The economic impact of the Canadian postal strike and lockout: Permanent economic damage or temporary inconvenience?

Prepared for the 20th Conference on Postal and Delivery Economics May 30th to June 2nd, 2012, Brighton, U.K.

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TABLE OF CONTENTS

1. Introduction	1
2. Historical Context	2
3. 2011 Strike, Lockout and Back-to-work Legislation	3
A. Background to the Dispute	3
B. Brief Description of the Dispute	4
4. Methodology	6
A. Summary and evaluation of print and online articles and other documen to the impact of the strikes and lockout	•
B. Investigation involving major business organizations	7
C. Survey on impact of the rotating strikes and lockout	7
D. Collection of financial and economic information relating to the impact of and lockout	
5. Findings	9
A. Canada's Federal Government	9
i) Summary and evaluation of what Canada's federal government said	9
B. Canada Post	13
i) Summary and evaluation of what Canada Post said	13
ii) Impact of strikes and lockout on finances	13
C. Business organizations	17
i) Summary and evaluation of what business organizations said	17
D. Business	17
i) Summary and evaluation of what business said	17
ii) Survey results	18
E. Charities and Non Profits	19
i) Summary and evaluation of what charities and non-profit groups said	19
ii) Survey results	20
iii) Impact on finances of charities (This section was updated November	-
	21

F. Seniors	. 22
i) Summary and evaluation of what seniors' organizations said	. 22
ii) Survey results	. 23
G. Rural and remote	. 23
i) Summary and evaluation of what rural and remote groups and businesses said.	. 23
ii) Survey results	. 24
H. Polls	. 24
i) Summary and evaluation of what polls said	. 24
I. Economic Indictors	. 25
6. Conclusion	. 26
APPENDIX A	. 28
Chronology of the 2010/2011 negotiations between Canada Post and the Canadian Union of Postal Workers	. 28
APPENDIX B	
Description of how organizations and businesses were chosen for the survey	. 32
APPENDIX C	. 34
List of organizations and businesses surveyed, and responding to the survey on the impact of the postal strike and lockout	. 34
APPENDIX D	. 38
Questionnaire sent to businesses, charities and non-profit groups	. 38
APPENDIX E	. 40
Questionnaire sent to seniors groups and rural and remote organizations	. 40
APPENDIX F	. 42
What organizations, businesses and polls said	. 42
Endnotes	

1. INTRODUCTION

On June 2, 2011, following eight months of collective bargaining negotiations, the Canadian Union of Postal Workers (CUPW) initiated a series of rotating work stoppages conducted in various communities in Canada. On June 14, Canada Post Corporation (CPC) initiated a nation-wide lockout of 48,000 postal workers which completely stopped the delivery and processing of mail. Immediately following management's implementation of the lockout, the Canadian government announced it would introduce back-to-work legislation. The government claimed that the labour disruption was causing major economic damage.

It took about two weeks for the legislation to be adopted by the Parliament of Canada. During that period CPC maintained the full-scale national lockout, effectively denying postal service to the entire population. The only exception was on June 20, 2011 when postal workers delivered pension and social assistance cheques nation-wide as part of an agreement with Canada Post which had been negotiated in March 2011 as a result of an initiative of the union.

What was the economic impact of the postal strike and lockout? What impact did the suspension of postal services have on the financial well-being of Canada Post Corporation, the mailing industry, the public, seniors groups, rural organizations and the many small businesses and charities that claim to depend on the postal service? What evidence exists, if any, to support the numerous public statements made by postal management, politicians and business representatives that the impact of the service disruption was so great as to justify the denial of the rights of postal workers to free collective bargaining?

This paper examines these questions.

2. HISTORICAL CONTEXT

Since the passage of collective bargaining legislation in 1967 and prior to the 2011 industrial dispute, there had been twenty-one national rounds of collective bargaining between CPC management and the major unions representing operational employees. Of these, eleven were successfully negotiated without strike or lockouts. Altogether there were ten legal national work stoppages which impacted directly on mail operations at Canada Post prior to the 2011 dispute. In most of these disputes, the unions engaged in "rotating strikes" which involved stopping production in one or several communities, for one day at a time. On four occasions, 1978, 1987, 1991 and 1997 the government introduced back-to-work legislation. On six occasions, the strikes were ended as a result of a negotiated settlement.

By far, the two most significant strikes, from the perspective of service disruption, occurred during 1975 and 1981. Both of these strikes were led by the CUPW and resulted in shutting down national operations for 42 days whereas none of the other disputes involved more than 17 days of mostly localized one-day disruptions. Both the 1975 and 1981 strikes were settled at the bargaining table without any government threat of back-to-work legislation.

Although some representatives of business organizations made quite extravagant claims of financial hardship resulting from the strike actions in both 1975 and 1981, there is little evidence that this was based on reality. In 1981, after five weeks of strike activity, the president of the Canadian Federation of Independent Business (CFIB), John Bullock, claimed that 3,000 businesses had gone or were going bankrupt as a result of the strike. Government statistics later revealed that bankruptcies in Canada actually decreased to a number below 600 during the strike and the CFIB later admitted that it did not know of one bankruptcy resulting from the strike.

The 1975 and 1981 strikes also did not have any long-lasting impact of mail volumes. Volumes decreased during the year of the strike, but in both cases, the volumes in the year following the strike were greater than the year preceding it.

A. BACKGROUND TO THE DISPUTE

Prior to the 2011 strikes and lockout, Canada Post had a very commendable record with respect to service and finances. The post office had experienced sixteen consecutive profitable years with both 2009 and 2010 setting records for profitability. During this period, CPC earned over \$2.1 billion in profits and returned \$1.1 billion to the government in the form of income tax and dividends. This positive financial performance was achieved while maintaining postal rates which were extremely low by international standards. During the thirty years since being restructured as a Crown corporation in 1981, CPC managed to hold the rate increases of letters to a level which was 75% of the overall increase in the Consumer Price Index.

Even more remarkable is the fact that CPC managed to maintain, and even increase its rate of profitability during the years when letter volumes continued to decline. This was, in part, achieved by a very strong increase in productivity in mail processing and delivery.

Despite a reputation for labour relations conflict, prior to 2011, the CUPW had not been on strike since 1997. The union and management had successfully negotiated collective agreements in 2000, 2003, and 2007. During this period, the parties worked jointly on several initiatives designed to expand postal services, increase efficiency and improve employee health and safety. These initiatives included the establishment of several jointly administered pilot projects which tested proposals of both the union and management. One result of these projects was an agreement, in 2003, to contract-in parcel delivery as part of a new delivery model requiring changes in employee's duties and job descriptions.

What then led the parties to a negotiations impasse? While it is impossible to determine with any certainty what factors were directly responsible for the failure of negotiations, there are a number of likely candidates.

• In 2007, CPC announced that it was planning to invest more than \$2 billion in new plants, processing technology and vehicles. This program, known as "Postal Transformation" includes the electronic sequencing of mail to the line of delivery and motorization of the majority of letter carrier routes. The parties have been unable to come to an agreement over the changes to the work process for letter carriers and issues concerning the working conditions of mail processing workers resulting from this program. These health and safety concerns were major issues of dispute during the bargaining.

- In 2008, mail volumes began to decline. The impact of electronic diversion, combined with the economic downturn of 2008-2010 resulted in a decline in all classes of mail, which has continued.
- While CUPW based its bargaining demands on three basic principles respect, equality and a share of the benefits of new technology – the corporation took a much different approach. Canada Post management came to the bargaining with unprecedented demands for concessions, including two-tier benefits, a 26% reduction in the starting salary, a defined-contribution pension for new hires, replacement of the sick leave plan with a short term disability plan for all employees and many other concessions.
- The union came to the bargaining table determined to address the health and safety concerns resulting from the new work process associated with the Postal Transformation program. It also had proposals for Canada Post to expand into financial and banking services and increase regular staffing so as to reduce reliance on casual labour and overtime.
- The May 2, 2011 election of a Conservative majority government with 39.6% of the vote.

There can be no doubt that all of these factors placed additional strains on what are usually difficult and complex negotiations.

B. BRIEF DESCRIPTION OF THE DISPUTE

On October 4, 2010, in accordance with Canadian labour legislation, CUPW served notice to Canada Post Corporation to begin bargaining a new collective agreement to replace the one which was to expire on January 31, 2011. In April 2011, CUPW members voted 94.5% in favour of providing the union with a mandate to undertake strike action if it was necessary to obtain a collective agreement that met the needs of postal workers. Both the percentage of the membership voting "yes" and the membership participation in this secret ballot vote was the highest in the union's history. On May 30, 2011, after more than seven months of difficult negotiations, the Union provided the employer with the legally required 72 hours notice of its intent to strike if there was no settlement.

On June 2, 2011 the union began a series of rotating strikes to put pressure on Canada Post while minimizing service disruption. The union first struck in Winnipeg for 24 hours. During the next 12 days, approximately thirty-two per cent of the Canadian population

experienced a one-day disruption in the home delivery of mail. Residents of many major cities, including Ottawa, Vancouver and Toronto experienced no cessation of delivery as a result of the union's actions. The response of Canada Post management was to announce, on June 8th, that it was reducing delivery to three days per week in urban areas.

On June 10th, the federal Minister of Labour, Lisa Raitt, proposed to both parties that they temporarily end the service disruption. She requested that Canada Post suspend its service cuts and CUPW suspend its rotating strikes in order to focus on negotiating a settlement. CUPW agreed to suspend strike activity; however, Canada Post management rejected the request of the Minister.

Four days later, during the evening of June 14th, with only 23 employees on strike nationwide, CPC management announced that it was shutting down all operations and locking-out all 48,000 CUPW members.

The very next day, on June 15th, the Labour Minister announced that the government would introduce legislation to end the lockout. The legislation, which received first reading in Parliament on June 20th, included a process of final offer arbitration and imposed wage increases that were below Canada Post's last offer at the bargaining table. On the same day, postal workers across the country delivered pension and social assistance cheques in spite of being locked-out by Canada Post and being legislated back-to-work by the government.

On June 25, 2011, the legislation finally passed in the House of Commons by a vote of 158 to 112. It received Royal Assent on June 26th and CUPW members returned to work during the following days. During the two week period of the lockout, CPC management refused all requests that it resume postal operations even though the passage of the legislation was assured due to the support of the majority government.¹

For a more detailed explanation of these events see: Appendix A: Chronology of the 2010/2011 Negotiations between Canada Post and the Canadian Union of Postal Workers.

4. METHODOLOGY

CUPW examined the economic impact of the rotating strikes and lockout, as well as other impacts, using four methods. The union:

- Summarized and evaluated print and online articles and other documents referring to the impact of the strikes and lockout.
- Conducted an investigation into the most serious claims of business organizations.
- Conducted a survey on the impact of the strikes and lockout and summarized the results of this survey.
- Collected and analyzed financial and economic information on the impact of the strikes and lockout.

