

# UNION PERSPECTIVE

Volume 38 Number 2

Canadian Union of Postal Workers

May 2010

## ONE POSTAL UNION

The Union continues to move forward with our ambitious plan to unite all postal sector workers into one strong postal union, the Canadian Union of Postal Workers.

Organizing is an essential way to defend the working conditions of the current membership by improving the working conditions of non-union workers. Increasing the membership base through the addition of new bargaining units will strengthen the union not only now but in the future. When new bargaining unit members participate in the Union, they build solidarity around common issues and assist in future struggles. As a result, the Union will have a stronger voice at the bargaining table.

### Amalgamation – Now is the Time

On January 21, 2010, the Canadian Union of Postal Workers applied to the Canada Industrial Relations Board (CIRB) for a review of the bargaining units at Canada Post. CUPW proposed that the CIRB should merge three different Canada Post bargaining units into one. Currently, urban operations and rural and suburban carriers are represented by CUPW. Postmasters and assistants in rural locations are represented by the Canadian Postmasters and Assistants Association (CPAA).

CPAA members perform the same work as CUPW

members in retail positions and rural CUPW post offices. Rural and suburban mail carriers perform essentially the same work as motorized letter carriers. Yet bargaining occurs at three separate tables, resulting in disparities between wages, benefits and working conditions. Under this arrangement, Canada Post enjoys a significant advantage in negotiations.

It's not surprising, given the advantage, that Canada Post is vehemently opposed to the idea of an amalgamation, despite previously supporting the suggestion when it was made during the 1980s. As the CPAA moves to Final Offer Selection in its current bargaining round, it has also stated its desire to

maintain the status quo, even though it is facing major attacks from Canada Post.

Once the CIRB has considered the application and the submissions of all parties, it will decide whether or not to conduct a bargaining unit review.

The postal sector has changed drastically in recent years and more changes are looming on the horizon. It's clear: the only way to confront the divide-and-conquer bargaining strategy of Canada Post and other employers in the postal sector is for workers to unite.

## RSMC Negotiations: We've got to keep them moving

The last RSMC re-opener could not be successfully negotiated, even though more money is available than ever before. In fact, Canada Post must spend at least another \$33 million on RSMCs between now and December 31, 2011 to improve wages and benefits. A comprehensive drug plan costs about \$6 million. Adding four sick days costs about \$2.6 million. That leaves a lot left over for better wages and benefits. So, what is the problem?

The problem is the employer. Their intent from the get-go during the final re-opener was to end up in arbitration to try to force concessions onto RSMCs. It became obvious that Canada Post did not want to bargain seriously when they

refused to tell the union how much any of their proposals would cost the financial cap. This re-opener was like getting into a taxi where the driver won't let you see the fare.

Canada Post will now try to use third party arbitration to impose the following: a Short Term Disability (STD) program that is worse than the current Employment Insurance (EI) system; a Corporate Team Incentive (CTI) controlled completely by the employer; and per-piece payments instead of time

values for Appendix A work, which would keep RSMC wages forever down.

Your union will argue that Canada Post's proposals fall far short of the improvements that RSMCs deserve. The union will also present solid arguments for real solutions to real workplace problems. Once again, the employer has forgotten that CUPW knows how to fight.

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CANADIAN UNION OF POSTAL WORKERS  
377 BANK STREET  
OTTAWA ON K2P 1Y3

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# Only through full-scale negotiations can we protect a public postal service and good jobs

**There's a lot of negotiations happening this spring. Negotiations for the renewal of the RSMC collective agreement are ongoing. Local meetings are now taking place to discuss the demands for this round of urban unit negotiations. We're also conducting bargaining for a number of private sector units. The Union is busy everywhere.**

Negotiations always involve strategizing. What's the best way to protect the universal and public postal service? How do we ensure everyone is prepared for the inevitable fight with Canada Post? How do we improve working conditions for members in the private postal sector? These are good questions that members are asking. The Union has developed a strategy we call "full-scale negotiations." What does this mean? Think of it this way: "a full-scale attack requires a full-scale response."

All postal workers are currently facing a concerted attack by employers. With the implementation of the Modern Post, the systematic elimination of positions, the use of Manulife and threats of discharge, all of us are vulnerable. We can't accept that.

**We need to fight back!**

Full-scale negotiations mean we need to fight the employer on all fronts. That's why we've filed an application for a review of the bargaining units at Canada Post. That's why we're lobbying politicians to block the privatization of international mail. That's why we want a clear moratorium on the closure of post offices and a public debate on the postal service charter. And that's why we're organizing private sector workers, including combined urban services workers, franchise workers and same-day courier workers.

The purpose of full-scale negotiations is to make Canada Post understand that the only way to guarantee the future of the postal service is to negotiate in good faith with all postal workers. Deadlines are coming up, and we have to force Canada Post to sit at the table with all of us.

To win full-scale negotiations, each and every member needs to get involved. That's one important lesson CUPW's proud history has taught us. As Jean-Claude Parrot, former CUPW National President and Chief Negotiator, wrote:

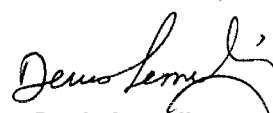
*"CUPW has always chosen the approach of negotiating on the strength of its membership, with the understanding that it is not only because you have good arguments and a just cause that you win improvements for your members at the bargaining table. Only when the employer knows that you have the membership behind you and that you are willing, if necessary, to fight can meaningful gains be won."*<sup>(1)</sup>

<sup>(1)</sup> Jean-Claude Parrot, *My Union, My Life*, page 2

We need to keep on being willing to fight and to get involved in struggles on a daily basis. CUPW has a vision of the future of the postal service. CUPW has a strategy: full-scale negotiations! But above all, CUPW has the

collective power of 54,000 dedicated, militant and mobilized members. **Let's get ready!**

In Solidarity,

  
Denis Lemelin  
National President

## In memory of Louis Langlois

CUPW has lost a wonderful, smart, and passionate leader. Brother Louis Langlois, the National Director for the Metro Montreal Region, passed away on January 26, 2010.

