



# RSMCs: Arbitration Ending, Negotiations Beginning

CUPW has given Canada Post notice to bargain and Arbitrator Brian Keller has issued an interim award on the last collective agreement that includes increasing the wages of RSMCs by a total of 8.7 million dollars in 2010 and 5.9 million dollars in 2011.

Here are a few highlights of the interim award:

- Vision and hearing care: a lifetime maximum of \$300 for laser surgery, \$300 each 4 years for vision care expenses and \$750 every 60 months for hearing aids
- \$60 increase in boot allowance for on-call relief workers
- Increased payments for householders under 500 grams as of January 2010, providing an average annual increase of \$1000 per member.
- General wage increases will be about \$100 per

daily hour for 2010 and an additional \$69 per daily hour for 2011. Based on the interim award, the union estimates that a member with an 8-hour per day route working 5 days a week will get \$800 more effective January 1, 2010 and an additional \$552 effective January 1, 2011 for a total wage increase of \$2,152.

For more information, see the RSMC negotiations bulletins for September 30th and October 18th on CUPW's website.

A number of monetary and non-monetary issues must still be finalized. The union and Canada Post have determined that there is about \$8.3 million left in the financial cap for 2010 and 8.28 million left for 2011.

The Union would like to commend the hard work of the negotiating committee consisting of Brother Donald Lafleur (Chief Negotiator) and Sisters Rose Johnson, Bonnie Pollard, Suzanne Simard and Kathy Zimmer with

the assistance of Brothers Philippe Arbour, Ken Bird and Geoff Bickerton.

## 2012 : Time For Fairness, Respect and Progress

On October 13th, CUPW gave Canada Post notice to bargain for a collective agreement which will be negotiated with the right to strike and without the financial cap.

The CUPW negotiating committee is comprised of Brother Donald Lafleur (Chief Negotiator) and Sisters Barbara MacMillan, Nancy Beauchamp, Shelly Sillers and Sue Wilson and Brother Philippe Arbour as technical advisor. They have a mandate to negotiate based on the National Program of Demands that was ratified overwhelmingly by the membership during the votes taken between August 22nd and September 25, 2011.

These negotiations represent an opportunity to correct an ongoing

injustice that affects 7,000 CUPW members. For decades RSMCs have performed work which requires equivalent skill, effort and responsibility as urban postal workers. Still, RSMCs are far from being treated with fairness and respect. Despite doing work of equal value, they receive less pay, fewer benefits, and are not entitled to health and safety provisions and the union representation rights that urban workers enjoy. Also, just as there is no equality between RSMCs and urban workers, there is no fairness between RSMCs when it comes to hourly rates or workload. It is time to replace inequality with fairness. It's time that RSMCs obtain equal pay and the same benefits and working conditions as other postal workers. It is also time for a work measurement system to ensure everyone has an equal workload and a healthy and safe work process.

# Urban Operations Arbitration: CUPW Initiates Legal Challenges

While the arbitration before Judge Osborne has been bogged down in procedural arguments CUPW has been busy challenging the process in the courts.

On October 12, 2011 we launched our court challenge to the legislation used by the Conservative government to force CUPW members back to work after we were locked out in June.

The challenge, which will be heard by the Federal Court, is based on the Canadian Charter of Rights and Freedoms. The union has retained Paul Cavalluzzo, a leading constitutional lawyer, known for his work on the Maher Arar and Walkerton inquiries.

We have been supported by many experts who agree that removing free collective bargaining and the right to strike from

workers in the federal sector will be disastrous for the economy and poison labour relations for years to come. Roxanne Dubois, National Chairperson of the Canadian Federation of Students also supports CUPW's challenge. At our press conference announcing the challenge she stated "One of the major sticking points for the postal workers during their negotiations was management targeting younger and newer workers. By stepping in on the side of Canada Post management, this government is telling the next generation that we are worth less."