A. SUMMARY AND EVALUATION OF PRINT AND ONLINE ARTICLES AND OTHER DOCUMENTS REFERRING TO THE IMPACT OF THE STRIKES AND LOCKOUT

CUPW reviewed print and online newspaper articles it collected just before, during and after the work disruption. The union summarized what the following parties said about the economic impact of the strikes, as well as other impacts:

- 1. Canada's federal government
- 2. Canada Post
- 3. Business organizations
- 4. Businesses
- 5. Charities and non-profit groups
- 6. Seniors groups
- 7. Rural interest groups and organizations or businesses based in remote and rural areas.
- 8. Polls

CUPW also summarized and evaluated what parties said in media releases, letters, emails and on some websites.

B. INVESTIGATION INVOLVING MAJOR BUSINESS ORGANIZATIONS

In addition to summarizing what business organizations said in the media and to the union, CUPW contacted five major business organizations representing small businesses, magazines, direct marketers, large volume mailers, and printers and related businesses. These organizations had raised specific concerns about lay offs and economic hardship during the strikes and lockout. The union asked them what actually happened during the postal disruption and summarized the results of this investigation.

C. SURVEY ON IMPACT OF THE ROTATING STRIKES AND LOCKOUT

CUPW mailed or emailed questionnaires to 65 charities, non-profit organizations, businesses, seniors groups and rural or remote groups (See Appendix B: Description of How Organizations and Businesses Were Chosen for the Survey and Appendix C: List of Organizations and Businesses Surveyed, and Responding to the Survey on the Impact of the Postal Strike and Lockout).

One questionnaire asked businesses, charities and non-profit groups whether they experienced unrecoverable losses in donations or revenues during CUPW's rotating strikes and/or Canada Post's nationwide lockout of postal workers. It also asked them to estimate the amount lost and provide supporting documentation if possible (See Appendix D: Questionnaire sent to businesses, charities and non-profit groups).

Another questionnaire asked seniors groups and rural and remote organizations if they were negatively affected by the rotating strikes and/or lockout. It also asked them to explain how they were negatively affected (See Appendix E: Questionnaire sent seniors groups and rural and remote organizations).

Both questionnaires asked whether there was a significant switch to online transactions as a result of the strikes and/or lockout.

After a month, the union called organizations that had not responded to the survey to ask whether groups would be responding.

The union summarized and evaluated the information provided by the businesses and organizations that filled out questionnaires.

Response to survey

Nineteen (19) out of 65 groups responded to the survey (29 %): 4 out of 13 charities and non-profit organizations (31 %); 5 out of 22 businesses (23 %); 5 out of 13 seniors groups (38 %); and 5 out of 17 rural or remote groups (29 %).

D. COLLECTION OF FINANCIAL AND ECONOMIC INFORMATION RELATING TO THE IMPACT OF THE STRIKES AND LOCKOUT

The union collected additional information on the financial impact of the strikes and lockout.

CUPW looked at the annual reports of the six charities that issued media releases before and during the strikes and lockout. It examined their annual reports for the period covering the strikes and lockout as well as their reports from the previous year.

The union also reviewed and summarized Canada Post's revenues and volumes for the period prior to, and after the dispute.

As well, it looked at economic indicators for June 2011.

A. CANADA'S FEDERAL GOVERNMENT

i) Summary and evaluation of what Canada's federal government said

The federal government expressed its concern about the economic impact of a postal disruption from the moment CUPW gave legal notice of its intent to strike.

When the union gave notice on May 30, 2011, Canada's Labour Minister Lisa Raitt said, "Any work stoppage would impact Canada's economic well being."²

After the first week of rotating strikes, Raitt indicated that the strikes were beginning to have an effect. She said, "Eight days have gone by since CUPW began strike action.

Canadians and businesses are starting to feel the impact."

Once parliamentarians started debating the back-to-work legislation, she argued that, "...our economy cannot afford to deal with a postal disruption brought by the lockout. Consider the costs that we are all having to pay...A work stoppage could result in losses to our economy of between \$9 million and \$31 million per week. That means every day, more jobs at risk, more productivity lost, more challenges for business and more uncertainty for consumers." [emphasis added].⁴

During this period, Raitt also argued that the work disruption was more than an inconvenience, that the disruption was harming citizens and businesses and that the government had a legitimate case for acting in the public interest. She said:

"We must act because the impact on our economy is simply too great to ignore. Since the talks between CUPW members and their employer have broken down, our country is now suffering consequences. With respect to these consequences, for many it means a lot more than just the inconvenience of not having postal services. It means that an integral part of what keeps Canadian business moving and what puts money in the pockets of many citizens slows to a standstill. An interruption in reliable postal service matters. Small businesses invoice and get paid via the mail. Companies rely on the mail to issue bills, to process orders and to receive payment. Canadian publishers and direct marketers depend on the mail for their livelihood, and taxpayers are waiting for their tax refunds and HST rebates to arrive. They will all tell you that there is much at stake in this dispute. They will also tell you that these matters are well beyond labour relations at Canada Post. Our

citizens cannot afford to be left waiting, nor should they have to deal with the uncertainty. They should not be the ones to bear the brunt of a labour dispute that, for many months, has shown no signs of resolving itself... We have a legitimate case for acting in the public interest. Canada has persevered through a period of extraordinary difficulty in the global economy. We are taking these extraordinary measures only because no workable solution has been found. As well, as I said, we need to protect the economy." [emphasis added]⁵

In short, the federal government argued it had to legislate CUPW members back-to-work to protect Canadians and the economy. It also indicated that it had no other options.

Government had options

Labour Minister Lisa Raitt said that the government was taking the extraordinary measure of legislating postal workers back to work because no workable solution to the postal dispute had been found. The truth is that the government did not have to legislate CUPW members back to work to achieve its stated objective of protecting Canadians and the economy. CUPW had offered to return to work. On June 10, 2011, Raitt requested that Canada Post suspend its service cuts (eg. three day a week delivery) and that CUPW suspend its rotating strikes in order to focus on negotiating a settlement. Postal workers agreed to return to work on the condition that Canada Post reinstate its collective agreement, as it had done in a similar situation in 1991. But postal managers refused this offer. Surprisingly, the government made no visible effort to get them to reconsider.

What the law says

The *Canada Labour Code* says that, during a strike or lockout, unions and employers must provide goods or services "to prevent an immediate and serious danger to the safety or health of the public."⁶

There is no legal requirement to provide goods or services if the strike or lockout is having an economic impact.

A 1996 government task force reviewing the *Canada Labour Code* acknowledged that postal workers voluntarily maintain services that are essential to public health and safety. The union sorts and delivers pension and social assistance cheques in the event of a strike or lockout.⁷

The 1996 task force also commented on work disruptions that affect the public interest. It pointed out that Parliament needs a better and more visible ability to monitor the potential for public harm as disputes unfold, and that interfering in disruptions is often counterproductive, even if there is a large economic impact. The task force said:

"While Parliament has an important responsibility to protect the public interest, it is susceptible to influences from particular constituencies. The public or particular interests may be pressuring for a quick settlement because of their own legitimate needs. The economic impact may be tremendous. But they may not be in a position to appreciate the inadequacies of an imposed settlement mechanism to bring an enduring resolution to the dispute. They may also not be able to foresee the advantages of allowing the dispute to feel the competitive pressures that dictate realism. Further, the likelihood exists that the outstanding issues will resurface in the next round of bargaining or plague the administration of the collective agreement."

Impact of the rotating strikes, the lockout and back-to-work legislation on Canadians and the economy

While the government said it had a legitimate case for protecting Canadians and the economy, it did not appear to have much of a case when it signalled its intent to introduce back-to-work legislation in June 2011.

Between June 2^{nd} and June 14^{th} , CUPW conducted rotating strikes that only affected a handful of locations for one to two days at a time.

On June 10th, the government said that Canadians and businesses were *starting* to feel the impact of CUPW strike action. This suggests that even the government understood that there was not a large impact after eight days of rolling strikes.

But on June 14th, Canada Post locked out 48,000 CUPW members and suspended operations nationwide. Unlike the union, which had provided 72 hours notice of its intent to begin strike action, management did not give the public or business any warning of its intent to halt operations. As a result, a large volume of mail was trapped inside post offices and plants, including shipments containing live animals such as chicks and bees.

After only one day of a nationwide lockout and post office shutdown (on June 15th), the government gave notice of its intent to introduce back-to-work legislation. The legislation was introduced on June 20th and received Royal Assent on June 26th.

The government's decision to intervene made matters much worse for the public and postal workers. The back-to-work legislation imposed a punitive wage offer below Canada Post's last offer and a final offer selection arbitration process, which is normally considered to be the least effective way to resolve the kind of complex issues that arise during collective bargaining. The legislation, coupled with Canada Post management's refusal to reinstate postal service, also led to a protracted nationwide postal shutdown lasting almost two weeks.

No real assessment of impact

The government's decision to intervene in the postal dispute did not appear to be based on an assessment of public harm. Labour Minister Lisa Raitt made vague references to the harm caused by rotating strikes. She and other government representatives provided anecdotal information on the impact of the lockout. Raitt also claimed that the lockout could cost the economy between \$9 million and \$31 million per week, but did not provide any information on how the government arrived at this figure. In fact, there is no evidence indicating that the government did much of an assessment of public harm at all prior to deciding to legislate CUPW members back to work after just one day of a nationwide lockout.

It is no small thing to remove the right to bargain and strike. Workers fought, went to jail, and sometimes died, to win this right. It is a basic right in a free society. In a free society, people are not coerced to work under unacceptable conditions. These conditions must be negotiated.

Canada Post's reliance on coercion and imposed collective agreements is likely to have ongoing repercussions for the corporation as it attempts to transform itself into a modern post office that can meet the challenges of the future. Imposed settlements do not normally solve the problems that give rise to disputes, and these problems tend to get worse over time because they are not addressed. As well, they often reinforce tensions between employers and employees.

B. CANADA POST

i) Summary and evaluation of what Canada Post said

Canada Post warned that a postal strike would hurt millions of Canadians, especially, rural Canadians, seniors and small and medium-sized businesses.⁹

Once the rotating strikes started, it also complained about the financial impact of the work disruption on the corporation.

It is difficult to determine, with any great precision, exactly what the actual impact of the strikes and lockout was on the volumes and finances of Canada Post. The task is made even more difficult due to the wildly speculative and often contradictory statements made by Canada Post officials and government leaders. During the period of rotating strikes, Canada Post's public relations machine wasted no opportunity to talk about how the rotating work stoppages were threatening both the short and long-term financial viability of the corporation. By June 12, after 10 days of rotating strikes, spokespersons for Canada Post were claiming that it had lost \$65 million in direct revenue since the work stoppages began, including \$35 million in cancelled contracts. On June 14, CPC issued two press releases on the same day, one claiming a loss of \$70 million and the other a loss of \$100 million. ¹⁰

After the lockout, the projected losses were cited by CPC President Deepak Chopra as being in the "hundreds of millions of dollars". ¹¹

Attempting to justify the back-to-work legislation in the House of Commons on June 23rd, Kerry-Lynne D. Findlay, Parliamentary Secretary to the Minister of Justice, claimed that CPC estimated it was losing \$25 million per day. Steven Fletcher, Minister of State for Transport, appearing before the Senate on June 26, 2011, stated that Canada Post was losing about \$22 million to \$24 million a day before the lockout which was reduced to, \$10 million to \$12 million a day during the lockout.

ii) Impact of strikes and lockout on finances

These wildly inflated estimates may have been useful in creating the sense of crisis necessary to secure newspaper headlines and convince Conservative politicians to vote for back-to-work legislation, but, as seen in Table 1, they bore no semblance to reality. Canada Post Corporation has not published its financial performance for the month of June 2011, however the quarterly report which includes the period April-June 2011 reveals that the

strikes and lockout did not have a financial impact anywhere close to that predicted by management and the politicians.

