

Discussion paper for Negotiations 2023

1. Introduction

Your National Executive Board has prepared this discussion paper to help members prepare and propose demands for negotiations with Canada Post Corporation beginning in 2023.

This paper outlines, in the next section, the background and context of the upcoming negotiations, and describes Canada Post's current situation and the current economic and political context within which we will negotiate. This paper also describes CUPW's approach to bargaining: the structure and principles that will guide us throughout the bargaining process.

The third section of this paper covers unresolved issues that have been on the table but unresolved in previous rounds of bargaining. The fourth section introduces new issues on which we may need to table demands.

The fifth section addresses some issues particular to RSMCs and others particular to the Urban unit. Even when we are successful in our goal of uniting the bargaining units, we will need to include language that addresses specific conditions, just as the urban collective agreement has specific provisions for groups one, two, three and four.

2. Previous rounds – background and context

2016, Pay Equity Process

2016 was the last time we reached a collective agreement by negotiated settlement. At the same time, we got an agreement between CPC and CUPW on a process to achieve pay equity for RSMCs through an arbitrated process – a process that was scheduled to reach a result far quicker than the process under our federal pay equity legislation. This process was completed and RSMCs gained pay equity with letter carriers in 2018. However, this process did not lead to equality when taking into consideration the specific RSMC working conditions.

2017-2018

Bill C-89, which legislated us back to work after the 2018 strike, provided for an arbitrated settlement that was to be rendered within 90 days of the legislation. After an exhaustive process, we got the decision in June 2020.

Arbitrator MacPherson's decision imposed an Urban contract until January 31, 2022 and an RSMC contract expiring December 31, 2021. The decisions stipulated wage increases for the four years with retroactivity; preserved our Cost of Living Allowance (COLA); increased contributions to the Education Fund; provided for temps who work 1000 hours in a calendar year to move up a pay increment; improved staffing rules; improved restructure rules; partially

addressing overburdening for Letter Carriers; new overtime rules and job security for RSMCs; Post-Retirement Health Care Benefits for RSMCs; and many other changes.

A number of these things were in response to demands by CUPW during the 2017-18 negotiations, but we must keep in mind that we gained these things through making strong cases in interest arbitration. The arbitrator was also aware of the 2018 strike action, and therefore of the membership's strong support for the union's demands. Our aim in this coming round, as always, is for a negotiated collective agreement.

Issues that the MacPherson decision did not address include pay for all hours worked and guaranteed hours for RSMCs, health and safety concerns of letter carriers, access to staffing information for Group 1, and wage adjustments for Groups 3 and 4.

[Renewal agreements 2021](#)

In 2021, while our process to prepare for bargaining was underway, and with the COVID-19 pandemic very much in the foreground, Canada Post approached CUPW with a proposal to renew the Urban and RSMC agreements for an additional two years. The NEB considered these proposals carefully and eventually recommended them for ratification, after discussing some details and improvements with CPC management.

We had several reasons for recommending the agreements: They preserved the stability of existing collective agreements in a very uncertain time for our members – the second year of COVID-19. It included pensionable wage increases and continued the COLA. They improved job security. They extended the ban on forceback overtime. They allowed for enough stability for the pilot on financial services to move ahead. And the renewal agreement created a forum to work on work measurement and a transition to an hourly wage for RSMCs, among other improvements.

The membership ratified these agreements in September of 2021, and the renewal agreements expire January 31, 2024 for Urban members and December 31, 2023 for RSMC members.

Following the ratification, the economy took an unforeseen turn, with considerable hikes in interest rates and an inflation rate unparalleled since the 1980s. Solutions will have to be found. This will be addressed below.

[Current Situation at CPC](#)

Canada Post Corporation is required to be financially self-sufficient. During the pandemic this was impossible, and CPC has reported significant financial losses despite increased parcel volumes. It is still impossible to predict what the future financial situation will be in a fully post-pandemic world, with lower labour costs resulting from reduced paid leave and higher interest rates. Still, it is very likely CPC will use their past financial losses to justify taking a hard line in negotiations.