Brother Langlois had a great sense of humour. He acted with integrity to bring all CUPW members together. He was always ready to share his knowledge with new activists as he strove to bridge differences and have CUPW members focus on working together to fight for dignity and justice. He worked hard to build solidarity. Louis brought fresh ideas and an unwavering commitment to his position as a National Director. He was strong, compassionate and dedicated.

Louis was also committed to working with the Labour movement. He was a Vice-President of the Quebec Federation of Labour. He worked tirelessly to provide homes for low-income people.

He leaves his beloved wife, Danielle, and his two stepdaughters, Virginie and Venessa.

Louis has left an important legacy for us all. He showed us that vision, devotion, and a willingness to see the humour in all situations can make a difference.

His death leaves a hole in the collective heart of CUPW and he will be missed.

*The struggle continues.*



## CUPW PERSPECTIVE

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Tel: (613) 236-7238  
Fax: (613) 563-7861  
[www.cupw-sttp.org](http://www.cupw-sttp.org)

Letters to the editor are welcome.

Please e-mail your feedback to: [feedback@cupw-sttp.org](mailto:feedback@cupw-sttp.org)

**Editor:** G. Floresco

**Production and translation:**

A. Boulet, C. Drouin, G. Laflamme, B. Luijkenaar, M. Parrot, M. Prévost

### Associate editors:

P. Arbour, G. Bossenberry, L. Bue, G. Kuehnbaum, D. Lafleur, D. Lemelin

### Contributors:

Aalya Ahmad, John Bail, Richard McGrath, Marion Pollack, Katherine Steinhoff

### Affiliations:

- Canadian Association of Labour Media (CALM)
- Canadian Labour Congress (CLC)
- Union Network International (UNI)
- International Transport Workers Federation (ITF)

**cupw•sttp**

CUPE-SCFP 1979

[copw225sep@ca](mailto:copw225sep@ca)

## LETTERS POLICY

CUPW Perspective welcomes letters to the editor. We will print any letters from a CUPW member provided it:

- is 400 words or less. Union members may submit longer items for consideration as commentary pieces.
- Does not violate CUPW policy opposing discrimination and harassment against women, people of colour, First Nations, Inuit, and Métis people, lesbians, gays, bisexual and transgender individuals, people with different abilities, and/or CUPW policies and principles.

- is typed or written neatly.
- includes the author's name, address, local and a phone number where they can be reached if there are problems.

Perspective will withhold the author's name if necessary. Otherwise, the author's name and local will appear.

Perspective will contact authors if there are problems with their letters. We accept letters by mail, fax and electronic mail.



# External Organizing – Combined Urban Services & Highway Service Drivers

As we continue our struggle to build a better union for postal workers, CUPW has been steadily organizing couriers and drivers in the public and private sector. We want to ensure that everyone who works to deliver the mail gets fair wages and safe working conditions, whether Canada Post employs them directly or indirectly.

Combined Urban Service (CUS) drivers are workers employed by Canada Post through private contractors or individual personal contracts. These workers do much of the same work as Mail Service Couriers, but for significantly lower wages, fewer benefits, and under worse conditions.

CPC needs to either increase the value of the CUS delivery contracts, so that contractors have no excuse not to provide decent wages and working conditions, or assume direct responsibility for the wages, benefits and working conditions of these workers. We think the latter is the better option for all of us. Canada Post should not be using contracting out to treat any of its workers unfairly through a cheap labour strategy.

The Union has been arguing that the transport contractor/Canada Post is a single employer – a claim borne out in a number of areas, most notably by the fact that the contractors have been following Canada Post's lead in fighting the union.

Applications have been filed with the Canada Industrial Relations Board (CIRB) for the following proposed bargaining units:

1. All employees of Canada Post Corporation engaged in the transportation of mail between designated delivery points who have entered into Highway Service contracts with Canada Post Corporation
2. All employees of Canada Post Corporation engaged in the processing, collection and delivery of letter mail and parcels and other products who have entered into Combined Urban Services contracts with Canada Post Corporation.
3. All employees of Canada Post Corporation engaged in the processing, collection and delivery of letter mail and parcels and other products who are working for Canada Post Corporation.

Canada Post has been fighting to get these applications dismissed. So far, the employer has been unsuccessful, despite repeated appeals to the Board. CPC is trying to argue that these contractors are not employees under subsection 13(5) of the *Canada Post Act*.

Our position is that everyone has the right to bargain collectively: a right protected by the *Canadian Charter of Rights and Freedoms*.

Because the Board is not doing what the employer wants it to do, Canada Post has been challenging the Board's jurisdiction. On January 22, 2009, the Board ruled that it could determine the constitutionality of subsection 13(5) of the *Canada Post Act*. The Board then dismissed Canada Post's Application for Reconsideration in May 2009.

A judicial review, filed by Canada Post is scheduled to take place soon before the Federal Court of Appeal. The CIRB has scheduled hearings on the union's certification applications on May 21, June 1 and July 19th-23rd. These will be important decisions, not only for postal workers, but also for the organized labour movement.



