

What's Happening at Canada Post

▼ CHARLES J.G. VERGE

(Editor's Note: We asked "O Canada" columnist Charles J.G. Verge to give Scott Stamp Monthly readers an inside report on what was happening at Canada Post. His informative interview covers the gamut of concerns of Canadian collectors and provides insight into Canada Post operations and policies.)

October is Stamp Collecting Month in Canada and has been for more than 25 years. I thought it would be the appropriate time to write about where Canada Post Corporation (Canada Post) sees philately going in the next few years. To that end, I met with Michel Tremblay, vice president, retail business for the Corporation. The Director of Stamp Products, Micheline Montreuil, reports directly to him and therefore has access to, and plays a direct and influential role in, retail operations and merchandising decisions that might affect philately. Stamp Products is Canada Post's philatelic arm responsible for stamp design, production, philatelic sales and merchandising. The National Philatelic Centre in Antigonish, Nova Scotia, is also part of Montreuil's organization.

Tremblay, in addition to the philatelic aspects of his job, is responsible for all Canada Post retail operations and merchandising and for corporate and franchise post offices nationally. Tremblay has an MBA and has worked in senior purchasing, marketing and retail executive positions, primarily in the food industry, before joining Canada Post in December 1997.

Verge: You have been in your position for over six months now. Are there areas of Canada Post's retail business which you feel you need to pay special attention to and what would you like to see changed or improved in these areas?

Tremblay: We need to situate Canada Post in the lives of Canadians. We are the fourth largest employer in the country, serve 30 million Canadians and more than 900,000 businesses and public institutions and deliver to over 12.5 million addresses in Canada. There are more than 20,000 retail points of purchase where customers can access some form of postal service, including some 7,500 full service (corporate) and retail (franchise) post offices. Therefore, I believe in fostering dynamic products and services to these retail business units. With my marketing and business experience I would like to ensure that a retail corporate vision is implemented and followed. This vision encompasses three main elements. I would like us to ensure Canadians have full access to the postal streams, products and services through a personal and quality service. Canada Post should be in the market of retail products, including philatelic ones, that are appropriate and of good quality. Finally, we should ensure that new products and services we develop respond to a real need. For example, a few years ago we stopped providing passport applications in

our post offices. Since July last they are now available in post office lobbies and counters. This is one area where our clients felt very strongly that we had been wrong in dropping this service. It was perceived as a real need. Overall, I would like our retail business units to be like maternity wards in hospitals: purveyors of only good news.

Verge: Are there areas of Canada Post's stamp design, philatelic products and marketing which you feel you need to pay special attention to and what would you like to see changed or improved in these areas?



Michel Tremblay,
vice president,
retail business,
Canada Post
Corporation.

Tremblay: It would perhaps seem arrogant of me to come in and after a few short months begin to suggest improvements in an area that Canada Post has been involved in for almost 150 years. I think all areas of our philatelic production and marketing have seen a rejuvenation of sorts in recent years, in direct response to the collector. We have never before been able to offer so many different philatelic formats and advanced printing techniques as we have in the last year. Overall, I am pleased with the work being done. One other area that is in need of review is the ability to pinpoint availability of stamps across the country. Sometimes because we have orders for and distribute all of one issue, we consider that stamp issue a sellout. It is only weeks or months later that some retail points of service return product as unsold while other post offices have been clamoring for more and we have had none to give. We are introducing a new Retail Outlets Support Services (ROSS) software between now and August 1999 in all our outlets which will alleviate this problem by letting us know centrally how our sales are going on all products individually. This new software will also help resolve the Year 2000 problem faced by our current systems and provide for a better accounting system for our postmasters and franchisees.

Verge: The philatelic community has frequently been told by Canada Post personnel that the income from philatelic sales is minuscule, less than one percent, compared to the remainder of the Corporation's budget. Although accurate, this frustrates the community and it frequently feels that it is

not consulted or listened to. What are your views on this issue? What do you envisage to be the areas of cooperation that the community and the Corporation could strive to develop first?

