Introduction

The Public Service Alliance of Canada (PSAC) represents over 230,000 workers in Canada throughout the public and private sectors in all thirteen provinces and territories.

Our 1,500 members employed at Canada Post Corporation (CPC) are members of the Union of Postal Communication Employees (PSAC-UPCE), a component of the PSAC, working in a variety of administrative and technical functions.

As a key stakeholder in the future of CPC, PSAC and UPCE have been approached as to whether we wish to make a submission to this Industrial Inquiry Commission (IIC) and we wish to do so.

A summary of all recommendations found in this submission may be found in Appendix A.

The UPCE Membership at Canada Post Corporation

Our UPCE members are very proud and committed to work for Canada Post Corporation (CPC) in roles as diverse as engineering, finance, human resources, call centres, route restructures as well as in plants.

Many of our members are professionals, holding various designations in fields such as engineering, finance or HR. All our members place a strong emphasis on continually upskilling to provide the most up to date services of the highest quality and calibre, as they want to work for the world's best post office.

Our UPCE members are incredibly proud of the services they provide to Canadians - without their back-end expertise, the mail would not be delivered.

In recent years, unfortunately, our members find themselves dealing with the results of poor management decisions that are worsening both working conditions and overall industrial relations – examples of which shall be presented in later sections of this submission.

Roughly half of our membership is employed in the National Capital Region at CPC headquarters with the remainder distributed nationwide, mostly in major urban centres yet with some in mid-sized and rural communities.

UPCE/PSAC Submission to the IIC

We have received copies of both CPC's and the Canadian Union of Postal Workers (CUPW) first submission to the IIC and have made note of them. We are not, at time of writing, in a position to respond to their second submissions or those of any other interested stakeholder.

Importantly, we are not in a position in this brief to discuss the details of the recent round of negotiations between CPC and CUPW and provide recommendations to Mr. Kaplan under section

108 of the Canada Labour Code. We were not at the table and cannot speak to the “give and take” of these parties’ recent round of negotiations.

We are currently in our own collective bargaining with CPC and can leverage from our current round certain general observations but will not go into specifics here. Our most recent contract expired August 31, 2024.

We are in a position to discuss what we feel are deep-rooted problems in the industrial relations landscape at CPC as well as offer potential paths to solutions. Further, recognizing the current time as one of the needed changes at CPC, we also do wish to offer proposed ideas which we believe the IIC may wish to bring to the Minister of Labour’s attention.

The requirement for a more wholesome mandate review

Based on our understanding, the current IIC has as a mandate:

“… to examine the following key issues, in close consultations with the Canadian Union of Postal Workers (CUPW) Rural and Suburban Mail Carriers (RSMC) and Urban Postal Operations Unit (UPO), and Canada Post:

1. *The current collective bargaining dispute and the positions of the parties - with special attention to the underlying causes of the dispute; and more specifically:*
    a. *The financial situation of Canada Post;*
    b. *Canada Post’s expressed need to diversify and/or alter its delivery models in the face of current business demands;*
    c. *The viability of the business as it is currently configured;*
    d. *The union’s negotiated commitments to job security and full-time employment;*
    e. *The need to protect the health and safety of employees.”*

We believe that, and with the fullest and greatest respect possible to the Commissioner as one of this country’s most prominent experts, the current IIC is not the correct forum to properly and fully examine the above mandate, especially as it pertains to items b and c above.

Under *b*, we wish to state that the IIC is simply too speedy and constrained a forum to fully examine what the impacts of changes to the delivery model would mean to Canadians, especially those with a disproportionate reliance on the postal system. We understand that for CPC to, “alter its delivery model…” could well mean cuts to the frequency of letter mail delivery, a reduction in the speed of mail delivery (D+2, D+3, D+4) or the mode of delivery (for instance, changes from to the door delivery to CMBs). While such cuts might well translate to savings for CPC, we are highly concerned that the costs would merely be transferred to some of the most marginalized members of our society. These Canadians – who continue to disproportionately heavily rely on postal communications - include Canadians living in rural, remote and northern communities, Indigenous Canadians, Canadians living with a disability, elderly Canadians and Canadians living in poverty. Members of these groups, other marginalized Canadians and all Canadians require a proper review of Canada Post to fully engage with what changes to delivery mode would mean for them and their ability to equally and equitably participate in society. The IIC does not offer this.