The financial loss reported by CPC for the second quarter of 2011 (Q2), which included the labour disruption was \$35 million as compared to a gain of \$35 million during the previous year. It should be noted that the costs for this quarter included a one-time charge of \$63 million which had nothing to do with the labour disruption and instead related to amendments to the *Pension Benefits Standards Act* which governs CPC's pension. When this adjustment is considered, the actual overall financial performance of CPC in Q2 of 2011 was very similar to that of the previous year.

In its 2011 Quarter 3 report CPC reported that revenues were likely reduced by \$173 million due to the labour disruption. It also appears that total labour costs including benefits were actually reduced by \$102 million during the dispute and other operating costs were reduced by \$13 million for a total reduction of \$115 million. Therefore the total cost to CPC of the labour disruption, including the national lockout, was likely in the vicinity of \$58 million.

Table 1: Canada Post Segment Results for the Second Quarter

\$ (millions)	Q2 2011	Q2 2010	Change
Revenue from operations	1,342	1,450	(108)
Labour cost	677	787	(110)
Employee benefit costs*	291	220	71
Other costs	418	431	(13)
Total cost of operations*	1,386	1,438	(52)
Profit (loss) from operations*	(44)	12	(56)
Investing and financing income	0	11	(11)
Profit (loss) before taxes*	(44)	23	(56)
Tax Expense (Income)	(9)	(12)	3
Profit (Loss) *	(35)	35	(70)

^{* \$63} million one time adjustment due to PSBA and relevant regulation; Source: Canada Post Corporation

In May 2012, Canada Post released its 2011 Annual Report in which the corporation reported a \$327 million loss from postal operations for 2011, as opposed to a profit of \$33 million in 2010. Much fanfare was made of this figure as the corporation's media machine hyped it for all it was worth. However, it should be noted that the corporation's loss figure includes one time costs, including the \$63 million pension adjustment attributed to past service costs, and one time costs due to CPC losing a pay equity complaint before the Supreme Court of Canada. The Court's decision requires the corporation to make retroactive payments to administrative staff for the period 1983-2002. The one-time cost of this payment was included in the third quarter labour costs. Although CPC refuses to report the amount of money attributed to the equal pay decision, it is estimated to be in the range of \$170 – \$250 million. CPC has also acknowledged that the additional impact of the continued reduction in mail volumes not related to the industrial dispute had an impact on its financial performance. As seen in Table 2, much of the financial loss due to decline in volumes occurred in the fourth quarter. Considering all of these factors, it is very likely that the above estimate of \$58 million is close to the actual cost of the strikes and lockout.

Table 2: CPC: Percentage Volume Changes from Previous Year

Product	2011	2011* (9 months)	2010	2009	2008	2007
Transaction Mail	(3.9)	(2.6)	(4.0)	N/A**	(2.0)	(1.6)
Parcels	0.3	(1.9)	(0.3)	(4.9)	(4.6)	0.1
Direct Mail	(4.5)	(4.0)	0.1	(10.9)	0.9	4.4

^{*} Change from same period of 2010

Source: Canada Post Corporation

Determining accurate mail volumes is a challenge at the best of times in Canada. Canada Post is notorious for issuing deceptive comparisons and sometimes incorrect figures. 12

As seen from Table 2, it is difficult to calculate the long-term impact of the strikes and lockout on mail volumes. It can be determined that the major reduction in transaction mail occurred in the fourth quarter of 2011. This mirrors the experience of 2010 when the final quarter witnessed a considerable reduction in transaction mail over the same period in 2009.

^{**}Methodology change

The good news, if there is any at all for Canada Post Corporation, is that parcel volumes increased considerably during the fourth quarter of 2011, contrary to predictions of CPC representatives that the labour disruption would have an immediate and long term negative impact on the parcel business. It appears that this rebound in business has continued into 2012. Recent information provided to employees from Canada Post indicates that Canada Post's major customers operating in the business-to-consumer segment (home delivery) have increased their volume by 35% so far in 2012.

Given the steady movement towards electronic diversion of letters, especially with respect to financial transactions, it is impossible to estimate the magnitude of the long-term impact of this trend, which might be attributable to the labour disruption. There can be no question that the lockout resulted in some individuals moving to electronic payments in order to avoid interest charges. On June 27th, Canada's national newspaper, *The Globe and Mail* reported that many telecom and banking institutions were experiencing considerable increases in the numbers of customers signing up for online banking.¹³

However considering the volume data provided in Table 2, it would appear that other factors, such as the incentives offered by companies to encourage online bill payments, are likely to have a much more significant impact on mail volumes than the work disruption.

What was the impact on volumes during the rotating strike period? CPC repeatedly stated that volumes were reduced by 50%, however this number was hotly contested by local union officers who had access to the mail processing facilities. During the rotating strikes, the union frequently issued press releases disputing CPC's volume claims and issued photos of the large mail backlogs existing in many facilities.

The amount of mail available in the processing facilities when service resumed supports the union's contention that there was a large volume of mail in the system at the time that management locked out workers and prohibited any more processing and delivery. Even as late as July 7, 2011, CPC notified large volume mailers in major centers that it would temporarily suspend receiving any new volumes because there was no space available to induct mail because of the large volumes remaining from the rotating strike period. Canada Post also suspended all service guarantees until the backlog was cleared. Even as late as July 27th, a CPC spokesperson was admitting that the backlogs in Toronto and Montreal had not been completely cleared. Is

C. BUSINESS ORGANIZATIONS

i) Summary and evaluation of what business organizations said

Eight business organizations raised concerns in the media or with CUPW during the strikes and lockout. These organizations represent small businesses, magazines, direct marketers, large volume mailers, retailers, booksellers, insurance brokers and printers. The Canadian Federation of Independent Business (CFIB) and the National Association of Major Mail Users (NAMMU) were by far the loudest voices during this period.

Six organizations made public statements detailing the potential negative impacts that a work disruption would have on their industry. For example, prior to and during the rotating strikes, the CFIB claimed that the average small business could expect to experience financial losses of between \$200 and \$250 per day during a strike. Several other organizations speculated on the possibility of lay-offs in their sector. However, the only one to propose a specific number was NAMMU, which claimed that 15,000 layoffs had occurred by June 9, 2011. With the exception of the CFIB, all of the business organizations remained neutral on the issues in dispute between the parties.

In the months following the postal disruption, CUPW contacted five organizations to request specific details concerning the actual impact of the strikes and lockout on their sector. While several repeated earlier general claims of hardship, none of them were able to back up their claims with specific examples. NAMMU reported that it was conducting a survey of its members and had identified layoff situations but was unable to provide any examples as of May 7, 2012. The CFIB replied that its estimate of financial hardship was actually drawn from a study conducted in November 1997 during a full-scale postal strike during the Christmas shopping period. It did not explain how this number might be applicable to one to two day rotating strikes held in June. (See Appendix F: What Organizations, Businesses and Polls Said) ¹⁵

D. BUSINESS

i) Summary and evaluation of what business said

Businesses were very vocal during the rotating strikes and lockout, especially online businesses. Some indicated that the strike or lockout had increased shipping costs because they had switched to couriers. Others said they could not afford to take this measure. A number of businesses expressed concerns about shipping delays. Some said that sales had

slowed or dried up because customers were not making orders, believing that their purchases would not get to them. One business said the rotating strikes had no effect but that the lockout had hurt his business. Quite a few businesses noted that many people and organizations still rely on cheques which are sent through the mail and that the rotating strikes would delay or had delayed customer payments. Some mentioned that they picked up cheques during the postal disruption. One business pointed out that the lockout made matters worse. A few indicated they were not worried by the postal dispute or would find ways of functioning.

While many businesses complained of increased costs and lost sales, no business stated it had experienced permanent harm as a result of the postal disruption. However, a few owners claimed that the viability of their business was or would be significantly affected. On the first day of the rotating strikes, one business announced it would temporarily cease operations and another said that a longer strike would be "devastating". These reactions could be classified as surprising and questionable since postal service had only been shut down for 24 hours in one location at this point. As well, one business owner said the lockout made matters "much worse" and that he might as well look for another job if the mail stoppage was prolonged (See Appendix F: What Organizations, Businesses and Polls Said)¹⁶

ii) Survey results

Five (5) out of 22 businesses (23 %) responded to CUPW's survey on the economic impact of the four-week disruption in postal services. One said it went out of business as a result of the lockout, not the rotating strikes.

Glacier Wind Specialties did not know whether it experienced unrecoverable losses in revenues during the rotating strikes and the lockout.

Maritimes Hobbies and Crafts said it did not experience unrecoverable losses.

Matt McDougall, owner of *Moviemat Entertainment Ltd.*, said the rotating strikes had no effect, but that the lockout forced him to close down his 19 year old family business, which was already hurting from tough economic times. He said, "The behind closed doors agreements between Harper and the CPC management resulted in the lockout that finished us." He also said revenue for the last two weeks of June is normally \$65,000 to \$70,000 and that it was zero in 2011.

Birds and Beans said it lost \$1,500 during the rotating strikes and \$1,500 during the lockout.

Lee Valley Tools said it lost \$148,000 during the rotating strikes and \$177,000 during the lockout (Note: Annual sales at Lee Valley Tools are estimated at \$100 million.).

Switch to online

Three of the five business said they did not experience a significant and lasting switch to online transactions as a result of the strikes and/or lockout (Maritimes Hobbies and Crafts, Glacier Winds Specialties, Lee Valley Tools) One business said it did (Birds and Bees). Another did not answer this question as it was no longer operating. (Moviemat Entertainment Ltd.)

E. CHARITIES AND NON PROFITS

i) Summary and evaluation of what charities and non-profit groups said

Charities were very vocal during the postal disruption. Most charities said that a large proportion of people still send donations through the mail and therefore rotating strikes could or would hurt their organizations financially and threaten the services they provide.

Quite a few charities expressed their concern right from the start of rotating strikes, or just prior to strike action, while some commented during the lockout. Six charities appeared to use the postal disruption as a marketing opportunity. They issued media releases about the postal disruption and encouraged people to make donations by phone or online. CUPW received one message from a donor who had contacted a charity to complain that the organization was using the postal strike as a marketing tool to generate sympathy and donations. One charity indicated the strike would not be a problem unless it went into summer. The President of this charity issued a message to staff pointing out that the organization does not take sides in labour disputes and that it would have preferred a negotiated settlement.

