



**CONFRONTING PRECARIOUS WORK:
THE STRUGGLE OF CANADIAN RURAL AND
SUBURBAN MAIL CARRIERS**

**Nancy Beauchamp
Geoff Bickerton
Cathy Kennedy
Barb McMillan**

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INTRODUCTION

On January 24, 2019, Amy Anderson had reason to smile. After delivering mail for 32 years in rural Canada she finally received a paycheque equal to the male urban letter carriers she had been working beside since the beginning of her employment. For the first time, she and 8,530 other Rural and Suburban Mail carriers received the level of pay and benefits to which they were entitled under Canada's federal pay equity legislation.

Their long struggle had not been easy or without enormous obstacles. For decades they faced legislation which expressly prohibited them from unionization. There were always the enormous difficulties of organizing very small groups of workers in 2,200 locations spread out across Canada's enormous expanse of geography. And despite management's public statements to the contrary, all levels of management in Canada Post Corporation consistently opposed every effort for the primarily female rural workers to achieve equality with their male counterparts.

Of course the victory of the RSMCs was not achieved in isolation. It was the result of many decades of struggle conducted by the workers, their allies, progressive politicians, their Union, the women's movement, and the Canadian and international labour movement. As a result, the RSMC struggle is also a victory for the women's movement and labour movement.

For decades thousands of RSMCs, together with their fellow postal workers and with the support of political allies, women's organizations, community groups, academics, lawyers and others have struggled to obtain the most basic right – to receive equal treatment at the workplace. Many activists did not live to see the day when RSMCs would see equal pay and benefits. This paper is dedicated to all of them.

RSMCs IN CANADA

Today there are 8,530 rural and suburban mail carriers in Canada. Approximately 70 per cent of them are women. They deliver letters, admail, publications, packets and parcels to residents of 4.9 million addresses. RSMCs in rural areas deliver mail to over 700,000 houses and farms with rural mailboxes located by the road at the end of their driveway. They also deliver mail to local businesses and residents who live in apartments and those who pick up their mail in community mailboxes. In the suburban areas, RSMCs work out of the same postal stations as the predominantly male urban letter carriers. In these areas, the RSMCs deliver letters, admail and small packets primarily to residents who receive their mail in community mailboxes and those who live in suburban apartments. Letter carriers deliver to apartments, community mailboxes and directly to residences in the more densely populated urban areas. When there is a requirement to deliver parcels both RSMCs and letter carriers deliver the parcels directly to the home of the addressee. In these areas, if it was not for the different colour of their uniform, and the fact that most RSMCs

provide their own vehicle, an observer would be unable to differentiate the RSMCs from letter carriers. The work is virtually identical although the work rules continue to be unequal.

THIS PAPER

This paper tells the story of primarily women rural mail carriers to achieve equality with the predominantly male letter carriers at Canada Post Corporation. It will identify the organizing techniques that were necessary to overcome the opposition of the federal government and Canada Post management to actualize the principles of the pay equity legislation within the Canadian Postal service. It will describe the obstacles and limitations that legislation such as the Canadian Labour Code, the *Canadian Human Rights Act*, and FTA Labour Side Accords place before workers attempting to achieve gender based equality at the workplace.

The purpose of the paper is to inform future generations of postal workers about the struggles that were necessary for them to obtain equality at the workplace. Hopefully it will also contribute to the current process of updating Canada's labour and pay equity legislation. Finally, it is a reminder that for women and in fact all working class people; nothing comes easy and without a struggle.

THE EARLY DAYS: DENIAL OF RIGHTS AND LEGAL RESTRICTIONS

Free postal delivery in rural Canada began in 1908. It was the culmination of a three-year campaign led by George Wilcox, a resident of Springford, Ontario who had experience rural delivery when he had previously lived in Michigan. Wilcox and his supporters eventually overcame the opposition of Postmaster General Rodolphe Lemieux and the Laurier government and the first rural delivery began on October 10, 1908 between Hamilton and Ancaster, Ontario.¹ During the next eighty-six years the people performing this work did not have employee status. These workers, mostly women, were employed as "independent contractors". They were not covered by labour standards legislation, eligible for unemployment or workers compensation benefits, sick leave, vacation leave or any of the other benefits received by other workers at Canada Post who had "employee" status. Whenever they needed time off for any reason they had to find, train and pay for their replacements. Instead of stable, secure employment, these workers had to bid for their jobs whenever they were put up for tender. In 1956, in response to the creation of a short-lived organisation of rural route carriers, the government passed an amendment to the Post Office Act providing for routes less than \$10,000 to be re-offered without tendering. Whenever the contract exceeded \$10,000.00 routes would be put open for bidding which was limited to residents living on the route. In 1981, due in large part, to a public campaign by the postal unions and the Canadian Labour Congress, the government introduced legislation that would transform Canada Post from a department of government to a more independent Crown Corporation and shift employees from

the very restrictive Public Service Staff Relations Act and place them under the Canada Labour Code. This created the first opportunity to provide rural mail carriers with employee status.

The postal unions and Canadian Labour Congress played a major role in shaping the legislative framework of the new postal Crown Corporation. The unions were extensively involved in consultations concerning the governance structure, service requirements, pricing policy, transition provisions and overall mandate of the new entity. At the end of over two years of consultations involving two changes of government, there were only two issues in dispute between the government and the unions, employee status for rural mail carriers and the definition of a letter.

The government refused to grant the rural carriers employee status. Instead, it agreed to eliminate the requirement to tender routes when they reached \$10,000 and promised to improve their working conditions.

The government also introduced a provision of the Canada Post Act that denied rural mail carriers the rights that other postal workers would receive under the Canada Labour Code. Section 13.5 reads as follows:

“Notwithstanding any provision of Part I of the Canada Labour Code, for the purposes of the application of that Part to the Corporation and to officers and employees of the Corporation, a mail contractor is deemed not to be a dependent contractor or an employee within the meaning of those terms in subsection 3(1) of that Act.”

The justification for excluding rural mail carriers from employee status was entirely financial. Defending their exclusion from employee status before the House of Commons Miscellaneous Committee on December 18, 1980, Postmaster General André Ouellet argued that the cost of rural delivery, which he estimated to be \$90 million, would double or even triple and that most rural mail carriers worked part-time and if unionized they would press for full-time jobs. Ouellet also noted that the postal service was running huge operational deficits in amounts of hundreds of millions of dollars.

It would be 23 years later when the same André Ouellet would sign the first collective agreement giving rural and suburban mail carriers the rights of employee status.

THE ORGANIZING BEGINS

Despite the government's promise to improve the conditions of rural mail carriers the difficulties only worsened, especially following the election of a Conservative government in 1984. Wages were too low; vehicle allowances did not match the increasing costs of fuel. In addition, if the rural workers were absent for any reason, including sickness, bereavement, maternity or vacation they were required to find, train and pay for their replacements. Many couriers were angry with the Corporation's 1982 decision to stop Saturday delivery across Canada, which, without negotiation, resulted in a ten per cent reduction in their remuneration, despite the fact that they would have a greater workload on Mondays. There was also frustration that the Crown Corporation had not increased the value of contracts exempted from the public tendering process

These conditions led Sue Eybel, a rural mail carrier based close to Hamilton, Ontario, to send out one hundred letters to other carriers asking if they were interested in working together to address their common problems. Thus began the creation of the Association of Rural Route Mail Couriers, the ARRCMC. It was a formidable task to organize members. The potential membership of 6,000 members was spread out between more than 2,300 separate workplaces located in every area of rural Canada. Communications had to be translated into both official languages. Resources were scarce.

The Association received some financial aid and support from the postal unions. Charlie Maguire, a retired Business Agent for the Letter Carriers Union of Canada, based in southwestern Ontario, provided considerable organizational support for the Association and was also involved in Rural Dignity.

The ARRCMC's immediate objectives were to improve conditions of employment, obtain protection against accidents, seek minimum standards of payment for mileage and points of call, and additional compensation for householders and high volumes and to change the contract system. In the longer term, they were determined to obtain employee status for their members. In its first newsletter sent to members the ARRCMC stated:

"The Corporation is really your employer but through devious means attempted to circumvent his legal and at the very least his moral obligation to individuals who because of this method have been denied the use of the very legislation passed by the legislature at both the Provincial and Federal levels; Unemployment insurance, Canada Pension, compensation contributions to OHIP".² The ARRCMC utilized many types of actions and activities to promote their cause. They wrote letters to the Minister responsible for Canada Post, members of parliament and executives of Canada Post Corporation. They also encouraged members to get petitions signed and got media attention about their issues at local rodeos and community fairs. The group presented before Parliamentary committees and took part in job action at one point. On Valentine's Day 1986, the ARRCMC held

demonstrations in Ottawa on Parliament Hill and in front of Canada Post headquarters to publicize the need for rural route couriers to have union rights. The RRMcs who participated had walked off their jobs for a day. This constituted the first ever collective work stoppage by RSMcs.

VICTORY AND DEFEAT IN THE COURTS

The prospect of a review of the bargaining units at Canada Post gave a huge boost to the organizing efforts of the newly formed Association. On May 6, 1985, Canada Post applied to the Canada Labour Relations Board (CLRB) to review all of the 26 bargaining units existing at Canada Post with a view of possibly combining a number of them. At that time there were separate unions representing inside workers, urban delivery employees, supervisors, administrative workers, and the postmasters and assistants in rural post offices. In May 1986, the Association of Rural Route Mail Couriers applied for standing at the Labour Board hearings. Charlie Maguire appeared before the Board and argued the case for the rural workers. At that time the Association had 460 members in Ontario and was seeking members in other provinces. All of the postal unions supported the Association's right to participate in the hearings.³

In October 1986, their application was granted over the objections of Canada Post Corporation.

THE CORPORATION STRIKES BACK

The response of Canada Post Corporation creation of the new organization was to attack the security of the workers. In late 1985, the Corporation informed them that it would no longer be issuing them T4 slips, which recognized the couriers as postal employees for the purposes of income tax. In September 1986, the Corporation announced that, effective April 1, 1987, all contracts, big and small, would be put up for public tender. In addition, contracts would no longer be for a minimum of five years but could be set at any duration at the discretion of the management representatives responsible for the negotiations with the RSMcs. The result from increased competition for the jobs was reduced security, lower wages, and more overburdening. In 1987, the corporation abolished the residency requirement and permitted companies to bid on jobs resulting in even more insecurity and downward pressure on wages.

There was also retribution directed at workers that supported the organizing efforts. In 1987, seven rural route mail couriers in New Brunswick complained to the Canada Labour Relations Board that Canada Post had discriminated against them in the award of contracts because they were members of a trade union. Sue Eybel also lost her contract in June 1988. Eybel and the New Brunswick workers lodged an unfair labour practice complaint but were unsuccessful.⁴

VICTORY FOR THE ARPMC

In January 1987, the CLRB held hearings to determine if the rural mail couriers were employees under the terms of the Canada Labour Code and if so, did the terms of Section 13.5 of the Canada Post Act negate such a finding.

In February 1987, the Canadian Labour Congress issued a separate CLC Charter for the rural route mail couriers and the Association of Rural Route Mail Couriers became CLC Direct Charter Local 1801. By December 1987, the organization had over 2,600 members. At this time, there was considerable cooperation between the rural route delivery activists and activists working with Rural Dignity and Solidarité Rural. Sue Eybel, who had been elected president of CLC Local 1801 also served on the board of directors of Rural Dignity.

The decision of the CLRB rendered on April 27, 1987 was a total victory for the rural route mail carriers. The Board ruled that the workers were economically dependent on Canada Post and that postal management directed their work in the same manner that they did other employees. Noting that Canada Post had divided its operations into urban and rural services the Board stated that the evidence showed there were no clear boundaries. The CLRB noted that not only were rural mail carriers “integrated into the overall post office mail delivery and collection plan” but also “nothing distinguishes the manner in which they perform their function from the manner in which functions are performed by letter carriers”.⁵

The response of Canada Post was characteristically hyperbolic and melodramatic. André Villeneuve, the vice-president of communications for Canada Post, claimed it threatened “the fundamental basis of free enterprise in Canada.”⁶ Another corporate spokesperson declared that: “What's at stake here is a matter of principle. The decision undermines the whole nature of using competitive forces in the marketplace to get the best service at the best prices.” The Association was delighted with the decision, but cautious. When it was released, Eybel told reporters “I have to wonder if [Canada Post] won't throw us a curve and somehow manage to turn it around.”

LEGAL DEFEATS

The Association's victory did not last long. Canada Post Corporation appealed the CLRB's decision to the Federal Court and won. In May 1988, the Federal Court ruled that the CLRB had exceeded its jurisdiction and the Canada Post Corporation Act prohibited rural mail carriers from employee status. The postal union's appealed but leave to appeal the Federal Court decision was denied by the Supreme Court. The unions also filed a Statement of Claim with the Federal Court requesting a declaration that section 13.5 was contrary to the Canadian Charter of Rights and Freedom. In their statement of claim, the unions argued that the Section 13.5 of the *Canada Post Corporation Act* “was discriminatory on the basis of sex (women versus men) and residency (rural versus urban)”.

Justice Reed struck down the claim stating the claim of discrimination on the basis of sex was “frivolous”. Regarding the gender of RSMCs, the lawyers only had access to Canada Post’s numbers, which indicated that the percentage of women was 53 per cent, not significant enough to make a credible argument that couriers were “predominantly female”.

The Court found that 13.5 did not discriminate against rural couriers on any of the grounds in section 15 of the Charter.

The Association of Rural Route Mail Couriers, now known as CLC Local 1801, was never able to recover from the loss at the Supreme Court. In December 1990, Bob Speller, a Liberal Member of Parliament introduced a Private Members Bill to amend the Canada Post Act to allow for employee status for rural mail carriers. The Bill did not pass. By 1991, Local 1801 was barely functioning. In early 1994, Sue Eybel sent out a newsletter announcing the Local was disbanding.

THE NEW UNION AND THE FIGHT FOR RURAL SERVICES

The period between 1987 and 1993 was very tumultuous for post office workers, as they were required to fight against major service cutbacks, witness the reorganization of their unions, and conduct a national strike against Canada Post

In November 1986, the unions learned that, at the direction of the conservative government, Canada Post Corporation had developed plans to close and privatize all 8,700 corporate retail postal outlets during the following ten years. In March 1987, the Union received a confidential document revealing that the Corporation’s plans included closing all 5,221 rural post offices and replacing them with 3,398 private sector franchises. It also detailed that Canada Post planned to eliminate 6,200 full-time dayshift positions and had allocated \$186 million to fund buyouts and relocation costs.

Facing a massive attack on jobs and services the unions joined forces with rural organizations such as Rural Dignity and Solidarité Rural and responded with legal challenges and a major public campaign involving petitions, boycotts of franchises, and direct actions prohibiting the closures of post offices. Hundreds of municipalities passed resolutions opposing postal closures. Both major opposition political parties pledged to stop the rural post office closures should they be elected in the next election. In the 1993, election the Conservative government was handily defeated dropping from 156 seats in the 295-seat legislature to just two seats. One of the first acts of the newly elected Liberal majority government was to declare a moratorium on rural post office closures. Altogether, Canada Post had been successful in closing 1,621 rural post offices. However, due to the marshalling of public opposition the campaign of the unions and their allies was responsible for saving 3,600 rural post offices. As of March 2019, the moratorium is still in effect.