Such a review is behind schedule and is required to be held every five years under point 20 of the Postal Services Charter (PSC)[1]. In our opinion, this review should be backed by a neutral, well-resourced secretariat. Importantly, it should conduct public hearings in a wide variety of communities across the country with a particular focus on those communities most likely to be disproportionately affected by any changes to CPC services.

Under *c* above, we are acutely aware of and review CPC financial and publicly available regulatory filings on an ongoing basis. We take note of the significant and worsening reported financial losses. We shall not, in our submission, rehash other submissions to the IIC on a pattern of questionable and potentially misleading financial reporting from CPC. But we do take note of this historical pattern and shall discuss below how this behaviour has negatively impacted our aim of constructive industrial relations between CPC and PSAC-UPCE.

Recommendation #1

The IIC should not be perceived by the Government of Canada as a proper review of the future of Canada Post. The Government of Canada shall not make any changes to CPC or the PSC until a proper mandate review may be held. Such a mandate review must engage those Canadians most reliant on CPCs services.

The viability of the business as it is currently configured

Monopoly — less financial capacity to provide the USO going forward

As other IIC submissions detail, CPC – as the designated postal operator by the sole shareholder, the Government of Canada – has been charged with fulfilling its Universal Service Obligation (USO). Canada's USO is outlined by the PSC. The PSC outlines expectations of CPC in the provision of the USO. UPCE and PSAC fully support the USO as it embodies a fundamental Canadian value – equitable public services regardless of region or income – that must be protected.

As with postal operators historically, in return for the "burden" of providing a relatively equitable postal service, the operator was given the "gift" of a monopoly on lettermail. Historically, this monopoly plus other revenues which could be extracted from services offered in the competitive market proved able to defray the costs of the USO and – it is worthwhile noting - for a period even allowed CPC to pay dividends to its shareholder, the Government of Canada

It is clear to PSAC-UPCE that unfortunately - due to continued digitization – this model of "monopoly plus some other revenues" appears to be exhausting itself.

[1] See: https://www.canadapost-postescanada.ca/cpc/en/our-company/financial-and-sustainability-reports/2023-annual-report/corporate/service-charter.page

This leads to essentially two choices: either to amend the USO – reducing some of the obligations placed on the operator in order to adjust its services to reflect the capacity of the monopoly to fund the USO – or to search for new revenues elsewhere.

Our reading of the first submitted briefs indicates to us that CPC is seeking some of the former, whereas CUPW seeks the latter. PSAC-UPCE supports the view that the USO must be promoted and protected. A national postal service is essential for ensuring that all Canadians, regardless of location, have access to reliable mail and parcel delivery. Canada Post plays a critical role in connecting rural and remote communities to the rest of the country, facilitating commerce, communication, and essential government services. Unlike private couriers that focus on profit-driven markets, CPC ensures that even low-density and hard-to-reach areas receive equitable service. Ensuring that all Canadians, regardless of region, have access to reasonably comparable public services is a foundational constitutional principle that cannot be compromised.

We will not shrink into viability

Respectfully to our colleagues in CPC management, we do not believe CPC can shrink itself into viability through continually "right-sizing" (shrinking) the USO. While we do note that many other postal operators – particularly large legacy operators in Western Europe – have radically reduced varying facets of their USOs, we do not believe these comparators are apt to work in our circumstances. This is because Canada is geographically vast, with many remote regions and communities. This creates unique circumstances which do not exist in other comparable wealthy countries.

Unlike in Western Europe, where the national government might close a post office in a small village but maintain another physical presence in a nearby larger town which is only a short drive away, in Canada the post office counter may be the only physical presence of the federal government in a few hours' drive. Canadians as such maintain a certain level of connection to their post office which does not exist elsewhere.

Western Europe, even in rural areas, has a much higher population density which provides advantages in the density-dependent logistics sector. Moving from next working day delivery (D+1) for first class mail as historically was the case in many countries, often delivered six days a week, to a slightly longer delay may be more palatable for voters than it is from moving from a baseline of D+4 (between provinces), delivered five days a week, to even longer.

Politically, we do not believe that rural Canadians will tolerate major changes to the standards of the postal service they receive and in a political system which provides disproportionate (relative to population) political weight to this group we believe politicians will not wish to make major changes.

The foundational Canadian principle of ensuring connection with and equitable services for all regions in Canada is now enshrined by s. 36 of the Constitutional Act, 1982. Reducing postal services any further may not only erode the USO, but will also weaken fundamental Canadian values. Canadian government leaders must take this important factor into account, particularly at this sensitive time when Canada's sovereignty is being threatened.