Non-profit organizations that rely on fundraising through the mail were less vocal. One non-profit wrote a letter to CUPW, indicating a desire for a negotiated settlement but support for a strike if it was necessary (See Appendix F: What Organizations, Businesses and Polls Said). ¹⁷

ii) Survey results

Four (4) out of 13 charities and non-profit organizations (31 %) responded to CUPW's survey on the economic impact of the four-week disruption in postal services.

United Way Centraide Canada (UWCC) said they did not experienced unrecoverable losses in donations during the rotating strikes. UWCC President Al Hatton said "Any cheques would simply have been delivered slightly later and, given our campaign period takes place in the fall, we would not have been significantly affected." He said that he is not sure if the organization lost any revenue during the lockout. Hatton indicated that over 56 per cent of the national campaign comes from individual workplace donations submitted through payroll deductions. He was not sure if the UWCC lost payroll pledges from locked-out postal workers. He also noted that the UWCC loses donations due to retirements, layoffs and other departures on a regular basis and that he had not received any complaints from local United Ways about losses during the lockout period.

Hatton also took the opportunity to clarify UWCC's position on the postal disruption. He said that even though a local United Way had expressed concerns during the lockout about the potential impact of the dispute, the UWCC had never suggested that government action was necessary. Hatton said "we are extremely proud of our relationship with organized labour and we support the rights of working people."

The Union Gospel Mission said it did not experience unrecoverable losses in donations during the rotating strikes but that it lost \$50,000 during the lockout.

The Council of Canadians said it lost \$25,000 in donations during the rotating strikes and \$25,000 during the lockout.

Oxfam said it experienced unrecoverable losses in donations during the rotating strikes. It did not provide an amount lost during this period. It said it lost \$32,985 during the lockout.

Switch to online

One charity and one non-profit said they did not experience a significant and lasting switch to online transactions as a result of the strikes and/or lockout (Union Gospel Mission, Council of Canadians). One charity did not know if it experienced a switch (United Way Centraide Canada). One charity did not respond to the online question (Oxfam).

iii) Impact on finances of charities (This section was updated November 21, 2012)

CUPW examined the annual reports of the six charities that issued media releases during the postal disruption to find out if they had suffered a donation shortfall in 2011. That is, the union looked at whether these charities had received fewer donations in 2011 than they had in 2010.

A shortfall in donations could indicate that the charities experienced losses as a result of the postal disruption (Note: Annual reports do not include monthly figures for donations so it is not possible to determine what month or months are responsible for any decline in donations). A level or increased level of donations could indicate that people simply put off giving donations to these charities until after the work stoppage.

As seen in Table 3, four out of six charities had an increase in donations according to annual reports covering the strike/lock-out period (Canadian National Institute for the Blind, the Yonge Street Mission, the Canadian Wildlife Federation and Samaritan's Purse) and two had a decrease (the Billy Graham Evangelistic Association of Canada and the Union Gospel Mission). The fiscal year end for the Union Gospel Mission is June 30th, so it is not clear whether people gave in the months following June, instead of in June. The survey response from this charity indicated the organization did not experience unrecoverable losses in donations during the rotating strikes, but that it lost \$50,000 during the lockout.

In short, most charities did not experience a decline in donations as a result of the 2011 postal disruption.

Table 3: Donations or contributions to charities that issued media releases about the postal strike or lockout (updated November 21, 2012)

	2009 or 2009/10	2010 or 2010/11	2011 or 2011/12
Union Gospel Mission Year ends June 30	\$12,403,364	\$11,001,125*	
Samaritan's Purse Year ends Dec. 31	\$ 16,427,766	\$21,852,799	\$23,796,055*
Billy Graham Evangelistic Association of Canada** Year ends Dec. 31	\$4,658,387	\$4,867,623	\$4, 319,255*
Canadian National Institute for the Blind Year ends March 31	\$33,542,000	\$28,451,000	\$30,342,000*
Yonge Street Mission Year ends Sept. 31	4,773,790	\$5,188,946	\$5,455,645*
Canadian Wildlife Federation*** Year ends Feb 28	\$12,130,000	\$10,508,000	\$12,357,000*

^{*} Indicates annual report covering strike-lockout period.

F. SENIORS

i) Summary and evaluation of what seniors' organizations said

Only a few seniors' organizations expressed their views just before or during the postal disruption. One group indicated that a strike would be very unsettling. Two groups expressed support for CUPW negotiations, although one of these organizations hoped that service would not be interrupted (See Appendix F: What Organizations, Businesses and Polls Said). ¹⁸

^{**} Includes donations to General fund and Ministry fund

ii) Survey results

Five (5) out of 13 seniors groups (38 %) responded to CUPW's survey on the impact of the four-week disruption in postal services.

South Winnipeg Senior Resource Council said it did not know if it was negatively affected by CUPW's rotating strikes and Canada Post's nationwide lockout of postal workers.

N.D.G. Senior Citizens' Council said that it was not negatively affected by the strikes or lockout.

The Congress of Union Retirees of Canada and **National Pensioners and Senior Citizens Federation** said they were negatively affected by the lockout, but not the rotating strikes.

The Federation said the lockout caused a delay in the organization's summer newsletter while the Congress said the lockout resulted in a lack of mail at home and at the office.

The Saskatchewan Seniors Mechanism said it was negatively affected by both the rotating strikes and lockout. It mentioned that both of these events interfered with the receipt of nominations for an awards program with a June 15th deadline.

Switch to online

Three groups said that a significant proportion of people belonging to or represented by their organization did *not* permanently switch to online bill payments or other transactions as a result of the strikes or lockout (South Winnipeg Senior Resource Council, N.D.G. Senior Citizens' Council, National Pensioners and Senior Citizens Federation). Two groups did not know if a significant proportion their members had switched (Congress of Union Retirees, The Saskatchewan Seniors Mechanism).

G. RURAL AND REMOTE

i) Summary and evaluation of what rural and remote groups and businesses said

Rural interest groups and organizations or businesses based in remote and rural areas were quite silent during the rotating strikes and lockout. At the beginning of the lockout, one remote-based business commented on how costs would rise if they were not able to ship through Canada Post (See Appendix F: What Organizations, Businesses and Polls Said). ¹⁹

ii) Survey results

Five (5) out of 17 rural or remote groups (29 %) responded to CUPW's survey on the impact of the four-week disruption in postal services.

The Manitoba Women's Institute and **Chicken Farmers of Nova Scotia** said they were not negatively affected by CUPW's rotating strikes and Canada Post's nationwide lockout of postal workers.

The Congress of Aboriginal Peoples and Alberta Rural Development Network said they were negatively affected by the lockout, but not the rotating strikes. The Congress mentioned that the lockout caused delays in paying suppliers. The Network said "Canada Post is very important to us" and that it was "a long time for a small NFP organization not to get mail".

Inuit Tapiriit Kanatami said it was negatively affected by both the rotating strikes and lockout. It said it did not receive mail during the strikes and did not receive mail and cheques during the lockout.

Switch to online

All five organizations said that a significant proportion of people belonging to or represented by their organization did *not* permanently switch to online bill payments or other transactions as a result of the strikes or lockout.

H. POLLS

i) Summary and evaluation of what polls said

During the lockout, *Forum Research* conducted a poll on the back-to-work legislation and postal privatization by using an interactive voice response random telephone polling technique. It found that seventy 70 per cent of respondents favoured back-to-work legislation to end "the strike" and 65 per cent opposed privatization.

Forum Research suggested the postal disruption was impacting the public to the extent that people supported back-to-work legislation, but not privatization of Canada Post. At the time, it said, "These findings indicate that Canada Post employees are losing the support and patience of the Canadian public as the strike and lockout continue. The Canadian public is also making it clear that they do not support the notion of privatizing the corporation.

This creates a dilemma for the Conservative government as they weigh options of transforming or privatizing Canada Post." ²⁰

The results and findings relating to the question on back-to-work legislation are not valid because Forum Research asked the wrong question. The firm should have asked if people were in favour or opposed to back-to-work legislation to end *the lockout*, not the strike at Canada Post. There was no strike occurring when the firm conducted its poll, but there was a lockout that had stopped mail delivery nationwide. Forum Research might have collected different results had they conducted their poll during the rotating strikes affecting one to a handful of communities for one to two days at a time.

One survey and three open access polls were also conducted during the postal disruption to gauge the effect of the rotating strikes and lockout on the public, Canada Post, the government and small businesses. The polls were conducted through a website that allowed people to click on voting options. The survey was done through a website by collecting information from interested small businesses, not a random sample of this group. While interesting, the polls and survey are not representative or reliable because of the way information was collected (See Appendix F: What Organizations, Businesses and Polls Said). ²¹

I. ECONOMIC INDICTORS

The strikes and lockout did not seem to have any appreciable impact on the overall economy. The number of personal bankruptcies reported for June 2011 increased by one-tenth of one per cent from the previous month, rising to 10,592 from 10,579. The number of business bankruptcies reported for June 2011 was actually lower than that reported for any month of June since 2005. Likewise, the disruption in postal service had no impact on the national unemployment rate which remained steady at 7.4 %. It is possible that the dispute may have contributed to the overall increase of 28,000 jobs that was reported in June 2011, surpassing analyst's predictions of a 10,000 figure for job creation. While most industries saw little change in their employment figures, the transportation and warehousing sector posted the largest employment growth of all industries by creating 19,000 jobs, which is an increase of 5.4 per cent.

6. CONCLUSION

There is no doubt that postal strikes and lockouts affect people, organizations and businesses. The question at hand is how much of an effect do they have and should it be classified as harm or inconvenience? It is possible to draw some conclusions from the CUPW survey.

First of all, it appears that the lockout had more of an effect than the strikes. More survey respondents (from all groups) were negatively affected by the lockout than the strikes. One respondent even reported that his business shut down as a result of the lockout.

There is no doubt that many businesses were adversely impacted, especially during the lockout phase of the dispute. However, there is no evidence that the economic impact on the business sector came anywhere close to resembling the wildly inflated projections of spokespersons for the business community and right-wing politicians.

Likewise, non-profit organizations, charities, rural organizations, and seniors groups experienced some temporary negative impacts, but there is no evidence they experienced any permanent or disastrous consequences resulting from the strikes and lockout. In spite of Canada Post's claim that rural residents and senior citizens would be significantly hurt by a postal disruption, very few seniors groups, rural interest groups, and organizations or businesses based in remote and rural areas complained to the media during the strikes and lockout.

The overall impact on the economy, as measured by bankruptcy and employment data, was negligible, except that the dispute may account for the increase in jobs in the transportation and warehousing sector.

As for the short and long term impact of the work disruption on Canada Post, there is clear evidence that postal management and the government fabricated their claims that the rotating strikes costs hundreds of millions of dollars.

Contrary to predictions, parcel volumes rebounded quickly and the overall decline in transaction mail, experienced mainly in the fourth quarter, well after the dispute, mirrored the trend of the previous year. As for the financial consequences, the likely impact is in the vicinity of \$58 million.