While the unions were battling postal closures, they were also fighting against each other. In February 1988, the Canada Labour Relations Board issued its decision on the composition of the bargaining units and ruled that the two largest unions, the Canadian Union of Postal Workers (CUPW) and the Letter Carriers Union of Canada (LCUC) should be combined into one new bargaining unit representing all urban operations employees of Canada Post. Following the Board's declaration, the unions came together and negotiated a merger agreement that quickly unraveled. Next followed a representation vote of each organizations members. With participation rate of over 90% the CUPW won with a vote of 51.5%. The next five years were characterized by continuous infighting and attempts by the LCUC activists to overturn the results of the vote.

1991 also witnessed a national strike conducted by the newly enlarged CUPW. The major issues were the impact of new technology, service cutbacks, job security and reduced working time for letter carriers. The strike was ended by the passage of back to work legislation by the Conservative government.

1995 – THE NEXT CHAPTER IN RSMC ORGANIZING

By 1995, postal workers were once again able to turn their attention to rural mail carriers. The Conservative government had been massively defeated in October 1993. The newly elected Liberal government had adopted a moratorium on post office closures. CUPW and Canada Post had signed a new collective agreement in late 1994 without recourse to strike action, and which provided voluntary recognition for 10,000 admail delivery workers who had existed as a separate non-union group delivering unaddressed admail primarily on weekends. All of these factors contributed to a sense of optimism about the potential of obtaining employee status and union rights for the ever-growing number of what were now described as rural and suburban mail carriers.

In the summer of 1995, the CUPW leadership approached Sue Eybel to discuss the possibility of reviving RSMC organizing. With her agreement, the Union sent out a letter to 2,600 members of the former Association outlining its reasons for supporting employee status and unionization for RSMCs and asking if the workers were interested. The Union received over two hundred responses, the vast majority of which were extremely positive. Despite the legal setbacks they had experienced seven years prior, many RSMCs were still determined to work for employee status and equal rights with letter carriers.

In November 1995, the federal government had requested George Radwanski, former editor of the Toronto Star, Canada's largest newspaper, to conduct a wide-ranging review of the mandate of Canada Post Corporation. Seeing this as an opportunity to put RSMC issues back on the agenda CUPW submitted a brief to the Canada Post Mandate Review detailing the history of the struggle of the RSMCs to obtain employee status and recommending, among other things, that the Canada

Post Corporation Act be amended to permit rural route mail couriers to organize into unions and exercise collective bargaining rights. Sue Eybel also made a very strong submission concerning the deplorable situation of many of the RSMCs due to the denial of the rights and the tendering of their routes. The final report of the Mandate Review ignored the issue. Instead of addressing the issue of rural and suburban delivery workers Radwanski recommended that CPC exit from the unaddressed admail delivery. The government followed this recommendation resulting in the layoff of 10,000 workers.

Radwanski's silence on the issue, and the layoff of the admail workers, the largest such layoff in modern Canadian history, signaled to the Union that it was in for a very difficult struggle to obtain rights for RSMCs. To help the Union in its strategic planning the Union solicited the assistance of three experienced organizers.

Cynthia Patterson from Rural Dignity had worked with the Union on the campaign against postal closures and especially rural closures. She knew the realities of both urban and rural life and she was an invaluable guide constantly reminding everyone of both the strengths and the disadvantages of organizing in rural areas. Lynn Spinks had worked with the CUPW helping to develop its national education program. Mary Cornish had written about the theory and practice of union organizing and had worked with Lynn Spinks in organizing campaigns. Twenty-one years later it was Mary Cornish that CUPW would call upon to advise it on the writing of the Memorandum of Agreement that would lead to the achievement of pay equity for RSMCs.

In 1995, the CUPW asked its legal counsel, Gaston Nadeau, to examine the potential for another legal challenge to section 13.5 of the Canada Post Act. Nadeau was characteristically blunt. He stated: *"Although, in my opinion, the decision by the Federal Court of Appeal does show some legal weaknesses, it would be utopic to think we could get a different decision if we started the debate over again. In my humble opinion, we should therefore examine other avenues which could allow rural letter carriers the possibility of becoming union members".⁷*

Based on Nadeau's opinion, the Union leadership and its advisors concluded that there was several possibilities by which RSMCs might obtain collective bargaining rights.

- The Union could negotiate with CPC to contract in this work and include these workers in the master collective agreement either in the letter carrier classification or another separate classification.
- The Union could negotiate voluntary recognition with CPC in a separate agreement.
- Parliament might be convinced to change the legislation and eliminate the prohibition of RSMCs to be covered by the Canada Labour Code.

- CUPW might be successful in a court challenge to the constitutionality of Section 13(5) of the CPC Act.

In either of the last two scenarios, RSMCs would be able to organize themselves into their own Union or join with any other Union, including CUPW, but not necessarily CUPW.

1996: THE CUPW GETS REAL

In 1996, the national convention of the CUPW decided to organize all workers that processed or delivered mail or worked at postal retail counters who were not already represented by a Union. This included employees of private sector retail outlets, Combined Urban Services drivers who delivered parcels and relays in various locations, and RSMCs. Concerning the organization of the RSMCs, the convention authorized a budget of \$250,000 per year with the understanding that the campaign might take a decade. The budget did not include costs that union representatives and staff would incur in their support functions to the organizing campaign. Delegates to the convention were told that while the Union hoped that its efforts and support would eventually lead to RSMCs joining CUPW it recognized the possibility the new organization might remain independent or eventually join any other Union such as the Canadian Postmasters and Assistants Association (CPAA). Although it recognized that it was a long-term commitment of considerable resources with no guarantee of success the CUPW National Executive Board was unanimous in their support for the campaign.

In 1997, after consulting with RSMC activists, Cynthia Patterson of Rural Dignity, and Lynn Spinks the CUPW National Executive Board decided that it would not sign up RSMCs directly into CUPW but would instead provide necessary support to enable the RSMCs to create their own institution. The decision to create a separate organization was contentious within CUPW. In some areas it was believed that the RSMCs were ready and willing to join CUPW directly as members. However, this was not the majority view.

THE ORRMC ARRIVES

In March 1997, CUPW, Sue Eybel and other representatives of the former association organized the founding meeting of the Organization of Rural Route Mail Couriers (ORRMC). The meeting adopted bylaws for the new organization, which was dedicated to fight for rights for rural and suburban service mail couriers.

Following the March 1997 meeting, the ORRMC sent out more letters to RSMCs and worked to expand its contacts. In March 1998, the ORRMC held its first annual general meeting. This was the first time many RSMCs had contact with RSMCs from other regions and the first meeting they had ever held with simultaneous interpretation. At the meeting an executive was elected comprised

of RSMCs and having Deborah Bourque, the CUPW 3rd National Vice-President as an ex-officio member. At the meeting Cynthia Patterson, Rural Dignity's co-coordinator was invited to speak to the group. She was subsequently hired by CUPW as the union's campaign co-coordinator and Katherine Steinhoff, a senior Research and Communications staff person was assigned to work with the ORRMC.

Writing about her experience at the meeting, Alice Boudreau from Shediac, New Brunswick wrote:

"I remember it well. The meeting was held at a big hotel near the Toronto Airport for convenience. I didn't know a sole there and felt very nervous.

But it came very clear to me, over the next two days that we were all in the same boat. None of us had ever been in a room full of couriers before. The ice was quickly broken....then you couldn't get us to shut up. I heard stories from all over the country that made me sad. . . then made me mad. I'd known for a long time that the contract conditions George & I worked under were not fair. Those stories made me realize it was much more than a few bad contracts in a few regions. It was bad for everyone, everywhere.

I went away from that first AGM with a new understanding: an understanding of systemic injustice.

I also went away with a lot of new colleagues in what I realized was going to be a long, hard fight, colleagues I would come to think of as sisters and brothers.

*And much to my surprise, I went away as a member of the ORRMC's five person executive."*⁸

At its founding meeting the ORRMC recognized it faced several basic challenges.

- Expand its membership base.
- Improve the working conditions of RSMCs.
- Develop and maintain activism within its membership.
- Build support within the traditional CUPW membership and build alliances with the CPAA.
- Convince parliament to repeal section 13(5) of the Canada Post Corporation Act.
- Convince Canada Post Corporation to contract-in RSMC work and maintain the existing workers as employees.

To accomplish these ends the ORRMC adopted an activist strategy involving a wide range of tactics. To be successful they recognized that it would be necessary to involve the membership in activities that were compatible with their political culture, gain sustained media attention, and use the bargaining leverage and resources of CUPW.

Legal challenges would be only used as a means of supporting the broader strategy of public campaigns and applying political pressure on Canada Post and the government.

THE SIGN-UP TO THE ORRMC

Following the meeting, the ORRMC and CUPW held training sessions for organizers to prepare for a national sign-up campaign.

In the autumn of 1998, joint teams of CUPW and ORRMC activists conducted a national organizing drive. The unions organizing drive was assisted by CBC TV's "Newsmagazine" which, on Labour Day 1998, aired a 15-minute feature on the injustices faced by rural and suburban service mail couriers. Also the union's local and regional structures helped to overcome the obstacles created by organizing members in thousands of one and two employee facilities. At the end of a Herculean effort almost two-thirds of the RSMCs had joined the ORRMC. Although the Union did not have any legal collective bargaining rights it had the full mandate it needed to represent RSMCs with their employer, Canada Post and to struggle against the government for the repeal of the restrictive legislation.

Once it had signed a large number of members, it became clear that a large majority, in excess of 70 per cent, of RSMCs were women. This meant that either the proportion of women RSMCs had greatly increased since 1988 or Canada Post had understated their numbers when it submitted information to the Court hearing the Charter challenge. Recognition that a large majority of the employees were women enabled CUPW and the ORRMC to understand the conditions of RSMCs in the context of institutional gender discrimination and present their struggle as one for women's equality at the workplace.

MEETING THE BOSS: "THE HARD WAY OR THE EASY WAY"

Shortly after the sign up campaign Deborah Bourque, CUPW's 3rd National Vice-President and ex-officio member of the ORRMC executive met with André Ouellet to discuss the reasons why Canada Post Corporation should recognize the rights of the RSMCs to collective bargaining. She explained that one way or another CPC would agree sooner or later. She described the plan of activities the ORRMC was discussing including demonstrations, petitions, legal challenges, political lobbying, a broadly based media campaign and the likelihood that this issue would be central to the CUPW's bargaining when it next did so with the right to strike. She explained to Ouellet that the choice was his. The easy way was to move quickly. Otherwise the ORRMC and the CUPW would have to carry through on their plans. This would be the hard way. But either way RSMCs would obtain bargaining rights. Ouellet nodded but it was obvious he was not convinced the cause of RSMCs would become a political issue that would have to be addressed.

It would require several years of the type of vigorous activities described by Bourque before Canada Post management would even begin the process of discussing the possibility of employee status.

1998 TO 2002: MAKING IT HAPPEN THE HARD WAY

The strategic planning of the leadership of the ORRMC and CUPW was based on the premise that a combination of both political pressure from a wide range of the political spectrum and the collective bargaining power of the CUPW would be necessary for RSMCs to obtain employee status.

Following the meeting with Ouellet the leadership mapped out a plan of action that included:

- Participation in labour movement and popular sector activities and struggles
- Public actions designed to attract media attention and generate public support
- Lobbying and petitions to pressure politicians to support legislation change
- Strengthening the solidarity between RSMCs and CUPW urban members
- Generating international pressure through a NAFTA challenge.

The leadership recognized that it would be necessary to involve the membership in activities that were compatible with their political culture. Also organizing activities that required membership participation would permit the RSMCs to develop the organizational base and leadership skills that would be necessary when the legal framework was changed to permit unionization.

JOINING THE MOVEMENT

The progressive movements, especially the women's movement, welcomed the energy and commitment of ORRMC activists. Through participation at assemblies of the Solidarity Network, a broadly based coalition of labour, women, environmental and community based movements, ORRMC leaders and activists made contact with people from all parts of the progressive movement. The ORRMC took out membership in the National Action Committee for the Status of Women and the leadership joined the women's annual lobbying day on the Hill and walked in the Women's March Against Poverty. They spoke at labour council meetings, union conventions and meetings of women's organizations.

In the words of Alice Boudreau; *"We learned what a progressive movement is! We found our voices. We learned new language: coalitions, the movement, equality-seeking, justice, activists. We learned we were activists. Justice-seeking activists."*⁹

PUBLIC EVENTS

Throughout the period from 1998 to 2002, the ORRMC organized a series of public events to raise public consciousness of the RSMCs situation and pressure the post office and government into taking action. In early 2000, when CPC launched its postage stamp celebrating rural life the ORRMC was there to launch its own postage stamp protesting the treatment of RSMCs. On March 8, 2001, the all-female executive of the RSMC donned suffragette-style hats and demonstrated by the statue of the “famous five” on parliament hill to draw attention to their fight to win the right to collective bargaining for RSMCs. The ORRMC activities also went far beyond the executive and a small core of activists. In every region RSMCs were active working with community coalitions and other local justice seeking groups. RSMC representatives spoke at municipal councils. They continued to collect names for petitions at malls, in community fairs and at labour movement events.

PETITIONS AND POLITICAL LOBBYING

On the political front the ORRMC initiated a broadly based petition campaign. With members in virtually every federal riding the circulation of petitions was an excellent means of gaining public awareness of the issues while initiating members into union activities and building organizational and public speaking skills. During the next four years Members of Parliament would introduce and read over 150 petitions into the House of Commons from all political parties. RSMCs were also encouraged to write letters to their local newspapers. These activities coincided with a RSMCs and local CUPW representatives meeting to lobby Members of Parliament in their constituencies and in Ottawa. In the spring of 1999, the ORRMC executive conducted an intensive lobby of MPs in Ottawa. The name and cause of the organization started to gain a political and public profile. It was also forcing CPC to recognize the growing influence of the ORRMC. In June 1999, the ORRMC executive met with André Ouellet, President of Canada Post. Promises were made, but not delivered.

Another round of lobbying occurred in the autumn of 1999 after NDP Member of Parliament Pat Martin introduced a private members bill to repeal section 13(5) of the Canada Post Corporation Act. The Bill received broad support from many members of all political parties despite an active campaign of disinformation by Canada Post Corporation. When it was voted on May 5, 2000, it failed by just four votes. Following the vote, the ORRMC executive met jointly with the Minister Responsible for Canada Post and the President of Canada Post. They committed to make improvements in working conditions but no employee recognition. Ouellet subsequently wrote to the ORRMC saying that he saw “no point” in further meetings.

The near success of Martin’s private member’s bill gave the ORRMC executive reason for optimism that repeal of the prohibition from employee status was a real possibility. In the words of ORRMC President, Alice Boudreau:

“The result of this vote was deemed remarkable by everyone, even those who do not wish us well. The government was surprised and rattled. It was quite unheard of for a private member’s bill aiming to alter government legislation in an important way - and with budgetary implications - to garner so much all party support”.¹⁰

In 2002, both the Bloc Québécois and the NDP introduced new private members bills to repeal Section 13(5). These bills were not voted, as the issue was resolved in the 2003 CUPW negotiations.

To assist in its communications the ORRMC approached award winning filmmaker Michael Ostroff to produce a video that offered a glimpse of the everyday lives of its members. Launched in April 2001 and called Basic Rights: the delivery of mail in rural Canada, the 20-minute video illustrated the injustices that rural and suburban couriers faced because they were denied the right to collective bargaining. The video won the award for the best public advocacy video for Basic Rights at the Canadian Association of Labour Media’s (CALM) annual conference in 2001. The ORRMC sent copies of the video to all Members of Parliament and CUPW presented the video to Canada Post Management.

