

**House of Commons Standing Committee on Government Operations &
Estimates**

Speaking Notes

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10:00 a.m.

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Charlottetown



**GREATER CHARLOTTETOWN AREA
CHAMBER OF COMMERCE**

Good morning chair, co-chairs, ladies and gentlemen and honourable members of the Standing Committee on Government Operations and Estimates. Thank you for the opportunity to speak as a witness on the topic of Canada Post – an issue of significant concern for small and medium sized businesses across the country, including many members of the Greater Charlottetown Area Chamber of Commerce.

The Greater Charlottetown Area Chamber of Commerce serves as the “Voice of Business” on economic issues in the greater Charlottetown Area, and provides services, opportunities and advocacy support for members to enhance their ability to do business. With close to 1,000 members, the Chamber reflects a diverse network of small, medium and large businesses from almost every industry sector and business profession.

The Chamber has taken the opportunity to review the discussion paper prepared by the independent Task Force, and in response, I would like to present some of our initial observations, and outline some guiding principles the Chamber feels are necessary to consider as Canada Post’s operations and services are reviewed and adjusted to adapt in this digital age.

There is no question that this committee faces a formidable task in evaluating the future of Canada Post Corporation, particularly in balancing the mandate to operate in a financially self-sustainable manner with the commitment to providing quality postal services that meet Canadians’ needs. Initial observations from the Chamber are that transition and adaptation by Canada Post Corporation are inevitable. It is clear from the Task Force review that current operations are unsustainable and the organization will only face increasing challenges as the digital world evolves. We fully accept that Canada Post must explore alternative options in order to continue both to increase potential revenues as well as substantially increase savings.

At the same time, we made note of the review’s assertion that businesses make up the largest portion of users of Canada Post’s services. Accordingly, business represents the corporation’s largest source of revenue. We believe the significance of this fact cannot be underestimated. As the largest users of the service, the needs of businesses must be given an appropriate level of consideration.

As the Committee moves forward with its review, the Chamber would like to strongly suggest some guiding principles on behalf of the business community. Specifically, the Chamber recommends that:

- 1) the Committee continue to consider the importance of a public postal service to Canadians, and particularly small business; and
- 2) the Committee make decisions regarding the future of Canada Post that are based on sound fiscal management.

It is well-known that many small businesses continue to rely on the postal service for essential activities such as invoicing and receipt of payment. Many of these same businesses straddle a fine line between profit and loss and, particularly in these uncertain economic times, are vulnerable to even small increases in their cost of doing business. These same businesses are the lifeblood of our Canadian economy and individual communities, and every increase in cost for them spells a feedback to the economy in the form of decreased profits, delayed hiring and lost jobs. For this reason, rate increases by Canada Post should be considered extremely carefully, if at all.

It was notable that in the Task Force review the majority of Canadian businesses expressed a favourable view of tiered pricing. We believe it would be worthwhile for the Committee to examine this feedback further. Meanwhile, we know from the Task Force discussion paper that in considering changes to Canada Post, businesses also place a high value on speed of delivery, reliability and customer service.

As for the second principle, the Chamber would like to emphasize the importance of building the future for Canada Post on the foundations of sound fiscal management.

We recognize that in the short-term some subsidization may be necessary during the adaptation process to continue to provide the services Canadians and businesses expect and require; however, on behalf of businesses, the Chamber urges Canada Post to continue to seek out ways to increase efficiencies and cope with increasing delivery costs. It is clear that over the long-term, substantial streamlining of operations will be necessary if the corporation is to remain in existence.

If it is to be truly self-sustaining, Canada Post faces a major transition. The Chamber appreciates the Committee's efforts to consult Canadians thus far. It is our hope that with the collective wisdom of Canadians and the business community, innovative solutions will be devised that maintain the essential integrity of this important public service, while providing the flexibility to adapt to a new era of communicating.

Thank you again for the opportunity to provide comments on behalf of the business community. I look forward to any questions you may have.