CPC is also introducing numerous tech change and automation initiatives, despite our existing tech change language, as CPC claims in consultation that each initiative has no impact on staffing or health & safety, or that the said changes do not fall under the definition of a technological change according to some arbitration decisions. We should be prepared to deal with additional major changes to work processes and equipment. These changes may reduce jobs in our bargaining units and have implications for health and safety. We should demand a share of the benefits of automation in the form of increased compensation and improved working conditions.

Economic Context

We must remember that bargaining comes at a time when the world may be in global recession. Domestically, while CPC continues to deal with financial effects of the pandemic, they also, like other large operations, face ongoing supply-chain issues and a labour market that still poses difficulties for staffing.

Our goals, in this context, will include improving compensation and working conditions to help keep up with the skyrocketing cost of living. We will also focus on service expansion and other initiatives to make the operation more financially robust and resilient.

Political Context

The federal Government is the shareholder of Canada Post Corporation – it is publicly owned, which means that the federal government’s political agenda has an influence on who is appointed to run Canada Post and how they behave.

Some of our provincial governments, too, have recently attacked worker rights or undermined them with regressive legislation, and confronted the labour movement.

Canada, like other parts of the world, is seeing an ongoing rise of a populist right wing. Some members who voted for the current Liberal government may view this government differently after what we’ve been through in the last few years.

We must remember that each time the Conservative Party is in power, the public service offered by Canada Post, and our jobs, come under heavy fire. Whether under Brian Mulroney, from 1984 to 1992, when corporate postal outlets were shut down and handed to the private sector, thereby contracting out direct services to the population, or under Stephen Harper, whose plan was to eliminate door-to-door delivery and privatize the post office.

We consistently push back against violations of our right to free and fair collective bargaining, and we are currently before the courts challenging the 2018 back-to-work legislation.

At this moment, though, the Liberal and NDP parties have reached a Supply and Confidence Arrangement in which the NDP pledges to support the Liberal minority government as long as

the Liberals advance certain NDP policy and legislative issues, including a number that are good for workers. This alliance between the centre and left of the House of Commons will likely be an important part of the background for our bargaining.

CUPW approach to bargaining

CUPW's approach to collective bargaining is highly democratic, from the formulation of demands and their ratification all the way through to ratification of negotiated agreements, and with a priority on keeping members informed and engaged the whole time.

This process is guided by our National Constitution. Your negotiating committee and your National Executive Board work closely throughout the process. If you haven't been involved in the process before, this is a good opportunity to get more involved with CUPW. Collective bargaining is the core of union work, and directly affects each members' everyday working conditions.

3. Unresolved/Ongoing Issues

As mentioned, we've been working under contracts imposed by interest arbitration, and some of our issues from previous rounds of bargaining are not resolved. Our aim in this upcoming round is for a freely negotiated settlement that addresses outstanding issues.

One Collective Agreement

It's been our goal for several rounds of bargaining to negotiate a single collective agreement for all our members employed by Canada Post Corporation. Following the pay equity victory, the MacPherson arbitrated settlements, there is no need to have separate collective agreements for Urban and RSMC members. It is time that workers who work for the same employer, represented by the same union, have the same collective agreement.

Until we achieve this, we have established a practice of negotiating as one unified committee of urban and RSMC negotiators. We will however need separate programs of demands and separate ratification votes. At the bargaining table, and in our decision-making processes, we will be united and strong.

Having the same collective agreement will not, by itself, guarantee the elimination of all inequities between RSMCs and letter carriers. The negotiating committees will have to identify all of the areas where there are inequities and eliminate them where it is appropriate to do so.

In the past when we integrated five different groups into the same collective agreement, we initially maintained a distinction between Groups for bidding on positions. It may be appropriate to do likewise so that members in each former bargaining unit will continue to have preferential seniority rights when it comes to filling of positions in the Group. Transfers (by seniority) would be permitted to fill positions prior to hiring from the street.