BUILDING SOLIDARITY

Throughout this period efforts were made to create greater awareness and solidarity between the urban and rural post office workers. RSMCs were invited to speak at CUPW meetings, education seminars, regional conferences and at the 1997 CUPW national convention. CUPW officers and staff were also very involved in assisting the ORRMC in preparing briefs and press releases and working to organize lobbying efforts and news conferences. At the local level CUPW local officers and activists participated and supported the public activities of the ORRMC by assisting with petitions, organizing public events, lobbying local politicians and helping with public information campaigns.

CUPW representatives, at all levels of the Union, frequently raised the situation of RSMCs with their management counterparts. Following a meeting where a senior management representative described the OMMRC leadership as “Deborah’s little group” (referring to CUPW’s 3rd National President Deborah Bourque) the union leadership agreed that they would find a way to raise the issue of the RSMCs whenever they were meeting with management no matter what subject the meeting was called for. It was crucial for management to realize that the commitment of the Union was deep and unwavering.

In the 1997 negotiations the Union included a proposal to contract in the work of RSMCs and hire existing RSMCs as employees in its national program of demands. This demand was not a high priority. The negotiations failed, CUPW undertook strike action and was legislated back to work in December 1997. The issues were referred to an arbitrator. CUPW maintained its demand before the arbitrator and made a presentation in the spring of 1999. Eventually the parties decided to return

to the bargaining table and negotiate an agreement rather than be subject to the arbitrator's decision. A tentative agreement was reached on December 18, 1999. It did not include any change with respect to the status of RSMCs.

THE NAFTA CHALLENGE

In 1998, the ORRMC and the CUPW decided to use the legal means available through the labour side accords of NAFTA to promote the cause of bargaining rights for RSMC's. In this they were assisted by the National Association of Letter Carriers in the United States who organized a broad coalition of unions from Canada, the United States and Mexico to participate. In December 1998, the ORRMC and 21 unions and social justice groups from Canada, the United States and Mexico filed a complaint in Washington under the North American Free Trade Agreement. The American unions included the National Association of Letter Carriers, the American Postal Workers Union, The Mail Handlers Union, the Communications Workers of America, and the Teamsters Union. Canadian Unions included CUPE, the Public Service Alliance of Canada, the CAW, the Steelworkers, and the Communication, Energy and Paperworkers Union. The Mexican postal workers were also involved and made a statement to the press conference in Washington D.C. Both the Mexicans and Americans stressed that RSMCs in Mexico and America were employees and had full bargaining rights.

The complaint, filed under the North American Agreement on Labour Cooperation (NAALC) received widespread media coverage in Canada. The complaint argued that Section 13(5) of the CPC Act contradicted Canada's obligations under the NAALC and its International Labour Organization (ILO) commitments. It argued that, as a signatory to the NAALC, Canada committed to promote, to the maximum extent possible, the labour principles set out in Annex 1 of the NAALC, namely freedom of association, the right to bargain collectively, prevention of and compensation for occupational injuries and illnesses and elimination of employment discrimination.

Speaking at the press conference announcing the filing of the complaint in Washington, National Association of Letter Carriers President Vincent R. Sombrotto stated: *"The American unions and other organizations that have joined in this submission do so to express our solidarity with the Rural Route Mail Couriers of Canada. But we also do it to protect the interests of our members who were promised that NAFTA would raise labor standards in all three countries. Justice for rural letter carriers in Canada can only help the cause of justice for workers in all three NAFTA countries."*¹¹

The U.S. National Administrative Office (NAO) responsible for investigating complaints filed under the NAALC refused to accept the complaint arguing that it did not make the case that section 13(5) was violating Canadian law. The NAO based its decision on information provided by Canada Post Corporation which was not shared with the unions and which contained many factual inaccuracies.

The Canadian Labour Congress (CLC) intervened on behalf of the ORRMC and the unions that had filed the complaint. It was agreed that the NAO's of Canada and the United States would hold a two-day public conference in Toronto at the beginning of February 2001 on The Right to Organize and Bargain Collectively in Canada and the United States. At this conference, which received media attention in Canada, there were numerous interventions in support of the RSMC's rights to bargain including papers from the United Steelworkers of America, the CUPW, and the international trade secretariat Union Network International (UNI).

Speaking at the conference Deborah Bourque, the CUPW's 3rd National Vice-President who was responsible for the Union's work with the RSMCs, summed up the Union's frustration with the NAO's decision and the actions of the Canadian government as follows:

"The NAO's position narrows the commitment of the parties to the NAALC to strive to improve labour standards to a point where, in fact, no such commitment really exists. When a party is free to adopt or maintain legislation, like 13.5, that contradicts, neglects or fails to promote the objectives of the agreement, no other conclusion is possible. The Canadian government is either a signatory to an agreement that means something in terms of labour standards and is in breach of that agreement in the case of rural or suburban mail couriers or the Canadian government has deliberately entered into an agreement that is meaningless and provides no measures of protection for worker's rights. In either case they have desperately failed rural and suburban mail couriers and mislead the people of Canada and the international community."

Prophetically she concluded: *"This is an issue that is a lot larger than 6,000 rural postal workers. It's about fundamental rights for working people to use their collective strength to win some justice and dignity in their working lives. At some point the Canadian government is going to have to come to terms with collective bargaining rights for rural and suburban mail couriers. Because they will win that right. Rural and suburban mail couriers will be unionized and they will improve their wages and working conditions through collective bargaining. It's just unfortunate that, despite decades of struggle and despite international commitment, these basic fundamental rights cannot be taken for granted by any of us and they still have to be fought for."*¹²

PREFIGURING THE FUTURE: THE ORRMC INITIATES BARGAINING

From its very formation the ORRMC adopted the approach that the best way to overcome the legislation prohibiting unionization was to act like a Union in all respects. Pre-figuring the future in its structure and activities would assist RSMCs and CPC to get comfortable with the idea of unionization.

Consistent with this philosophy the ORRMC did not wait to obtain legal collective bargaining rights before it began the bargaining process. In early 2000, the ORRMC executive began drafting a

program of demands to be discussed and ratified at the annual general meeting. The 12-point program of demands was presented to CPC representatives in May 2000. In addition to the demand for Union recognition it contained a combination of immediate reforms, such as the establishment of an arbitration system to resolve disputes over points of call, special payments and discipline. There were also demands for a 10 per cent across the board increase in all contracts, coverage for health benefits and the establishment of an employer paid RRSP to a maximum of 4 per cent of earnings. The ORRMC also demanded an end to the tendering of routes unless there was a vacancy.

The process of determining and ratifying the demands was a critically important stage in the development of the ORRMC, laying the foundation for the participation of RSMCs in the CUPW negotiations of 2003.

COSTING DISCUSSIONS BEGIN

Although Canada Post did not respond positively to the demands the lines of communications were open and discussions continued. On June 18, 2001, senior representatives of CPC met with Deborah Bourque and senior CUPW staff to begin discussions on the cost of the ORRMC proposals. CPC was not yet ready to recognize the ORRMC for the purposes of bargaining. But the process was beginning. The costing discussions continued right up until the tentative agreement was signed.

At this first costing meeting the Union realized that many of the assumptions used by the Corporations, such as the requirement to send route measurement officers to spend three weeks to restructure hundreds of one-route offices, were totally unrealistic and were included solely to exaggerate the cost of providing RSMCs employee status. It also learned that CPC management had adopted a new position, that even if CPC and CUPW were to come to an agreement to make RSMCs employees, the Canada Post Corporation Act would have to be amended by parliament.

In 2000, the Union was surprised to learn that, in August 2000, Canada Post commissioned Watson Wyatt to conduct an analysis of RSMC labour costs. Referring to that study John Caines from CPC media relations stated in a letter to the Yukon News, reported on August 23, 2002 stated: *CPC feels that the income earned by rural contractors is fair and competitive, a view that is supported by third-party research consultants who have determined that the compensation of rural contractors compares favorably to those of other transportation or service-industry jobs.*" CUPW asked for a copy of the study but the request was refused by management.

Costing discussions continued and by February 2003 management was estimating that providing RSMCs with employee status and all of the same rights and benefits of letter carriers would raise annual costs from \$149 million to \$388 million, an annual increase of \$239 million, or 160 per cent.¹³

JOINING THE CUPW

In 2001, the ORRMC leadership had advised the CUPW that it did not think the time was right to sign up RSMCs as members of the CUPW. However in early 2002 the ORRMC told CUPW that the integration and cooperation between RSMCs and CUPW members was developed enough to attempt a national sign up campaign.

At the ORRMC's annual general meeting in March 2002, and the CUPW's Convention in April of 2002, membership at both conventions voted to conduct a sign up campaign directly into CUPW.

On the Union side the campaign was led by George Floresco who had been recently elected as CUPW's 3rd National President responsible for organizing. The Union budgeted \$1million for the sign-up activities that involved several mass mailings and face-to-face meetings with the members. Again, ORRMC activists worked side-by-side with traditional CUPW members to be trained and then travel throughout rural Canada as organizers. The campaign involved 80 two-person teams composed of one CUPW member and one RSMC member with couriers in small groups or one-on-one across the country. During August and September 2002, a strong majority of couriers signed up as members of CUPW.

Shortly after the sign up campaign, in October of 2002 the ORRMC Executive met in Ottawa with CUPW and worked out a transitional strategy for the next six months. At the end of the weekend the ORRMC executive unanimously voted to wind down the ORRMC within the month.

In the words of ORRMC President Alice Boudreau, *"We realized it was a structure our membership had outgrown and no longer needed. We felt sad, but it was a sadness we accepted as a loss of the familiar, but great anticipation of new growth and expanded movement."*

On January 10, 2003, CUPW applied to the CIRB to be certified as the bargaining representative for rural route mail couriers. Consistent with its unwavering opposition to equal rights for RSMCs,

Canada Post management responded by filing an unfair labour practice complaint claiming that CUPW could not require the Corporation to bargain for RSMCs because they were not employees of the Corporation.

2002-2003 NEGOTIATIONS

The Union entered into the national negotiations in 2002 recognizing that employee status and coverage in the collective agreement for RSMCs would have to be a strike issue if it could not be agreed to through negotiations.

In the words of Deborah Bourque, who had been elected CUPW National President earlier that year: *“When we began collective bargaining with Canada Post in 2002 we knew that this would likely be our only chance at forcing CPC management to make the RSMCs employees. If we dropped the demand in 2002, it would be tremendously demoralizing to our activists. For this to be a serious demand we knew we had to have support within the leadership and membership of the Union so that a threat to strike over this issue would be taken seriously by management. Needless to say we were very happy when we discovered that every region of our Union submitted a demand that Canada Post Corporation extend voluntary recognition to the RSMCs and contract them in as full employees.”*¹⁴

For the Union there were also very significant issues for the urban membership. In 1989, Canada Post contracted out the delivery of all first class parcels. In 2000 the parties had agreed to contract-in parcel delivery in a major location and evaluate the action on the basis of costs and service performance. The project had occurred in Winnipeg and the results indicated that the work could be performed in-house at no greater cost. CUPW was determined to bring this work back to the bargaining unit. Also there were financial issues to address. In 1997, the federal government passed legislation to end the CUPW strike and imposed wage increases less than that which had been offered by postal management. Understandably there was considerable pressure on the union’s bargaining committee, led by Lynn Bue, to achieve an agreement that addressed these and other issues. For its part Canada Post entered negotiations with a list of 40 concessions it was demanding from the Union including elimination of the paid meal period for Mail Service Couriers, elimination of severance pay, unfettered use of private vehicles for letter carriers, introduction of significant employee paid health care premiums, and reduced seniority and transfer rights.

Initially management refused to discuss the inclusion of RSMCs. However in 2003 Canada Post President André Ouellet approached the Union leadership and suggested that he might be willing to consider employee status for RSMCs and voluntary recognition under certain conditions. First CPC would require a long-term agreement that would provide financial certainty. Secondly, there would have to be a separate agreement for RSMCs. Third, any agreement reached over the RSMCs would be dependent on the urban unit reaching an agreement without a strike. Finally, the negotiations would have to be held at a separate location than that for the urban unit and would have to remain secret for as long as possible.

The Union agreed and negotiations began. On the Union side the RSMCs were represented by George Floresco, who had led the organizing drive, Valère Tremblay, Former National director for the Québec region, and Alice Boudreau, former President of the ORRMC and an RSMC since 1976. Management’s side was headed by Ouellet and two senior management representatives.

The negotiations for both the urban and RSMC units were long and difficult. Eventually in late May 2003, the Union held a strike vote for the urban members from May 31st to June 15th 2003. The results of the vote only applied to the urban unit. Information meetings with Rural and Suburban Mail Couriers (RSMC) were held during the same approximate time period to update them as to the status of negotiations. At these meetings, RSMCs were notified that there would be a separate referendum vote of RSMCs if the Union was successful in negotiating a contract for them.

CUPW urban members voted overwhelmingly in favour of providing the leadership with a strike mandate and on July 8, 2003, the Union notified the Minister of Labour that it had set a strike deadline for Friday, July 18, 2003 at 12:01 a.m. The negotiations faltered on July 11, 2003 when CPC issued a press statement stating that its benefit costs had increased \$270 million in three years and now topped \$850 million. CUPW requested to examine the figures and Canada Post refused. It was obvious to the Union that the Corporation was again following its pattern of deflecting the issues by exaggerating costs and setting the stage for back to work legislation. Three days later Anne Joynt, CPC Executive Vice President for Business Operations, informed the Union that CUPW benefit costs amounted to \$87 million per year. CUPW interpreted this as a sign CPC was interested in negotiating and talks resumed. On July 17th CPC presented a new global offer and the parties agreed to extend the strike deadline and the application of the collective agreement.

On July 22nd the union Chief Negotiator, Lynn Bue announced that CUPW and Canada Post had reached a framework for settlement. In order to finalize a tentative agreement, both parties had agreed to a 72-hour extension. She stated that while the parties had reached agreement on the issues, there was still work to be done to finalize contractual text in both official languages. The following day she issued another statement announcing that the RSMCs would be covered by their own collective agreement. She stated: *“One of our most difficult and challenging demands was to have the Rural and suburban mail carriers (RSMCs) brought into the Canadian Union of Postal Workers. The RSMCs will now have their own separate collective agreement. Some work is still required.”*¹⁵

The work referred to by Bue included determining some major outstanding issues such as the provisions of the pension plan. When Canada Post finally agreed to the inclusion of the RSMCs in the Corporation’s defined benefit, fully indexed pension plan, the agreement was finalized.

On July 27, 2003, after what seemed as an eternity, RSMCs learned the details of the tentative agreement. The major provisions included:

Employee Status: Under the agreement, on January 1, 2004, all 6,000 rural and suburban workers would become employees of Canada Post Corporation. RSMCs currently holding routes would be offered employee status. If an RSMC declined the offer, an offer would be made to a qualified person who regularly performs the duties as a replacement.

Immediate Protection: All contracts expiring before 2004 to be extended. In addition, contractual protections against unjust dismissal would become effective.

Duration: An eight-year collective agreement with a re-opener for negotiations every two years.

Financial Formula for Guaranteed Funding of Improvements: Under the agreement, CPC would contribute \$29 million in the first year, and an additional \$15 million each year thereafter, to finance improvements in wages, benefits and working conditions. The total amount of “new money” over the eight years would amount to \$652 million and the annual compensation costs to CPC would increase by \$134 million by the last year. The financial cap could be used to finance wage increases, benefit and healthcare plan costs, employer premiums for pensions, WCB, EI, provincial health plans, costs of relief and any other improvements that would not exist without collective bargaining and employee status. It could not be used to cover administrative costs and any costs associated with growth.

