

**Written Submissions of the
Canadian Postmasters and Assistants Association**
Industrial Inquiry Commission
February 14, 2025

OVERVIEW

The Canadian Postmasters and Assistants Association ("CPAA") represents more than 8,500 employees at Canada Post Corporation ("Canada Post" or the "Corporation"), working in over 3,000 rural post offices across Canada. Those offices range from small operations – in people's homes, in general stores, and in municipal buildings – to stand alone offices and more sizable operations in larger towns. Many of the post offices have only one Canada Post employee, a CPAA employee, and are in remote or Northern communities, including fly-in and boat-in locations.

Founded in 1902, for over a century CPAA has represented the workers bringing mail to rural Canada. It is a critical voice on the operational reality of delivering mail to rural, remote, and Northern communities. And it is the only voice in countless offices where the CPAA employee is the only Canada Post employee responsible for mail delivery.

In recent decades, CPAA has resisted the efforts of Canada Post to reduce services to these communities.¹ It has strategized with Canada Post, actively seeking ways to make these post offices more profitable. While outside observers might assume the Corporation's significant cuts to services provided by CPAA are rational, cost-saving measures, Canada Post's own annual reports have consistently found that for more than a decade, the mail delivered to rural communities by CPAA workers is the cheapest mode of delivery at Canada Post.²

Canada Post is the leading carrier in rural areas and has the exclusive responsibility of delivering mail to post office boxes: CPAA delivers the "last mile". Rural communities have "traditionally and historically used postal services as a means to communicate and do business outside our

¹ In addition to advocacy, CPAA has commissioned surveys on the community effects of rural postal offices closures: "Rural Post Offices and the Communities that rely on them are being abandoned" (Anderson Consulting, April 2014) attached as **Appendix A**.

² [Canada Post Corporation 2023 Annual Report](#) at page 45: All CPAA labour is captured under the heading "Delivery facility (postal box, general delivery)", for which the average annual cost per address is \$63, half the price of the next cheapest mode of delivery. This conclusion has been stable over the years. See, i.e., Canada Post's [2012 Annual Report](#) in which the "Delivery Facility" average annual cost per address cost was \$59.

communities.”³ From the delivery of passports, health cards, medications, and at-home cancer screening kits, to pandemic supplies during the recent COVID-19 epidemic, rural post offices continue to be a vital point of connection between rural residents and government services.

Rural and remote offices also underpin the prosperity of local businesses and communities, ensuring that they can connect with customers and drive economic growth from coast to coast to coast. Against this landscape, in the areas serviced by CPAA, Canada Post has an unmatched competitive advantage in providing services to rural Canada. No other carrier has a comparable network in these regions.

CPAA’s members continue to work together across the country to make sure that decision-makers in Ottawa understand the on-the-ground reality of postal services in rural regions and to ensure that every community in Canada is connected to goods, services, and economic opportunities.

CPAA welcomes the opportunity to provide submissions in this matter, divided into two parts:

1. Canada Post’s attempt to inappropriately broaden the scope of issues before the Industrial Inquiry Commission; and
2. CPAA’s perspective on the five issues on which the Commission has invited submissions from interested parties and stakeholders.

1. THIS IS AN INAPPROPRIATE FORUM FOR THE BREADTH OF ISSUES RAISED BY CANADA POST

CPAA has had the opportunity to review Canada Post’s submissions and is concerned about the breadth of statutory and regulatory changes raised by the Corporation, as these fall far outside the mandate of the Industrial Inquiry Commission. Canada Post’s submissions cannot be implemented as: they lack the proper stakeholders at the table; it has provided no evidence they would be effective; and, Canada Post is attempting to push the Inquiry outside its proper legislative scope.

³ “Rural Post Offices and the Communities that rely on them are being abandoned” (Anderson Consulting, April 2014), attached as **Appendix A**.

A. The proper stakeholders are not at the table for the changes requested by Canada Post and their effectiveness has not been properly canvassed

Canada Post's submissions propose reconsidering the entire regulatory framework underpinning its operation, up to and including the universal service obligation. Many of Canada Post's submissions threaten to impact the sector—and, frankly, the country—as a whole.

For example, the Corporation's submission to revisit the universal service obligation is clearly gesturing at reducing services in rural, remote, and Northern communities. The Corporation writes that its ten-year vision includes "providing critical elective services for rural, remote and Northern communities and small businesses."⁴ Put another way, the Corporation would like to render services in these communities *optional*.

Furthermore, the Corporation's proposals threaten to have a direct impact on bargaining agents not included as parties to the Inquiry. Many of the issues raised by Canada Post exceed the scope of the labour dispute between it and the Canadian Union of Postal Workers ("CUPW"). The Commission is undoubtedly aware that Canada Post is also engaged in separate bargaining with CPAA and has made distinct, and sometimes conflicting, representations in the context of that process. While CPAA is deeply grateful for the opportunity to make these submissions, this is not sufficient participation to address the effect of the extensive submissions made by Canada Post and the profound effects they will have on CPAA members and the communities they serve.

