

Canada Post has identified four cases where retail expansion would be warranted: first, communities that are not currently receiving postal service and where there has been rapid residential growth; second, communities where a corporate office was closed prior to 1987; third, communities where the Post Office runs into operational difficulties—for example, if there are insufficient numbers of lock boxes at the corporate outlet and lack of space to introduce new capacity; fourth, rapidly-growing communities where one corporate-owned outlet already exists, but where a second postal outlet might be added.

It is this last scenario that has generated the most controversy. The new outlet would complement the existing corporate office by providing postal customers with better locations and improved access to retail services through increased hours of operation. While Canada Post argues strongly that it is not its long-term intention to divert business away from a dedicated outlet, not all are convinced. In some instances, outlets have been opened within close proximity to each other; in others, certain services such as parcel and registered mail pick-up traditionally offered by the dedicated outlet have now been transferred to the RPO. According to Rural Dignity, a prominent rural interest group, in many cases there has also been a reduction in the number of hours that the dedicated outlets are open. The fear is that the establishment of RPOs in rural communities will reduce business for corporate outlets and eventually cause their decline and closure.

We oppose any action taken by the Corporation to undermine the ability of existing corporate outlets to carry out their normal operations. Until such time as a natural opportunity presents itself, we believe that the full range of services should be provided to the community through its dedicated outlet, even if there is a private retail outlet nearby. The Committee therefore recommends that:

**Canada Post refrain from contracting out to retail postal outlets the services which are normally provided by corporate outlets as long as the corporate outlets remain open.**