Practically, if there is not a great deal of political appetite in shrinking the USO while certain facets of it involve significant costs which is viewed as a social necessity, we believe and wish to respectfully advance that the IIC recommend to the government that it meaningfully engages with CPC management to develop a sustainable, long-term, and indexed funding formula to defray some of the costs of maintaining the rural moratorium.

To be clear, we do not view this as a pure subsidization. We would advance that such an agreement would recognize the costs placed on CPC by a societal decision to maintain the 3,241 rural post offices identified on the list of protected offices[2]. In return for an annual payment, CPC would be held to maintain certain service standards.

Our understanding is that such arrangements are in place in both Belgium and France and possibly elsewhere, where the respective State signs a long-term agreement with the operator in return for certain standards of service.

Recommendation #2

Maintain the Universal Service Obligation, including uniform lettermail pricing.

Recommendation #3

As a part of a future mandate review, the Government of Canada should consider the appropriateness of seeking an agreement with CPC for a payment to reflect certain costs of maintaining the USO, with particular attention paid to the costs of the maintenance of the rural moratorium. The Government should pay close attention to the models in France and Belgium, while adjusting to the unique realities of rural Canada.

Postage rates should be subject to automatic indexation

We take note of the discussion by CUPW in its submission of the delay in postage rate increases relative to inflation in recent years and the price of postage in Canada vis-à-vis other major countries[3]. We support those submissions and shall not rehash this here.

We do however wish to advance the perception that, in recent years, it may have been politically expedient to delay rate increases.

Currently, the process for a rate increase involves discussions between CPC and its shareholder. Proposed increases are then publicized to the public through the Canada Gazette, with a window for Canadians to submit comments before rate increases are finalized.

This creates too many potential opportunities for political incentives to maintain stamp prices low and delay rate increases to the detriment of CPCs finances.

---

[2] Public Services and Procurement Canada. Link: https://www.canada.ca/en/public-services-procurement/corporate/transparency/protected-postal-outlets.html#b1. Last accessed: February 7, 2025.
[3] *CUPW's written submission to the Industrial Inquiry Commission under section 108 of the Canada Labour Code*. 2025., p.13-15.

A first incentive could, theoretically, be on the operator. If the operator – in a highly-labour intensive, heavily unionized mature industry where wages consume an extremely large percentage of total revenues but the revenue under review is not subject to competition – is entering negotiations it does not have an incentive to raise revenues correctly as it is signaling additional revenues prior to bargaining. This – and we want to emphasize this is purely theoretical - could create an incentive to forego rate increases in order to reduce revenues in play for bargaining.

The second theoretically problematic area is on the side of government. Although increases to stamp prices are likely far less of an irritant to the public than once was the case, in a high inflation environment governments may be acutely sensitive to any charge that they aren't taking the cost of living seriously – even if this equals a few cents more a month for the average household. This could put pressure to postpone rate increases to a future date.

We thus respectfully would propose that the IIC may wish to recommend the introduction of a system of annual rate increases automatically fixed according to some increase in costs of the USO – which would necessarily build in inflation. While we shall not get into the mathematical details here of the optimum model as this would be premature, we believe this would provide a certain degree of predictability to revenues. Such a system would also provide a mechanism for CPC to seek increases above the indexation factor while allowing for the shareholder and the public to carefully review the arguments in such a case.

The government automatically provides indexation for many things, such as income tax rates, CPP and OAS. We do not believe the cost of a stamp should be much different.

Recommendation #4

Regulated postal rates should be subject to automatic annual indexation according to a pre-determined formula. Larger increases could be sought by CPC following discussion.

The importance of public ownership, public service and the maintenance of the monopoly

We also wish to take the time to discuss the importance of the maintenance of public ownership of CPC and kindly request that the commissioner make the maintenance of public ownership explicit in his findings to the Minister.

To begin, we were disheartened throughout the recent CUPW strike to see privatization proposed as a panacea.

Postal privatization would not resolve issues within CPC and would likely create numerous other policy issues requiring even further government intervention.

1. Privatization of a declining industry would not cause CPC to be more disciplined, efficient or innovative

A core argument to privatize public services is that by subjecting public services, to market forces that the market will send signals and discipline the firm to focus on where they enjoy competitive advantage and abandon services which are uneconomical. They can also access sources of private financing to do so, as markets are more efficient to allocating financing than politicians.

This is true in certain industries which naturally exhibit high levels of competition and low barriers to entry – it would be difficult to argue that the State would be better at owning and operating convenience stores or car mechanics than private operators – but it becomes problematic in sectors such as utilities and the postal industry due to the configuration of these sectors.