**Organizers:**  
CUPW member organizers at the Toronto Courier Worker Centre. Front row, from left to right, Liz Parry, Jan Simpson, Seema Sharma, Meenu Bhalla, Pavneet Ver, John Critsotakis. Back row, from right to left, Waqar Khawaja, Steven Craggs, and campaign coordinator, former bike courier Mark Hayward. Missing: Lynda Phou, Terry Theakson and Jonah Gindin.

## In Defence of Public Postal Services

Canada Post used to be a strong presence at the heart of rural communities. Since the 1980s, however, Canada Post has been increasingly reluctant to provide full services to rural areas. For example, Canada Post has now decided to ship all mail from Vancouver Island to the Victoria mail processing plant. This makes no sense. To save a few hours work in these communities, Canada Post has chosen to move the mail hundreds of kilometres, cutting jobs and risking reliable services.

In Castlegar, Trail, Rossland and Nelson, Canada Post amalgamated the post offices into the "Castlegar Post Office," affecting three Locals. Because of protections in the Collective Agreement, Nelson Post Office remains a separate post office.

Smaller Locals in the Union are constantly fighting for adequate staffing and services. Members of these Locals are often isolated and

have fewer resources to fight with. Usually the Union's leaders are volunteers who do most of their Union work on volunteer time. Because many of the Locals in British Columbia had enough of the erosion of services, Local Presidents in Trail, Nelson, Castlegar, Courtenay, Nanaimo, Campbell River, Port Alberni and Victoria appealed to the public for support.

Because the Locals went public in these communities, Canada Post was forced to agree to discuss concerns about postal service. This shows that we can make a difference in our communities. It is our post office and we cannot sit back and allow it to be destroyed.



# An Injury to ONE is an Injury to ALL

Every year on April 28th, millions of people around the world take time to remember the workers who have been injured and killed on the job. The workers that we are remembering are beloved members of families and communities. They are friends, co-workers, mothers, fathers, brothers, sisters, and children. They are workers from every type of workplace.

In unsafe workplaces, human lives and human suffering are not considered as important as the business profit margin. Workers are killed and injured because of employers who intimidate their employees and ignore safety violations, employers who roll the dice with workers' lives at stake.

With the power of a union behind us, protecting our rights, it's easy to forget about the many non-unionized and vulnerable workers who earn their wages in dangerous conditions. Migrant workers are especially at risk in unsafe workplaces because they fear reprisals such as firing and possibly deportation for speaking out. Many of these workers get trapped in dead-

end, unsafe, low-status and insecure jobs that sometimes become deadly.

We all heard recently about how vulnerable these workers are. On Christmas Eve in Toronto, scaffolding on an apartment building snapped in half. Four construction workers fell to their deaths while another was critically injured. These men were migrant workers from the Ukraine. Some were landed immigrants while others had claimed refugee status. They had families and

young children. Although they had safety concerns, they couldn't speak up. There were language barriers and inadequate training issues as well as the fear of losing their jobs and going back on the market as cheap labour in a city full of people desperately looking for work.


Although these workers gave their lives building a city for others to live in, their families are now facing deportation. Their broken bodies and shattered lives were made in this country. We all need

to help protect the basic working rights of migrant workers. This is the race to the bottom that no unionized worker can afford to forget about as long as bosses are making their profits on the backs of the most vulnerable.

We must continue the fight to force employers and governments to live up to their duty to make every workplace a safe one. We must continue our efforts to ensure stronger health and safety protection. We must insist on the enforcement of adequate standards. We must demand fair and just compensation for every worker killed or injured in every workplace. An injury to one is an injury to all.

This year, the Canada Labour Congress is broadcasting radio messages asking, "*Is today the day that you die at work?*" Action will also be taken to pressure governments to enforce Article C-45 of the *Canadian Criminal Code* (also known as the Westray Act).

Let us all remember our Sisters and Brothers, and then honour their memories by organizing for change.



**Do you believe that everyone has the right to be treated with respect and without discrimination?**

**Rights • Health • Safety • Social Justice Stewards make a difference.**

Let your CUPW executive or steward know if you're interested in being a steward.

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# The Selling of Canada Post

Canada Post is not being sold to the private sector just yet, but the Crown corporation is in the midst of selling the public on its view of today and its vision for the future. This vision includes some privatization and more post office closures.

In recent months, Canada Post has been featured in news stories that paint a picture of a post office in need of a major tune-up. The corporation has been telling anyone who will listen that volumes and revenues are down, in part, due to the recession. According to senior management, business is difficult. The post office faces increased competition from electronic communication and its machines and plants need to be upgraded and repaired.

Not to worry, Canada Post says it has a plan to deal with its challenges. The problem is it needs the federal government’s support to fully succeed.

For a start, the corporation is modernizing our post office by investing \$2.5 billion in new plants, vehicles, equipment and other items. It expects to save millions annually from modernization, largely through productivity gains that pave the way for management to eliminate thousands of jobs in communities across the country. It is also making cuts to service (eg. closing post offices, removing rural home delivery) and arguing that it must do much more to reduce operating costs. This is where the government comes in.

The corporation wants the federal government to reconsider its moratorium on rural post office closures, even though the Conservatives recently announced they are maintaining this moratorium.

Canada Post also wants the Conservatives to approve an employee share ownership plan.

The corporation believes workers would be more engaged and productive if they owned shares. It ignores the fact that such a move would partially privatize Canada Post. The government announced in March that it “has no intention of privatizing Canada Post at this time. This includes employee ownership.”