Transition Committee: A joint, six-person Transition Committee, with three CUPW and three CPC representatives, to oversee aspects of introducing the contract, setting up a work evaluation system and establishing an hourly-paid payroll.

Contract Re-Openers: The wages and benefits for the first two years were set under the contract. For future years, the improvements would be negotiated between the parties based upon the financial formula. If no agreement, the issues would be given to an arbitrator to decide.

Vehicles and Allowance: Employees to continue to use their vehicle. The standard vehicle allowance to be set at \$0.42/kilometre, for the first 5,000 kilometres and \$0.36 for each additional kilometer.

Wage Increase: In the first year of the agreement, employees would receive a yearly increase in wages of \$225.00 for each daily hour their route had been designated. For example, an employee performing a route designated as seven hours per day would receive 7 x \$225.00, for a total yearly increase of \$1,575.00 in 2004.

Canada Post Pension: Under the agreement, rural and suburban employees would be covered under the Canada Post Pension Plan effective January 1, 2004.

Basic Employee Rights, First Year: All RSMCs covered under Employment Insurance (EI) and Workers Compensation. Employees to be entitled to bereavement leave, the right to unpaid parental leaves, paid statutory holidays, two weeks paid vacation, Canada Labour Code health and safety protections and protection from harassment in the workplace under the *Canadian Human Rights Act*. CPC to make employer contributions to the Canada/Quebec Pension Plan.

Rights and Protections: The agreement included a grievance arbitration process and rights for union recognition and representation.

More Improvements, Second Year: Under the agreement, wages to be improved based upon the funds available under the financial formula. Other improvements included: three weeks of paid vacation, coverage under the CUPW childcare fund, vision and hearing-aid plan, and improved bereavement leave.

More Improvements, Future Years: Improvements in future years would be determined through the negotiations re-openers of the agreement every two years.

Altogether the first year of the agreement increased the compensation of the average RSMC by 33 per cent. Prior to the agreement the average RSMC worked 6 hours per day and received an annual wage (including payments for admail, personal contact items and lock changes) of \$19,173.00. This did not include vehicle costs. Out of this the RSMC had to pay for replacements if they were away on vacation or bereavement leave or any other reason. Considering wages, vacation pay and the employer's share of the Canada/Quebec public pension plan the average RSMC gained about 18 per cent in additional pay or reduced costs in the first year of the collective agreement. Added to this RSMCs also gained other important benefits such as the Canada Post Pension Plan and coverage under Employment Insurance which amounted to another 15% in compensation.

Referring to the agreement Chief Negotiator Lynn Bue stated: *"It is a great step forward for the CUPW and for the labour movement as a whole. The RSMCs, CUPW and the labour movement can all share in the joy of this great breakthrough."*¹⁶

Referring to the agreement Judy Fudge, professor of Law, Labour historian and progressive activist wrote: *"I think winning employee status and a collective agreement for these workers is one of the greatest achievements of the labour movement in Canada in the past 10 years and it is a good way for the labour movement to begin the new millennium"*.¹⁷

RATIFICATION AND REACTION

Following the tentative agreement the CUPW held ratification votes across the country. At these meetings members received written materials describing all of the provisions in the new agreements. Members heard a presentation from the National Executive Board supporting the agreement and also presentations from any members of the NEB who opposed the agreement. Members had the opportunity to ask questions and make comments and then they voted by secret ballot. The RSMC agreement passed with 87% voting yes and over 75% of the eligible members voting. The turnout was quite remarkable given that many members had to travel considerable

distances to attend the meetings. There was no significant opposition to the contract and members in all regions supported it with at least a two-thirds majority.

The Urban collective agreement was much more controversial. Although the agreement contained many of the major objectives of the urban membership, such as the contracting in of parcels, improved benefits and wages above the rate of inflation it contained one major concession, the termination of accumulation of severance pay. Prior to 2003 regular employees accumulated one week of severance pay per year of service up to 28 weeks. The amount was payable upon retirement. In previous rounds of bargaining CUPW had previously successfully resisted efforts by Canada Post to remove this benefit. In 2003, faced with many improvements in the urban collective agreement, the potential contracting in of hundreds of jobs, and the prospect of employee status for more than 6,000 RSMCs the majority of the Union leadership decided to accept the concession. Despite considerable organized resistance the urban contract was ratified with the support of 65% of the voting members.

Eighteen years after Sue Eybel sent out letters to two hundreds rural mail carriers asking if they were interested in working together, RSMCs finally obtained employee status at Canada Post. The determined effort of hundreds of RSMC activists and the support of the Canadian Union of Postal Workers, the labour movement, the women's movement and progressive academics and politicians had finally overcome the opposition of Canada Post and made this moment possible. Yet despite the attainment of employee status on January 1, 2004, it would require another fifteen years of struggle before the female dominated RSMCs would achieve equity with the male dominated letter carriers.

THE CHANGING NATURE OF RSMC WORK

In 2004 the work process for many RSMCs was much different than what had existed when they first started to organize in 1985. In the early 1980s, Canada Post had abandoned its commitment to provide door-to-door delivery in all communities of 2,000 or more points of call. Instead of home delivery, residents of newly built suburbs were required to pick up their mail in community mailboxes (CMBs). Increasingly the delivery to the CMBs was performed by RSMCs. By 2004 fully 33 per cent of RSMCs were working out of letter carrier depots performing CMB delivery. By 2004, most letter carrier depots were home to letter carriers delivering to CMBs and/or residential delivery to the door and RSMCs who delivered to CMBs and/or rural delivery to the lot line. For fifteen years following 2004 all of these workers would have employee status but the predominantly female RSMCs would work with earnings, benefits and work rules considerably inferior to the predominantly male letter carriers.

CONFRONTING RSMC INEQUALITIES

The agreement to accord RSMCs with employee status provided immediate benefits to all RSMCs. As employees they were now covered by Workers Compensation in the event of injuries, unemployment insurance benefits for sickness and maternity, and could look forward to contributing to, and receiving benefits from the Canada Post Pension Plan. But the first year of the agreement did little to reduce the vast inequality that existed between the RSMCs themselves.

When CUPW began to represent RSMCs it realized there was a separate wage rate for every member of the bargaining unit. Prior to 2004, all RSMCs negotiated their own salary with the CPC Transportation Contracting Services Officer. Many factors, including the influence of the local labour market, the number and quality of the competing tenders, and interference by the local management could influence the value of a route. Both the wage rate and the hours of work varied enormously. The longest route was 16.7 daily hours and the shortest was 0.98 hours.

Until 2004, RSMCs did not know the value of the routes of RSMCs in their same offices as CPC regulations prohibited them from disclosing the value of their contracts to anyone.

Once CUPW received notification of the wage levels received by RSMCs it realized that 50 employees were receiving less than provided for by the federal minimum wage. These employees received an immediate increase to bring them up to the minimum rate.

To address the wide disparity in wages the collective agreement provided for half of the wage increase in 2005 to go to everyone equally in the form of an “across the board” increase and half to go towards bringing up the lowest paid workers. This formula was applied to wage increases in several years of the agreement to establish and raise the minimum wage rate for the bargaining unit.

The objective of raising the minimum wages as opposed to sharing the financial cap equally between all of the employees reflected the culture, traditions, policies and practices of the Union since its founding in 1965 and was compatible with the practices of much of the Canadian labour movement. The CUPW leadership and activists had been very supportive of the Common Front Strikes of 1970 in Quebec where the entire public and para public sector went on a general province wide strike to achieve a minimum wage of \$100.00 per week. In 1981 in British Columbia municipal and education workers had engaged in province-wide actions to achieve equal wage rates between predominantly female and predominantly male entry level classifications. In the 1980s, Ontario hospital workers had taken up the fight for minimum \$10 per hour wages. All of these wage solidaristic struggles were designed to increase the wages of women and create greater class equality. It was not surprising that, when presented with the opportunity, CUPW would look first towards increasing the lower paid workers.

AN EARLY DISPUTE OVER THE FINANCIAL CAP

Almost immediately after the collective agreement came into force the parties became involved in an interpretation dispute concerning the amount of money that would be spent as a result of the inclusion of RSMCs as employees in 2004.

The collective agreement provided for the costs to go up by \$29 million over what they would have been in the base year if RSMCs had not been employees. The base year was 2004. Canada Post rejected this approach and argued that a comparison should be made with 2003, the last year that RSMCs were contractors. This approach would have effectively lowered RSMC compensation by \$3 million per year during each year of the eight-year agreement. CUPW proposed to use historical trend information to estimate what the cost of RSMCs as contractors would have been in 2004, apply that increase and then apply the \$29 million devoted to increased compensation for 2004. The issue went to arbitration and CUPW's position was vindicated.

During the next seven years there were several minor disputes over the costing of various benefits that was applied to the financial cap but for the most part the parties were able to overcome their differences and come to agreement.

IMPROVEMENTS BUT NO EQUALITY

The wage and benefit improvements provided in the 2004 were seen as just the beginning of a very long process which gradually reduce the inequalities between RSMCs and letter carriers. The compensation increases provided for in the financial cap would ensure that average annual compensation per full-time RSMCs working 40 hours per week would increase by more than \$25,000 during the eight years. Most of the money would not appear on employee's pay cheques but rather go towards paying for the monetary and statutory benefits to which RSMCs would become entitled. Of the money that was allocated to wages almost one-half would be directed towards the lower paid workers. Added to this, the fact that costs of the pension and workers compensation were unknown making actual predictions of future wage and benefit increases impossible.

The inequalities between letter carriers and RSMCs were very profound and extended beyond financial compensation. RSMCs still earned far less in wages than letter carriers. RSMCs were not provided uniforms and had to provide their own vehicles, for which they received an allowance. RSMCs still had to find, train and provide their own replacements when they took any form of leave including sick leave, injury leave and bereavement leave. Unlike letter carriers RSMCs did not receive any pay for hours they worked in addition to the assessed time of their route. During the Christmas season, or at times of heavy volumes or bad weather RSMCs could work many additional hours for which they would receive no pay. Only their assessed time was counted as pensionable

service. Unlike letter carriers, RSMCs did not receive time values for delivery of parcels. Instead they received an inadequate piece rate. Finally, RSMCs were not entitled to transfer rights, guaranteed hours, or job security. Many of the non-monetary forms of discrimination would not be addressed by management during the eight years of the first agreement and would emerge as negotiations demands in the 2012, 2016 and 2018 negotiations.

RSMCs PERSPECTIVES ON THEIR WORK AND THEIR UNION

In 2007, the Centre for Research on Work and Society (CRWS) at York University conducted a survey of all RSMCs concerning their views on their work, and the impact of unionization and employee status. The survey was followed up by telephone interviews.

Altogether 2,197 employees responded to the survey for a response rate of more than 30%.

The responses revealed the following:

- 76.8% had no other paid employment
- The median years of service was 12 years
- 41.2% worked out of letter carrier offices
- 44.5% said it took longer time than their scheduled hours to finish their work
- 57.3% found it hard to find a replacement
- 46.5% found their job to be stressful
- 74.7% stated their Union could do a better job negotiating for them than they could
- Only 18.8% agreed with the statement “it would be better if we never joined the Union”
- 78.0% said it was “very important to equalize the wages of RSMCs
- 90.8% thought it was important to achieve parity with letter carriers¹⁸

2006 CONTRACT REOPENER

The Union identified four priority areas to focus on in the negotiations for the first reopener of the collective agreement. These were; the establishment of relief; introduction of a work measurement system and increased wages and improved benefits. These priorities were endorsed by the membership in a ratification vote prior to the commencement of negotiations.

Due to unexpected pension costs, resulting from a \$1.3 billion solvency deficit, the amount of funds available in the financial cap were considerably less than the annual increases of \$15 million foreseen in the original agreement negotiated in 2004.

The final settlement was endorsed by the Union leadership and supported strongly by the membership in a contract ratification vote.

The improvements in the agreement included:

- Route Measurement Study: Based on the results of the study the Transition Committee would make recommendations to the parties concerning the implementation of a work measurement system. Annual wages of \$4.1 million, or \$661.00 per employee to be used to compensate employees in accordance with the recommendations of the Committee;
- Annual wage increases of \$95.00 per daily assessed hour of work in each year; (for example an employee with a six hour per day route would receive as annual increase of \$570.00)
- Increased vehicle allowance;
- Yearly boot allowance of \$30 per daily assessed hour of work; (for example an employee with a six hour per day route would receive \$180.00 annually).
- Three weeks vacation leave;
- Coverage under the vision, hearing and dental plans;
- All employees to be covered by dental plan;
- 300 relief employees to be hired;
- Vacant routes to be filled by seniority within the installation.

In its resolution recommending the collective agreement the National Executive Board stated *“the agreement represents an important step in the eight year process of improvements endorsed by an overwhelming majority RSMCs in the contract ratification vote of 2003.”*

The membership endorsed the collective agreement by a vote of 84.7%.

THE FIRST RSMC STRIKE

The first strike of RSMCs as employees occurred in northern Alberta in September 2007, immediately prior to the commencement of national negotiations for the second re-opener. The strike was in response to Canada Post offering RSMCs in two Alberta depots a 35% pay raise while bypassing the Union and all other RSMCs in Alberta. Canada Post said the increase wages were necessary to attract staff due to the severe labour shortage resulting from Alberta’s booming economy.

RSMCs in several facilities walked off the job. In response to the walkout Canada Post announced it would rescind the action and negotiate with the Union. Canada Post eventually agreed to divert \$1.3 million from the financial cap to increase the wages of all of the Alberta routes.

MORE IMPROVEMENTS IN 2008

The second contract re-opener also resulted in improved benefits, wages and seniority rights including:

- General wage increases in 2008 and 2009 as well as targeted wage increases for the lowest paid employees;
- The vehicle expense allowance increased to the maximum allowed by the Canada Revenue Agency;
- Introduction of a bi-weekly pay system;
- Two days of paid personal leave;
- Increased relief staff to coverage all absences in major urban centres;
- Expansion of seniority rights to include transfer to other postal installations; and
- Special wage adjustments for employees in Alberta, the Northwest Territories, Nunavut and Yukon in order to address staffing difficulties in these areas.

THE LAST REOPENER: CUPW'S APPROACH

The Union entered into the last 2-year reopener determined to ensure that all of the money committed in 2004 would be paid to RSMCs by the end of the contract on December 31, 2011. Also, as much as possible the Union intended to negotiate work rules that would bring RSMCs closer to the provisions governing the urban unit so that there would be less to achieve in 2012 when the Union was planning to negotiate full equality between RSMCs and letter carriers.

Included in the Union's National Program of Demands, which was ratified overwhelmingly by the membership, were the following proposals:

- Pay for all hours worked in addition to assessed hours,
- Full job security with protections from adverse effects of technological change and a prohibition on contracting out work,
- Converting all payments for piecework into pensionable time values,
- Place limitations on the number, size and weight of householders RSMCs would be required to deliver,

- Four days of cumulative sick leave,
- RSMCs to be covered by CPC disability insurance plan,
- Coverage under the Corporation's drug plan,
- Four weeks vacation leave after seven years of service,
- Paid top-up for maternity and parental leaves,
- Seniority to apply for transfers nationally,
- All additional funds to go into wage increases with 50% to go towards raising the minimum wage rate.

THE LAST REOPENER: MANAGEMENT'S APPROACH

Management entered the negotiations determined to maintain the restrictive practices it had imposed on RSMCs, such as not paying for all hours worked and maintaining piece rates for parcel delivery. It resisted any attempt to provide RSMCs any type of job security or protections from contracting out work. Further it used the negotiations to set the stage for concessions that it was planning to impose upon the urban workers, namely the elimination of paid sick leave and replace it with a management-controlled short term disability plan and the introduction of a drug plan based on 50 per cent employee contributions unlike the 5 per cent contributions paid by all other employees.