CUPW is also challenging the appointment of Judge Osborne by Labour Minister Lisa Raitt on the basis that Mr. Osborne has no expertise in labour relations matters and is not bilingual. As part of this legal initiative we are also challenging the constitutionality of the provision in the law which states that no proceeding may be taken in a court to question the appointment of the arbitrator or review any proceeding or decision of the arbitrator. This application for judicial review shall be heard on its merits before Judge Martineau on January 24th and 25th, 2012.

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Top Photo:  
Protesters listen to messages of solidarity and struggle.

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## Looking Back and Moving Forward!

**Looking back, we can definitely say that it's been an action-packed summer! Our struggle continues on all fronts, including:**

### Taking back freedom of association

Arbitration for the urban unit has begun and we've filed a challenge to the constitutionality of the back-to-work legislation, as well as complaining before the International Labour Organization (ILO). We must work publicly with the labour movement and our allies to condemn the Harper government.

### Fighting for the equal rights of RSMCs

All workers at Canada Post deserve equal work-

ing conditions. Our negotiations on behalf of rural and suburban mail carriers demand "fairness, respect and progress" (for more details, see the last issue of Perspective volume 39 no. 2). Making that happen will require mobilizing our Union's 54,000 members and garnering public support.

### Strengthening our Union

The strike and lockout were an important learning experience for thousands of members. We must build on this experience, staying active on the work floor and recruiting more union stewards to enforce our rights under the collective agreement and protect our health and safety.

### Increasing member involvement

The Union is only as strong as its members. It needs to become more inclusive and involve members from every equity-seeking group: Aboriginal workers, people of colour, LGBT,

differently-abled workers, women and youth.

### Increasing union density

The more unionized workers in the postal sector, the stronger we will be. The Union must continue organizing against downward pressures on wages and benefits. This is the most effective way of protecting postal workers.

### Creating One Union at Canada Post

The labour board has refused to conduct a review of the bargaining units. Regardless, we should continue to organize joint activities with other unions, as we now do with the PSAC/UPCE, reach out to all postal workers and show them that being united is in everybody's interests.

### Preserving public postal service

So far, we've successfully prevented the privatization of our universal

public postal service and maintained the exclusive privilege over lettermail delivery but, in these times of neo-liberal globalization, it is vital to keep up the fight as large corporations try to grab more of the postal sector.

### Preserving decent jobs

Canada Post's strategy, like other employers, has been to cut labour costs. We need the support of our members, the labour movement and the general public to form a broad, united front to maintain decent jobs.

### We are not alone

Workers across the country know they will get nothing from the Harper government or from large corporations. In the struggle between capital and labour, we must fight with all our strength.

• The labour movement and its allies must develop a plan;

• The labour movement must become the real opposition to the Harper government;

• CUPW must play a leading role in this opposition;

• CUPW must remain a socially and politically committed organization;

• CUPW must maintain its orientation of progressive unionism and direct action;

• CUPW must continue to organize non-unionized workers;

• CUPW must continue to provide quality services to its members;

• CUPW must continue our international solidarity work.

In Solidarity,

**Denis Lamelin**  
National President

## Moncton Fightback Gets Results

**It took determination, demonstrations and an arbitration but we finally forced Canada Post to create 12 new full-time letter carrier positions in Moncton, New Brunswick.**

The Moncton Local began its campaign in March 2010 when they learned that Canada Post planned to move mail processing to Saint John. The Local knew that processing mail more than 2 hours away would affect postal service and rallied to try to stop it. In September 2010, when Canada Post announced the loss of 18 Mail Service Courier and 10 letter carrier positions as a result of restructuring, the Local intensified its efforts.

The Local used a wide range of tactics to get their point across. They filed grievances, leafleted public events, put ads in newspapers, held shop floor meetings, organized rallies and demonstrations, and lobbied politicians.

In November 2010, a CPC Superintendent wrote an email stating that Moncton letter carriers were "milking" overtime. The Local challenged this comment. One letter carrier showed up at work wearing rubber boots, carrying a pail of milk and ringing a cow bell. She was joined by other carriers in a work floor parade.

In the meantime, postal service deteriorated. Mail was delayed and Moncton residents were getting bills several days after payment was due. Letter carriers were working excessive overtime. Canada Post responded with temporary solutions that didn't resolve the underlying issues.