**Instead of simply asking  
“How do we revamp the post office?  
the union thinks senior postal  
managers should be asking  
“What is the best way to keep  
our universal, financially-sound,  
service-oriented public  
post office?”**

For the record, the corporation is not opposed to deregulating our post office either, but it would like to modernize first. A recent review of Canada Post found there is virtually no support for postal deregulation.

Canada Post has also asked the government to appoint a third party to review its contract with the Canadian Union of Postal Workers (CUPW). It wants this person to identify changes that would make the contract more “competitive”, which is code for cutting labour costs. It wants the government to show support for these changes.

It appears that postal workers are being set up to be one of the problems that must be solved if Canada Post is to meet future challenges. In fact, CUPW members have worked hard at improving postal service and being part of the solution to post office problems.

CUPW understands that our public post office faces challenges but it has a different view of what they are and a different vision of how to meet them.

Instead of simply asking “How do we revamp the post office? the union thinks senior postal managers should be asking “What is the best way to keep our universal, financially-sound, service-oriented public post office?”

**A few suggestions for a better postal future follow:**

- 1) Add revenue-generating banking services to postal outlets in communities that do not have banks.
- 2) Get the government to improve Canada Post’s financial future by not deregulating international letters. At press time, Conservatives are currently trying to ram deregulation of international letters through Parliament as part of their omnibus budget bill. It is their third attempt at eroding Canada Post’s exclusive privilege to handle letters, which is the mechanism that allows our public post office to generate the revenue it needs to provide service to everyone, no matter where they live.
- 3) Urge the government to stop taking dividends from Canada Post. The money the government siphons off in dividends should be invested in preserving and improving public postal service. The government waived dividends for 2008. This is a good start.
- 4) Don’t impose solutions on postal unions and their members. Imposed solutions usually fail to solve underlying problems. Let free collective bargaining work.
- 5) Insist that Canada Post use the money it saves from modernizing our post office to preserve jobs, keep public post offices open, continue rural mail box delivery, extend door-to-door delivery and take other measures that allow the public and postal workers to share in the benefits of modernization.

Any vision of our public post office’s future should be good for the public, not sell it short.

## Join the CLC Pension Plan Campaign

**Most of us dream of a secure retirement. These dreams should not end because of an economic crisis, layoff or employer bankruptcy.**

Sadly, many people don’t have enough money to live on once they retire. Consider the following facts:

- In July 2009 the average monthly payout for the Canada/Quebec pension plan was \$473.36 per month.
- The combined average monthly payout of the Quebec/Canada Pension Plan and the Old Age Security plan is \$1000.00.

- Over 60% of workers do not have workplace pensions.
  - Many Nortel workers have lost their pensions.
  - The average RRSP savings for workers nearing retirement is \$60,000. This works out to a monthly income after retirement of \$250.00 per month.
- For many people, retirement = poverty. But the Canadian Labour Congress (CLC) has a simple plan to ensure that retirees live in dignity and many pension experts think this plan makes sense.

- Double the CPP/QPP benefits
- Increase Old Age Security and Guaranteed Income Supplement benefits for seniors
- Introduce a federal pension insurance system

An increase in CPP contributions from both workers and employers from the current 4.95% to 7.8% over seven years would effectively double the average CPP benefits. This would ensure a secure retirement for many.

Seniors could be lifted out of poverty immediately if the Federal Government immediately increased Guaranteed Annual Income and Old Age Security

benefits by 15%. This would put more money into the hands of seniors for their rent, food and medication.

We need an insurance system to ensure that workers will not lose their pensions if their company is sold, goes bankrupt, or closes. A Federal pension insurance system would protect workplace pensions, meaning peace of mind for our retirement.

We all deserve a secure retirement. Please join the Canadian Labour Congress campaign. Sign petitions, go to meetings, and lobby your Member of Parliament. Your future security is at stake.



1. Introduction

The National Board of Trustees met from September 28 to October 7, 2009 at the National Headquarters of the Union in Ottawa for the third verification of this term.

As provided in the National Constitution under sections 4.96 to 4.99, we have completed an examination of the financial transactions of the Union for the period of January 1, 2009 to June 30, 2009.

The work of the National Board of Trustees consisted of examining the national treasury books, vouchers pertaining to expenditures, expense accounts for National and Regional Officers and Union Representatives as well as all other documents deemed useful and necessary for a sound administration of the Union funds.

2. Composition of the National Board of Trustees

The National Board of Trustees is composed of the following members:

**Atlantic Region**  
Brother Paul Hand, Chairperson

**Pacific Region**  
Sister Micki McCune, Secretary

**Quebec Region**  
Brother Denis Poirier, Member

**Metro-Montreal Region**  
Brother Martin Champagne, Member

**Central Region**  
Sister Bev Collins, Member

**Metro-Toronto Region**  
Brother Owen Edwards, Member

**Ontario Region**  
Brother Robert Henry, Member

**Prairie Region**  
Sister Arla Mephram, Member

Sister Micki McCune and Brother Martin Champagne were unable to attend the third verification. They were respectively replaced by Brother Anthony Holzer, 1st Alternate Trustee from the Pacific Region and by Brother Roland Savard, 1st Alternate Trustee from the Metro-Montreal Region.

Sister Bev Collins, Trustee from the Central Region, was elected Secretary in the interim.

3. Semi-Annual Verifications

A request was made by the National Executive Board to the National Board of Trustees to present our report on Tuesday, October 6th at 15:00h instead of Wednesday, October 7th at 9:00h as previously scheduled. This request was due to a special guest speaker attending the NEB meeting all day on Wednesday, October 7th.