Because of the enormous capital investments, high fixed costs, little to no marginal costs, maturity of the industry and heightened political oversight because voters demand this, we believe the traditional letter-centric postal sector exhibits characteristics more akin to utilities. These industries are sometimes referred to as "natural monopolies". The sector is such there won't be a lot of competition, even where there isn't state ownership because entry barriers are high. In a low-density environment such as Canada, this is likely accentuated.

This natural monopoly characteristic then leads to heavy regulatory oversight, even where firms are privately held.

We believe, at least for well-beyond the next decade, the government of Canada will need to continue to maintain a policy preference for a USO. Even a privatized CPC would maintain some form of USO, as the Canadian Government would almost certainly make service standards and oversight a condition of privatization.

Private entrant firms would be more likely to "cherry pick" – for instance, attempting to deliver and/or sort bulk mailings in urban areas, however we are skeptical of this due to continued erosion of mail. Continued volume declines make the proposition riskier given the investments required.

What we are very concerned privatization would mean would be asset stripping. As was observed with the newspaper industry, an industry seeing declines would be ripe for asset stripping – where private, often highly leveraged investors "strip" the service for anything valuable it can get its hands on. This would lead to falling services, which would eventually entail the non-respect of the USO and eventual state intervention.

The process of privatization would also entail a major distraction for CPC management, pulling energy and resources away from dealing with more pressing matters. Privatization could also mean major changes in management, creating internal turmoil. At this juncture in its history, CPC just doesn't need this drama and instability.

The idea that privatization would mean that CPC would become more capital-intensive we believe, respectfully, is a bit far-fetched. CPC can and has borrowed in the bond market previously. If it requires a capital injection it can access the markets again.

2. The perils of an independent regulator

We are also concerned that privatization, even absent vigorous competition, would compel the government of Canada to establish an independent third-party postal regulator. Because the government would want to maintain a USO, but on a private firm, we are concerned that it would feel compelled to establish a regulator to ensure that a privatized CPC would not leverage its USO to unfairly benefit itself in the competitive parcels industry (or whatever new lines of business the new owners decide they would wish to engage in).

This would mean that any business decision that CPC would engage could be, potentially, subject to a third-party review. Even were the regulator to allow the business decision to go forwards, CPC would be subject to constant verification of its decision-making. We are concerned this would create an internal chill effect – where good initiatives don't move forwards simply because there was a risk of regulatory blow-back. While proponents of privatization argue that it would unleash a faster moving, more nimble organization, in a mature industry like the post the opposite could well happen.

3. A decline in good jobs, an attack on union rights, especially in rural regions – continued industrial strife

We are deeply concerned that privatization would mean a collapse in working conditions and an attack on established union rights. This would create even greater industrial strife at a difficult time for the service. This would inevitably pull the government further into CPC industrial relations.

We are also concerned about job quality, particularly in rural Canada. Because CPC negotiates national rates of pay, we are worried that a private CPC would push for regional (read: lower) rates of pay in economically hard-hit regions of Canada. This would remove the value of postal jobs bring to economically struggling regions. Whereas today dollars are now spent in small communities, they'd instead flow to hedge funds in New York or London.

4. Blinders on privatizations elsewhere

While not wishing to get into the details of every postal privatization or deregulation elsewhere, as this would require a book-length submission, we do wish to highlight what we feel are blinders on the privatization debate.

In many other jurisdictions which undertook it, postal privatization was often tied up into larger socio- economic debates. Privatization of the post office was not merely about selling off the post to make it "better" somehow, but postal policy, economics and politics was tied into much bigger policy discussions. The privatization of Japan Post was very much tied into the so-called lost decade. Postal privatization was conducted – after a national election was fought on the issue – because the large savings held by the postal savings bank was being seen to be a cause of sluggish economic performance.

Elsewhere, postal privatization was undertaken as part of a larger program of deregulation, privatization of SOEs and increased competition in the provision of public services. None of these political dynamics exist in Canada.

5. The value in maintaining Canadian public-ownership during a tumultuous period

We also wish to explicitly argue for public ownership due to recent events. Privatizing CPC or allowing it to become so small as to be insignificant next to foreign-owned actors such as Amazon, FedEx and UPS is worrisome given the prospect of a U.S. government which is regularly threatening Canadian sovereignty. There is a value in maintaining a vibrant Crown Corporation whose shareholders can provide direction on very short notice. We saw this clearly during the week of February 3, 2025 when massive tariffs were threatened on Canadian exports to the US.

