



U R B A N R A T I F I C A T I O N V O T E

The Heavily Biased Mandate of the Arbitrator

In Final Offer Selection arbitration each side submits an offer to the arbitrator. The arbitrator must choose one or the other in its entirety — all or nothing. The arbitrator has no power to compromise on any issue.

When appointed, the arbitrator must agree to be bound by the man-

date which was included in Bill C-6, the back-to-work legislation. Both the CUPW and the opposition parties strongly criticized the mandate as being very heavily biased in favour of the employer. What did we mean by that?

Considering a) the very large deficit of the pension plan, b) the fact that CPC is losing money again this year, c) the fact that volumes are dropping, and d) that the terms and conditions previously negotiated by CUPW are very favourable when compared to other postal and courier

companies, we concluded that the mandate of the arbitrator is very heavily weighted against the union.

On top of this, the arbitrator would be one appointed by Conservative Labour Minister Lisa Raitt. Thus we believe that the arbitrator would be bound to impose provisions much worse than the settlement you are being asked to ratify.

Here are the terms of the mandate — judge for yourself:

What the Law Says

- Under the law the arbitrator must be guided by the need for terms and conditions of employment that:
- are consistent with those in comparable postal industries.
 - provide the necessary degree of flexibility to ensure the short- and long-term economic viability and competitiveness of the Canada Post Corporation, and to ensure the sustainability of its pension plan.
- The arbitrator must also take into account:
- that the solvency ratio of the pension plan must not decline as a direct result of the new collective agreement,
 - that the Canada Post Corporation must, without recourse to undue increases in postal rates, operate efficiently, improve productivity and meet acceptable standards of service.

Message From the National Executive Board

Brothers and Sisters

The National Executive Board (NEB) is asking you to decide on the tentative agreement because we believe that such an important decision must be placed in the hands of all of the members who will have to live with its consequences. The choices are very difficult because of the terms of the back-to-work legislation passed by the Harper government and the extreme position that was adopted by Canada Post management during the arbitration process, before it was temporarily stopped by the court.

The back-to-work legislation imposed a Final Offer Selection process in which the government-appointed arbitrator must operate under a mandate heavily biased in favour of the employer. The situation is further worsened by the position taken by CPC management that they consider there to be dozens of issues in dispute, all of which could be included in their final offer should the arbitration proceed.

Despite the justice of our position and the experience and expertise of our negotiating committee, we are in a very difficult position.

Negotiations Preferable To Arbitration

Throughout the entire period during and after the passage of the back-to-work legislation, CUPW has steadfastly maintained that a negotiated collective agreement was preferable to any arbitration decision. Our experience with previous arbitrators has taught us the danger of placing our future in the hands of a third party that does not have to live with the terms of his or her decision.

Employer Agreed to Discussions

After the August 8, 2012 Federal Court decision removing arbitrator Dufort, CPC realized that the process could take many more months and agreed to resume discussions with the Union. After several difficult weeks we were able to reach an agreement that contains negative changes, but also protects the membership from some of the most dangerous rollbacks proposed by CPC in their July 2012 offer.

Together, we have to make a difficult choice. We can choose to accept the new agreement, which contains some negative changes, but also protects us from much more serious rollbacks. Or, we can choose to place our destiny in the hands of a government-appointed arbitrator.

The majority of the NEB believes that the arbitrator could impose a collective agreement that includes many more serious negative changes impacting our pensions, benefits and job security. Therefore, we are recommending that you vote Yes to authorize us to implement the tentative settlement.

National Executive Board Recommendation:

- Whereas** under the final offer selection arbitration process included in the back-to-work legislation adopted by the Harper government, the arbitrator will have no choice but to accept all of the terms of the final offer submitted by either the Union or the Employer;
- Whereas** the back-to-work legislation includes an arbitration process which is biased in favour of the employer;
- Whereas** the July 19, 2012 offer of Canada Post management includes rollbacks on the early retirement of current employees and the right to contract out VES and close all corporate retail outlets;
- Whereas** the offer also included a defined contribution pension and elimination of the paid meal period for future employees, as well as inferior job security and reduced vacation leave for employees hired after January 31, 2011;
- Whereas** the tentative settlement contains negative changes, but protects the pensions of current and future employees, preserves post-retirement benefits for future retirees, and provides for equal hours of work, pensions and good job security for everyone;
- Whereas** the NEB believes we are facing unprecedented circumstances with significant consequences, and we believe that it is imperative now that the members get to vote and decide.
- BE IT RESOLVED THAT** the NEB recommend that members vote in favour of the tentative settlement.

The settlement versus CPC's July 19th Position

The terms of the tentative settlement contain several negative changes. So why is the National Executive Board recommending that the members vote yes? The reason is that we believe the settlement is vastly superior compared to what we can expect to be the result of the Final Offer Selection Arbitration process.

