Intelligence MEMOS

From: Les Viner

To: Postal Observers

Date: October 6, 2025

Re: **Postal Transformation is a Litmus Test for Ottawa**

Last month, the federal government ordered Canada Post to develop a transformation plan to put itself on a financially sustainable footing. It gave the Crown corporation a green light to trim and modernize its network, end most door-to-door delivery, expand community mailboxes and reduce delivery frequency and speed for non-priority items. These changes reflect the recommendations of the report of respected labour mediator William Kaplan.

The government is doing the right thing; showing political courage, respect for taxpayers, and a whole lot of common sense. In response, the Canadian Union of Postal Workers proclaimed its outrage and immediately launched a nationwide strike and complete operational shutdown.

The facts are indisputable. Letter mail has been overtaken and replaced by digital mail. The average household today receives two pieces of letter mail weekly. To deliver those two pieces of paper, Canada Post incurs weekly losses of $25-35 million, funded by taxpayers.

At a time when defence, infrastructure, affordable housing, health care and innovation all need investment, CUPW seeks contract changes that would prevent the use of efficiency-enhancing technology and add billions more to Canada Post's already massive losses. CUPW is still seeking 17 days of paid personal leave in addition to 13 days of statutory holidays and up to seven weeks' vacation. That benefit level, added to the generous existing package, are of a magnitude very few Canadians enjoy, even in businesses that are prospering.

To cover the corporation's losses, CUPW proposes to generate more revenue through postal banking, northern food delivery, conversion of rural post offices to artisanal markets and electric vehicle charging stations and having letter carriers perform welfare checks in the homes of seniors and disabled persons. These proposals range from unrealistic to utterly fanciful.

With each strike it launches, CUPW further harms its own membership. Canada Post inevitably loses market share, increases its taxpayer-funded losses, shrinks its footprint of future revenue-generating business and further diminishes its ability to maintain jobs.

This is not the fault of the CUPW members. It is a consequence of CUPW leadership adopting a defiant stance that might have worked in the 1970s. But in today's environment, CUPW has egregiously overplayed its hand.

The government could have chosen to shut down letter mail delivery completely, as Denmark has done. But it decided instead to offer a balanced resolution that respects the rights of both taxpayers and workers and lets the parties collectively bargain the consequential changes.

CUPW now has the opportunity to bargain with Canada Post on transitional matters that could include bridges to the defined benefit pension plan, reasonable severance allowances, early retirement incentives and re-skilling programs. It could also bargain for an emphasis on attrition to avoid layoffs.

Rather than depleting its strike funds, causing disruption and harm to businesses (particularly small businesses) that rely on Canada Post, and positioning itself as a hostile opponent of adaptation to the digital world in which we live, the union should return to the bargaining table to take care of its members.

How this plays out is a bellwether of our national future. Recognizing the competing demands on taxpayer funds needed to advance the country at this time, the government has chosen to address the realities of postal service in the 21st century head-on.

The old way was to kick the can down the road. Instead, the government has opted for a new way, which could have Canada Post become a role model for a Crown corporation transitioning to the modern world in a manner that is fair to its employees and also respectful of taxpayers.

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A version of this Memo first appeared in the Financial Post.