In February 2011, the Local's grievance alleging the restructure was improper was heard at arbitration. After hearing evidence,

Arbitrator Outhouse upheld the Union's grievance. He required Canada Post to conduct a new restructure, and ordered Canada Post to hire 12 more letter carriers in Moncton to ease the burden on existing letter carriers. The Moncton Local shows us that we can make a difference!



**Moncton activists circle Dr. Robert Campbell at a speaking event. Dr Campbell conducted the Harper government's strategic review on Canada Post in 2008.**

### CUPW PERSPECTIVE

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### 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.

# Getting Somewhere With Dynamex

## TransForce buyout may change dynamics, but bargaining continues

**CUPW keeps rolling up the rough road of private-sector same-day courier organizing. We now have five certifications with the employer Dynamex, a courier and logistics company. This accounts for about 300 members in locations across Canada.**

In Red Deer, negotiators believe we are close to a new collective agreement after four rounds of talks for a first collective agreement. The final one took place over the summer months. We had presented our demands to the employer in February 2008.

Recently, Dynamex representatives warned CUPW negotiators that we're now negotiating with a different entity since they were bought out in February 2011 by Transforce.

Transforce is North American based transportation and logistics company that has expanded recently by acquiring Dynamex and the domestic assets of DHL (in June). John McMaster, CUPW Union Representative and Chief Negotiator, suggests that they may try to back up tougher bargaining positions with their deeper pockets and larger market share.

On the other hand, Transforce has reported a profit of \$1.2 billion for the first half of 2011, and McMaster believes that their growing profits should help us argue that they must share these profits increasingly with their workers.

Dynamex has already been tough at the bargaining table, in part because they were the first private courier company where workers certified with CUPW (Winnipeg). Things have moved slowly at times, and the employer has changed their demands, based on changes in their business from an on-demand economic model to the dedicated service model.

Dynamex has also tried to treat the workers as owner-operators, or independent contractors, rather than as employees. This will be familiar to other same-day couriers and RSMCs. In time, the union will overcome this objection.

In spite of the difficulties, we're close to achieving a collective agreement in Red Deer, and we're currently negotiating in Kelowna, Ottawa, Winnipeg and Saskatoon.

Our demands include a pension plan with employer contributions, higher minimum daily guarantees, short-term disability benefits, and a greater share of the fuel surcharge that Dynamex charges to customers.

The Ottawa round of talks will also be a new challenge, since so far our negotiators have been dealing with management from Dynamex's western division. The Ottawa Dynamex reps will be a whole new counterpart at the table.

*You can see more updates at [www.cupw.ca](http://www.cupw.ca) > Private Sector Bargaining Units*

## In memory of Kevin Buckland 1962-2010

Shortly following the 1989 merger of the Letter Carriers Union of Canada and International Brotherhood of Electrical Workers into CUPW, I met a letter carrier from Halifax whose passion for protecting the rights of workers was evident: Kevin Buckland's words were always backed up by his actions when it came to workers' rights, both inside and out of the workplace.

From the leadership role he displayed in the Dartmouth East Letter Carrier Depot sit-in of the early 90's through his 12 years as Shop Steward and Nova Local Grievance Officer, and his terms as Regional Union Representative and Regional Grievance Officer, Kevin's tenacity for upholding the rights of workers was matched only by his unwavering support for this Union and all that it represents. Anyone who worked with Kevin realized two things right away: that he was passionately devoted to the cause and that he wore his heart on his sleeve.



For over 20 years I had the great honour and privilege of calling Kevin Buckland not just my brother but my friend. His love for and service to the membership of CUPW will always be remembered.

In solidarity,  
Jeff Callaghan  
National Director  
CUPW Atlantic Region

FIFTH VERIFICATION, OCTOBER 18 TO 27, 2010

1. INTRODUCTION

The National Board of Trustees met from October 18 to 27, 2010 at the National Headquarters of the Union in Ottawa for the fifth 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, 2010 to June 30, 2010.

