

July 19, 2010

Steve Verheul  
Chief Negotiator, Canada-EU Comprehensive  
Economic and Trade Agreement Negotiations  
Department of Foreign Affairs and International Trade  
125 Sussex Drive  
Ottawa, ON K1A 0G2

Dear Mr. Verheul:

**Re: Canada-EU Comprehensive Economic and Trade Agreement (CETA)  
Negotiations**

I am writing to follow-up on your letter dated March 22, 2010 and your civil society update (Conference call, April 26, 2010).

During the update, you noted that the EU had reinforced their interest in international outbound mail.

CUPW knows the federal government is likely to accept an EU request to deregulate outbound international mail. In fact, it recently paved the way for liberalization of this mail. As you know, the government inserted deregulation of international letters into its 880-page budget bill (C-9), making the issue a question of confidence and a potential election trigger. Parliament passed this bill, but Parliamentarians did not really have an opportunity to fully examine and debate its content because of the pressures that accompany the budget process.

We believe it is highly undemocratic to insert major, non-budget initiatives, such as postal deregulation, into a budget bill and we are not alone. As one newspaper editorial stated, "Loading much of the government's agenda into one omnibus bill and then demanding its passage on threat of an election is entirely inappropriate in a mature democracy. Parliament has an obligation to carefully scrutinize all legislation. Bills with unnecessarily diverse objectives thwart this duty. Spurious election warnings add to the lack of respect." (Globe and Mail, "This bill is overstuffed", July 9, 2010).

Even though international mail has now been deregulated, CUPW believes it would be inadvisable to lock in this change by way of an international trade agreement. We would not recommend this course of action because of the controversial way that the change was made and because a future Canadian government might wish to reconsider this matter.

While we adamantly object to what the government has done in connection with Canada Post's ability to handle international letters, we are pleased to hear that the government will not further compromise the corporation's ability to handle letters.

During the civil society update, you stated that, "for postal in general, you would not be moving on Canada Post's ability to handle letters". You assured us "that would not be compromised." Furthermore, in your letter dated March 22, 2010, you stated "In the context of all of its international trade negotiations, including negotiations with the EU, Canada has taken the position that the current classification is adequate to respond to the demands of our negotiations partners for liberalization. Meanwhile, discussion with the EU with respect to the possible application of pro-competitive regulatory principles are still at an early stage, but Canada does not see value in prescribing regulatory approaches to the sector under the rubric of trade agreements."

Your statements are reassuring because some of the language regarding regulatory authority over postal and courier services in the draft Canada-EU negotiating text is very troubling.

The postal and courier section of the draft agreement sets up a system to facilitate competition for all postal and courier services liberalized under the agreement. There are provisions for independent regulatory bodies and licenses for service suppliers that fall within the scope of providing "universal service".

We would like to know more about these provisions:

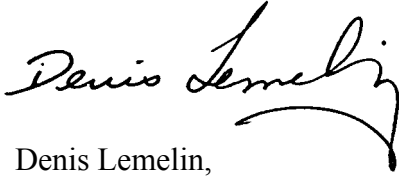
1. What postal and courier services will be liberalized under the agreement?
2. Why is there a provision for independent regulatory bodies? Independent postal regulators are usually set up, in the context of full-scale deregulation, to protect consumers and safeguard against anti-competitive practices. Currently, Canada Post does not have an independent postal regulator. Moreover, as you know, there was no recommendation for such a body stemming from the government's recent Canada Post Corporation Strategic Review.
3. Also, why does the draft agreement include language on licenses for service suppliers that fall within the scope of providing "universal service". Again, licenses are normally used in a deregulated postal environment. Why would Canada need language on licensing?

We would very much appreciate answers to these questions. We are very concerned that these provisions could seriously undermine the ability of Canada Post to fulfill its obligation to provide high-quality affordable, universal public postal service.



I look forward to your reply.

Yours truly,



Denis Lemelin,  
National President

- c.c. National Executive Committee  
Regional Executive Committees  
National Union Representatives  
Regional Union Representatives  
Specialists  
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