While it is difficult to assess the overall impact of the strikes and lockout with any degree of precision, it is easier to identify the challenges that currently confront Canada Post Corporation in the aftermath of the dispute.

First, the issues that created the obstacles to a negotiated settlement remain and will not disappear whatever the results of the final offer selection arbitration process imposed by the government. For example, the parties must deal with the delivery challenges presented by the new work methods associated with the corporation's Postal Transformation program. This cannot be accomplished unless the issues of health and safety are addressed.

Second, the post office must find a way to diversify its services and leverage its network of retail outlets. The union has proposed that CPC expand into financial and banking services, either independently or in partnership with existing financial institutions. The parties already have established a joint Service Expansion and Innovation and Change Committee which has, in the past, successfully introduced changes in the work processes, enabling CPC to provide new economically viable services.

Third, new emphasis must be placed on increasing rural services. The corporation needs to be far more active in stimulating e-commerce, especially in an area where it has a virtual monopoly on parcel delivery.

Last but not least, Canada Post must deal with its serious labour relations challenges. Without any doubt, the major hardship stemming from the 2011 postal disruption was experienced by the 48,000 postal workers who lost income and were denied their fundamental labour rights. The greatest impact of the dispute, and potentially the most dangerous for the long-term welfare of Canada Post, was not the economic impact of the strikes and lockout, but was rather the further deterioration in labour relations at Canada Post. If Canada Post is to successfully meet the multitude of challenges it faces, it must recognize the legitimacy of the concerns of its employees regarding work process changes and work with the union to address them.

CHRONOLOGY OF THE 2010/2011 NEGOTIATIONS BETWEEN CANADA POST AND THE CANADIAN UNION OF POSTAL WORKERS

- October 4, 2010 CUPW serves notice to bargain.
- October 21, 2010 Talks with Canada Post begin.
- January 31, 2011 CUPW's collective agreement expires.
- May 30, 2011 After more than seven months of difficult negotiations, the union increases the pressure on Canada Post to negotiate by giving 72 hours notice of its intent to strike if there is no settlement.
- May 30 to June 2, 2011 Canada Post continues to ignore most of CUPW's demands and insists on major concessions, including unsafe work methods, a 22 per cent wage reduction for new hires (subsequently reduced to 18 %) and the elimination of a sick leave plan that members have had for over 40 years.
- June 2, 2011 CUPW begins a series of rotating strikes to put pressure on Canada Post while minimizing service disruption. The union strikes in Winnipeg for 24 hours (as of 11:59 p.m. EDT).
- June 3, 2011 CUPW strikes in Hamilton for 48 hours (as of 11:45 p.m. EDT).
- June 5, 2011 CUPW strikes in Montreal for 24 hours (as of 11:30 p.m. EDT).
- June 6, 2011 CUPW strikes in Victoria, B.C. and in Moncton, N.B. for 24 hours (as of midnight EDT).
- June 7, 2011 CUPW strikes in Edmonton for 24 hours (as of midnight EDT) and Calgary (as of 11:00 p.m. EDT).
- June 8, 2011 Canada Post claims it is experiencing a significant drop in mail volumes. It announces it will reduce costs by making adjustments to staffing and delivery schedules, including going to three-day delivery in urban areas (Monday, Wednesday and Friday).

- June 8, 2011 CUPW strikes for 24 hours (as of 11:30 pm EDT) in the following locations:
 - Labrador City, Labrador
 - Acadie-Bathurst, New Brunswick
 - Summerside, Prince Edward Island
 - Ste.Thérèse, Quebec
 - St. Jérome, Quebec
 - Thunder Bay, Ontario
 - Hearst, Ontario
 - Brantford, Ontario
 - St. Thomas, Ontario
 - Flin Flon, Manitoba
 - Yellowknife, Northwest Territories
 - Whitehorse, Yukon
 - Vernon, British Columbia
- June 9, 2011 CUPW strikes in Quebec City and Kitchener for 24 hours (as of 11 p.m. EDT).
- June 10, 2011 CUPW strikes in Red Deer for 48 hours (as of 10 p.m. EDT).
- June 10, 2011 Labour Minister Lisa Raitt requests that Canada Post suspend its service cuts and CUPW suspend its rotating strikes in order to focus on negotiating a settlement. CUPW agrees to suspend strike activity on the condition that Canada Post reinstate its contract as the corporation did in 1991 in a similar situation. Canada Post rejects the union's offer.
- June 12, 2011 CUPW strikes for 24 hours in the following locations (as of 10:00 p.m. EDT):
 - Breton, Nova Scotia (Sydney, North Sydney, Sydney Mines, New Waterford and Glace Bay)
 - Fredericton, New Brunswick

- Maurice, Quebec
- Sherbrooke, Quebec
- Corner Brook, Newfoundland
- Cornwall, Ontario
- Windsor, Ontario
- Niagara Falls, Ontario
- Regina, Saskatchewan
- Nanaimo, British Columbia (as of 10:00 p.m. local time).
- June 13, 2011 CUPW strikes for 24 hours in Montreal and Toronto
 (as of 11:30 p.m. EDT). These strikes do not have a large impact on people getting
 their mail as they occur, for the most part, on Tuesday, June 14th, a day that Canada
 Post is not delivering in urban centres, as per the corporation's June 8th
 announcement.
- June 14, 2011 CUPW announces it will begin a 24-hour strike in Salmon Arm, British Columbia, Carboneer, Newfoundland and Sioux Lookout, Ontario (as of 11:00 p.m. local time). Altogether there are 23 CUPW members at these locations.
- June 14, 2011 Canada Post suspends operations across the country and locks out 48,000 CUPW members.
- June 15, 2011 Labour Minister Lisa Raitt announces that the government will introduce a Bill entitled "Restoring Mail Delivery for Canadians Act" to end the lockout involving the Canada Post Corporation and the Canadian Union of Postal Workers (CUPW) Urban Operations Unit.
- June 20, 2011 The bill legislating postal workers back to work (Bill C-6) receives first reading in the House of Commons. It contains some very unusual and unjust provisions. The bill includes final offer arbitration and wage increases that fall significantly below Canada Post's last offer of 1.9 % in 2011, 2012 and 2013, and 2.0 % in 2014. It includes increases of 1.75 % in 2011, 1.5 % in 2012, 2 % in 2013 and 2 % in 2014. The wage provision in Bill C-6 takes \$875.50 out of the pockets of an average full-time postal worker during the four years of the agreement.

- June 20, 2011- Postal workers deliver pension and social assistance cheques in spite of being locked-out by Canada Post and legislated back-to-work by the government.
- June 23, 2011 Bill C-6 is read for a second time. The New Democratic Party begins a filibuster that will last 58 hours in order to give CUPW and Canada Post more time to negotiate a settlement.
- June 25, 2011 Negotiations between CUPW and Canada Post fail. Bill C-6 is read for a third time and passed by the House of Commons by a vote of 158 to 112.
- June 26, 2011 Bill C-6 receives Royal Assent.
- June 27 to June 28, 2011 CUPW members return to work.

DESCRIPTION OF HOW ORGANIZATIONS AND BUSINESSES WERE CHOSEN FOR THE SURVEY

Charities and non-profits

CUPW sent questionnaires to charities and non-profit organizations that issued media releases in connection with the strikes and lockout. The union also sent questionnaires to charities that were quoted in print and online newspaper articles that the union collected just before, during, and after the work disruption, as well as charities mentioned in *Feedback*, a CUPW website tool that allows members and other people to contact the union. It also surveyed a non-profit group that wrote a letter of support to CUPW in connection with urban operations negotiations. In addition, the union sent a questionnaire to one non-profit organization that relies on donations, but that did not make public statements during the strikes or lockout. A total of 13 charities and non-profits were surveyed.

Business

CUPW surveyed 22 business representatives who were quoted in print and online newspaper articles that the union collected just before, during, and after the work disruption. Two of the businesses were quoted in a non-strike related article on the continuing importance of the post office.

Seniors

CUPW surveyed the one seniors organization quoted in its collection of print and online newspaper articles. It also surveyed two seniors groups that wrote letters of support to CUPW during the work disruption. As well, the union surveyed national, provincial and local seniors organizations that did not comment during the strikes or lockout. Most of the groups surveyed are not-for-profit organizations that provide a broad range of programs and services and that aim at increasing the quality of life for seniors, retirees and pensioners. Many of the groups advocate on issues affecting seniors. A number of the organizations focus on advocacy work. A total of 13 seniors groups were surveyed.

Rural and Remote

Only one remote-based business was quoted in the print and online newspaper articles the union collected just before, during, and after the work disruption. A total of 17 rural interest groups, and organizations or businesses based in remote and rural areas were surveyed.

APPENDIX C

LIST OF ORGANIZATIONS AND BUSINESSES SURVEYED, AND RESPONDING TO THE SURVEY ON THE IMPACT OF THE POSTAL STRIKE AND LOCKOUT

(An asterisk indicates that the organization or business responded to the questionnaire)

Charities and non-profits

*Union Gospel Mission, Vancouver, British Columbia

Samaritan's Purse, Calgary, Alberta

The Billy Graham Evangelistic Association of Canada, Calgary, Alberta

Winnipeg Pet Rescue Shelter, Winnipeg, Manitoba

Siloam Mission, Winnipeg, Manitoba

Speroway, Guelph, Ontario

Canadian National Institute for the Blind, Toronto, Ontario

Yonge Street Mission, *Toronto, Ontario*

Canadian Diabetes Association, Toronto, Ontario

Canadian Wildlife Federation, Kanata, Ontario

*Oxfam Canada, *Ottawa*, *Ontario*

*The Council of Canadians, Ottawa, Ontario

*United Way Centraide Canada, Ottawa, Ontario

Business

*Glacier Wind Specialties, Montrose, British Columbia

Trylinski Books, *Pangman, Saskatchewan*

Laird Books, *Regina*, *Saskatchewan*

Gym Star Apparel, Regina, Saskatchewan

Marathon 1981, Winnipeg, Manitoba

Prince Books, *Hamilton*, *Ontario*

Boudicca Fine Used Books, Orillia, Ontario

*Moviemat Entertainment Ltd., Renfrew, Ontario

*Birds and Beans, Etobicoke, Ontario

Webco Sports, *Kitchener*, *Ontario*

Synergy Advantage Group, Ancaster, Onatario

Dundas Valley Orthotics, Dundas, Ontario

Allegra Print and Imaging, Hamilton, Ontario

Battlefield Travel, Stoney Creek, Ontario

*Lee Valley Tools, Ottawa, Ontario

The Rider, Ancaster, Ontario

Stephita Wedding Invitations, Markham, Ontario

Organic Quilt Cr., Hudson, Quebec

Dring, Dring, Montreal, Quebec

*Maritimes Hobbies and Crafts, Halifax, Nova Scotia

East Coast Coins, St. John's, Newfoundland

Ebay

Seniors

Council of Senior Citizens of BC, West Vancouver, British Columbia

Seniors Association of Greater Edmonton (SAGE), Edmonton, Alberta

*Saskatchewan Seniors Mechanism, Regina, Saskatchewan

*South Winnipeg Senior Resource Council, Winnipeg, Manitoba

Neighborhood Link, Toronto, Ontario

Canada's Association for the Fifty-Plus (CARP), Toronto, Ontario

*National Pensioners and Senior Citizens Federation, Navan, Ontario

*Congress of Union Retirees of Canada, Ottawa, Ontario

Fédération des aînées et aînés francophones du Canada, Ottawa, Ontario

*N.D.G. Senior Citizens' Council, Montreal, Quebec

The New Brunswick Senior Citizens' Federation (NBSCF), Dieppe, New Brunswick

PEI Senior Citizens' Federation Inc., Charlottetown, Prince Edward Island

The Memorial University of Newfoundland Pensioners' Association, *St. John's, Newfoundland*