Tremblay: As a special interest group, it is natural for the philatelic community to feel they are being ignored by Canada Post. I can assure that is not the case. The community and all its components are highly visible and will be served as well as all other Canada Post clients. In recent years, new members of the Stamp Advisory Committee (SAC), the group of private citizens who meet and recommend stamp designs in Canada, have included people with special interests in philately and they most certainly bring the concerns of the community as a whole to the table. Canada Post is taking an active interest in meeting the community at stamp shows both at home and abroad and these discussions, both formal and informal,

have paid dividends in improving our ability to gauge what the collectors want to see from us. Canada Post is working closely with groups such as The Royal Philatelic Society of Canada, the Canadian Stamp Dealers' Association and la Fédération Québécoise de la philatélie.

Verge: In the last few years Canada Post has been at the forefront of stamp design and innovative approaches in product presentation. Can you describe where stamp design is going in Canada?

Tremblay: Really, the sky is the limit. We always strive to be on the creative edge of design production techniques. For the Health Professionals stamp, we used a special process to print three different foils. Les Automatistes are self-adhesive die-cuts done in an simulated "art-gallery" style. We have returned to engraving and plan to continue with this process following the glow-

Literacy die-cut block of four stamps with the center puzzle piece cut out. When the stamp is affixed to different colored envelopes, the cut out puzzle pieces take that color.

Above: The Automatistes art gallery booklet with seven die-cut stamps of paintings from French Canadian artists who, 50 years ago, rebelled against church and government that controlled all aspects of life in Québec.

Left: A 1995 make-your-own-stamp design "Greetings" booklet. Although Canada Post provides 15 circular labels to fill in the blanks of the self-stick Greetings stamps, postal patrons are encouraged to design their own. People have been known to put in photos of their families and logos promoting their business or fraternal association.

Canada's Stamp Advisory Committee Members

The Hon. André Ouellet
(Chairman of the Board of Directors of Canada Post Corporation)
Claude Bouchard
Jim Haskett (Editor of the *Lethbridge Herald*, a stamp columnist)
Ian Kimmerly (stamp dealer)
Jean Lapointe (stamp dealer)
Robert McClelland (philatelist)
Shirley McKercher
Rick Penko (Royal Philatelic Society of Canada representative)
Claude Poulin
Gilles Renaud (philatelist)
Lorraine Sheppard
Rachel Touchette

ing reviews of our Grizzly Bear \$8 high-value definitive. The colors we are using are more vibrant and we are constantly seeking new, interesting formats that will enhance the individual stamp as well as the experience of stamp collecting, such as the Royal Canadian Mounted Police continuous design and tabs and the Grizzly Bear steel engraving that will continue with the \$1 Loon and the \$2 Bear to be issued at the end of October 1998. Since the arrival of the computer in the graphic design field, the technical aspect of production has merged with design conception more than it has ever in the past. This allows the designers to exploit to a maximum all the new production facilities including foil stamping and embossing. We have combined processes more than ever in the past, engraving with lithography and silk screen with lithography. This, with the imagination of our designers, have produced a new generation of stamps. And it is only the beginning. We are now experimenting with new techniques that will allow us to create a total, more cost efficient and versatile generation of products.

Verge: Canada Post has come to the Lunar New Year issues late, however, it has caught up very quickly with some imaginative marketing. Are there other themes currently being developed within the Corporation which could rival this big seller? How does Canada Post intend to maintain a high profile and a high sales level for its stamps?

Tremblay: Let me answer the last part first. Canada Post will maintain a high profile and sales levels by continuing on its successful course of creating products that are appealing to the collector and noncollector alike and being responsive to the suggestions we receive from both sets of customers. Other than the Lunar New Year series, the 1998 and 1999 programs also have the Scenic Highways, Birds of Canada and Masterpieces of Canadian Art series ongoing. It would be unwise to fill the program with too many ongoing series, but new ideas are being worked on constantly and we can clearly see that as our sales continue to move upward.

Verge: It is now common for people still alive to be portrayed on Canadian stamps, for 75th and 125th anniversaries to be commemorated; same themes are being honored more than once in 25 years. All these are against the current Corporate policy on the selection of postal stamp subjects and designs issued in 1988. In light of all these contraventions to the policy will Canada Post be releasing publicly a new policy so that people interested in making proposals for stamps can know what the new parameters are?

