

Postal cuts: What do they mean to small businesses?

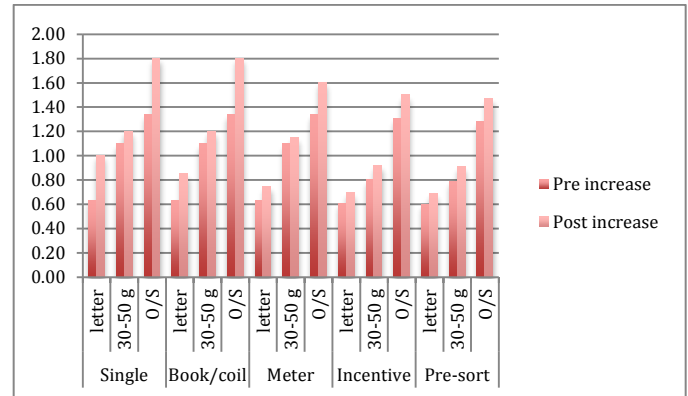
The small and medium sized business community has expressed concern at the recent cuts announced by Canada Post. Many businesses use the postal service as a cost-effective way to access new markets.¹ This is even more so for the e-commerce sector and in rural Canada.

Price increases

Many small businesses have spoken publicly against the stamp price increases. Ruth Porter, a small business owner in BC, does approximately 85 per cent of her shipments through Canada Post. She is worried her customers will refuse to order by mail from her publishing business due to the stamp price increase.² Ruth Porter is not alone. Sixty-one per cent of small business owners said sending and receiving mail was very important to their business operations and 30 per cent said it was somewhat important in a recent poll from the Canadian Federation of Independent Business (CFIB).³ “These hikes will have a significant impact on many small businesses that use the mail to connect with customers or invoice and pay suppliers,” said Dan Kelly, CFIB president.

The dramatic price increases were implemented despite little consultation with the business community. Small and medium sized businesses said Canada Post paid insufficient attention to their needs relative to the attention given to large users in the 2008 Canada Post Corporation Strategic Review.⁴ The graph to the right shows that the price increases will disproportionately affect individuals and small businesses rather than large volume mailers.

Increases in stamp prices in Canada Post's Five Point Plan



*O/S refers to oversized items

Eliminating door-to-door mail delivery

Many businesses have also expressed concern at Canada Post's proposal to eliminate door-to-door mail delivery. In Vancouver, councillor George Affleck noted the significant number of home-based businesses who rely on Canada Post. He asked, “Given the number of home-based businesses in Vancouver, what impact will that have on the city's prosperity and operating businesses in the city?”⁵ This question is yet to be answered because Canada Post failed to hold consultations with the small and medium sized business community about the proposed changes.

Reliability, security and privacy

Many Canadians trust Canada Post to deliver their mail and parcels because of its reliability, security and privacy. This trust is linked to the established system of delivery to the door. Community mailboxes have less supervision and may be located in low-light areas where residents fail to pick up mail daily. This would result in an arrangement that is much more susceptible to theft, vandalism and identity theft.

Theft was such a problem that Surrey RCMP issued an alert to citizens about taking “necessary precautions to safeguard their mail year round but especially during the holidays.”⁶ They stated that in the previous few weeks, communities in the British Columbia Lower Mainland had been victimized by community mailbox break-ins. In British Columbia, journalists have reported there were almost 4,880 incidents involving community mailbox theft from 2008-2013.⁷

The move to community mailboxes would also likely heighten the risk of identity theft. Businesses that issue or receive invoices or documents with sensitive financial information should be apprehensive. These security and privacy risks are of particular concern to businesses that are sending and receiving parcels and sensitive financial documents through the mail.

What you can do

If your business is concerned with Canada Post’s recent cutbacks, please consider writing Lisa Raitt, the Minister responsible for Canada Post (see enclosed template letter) and/or putting a ‘Save Canada Post’ window sign up in your business.

¹ Canada Post Corporation Strategic Review. P. 18.

² Letter from Ruth Porter, Poestar Calendars Ltd. to Lisa Raitt, January 9, 2014.

³ CFIB. Small business alarmed by Canada Post price hikes. <http://www.cfib-fcei.ca/english/article/5746-canada-post-release.html>

⁴ *ibid.* p.19

⁵ Crawford, Emma. Business Vancouver. City to Canada Post: Don’t slash home delivery. January 22, 2014.

<http://www.biv.com/article/20140122/BIV0109/140129969/city-to-canada-post-don-8217-t-slash-home-delivery>

⁶ RCMP. Mail theft prevention Surrey, 2013-12-23

[http://surrey.rcmp-](http://surrey.rcmp-grc.gc.ca/ViewPage.action?siteNodeId=79&languageId=1&contentId=32872)

[grc.gc.ca/ViewPage.action?siteNodeId=79&languageId=1&contentId=32872](http://surrey.rcmp-grc.gc.ca/ViewPage.action?siteNodeId=79&languageId=1&contentId=32872)

⁷ CBC News. Are Canada Post’s community mailboxes really safe? <http://www.cbc.ca/news/canada/british-columbia/are-canada-post-s-community-mailboxes-really-safe-1.2460515>