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 Mepham	Member

Brother Martin Champagne was unable to attend the fifth verification. Therefore, he was replaced by Brother Roland Savard, 1<sup>st</sup> Alternate Trustee from the Metro-Montreal Region.

3. SEMI-ANNUAL VERIFICATIONS

This was the first meeting of the National Board of Trustees since the publication of the final report and recommendations of the Independent Working Group on structure.

The report was titled "The Way Forward: Recommendations for making CUPW Stronger and more Efficient". We discussed this report and decided we should provide the NEB with our opinion on the recommendations regarding the composition and duties of the National Board of Trustees.

Our response is attached to this report.

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, 2010, for the purpose of verifying financial resolutions, as per section 4.99 (c) of the National Constitution.

Most resolutions contained sufficient information to allow the National Board of Trustees to properly verify if expenses were constitutional. The few resolutions that were not clear were brought to the attention of the National Secretary-Treasurer.

5. CUPW STRUCTURE REVIEW

The 2008 CUPW National Convention mandated the National Executive Board to appoint an independent working group to conduct a review of the Union structure, finances, meetings, procedures and services.

Three people were appointed to this working group. Their work commenced in the Fall of 2008 and concluded in the Spring of 2010.

Based on the information provided to the National Board of Trustees, we are able to report that the total cost of the CUPW Independent Working Group was \$302,441.76.

6. 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.

6.1 As per section 5.11 of the National Constitution, it was noted that expense reports have been received from all regions.

6.2 During this verification, we noted one region has not returned surplus funds relating to regional activities, as per section 5.11 of the National Constitution. In another region, the expense report had been submitted late.

6.3 An administrative practice in one region noted during this verification did not conform to procedures set out in section 4.82 of the National Constitution that National Directors: "He/She shall see that the general office expenses and other expenses related to the Union activities such as meetings of Area Councils, Regional Conferences, Education Seminars, etc., including per diem allowances paid to members, are paid by cheque."

Since the last verification, the National Executive Board developed an administrative practice where the payments may be paid by the Union credit card, and that the credit card company will be paid directly by Union cheque, and not the officer.

*Therefore, the National Board of Trustees recommends:*

6.1 That the National Secretary-Treasurer communicate to the regions the importance of submitting their activity expense reports in a timely fashion.

*The National Secretary-Treasurer will issue a reminder to all Regional Offices of the importance of complying with section 5.11 of the National Constitution.*

6.2 That the National Directors ensure that their activity expense reports are submitted and available for the National Board of Trustees to review and that the National Secretary-Treasurer recover all surplus funds from the applicable region.

*Regional activity expense reports submitted to the National Office are available for review by the National Board of Trustees. Any surplus from an advance will be returned with the activity expense report.*

7. 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, 2010.

7.1 We noted that the Metro-Toronto, Prairie and Pacific Regional Offices' expenses are paid by National Office. The other five regions have submitted their monthly expense reports.

7.2 All regions submitted bank reconciliation reports for the General Fund as well as reconciliation reports for the Activity Account.

We, the National Board of Trustees, appreciate the work done by National Directors and encourage them to continue to 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.

8. 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.

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.

To date, a complete inventory of National Office and all eight Regional Offices has been received, compiled and administered by National Office. We have observed and reviewed the lists and are satisfied by the efforts of the groups involved. From this point forward, we will monitor the inventory lists of the National Office and all eight Regional Offices on a yearly basis to ensure they are maintained and kept up to date.

*Therefore, the National Board of Trustees recommends:*

• That the inventory lists for National office and all eight Regional Offices be maintained and kept up to date and that these lists be made available to the National Board of Trustees upon request.

*The National Secretary-Treasurer is working with the Director, Finance and Administration, to ensure efficient processes are in place to maintain up to date inventories. The lists will be available to the National Board of Trustees upon request.*

9. 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, 2010 for each of the National and Regional Officers, Union Representatives and Alternate Union Representatives.