Any process that contemplates re-designing postal service in Canada must include broad public participation, expert analysis, and a process where all the stakeholders are full participants at the table. This exercise must be conducted with reference to Canada Post's dual mandate of operating on a self-sustaining financial basis while also providing high-quality services that meet the needs of Canadians across the country.

Additionally, the Corporation's policy submissions do not shed light on its immediate solvency issues. None of the regulatory changes are costed or particularized in a meaningful way. Nor does it appear that the Corporation has engaged with government in any modelling or forecasting of the social and economic effects that could flow from reducing universal service across Canada to "elective" services – particularly in communities where Canada Post is currently the only game in town.

⁴ Industrial Inquiry Commission, Written Submissions of Canada Post Corporation, at page 29.

B. Canada Post is attempting to push the Inquiry Commission outside its proper mandate

CPAA echoes CUPW's concerns about the Federal Government's recent use of sections 107-108 of the *Canada Labour Code*⁵. These provisions must be applied in a manner that is compatible the Supreme Court of Canada's recognition of the right to strike.⁶

Properly construed, the Industrial Inquiry Commission's mandate is concrete and specific: to shed light on the current labour dispute between the Corporation and CUPW. The Corporation's business context and financial position must inform that exercise, as it would any labour dispute, and these contextual concerns were specifically referenced as considerations for the Inquiry.

However, the reference to contextual considerations to be taken into account when considering the current labour dispute is distinct from a *carte blanche* re-imagining of the entire Corporation, as urged by Canada Post. In attempting to vastly expand this process, Canada Post runs the risk of unduly broadening the issues and interests affected in this Inquiry, and jeopardizing bedrock principles of labour law and natural justice.

Furthermore, as noted above, the Corporation's broad and sweeping proposals will directly affect bargaining agents not included as parties to the Inquiry. Through its submissions, the Corporation is attempting to force the Commission to address issues that are not properly part of its scope, which is to address the current labour dispute between the Corporation and CUPW.

While CPAA welcomes the opportunity to provide written submissions, it does not have the same participatory rights as the parties. To the extent that any changes explored directly impact CPAA members, it must have a full seat at the table in these discussions.

CPAA reiterates CUPW's concerns that the government has not engaged in a full mandate review in eight years, contrary to the *Canadian Postal Service Charter*. CPAA has not been invited to make submissions in any formal mandate review exploring these issues, which is the proper forum for such a discussion.

Put simply: the Industrial Inquiry Commission should not be used as means to evade a formal mandate review and to exclude the participation of the public, critical experts, and stakeholders.

⁵ *Canada Labour Code*, RSC 1985, c. L-2, ss. 107-08.

⁶ *Saskatchewan Federation of Labour v Saskatchewan*, 2015 SCC 4, paras. 94, 96.

2. CPAA'S POSITION ON THE ISSUES

Considering the short timeframe to provide submissions and procedural issues raised above, CPAA is not in a position to provide comprehensive submissions on the wide-ranging issues inappropriately raised by Canada Post.

CPAA provides the following illustrative examples of the kinds of issues that must be thoroughly canvassed in considering any future changes to the statutory and regulatory environment governing postal services in Canada. CPAA's submissions are organized around the five specific concerns raised by the Commissioner, as follows:

A. The financial situation of Canada Post

Further cuts to service in rural, remote, and Northern communities will not solve Canada Post's financial concerns

Further cuts to service in rural, remote, and Northern communities will not solve Canada Post's financial challenges. Though it may at first seem counterintuitive, CPAA's rural post offices boast the most economical mode of delivery operated by the Corporation.⁷ The reasons for this comparatively lower cost are twofold: First, some of the operational cost drivers are lower in these regions. For instance, the cost of leasing the business premises in rural, remote, and Northern communities tends to be lower as compared to urban operations. Second, CPAA-operated post offices have *already* weathered successive waves of cuts to funding and services in rural, remote, and Northern communities.

Despite repeated requests from CPAA to the Corporation for a breakdown in costing of their rural, remote, and Northern services, the Corporation has been unwilling or unable to provide this information. In the absence of any clear data on these issues, this Commission should decline to conclude that further cuts to service in rural, remote, and Northern communities will remedy the Corporation's financial concerns.

Pay Equity is a factor inappropriately raised by CPC

The Corporation has raised several issues which are a distraction from the narrow labour dispute between it and CUPW, which was the genesis for the Inquiry. CPAA affirms the point, raised in CUPW's submissions, that the resolution of pay equity complaints related to CPAA members are not a

⁷ [Canada Post Corporation 2023 Annual Report](#) at page 45: the average annual cost per address to a "Delivery Facility" is \$63, half the price of the next cheapest mode of delivery.

future-looking headwind to the corporation. That complaint dealt with a timeframe of 1992 through 1997, and all payments relating to the settlement of the complaint are long concluded. Further, to attempt to cite pay equity concerns as a reason for the Corporation's financial woes is questionable on human rights grounds and an affront to CPAA, whose members are more than 92% women.