Public-ownership by several provinces of liquor stores gave the Premiers concerned the option to order US alcohol off the shelf in the event of tariffs. The ability of the State to force privately-owned firms to comply with public policy priorities - especially foreign-owned - is more complex than a Premier merely issuing an order. There is an immense value in maintaining a publicly owned and capacity-rich institution in the event of a crisis.

For Northern communities, this is especially critical. Canada Post is the only logistics provider which reliably can be depended on to provide services to Northern Canadians. As CUPWs submission discussed4[4], transitioning the former Food Mail Program (FMP) to Nutrition North Canada (NNC) has been disastrous. Northern Canadians need a better system which attacks hunger. A reliance on private, for-profit and subsidized actors is clearly not working in a region with little to no competition and high costs. We believe public-ownership – with Indigenous decision-making and oversight - is a far better alternative. This possibility for democratic control and accountability breaks down if CPC is gutted and sold.

Recommendation #5

Maintain Canada Post as a public service and a fully 100% government owned Crown Corporation.

Recommendation #6

Examine the possibility of leveraging Canada Post to provide better food options for Northern Canadians, pending Indigenous decision-making and oversight.

[4] *CUPW's written submission to the Industrial Inquiry Commission under section 108 of the Canada Labour Code.* 2025., p.55-58.

Industrial relations at Canada Post are disjointed

Our approach to industrial relations

PSAC-UPCE wishes to flag to the IIC what it perceives are substantial deep-rooted issues within the industrial relations landscape at CPC.

To begin, our overarching approach in our relationship with CPC management is to aim to be constructive and collaborative while fulfilling our role to represent our members and improve their working conditions.

In order to maintain good jobs for our members, we recognise the importance of maintaining a vibrant, modern postal service – one which is not stagnant but continually innovating to respond to the changing communications needs of Canadians.

In our view, CPC must maintain a focus on section 5(2)(a) of the Canada Post Corporation Act, where it is required to have regard to, "the desirability of improving and extending its products and services in the light of developments in the field of communications".[5]

Contracting out makes things worse

As noted in the introduction, our members are committed to continually upskilling to raise their skills in respect of 5(2)(a) of the *Act*. As a Union, we place great priority on building both individual member skills – through supporting training – as well as collectively increasing CPCs capacity through contracting in work. An example of this commitment is Appendix "M" in the collective agreement, the *Service Expansion and Innovation and Change Committee*. Our approach in both bargaining rounds as well day-to-day industrial relations reflect this.

We unfortunately do not detect a great deal of appetite amongst management to innovate or build internal capacity in recent years. Apart from being demoralizing for highly skilled, dedicated and loyal workers to watch work they could be doing being sent to contractors, we are concerned that contracting out weakens CPCs resiliency.

Firstly, it serves to reduce capacity in-house. Contracting out means that CPC loses the skill set to innovate internally, understand its own challenges and respond accordingly. Its ability to innovate and move quickly in a highly competitive market is hindered as it needs to seek expertise outside the organization. Continually submitting everything to a tendering process adds time and leaves the knowledge at the end of the project outside.

Secondly, it adds costs to the organization. In a recent discussion, examples from PSAC-UPCE activists illustrated how contracting out adds cost and reduces quality:

- Call centre contracting-out means that resolution to call-centre issues at the first phone-call has fallen – because contracted-out services aren't properly trained to resolve issues. This has a negative impact on customer satisfaction as problems take longer to resolve.

---

[5] Canada Post Corporation Act. Source: https://canlii.ca/t/7vd5. Last accessed: February 7, 2025.

- Contracting out various IT issues means that where once issues were handled quickly within the CPC group of companies they are now sent outside and billed.

Contracting out also adds a level of internal costs as CPC must continually engage in contract tendering and supervision of contractors to ensure compliance.

All of this leads to increased costs, reduced public satisfaction, demoralized employees, fewer good jobs (and the economic spin-off) and a hollowing out of capacity to innovate and fulfill CPCs legally required mission to move with the times.

Recommendation #7

Reduce contracting out. Fully examine opportunities for contracting-in to increase in-house capacity.

The bargaining landscape at CPC

CPC is composed of five bargaining units plus management-exempt employees[6]:

Bargaining unit	Number of represented employees
PSAC-UPCE	1,413
CUPW-Urban	35,800
CUPW-RSMC	8,953
CPAA	5,238
APOC	4,409

Note: the above table appears to exclude management-exempt employees. It includes all full-time and part-time employees, including those on unpaid leave. Excludes 17,984 temporary, casual and term employees.