Tremblay: The guidelines or policy that we issued in 1988 have been revised and updated to take into account the changing

needs of the program and the changing wishes of our market. It no longer makes reference to specific anniversaries, but it is important for those suggesting a stamp subject to remember that a significant anniversary will make the subject all the more appealing to our Stamp Advisory Committee. Likewise, there was much confusion over the "10-years dead" guideline. Many collectors still believe that only deceased people may appear on stamps, when in fact only deceased people may be honored on a stamp. This allows Canada Post to use live models on some stamps or even use photos of real people to illustrate a subject without in fact honoring that individual.

Verge: The SAC has become much more participatory in the selection, design and promotion of stamps since 1996. What do you attribute this to? Do you view this as a good development?

Tremblay: The SAC members are taking a more participatory role in the process because recent appointments have taken into account the need for informed and experienced stamp collectors and others involved in philately, as well as the more well-rounded generalists. This is a wonderful development and it shows in the dynamism and excitement of the group in presenting new ideas and commenting on proposals.

Verge: The last time a press release was issued announcing appointments to the Stamp Advisory Committee was Nov. 8, 1989. Why has there not been such announcements since? It is the view of the philatelic community that membership on the Committee should be public. Will this happen in the near future?

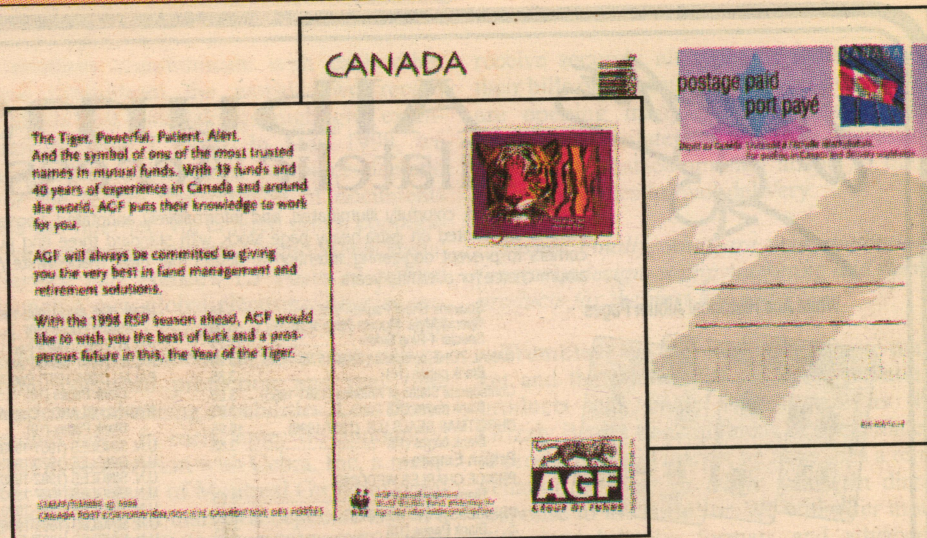
Tremblay: We have been low key on announcing new members of SAC to ensure their privacy, however, most of them are now from the philatelic community and are proud to serve as SAC members, so we see no reason why we can't issue an announcement.

Verge: The United States Congress has become involved in stamp design selection with the semi-postal issue on Breast Cancer. It is becoming evident that politics on both sides of the border are playing a role in stamp design selection and stamp products. What are your views on this developing trend?

Tremblay: I think that Canada Post, as a Crown Corporation that must answer to the Government of Canada, accepts and welcomes input from our shareholder. The members of parliament are merely voicing the concerns and suggestions of their constituents who, in the end, are our customers. I don't necessarily see this as a developing trend as much as a constant in the field of stamp design, and one that can be to the benefit of the program. Besides, this is not unique to Canada, other countries face the same problem.



Canadian Ambassador to Israel, David Berger, at left, and Inspector Tom Truman of the Canadian Royal Mounted Police (RCMP) help at the Canada Post booth at the ISRAEL '98 World Philatelic Exhibition. "Mounties" have proven to be popular additions to the Canada Post booths at international stamp shows since they first started to attend at PACIFIC 97.



Unannounced postal card using an imprint of the Year of the Tiger used as promotion material by the AGF Group of Funds, Inc. and the tourism Postage Paid postcard. Information on the tourism postcard was formally released by Canada Post after pressure from the philatelic community.