With respect to the pension, considering that it is currently enjoying a contribution holiday, and indisputably solvent, CPAA also agrees that the pension has no bearing on the current issues in dispute.

Parcel Delivery

CPAA notes that there appears to be agreement between the Corporation and CUPW to increase parcel delivery to seven days per week. CPAA is supportive of this proposal, noting that to operationalize parcel delivery seven days per week the Corporation will need to ensure that post office hours of business are sufficient to support this objective.

B. Canada Post's expressed need to diversify and/or alter its delivery models in the face of current business demands

CPAA members have taken active steps to support Canada Post in diversifying and adapting its business model

CPAA members are deeply committed to supporting the evolution of rural postal services to meet the needs of Canadians. CPAA continues to call for diversifying the service offerings in rural post offices, a proposal that enjoys wide support from Canadians. In a 2022 public opinion study carried out by Public Services and Procurement Canada, "[a]mong six options presented to rural residents to improve reach, support is significant when it comes to providing access to other government services within rural post offices (89%) and creating service hubs where rural post offices are placed with other local businesses (85%)."⁸

CPAA supports broadening—rather than privatizing—the service offerings at rural post offices through Community Hubs, Electric Vehicle charging stations, and other initiatives. Community hubs have already been piloted in CPAA offices in Little Current, Ontario and Fort Qu'Appelle, Saskatchewan and these hubs allow Canada Post to adapt its service offerings to the needs of local communities. These initiatives enjoy the full support of CPAA workers.

⁸ [Canadians' Views on Canada Post Services, Public Services and Procurement Canada](#), September 13, 2022.

As far back as the 2018 Collective Agreement, CPAA has been taking active steps to engage in diversifying the business, including reaching a historic agreement that introduced language into the Agreement to support financial services in rural post offices⁹ and commissioning a study to advance this proposal.¹⁰

As the government of Canada continues to engage with the public to understand what service offerings would receive the most uptake in rural post offices, CPAA has been, and remains, actively committed to working with this data and diversifying service offerings based on community preferences.

C. The viability of the business as it is currently configured

Reducing services in rural, remote, and Northern communities will not improve the viability of the business

CPAA's submissions on the viability of the business are tailored to its area of expertise: service delivery in rural, remote, and Northern communities. Canada Post has an extensive network and infrastructure to deliver mail to these communities, where it has an unmatched competitive advantage.

While, at first blush, the Corporation's designs to streamline these services and render them "elective" may appear to be a rational, cost-saving measure, in reality it threatens to erode the Corporation's overwhelmingly large market position in one of the only areas in which it still enjoys virtually exclusive service.

The economic trends—the rise of e-commerce and new competitors—are a different reality in rural Canada where recent years have seen a growth, rather than a decline, in parcel deliveries. Despite the total decline in market share of parcels cited by Canada Post, in 2023 CPAA offices saw a year over year increase of 2,173,292 parcels.¹¹ Over the more than 3000 CPAA post offices, this would equate to a year over year increase of more than 700 parcels *in each office*. While Canada Post points to overall declining parcel trends, these aggregate figures simply do not reflect the reality of rural commerce or CPAA offices. Additional cuts will only serve to diminish these services and curtail the development of new revenue streams

⁹ [Postmasters Reach "Historic" Agreement with Canada Post](#). New Contract includes Language on Financial Services in Rural Post Offices, Full Equality for 'Group' Postmasters, and Annual 2% Wage Increases.

¹⁰ Rural Canada is underserved by Financial Services: Why Post offices Need to Offer Banking Services (Anderson Consulting, September 2014).

¹¹ These figures were provided to CPAA by Canada Post.

in regions where the Corporation has a robust competitive advantage.

Additionally, reducing the quality and frequency of services to rural, remote, and Northern communities could have a twofold negative effect. First, it will create opportunities for competitors to serve some of those communities. While those communities currently receive regular delivery from Canada Post, if that delivery schedule is reduced or eliminated it opens the door for competitors to muscle in on Canada Post's only remaining area of near-exclusive service. This will reduce revenue for Canada Post as it loses market share and will diminish the financial viability of maintaining a national mail network. This is but one of the many potential financial risks that must be properly and thoroughly explored prior to reconsidering the modalities of service in these regions.

Second, in truly remote locations, CPAA offices and mail delivery are often a lifeline for members of those communities. CPAA members deliver medications, government documents, and household necessities where other carriers will not. As noted by those who live in CPAA communities: "[t]he 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" and "[p]ost 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."¹² To reduce or eliminate service to these areas is not a mere inconvenience: it may threaten those communities' very existence.