Although we did not have time to fully examine and check all records, we endeavoured to present as complete a report as possible.

4. Resolutions and Records of Proceedings

The National Board of Trustees verified all resolutions and records of proceedings of the National Executive Board meetings for the period of January 1 to June 30, 2009, for the purpose of verifying financial resolutions, as per section 4.99 (c) of the National Constitution.

There continues to be a number of resolutions that do not contain monetary amounts or do not contain sufficient information to allow the National Board of Trustees to properly verify if expenses are constitutional. These items were brought to the attention of the National Secretary-Treasurer.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board, for all items involving financial expenditure, specify which budgetary item will be affected, the source of the funds and the amounts involved.

*The National Executive Board will, as much as possible, follow the recommendation of the National Board of Trustees.*

5. Expenses for Regional Activities

The National Board of Trustees examined the expense accounts with respect to union activities for which the National Directors have received an advance.

- 5.1** All regions have submitted their expense reports required under section 5.11 of the National Constitution. We noted all regions submitted their reports in a timely fashion.
- 5.2** As in past verifications, the real problem area with respect to regional activities was that surplus funds were not being returned to the National Office. During this verification, we noted one region has not returned any surplus funds relating to all of its regional activities.

Canadian Union of Postal Workers  
NATIONAL BOARD OF TRUSTEES  
(2008-2011 Term) Third Verification

**5.3** We noted an administrative practice in one region during this verification that we feel does not conform to procedures set out in section 4.82 of the National Constitution. Based on discussions with the National Secretary-Treasurer, the procedures set out in section 4.82 will be discussed at a future National Executive Board meeting.

Therefore, the National Board of Trustees recommends:

- 5.2** That the National Secretary-Treasurer take all necessary steps to recover all surplus funds from the applicable region.

*The National Secretary-Treasurer and the Director, Finance and Administration are working with the National Director to rectify the situation noted by the National Board of Trustees.*

- 5.3** That the National Secretary-Treasurer ensure that proper administrative procedures are followed as set out in section 4.82 of the National Constitution.

*The administrative process agreed to by the NEB complies with the requirements of section 4.82 of the National Constitution.*

6. Expenses for Regional Offices

The National Board of Trustees reviewed the files containing bank statements, reconciliation reports, forms and receipts for the expenses of regional offices for the period of January 1 to June 30, 2009.

- 6.1** We noted that seven regions have submitted their monthly expense reports. The Trustees noted that the Metro-Toronto Regional Office expenses continue to be paid by National Office under the pilot-project that started in September 2008. During this verification, the National Secretary-Treasurer informed us that for the next verification, the Prairie and Pacific Regions will become part of this project with all other regions being eventually included.

- 6.2** With the exception of two regions, the Trustees found that regions are submitting bank reconciliation reports. It was noted by the National Board of Trustees that one region was missing the “Activity Accounting Reconciliation” report for the month of June 2009. Further, another region has not submitted any “Activity Accounting Reconciliation” reports for January to June 2009.

Therefore, the National Board of Trustees recommends:

- 6.2** That the National Secretary-Treasurer ensure that all National Directors submit copies of bank reconciliation reports, for all union accounts, in accordance with a prior decision made by the National Executive Board in June 2000.

*The National Secretary-Treasurer will follow up with National Directors who are delinquent in submitting bank reconciliation reports to ensure they are provided on a timely basis.*

7. Review of Statement of Expenses

The National Board of Trustees examined the individual statement of expense forms for the period of January 1 to June 30, 2009 for each of the National and Regional Officers, Union Representatives and Alternate Union Representatives.

- 7.1** The National Board of Trustees again noted that in one region, two officers are not submitting monthly expense reports. It is essential that these officers submit a monthly expense report, even for months where no expenses are incurred. This is necessary to ensure annual leave, sick leave and other types of leave are recorded. It has been noted that all other individual reports were detailed and submitted in a timely fashion.

- 7.2** During this verification, the National Board of Trustees noted a continued improvement nationally and regionally where most individuals are submitting requested forms and obtaining authorization for travel and associated expenses, prior to departure.

- 7.3** The National Board of Trustees has confirmed that the national mobility cell phone plan has successfully reduced cell phone costs. It was noted that the average cost per cell phone is under \$50.00 per month. It was also noted that in two regions, not all officers are on the national plan. Cell phone costs, in these regions, are extremely high, with monthly individual average billing ranging from \$280.00 to \$900.00 per month.

- 7.4** The National Board of Trustees continues to note the high costs of vehicle rentals in some regions.

- 7.5** The National Board of Trustees continues to note costs for international travel and daily hotel rates exceeded amounts laid out in section 7.42 of the National Constitution.

Therefore, the National Board of Trustees recommends:

- 7.1** That the National Secretary-Treasurer obtain the missing expense reports from the Officers concerned and that these Officers be reminded for a second time in writing that there are no exceptions. All monthly expense reports must be submitted.

*The missing expense reports noted by the trustees have been provided by the Officers and Union Representatives concerned.*

- 7.2** That the National Secretary-Treasurer send a letter reminding those who continually neglect to provide the necessary authorization forms, of their responsibilities to comply with sections 7.42, 7.44, 7.53, 7.54, 7.55 and 7.56 of the National Constitution.

*A memo reminding all Officers and Union Representatives of the proper procedures for travel and expense authorization will be sent out in the new year.*

- 7.3** That the National Secretary-Treasurer investigate the cost to cancel present cell phone plans for individuals or regions on their own plans and have them placed on the national plan.

