada Post can return to financial sustainability by 2019. Once fully implemented, four of the five initiatives are expected to generate financial benefits with an estimated combined worth of \$700 million to \$900 million per year.² Those figures do not include the significant annual savings expected in labour costs and from restructuring the pension, because these are yet to be addressed through future rounds of collective bargaining.

The range in the combined benefits forecasted reflects the need for more detailed planning and the difficulty of accurately forecasting the pace at which Lettermail volumes will erode. Canada Post has factored in significant erosion.

The Government of Canada has informed Canada Post of its intent to provide temporary pension relief from the need to make special payments, including solvency payments estimated at \$1 billion in 2014 alone. Along with the new Lettermail pricing, this measure will address the immediate need for additional liquidity by mid-2014, which was outlined in Canada Post's most recent financial reports. During the relief period, Canada Post will act with urgency to restructure the pension plan in order to ensure its long-term sustainability.

The postal service of the future will reflect and serve Canadians' new postal needs. As more people began to communicate and manage their household bills online, Lettermail volumes declined sharply. Yet as more people shopped online, parcel volumes shot up. This dramatic shift is creating a pressing need to manage a greater number of parcels and less mail with more valuable items. (These items include credit and loyalty cards and government-issued cards and licences.) This shift provided clear direction to Canada Post and the many businesses looking to redefine customer experience in an increasingly digital world.

With this plan, Canada Post will be in a better position to be the essential enabler of remote trade and commerce that Canadians and Canadian businesses can count on for years to come.