Verge: More than 10 years ago commercialism crept into Canada's stamp issues and depending on the year, the SAC composition, etc., it is either a popular subject to support or one that is railed at. There are many good reasons on both sides of the issue it seems. What are your views? Are we going to see more Canadian Tire stamps and/or postal products?

Tremblay: Stamps are not for sale to the highest bidder and never will be in Canada. Business arrangements can be made only if and when a subject has been chosen as worthy. Canadian Tire is an incredible Canadian success story and we stand by our decision to issue a stamp in honor of that company, as we have with all Canadian companies that have been worthy of a stamp. When we say we honor all things Canadian, Canadian businesses fall into that category as well.

Verge: The philatelic press and the collectors in general view the lack of information sharing by Canada Post as a major problem. Over the last few years it has become evident that lack of information sharing starts within the Corporation. What can you do to ensure that information is shared between those who need to know within the Corporation and that the information is then provided to collectors and the press accurately and in timely fashion.

Tremblay: We are very sensitive to the needs of philatelic columnists and appreciate the fact that information must be made available to them as early as possible. That is why, in the past few months, we have sent to columnists draft news releases and accompanying photographs well in advance, sometimes as early as five weeks before issue date. We believe that one month notice is plenty of time. We also disseminate information on philatelic products by way of our *Collections* magazine, *Stamp Details* and through the Internet. In previous years, we issued news releases as late as the day before issue date, primarily when a stamp issue is tied to an event of much greater scope and may generate greater general media interest, which is one of our objectives. This year, we are attempting to issue news releases 8 - 14 days prior to issue dates. If, on occasion, we decide to hold off issuing a news release until just before the stamp's launch date, we strive to provide the philatelic writers with the information ahead of the general media. This approach has resulted in strong positive coverage from the philatelic media and, as the issue date nears, we capitalize on the daily media interest. At any time, I encourage you to call Media Relations Officer Elia Anioia at (613) 734-7674. If you require the information well in advance, I am certain she will be

able to provide you with the appropriate material.

Verge: However, many of the examples in my previous questions are products not within the purview of the Stamp Products section and therefore are not known to them or to the media relations officer. What can we do to improve this area, which is of great interest to collectors and postal historians?

Tremblay: Perhaps there is a need to find ways to channel this information to the media relations officer who could then communicate it to the philatelic press. I now understand the need to provide information on new rate structures; new mail products that bring with them postal stationery items and improved services such as the new Express Post services that have "signature labels" that are clearly philatelic in nature.

Verge: The USPS is promoting stamp retention with an alacrity that scares many philatelists since it can be construed that the USPS gives the impression that saving the stamp will make it a valuable keepsake. Is promoting retention a primary policy of Canada Post?

Tremblay: No. We promote collecting as a fun and educational hobby, which we feel is the true "raison d'être" of any collector. Some of our products appreciate significantly in value, others do not. In cases where demand for a certain item leads its stock to rise, Canada Post will note its success and use this information to better determine print quantities in the future. We are more interested in meeting the needs of our customers in terms of availability rather than in terms of profitability. We promote collecting, we promoted retention on some issues such as Winnie-the-Pooh and Super heroes and we promote to use as postage.

Verge: Most of the following year's stamp designs are unveiled by the USPS at the end of the previous year. In Canada this is not the case. We are lucky if we get a list, albeit incomplete, of the stamps to be issued the following year before the New Year begins. Most stamp designs are unveiled at the very last minute and they are not publicized to the extent they could be to benefit sales. Are there changes afoot in this area?

Tremblay: This is an age-old question without answer. Members of the media are constantly seeking the scoop and some have printed rumored lists of questionable accuracy in the past. We believe that there is a benefit to keeping designs and even subjects

Continued to page 75



The \$8 Grizzly Bear of 1997, the 1929 Bluenose and the 1998 stamp honoring the Bluenose's designer all are fully or partly steel engraved, a printing technique that Canada Post will now use regularly after abandoning it many years ago.

Continued from page 73

under wraps in certain instances to generate interest when it counts most: once the product is available.