We should consider the following potential solutions:

- Negotiate one collective agreement to cover all members of Urban and RSMC bargaining units;
- Eliminate or reduce all differences wherever possible and appropriate;
- Maintain distinction between Groups (Urban and RSMC) for bidding on positions;
- Transfers (by seniority) permitted to fill positions prior to hiring from the street.

Job Security

Beyond our no lay-offs clause, job security has other aspects that we should fight to improve:

- The most effective way to protect jobs at Canada Post is to ensure that high quality postal services are provided daily to the public. Fighting against closures and contracting out, and struggling for expansion of services are the best ways that postal workers can protect our jobs and also ensure that CPC continues to provide universal public service.
- Also regarding job security, wherever possible, we need to keep local mail processing in the local community. From an environmental perspective, it makes no sense to transport mail to larger communities and back when local processing would be quicker. It's time to keep decent jobs in struggling communities.

CUS: Parcel delivery is contracted out in some communities and in areas with Combined Urban Services (CUS), as is the shuttling of mail over short distances between plants, airports and postal facilities. This is part of our core work and should be integrated into in-house operations.

Vehicle Maintenance: Canada Post's fleet has grown since the introduction of postal transformation, but the number of mechanics in the garages has not. Despite protections in Appendix I, maintenance work on the light fleet is regularly contracted out in many cities – even where we have garages. Also, the repair and maintenance of the heavy vehicles – the 5-ton trucks and tractor-trailers – is all contracted-out in many cities. In many cases, this work can be brought into existing garages with modest changes to the workspace and some improvements to Appendix "I" to include more than the routine maintenance of vehicles. In other cases, new garages may be needed.

By contracting-in much of the light and heavy vehicle repair and maintenance, we can create new mechanic positions and save the corporation money.

Wages + Benefits

In recent rounds of bargaining we were able to turn the corner away from concessions, and to negotiate modest benefit improvements and wage increases. Now that inflation has exceeded our increases, the COLA has become more important than ever (more on that below in Section 4).

It is always useful if Locals identify specific needed improvements within the Extended Health Care Plan and the Dental Plan so that we can create workable proposals at the table.

Staffing, Scheduling

The biggest threat to jobs in Groups 3 and 4 is the reduction in planned maintenance of equipment, and the limits placed on the definition of what constitutes national equipment and maintenance. Technical Services of Canada Post began implementing a new model of “just in time” or “condition-based” maintenance on the MLOCs in Toronto and Edmonton, and they plan to extend it to other facilities. Instead of performing maintenance according to time or volume of use, equipment will be monitored, and maintenance triggered when certain diagnostics reveal the need. On machines where this maintenance regime is being used, there is a huge build-up of dust. This puts operators and technicians both at risk when particulates, especially tiny deadly opioids like Carfentanil are routinely processed by our mail sortation equipment.

With fewer maintenance hours on the machines, CPC plans to delete MAM 11 positions through attrition.

We need to have an effective role in establishing maintenance requirements for all machines, based on manufactures’ guidelines that keeps all our members safe and allows us to have a role in establishing adequate staffing levels and secures our maintenance jobs.

During the 2016 round of bargaining, CPC proposed that all plant maintenance workers be scheduled for twelve-hour shifts and all members would be required to work on every weekend. CUPW believes that if there’s a problem, it should be addressed by better staffing, not extended hours of work. The Union successfully resisted this proposed rollback, and we must be prepared to resist if we see it again.

Health and Safety

Health and Safety issues are always part of our core work. Our members’ health and safety at work must become more of a priority during negotiations and between rounds of bargaining. We are still concerned that the injury rate of CUPW members has actually increased in recent years, while public statements by CPC management claimed the opposite.