Rural

*Chicken Farmers of Nova Scotia, Kentville, Nova Scotia

Rural Dignity, Barachois de Malbaie, Quebec

Solidarité populaire Saguenay-Lac-Saint-Jean, Jonquiere, Quebec

Makivik Corporation, Kuujjvaq, Quebec

Solidarité rurale du Québec, Nicolet, Quebec

Rural Business Network, Clinton, Ontario

Rural Women Making Change, Guelph, Ontario

*Inuit Tapiriit Kanatami, *Ottawa*, *Ontario*

*Congress of Aboriginal Peoples, Ottawa, Ontario

Native Women's Association of Canada, Ottawa, Ontario

Metis National Council, Ottawa, Ontario

*Manitoba Women's Institute, Brandon, Manitoba

National Farmers Union, Saskatoon, Saskatchewan

*Alberta Rural Development Network, Sherwood Park, Alberta

BC Fruit Growers Association, Kelowna, British Columbia

Territorial Farmers Association, Hay River, North West Territories

Sambaa K'e Development Corporation, *Trout Lake, North West Territories*

APPENDIX D

QUESTIONNAIRE SENT TO BUSINESSES, CHARITIES AND NON-PROFIT GROUPS

SURVEY ON IMPACT OF POSTAL STRIKE AND LOCKOUT IN JUNE 2011

STRIKE PERIOD

	()ne	to	two	day	rotating	g stri	kes i	n vari	ous	locati	ons
--	---	-----	----	-----	-----	----------	--------	-------	--------	-----	--------	-----

(From June 3 rd to June 14 th)
1. Did you experience unrecoverable losses in donations or revenue during this period?
□ yes □ no □ don't know
2. If you answered yes, please estimate how much you lost in donations or revenue during this period?
\$
Please provide supporting documentation if you are able.
LOCKOUT PERIOD
Lockout of 48,000 postal workers throughout Canada
(From June 14^{th} to June 26^{th} when back-to-work legislation was passed. Postal workers returned to work on June 27^{th} and 28^{th}).
3. Did you experience unrecoverable losses in donations or revenue during this period?
□ yes □ no □ don't know

4. If you answered yes, please estimate how much you lost in donations or revenue during this period?
\$
Please provide supporting documentation if you are able.
SWITCH TO ONLINE
5. Did your organization or business experience a significant and lasting switch to online donations or payments?
□ yes □ no □ don't know
Contact person within your organization
Name of contact person:
Phone number of contact person:
Please let your contact person know that Geoff Bickerton or Katherine Steinhoff may be calling. Thank you for filling out this survey.

QUESTIONNAIRE SENT TO SENIORS GROUPS AND RURAL AND REMOTE ORGANIZATIONS

SURVEY ON IMPACT OF POSTAL STRIKE AND LOCKOUT IN JUNE 2011

STRIKE PERIOD
One to two day rotating strikes in various locations
(From June 3 rd to June 14 th)
1. Were you negatively affected by CUPW's rotating strikes?
□ yes □ no □ don't know
2. If you answered yes, please explain how you were negatively affected.
LOCKOUT PERIOD
Lock out of 48,000 postal workers throughout Canada
(From June 14^{th} to June 26^{th} when back-to-work legislation was passed. Postal workers returned to work on June 27^{th} and 28^{th}).
3. Were you negatively affected by Canada Post's nationwide lock out of postal worker?
□ yes □ no □ don't know
4. If you answered yes, please explain how you were negatively affected.

SWITCH TO ONLINE

5. Did a significant proportion of people belonging to or represented by your organization permanently switch to online bill payments or other transactions as a result of the strike or lockout?
□ yes □ no □ don't know
Contact person within your organization
Name of contact person:
Phone number of contact person:
Please let your contact person know that Geoff Bickerton or Katherine Steinhoff may be calling. Thank you for filling out this survey.

WHAT ORGANIZATIONS, BUSINESSES AND POLLS SAID

Summary of what business organizations said

The National Association of Major Mail Users (NAMMU) is known as the voice of the Canadian mailing industry. The membership of NAMMU includes most of the major large volume mailers representing 50,000 jobs in the Canadian mailing industry. During the dispute, NAMMU maintained its characteristic neutrality, refraining from commenting on the issues at the bargaining table or the tactics of the parties. On May 31, 2011, NAMMU President Kathleen Rowe issued a statement asking Parliament to debate and mandate a fair process that respects the rights of the two parties to negotiate responsibly, without the threat of a work stoppage or lockout. On June 9th, NAMMU issued a statement claiming that the economic impact of Canada Post's labour disruption had reached a tipping point with the mail industry and requested Labour Minister Raitt to bring the parties back to the table. NAMMU President Kathleen Rowe stated that some companies had already been forced to close their businesses and that the number of layoffs had reached 15,000 and was climbing. CUPW contacted Rowe asking for a further elaboration of these figures. She stated that NAMMU was conducting its own investigation of the impact of the work disruption. To date, (May 7, 2012.) this information is still unavailable although NAMMU claims to have identified situations of layoffs.

The Canadian Federation of Independent Business (CFIB) is recognized as the voice of small business in Canada. Founded 35 years ago, it now has over 105,000 members in every sector in every region across Canada. Taking its direction from its members, through regular surveys, it lobbies for the interests of small and medium-sized businesses at the federal, provincial and local levels of government. Historically the CFIB has taken positions against the right to strike and in favour of postal deregulation. Their focus changed somewhat after April 2008, when a majority of CFIB members responded to a CIFB poll and supported Canada Post maintaining its exclusive privilege for letters. On May 18, 2011, CFIB President & CEO, Catherine Swift published an open letter to CPC President Deepak Chopra urging Canada Post to maintain a hard line in negotiations. Swift specifically called on CPC to change the pension from a defined benefit to a defined contribution plan, change the sick leave system, and introduce a two-tiered wage, benefit and pension system for new hires. Chopra quickly responded with his own open letter thanking Swift and the CFIB for their support. The positions taken by CFIB representatives during the strikes and lockout were often contradictory. Prior to and during the rotating strikes, the CFIB claimed that

the average small business could expect to experience financial losses of between \$200 and \$250 per day should a strike occur. Yet, contrary to past practice they did not call for backto-work legislation and instead, CFIB Vice-President Dan Kelly suggested on June 9th that the impact of the job action had been negligible. Once CPC implemented the lockout, the CFIB quickly joined the chorus calling for quick passage of the legislation. After the lockout, the CFIB continued to talk about the economic hardship caused by the strike (as opposed to lockout), repeating its claim of an average loss of between \$200 - \$250 per day for each small business. Following the return to work, CUPW contacted the CFIB several times requesting an explanation of their cost estimate. The CFIB replied that its estimate was actually drawn from a study conducted in November 1997 during a full-scale postal strike during the Christmas shopping period. At that time the CFIB surveyed 18,680 members and received 4,933 replies. Of the respondents, 96 % claimed to have been adversely impacted by the strike and the average loss was reported to be \$240 as a result of higher delivery costs, lost sales and delayed payments. Considering that this survey occurred at the height of Christmas shopping period and was taken during a full-scale strike it is certainly not legitimate to apply the results to a series on oneday work stoppages occurring in June. It should also be noted that Kelly himself noted, on June 3, 2011 that "compared with postal strikes in the past, the cumulative effect will be less serious as there are now alternatives," yet this did not stop the CFIB from using data from 1997 to describe the impact in 2012.

The Canadian Marketing Association (CMA) represents users of CPC's addressed and unaddressed admail delivery channels, as well as CPC competitors, including community newspapers. Immediately prior to the strike, the CMA issued a release calling on both parties to reach an agreement at the bargaining table. The CMA stated, "While a service disruption would be costly to both the marketing industry and the economy as a whole, it would be devastating to Canada Post and its employees. Whenever there is a strike at Canada Post, the corporation loses business, including parcel delivery, invoicing and bill payments, that does not return. This will only exacerbate the already significant loss of mail volumes to other media." On June 15th CMA President, John Gustavson issued a statement claiming that "businesses that use the mail stream to issue invoices, receive payments and deliver marketing communications and charities that solicit and receive donations through the mail are being seriously impacted by the disruption in service and are being forced to layoff workers because of lost business." The CUPW contacted the CMA concerning this statement but has not received any specific examples of layoffs that resulted from the industrial dispute.

The Canadian Printing Industries Association (CPIA) represents 7,000 printing businesses and calls itself the national voice of the pre-press, press and allied printing industries in Canada. On June 10, 2011, CPIA President Bob Elliott wrote to CUPW National President Denis Lemelin to raise concerns about the rotating strikes and request that the union make every effort to resolves negotiations issues. He said a work stoppage affects the association's industry in particular as a significant amount of printing work is done for businesses that advertise and transact business through the mail. He indicated that courier or electronic mail is not an option for those using direct mail, but also said that the industry had not yet recovered from the economic recession of 2008-09 that led many customers to move advertising and marketing plans to electronic means. Elliot claimed that a continued or increased disruption would force printer employers to lay off staff in order to offset the loss of revenue. In April 2012, CUPW wrote to Bob Elliott to request an estimate of the number of layoffs that may have occurred in the industry due to the postal disruption, as well as specific examples of companies that laid off employees. In response, the CPIA said that their knowledge of layoffs comes from "discussions" but that the association was not in a position to provide the names of companies.

The Insurance Brokers Association of Canada (IBAC) is a national trade organization that represents 11 regional and provincial associations of Property and Casualty (P&C) insurance brokers in Canada, who in turn represent about 30,000 insurance brokers across the country. IBAC waited until the lockout to issue a media release pointing out that a postal disruption could affect a consumer's ability to send and receive original paperwork through the mail for insurance renewals. The Association's June 16th release asked people to contact their insurance broker with any concerns about the status of their insurance during the "postal strike". It said it was hopeful that the postal disruption would not result in any interruption of insurance coverage and that the parties involved in the postal dispute would be able reach an equitable resolution as quickly as possible to avoid further disruption to consumers and their insurance needs.