- 9.1
- An improvement was noted in the detailed expense information reported on individual monthly expenses reports. We discovered that one officer had not submitted one month while two other officers have not completed five months of expense reports. It is essential that all officers and representatives submit their monthly expense reports in a detailed timely fashion, even for months where there are no expenses incurred. This monthly report ensures that annual leave, sick leave and all other types of leave are recorded.
- 9.2
- There is significant improvement in the completion of travel authorization forms. In the case of use of personal vehicles, some officers are not getting prior approval.
- 9.3
- There is one region where some officers are still on private cell phone plans. Monthly cell phone costs for these officers are still above the average cost of the national plan. The monthly individual billing averages \$316.25 per officer. This monthly cost represents a cost reduction from previous verifications, however, some features are being paid for, that are not standard on the national plan.
- 9.4
- Monthly vehicle rental costs remain a concern in some regions.

Therefore, the National Board of Trustees recommends:

- 9.1
- That the National Secretary-Treasurer remind all officers of their responsibility to submit a monthly expense report and that all missing reports are obtained.  
  
*Follow-up has been carried out in respect of the individuals who were delinquent in submitting monthly reports. The accounts payable department has established a process for easily identifying future lapses so that corrective steps can be taken sooner.*
- 9.2
- 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.  
  
*The National Secretary-Treasurer is conducting a review to identify those individuals who continually neglect to provide necessary authorization forms and will then communicate with them the Union's expectations.*
- 9.3
- That the National Secretary-Treasurer monitor these individual monthly cell phone costs and continue to investigate ways to reduce these monthly costs by reducing individual features that are not included in the national plan, or cancel present cell phone plans and have them placed on the national plan.  
  
*The National Secretary-Treasurer will continue with previous initiatives to reduce cell phone expenses.*
- 9.4
- That the National Secretary-Treasurer, with the help of the National Executive Board, find solutions to reduce the high cost of vehicle rentals up to and including either leasing or purchasing vehicles.  
  
*The National Executive Board has approved a national car rental program which will result in some savings. Leasing/purchase options will be reported to the National Executive Board in the near future.*

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 1<sup>st</sup> and June 30, 2010.

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

•	Moving and relocation expenses (section 7.39) paid to 3 members	\$ 37,233.00
•	20 working days (section 7.41) paid to 3 members	\$ 9,842.00
•	Unused annual leave: 31 days	\$ 7,791.00
•	Total	\$ 54,866.00

11. ATTENDANCE

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

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

For the 2009-2010 fiscal year, approximately 2,005 days of annual leave were unused as of June 30, 2010.

This represents an increase of 367 days of unused credits over the preceding year.

We also noted that out of the 67 National and Regional Officers and Union Representatives covered by this verification, eleven had 12 weeks or more of annual leave credits carried forward while fourteen had between 6 and 11 weeks carried forward.

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.  
  
*National Executive Board members have been asked that they and the officers and Union Representatives they supervise book their annual leave, ensuring the services to the membership are maintained.*
- 
- 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.  
  
*At the National Executive Board meeting following the end of the fiscal year, the Board will review the situation in respect of accumulated annual leave and decide the appropriate action to be taken.*

12. 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, 2010. The insurance policy contains insurance dishonesty up to \$50,000 per occurrence.

13. UNION FUNDS

- 13.1
- 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.
- 13.2
- 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.
- 13.3
- 2.5% of the 5% transfers from the Reserve Fund is going to finance external organizing, as per section 7.17 of the National Constitution.

14. FINANCIAL REPORTS

- 14.1
- The National Board of Trustees was unable to examine the audited financial statements for the 2009-2010 fiscal year as the accounting firm of Marciel Lavallée will complete its audit following this verification.
- 14.2
- The National Board of Trustees was able to examine the national budget for the 2010-2011 fiscal year which has been adopted by the National Executive Board on August 19, 2010.

Therefore, the National Board of Trustees recommends:

- 14.1
- That the audited financial statements for 2009-2010 be sent to the members of the National Board of Trustees.  
  
*Copies of the audited financial statements for the 2009-10 fiscal year will be sent to the members of the National Board of Trustees upon adoption by the NEB.*

15. JOE DAVIDSON FUND

In order to properly review this file, we asked for a written response to three questions posed in our 4<sup>th</sup> verification. This was not available for this verification so we will review this file during the 6<sup>th</sup> verification.