What are some specific measures that would improve our health and safety?:

- We need to improve the current “right to refuse” provisions in the RSMC CA, to ensure that workers can effectively exercise their right to refuse unsafe work.
- Overburdening of letter carriers due to fluctuating parcel volumes must be addressed. It makes no sense for letter carriers to get less time to deliver parcels than in the existing Mail Service Courier (MSC) system, especially considering that letter carriers generally have smaller vehicles which are less suited for parcel deliveries.
- The time given for parcel delivery should be calculated using the MSC Workload Structuring System, and flex part-time letter carriers should be structured to help with heavy parcel volume days.
- The two-bundle delivery system introduced as part of Postal Transformation has cut the time letter carriers are given for work inside the depot, and replaced this with more delivery time outside. The 2020 MacPherson decision gave carriers the right to merge manual and sequenced mail in their vehicle as long as it does not incur overtime. This helps some carriers, but we can demand that the Collective Agreement allow letter carriers to prepare their mail at the case to create single-bundle delivery.
- Group 1 workers should be entitled to fatigue mats on request. We would also be in a better position to implement the Burkett arbitration decision if we add provisions in the CA for the ergonomic study of work methods and rotation of duties.
- We know there are negative health effects from evening work for Group 1, and we can propose demands that would reduce evening work and move more work to day shift.
- The rest pods in major plants should be enclosed and protected to reduce exposure to the noise and atmosphere of the work floor.

Management must stop treating injury reports as part of their public relations campaigns and start providing accurate information to Labour Canada. CUPW should be furnished with all injury and health and safety reports prior to their submission to Labour Canada.

Training/onboarding

CPC, like many other employers, continues to have staffing and retention issues. Some of this may be due to external factors in the job market, but there are also factors we can try to do something about.

New employees, often brought in as temporary workers, do not receive the training or mentoring they need to do their job efficiently or safely. The resulting high turnover rate means that staff is often not available to cover absences, leading to involuntary overtime by other

employees. A proper nationally-standardized and jointly-run (union and management) training and mentoring program, using peer-trainers and peer-mentors, would reduce turnover. It would increase job satisfaction, reduce injuries, cut overtime and save Canada Post money that is currently wasted hiring and training new employees only to have them quit.

Pay differential between new hires and those employees at the top of the wage scales, and the number of pay increment levels, also contribute to the very high turnover rate. The pay increment levels and the difference between that apply to RSMCs should also apply to members of the Urban Operations bargaining unit. Furthermore, temporary urban employees as well as RSMC On Call Relief Employees should be able to move through pay increments based solely on years of service.

Human Rights and Hiring Policy

Canada is a signatory to the Universal Declaration of Human Rights and its legally binding covenants. Employers have a responsibility to ensure that workplaces are free from discrimination. However, inequalities may often be entrenched in the workplace as a result of years of hiring practices that have excluded certain groups.

In Canada, we have both federal and provincial Human Rights Tribunals to which people can appeal if their human rights are being violated. However, this can be a difficult and costly process. By incorporating anti-discrimination measures into collective agreements, unions such as ours play a key role in the struggle to uphold basic human rights. Some collective agreement language addresses discrimination directly - for example, employment equity and the duty to accommodate. Other language advances human rights by applying an equity lens to broader issues such as pensions or health and safety.

Canada Post is required under the UPO collective agreement to conduct joint training with the union in accordance with Appendix HH, which lays out processes for Human Rights training and Indigenous hiring. The RSMC agreement, since the MacPherson decision, establishes a Workplace Diversity and Equity Committee.

However, it has been an uphill battle to get any real change or movement on these crucial issues. While new workers are supposed to get four-hour joint human rights training sessions, there is a significant backlog. We need more time and resources committed to our human rights training.

Appendix T

Appendix T of the Urban agreement created our joint committee on job creation, services expansion, innovation and change – along with a budget for joint pilot projects and specialists to create and implement projects. This committee is more important than ever, as it's where we can pilot service expansion, avoid contracting out of work, and take on other projects to diversify the service, build new revenue, and keep it relevant.

Appendix T has been on the bargaining table before, when CPC proposed to eliminate it. We need to defend Appendix T and make sure it is a place for joint creativity and innovation to make sure the postal service responds to peoples' changing needs.