Over the objections of the Union the Corporation also proposed to allocate \$5.6 million out of the financial cap in 2011 to cover the cost of the "Corporate Team Incentive", a recognition payment that was subject to the Corporation reaching financial targets determined by management. There was no guarantee that this payment would be made in 2011.

With respect to wages CPC proposed wage increases of 5 per cent in 2010 and 3.2 per cent in 2011. The Corporation agreed to allocate approximately two-thirds of the increases to the lower paid workers. It also proposed distributing the increases differently by region claiming that regional rates of pay were necessary to "reflect the differences in cost of living from region to region".¹⁹ Canada Post also proposed to increase the provisions of the vision and hearing plan to reflect the benefits already provided to all other employees.

RESULTS OF THE ARBITRATION

The final arbitration decision was issued on October 26, 2011, barely two months before the expiry of the original eight-year collective agreement. In it Arbitrator Brian Keller supported Canada Post's proposals for both the Corporate Team Incentive and the short term disability plan. He awarded

four weeks' vacation after ten years of service even though other employees were entitled to four weeks after seven years. He rejected Union proposals for job security, pay for all hours worked, conversions of piecework payments into pensionable time values and disability insurance coverage.

For the Union he did award paid parental leave, the drug plan with 5 per cent employee contributions, boot allowance for relief employees, increased payments for householders, and job security protections resulting from the introduction of technological changes.

EIGHT YEARS GONE AND FAR TO GO

The experience of RSMCs during their first eight years as unionized employees was mixed. On one hand they were entitled to many of the protections and benefits that formed the foundation of labour standards in Canada including workers compensation in case of workplace injuries and illnesses, paid statutory holidays, unemployment insurance and the Canada/Quebec Pension plans. There was increases in wages and vehicle allowances. In addition they had received monetary benefits including paid vacation leave, paid parental leave, boot allowances, vision, hearing and drug plans. Gone were the days when their routes could be up to tender and the Canada Post contracting offices would pressure them to lower their bids to keep their route.

On the other hand, despite receiving \$652 billion in compensation increases resulting in annual compensation improvements of \$134 million, RSMCs were still far away from obtaining equal wages, benefits, rights and working condition to letter carriers.

Major differences existing on December 31, 2011 included:

- Letter carriers received wages far in excess of RSMCs,
- Letter carriers received rest period allowances worth almost \$1,000 per year while RSMCs did not,
- Letter carriers receive pay for all hours worked and overtime while RSMCs were only paid for their assessed hours regardless of the hours they worked,
- Letter carriers received a national wage rate while RSMCs pay still did not have uniform pay rates,
- Letter carriers were entitled to extended health care benefits while RSMCs were not,
- Letter carriers were entitled to full job security while RSMCs were not,
- Letter carriers were entitled to minimum weekly hours while RSMCs could have their paid hours reduced by management,

- Letter carriers received pensionable time values for the delivery of parcels while RSMCs received a non-pensionable piece rate,
- Letter carriers were entitled to cumulative paid sick leave while RSMCs had an inferior short term disability program,
- Letter carriers were covered by the CPC disability insurance plan while RSMCs had no such benefit,
- Letter carriers were entitled to post-retirement healthcare benefits and life insurance while RSMCs were not,
- Letter carriers received special leave, marriage leave, and several other forms of paid leaves which RSMCs did not receive,
- Letter carriers were entitled to superior seniority rights,
- Letter carriers received uniforms and glove allowances while RSMCs did not,
- Letter carriers were entitled to pre-retirement leave while RSMCs were not,
- Letter carriers were entitled to superior vacation leave than RSMCs,
- In the majority of locations RSMCs were required to find, train and pay replacements to perform their work when they took leave.

In addition to superior rights and security the average full-time lime letter carrier received annual wages and monetary benefits that exceeded that of full-time RSMCs by more than \$25,000.

2012 RSMC NEGOTIATIONS

The 2012 RSMC collective bargaining negotiations provided RSMCs with their first legal opportunity to negotiate equal rights and benefits with the right to strike. The message to the membership on the proposed National Program of Demands was unequivocal in demanding equality. It read in part:

“The 2012 negotiations represent a historic opportunity to negotiate real parity between RSMCs and urban postal workers. For decades RSMCs have performed work which requires equivalent skill, effort and responsibility. Now, the time has come to obtain equal pay and the same benefits and working conditions as other postal workers. Now it’s time for fairness, respect and progress . . . RSMCs are far from being treated with fairness and respect. It’s time to change this situation. It’s time for real progress for RSMCs. The current round of collective bargaining, conducted with the right to strike, is an opportunity for us to correct this situation.”²⁰

INFLUENCE OF THE URBAN 2010-2012 NEGOTIATIONS

The RSMC negotiations of 2012 were heavily influenced by the Urban Operations Unit negotiations that began in 2010 and concluded in 2012.

The CUPW entered the 2010 negotiations determined to address the significant health and safety problems that were developing as Canada Post introduced massive changes in the manner in which letter mail was processed and delivered. Beginning in 2010 CPC began mechanized sequencing of letter mail direct to the letter carrier line of delivery. This effectively reduced the time required by letter carriers to sort their letters by 30-45 minutes and increased on street delivery time accordingly. Since not all letters would be successfully sequenced there was still some sortation required. Since management prohibited the letter carriers to merge the sequenced and non-sequenced mail in their sortation cases this new process required the carriers to carry and manipulate an additional bundle of mail as they conducted their deliveries. Simultaneously management motorized many routes thus enabling the letter carriers to deliver parcels at the same time as the letter mail and direct admail. Further, in order to reduce the size of facilities, management introduced a new “two-wave” system whereby two letter carriers would share the same sortation case, one starting work earlier and then the other beginning the second wave later, usually at about 10 AM. The result for the letter carriers was more on street delivery time, additional points of call, and for some, later starting times requiring delivery in the dark. The other major objective of the Union was to increase the proportion of full-time positions in the large mail processing facilities and correspondingly reduce the amount of part-time and temporary employment.

Canada Post management entered the negotiations determined to introduce many major changes. They proposed to exclude future new hires from the defined benefit pension plan and instead receive a much inferior defined contribution plan. They wanted to replace the sick leave plan with a short term disability plan, similar to what the RSMCs had been awarded by Arbitrator Keller. They proposed to replace the retiree benefit plan with a limited health care spending account. They proposed removing the half-hour paid meal period and reduced vacation leave for new employees. They also demanded changes that would increase part-time positions at postal counters. Finally they demanded a new wage chart that would significantly reduce the wages of temporary workers and future new hires.

On June 2, 2011, after seven months of difficult negotiations CUPW began a series of rotating strikes to put pressure on Canada Post while minimizing service disruption. On June 8, 2011 Canada Post, claimed it was experiencing a significant drop in mail volumes and announced it was introducing three day per week delivery in urban areas. On June 14, 2011, Canada Post suspended operations across the country and locked out 48,000 CUPW urban operations employees. The

following day the government announced it would introduce special back to work legislation to end the lock-out. On June 25, 2011, the legislation was finally passed with only MPs from the Conservative majority in the House of Commons supporting it.

The legislation contained some of the most restrictive, anti-Union provisions ever included in back to work legislation in Canada. It imposed wage increases significantly lower than the employer's final offer. It instructed the arbitrator to be guided by the need for terms and conditions of employment consistent with those in comparable postal industries and that would provide the necessary degree of flexibility to ensure the short and long-term economic viability and competitiveness of the Canada Post Corporation, maintain the health and safety of its workers and ensure the sustainability of its pension plan. It required the arbitrator to take into account that the solvency ratio of the pension plan must not decline as a direct result of the new collective agreement; and that the Canada Post must, without recourse to undue increases in postal rates, operate efficiently, improve productivity and meet acceptable standards of service. Finally, it restricted the arbitrator to select the proposal of one party only, in its entirety, rather than crafting an award that draws from the offers of both parties.

During the next months the government appointed two arbitrators, both of whom CUPW successfully challenged in the courts for either inexperience and /or bias. Believing the alternative would be major losses to its pension plan the Union eventually agreed to negotiate a settlement with Canada Post. In the agreement, reached in October 2012, the Union was able to protect the membership from most of the concessions demanded by Canada Post however it did agree to the new, lower entry level pay for temporary workers and new hires and termination of the sick leave plan to be replaced by the short term disability plan. It also agreed to extend the duration the agreement by one year so that the agreement would expire on January 31, 2016, one month after the expiry of the RSMC collective agreement.

Writing to the Union's membership CUPW's National President Denis Lemelin stated: "The NEB is putting the employer's offer to a vote because we believe that it is the membership of the Union that must decide between the two options that are before us. We can either choose to accept the new agreement or we can place our destiny in the hands of a government-appointed arbitrator who will very likely impose a collective agreement which includes many more serious negative changes that will impact upon our pensions, benefits and job security."

This choice is being imposed upon us due to the Harper government's anti-worker legislation, which denied us our basic right to negotiate and to strike over unresolved differences. We would never have agreed to these changes if we had the right to strike."

While there was considerable opposition to the agreement it was ratified by a vote of 57.1% of the voting members.

The back to work legislation was challenged by CUPW. On April 28, 2016, Justice Firestone of the Ontario Superior Court found the legislation unconstitutional as it violated the Canadian Charter of Rights and Freedoms.

He stated: *“The Act abrogated the right to strike of CUPW members. The effect of this abrogation was to substantially interfere with – and to disrupt the balance of – a meaningful process of collective bargaining between CUPW and Canada Post. I find accordingly that the Act infringed the s. 2(d) freedom of association of union members and must be justified under s. 1 of the Charter. . . . The Act is declared to have violated the Applicants’ freedom of association protected under s. 2(d) of the Charter. This violation is not saved under s. 1. The Act is further declared to have violated the Applicants’ freedom of expression protected under s. 2(b) of the Charter. This violation is not saved under s. 1. The Act is declared to have been unconstitutional and of no force or effect. Such declaration of invalidity is to be applied retroactively.”²¹*

2012: DISAPPOINTMENT AND DETERMINATION

The defeat of the urban workers, plus the Conservative government’s passage of back to work legislation in both airline and rail sectors had a devastating impact on the 2012 RSMC negotiations. The anti-Union bias of the federal government reinforced the hard line adopted by management at the bargaining table. All of the Union’s proposals were rebuffed by the Canada Post negotiating committee who openly stated that they had no mandate to negotiate equality with the urban group.

Instead of a national wage rate equal to the urban letter carriers management proposed a compensation system based on regional pay rates and activity values instead of an hourly rate. Altogether management proposed nine regional rates. The highest rate was \$22.10 for employees in Fort McMurray, Nunavut, the Northwest Territories and the Yukon and the lowest was \$16.95 for employees in Prince Edward Island and Saskatchewan. Since employees pay was still based on their negotiated contract rates, augmented by the increases of the previous eight year agreement some employees were actually paid more than the rates proposed by management. These employees would receive lump sum payments and have their higher pay rates red circled for the life of the agreement.

The activity value model involved paying employees based on the work characteristics of their routes, and then establishing a value based on applying the established time values divided by the negotiated wage rates. Examples of activity values were residential sortation, delivery to rural mailboxes or apartments, and the number of kilometres required to drive etc.

By proposing activity values, even ones that reflected a negotiated hourly wage rate, Canada Post managed to circumvent the obligation to pay for the actual time that was required to perform the daily work or overtime or extended hours.

Management also demanded that all new employees would be excluded from the defined benefit pension and receive a much inferior defined contribution plan.

The negotiations were acrimonious and frustrating. Management insisted that it would not entertain the notion of equal pay while admitting that they had never conducted any analysis to determine if Canada Post was in compliance with the requirement to pay equal wages for work of equal value which was required by the Canada Human Rights Act.

Instead, the employer argued that the daily assessed hours on RSMC routes were overly generous and RSMCs were able to finish their routes in significantly less time than they were effectively being paid for since the activity values were based on the time values in the RSMC Route Management System (RMS).

Eventually the negotiations reached an impasse and the Union had to decide to either hold a strike vote or attempt to reach a settlement that fell short of full equality. With a government determined to legislate an end to strikes and of the urban unit operations unit accepting contract concessions it became obvious that the RSMCs wanted the Union to reach an agreement.

The four-year agreement, reached in November 2012 did not provide equality but it did include some improvements. With respect to wages all employees received a 2.5 per cent raise retroactive to January 1, 2012. This raise was in addition to the wage increases awarded by Arbitrator Keller. Instead of nine regional pay zones the agreement provided for three zones. The base wage levels excluded the variable established for piece rates, such as parcel delivery, and the vehicle allowance. The wages upon which the activity values were based were \$18.50 for Zone 1, \$20.35 for Zone 2 and \$21.28 for Zone 3 effective January 1, 2013. Employees earning more than these levels would receive a lump sum and be red circled until December 31, 2015. On January 1, 2014 and January 1, 2015, wage levels for the Zone 1 routes would increase by 2.5 per cent while Zones 2 and 3 would increase 2 per cent each year. For comparative purposes the rate for letter carriers on January 1, 2013 was \$24.94. The majority of RSMCs would receive wages 26 per cent less than urban employees.

The agreement also provided for a new classification of employees called permanent relief employees (PREs) to be located in offices with fourteen or more RSMC routes. These employees would be classed as regular employees, and entitled to the same benefits as route holders, including pension and health plans, and be guaranteed a minimum of twelve hours per week. It also

included an extended disability plan that would provide benefits for a maximum of 74 weeks, unlike the urban workers plan that provided benefits to age 65.

The agreement also included uniforms, additional On Call Relief Employees (OCREs) with retention allowances, increased piece rate pay for delivery of unaddressed admail, improved union rights, several other minor improvements and inclusion of RSMCs in the extended healthcare plan but with only 50 per cent of the maximum benefits for paramedical services.

Expressing the disappointment of the RSMC membership and the continued determination of the Union to pursue full equality the members of the RSMC National Negotiating Committee wrote the following message to the membership: *"After many frustrating months we have reached the point where we believe it is appropriate to put the decision into the hands of the membership. Considering the experience of other unions in the rail and airline sectors, and also the experience of the CUPW urban operations unit, we believe there is no guarantee of success if we pursue the conciliation/strike route at this time. The anti-labour bias of the Harper government has only served to reinforce the hardline that has been taken by Canada Post management during the entire length of negotiations. We share the disappointment of many members that this agreement does not obtain full equity with members of the urban operations unit. We remain determined to achieve equal wages, equal paid rest periods and meal periods, equal benefits and all other provisions that are necessary to ensure all postal workers are treated with respect and dignity."*²²

The RSMC membership accepted the collective agreement with the support of 67.6 per cent of voting members.

PAY EQUITY IN CANADA

In the years prior to 2016 CUPW had the legal right to file a pay equity complaint under section 11 of the *Canadian Human Rights Act* (CHRA) and the supporting *Equal Wages Guidelines, 1986*. section 11 of the *Canadian Human Rights Act*. However, the existence of hundreds of different wage rates, due to the red circling of routes above the negotiated rates in 2012, would have rendered a successful complaint extremely difficult if not impossible. This would have been even more complicated as some of the RSMCs had pay rates far in excess of the negotiated rates and in some cases even greater than the letter carriers which would be the male comparator group.

However, the end of the red circled routes on December 31, 2015 meant that RSMCs effectively had three rates of pay corresponding to the three zones negotiated in 2012. With the simplified pay structure the prospect of submitting a pay equity complaint, under Section 11 of the *Canadian*

Human Rights Act (CHRA) and the supporting *Equal Wages Guidelines, 1986* presented itself as a real possibility for the Union in 2016.