*Steps have been taken to move to the national cell phone plan all those currently under different arrangements.*

- 7.4** That the National Executive Board find a solution to reduce the high cost of vehicle rentals up to and including either leasing or purchasing vehicles.

*The National Secretary-Treasurer will undertake a cost/benefit analysis of renting versus purchase of vehicles in the regions identified as having excessive rental costs.*

8. Attendance

The National Board of Trustees reviewed annual, pre-retirement and sick leave taken by National and Regional Officers and Union Representatives.

For the 2007-2008 fiscal year, approximately 1,547 days of annual leave were unused as of June 30, 2008.

For the 2008-2009 fiscal year, approximately 1,638 days of annual leave were unused as of June 30, 2009.

This represents an increase of 91 days of unused credits over the preceding year.

We also noted that out of the 64 National and Regional Officers and Union Representatives covered by this verification, eight had 12 weeks or more of annual leave credits carried forward while eleven had between 6 and 11 weeks carried forward.

This situation can be detrimental to the health and safety of the Officers concerned. This represents an increasing liability for the Union.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board apply section 7.37 of the National Constitution insofar as a schedule of annual leave periods be established for all National and Regional Officers and Union Representatives to use their annual leave.

*Previous attempts to establish annual leave schedules for Officers and Union Representatives have not been successful mostly due to the nature of the work and the expectations placed on those elected to these positions. The National Executive Board will*

*increase its efforts to achieve the recommendation of the National Board of Trustees.*

- Also, the National Executive Board enforce the provisions of section 7.38 of the National Constitution in the event a National or Regional Officer or Union Representative does not use all of his/her annual leave credits.

*The application of the provisions of section 7.38 of the National Constitution will be discussed by the NEB at their next meeting held under section 4.03 of the National Constitution.*

9. Inventory Lists for National and Regional Offices

In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union, as per section 4.54 of the National Constitution, it would require an inventory list from National Office as well as all eight Regional Offices. These lists should include all items purchased by union funds such as filing cabinets, office furniture, etc, essentially all items excluding office supplies.

Since our fourth verification of the 2002-2005 term when this section on inventory lists was first introduced, the National Board of Trustees has stressed the importance of accounting for all the inventory in the National Office and in the eight Regional Offices. At that time, the National Board of Trustees understood that the process of compiling such an extensive list from both the National and Regional Offices would take some time.

Up until our present verification there were several unsuccessful attempts to develop a standardized inventory form that was both complete in its inventory accounting and easy to understand. During this verification, through the persistence of the National Secretary-Treasurer and his staff, a standardized inventory form was designed and presented to the National Board of Trustees.

This new standardized inventory form was sent from the National Office to all Regional Offices to be completed and returned. To date two regions have returned completed inventory lists while one other region has returned only a partial inventory list. There was no inventory report returned from any of the other five regions. It is important to note that the inventory list from the National Office is very close to being completed as well.

The National Board of Trustees feels that a completed inventory is essential for National and Regional offices as it would allow the Union to keep better track of the Union’s assets as well as provide documentary information for insurance purposes, if required.

The National Board of Trustees will continue to monitor this section at our next verification.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer see to it that all National Directors complete and return their office inventory list and that these lists be made available to the National Board of Trustees at their next verification.

*National Directors have been requested to report inventories of their respective office and have been provided with a standardized format to do so. This file should be complete by the next verification of the National Board of Trustees.*

10. Termination of Employment and Moving

The National Board of Trustees reviewed the amounts paid to national and regional officers and union representatives who took or left office between January 1st and June 30, 2009.

Based on the information made available to us, the following amounts were paid out:

- Moving and relocation expenses (section 7.39) paid to 5 members \$46,086.00

11. Union Funds

- 11.1** As provided for in section 7.20 of the National Constitution, the monies normally deposited in the Defence Fund were deposited into the General Fund.

- 11.2** The National Board of Trustees found, for the verification period, that the 5% transfers to the Reserve Fund were made monthly as per section 7.17 of the National Constitution.

Based on non-audited statements, the National Board of Trustees notes that as of June 30, 2009, the Reserve Fund owed the General Fund \$109,046.93.

12. Financial Reports

- 12.1** The National Board of Trustees was unable to examine the audited financial statements for the 2008-2009 fiscal year as the accounting firm of Marcil Lavallée will complete its audit following this verification.



**12.2** The National Board of Trustees was unable to examine the national budget for the 2009-2010 fiscal year as it had not been adopted by the National Executive Board at the time of this verification.

*Therefore, the National Board of Trustees recommends:*

**12.2** That the budget for the fiscal year 2009-2010 be sent to the National Board of Trustees as soon as adopted by the National Executive Board.

*The 2009-2010 budget has been adopted by the National Executive Board and copies sent to all locals as well as to the members of the National Board of Trustees.*

### 13. Insurance

As provided for under section 4.99 (a) of the National Constitution, the National Board of Trustees verified that a national insurance policy was in place to cover reasonable risk of loss, as of June 30, 2009. The insurance policy contains insurance dishonesty up to \$50,000 per occurrence.

### 14. CUPW Administrative Staff

**14.1** All the staff working at the national office and in the regional offices is covered by a collective agreement negotiated between CUPW and their respective union.

	The Canadian Office and Professional Employees Union (COPE 225)	The Canadian Union of Public Employees (CUPE 1979)
Number of employees	51 (national office and regional offices)	22 at the national office
Collective agreement's starting date	July 1, 2008	August 16, 2006
Collective agreement's expiry date	December 31, 2011	August 15, 2009

**14.2** As of December 31, 2008, there are three administrative employees who are covered by individual contract with CUPW. The positions include:

1. Director of Finance and Administration
2. Director of Information Technology
3. Director of Oracle Services

During the NEB meeting held from November 4 to 7, 2008, a resolution was adopted to allow for the creation of a system engineer position. As of June 30, 2009, this position has not yet been filled.