In brief: any inquiry into the role of rural offices in the overall viability of the business must involve all stakeholders, including CPAA members, who understand the operational cost and reality of mail delivery in these communities.

CPAA also notes that while Canada Post's submissions purport to support rural, remote, and Northern communities, given the reality of Canada Post's proposals, these submissions strike as insincere: the Corporation questions the universal service obligation and continues to close down rural post offices when given the opportunity to do so.

Indeed, despite the hard-won moratorium on post office closures in rural areas, Canada Post has closed 516 offices since 1994.¹³ These closures are

¹² "Rural Post Offices and the Communities that rely on them are being abandoned" (Anderson Consulting, April 2014) attached as **Appendix A**.

¹³ [Canada's Postal Service: A Lifeline for Rural and Remote Communities, Report of the Standing Committee on Government Operations and Estimates](#), at page 9.

not supported by Canadians: 2022 public opinion data showed that "69% of rural residents oppose reducing the number of post offices as a means to reduce losses at Canada Post."¹⁴ At a minimum, the 1994 moratorium on rural post offices must be upheld, and the loopholes which have allowed Canada Post to shut hundreds of offices in the intervening years should be closed. Moreover, Canada Post should certainly not be allowed to circumvent the 1994 moratorium in a process where it is avoiding the fulsome input of all affected stakeholders.

D. The Association's negotiated commitments to job security and full-time employment.

Canada Post is a critical employer for women in rural Canada

CPAA represents members in over three thousand post offices across Canada, as detailed in the table below:

CPAA Statistics as of Dec 31, 2024	
Semi-staff Postmasters (full time)	1856
Group Postmasters	1133
Senior Assistants (full time)	246
Full time assistants	149
Part time assistants	1819
Terms	3513
Post Offices	3075

Our membership is over 92% women, offering an important source of income and opportunity for women in rural Canada. Indeed, Postmasters and Assistant positions were historically one of the best jobs available to women in rural Canada, even if recent cuts have reduced the wages of these positions.

CPAA conditions of employment allow women in rural communities to earn an important primary or secondary income for their families while remaining close to home. Reducing job security and full-time employment opportunities for CPAA members will overwhelmingly affect women workers in rural communities.

¹⁴ [Canadians' Views on Canada Post Services, Public Services and Procurement Canada](#), September 13, 2022.

E. The need to protect the health and safety of employees

This Inquiry should not tacitly endorse a "race to the bottom" in Canadian labour conditions

The reality is that CPAA workers have already survived waves of cuts to services and downward pressure on their labour conditions for decades—factors which have begun to impede the Corporation's ability to attract and retain workers in rural communities.

For decades, Canada Post has looked to CPAA wages a site of cost-saving measures. In effect, Canada Post has piloted its race to the bottom with CPAA workers: a new wage grid was imposed in 2016 that left newly hired workers with *diminished* remuneration as compared to those hired on the previous grid. Canada Post removed new CPAA workers from the defined benefits pension. It has failed to ensure the Leasing Allowance – the remuneration paid to those members who run offices in premises they provide themselves – is adequate and it has fallen woefully behind actual costs to procure a premise. These reduced terms and conditions of employment have made it harder to recruit and retain workers—and offer the services Canadians rely on. The cost of maintaining these vital services cannot be solely borne by the workers at street-level.

The Industrial Inquiry Commission should decline to endorse recommendations that will exacerbate existing recruitment and retention challenges in rural, remote, and Northern postings.

ADDITIONAL SUBMISSIONS

Canada Post notes that it will be providing "forthcoming submissions" on the specific changes it is seeking in this round of bargaining.¹⁵ To the extent that these further submissions from Canada Post will have a meaningful impact on CPAA members, CPAA requests an opportunity to provide additional submissions on issues raised by the parties.

¹⁵ Industrial Inquiry Commission, Written Submissions of Canada Post Corporation, at page 30.

CONCLUSION

Canadians have rarely been more aware of the need to support local businesses and Canadian industries. In recent months we have been reminded that we are not immune from global threats to economic and political stability. Hiving off and privatizing backbone elements of the federal postal service will not make us stronger as a country. Post offices are integral to the prosperity and resilience of rural, remote, and Northern communities, and the country as a whole.

There is no doubt that Canada Post's historical service offerings must adapt in the age of e-commerce, but the Corporation must adapt in a way that does not visit unintended and harmful effects on local rural communities. Reducing the quality, frequency, and accessibility of services in these communities will have an immediate impact on vulnerable communities—and the CPAA workers who provide services in those communities. As the Commissioner looks to resolve the immediate dispute between the Corporation and CUPW, great care should be taken to ensure that Canada Post can continue to serve all communities, no matter where we live.