16. PAYMENT OF LEAVE FOR UNION BUSINESS (CLAUSE 26.06) OF THE URBAN COLLECTIVE AGREEMENT

- 16.1
- Based on information received this fifth verification, as of June 30, 2010, the sum of \$353,677.23 has been recovered from some locals pertaining to the outstanding pre-April 2000 amount of \$1,207,779.18.

Verification	Money Received	Balance Owng
Third	\$ 97,559.54	\$1,110,219.64
Fourth	\$ 240,296.16	\$ 869,923.48
Fifth	\$ 15,821.53	\$ 854,101.95
	\$ 353,677.23	

The National Secretary-Treasurer has confirmed that the National Office will continue to pursue all outstanding amounts from the applicable locals.

The National Board of Trustees will continue to monitor this file very closely.

16.2 For the fifth verification period of January 1<sup>st</sup> to June 30, 2010, the National Board of Trustees also reviewed the amounts pertaining to local union business leave withheld by Canada Post Corporation from the national union dues remittance as per clause 26.06 (h).

Amounts withheld:

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
\$18,005.48	\$23,443.06	\$24,674.79	\$8,026.83	\$10,608.84	\$17,904.17

The amounts of these six months total \$102,663.17 a decrease of \$247,683.13 from the 4<sup>th</sup> verification amount of \$350,346.30.

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 (f). Any amounts claimed which are not disputed on the invoice shall be paid in accordance with paragraph 26.06 (f)."*

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.

*The National Secretary-Treasurer will increase efforts with respect to the recovery of the Pre-April 2000 amounts.*

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, as per clause 26.06 of the Urban Collective Agreement.

*The National Secretary-Treasurer is working with accounting department staff to monitor the 26.06 process and will identify to National Directors those locals that seem to be encountering difficulties with it.*

## 17. COLLECTIVE AGREEMENT FUNDS

### 17.1 Urban Operations' Collective Agreement

The urban operations unit's funds consist of:

- ➔ 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.

### 17.2 Rural and Suburban Mail Carriers

#### Article 34 – Transition Committee

Since the 2<sup>nd</sup> verification of this term, we have reported on expenses under this article that have been referred to grievance/arbitration.

As a result of settling this grievance and based on the information made available to us, Canada Post will reimburse \$622,516 and the Union will be responsible for the remaining \$203,578.

### 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, 2010, the balances are as follows:

• EMC – Bedford (Atlantic)	\$ 17,529.00
• Super Express – Fredericton (Atlantic)/Ste. Marje (Central)	500.00
• RMS Pope (Atlantic)	1,000.00
• OMNI Kitchener-Waterloo (Ontario)	150.00
• OMNI Windsor (Ontario)	450.00
• OMNI Hamilton (Ontario)	1,100.00
• Dynamex – Red River (Prairies)	28,085.00
• Total	\$ 48,814.00

It should be noted that the J & A Building (Hamilton) bargaining unit no longer exists. However, members of this bargaining unit now work for OMNI Hamilton. Consequently, the balance of \$200.00 in the Education Fund of the J & A Building bargaining unit will be transferred to the Education Fund of the OMNI Hamilton bargaining unit.

## 18. EXTERNAL ORGANIZING

18.1 According to information received during this verification, the current status of funds being used for external organizing is:

Balance as of January 1 <sup>st</sup> , 2010	\$ 599,243
Plus 2.5% from the Reserve Fund (from January 1 <sup>st</sup> to June 30, 2010)	\$ 368,707
Less expenses for the period of from January 1 <sup>st</sup> to June 30, 2010	\$ 723,655)
Balance as of June 30, 2010	\$ 244,295

It should be noted that related legal fees are not charged to the External Organizing Fund

18.2 For the period under verification, we noted that, out of the 14 active private sector units, one unit has not paid union dues to the National Office for 5 months, one for 3 months, and the recovery process is underway. It is an improvement compared to the previous verification where 7 units had not remitted dues every month.

We will continue to monitor this matter closely during the next verification.