However, the Union rejected this approach because of the fundamental problems of the federal pay equity complaint process and the fact that CUPW's historic experience in pursuing a solidaristic wage strategy led it to believe it stood a better chance of achieving equality through collective bargaining than through the formal pay equity complaint process.

The basic objective of pay equity is stated in section 11(1) as follows: *11. (1) It is a discriminatory practice for an employer to establish or maintain differences in wages between male and female employees employed in the same establishment who are performing work of equal value.*

Other parts of section 11 outline the parameters for meeting this goal. They refer to the criteria of skill, effort, responsibility and working conditions as providing the basis on which the comparable value of work should be assessed. The *Equal wages Guidelines 1986* further elaborate on the four elements—skill, effort, responsibility and working conditions— which are used to measure the value of work.

In practice the entire process of pursuing equal pay complaints under the process established by the Canada Human Rights Commission is fundamentally flawed. The inadequacies of the federal process were examined by a 2004 Report of the Pay Equity task Force. It found that the process established by the Canada Human Rights Commission was too legalistic and technical resulting in lengthy and expensive hearings creating a system that failed to be a truly effective tool to enforce the legislation.

Some examples of the length of pay equity complaints include:

- 14 years and a Supreme Court decision to settle a dispute between Bell Canada and its operators and support workers
- 15 years including 374 days of hearings and a Federal Court of Canada decision to resolve a complaint made by the Public Service Alliance of Canada (PSAC) against the Treasury Board of Canada
- 12 years to settle a complaint filed by the PSAC against the Government of the Northwest Territories

Most important for CUPW was the experience of the PSAC with Canada Post Corporation. On August 24, 1983, PSAC filed a pay equity claim under section 11 of the Act on behalf of the white collar Clerk group employed by Canada Post. Due to endless legal wrangling and delays caused by Canada Post it took until March 16, 1992 before the Canada human rights Commission referred

PSAC's complaint to the Tribunal for adjudication. From November 25, 1992 to August 2003, the Tribunal held hearings. This involved 410 hearing days spread over more than 10 years. On October 7, 2005, the Tribunal rendered its decision largely supporting the Union. On February 21, 2008, the Federal Court of Canada set aside Tribunal's decision. Finally on November 17, 2011 the Supreme Court of Canada ruled in favour of the Union and the workers. The process had lasted 28 years and the ruling cost Canada Post \$291 million.

CUPW'S APPROACH: EQUALITY THROUGH BARGAINING

From its very formation in 1965, CUPW had supported policies and bargaining objectives designed to result in equal wages for all of its membership despite whatever differences might exist in the skill, effort and responsibility. The Union's original Constitution included a policy directing the leadership to negotiate one classification to cover all employees with equal wages.

In 1974, Canada Post introduced postal coding machines where the coders, almost exclusively women, spent the day typing postal codes onto letters at a pay rate significantly below that of the primarily male postal clerks. When the Union's demands for equal pay for the coders were rebuffed it conducted a two-week illegal strike and won equal pay for the coders. In 1980, the Union negotiated no discrimination in case of sexual orientation, the first in the federal sector. In 1981, the Union conducted a six-week national strike with paid maternity leave as its central demand and was successful. In 1995, the Union was the first in the federal public sector to win both same-sex benefits and pensions for part-time workers, the vast majority of whom were women.

With this experience and the belief that pursuing a solidaristic wage strategy could yield better results than a legal strategy that would certainly take several decades, CUPW chose to attempt to negotiate full equality for the RSMCs by demanding that they be included in the same collective agreement with the urban workers with the same pay, benefits and working conditions.²³

2013-2015: THE STRUGGLE TO MAINTAIN HOME MAIL DELIVERY

On December 11, 2013, Canada Post announced the adoption of a five-point plan designed to reduce costs by approximately \$1 billion per year by 2020. In addition to the elimination of door-to-door delivery, the plan included price increases, greater privatization of post offices, the introduction of new work methods and reductions in employee compensation costs.

Faced with a drastic and unnecessary reduction in services and jobs, CUPW launched a Save Canada Post Campaign in December 2013 that included senior's organizations, organizations of people with disabilities, hundreds of municipalities, the Union movement and political allies. CUPW members petitioned, protested, canvassed and took many other actions in communities from one end of the country to the other. Working with other postal Unions and

allies, they won commitments from the major opposition parties to put a moratorium on the home mail delivery cuts, if elected. Over 800 municipalities adopted resolutions opposing the mail delivery cutbacks. The campaigning proved successful. One of the first actions of the newly elected Liberal government was to impose a moratorium of conversions of residential delivery to community mailboxes.

In some ways the campaign to save residential mail delivery served as a catalyst for CUPW to return to its roots of being a campaigning and mobilizing Union. This newly reborn energy proved to be invaluable in garnering support for the Union's struggle for RSMC's equality in 2016.

2016: NEW OPTIMISM AND NEW BARGAINING STRUCTURES

The Union entered into the 2016 negotiations without any illusions of the magnitude of the task before them. RSMCs were earning fully 25 per cent less wages than letter carriers. They were still not entitled to many of the monetary benefits of the urban membership and did not receive any pay for hours worked in excess of their assessed hours. Also there were many rights and work rules to which RSMCs were not entitled.

Still there were reasons for optimism. In October 2015, the Conservative government was defeated and a majority Liberal government elected. One of the first Acts of the government was to stop CPC's plan to convert door-to-door mail delivery to community mailboxes. The mandate letter provided to the new Minister Responsible for Canada Post included the objective of improving labour relations. In December 2015, the government requested Deepak Chopra to resign from his post as Canada Post President and Chief Executive Officer.

In April 2016, as negotiations continues, Judge Firestone released his decision ruling that the 2011 back to work legislation was unconstitutional.

Writing to the membership during the process of ratification of demands newly elected CUPW President Mike Palecek stated: *"The days of the government using unjust legislation to impose concessions must end. For the urban members we intend to recover the rights and benefits that were taken from us through an unfair and unjust process and negotiate important provisions to protect our future. For rural members it is time to "achieve real equality with urban workers who perform the same work, often working in the same facilities. For all members it is vital that we convince Canada Post to agree to expand and improve postal services to the public, including the restoration of home mail delivery and no cutbacks or closures to counter operations."*

Palecek also announced that the Union planned to bargain both the RSMC and urban operations agreements together. While the CUPW constitution provided for separate negotiating committees

comprised of members from the respective bargaining units, the Union planned to combine the committees together with two co-chief negotiators, one for each unit. Also negotiators from each unit would attend all meetings whether they dealt with urban or RSMC issues. Led by Chief Negotiators George Floresco (RSMC) and Sylvain Lapointe (Urban) all members of both committees participated in all strategy discussions and planning sessions for both units.

NEGOTIATING AT THE TABLE AND CAMPAIGNING ON THE STREETS

In late 2015, as it approached the beginning of negotiations CUPW, decided to maintain the “campaign mode” it had adopted to fight against the loss of residential mail delivery. It maintained several full-time coordinators whose mandate was to organize membership actions, lobby politicians, and conduct public education campaigns to build support for the Union’s contract demands, especially the issue of equality for RSMCs. During the many months of negotiations RSMCs, often with Union allies, lobbied politicians, attended Liberal MP BBQs, local fairs and public events, circulated petitions and conducted media work to highlight the need for RSMCs to achieve full equality with letter carriers. The Union also held a mass rally outside of the constituency office of Prime Minister Justin Trudeau that focused on the gulf that existed between the reality of RSMCs and his stated commitment to promote women’s equality

The public campaigning resulted in a great deal of media coverage of the CUPW negotiations and the issue of RSMC equality. All of the major newspapers and television networks devoted coverage to the wide gulf of compensation between the predominantly male letter carriers and the predominantly female RSMCs. Marion Pollack, a former union representative, and a prominent activist in the Canadian women’s movement organized 200 prominent women to sign an open letter calling on the Prime Minister to live up to his commitment to act on pay equity by ensuring that RSMCs receive equal pay and benefits.

In June 2016, CUPW National president Mike Palecek wrote to hundreds of women’s organizations urging them to convey their support for RSMC equality directly to the Prime Minister. For their part Canada Post media spokespersons consistently claimed that RSMCs earned as much or even more than RSMCs.²⁴ They also attempted to focus the attention of the media to the solvency deficit of the Canada Post Pension Plan even though their proposal for the defined contribution plan for new hires would do nothing to address the solvency issue.

2016 NEGOTIATIONS: THE DEMANDS OF THE PARTIES

In addition to the Union’s proposal for RSMC equality, the Union’s program of demands addressed letter carrier health and safety issues, less precarious work and more full-time jobs, and the determination of the Union to recover the rights and benefits it had lost due to the unconstitutional back to work legislation in 2011.

For its part Canada Post came to the bargaining table with a long list of demands for major concessions including defined contribution pensions for new hires. CPC also proposed that future new hires be entitled to much inferior job security provisions, reduced vacation leave and no pre-retirement leave. With respect to Group 1 staffing CPC proposed a reduction in the ratio of full-time positions, reduce the proportion of full-time employees at the counters and eliminate the requirement to maintain 493 retail outlets. For retirees they wanted to increase the retirees share of contributions to the healthcare plan from 35 per cent to 50 per cent. They also wanted to eliminate the 5-minute wash-up period and abolish the Appendix “T” joint committee on service expansion and innovation. With respect to wages CPC proposed a lump sum payment instead of a wage increase for the first year and wage increases of one per cent in each of the next three years. It is noteworthy that most of the concessions Canada Post demanded from the urban group were for benefits and rights to which the RSMCs were not entitled.

With respect to RSMC equality CPC offered nothing and instead proposed wage increases of less than one per cent in each year of the contract and new drive time provisions which would have actually reduced RSMC compensation.

TASK FORCE ON THE MANDATE OF CANADA POST

On May 5, 2016, the Federal Government announced the creation of a three person independent review of Canada Post. The object of the Task Force was to ensure Canadians would receive quality postal services at a reasonable price. The government instructed the Task force to take into consideration the perspectives of key stakeholders including major mail users, Canada Post, its bargaining agents and all other relevant stakeholders as to what services should be provided in the future, including their views on door-to-door delivery. It also instructed the Task Force to assess and validate CPC’s current financial situation, as well as its future financial projections.

The creation of the Task Force had serious implications for the Union. First considerable resources had to be devoted to prepare and present position papers on numerous issues including delivery services including community mailboxes, new innovative services, retail services, financial services, rural services, the broader financial situation of Canada Post and also the need for Canada Post to reduce its environmental footprint.

Also the Union recognized that the existence of the Task Force whose recommendations would potentially influence future postal services would have implications on the Union’s decisions as to how it might exercise its right to strike.

IMPASSE AND THREATS OF LOCK-OUT

For the Union the 2016 negotiations ranked as one of the toughest in the Union's history.

The Union found itself negotiating with the same CPC management team that orchestrated the lockout of the Urban Operations unit and return to work legislation in 2011. With their demands for enormous concessions and arrogance at the bargaining table they acted like the Harper government was still in power. With respect to RSMCs management's negotiators came to the table with nothing to offer the employees other than minor changes to the compensation model, which included gains and losses, rollbacks in physiotherapy coverage and an attack on the pension plan. CPC kept using the same justification for inequality, being that the RSMCs provided the Corporation with a "competitive advantage". Countless times the Union's proposals were simply dismissed with the remark, "that is not our destination point".

Though the negotiations were extremely frustrating the Union never once threatened to strike or undertake any type of work disruption. It did however conduct a strike vote, necessary under Canadian law before a Union can call a strike or any type of industrial action such as an overtime ban. For the RSMC unit the vote in favour of authorizing the leadership to call a strike if necessary was 91.3 per cent in favour with almost two-thirds of the membership voting. For the first time in history, RSMCs had voted to strike.

On July 5, 2016, Canada Post served 72-hour notice of a lock-out which would occur on July 8, 2016. The Union responded by proposing a 30 day cooling off period where neither side would result in industrial action. Canada Post rejected this proposal unless the Union agreed to compulsory arbitration if not agreement could be reached. The Union rejected arbitration. The Corporation withdrew its lock-out notice on July 7, 2016. Almost immediately it submitted another 72 hour notice of a lock-out which would commence on July 11, 2016. Subsequently the Corporation also withdrew this notice.

MEDIATION AND AGREEMENT

Instead of Canada Post proceeding to lock-out the workers the federal government appointed William Kaplan as a special mediator. It was clear from the first meeting with Kaplan that he had a mandate from high levels of government to bring the parties to a settlement without a strike. The Union made it clear to him that that would only occur if the agreement contained improved wages, no concessions including maintaining the pension, and equality for RSMCs.

At the insistence of Kaplan Canada Post management grudgingly withdrew all of their proposals for concessions and increased their wage offer. Regarding the RSMCs the mediator was clear that the government could not agree to a 30 per cent increase in compensation for two reasons. First, a

negotiated wage increase of that magnitude would be politically impossible because of example it would set for other unions and employers. Secondly, Canada Post management was adamant that the work of RSMCs was not on the same value as that of letter carriers because the time values in the RSMC Route Management were overly generous. Recognizing that CUPW would never agree to a pay equity complaint that would certainly take many years and likely take decades, the government proposed that the Union design and propose a pay equity process that could satisfy the requirements that existed in legislation and the Equal Wages Guidelines but be completed prior to the end of the collective agreement.

THE MEMORANDUM OF AGREEMENT (MOA)

Although the Union was not prepared to accept a process that lasted four, or even three years, it was confident that an examination of the work of RSMCs would confirm that it met the legislated threshold of being of equal value to letter carriers. For advice, the Union turned to Mary Cornish, a Toronto lawyer and pay equity expert who had assisted CUPW in designing its original RSMC campaign two decades before. In the space of a few days of negotiations the details of a Memorandum of Agreement (MOA) were completed. The MOA provided for the issue of pay equity for RSMCs to be removed from the current bargaining and the parties would jointly undertake a pay equity review under the Canada Human Rights Act and the Equal Wages Guidelines 1986. To ensure the timeliness of a decision the MOA included a detailed timetable for the work of consultants to examine the value of the work and for the parties to agree upon a settlement.

- One month to establish a joint Pay Equity Committee (PEC) comprised of three representatives from each party, appoint the pay equity consultants and select an arbitrator;
- Twelve months to identify the male comparator groups, develop a gender neutral evaluation tool, conduct a job evaluation exercise, agree on the wage gap analysis methodology and conduct the wage gap analysis;
- Three months for the parties to reach agreement on compensation adjustments should a wage gap be identified;
- Three months for the Arbitrator to hear the parties and render a decision if the parties are unable to reach an agreement.

The MOA also provided for an arbitrator to resolve any differences between the parties throughout the process. The arbitrator would be required to set aside at least one day per month to deal with any differences or disputes that arose between the parties and at least 10 days at the end of the process to hear the final arguments of the parties and issue an award. To ensure that the deadlines outlined in the agreement were met it was agreed that neither party could subject the decisions of the arbitrator to judicial review. If the parties could not reach agreement on the final award the

arbitrator could attempt to mediate and if that failed she or he would issue an arbitration award. Only the final award could be appealed. Any award would be fully retroactive to January 1, 2016.