Environment

In prior rounds of bargaining, CUPW has proposed various demands to reduce GHG emissions and other environmental impacts of the postal service. Notably, we've proposed joint environment committees – similar to the model of health and safety committees – and some other things in line with the Delivering Community Power vision of a sustainable public postal service.

Recently, CPC has taken some action: building new plants and buildings to LEED standards; committing to a 50% reduction in Scope 1 and 2 emissions by 2030; a fully-electric fleet by 2040; resulting in net-zero operations by 2050. This is positive action, but not enough. We could demand environmental audits of non-LEED buildings and training for members in Groups 3 and 4 to measure heat loss and recommend improvements.

Scope 3 emissions are supposed to be emissions beyond a corporation's control, but CPC insists on including emissions from RSMC vehicles in scope 3. RSMC emissions should be included in Scope 1. CPC's SBTi target is based on the path to a 1.5° increase on global temperatures, which is now known to be inadequate to avoid the worst effects of climate change.

With the largest retail network and delivery fleet in Canada, our public post office can have a big impact in transitioning to a more sustainable economy. We must expect more and we can make proposals in collective bargaining to improve and accelerate action on climate at CPC.

Franchises

Recent collective agreements have included protection from closure for a list of specific corporate retail locations (appendix I), and a continued moratorium on rural post office closures. Nonetheless, there is nothing to stop Canada Post Corporation from opening more franchises that compete with them. We have called this privatization by stealth, and we may consider proposing greater CA protections to resist this trend.

4. New Issues

COLA

Our Cost of Living Allowance (Urban clause 35.09, RSMC clause 33.06) is likely to be under a new level of scrutiny because of recent inflation. It has triggered and paid out more than once during the two-year renewal agreements, and it has been the subject of a national policy grievance.

When Arbitrator MacPherson determined wage increases after the 2018 back-to-work legislation, she set increases such that our COLA formula would protect us from wages shrinking due to inflation. But this is not necessarily the case – the COLA is an allowance, not an adjustment. If our wage increases amount to less than 5.33% greater than the CPI in the last month before the CA takes effect, then there is a possibility of inflation being higher than our wage increases without the allowance paying out. One way to address this would be by setting the trigger rate equivalent to our wage increases for each year of the collective agreement.

Also, COLA payments are not rolled into wage increases at the end of the contract – so it's not true *protection* against inflation, it's a lump-sum allowance designed to help *cope* with high inflation.

Either CUPW or Canada Post may choose to propose a new formula for calculating the Cost of Living Allowance, or switch to a Cost-of-living adjustment, which would actually adjust wages upward to compensate for inflation, and become part of the wage rates going forward.

Pension Plan – Changing Context

We have faced numerous challenges to our defined benefit pension plan (Urban Article 42, RSMC Article 22) – some from legislative changes, and some from CPC in negotiations.

In 2012 and 2016 we defended the defined benefit pension plan from employer-proposed rollbacks. The 2020 MacPherson award did not interfere with the pension plan, except to direct CPC and CUPW to discuss the viability of the plan. The 2021 renewal agreements also protected existing pension provisions.

The current situation is very different from recent rounds. In the last year, interest rates have fluctuated much more than they did during the last few collective agreements.

On one hand, this makes solvency deficit and the potential requirement special payments less of a concern for CPC – because in a higher interest rate climate, the plan's assets can more easily cover liabilities (the cost of future benefits). The federal government has also extended solvency Special Payment relief – lifting the requirement to make payments – until the end of 2024. The plan (at time of writing this paper – January 2023) has a very positive going-concern balance, and the solvency balance is in surplus.

On the other hand, the cost to the plan of indexation of benefits for current retirees will be greater than usual. This is of course good for our retired members, but it may also mean that Canada Post attacks pension costs at the bargaining table from a different angle this time. The fight to defend our defined benefit pension plan never stops.

5. Bargaining unit-specific issues

Issues Specific to Urban Unit

STDP, Personal Days, and Sick Leave

In 2021, the federal government legislated changes to the Canada Labour Code to add ten paid sick days per year for federally-regulated workers. In December 2022, the federal government released guidelines on how to interpret and implement these paid sick days. CPC and CUPW have not yet (at time of writing) agreed on the implementation. The addition of the 10 paid sick days and 5 personal days to the *Code* give us leverage to negotiate improvements in our personal days and STDP.