## 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, 2010.

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, 2010				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: January 1 to June 30, 2010	45,617	7,188	618	53,423
Average: July 1 to December 31, 2009	46,516	7,077	698	54,291
Variation	(899)	111	(80)	(868)

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, 2010				
	FULL- TIME	PART-TIME	TEMPORARY	TOTAL
Average: January 1 to June 30, 2010	41,597	6,280	5,546	53,423
Average: July 1 to December 31, 2009	42,086	6,225	5,980	54,291
Variation	(489)	55	(434)	(868)

CHART 3

AVERAGE NUMBER OF MEMBERS BY STATUS JANUARY 1 TO JUNE 30, 2010				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: January 1 to June 30, 2010	47,805	2,516	3,433	53,754
Average: July 1 to December 31, 2009	48,395	2,386	3,830	54,611
Variation	(590)	130	(397)	(857)

*Note:* 320 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2009.

331 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2010.

In accordance with section 1.21 of the National Constitution, 77 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, 2010									
REGION	URBAN OPERATIONS						RURAL	PRIVATE	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UNKNOWN	TOTAL			
Atlantic	1,226	1,384	33	5	3	2,651	902	110	3,663
Quebec	952	2,459	4	0	6	3,421	1,470	51	4,942
Metro-Montreal	2,664	3,498	160	10	4	6,336	194	10	6,540
Central	1,700	2,246	38	4	2	3,990	1,106	42	5,138
Metro-Toronto	3,886	3,480	199	24	0	7,589	302	0	7,891
Ontario	2,092	5,204	68	11	0	7,375	1,281	11	8,667
Prairie	3,073	4,501	108	15	2	7,699	1,290	390	9,379
Pacific	2,303	4,179	70	3	1	6,556	643	4	7,203
Total	17,896	26,951	680	72	18	45,617	7,188	618	53,423

CHART 5

BREAKDOWN OF FUNDS RECEIVED JANUARY 1 TO JUNE 30, 2010	
Dues received	\$ 21,909,744.43
Local rebates	\$ (5,182,850.05)
Local assessments	\$ (239,191.16)
Additional Local rebates (section 7.08)	\$ (387,815.00)
Federation of Labour Per Capita	\$ (243,144.58)
Optional Insurance	\$ (1,082,265.89)
Basic Life Insurance	\$ (584,992.20)
Dues unapplied and Suspended	\$ (22,009.28)
Reserve Fund	\$ (737,623.71)
General Fund	\$ (13,429,852.56)

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

This concludes our report, which we now submit to the members of the National Executive Board.

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**RESPONSE TO THE  
FINAL REPORT ON STRUCTURE BY THE INDEPENDENT WORKING GROUP**

**This constitutes an integral part of the report  
on the 5<sup>th</sup> verification submitted by the**

**National Board of Trustees  
October 26, 2010  
2008 – 2011 Term**

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## **1. INTRODUCTION**

During the 5<sup>th</sup> verification of the National Board of Trustees (October 18 – October 27, 2010), we discussed the interim and final reports submitted by the “Independent Working Group” on the structure of the Union.

Our discussions focused on the recommendations made in the final report regarding the future role of the National Board of Trustees. As a committee, we felt that we should address these recommendations, and present our own recommendations and resolution to the National Executive Board for their consideration, before final recommendations for Constitutional changes are brought forth to the membership for debate.

The National Board of Trustees was the first national committee to be interviewed by the Independent Working Group during our 2<sup>nd</sup> verification in March 2009. The committee was not given any advanced notice in which to debate our position or give recommendations to the Working Group.

The committee could not respond to the Independent Working Group’s Final Report “The Way Forward: Recommendations for Making CUPW Stronger and More Efficient”, till now, as the report was made public after our 4<sup>th</sup> verification in March 2010.

## **2. HISTORY OF THE NATIONAL BOARD OF TRUSTEES**

This committee has a long standing role within our union structure and culture. The first National Board of Trustees was elected in 1965, which was the birth of our union, and was comprised of three elected members. Their role was that of a Committee of Finance and, among other things, they made recommendations as to the salary of elected officers.