The Retail Council of Canada (RCC) is an association representing more than 45,000 store fronts of all kinds across Canada, including department, specialty, discount, independent and franchise stores, and online merchants. When CUPW gave notice of its intent to strike, the RCC was quoted as saying that a postal strike is "quite devastating" for retailers who use the mail for promotional flyers, credit card invoices, bill payments and receiving and shipping products. It said private carriers cannot fill the gap during a strike

and that they often give priority to existing customers. Interestingly, *The Retail Council of Canada* and *the Canadian Booksellers Association* (CBA) waited until the lockout to issue a joint media release. CBA is a national trade association representing trade and campus booksellers. The RCC and CBA called on Members of Parliament to give speedy passage to back-to-work legislation. They said that the economy was just starting to recover and the last thing retailers needed was a postal disruption, especially retailers who rely on Canada Post to deliver to remote and rural communities that cannot be serviced in any other economical way. They argued that, given their contribution to the economy, the government should have an interest in ensuring that retailers remain viable and competitive.

Magazines Canada (MC) is a national association representing Canadian-owned, Canadian content consumer, cultural, specialty, professional and business media magazines in the country. On June 15th, Mark Jamison, CEO of Magazines Canada wrote to Labour Minister Lisa Raitt to urge the government to take immediate action, including legislation, to end the postal dispute. Jamison pointed out that most Canadian-content magazines are delivered to people by Canada Post. He said the corporation was especially important to people living outside of urban centres. He argued that the postal dispute would have a severe impact on the sector's capacity to fulfill its obligation to Canadian readers if it were allowed to continue and that a prolonged stoppage would force magazines, printing companies and distribution support companies to reduce their activity and work force. CUPW wrote to Jamison to request an estimate of the number of workforce reductions that may have occurred in the sector as a result of the disruption, plus examples of specific companies that actually reduced their number of employees due to the work stoppage. The union has not yet received a response.

Summary of what businesses said

Shipping costs / Switch to couriers

Madeline Pritchard, co-owner of *Birds & Beans* said that online orders were down and that she had switched to couriers during the rotating strikes because of the uncertainty, which had increased costs and was more difficult to manage. Pritchard estimated she had increased expenses by several hundred dollars per week.

Prior to a one-day strike in the area, Joan MacPhail, co-owner of online bookseller *Laird Books*, said it would cost more to ship because she would be using FedEx during the rotating strikes.

Barry Finn, publisher of *The Rider*, a publication about horses, said that two-thirds of his 7,500 press-run is mailed to individual addresses. He said he could package the rest and send it through a courier but it would cost him 40 per cent more.

Paul Cathcart, director of marketing for *Lee Valley Tools*, said the company had switched to UPS prior to the strike and would "stick with UPS for at least a year and may never go back to Canada Post." The company said that they would be unable to mail catalogs, but parcel delivery would continue.

Shipping delays

Kami Goertz, who runs an online arts and craft business called Marathon 198I said the 24 hour strike in Winnipeg was disappointing because it meant delays for customers and that a longer strike "would be devastating."

On the first day of rotating strikes, Debra Trylinski, owner of *Trylinski Books* said she had to temporarily shut down. She said she couldn't resume selling books until she was sure she could ship with Canada Post. Trilinski said that she lives in a small community and has no access to major couriers and that Canada Post is her only shipping option.

Reduction in Sales

When CUPW gave 72 hours notice of its intent to strike, Royce Schmidt, owner of *Glacier Wind Promotional Products*, expressed concern about a drop in sales, saying he depends

on Canada Post for marketing purposes. Schmidt also said using couriers is out of the question unless he is delivering products because the cost is too high.

Lindsay Hoover and Carolyn Campbell, owners of *Boudicca: Fine Used Books* said online book sales were down during the rotating strikes. They suggested that anticipated delays in mail delivery were making their customers think twice before making a purchase.

Rod O'Driscoll, owner of *Eastcoast coins.ca*, indicated his sales were down 60 to 70 per cent and that he had lost an estimated \$10,000 and more in sales. He said that he didn't use alternative couriers because there are no cost-effective alternatives to Canada Post. O'Driscoll commented at the end of June, after postal workers had been locked out for a couple of weeks.

Chantal Clermont, who owns *Gym Star Apparel*, an online fitness and accessories store, said her sales over May and June had dropped by half. She expressed concern about 12 orders worth \$1,200 that were caught in the mail system during the lockout. She also said she would continue to use FedEx for local deliveries after postal workers returned to work until the backlog of mail was cleared.

Matt McDougall, owner of *Moviemat Entertainment Ltd*, said his half million dollar a year business was reduced to zero when Canada Post locked out postal workers. McDougall said orders completely stopped coming in when people realized they couldn't get their orders. He pointed out that the rotating strikes had no effect on his business, which sells goods including toys, music, CDs, movie and sports memorabilia.

Cheques

Prior to the strikes, Cindy Weber, owner of *Webco Sports*, said a mail stoppage would be "inconvenient" because it would delay customer payments since everyone still sends cheques.

At the beginning of the rotating strikes, Rita Yoon, owner of *Stephita Wedding Invitations*, raised concerns about her business. She said that 90 per cent of brides still send out invitations by mail and that she also depends on the mail to get paid because she gets a lot of cheques.

Tracy Higgins, co-owner of *Bryan Prince Bookseller*, also expressed concerns about cheques. She pointed out that a lot of her business relies on cheques. She said that many

publishers do not take credit cards because it adds to their costs and that buyers like school boards have been slow to convert to direct payments.

Gasper Lipari, owner of *Allegra Print and Imaging*, said the majority of his clients pay by mail so he was picking up cheques but didn't want to have to do this in the long-term because "it's a nightmare". He said his clients hadn't cancelled any campaigns so far but that they had changed timelines slightly.

James MacLeod, owner of *Synergy Advantage Group*, said the lockout made matters "much worse" and that he had to drive all over Ontario to pick up cheques for work he had already done. He said he didn't have the resources to continue doing this and that he might as well look for another job if the mail stoppage was prolonged.

Other issues

Tim Poot, owner of *Dundas Valley Orthotics*, said insurance companies that pay medical benefit claims require original, hard copies of documents. He pointed out that if these documents aren't mailed, he doesn't get paid. Poots said he would turn to couriers if necessary, but that it would affect his bottom line.

Not a disaster

Chris Fazackerley, owner of *Battlefield Travel*, said she wasn't worried about the postal strike because most of the agency's transactions are electronic. She called the postal disruption "a tiny mosquito bite in the arm among all the diseases we can get."

Mike Larisey of *Maritime Hobbies and Crafts* said "I've been in this business for 45 years so we've had strikes before. You find ways around it." He said he still writes cheques to creditors and sends them using Canada Post and doesn't want to change. Larisey also said he's prepared to wait out a strike.

Kevin Wolfley, community relations manager for the online auction house *eBay*, said a majority of purchases are delivered to buyers through Canada Post, but that there are other options and he expected eBay would function in the face of any postal disruption. Nevertheless, he did not want the dispute to drag on given the importance of the post office.

Importance of post office / Cost of couriers

Becky Stone, co-owner of the *Organic Quilt Company*, said that her business would not exist without our public post office because couriers are "outrageously expensive."

Annie Legroulx, owner of *DringDring*, a company making hand-painted bicycle bells, said her online business depends on the post office. She indicated that using FedEx was not an option because the cost of shipping one bell is the same as or more than the cost of the bell.

Summary of what charities and non profit groups said

About a week after rotating strikes began, Bob Mollard, President of the *Union Gospel Mission*, said the Mission could see a donation shortfall if a strike hit Vancouver. He said the Mission "would typically receive about \$800,000 during the months of July and August. And with 87 per cent of our donations coming in via mail, you can understand that we'd be very concerned about any disruption to mail services." Mollard also said the upside was that more and more people were making the switch to online donations. These comments were made after a week and a half of rotating strikes. On June 15, the Union Gospel Mission issued a media release stating that the "strike announcement from Canada Post" would affect the organization significantly if "the strike" hit Vancouver and became long term. It encouraged people to switch to online donating.

On June 3rd, *Samaritan's Purse* (SP) and the *Billy Graham Evangelistic Association of Canada* (BGEAC) issued media releases inviting Canadians to pray for a quick resolution to CUPW's rotating strikes so the good work of charities could continue. The releases warned that the strikes could hurt fundraising, noting that mailed-in donations that finance work could be disrupted. Fred Weiss, Executive Director of SP and BGEAC, said there is a growing trend toward online donations but that they still receive an important portion of donations through the mail. The release suggested that Canadians donate online or by phone.

On May 31st, the *Canadian National Institute for the Blind* (CNIB) issued a media release which stated that the looming postal strike posed a significant financial threat to charities such as the CNIB, which rely heavily on Canada Post for donation programs and delivery of vital services. On June 7th, John Rafferty, President and CEO of the CNIB sent CUPW a letter which stated "With rotating strikes taking place in various parts of the country and future locations yet to be announced, CNIB is among the charities whose financial and operational stability is now at risk." He said the CNIB stood to lose tens of thousands of dollars every day the strike continued. He also encouraged the union to work with the government to

arrive at a speedy resolution and avoid any further erosion of services. On June 17th, the CNIB issued a media release applauding the government's decision to legislate postal workers back to work. Rafferty said the postal disruption had created a climate of uncertainty, which had taken a huge toll on charities like the CNIB, and that the government's quick action would help curtail losses. The release noted that the CNIB faced an estimated loss of \$250,000 in funding, plus nearly \$30,000 in unexpected costs associated with communicating its contingency plans to clients, donors and library users. In concluding, Rafferty said their immediate focus would be to let supporters know they need help. On July 5, 2012, he sent an email called "Help CNIB recover from the postal disruption" to say that the disruption had cost the CNIB \$500,000. Rafferty encouraged people to help his charity recover from this setback by becoming a monthly supporter. He reminded supporters they could always donate online.

On June 2nd, the *Yonge Street Mission* issued a media release stating that Toronto's most vulnerable citizens could be hurt by a postal strike. Ann Barnard Ball, Mission Development Officer, said "Seventy percent of our funding comes through the mail" and "without those donations we may have to cut back services and stop others completely." The release said the strike could cost the charity approximately \$56,000 each week it continues and that the mission needs more than \$780,000 dollars during the summer months. It urged supporters to donate online or by phone.

On June 2nd, the *Canadian Wildlife Federation* (CWF) issued a media release stating that donations would be seriously compromised by CUPW's strike and that the longer the strike went on, the more it would impact on their conservation efforts across the country. Wade Luzny, Executive Vice-President of CWF, said a large per cent of donors send donations by mail. He said that the CWR was pleased an agreement had been reached to deliver much needed pension and social assistance cheques but that "one area that is often overlooked is how a postal strike can negatively affect the charitable sector." The release urged Canadians to contribute by phone or on line.

During the lockout, Susanne Wilson, development coordinator at the *Winnipeg Pet Rescue Shelter*, said that if the work disruption continued, the situation at the shelter would become bleak very quickly. She said approximately 90 % of donations to Winnipeg non-profits arrive through the mail and that without the mail, "it's looking quite scary". The assistant director at the shelter said staff member were encouraging donors to contact the shelter to donate over the phone or online.