### 15. CUPW Holdings Ltd.

The Canadian Union of Postal Workers is the beneficial owner of CUPW Holdings, a company incorporated on March 27, 1987, under the Business Corporations Act of Ontario. The Company is the owner of three buildings, two condominium offices and five condominium apartments, i.e.:

- CUPW National Office at 377-385 Bank Street in Ottawa;
- Five condominium apartments located at 1227 Wellington St. in Ottawa, Ontario;
- CUPW Ontario Region at 344 Sovereign Road in London, Ontario;
- CUPW Pacific Region at 999 Carnarvon Street in New Westminster, British Columbia;
- CUPW Quebec Region at 5000 des Gradins Boulevard, Suite 340, in Quebec City;
- CUPW Metro-Montreal Region at 565 Crémazie East, room 4400 in Montreal, Quebec.

The Company derives its income primarily from rental of the properties and is responsible for all expenses related to administration of the properties. Under agreements between the Company and the Union, the Union pays rental charges equal to the excess of the Company's expenses over all other revenue.

Funding for purchase of the properties and share capital was obtained through investments of the Defence Fund. The investments in the properties at 377-385 Bank Street, Ottawa and 565 Crémazie East, room 4400, Montreal, are non-interest bearing and have no defined terms of repayment. The Defence Fund holds mortgages on the remaining three properties and on the five condominium apartments. Based on non-audited financial statements as of June 30, 2009, the balance on these mortgages is \$2,228,302 and the net value of the assets of CUPW Holdings Ltd. is \$10,661,865.00.

### 16. Payment of Leave for Union Business (26.06) - Urban Collective Agreement

**16.1** Based on information received this third verification, as of June 30,2009, the sum of \$97,559.54 has been recovered from some locals pertaining to the outstanding pre-April 2000 amount of \$1,207,779.18.

The National Secretary-Treasurer has confirmed that all concerned locals have been contacted and some locals have either paid their amount owing in full or arranged a pre-payment plan with the National Office. Some locals have yet to respond.

**16.2** The National Board of Trustees will continue to monitor this file very closely. For the period of January 1st to June 30, 2009, the National Board of Trustees also reviewed the amounts pertaining to local union leave with held by Canada Post Corporation from the national union dues remittance as per clause 26.06 (h).

<b>Amounts withheld:</b>	
JANUARY:	\$5,584.73
FEBRUARY:	\$20,868.11
MARCH:	\$29,745.05
APRIL:	\$8,901.65
MAY:	\$8,252.34
JUNE:	\$22,140.55

The amounts of these six months total \$95,492.43. This is a substantial reduction of \$166,596.19 from the previous verification amount of \$262,088.62.

It is important to note that this amount reflects only the amount owed by locals who have not paid their Canada Post billing directly to Canada Post but had the National Office deduct the amount from their dues rebate. The National Board of Trustees is concerned that locals may not be following the steps set out in clause 26.06 in particular 26.06 (f) prior to having the billing by Canada Post deducted from their dues rebate by the National Office.

**Clause 26.06 (f) states:**

*“Should the Union, or the local of the Union, as the case may be, believe that the invoice contains an error, the Union, or the local of the Union, shall provide written details of the alleged error to the Corporation within the time frame mentioned in paragraph 26.06 (d). Any amounts claimed which are not disputed on the invoice shall be paid in accordance with paragraph 26.06 (d).”*

If local billings sent out by Canada Post are not checked for errors by the locals concerned then the National Office has no way of knowing if these errors actually exist. This may result in Canada Post being paid money they are not entitled to, but in fact belongs to the local.

*Therefore, the National Board of Trustees recommends:*

**16.1** That the National Secretary-Treasurer continue to take the necessary steps with all applicable locals in the recovery of the Pre-April 2000 outstanding amounts.

*Recovery of the outstanding amounts from locals is ongoing.*

**16.2** That the National Union continue to recover outstanding union leave payments and that it provide assistance (training/education) to the locals who do not make payments appropriately.

*National Directors will be advised of instances where it appears a local or locals are having difficulty with the administration of 26.06.*

### 17. Collective Agreement Funds

#### 17.1 Urban Operations’ Collective Agreement

- Appendix “L” (Child Care Fund);
- Appendix “R” (International Postal Fund);
- Appendix “U” (Union Education Fund).

Once the audited financial statements become available, the National Board of Trustees will prepare a detailed report on these funds at the next verification.

There are four other funds administrated by the Union under the urban operations collective agreement. They are:

- Appendix “S” – Parcel Delivery Model;
- Appendix “T” – Service Expansion and Innovation and Change Committee;
- Appendix “AA” – Collection and Delivery Model;
- Appendix “JJ” – Clear Language Committee.

With respect to Appendix “T”, the Union was owed an amount of \$321,573.00 from Canada Post. According to the information obtained, this situation was resolved, but there still is an outstanding balance of \$47,682.00.

We will continue to check the progress and results of these funds throughout this term.

#### 17.2 Rural and Suburban Mail carriers

##### Appendix “D” - Education Fund

Based on an agreement reached with Canada Post, the amounts from the RSMCs’ Education Fund are paid into the Urban Operations’ Education Fund (Appendix “U”).