The Committee, which was similar in nature to that proposed by the Independent Working Group on structure, existed in this form till 1971. During that convention, the role of the Committee began to change and resolutions were passed to ensure one member per Region and semi-annual verifications.

In 1986, the reports of the National Board of Trustees began being published in our national journal. The number of member representatives on the committee has increased over the years to our present 8 members, one elected member representative for each region within our national structure. The right of the committee to review all financial matters, without restrictions, and to report, without censorship, to the rank and file membership was a hallmark of the serious approach the members took with regard to the Board. The National Trustee Committee was never intended to be “equivalent to” trustee committees of every other union. It is unique because it was formed from the will of the members gathered at Triennial Conventions.

## **3. ROLE OF THE TRUSTEES**

The Trustees’ role is unique in that it works at arms length from the elected Officers and has the right to direct communication with the rank and file. It reviews the financial transactions of the union from the perspective of the constitution and also from acceptable accounting practices. There is no other check and balance built into our union structure that can do this.

The Trustees have a very different role than the Auditors. We have been described as the “watch dogs” of the Union.

Because we must be active in the union on some level in order to be elected, we have experience in the processes outlined in the constitution, and our main focus is ensuring that the concerns of the members – laid out in the Constitution, are respected. It is through us that the members are made aware of the financial and administrative processes and how they are functioning between conventions.

This task is made easier by the make-up of our committee, one member who is an activist on some level from each region. These members are generally aware of what is happening in their region and can clarify points to other Trustees when necessary. This make-up also gives the rank and file of each region access to someone for direct clarification of the reports, should they require it.

## **4. RECOMMENDATIONS ON THE FUTURE ROLE OF THE NATIONAL BOARD OF TRUSTEES**

We have read the recommendations developed by the Independent Working Group on CUPW Structure with respect to the National Board of Trustees (NBT), which are as follows:

- “(a) *The mandate of the National Board of Trustees should be to hear the report of the auditors and report to the National Board of Directors recommending new policies and regulations as appropriate. It should NOT be to go over the individual expense items in the budget.*
- (b) *The mandate of the auditors should be to verify that expenses have been handled in line with the Union’s National Constitution and policies. The auditors should be also mandated to include recommendations to improve overall financial management.*
- (c) *The size of the National Board of Trustees should be reduced to three people, elected at convention.”*

We believe that implementing these recommendations would considerably impede the National Board of Trustees’ ability to carry out its mandate to verify, monitor and recommend. Reducing the NBT’s size to three people would make it impossible for trustees to review all of the information that is required for the proper administration of the Union and to produce the most comprehensive reports for members.

The external auditing firm’s work consists fundamentally in inspecting the Union’s financial statements to ensure they accurately reflect its financial situation, in ensuring that Canadian generally-accepted accounting principles are applied, and in making recommendations. Moreover, the auditing firm does not release its reports.

In view of the above information and considerations, the National Board of Trustees makes the following recommendations regarding its role within a new union structure, while also suggesting operating cost reductions that do not compromise its mandate.

- (a) Maintain the concept and duties of the National Board of Trustees as defined in sections 4.97 to 4.102 of the National Constitution.
- (b) Maintain the principle of the composition of the NBT, i.e. one representative per region.
- (c) Reduce the number of verifications to one per year, while allowing the National Executive Board to convene an additional session, if need be, and to make the appropriate concordance changes to section 4.96.

This would reduce the transportation, accommodation and per diem costs, as well as translation costs and the number of days of lost wages.

Allot an appropriate number of days for each verification.

It should be noted that the work of the National Board of Trustees has, among other things, helped the Union recover \$353,677.00 from locals in amounts billed for union leave taken before April 2000; develop inventory lists of union assets at the National or Regional Offices and focus on the important requirement for union officers and representatives to submit detailed individual statements of expenses.

The National Board of Trustees identified the need for a process to ensure Regional Offices accounted for all the funds they receive from National to carry out union activities and administration.

Finally, the National Board of Trustees feels the first two points ((a) and (b)) are mandatory to the integrity of the work the membership has asked the Committee to perform. Our unique role within our structure and culture can be maintained.