Verge: Canada Post is big business and the needs of letter mail and services to corporations are recognized. Some stamp collectors pine for the old days where hand cancels were the norm, where commemoratives were found on envelopes, where Porelon Ink was not discovered and when there were only 10 or less stamps issued in a year. Some of their criticisms are valid. Others, although with some validity, do not take into account the needs of Canada Post and its corporate clients. There are areas where the two can meet and allow for a satisfactory solution. The use of ink jet spray-on cancels and ball-point pen cancellations are a case in point. Canada Post has had a pilot project going on in Hamilton to preserve hand cancels from the vagaries of the ink jet spray-on cancels and the ball-point pen. But like many of the pilot projects they are not announced, the concerned communities are not consulted, and they are not publicized either prior, during or after. Can you see a day where new ideas will be shared with the philatelic or user community on a regular basis and where pilot projects could involve people and organizations outside the Corporation?

Tremblay: I would like to assure you that we are sensitive to the concerns of philatelists, and we are currently working at providing a long-term solution to the cancellation process. I'm sure you understand

that the cancellation process is critical to Canada Post, to ensure that stamps are not reused by recipients. That said, we have instructed our employees handling the mail of proper cancellation methods and urge them not to use pens, markers or the like to cancel stamps that have slipped through our processing system uncanceled. In fact we have a template available that indicates to staff what a properly canceled letter looks like. As you know, collectors provide a valuable contribution to our revenues and, therefore, a solution to the cancellation problem would be in everyone's best interests. The recent test in Southwestern Ontario was done with the participation of the philatelic community. We are in the process of testing some other potential solutions. Our current proposed solution for philatelic mail, a protective pellicle, has proven responsive to the expressed need of protecting the stamp and the philatelic cancellation except for the residue gum it leaves. The gum could potentially damage other collectibles it might come in contact with or attract dust and dirt to the cover it sought to protect. I trust collectors will be patient as we seek an acceptable resolution to this problem. We have several initiatives in place to resolve the improper cancellation of postage stamps. Some of these initiatives include: a bulletin to plant directors to re-enforce proper canceling procedures; signage posted in plant work centers to assist employees to differentiate between proper and improper cancellation; replacement of worn-out hand cancellers; and signage at the Multiple Line Optical Character Readers (MLOC) incline cancellers, also known in the philatelic world as spray cancels. In the meantime we will continue to remind our employees of the proper cancellation methods in hope that the damage to collectibles will be minimal.

Verge: Does Canada Post feel that it will lose a large market share to e-mail? Is Canada Post interested in entering the e-mail business? Has it undertaken studies on the subject?

Tremblay: Absolutely, we are interested in any new form of technology that will help

Canadians communicate with each other and throughout the world. Two recent Canada Post undertakings might give examples of what I mean. In May 1998, we responded to increased customer demand for the secure transmission of documents via the Internet. We entered into a cooperative agreement with the United States Postal Service and France's La Poste to market launch a new global electronic courier service. It will be known as PostECS and will include such elements as document encryption, password protection and real time tracking and tracing capabilities. Less than a month later, in early June, we announced that in cooperation with Cebra, Inc, a member of the Bank of Montreal Group of companies, the joint market acceptance test of a secure ELECTRONIC POST OFFICE™ service for Canada. This will allow Canadian businesses and consumers to

receive securely all types of mail and pay their bills on the Internet. As you can see, we are opening many new avenues of collectibles for philatelists. It will be interesting to see how that community adapts to these new approaches to mail delivery.

Verge: Finally, what are your predictions for stamp design, stamp marketing and stamp products for the next few years?

Tremblay: We will return to the core market and the public will see more philatelic products and stamp issues such as the Grizzly Bear. I think all areas of our philatelic production and marketing have seen a rejuvenation of sorts in recent years, in direct response to the collector. We will offer more different philatelic formats and advanced printing techniques as we have in the last year.

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Protective Pellicle:
to preserve the philatelic
quality of the stamps and
initial cancellation.

TEST LABEL / ÉTIQUETTE

Above: An example of the protective pellicle being tested by Canada Post. The intent is to affix the pellicle over the stamp and philatelic cancel so as to protect it from the vagaries of the postal system. It is to be removed upon arrival of the item at destination.

Left: Self-Adhesive "Signature required" stickers for use with Canada Post's new XPRESS-POST service.