Judy Richichi, director of development at *Siloam Mission* also expressed concern during the lockout. She said that they were down about \$35,000 in the first week and a half, noting that this is the cost of running the Mission's meal program for nine days. The Mission had set up contingency plans but said the donations were still slow. The Credit Union Central of Manitoba and 35 credit unions accepted donations on their behalf. Richichi stated, "June is already the slowest month for donations, so we need it even more for our cash flow. We typically operate at a loss in the summer already." She also said that the Mission would have to cutback on staffing and services if the lockout continued for weeks.

Ken Dick, the president of *Speroway*, a charity that delivers aid to children in countries such as Guatemala and Haiti, said his organization relies heavily on cheques sent through the mail. He said he doubted that people would double their support for the month of July to make up for any shortfall. Dick mentioned he had seen the impact of previous labour disputes. He said people stop giving when they hear about a postal strike, fearing cheques are going to be stuck in the mail. Dick made these comments during the lockout.

After the lockout, Pastor Michael Wellman (B.Sc. M.Div. STS) sent an email to Michael Cloutier, President of the *Canadian Diabetes Association*, in response to an email which indicated that the association needed donations because of the postal strike. Wellman pointed out that the mail disruption was primarily caused by the lockout.

He said "I understand that with mail disruption other forms of streaming revenue become very important. That does not make it ethically appropriate to exploit the current situation faced by Canada Post employees as a 'marketing and fundraising ploy'." He also informed Cloutier that he and others who talk about charitable donations would be investigating other worthy causes should the association decide to send similar untruthful and "repugnant" messages. Wellman forwarded his correspondence to CUPW and said to distribute it as the union saw fit.

During the rotating strikes, Karen Turchetto, executive-director of the *UNITED WAY of Stormont Dundas & Glengarry* said "If we're not getting (donations), then (the agencies) don't get the money also to run their programs." However, she added that the agencies would receive most of their next quarterly payment for June 31st, but that the September payout could be affected if there was picketing into the summer. Turchetto pointed out that the United Way gets a big portion of its funding through payroll deductions and about five to six percent of its donations per month through the mail. Shortly after the strike, Al Hatton, President and CEO of United Way Centraide Canada, wrote an email to labour program staff indicating that the organization had been mentioned during the debate over back-to-work legislation. He said that MPs had indicated the United Way was suffering cash

flow issues because of the mail stoppage. Hatton pointed out that they do not take sides in labour disputes and that they would have preferred an agreement that met the needs of both Canada Post and the union. He also said that the United Way appreciated the workers who volunteered their time during the strike effort to make sure that government cheques were distributed to those in need.

Non-profits

Prior to the strike and lockout, Maude Barlow, Chair of the *Council of Canadians* wrote a letter of support to CUPW. Even though the Council regularly fundraises through the mail, Barlow said her organization would stand with postal workers if Canada Post remained unwilling to reconsider its unreasonable demands, and members were forced to strike.

Summary of what seniors' organizations said

When rotating strikes commenced at the beginning of June, the *Canadian Association of Retired Persons* (CARP) was quoted in an article about the importance of daily mail in an online world. Susan Eng, vice-president of advocacy for CARP said "The postal service remains an important way for people, seniors in particular, to stay in contact with people". She said those "who are used to using mail and relying on it would find a postal strike very unsettling."

The *Council of Senior Citizens' Organizations of British Columbia* wrote a letter of support to CUPW during the rotating strikes. It said the organization is concerned by the erosion of the service that seniors receive as well as the corporation's treatment of employees. It opposed the concessions being demanded by Canada Post at negotiations and wished CUPW luck in bargaining.

Prior to the strike and lockout, Pat Kerwin, President of the *Congress of Union Retirees of Canada* (CURC), wrote to CUPW to outline the importance of postal service to seniors. He said "We appreciate the service provided by your members and trust that is not interrupted." He also extended support to postal workers in the effort to maintain both good services and good working conditions.

Summary of what rural and remote groups and businesses said

One remote-based business commented at the beginning of the lockout.

Greg Drury, General Manager at *Sambaa K'e Development Corporation* said the community orders items they need from a lot of different places and, with no regular mail flight, costly charter flights would be the only way to get orders into Trout Lake. He said "Canada Post is one of the ways that they can ship the goods in a cost-effective way. So this just means that now the cost of those same goods is going to rise exponentially."

Summary what polls said

Poll on back-to-work legislation and privatization

A survey firm called *Forum Research* released a poll on back-to-work legislation and postal privatization during the lockout. The poll was conducted after Canada's government tabled back-to-work legislation. Forum Research used an interactive voice response random telephone polling methodology. It contacted 2,354 people. The results, based on the total sample, are considered accurate +/- 2.0%, 19 times out of 20.

Forum Research asked, "Are you favour or opposed to back-to-work legislation to end the strike at Canada Post?"

Seventy (70) per cent said yes.

It also asked "Are you in favour or opposed to privatizing Canada Post?"

Sixty-five (65) per cent opposed privatization.

Non-scientific survey and polls

One survey and three open access polls were also conducted during the postal disruption to gauge the effect of rotating strikes and the lockout on the public, small business, Canada Post and the government. The polls were conducted though a website that allowed people to click on voting options. The survey was done though a website by collecting information from interested small businesses, not a random sample of this group. While interesting, the polls and survey are not representative or reliable because of the way information was collected.

Canada's national public broadcaster, the *Canadian Broadcasting Company* (CBC), conducted the three polls using their website.

Poll on use of mail after the postal disruption

The CBC asked:

Will you go back to using snail mail the way you did before the labour disruption?

Yes 46.98 % (1,126 votes)

Maybe, though probably not as often 20.69 % (496 votes)

No 30.29 % (726 votes)

I'm not sure 2.04 % (49 votes)

Total Votes: 2,397

Poll on lockout and government action

The CBC poll asked:

Was Canada Post right to lock out its employees?

Yes. 31.09 % (3,905 votes)

No. 65.73 % (8,256 votes)

I'm not sure. 3.18 % (399 votes)

Total Votes: 12,560

Poll on impact of strike and use of mail

The CBC poll asked:

How would a Canada Post strike affect you?

It would negatively affect me, I still rely on mail delivery 56.21 % (6,184 votes)

It wouldn't impact me that much, I rely more online/mobile communication 40.06 % (4,407 votes)

I'm not sure 3.74 % (411 votes)

Total Votes: 11,002

Survey on impact of strikes and lockout on small business

CanadaOne, which is a "business channel" on the internet, conducted an online survey of small businesses during the strikes and lockout. They had 88 respondents. The following survey results represent CanadaOne's findings at the end of the postal disruption.

Small businesses cited impacts in every survey category, reporting a negative impact on:

- Their ability to get paid (82 per cent)
- Overall sales (63 per cent);
- Their ability to pay bills (51 per cent);
- Their ability to market their company (49 per cent); and
- Their ability to invoice customers (48 per cent).

CanadaOne pointed out that after June 17, 2011, respondents saying the postal disruption was negatively affecting their ability to get paid jumped from 55 per cent to 82 per cent.

Some survey respondents said they would be seeking alternatives to Canada Post

- Would seek alternative payment options (about 57 per cent).
- Would seek alternative invoicing options (44 per cent).
- Believe that people using alternative payment and invoicing options would continue to after the conflict ends (80 per cent).
- Used or considered using courier services (81 per cent).

CanadaOne said that many respondents expressed concern with the price of courier services. Some said they turned to couriers out of necessity, while others said they could not afford to consider this option. CanadaOne also said "A handful of greeting card, mail order and online businesses have expressed similar concern, and appear to be the most heavily affected by the postal dispute."

The survey also indicated businesses have strong views about Canada Post and back-towork legislation:

- 82 per cent think Canada Post's service should be essential;
- 70 per cent agree with back-to-work legislation; and
- 53 per cent think back-to-work legislation should have been enacted within two weeks of the conflict beginning.

ENDNOTES

¹ Canada, Parliament, House of Commons, *Debates*, 41st Parliament, 1st Session, vol. 146, Number 014, June 23, 2011, pp. 676, 731, 774, 786, 827, 913, 915, 950, 953, 968, 1080, 1081.

- ³ "Minister Raitt urges Canada Post and CUPW to reach an agreement: Minister asking parties to act in goodwill," Human Resources and Skills Development Canada, June 10, 2011, http://news.gc.ca/web/article-eng.do?m=%2Findex&nid=605309
- ⁴ Canada, Parliament, House of Commons, *Debates*, 41st Parliament, 1st Session, vol. 146, Number 014, June 23, 2011, p. 674.
- ⁵ Canada, Parliament of Canada, Senate, *Debates*, 41st Parliament, 1st Session, vol. 148, Number 12, June 26, 2011, pp. 190-191.
- ⁶ *Canada Labour Code*, R.S.C. 1985, c. L-2, as amended, Section 87.4 (1), http://laws-lois.justice.gc.ca/eng/acts/L-2/FullText.html?term=%22to+prevent+an+immediate+and+serious%22
- ⁷ Andrew C.L. Sims, Rodrigue Blouin and Paula Knopf, *Seeking a Balance:* Canada Labour Code Part 1 Review, Ottawa: Public Works and Government Services Canada, 1995, Retrieved from http://206.191.16.130/labour/labstand/toc.html
- ⁸ Sims, Blouin and Knopf, *Seeking a Balance*.
- ⁹ "A Postal Strike Will Hurt Millions of Canadians," Canada Post, May 31, 2011, http://www.infopost.ca/en/2011/05/a-postal-strike-will-hurt-millions-of-canadians/
- 10 "Rotating strikes inflict significant losses while Canada Post continues to incur wage bill: Financial losses mount as company grapples with uncertainty and union strike actions," Canada Post, June 14, 2011, http://www.infopost.ca/en/2011/06/rotating-strikes-inflict-significant-losses-while-canada-post-continues-to-incur-wage-bill/; "Canada Post Forced to Shut Down Urban Operations: Nationwide Union actions compromise the viability of Canada Post," Canada Post, June 14, http://www.infopost.ca/en/2011/06/canada-post-forced-to-shut-down-urban-operations-nationwide/
- ¹¹ Deepak Chopra and Jacques Côté, Open letter to employees, June 23, 2011, http://www.infopost.ca/en/2011/06/open-letter-to-employees/
- 12 In its 2003 annual report, the corporation admitted it had been underestimating the volume of transaction mail by over 15% for several years. In 2006, it issued a media release with its 2005 annual report that described the "ongoing erosion of Lettermail volumes" at a time when volumes were still increasing. In 2011 it issued numerous public statements claiming a 17% reduction in mail volumes since 2006, exaggerating the actual decline by 100%. Discrepancies between the volume data contained in the CPC quarterly reports and the most recent annual report further underscore the need to be vigilant when using CPC data.

² "Statement by the Honourable Lisa Raitt, Canada's Labour Minister," Human Resources and Skills Development Canada, May 30, 2011, http://news.gc.ca/web/article-eng.do?m=%2Findex&nid=603809

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