##### Article 34 - Transition Committee

Based on the information at our disposal, the Union is claiming from Canada Post an amount of \$478,231.00, adjusted to June 30, 2008. Out of this amount, Canada Post has agreed to reimburse \$188,658.00. A balance of \$289,573.00 is in dispute and was referred to arbitration under the Grievance Procedure. Canada Post owes the union an additional amount of \$312,802.00 for the period between July 1st, 2008 and June 30, 2009.

#### 17.3 Education Fund - Private sector Bargaining Units

The National Board of Trustees also reviewed the education funds for the private sector bargaining units. Based on a computer printout as of June 30, 2009, the balances are as follows:

EMC - Bedford (Atlantic)	\$15,580.00
Super Express - Fredericton (Atlantic)	500.00
Bee Clean - Windsor (Ontario)	300.00
AIS Couriers - Hamilton (Ontario)	900.00
J & A Buildings - Hamilton (Ontario)	200.00
Dynamex - Red River (Prairies)	\$24,668.00
<b>Total</b>	<b>\$42,148.00</b>

### 18. External Organizing

**18.1** In the 2nd verification report, we mentioned that the provisions of section 7.06 of the National Constitution were not always applied in establishing the union dues for private sector bargaining units. The National Executive Board’s reply to our recommendation stated that: The National Executive Board will ensure that the dues for any bargaining unit will be properly set at the time of its recommendation to ratify a new collective agreement.

We acknowledge the National Executive Board’s reply and urge that this practice be implemented on a permanent basis.

**18.2** During this verification, we noted that the national office has implemented an administrative process to collect union dues from private sector bargaining units. This process allows the Union to follow the progress of the amounts received from each company and the dues paid by each member every month.

We welcome the progress made and will continue to monitor this issue closely during the next verifications.

### 19. Check-Off and membership

In accordance with sub-section 4.99 (e) of our National Constitution, the National Board of Trustees has audited membership and check-offs for the period of January 1 to June 30, 2009.

The information and statistics come from computerized statements made available to us for analysis. The reports indicate all employees working either “full-time,” “part-time,” or on a “temporary” basis, as well as their status, as defined in the National Constitution and the various collective agreements.

They are:

- Full-time, part-time and temporary “members in good standing”;
- Full-time, part-time and temporary “members”;
- Full-time, part-time and temporary “Rand” members.

*Notes:*

- The terms “member in good standing” (MIGS) and “member” are defined in sections 1.04 and 1.07 of the National Constitution.*
- The term “Rand” refers to the formula in section 70 of the Canada Labour Code for collecting Union dues from employees who have not become members or who have lost membership status as per section 1.11 of the National Constitution.*

**Chart 1**  
**Average number of Members in Good Standing, Members and Rand Members by bargaining sectors**  
**January 1 to June 30, 2009**

	Urban Operations	Private Sector	RSMC	Total
Average: January 1 to June 30, 2009	47,938	733	6,704	55,375
Average: July 1 to December 31, 2008	48,511	693	6,514	55,718
Variation	(573)	40	190	(343)

**Chart 2**  
**Average number of Members in Good Standing, Members and Rand Members**  
**working full-time, part-time or on a temporary basis**  
**January 1 to June 30, 2009**

	Full-time	Part-time	Temporary	Total
Average: January 1 to June 30, 2009	42,401	6,269	6,705	55,375
Average: July 1 to December 31, 2008	42,462	6,367	6,889	55,718
Variation	(61)	(98)	(184)	(343)

**Chart 3**  
**Average number of Members by status**  
**January 1 to June 30, 2009**

	Members in good standing	Members	Rand	Total
Average: January 1 to June 30, 2009	49,163	2,341	3,871	55,684
Average: July 1 to December 31, 2008	48,968	2,920	4,118	56,006
Variation	(195)	(579)	(247)	(322)

Note: 309 lifetime members are included in the number of members in good standing for the period of January to June 2009.  
288 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2008.  
In accordance with section 1.21 of the National Constitution, 64 members have received Retired Member status in CUPW but are not included in the above charts.  
All figures have been rounded off.

**Chart 4**  
**Average number of Members by region, group and bargaining sectors**  
**January 1 to June 30, 2009**

Region	Urban Operations						Rural	Private	Grand Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,288	1,436	32	9	0	2,765	863	101	3,729
Quebec	984	2,561	6	1	0	3,552	1,414	52	5,018
Metro-Montreal	2,864	3,670	158	12	0	6,704	171	122	6,997
Central	1,812	2,346	34	4	1	4,197	1,056	22	5,275
Metro-Toronto	4,298	3,602	204	25	0	8,129	258	0	8,387
Ontario	2,279	5,372	69	12	0	7,732	1,199	74	9,005
Prairie	3,232	4,636	107	15	0	7,990	1,123	363	9,476
Pacific	2,461	4,328	74	6	0	6,869	619	0	7,488
Total	19,218	27,951	684	84	1	47,938	6,703	734	55,375

**Chart 5**  
**Breakdown of funds received**  
**January 1 to June 30, 2009**

Dues received	\$ 22,002,232.74
Local rebates	\$ (5,194,260.95)
Local assessments	\$ (211,023.94)
Additional Local rebates (section 7.08)	\$ (388,935.00)
Federation of Labour Per Capita	\$ (245,017.68)
Optional Insurance	\$ (1,119,849.88)
Basic Life Insurance	\$ (581,429.48)
Dues unapplied and Suspended	\$ (56,188.54)
Reserve Fund	\$ (739,347.91)
General Fund	\$ (13,466,179.36)
Total	\$ 0

Note: The above indicates total funds received and their distribution for the period of the verification.