The Tentative Settlement	CPC's July 19, 2012 Proposal
Pension (current employees) <ul style="list-style-type: none">• No Change in Pension for current employees.• Continues as a defined benefit plan with early retirement at 55 years of age and 30 years of service.• Maintain full indexing.	Pension (current employees) <ul style="list-style-type: none">• Change in the early retirement provisions for all future service for current employees.• Future service to provide penalty for retiring before 60 years of age and 30 years of service.• Many employees would have to work additional years to obtain unreduced pension.
Pension (future employees) <ul style="list-style-type: none">• A defined benefit pension with no penalty at 60 years of age and 30 years of service. Fully indexed.• Members can calculate their benefits.	Pension (future employees) <ul style="list-style-type: none">• A defined contribution pension with no guarantee of pension payout.• Employer to contribute 3.0 - 6.0%.
Retail Counters <ul style="list-style-type: none">• Must keep open 493 retail postal counters open.	Retail Counters <ul style="list-style-type: none">• CPC to have the right to close all retail postal counters staffed by CUPW members.
Post-Retirement Benefits <ul style="list-style-type: none">• Maintain current EHCP benefit plan but increase employee share of the premiums to 35%.	Post-Retirement Benefits <ul style="list-style-type: none">• Replace post-retirement benefit plan with health care spending account.
Contracting Out Of Video Encoding Systems <ul style="list-style-type: none">• No contracting out.	Contracting Out Of Video Encoding Systems <ul style="list-style-type: none">• CPC to have the right to contract out.
Vacation Leave (employees hired after January 31, 2011) <p>No change:</p> <ul style="list-style-type: none">• 4 weeks after 7 years.• 5 weeks after 14 years.• 6 weeks after 21 years.• 7 weeks after 28 years.	Vacation Leave (employees hired after January 31, 2011) <p>Reduced benefits:</p> <ul style="list-style-type: none">• 4 weeks after 10 years.• 5 weeks after 18 years.• 6 weeks after 28 years.• No provision for 7 weeks.
Paid Meal Period (employees hired after January 31, 2011) <ul style="list-style-type: none">• Paid Meal Period.	Paid Meal Period (employees hired after January 31, 2011) <ul style="list-style-type: none">• No paid meal period. Paid for 37.5 hours per week.
Job Security (Current Employees) <ul style="list-style-type: none">• Employees hired before or on the date of signing of the collective agreement to have full job security and 40-kilometre protection.	Job Security (Current Employees) <ul style="list-style-type: none">• Employees hired after the January 31, 2011 to have no job security until 5 years of service and 40-kilometre protection after 10 years of service.
Job Security (New Employees) <ul style="list-style-type: none">• Employees hired after the date of signing to have nation-wide job security and 40-kilometre protection after 5 years of service.	Job Security (New Employees) <ul style="list-style-type: none">• Employees hired after the date of signing to have no job security until 5 years of service and 40-kilometre protection after 10 years of service.
Wages (New Employees) <ul style="list-style-type: none">• \$19.00 starting rate.	Wages (New Employees) <ul style="list-style-type: none">• \$17.50 starting rate.
Wash-up Time <ul style="list-style-type: none">• Elimination of one wash-up time at the end of shift.	Wash-up Time <ul style="list-style-type: none">• Elimination of both five-minute wash-up times.

A word from the negotiating committee

We would like to share with you our thoughts about the negotiations that lead to the tentative settlement you are being asked to vote on. We, on the committee, as members of this proud Union, have had the opportunity to benefit from the fruits of the struggles of our predecessors whom made sure we could, one day, after years of labour, benefit from a well-deserved retirement with a decent pension and post-retirement benefits.

Of course we could never have counted on seeing our pension if it had not been for our job security.

As a committee what was first and foremost in our minds was our pension plan and job security. We have seen attacks on other workers and other unions who have put up a good fight but have lost their job security and have lost their defined benefit pension plan.

While we have accepted rollbacks in this tentative settlement, we have also protected the two most important provisions in our collective agreement: full job security and a defined benefit, fully-indexed pension plan.

One can wonder why we have been able to preserve these benefits when other unions have failed and why Canada Post accepts that this be part of the tentative settlement. We believe it is mainly based on two essential factors: the determination and strength the members showed in June 2011 and the fact that nearly a year and a half has now passed without a decision by an arbitrator after the Union was successful in having two government-appointed arbitrators recused by the federal court.

We understand there are compromises in this tentative settlement and we are not pleased by that, but we are facing a unique situation: a final offer selection, imposed by the Harper government, which jeopardizes the most cherished protections of our future as postal workers.

If, like us, you believe that Canada Post cares about profits more than it cares about service or about its employees, and that it has a heart made of dollars and cents; then we are sure you share our concerns about the additional rollbacks CPC would likely submit in their Final Offer. Accepting this agreement may not be great but it offers us the time and opportunity to organize and resist the Harper agenda.

The fight still continues, it is a constant, it will not end.