Letter Carrier Work Measurement

The Percentage of Coverage and Mail Volume Index have various problems that have led to overburdening of Letter Carriers and unpaid work. A study is underway, under Appendix KK of the Urban agreement, to verify and correct the formulas. Percentage of Coverage and Mail Volume Index counts must reflect reality, in order for letter carriers to be properly compensated, and to ensure that routes are structured so as to avoid overburdening.

The dynamic routing project that began June 2022 and runs until June 2023 is going well. Under this project, carriers have been paid for all work they did each day, CUPW is satisfied that the study showed we could benefit under dynamic routing and reduce overburdening. It would also allow for easy incorporation of time values for expanded services like senior check-in. Though CPC does not wish to continue the project, it shows potential and deserves further study.

We need to negotiate better parameters for neighbourhood mail, as indicated by the Publisac issue in Montreal. Publisac is not the only instance where neighbourhood mail products have posed problems to health and safety and overburdening.

Issues Specific to RSMC unit

Corporate Vehicles

CPC should provide vehicles for RSMC routes. This is connected to the issue of RSMCs subsidizing the Corporation by paying elevated gas prices, unlike urban members who drive vehicles that are maintained and fueled by CPC. It also has implications for encouraging CPC to cut GHG emissions by electrifying the fleet, and to bring RSMC vehicle emissions into Scope 1 of carbon emissions, where they belong.

8-Hour day

We need a guaranteed eight-hour day. RSMC routes are not currently structured for eight hours and assessed hours are not guaranteed.

Paid Breaks and Lunch

Part of gaining fully equal conditions with letter carriers will be to demand paid breaks and meal periods. This is part of the Work Content committee and the Hourly Rate committee in their work, but nothing coming out of these committees is agreed yet between the parties, so it is essential to have demands on these conditions.

All Regular Time Worked Pensionable

RSMCs' pensions are based on the hours of assessed time of their route, RSMCs extended regular hours are not pensionable. All regular hours paid should be pensionable, as part of reaching real equality with Urban Letter Carriers conditions.

There are numerous other RSMC-specific issues for which we should bring demands to the bargaining table:

- guaranteed 8 hours/day for PREs
- improve OCRE rights
- Vacation Leave – same language as urban for bidding and displacement
- Wage increase, improvement to COLA language
- Hourly rate, paid for assessed hours plus additional hours
- Employee Status
- Process for offering additional hours and OT similar to Urban LC
- Improve language in Appendices E and F
- Coverage for all absences
- Additional HH size/weight/payment categories
- Extended job security
- Improvement to EHCP
- Update training language
- Improve restructure process and have CPC-paid union observers
- Same process for utilizing personal days as urban
- Include Canadian Labour Code mandated leave in the CA

We must keep pushing in bargaining for full equality with Letter Carriers. We've made so much progress on this in recent years and we get ever closer to that goal.

6. Conclusion

The National Executive Board believes that this round is the time to resolve some of the major issues above. We have issues that went unresolved in previous rounds, partly because of back-to-work legislation that imposed arbitrated contracts, and partly because the employer's bargaining committee did not take all our proposals seriously.

We'll have to keep the pressure on, from the ground up, to press them to work toward solutions.

We wish members a healthy debate in local meetings to formulate demands and bring them forward to be considered for the national program of demands.

It's always good to ask oneself when proposing demands:

- Does this demand address a specific problem in a direct way?
- Does this demand solve a problem that is not already addressed in the collective agreement?
- Does this demand create any new problems while solving others?

These questions can get complicated, and the proposed demands that are the most clear, direct and specific will be most likely to go into the final program of demands.

Once demands are forwarded and discussed at regional conferences, and the negotiating committees are appointed, we will create and circulate a national program of demands for ratification by the membership.

The struggle continues!

/bk cope 225