A SHORT TERM AGREEMENT

With the MOA settled the parties quickly concluded tentative agreements for both the RSMC and urban units with the active assistance of the mediator. The two-year agreements were largely perceived by both parties as a pause in the process to permit the resolution of the issue of RSMC compensation. The Union stated that it preferred a short term agreement so that it could return to negotiate RSMC equality, with the right to strike, in the event the arbitration process did not resolve the issue to its satisfaction. In addition the modest wage increases the RSMC agreement included improved transfer rights, some new activity values based on amended time values, minor improvements in the short term disability plan, improved calculations for seniority, additional relief coverage for smaller locations, paramedical maximums equal to the urban unit, improvements in the hearing and dental plans and no concessions. The urban contract included modest wage increases, improvements in the hearing and dental plans, improved protections from technological surveillance, conversion of some money payments for admail to time values, minor improvements in the short term disability plan but most important, no concessions.

DIFFICULT RATIFICATION PROCESS

There was significant membership opposition to the ratification of both of the RSMC and urban tentative agreements. Many RSMC members were skeptical that the pay equity process, involving third-party arbitration would produce satisfactory results. Many urban members were disappointed that the agreements did not recover the concessions management had extracted in 2012 by using the threat of the unconstitutional back to work legislation.

In support of their unanimous decision to support the agreement the Negotiating Committee stated the following: *“The committee studied the tentative agreement thoroughly and had some very difficult discussions before we voted unanimously to recommend that the National Executive Board accept this agreement. The key factors in our decision were: protecting our defined benefit pension plan, the Pay Equity Process and the fact that this is a two year deal. A two-year deal puts us in a very good position for the next round of negotiations. The public review of Canada Post will be complete and we be able to negotiate based on the recommendations of this review. This tentative agreement is a big step and the correct step towards achieving what the RSMCs deserve.”*²⁵

Both tentative agreements were ratified by the membership. The RSMC agreement was supported by 55 per cent of the voting members and the urban agreement was supported by 63 per cent.

Following the ratification vote Canada Post Corporation spokespersons reaffirmed the Corporation's belief in pay equity. In reality the Corporation did everything possible to ensure that RSMCs would not receive one penny in compensation.

PAY EQUITY PROCESS: ONE HUGE STEP

Following the ratification vote the Union moved quickly to begin the pay equity process. The Union engaged Paul Durber as its consultant. Durber, a former Canada Human Rights Act Director of Pay Equity had served as an expert witness in many of the major cases presented to the Canada Human Rights Tribunal. He is widely recognized as one of the foremost pay equity consultants in Canada. For membership on the Pay Equity Committee the Union selected Nancy Beauchamp, Barb McMullan, and Cathy Kennedy, all of whom had served on the 2016 Negotiating Committee and had been involved in negotiating the terms of the MOA. The Union also obtained the legal support of Jan Boroway, the head of the Ontario equal Pay Coalition, a renowned expert on pay equity and a veteran of many of the major pay equity cases, and Paul Cavalluzzo, one of the foremost lawyers in Canada and the 2018 recipient of the Bora Laskin Award. For their consultant Canada Post selected Sandra Haydon from Toronto. Since the Union and employer were unable to agree on an arbitrator the selection was made by the Labour Minister. She chose Maureen Flynn, an experienced arbitrator, from Montreal who was appointed on January 27, 2017.

It was now up to the parties to determine if the work of RSMCs was of equal value to the male comparators. If so, then the next step would be to determine if there was a wage gap.

CHOICE OF COMPARATORS

One of the first tasks of the Pay Equity Committee (PEC) was to select the male comparator groups to which RSMCs and RSMC relief employees would be compared. The Union proposed letter carriers and relief letter carrier as the comparator groups as the work was most similar to RSMCs. However the employer proposed a greater number of groups and the parties eventually agreed upon the following eight occupational groups as male comparators.

- RSMCs
- RSMC Relief (PREs)
- Letter Carrier
- Relief Letter Carrier
- Letter Carrier Assistants
- Mail Service Courier

- Mail Service Courier – Heavy Vehicle
- Despatchers

Although the job evaluation extended to all of these male comparator groups the arbitrator eventually ruled that since the work of RSMCs and PREs was almost identical to letter carriers and relief letter carriers the other groups would not be retained as comparators.

THE JOB EVALUATION PROCESS

The consultants were then tasked with generating the gender neutral job evaluation tool which would be used to determine the value of the work of each group. This involved identifying sub-factors which would be used and assigning each of them a weighting.

The consultants reached agreement on ten sub-factors but did not agree upon the weighting.

Figure 1: Consultants Weighting of Subfactors

Subfactor	Weighting	
	Haydon (CPC)	Durber (CUPW)
Knowledge	10	12
Mechanic and Physical Skills	10	10
Communication/Interpersonal Skills	10	8
Complexity and Problem Solving	10	10
Physical Effort	15	12
Sensory Effort	15	12
Emotional Effort	5	8
Accountability for Resources	10	12
Responsibility for the Work of Others	5	6
Environmental Working Conditions and Hazards	10	10
Total	100	100

The job evaluation process required the PEC and the consultants to examine the work of each occupational group applying the subfactor criteria to their analysis. To familiarize themselves with the work they visited work places, distributed questionnaires, examined documentation such as job descriptions, manuals etc. and conducted 45 focus groups.

There was no agreement between the consultants on the job rating. Sandra Haydon, the employer consultant unilaterally decided to split several of the groups. Haydon split the letter carrier job by creating a separate group for letter carrier performing door-to-door delivery and one delivering to community mailboxes. She split RSMCs into two groups, one requiring providing replacements and one not. She also split the Mail Service Courier – Heavy.

The difference between the consultants is illustrated in Figure 2.

Figure 2: Consultants Job Ratings

Occupational Group	Total Score	
	Haydon (CPC)	Durber (CUPW)
RSMCs	833	980
RSMCs (find replacements)	858	N/A
RSMC Relief	833	980
Letter Carrier	833	937
Letter Carrier (door-to-door)	942	N/A
Relief Letter Carrier	833	937
Letter Carrier Assistants	425	590
Mail Service Courier	750	799
Mail Service Courier – Heavy	679	799
Mail Service Courier – Heavy (shunting)	579	N/A
Despatchers	492	754

Since the parties could not agree it was left to the Arbitrator to determine which rating system was the most appropriate and if the RSMC work was of equal value to the male comparators.

Arbitration hearings were held during March and April 2018. The Union witnesses reviewed the pay structure, work process and work rules of RSMCs and the history of negotiations that had led to the establishment of three regional pay rates. The Union established that the RSMC time values, together with the negotiated pay rates determined the activity values. The Union also demonstrated that many of these time values had been modified with agreement of the parties. Further, it illustrated that many of the benefits received by RSMCs, were determined by the application of their assessed time and therefore required the application of accurate time values. Paul Durber, the Union consultant, testified at length concerning his methodology.

The employer witnesses essentially argued that little had changed since RSMCs had been contractors prior to 2004. They claimed that the activity values resembled piece rates and that, within limits, RSMCs could determine their own schedule and undertake other activities unrelated

to their work as long as the mail was delivered in the time frame determined by management. With respect to the RMS time values an employer witness went so far as claiming that they was no relationship between the time values and the activity values and that the constant reference to hourly rates in the previous contract negotiations was done only to satisfy the Union. Several employer witnesses claimed that the time values that they had established and agreed to were not accurate and further stated that the changes that had been made, with agreement of the parties, did not make them more accurate. One witness went as far as saying the corporation could change the time values at will.

THE ARBITRATION DECISION ON WORK OF EQUAL VALUE

In her decision of May 31, 2018 Arbitrator Flynn ruled in favour of the Union and declared that the work of RSMCs was of equal value to that of all letter carriers.

Flynn was very critical of the Corporation's consultant decision to split the letter carrier job. She stated: *In the present matter, splitting jobs as Ms. Haydon did does not seem to be neither opportune nor aligned with the work context. Rather, it is a precarious and hazardous initiative that does not seem to be called for in the present manner . . . On the contrary, Ms. Haydon's choices seem arbitrary and inconsistent with the work structures of the jobs. ..Furthermore, where the parties had agreed to split the LCA, because of its recognized and expected lower value, Ms. Haydon acted on her own premises that were scantily explained in her report.*²⁶

With respect to the evaluation of the work content of the jobs the Arbitrator found that the management consultant had undervalued the work of RSMCs. She stated. *"After careful examination, the Undersigned finds that Mr. Durber's ratings for the LC, the RSMC, the RLC and the PRE are more in line with the evidence that was adduced before the Tribunal. Ms. Haydon's ratings undervalue the RSMC's emotional and sensory efforts (related to the isolation and long driving, respectively), the mechanical skill needed to use an RRD and the communications proficiency needed to properly train replacements for their routes."*²⁷

The Arbitrator concluded that the Union's approach was the most reasonably accurate and that the comparison between RSMCs and letter carriers should be used in assessing a potential wage gap between the female and male comparators. She stated: *"Thus, for all of the above-mentioned reasons, the Undersigned finds that Mr. Durber's results are the most reasonably accurate ones and should be used in assessing a potential wage gap between the female and male comparators."*

WAGE GAP VERSUS LABOUR COSTS

With the issue of work of equal value settled it was up to the Arbitrator to determine if a wage gap existed and if so, the magnitude of the gap.

With respect to the issue of compensation there was a huge gap between the parties. It was management's position that the RSMC work measurement system was so inaccurate it could not be used to conduct a wage gap comparison. The Corporation argued that letter carriers were paid on the basis of hourly wages with the assessed time being accurately determined through a work measurement system using engineered standards. The Corporation claimed that *"the most accurate means to conduct a wage gap comparison would be to individually measure time worked for all employees to ascertain the 'value' of compensation in relation to actual time worked to 'earn' this compensation"*.²⁸

Since a comparison of all employees was impossible, management proposed that the letter carriers and RSMCs be compared on the basis of the cost per point of call they delivered to for similarly structured routes. Based on this approach the Corporation calculated that the compensation of RSMCs was actually greater than that received by letter carriers and consequently RSMCs should receive nothing.

The Union totally rejected this approach. It argued that, with the exception of piece rates for variables such as parcel deliveries, RSMCs were paid on the basis of their assessed hours in much the same way as letter carriers. Furthermore the assessed hours for RSMC routes was used to determine pension benefits, boot allowances, eligibility for health benefits and unemployment insurance, payment for designated holidays and payments made to the Union's education fund. The Union argued that the employers approach was really one of "labour costs" not compensation and that RSMCs would be penalized because of the greater travel time to travel to their points of call and because letter carrier time values were designed for delivery to large urban apartments not found in RSMC delivery areas.

An example of the flawed methodology of the Corporation was illustrated when it was applied to the compensation of the three different regional pay rates for RSMCs. As of January 1, 2016, the majority of RSMCs were paid on the basis of the Zone 1 rate which was \$19.73 per assessed hour. Zone 2 employees were paid \$21.50 per hour and Zone 3 employees were paid \$22.49 while the letter carrier rate was \$25.95. Using her own methodology, CPC's consultant concluded that the point of call cost for Zone 1 RSMCs was \$59.27 not including vehicle costs, Zone 2 was \$59.13 and Zone 3 was \$57.41 while the cost for letter carriers was \$58.75. When questioned about the obvious discrepancy where the highest hourly paid RSMCs had much lower point of call costs Ms. Haydon was at a loss to provide any explanation.

Arbitrator Flynn was also critical of the samples of routes chosen by Ms. Haydon noting that the letter carrier sample contained high-density apartment routes that did not reflect the reality of RSMC routes. Also many of the letter carrier routes were receiving letter that mail was previously sequenced so that the letter carriers were not required to spend time sorting the mail and could spend more time delivering to more points of call thus reducing their cost of delivery compared to RSMCs.

THE ARBITRATION DECISION ON THE WAGE GAP

In her decision Arbitrator Flynn was extremely critical of the Corporation's attempt to use cost per point of call as the measure to determine the wage gap. She stated the employer's approach did not "qualify as 'reasonably accurate' or reliable". Concerning the Corporation's consultant's report Flynn stated: *"As shall be demonstrated below, these discrepancies and the high variability bring about surprising and improbable results that, when weighted against the evidence adduced, do not prove to be accurate or consistent. Indeed, Ms. Haydon's two bases require her to extensively and arbitrarily manipulate and adjust the data and her methodology. . . . How she (Ms. Haydon) came to that conclusion is not clear, nor is it convincing that it respects and complies with the Act and the Guidelines."*

Flynn concluded: *"Ms. Haydon's methodology is one that measures labour costs, while the objective of the pay equity review is to assess if there is a wage gap. . . . Therefore, for all of the aforementioned reasons, the Tribunal comes to the conclusion that the Corporation's methodology must be rejected. It is not reasonably accurate nor is it reliable. Rather, it is fundamentally flawed and, consequently, produces so-called compensation results that do not correspond to the employees' respective realities in light of all the evidence that was adduced in this case."*²⁹

Flynn rejected the Corporation's methodology and accepted the Union's proposal to rely on the RMS hours as a time component to establish a job rate for RSMCs in this pay equity review. She stated: *"Basing the time component on an hour is the most common denominator that allows to compare RSMC wages to the LC hourly rate. Despite the intrinsic inaccuracy of the RMSC time, the Corporation has extensively relied on it for very important aspects of RSMC work, including overtime provisions, pension and benefits eligibility, and the Schedule A, which forms the most important RSMC work tool integrated into the job description in the collective agreement."*³⁰

Using the weighted average of maximum rates for all three zones, she determined that a derived hourly rate of \$20.52 should be used for the period beginning January 1, 2016. This was far less than the \$25.95 received by letter carriers at that time. Flynn also rejected CPC's proposal to include money paid to RSMCs for their vehicle costs as compensation. With respect to the piece rates paid

for lock changes and parcel deliveries Flynn agreed to the Union's proposal to make this work pensionable time by adjusting RMSC hours and incorporating the time required to perform this work into the assessed time.

PERFECTING THE DERIVED HOURLY JOB RATE

Although Flynn agreed with the Union that RMSC time should be used as a component to establish the job rate she was not satisfied that the work content of an RMSC hour necessarily was equal to that of an assessed hour of letter carriers using the Letter Carrier Route Measurement System (LCSMS).

She stated: "Nevertheless, given the previous findings, it is evident that the derived hourly job rate must be perfected and adjusted to provide reasonably accurate results. The question remains: how can the RMS time be adjusted to more accurately portray the work done by RSMCs? Should a percentage correction be applied? Should the base salary used in the direct compensation evaluation be the same as the salary used for establishing the cost of indirect compensation? Would the use of a sample of 'full-time equivalent' LC and RSMC routes produce more accurate data (for instance, 6 to 8 hours routes)? Unfortunately, not enough data and facts have been presented to the Tribunal to allow the Undersigned to make that determination with confidence."

Flynn also recognized that the parties were best left to determine the time values to be used when including the lock changes and parcel deliveries into the RMSC and determining the monetary value of all of the benefits that would require retroactive pay due to her ruling that the work of RSMCs was of equal value to letter carriers. Consequently, she gave the parties 90 days to work out these issues and remained seized to render a decision if the parties could not reach an agreement.

Flynn also ruled that she did not have jurisdiction to impose changes to the RSMC Route Management System and was restricted by the MOA so she had to limit the eligibility service date for retiree benefits only to be retroactive to January 1, 2016.

FIRST ARBITRATION AWARD: A VICTORY FOR RSMCs

The first arbitration decision constituted a major victory for RSMCs. For the first time their work was recognized as being of equal value to letter carriers. It also established that RSMCs would receive the same benefits as letter carriers and that time for lock changes and parcel deliveries would be included in the RMSC and be made pensionable.