In recent rounds of bargaining, PSAC-UPCE has noted a disturbing trend. CPC has pursued cost savings primarily through concession with its unions. However, it has pursued a strategy of extracting concessions from smaller units before extracting them from the larger units represented by CUPW. Yet it has not then succeeded in forcing certain major concession on its major bargaining unit.

This has created a great deal of tension and frustration within CPC as well as PSAC-UPCE. PSAC-UPCE members hired since June 1st 2014, who now account for (roughly) 60% of the bargaining unit, are on a DC pension plan while those hired prior to this date have remained on the CPC DB pension plan. Currently, the CPC pension plan is in a very enviable financial surplus situation and CPC has taken a pension contribution holiday.

This had led to the farcical situation where an employer reporting major short-term financial challenges has a fully funded DB plan with a contribution holiday, yet it is spending 5% to 7% of wages (for affected employees) in DC matching contributions. Reopening the DB plan would result in immediate savings due to the contribution holiday for CPC.

This is also within the context of general economic increase wage settlement amounts which are not equal across bargaining units over the long run.

[6] Canada Post 2023 Annual Report. 2023. p.75.

PSAC-UPCE finds this approach – of CPC attempting to use smaller bargaining units as a wedge to extract concessions from a large unit which it is then unable to do so either through hard bargaining or government-intervention – deeply problematic.

PSAC is responsible for the bargaining of more than 325 collective agreements in units ranging in size from one to over 100,000 members. As a Union, we are well accustomed to being in a "pattern-setter" or "pattern-accepting" role. In negotiations with the Treasury Board of Canada, for instance, TBS retroactively reopened other agreements with smaller unions once the results of our pattern setting PA-TC-SV-EB round were reached on May 1st 2023 to reflect more favourable settlements.

But with CPC, there is a refusal to recognize a general pattern in wages and benefits. This, in our opinion, augments internal dysfunction and – critically – makes collective bargaining increasingly and needlessly complex as smaller units seek to win back concessions to even the playing field.

PSAC-UPCE thus, respectfully, wishes to submit to the commissioner that he recommends to the Minister of Labour the following:

Recommendation #8

Canada Post shall bargain "in pattern" with its major units: recognizing the unique circumstances affecting each unit of employees.

Recommendation #9

The Government of Canada shall provide permanent relief of solvency requirements to the Canada Post Pension plan and direct CPC to move all DC employees into the CPC DB pension plan.

Our vision for the future

Our vision for the future of Canada Post is of a renewed public service, offering new services in a rapidly changing communications landscape. One where CPC is on a financially self-sustaining basis. One where our members continually innovate, each day reporting to a good job, a positive and innovative workplace. And a job that provides a decent and dignified retirement.

We thank the commissioner for his work.

Appendix A: Summary of recommendations

For ease, we have reproduced all recommendations below:

Recommendation #1:

The IIC should not be perceived by the Government of Canada as a proper review of the future of Canada Post. The Government of Canada shall not make any changes to CPC or the PSC until a proper mandate review may be held. Such a mandate review must engage those Canadians most reliant on CPCs services.

Recommendation #2:

Maintain the Universal Service Obligation, including uniform lettermail pricing.

Recommendation #3:

As a part of a future mandate review, the Government of Canada should consider the appropriateness of seeking an agreement with CPC for a payment to reflect certain costs of maintaining the USO, with particular attention paid to the costs of the maintenance of the rural moratorium. The Government should pay close attention to the models in France and Belgium, while adjusting to the unique realities of rural Canada.

Recommendation #4:

Regulated postal rates should be subject to automatic annual indexation according to a pre-determined formula. Larger increases could be sought by CPC following discussion.

Recommendation #5:

Maintain Canada Post as a public service and a fully 100% government owned Crown Corporation.

Recommendation #6:

Examine the possibility of leveraging Canada Post to provide better food options for Northern Canadians, pending Indigenous decision-making and oversight.

Recommendation #7:

Reduce contracting out. Fully examine opportunities for contracting-in to increase in-house capacity.

Recommendation #8:

Canada Post shall bargain “in pattern” with its major units: recognizing the unique circumstances affecting each unit of employees.

Recommendation #9:

The Government of Canada shall provide permanent relief of solvency requirements to the Canada Post Pension plan and direct CPC to move all DC employees into the CPC DB pension plan.