THE FINAL THREE MONTHS

The three months following the first arbitration award witnessed intensive discussions between the parties, often involving the direct participation of Arbitrator Flynn. The parties had been instructed to establish the precise details of the required time values and payments for benefits. Also the parties were instructed to establish if it was necessary to adjust the RSMC time “*to more accurately portray the work done by RSMCs*”. The potential approaches included: adding in the indirect compensation; applying a percentage correction; and/or using a sample of 6 to 8 hour routes.

With the assistance of Arbitrator Flynn the parties were able to come to agreement on the retroactive payments and changes required for the following benefits:

- Neighbourhood Mail, ("Admail"),
- Long-Term Disability Plan coverage,
- Marriage, Birth and Adoption Leave, Leave for Other Reasons, Court Leave, Personnel Selection Leave, Examination Leave, and Career Development Leave,
- Life Insurance and Post Retirement Term Life Death Benefit, BC Provincial Health Care Premium,
- Isolated Post Allowance
- Glove Allowance,
- Displacement Allowance,
- On-Call Relief Employees wages,
- Lock Changes,
- Personal Contact Items, and
- Rest Period Allowance.

MEASURING WORK TIME VERSUS ASSESSED TIME VERSUS PAID TIME

With respect to determining the relative value of an RSMC hour of measured time compared to a LCRMS hour there was no agreement between the parties. The Corporation chose 615 routes which it claimed to be representative. By applying the RMS to these letter carrier routes management determined that determined the RMS provided time values 12.3% greater than those in the LCRMS.

The Union criticized the sample chosen by the Corporation pointing out there was significant differences between the 615 Letter Carrier routes that CPC selected Letter Carrier routes and the reality of RSMC work. For the Letter Carrier routes in the sample: the average number of POC

was 1083; the average number of apartment POC was 267; the average number of CMB POC was 758 and the average number of kms was 27. This was not comparable with RSMC routes. The CPC sample also included many routes with high density apartments. The inappropriateness of including Letter Carrier routes with high density apartments in any comparison between RSMCs and Letter Carriers had already been criticized by Arbitrator Flynn in her first award.

For its part the Union provided a comparison using the profile of 1246 RSMC Georoute sample routes which had an average of 831 POC. The average number of apartment POC was 98. The Union applied various assumptions to the Letter Carrier routes to ensure an equality in the application of time for the daily activities. Also the Union incorporated the newly negotiated PCI activity value rates (2.75 minutes per PCI) and Lock change (2.31 per lock change) time values. Using the unions approach there was 10.4% more time in the LCRMS than in the RMS hours. Despite this discrepancy in favour of the RSMCs, the Union maintained its position that one hour of RMS time be considered to be equal to an hour of LCRMS time.

As the 90-day negotiation period was ending and the possibility of arbitration loomed very real Canada Post came up with a totally new proposal for the arbitrator to consider. It proposed that volumes be considered as a criteria to establish different time values in each of the three zones. Under their new proposal, RSMCs would all receive a rate of pay based on the letter carrier rate, however RSMCs in Zone one would be assessed at fewer hours to do the same work as RSMCs in the other Zones. The wage would be the same but the time paid would be less. CPC's proposal called for the time values for Zone 1 to be reduced by 18 per cent before increasing their derived hourly rate to be equal to the letter carrier rate.

In Zones 2 and 3, the RMS adjustment would be less to reflect the alleged higher volumes. Canada Post's proposal was to adjust each of these groups of employees by 5%. All RSMC activity values would then be adjusted to reflect a derived hourly rate of \$25.95.

According to Canada Post this option would result in a single national derived RSMC hourly rate that would be equal to the single national letter carrier hourly rate. The effect would be an average wage increase of approximately 9.5% for Zone 1, 15.7% for Zone 2 and 9.7% for Zone 3."

Then, again at the very last minute, in another totally new twist the Employer proposed that the Arbitrator could choose to reduce the wage gap by 50% for Zone 1 and by 25% for Zones 2 and 3. This proposal was based on CPC's assumption that letter and parcel volumes are much lower in rural areas than in suburban areas.

THE FINAL ARBITRATION DECISION: A MAJOR VICTORY FOR RSMCs

The final award of Arbitrator Flynn was a major victory for the Union and a vindication of the 38 years of struggle to provide equality for RSMCs.

She further stated the comparative method used by the employer lacked credibility, especially when assessing the reliability of the results in light of the overall evidence. She stated that reducing the estimated time for all RSMC routes as requested by the Employer, would go against the purposes of the Act. She stated the employer's simulation was not only hypothetical or artificial, but also lacked credibility. She recognized that if she were to adopt the method proposed by the Employer, it would lead to a time reduction for all RSMC routes and, more significantly, for the routes operating in Zone 1. Yet, this zone comprised the majority of RSMCs, and the RSMCs in this zone receive the lowest remuneration.

She concluded as follows: *“For all these reasons, the Employer’s proposal is rejected, and the Union’s proposal is accepted. The latter meets the required level of reliability. The Union’s proposed methodology has the merit of respecting not only the objective sought by the Act, but also the entirety of RSMCs’ working conditions. The methodology and resulting wage gap are easy to understand because they are based on known data, including the derived wage rate and estimated hours in Schedule “A” of each RSMC.”*³¹

Under her ruling, for the retroactive period, the average and weighted compensation to be paid per hour to all RSMCs was \$5.31 on January 1, 2016, resulting in a derived and uniform rate of pay of \$25.95, as well as the elimination of the zones as of January 1, 2016. This wage gap and the derived wage rate would also have to be adjusted at the same pace as the letter carriers’ rate, from January 1, 2016 to January 31, 2016, February 1, 2016 to December 31, 2016, January 1, 2017 to January 31, 2017, and February 1, 2017 to January 1, 2019, while taking into account the wage increases that were paid to both groups during this period or the one that will be paid, if applicable, retroactively.

In addition to her ruling on wages Flynn also ruled in favour of the Union with respect to issues associated with vacation leave, pre-retirement leave, and froze the time values until January 1, 2019.

Canada Post Corporation estimated that the cumulative costs associated with the ruling for the three-year retroactive period would reach approximately \$550 million. The annualized impact of the pay equity ruling in the future years was estimated to be \$140 million per year.³²

Writing to the Union’s membership to describe the award the members of the Pay Equity Committee signaled that the fight for equality would not end until complete equality was achieved.

It said: *“This award is a major step forward in our long struggle for justice for RSMCs. We have received equity but we have yet to receive equality. That is for negotiations.”* ³³

For a list of all of the wage and benefit improvements achieved through the pay equity process see Appendix A.

EQUITY BUT NOT EQUALITY

The struggle for equality for RSMCs received a tremendous boost with Arbitrator Flynn’s award. However several important issues must be resolved before true equality is achieved. RSMCs still are only paid for their assessed hours and, unlike letter carriers, receive no additional pay during the frequent occasions when they are required to work extra hours. The employer still has the ability to cut the hours on their routes during restructures, thereby reducing their income. Unlike letter carriers RSMCs are not entitled to job security.

When CUPW attempted to resolve these issues in the 2018 collective bargaining the chief negotiator for Canada Post frequently replied, “We believe in pay equity but not equality”. CUPW conducted rotating strikes to achieve these objectives in the autumn of 2018 and was legislated back to work by the Liberal government.

It should be noted that throughout the pay equity process management did everything possible to stop RSMCs from receiving any benefits. When this failed they attempted to reduce the compensation to be paid to the lowest paid workers in Zone 1. At the same time senior management consistently made public statements claiming to wholly support pay equity for all employees.

LESSONS FROM OUR EXPERIENCE

It is difficult to summarize the lessons learned by RSMCs and CUPW that might be of use to other organizations struggling to obtain equal rights and benefits for women workers. The situation today is much different than it was in 1985 when RSMCs first attempted to organize.

However there are some lessons that deserve recognition. Here is what Deborah Bourque, former President of the CUPW and the primary architect of the strategy to organize RSMCs had to say in 2007.

“Looking back on our experience I think there are some aspects of our struggle that stand out for us and are probably important for other unions that need to overcome regulatory and legal obstacles to organizing.”

Expert advice. Don't be ashamed to ask people from outside organizations. We could not have been successful without guidance and advice from experienced activists

Trade Union allies. We got tremendous support from other trade unions, both in Canada and internationally.

Allies from outside the trade union movement. We needed lots of allies to help us in our organizing and political action campaigns. Political allies like the Bloc and the NDP. Trade union and community allies, both in Canada and internationally. And academics who could help guide us through unknown territory.

Academics. We never underestimate the importance of the support from the university community.

Money. Successful campaigns take people and energy and more than a little luck. But campaigns also need a long term commitment of money and resources. When we started we decided we would fund the campaign for ten years. But we did not really have any idea if it would take five years or twenty. What we did know was that if we were going to ask people to disrupt their lives and make an open-ended commitment then we had to be there even with consistent support and resources even when the times got tough.

Integration. We were fortunate in that almost half of the RSMCs worked in offices where we had existing members and an existing organizational structure.

Identify various options to success. There are usually a number of ways to achieve your objectives. Consider them all.

Identify the enemy and let them know what they have to do to solve your problems. Let them know about the consequences for them if they do not act. Keep in contact. Make it easy for them to change their position.

Be open to new tactics. No effort is too big or small. Make sure every member can find a way to participate.

Communicate regularly. Let everyone know what is happening, what the future plans are and how they can fit in . . . even if it is to only organize a support message.”³⁴

ONE LAST WORD

CUPW and the RSMCs it represents will never give up. The struggle continues.

APPENDIX A: SUMMARY OF THE ARBITRATION RESULTS

Wages: Activity values are to be increased to reflect the letter carrier hourly wage rate retroactive to January 1, 2016.

Zones: Zones eliminated effective January 1, 2016.

Personal Contact Items and Lock Changes: To be incorporated as pensionable time with activity values retroactive to January 1, 2016.

Rest Period Allowance: RSMCs to receive the same rest period allowance as letter carriers retroactive to January 1, 2016, prorated using RMS hours.

Vacation Leave: 4 weeks after 7 years of service, 5 weeks after 14 years, 6 weeks after 21 years and 7 weeks after 28 years.

Pre-retirement Leave: RSMCs to receive the same pre-retirement leave as letter carriers.

On-Call Relief Employees: Retroactive from January, 1, 2016 OCREs will receive the new wage rates for the routes they covered.

Permanent Relief Employees: Retroactive from January, 1, 2016 PREs will receive the new wage rates for the routes they covered. When they do not cover routes, PREs will receive \$90.00 for three hours.

Disability Insurance: Effective January 1, 2016, route holders and PREs who suffer an injury or illness will be covered by the same disability insurance provisions as letter carriers.

Insurance: Route holders and PREs to be covered by life insurance and death benefits starting January 1, 2019. For the period from January 1, 2016 to December 31, 2018, the estate of members who passed away will receive equal share of the premiums CPC would have paid for insurance.

Isolated Posts: Effective January 1, 2019 all route holders and PREs that work in isolated posts listed in the urban agreement (Appendix “H”) will receive the isolated post allowance and associated benefits.

For the period from January 1, 2016 to December 31, 2018, employees working in these isolated posts will receive an equal amount of the total allowance CPC would have paid during this period.

Glove Allowance: Prior to December 31, 2018, all route holders and PREs shall receive \$60.00 in lieu of glove allowance. Starting October 1, 2019 all route holders and PREs shall receive a \$20.00 glove allowance every October 1st.

BC Health Care Premium: Effective January 1, 2019 active route holders and PREs shall receive the same contributions to the BC Health Care premium as urban employees. From January 1, 2016 to December 31, 2018, route holders and PREs working in British Columbia shall receive retroactive payments.

Leaves: (Marriage, birth, adoption, other reasons, court leave, personal selection leave, examination leave, career development): Effective January 1, 2019 route holders and PREs will be eligible for these leaves on the same basis as urban employees. For the retroactive period, PREs and route holders will be provided an equal share of the retroactive value of these leaves.

Admail: RSMCs shall receive an additional 0.8 cents for each piece of admail for which they were paid between January 1, 2016 and January 15, 2018.

Post-Retirement Healthcare: Effective January 1, 2016 route holders and PREs are entitled to post-retirement healthcare benefits. Unfortunately, the Arbitrator sided with CPC and ruled that the 15-year eligibility period starts January 1, 2016. Route holders and PREs who have a minimum of 2 years of continuous service since January 1, 2016 will be entitled to post-retirement benefits if they leave Canada Post employment on a medical retirement.

Taken from the Bulletin: RSMCs Were Right! (September 30, 2018)

ENDNOTES

¹ Robert Campbell; The Politics of the Post.

² Association of Rural Route Mail Couriers Newsletter No. 1, Page 2, Spring 1986. This quote and much additional information are taken from Sarah Ryan's 2011 Thesis MA entitled: Challenging employee status using legal mobilization: Home-based childcare workers and rural and suburban mail carriers organize.

³ Fudge, Judy. 2005. "Deemed To Be Entrepreneurs: Rural Route Mail Couriers and Canada Post," In C. Cranford, J. Fudge, E. Tucker and L. Vosko, editors. *Self-Employed Workers Organize: Law, Policy, and Unions*. Montreal: McGill-Queen's University Press. Additional information was taken from this book.

⁴ See Fudge above.

⁵ Canada Labour Relations Board decision, board file 530-1218, rural route mail couriers. April 29, 1987; quoted from Hansard, June 5, 2002

⁶ See Fudge above.

⁷ Gaston Nadeau; Legal opinion, 1995

⁸ Alice Boudreau, Notes from Presentation, Port Elgin, October 30, 2003

⁹ Boudreau, see above

¹⁰ Boudreau, see above

¹¹ Vincent Sombretto, President, National Association of Letter Carriers; Press release, December 2, 1998

¹² Deborah Bourque; Address to the Workshop on the Right to Organize and Bargain Collectively in Canada and the United States; Toronto, February 1, 2001

¹³ Canada Post Costing Analysis, 2003

¹⁴ Deborah Bourque; Address to Vancouver Conference; December 7, 2007.

¹⁵ Lynn Bue: Bulletin to CUPW membership, July 23, 2003

¹⁶ Lynn Bue: Bulletin to CUPW membership, July 27, 2003

¹⁷ Judy Fudge: Letter to CUPW President's Meeting, September 27, 2003

¹⁸ Andrea Noack and Norene Pupo, 2011, *Becoming Employees: The Case of Canada's Rural and Suburban Mail Carriers*

¹⁹ Martti Raivio, October 2011, *Will Say*

²⁰ CUPW; November 2011, *RSMC Demand Ratification Tabloid*

²¹ Firestone, J. April 28, 2016, Ontario Superior Court of Justice; *Canadian Union of Postal Workers v. Her Majesty in Right of Canada*, 2016 ONSC 418 COURT FILE NO.: CV-11-436848

²² CUPW; November 2012, *RSMC Contract Ratification Tabloid*

²³ Lemelin, Denis, April 27, 2012, *Letter to CUPW members*

²⁴ CPC Spokesperson Jon Hamilton; August 13, 2016, *Quoted in CBC News*

²⁵ CUPW; October 2016, *RSMC Contract Ratification Tabloid*

²⁶ Flynn, Maureen; May 31, 2018, *Arbitration Decision*

²⁷ Flynn, *see above*

²⁸ Canada Post Corporation; June 2, 2017, *Pay equity Study Compensation Methodology*

²⁹ Flynn, *see above*

³⁰ Flynn, *see above*

³¹ Flynn, Maureen; September 20, 2018, *Arbitration Decision*

³² Canada Post Corporation, 2018 Third Quarter Report, p.2

³³ CUPW, September 20, 2018, *Bulletin entitled RSMCs Were Right!*

³⁴ Deborah Bourque, December 2007, *Speech in Vancouver, BC*

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