



Negotiations: Our future in the balance

Negotiations are always important. Collective bargaining determines our wages, benefits, vacations, and just about everything about work. Negotiations are never easy. The issues are complicated. It is very important for both parties to have people who are knowledgeable, capable of presenting arguments, and who listen to the other side.

We are fortunate to have a very dedicated and capable Negotiating Committee working on behalf of 48,000 postal workers. But they cannot do it on their own. It is not only well researched arguments that will convince the Employer. For us to be successful at the bargaining table, Canada Post management must know that the members are behind us. In the final analysis it is the strength of the membership that will convince the Employer to negotiate with us.

Strike Vote

In the near future it is very likely that CUPW will hold a strike vote. This does not mean we want a strike. We want a settlement. Sometimes a strike, or the possibility of a strike is an incentive to get negotiations going.

When your local schedules its strike vote meeting make sure to go. At the meeting's information session you can learn about the status of issues on the bargaining table.

The vote will be held by secret ballot. A high turn out, and a strong strike vote will send the management negotiating committee a clear message—it is time to negotiate an agreement.

Issues

In every round of bargaining the union tries to negotiate safe and secure jobs for the future. Our future is best protected if there is

meaningful and safe work for us to perform. No clauses in the contract can compensate for the pain and suffering caused by workplace injuries and work-related illnesses.

But our security also depends on the work at CPC being performed by workers covered by our contract. Whenever a position covered by our contract opens up, everyone benefits. Some members have the opportunity to transfer, others move from part-time to full-time, temporary employees obtain regular employment, etc.

That is why CUPW has placed a high priority on bringing work into the bargaining unit.

A new Canada Post

Our negotiations will also help move Canada Post into the 21st Century.

When Canada Post contracted out the delivery of expedited parcels in

1989 we lost over 1,000 full-time jobs. Canada Post also lost the ability to manage its operations efficiently. As a result everyone lost, including the public that owns and uses the Post Office's parcel delivery services. We are determined to bring this work back into the post office. Efficient operations, and a highly trained workforce will enable CPC to expand its parcel delivery services for the benefit of everyone.

Likewise converting rural route couriers and suburban service drivers into uniformed CPC employees will enable Canada Post to greatly improve the efficiency and image of its rural operations. The future of the delivery business depends on well trained workers. It's time to get there.

New Perspective:

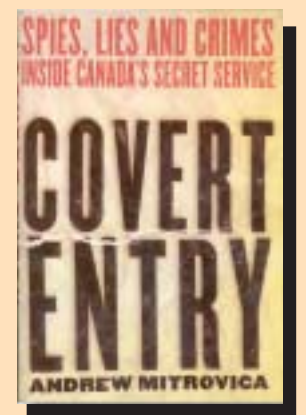
Our union newspaper has a new look. CUPW hopes to match its more colourful look with clearer and more colourful articles.

Masthead photo:

Opening march at the World Social Forum in Porto Alegre, Brazil, January 23, 2003. See page 3 for details.

Page 3

POSTAL SPY CAPER



Page 3

CUPW wins an award from the Quebec government's Council on the Status of Women for the work it is doing through the Child Care Fund.



Page 4

FTAA: another trade agreement attacks health care

Page 5

TRADE WATCH



Page 5

Labour and other groups will protest the US-lead war on Iraq



CUPW seeks to represent rural and suburban couriers

After an intensive organizing campaign involving more than 160 organizers in all regions, CUPW has filed an application with the Canada Industrial Relations Board (CIRB) to represent rural and suburban mail couriers.

If approved, the certification application would give bargaining rights to 6,000 rural and suburban mail couriers who do essentially the same work as motorized mail couriers. A solid majority of rural and suburban mail couriers have already indicated they want CUPW to act as their bargaining agent with Canada Post. While the union's preference is to include the couriers in

its current bargaining certificate, the CIRB could decide to establish a separate bargaining unit in CUPW.

CUPW has for years worked alongside the former Organization of Rural Route Mail Couriers (ORRMC) to convince Canada Post that the couriers should have basic rights under the Canada Labour Code, as well as other improvements to working conditions.

"We're confident that justice will prevail in spite of some opposition to our organizing efforts," said CUPW Vice-President, George Floresco.

As expected, Canada Post filed a complaint challenging CUPW's ability to bargain for the couriers.

Postmasters make HOSTILE move

The Canadian Postmasters and Assistants Association (CPAA) unexpectedly decided to intervene in CUPW's application to the CIRB. The association represents about 6,000 Canada Post employees in rural areas.

The CPAA wants the CIRB to place all rural and suburban mail couriers in the association's bargaining unit in the event that the CIRB grants employee status to the couriers.

"The CPAA executive told us that they had no intention of organizing the couriers," said Floresco. "Now that we've done all the work, the postmasters want to waltz in and represent these workers. That's not going to happen."

The Canadian Labour Congress (CLC) conducted an investigation of the CPAA's actions under the Congress's dispute resolution procedure. The Congress had not released its investigation report at press time. (see bulletin boards and the CUPW website for details).

"We know that the CPAA's decision to intervene in our application is not altogether popular with its members," said Floresco. "Obviously, we need to discuss this issue and our future relationship."

CUPW's application before the CIRB will proceed, but the board will now consider the concerns of Canada Post and the CPAA. The union expects this process to take a number of months.



Changing times, changing union

Moving Forward in a Changing World was the theme of our last national convention. Based on the challenges facing our members and the union, we developed a plan to deal with changes that are occurring at local, national and international levels. Given all the changes we're

experiencing, is there any doubt that we need to organize and prepare for the future?

It's not easy to cope with change. Change is in many instances viewed with suspicion, often with good reason. For the members, it can represent a loss of control and poorer working conditions that increase stress. Management-driven, Quality of Work Life programs only make things worse by promising what are at best cosmetic solutions and at worst a means of undermining hard fought rights.

How to respond to change—whether it's in the workplace, in the union or globally—is an ever-increasing priority for the union. It's become part of our daily life.

Rapid technological advances mean we have to pay more attention to how our work could be performed and the impact of these changes on the members. Deregulation or privatization of various postal administrations threatens jobs and universal public postal service. At the same time, we're challenging our long-held concept of a strict division of work, primarily between external and internal post office functions.

As an organization, CUPW is itself undergoing a shift partially driven by convention decisions and the changing makeup of the membership. Private sector bargaining units, and the addition of more than 6,000 rural and suburban couriers present huge challenges in participation, servicing, representation, education and structure. We have an ongoing responsibility to improve the work we do for the members. All levels of the union must also be prepared to take on the new responsibilities that come from an expanded membership. Moreover, we need to consider future growth through organizing the unorganized and fulfilling the aims and policies of CUPW to unite all workers in the Canada Post system.

The demographics of the membership also point to a workforce that will be younger and far more diverse than in the past. We must ensure that participation in the union is open to all and that our history and achievements are fully explained.

In the midst of a changing workplace, a more diverse membership and a constantly evolving global industry, we must ensure that our commitment to militancy and justice for workers remain the driving force in our future endeavors. Participation in the labour movement, in our communities and in international solidarity has contributed to our strength and is essential to our future.

In Solidarity,

George Floresco, 3rd National Vice-President

CUPW PERSPECTIVE

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CUPW PERSPECTIVE #225



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 against women, people of colour, gays and lesbians, people with different abilities, or policy on union 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 authors' names 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.

Quotable quotes

"We have the best post office in the world."

– David Collenette, Minister of Transport (responsible for Canada Post) House of Commons, January 29, 2003

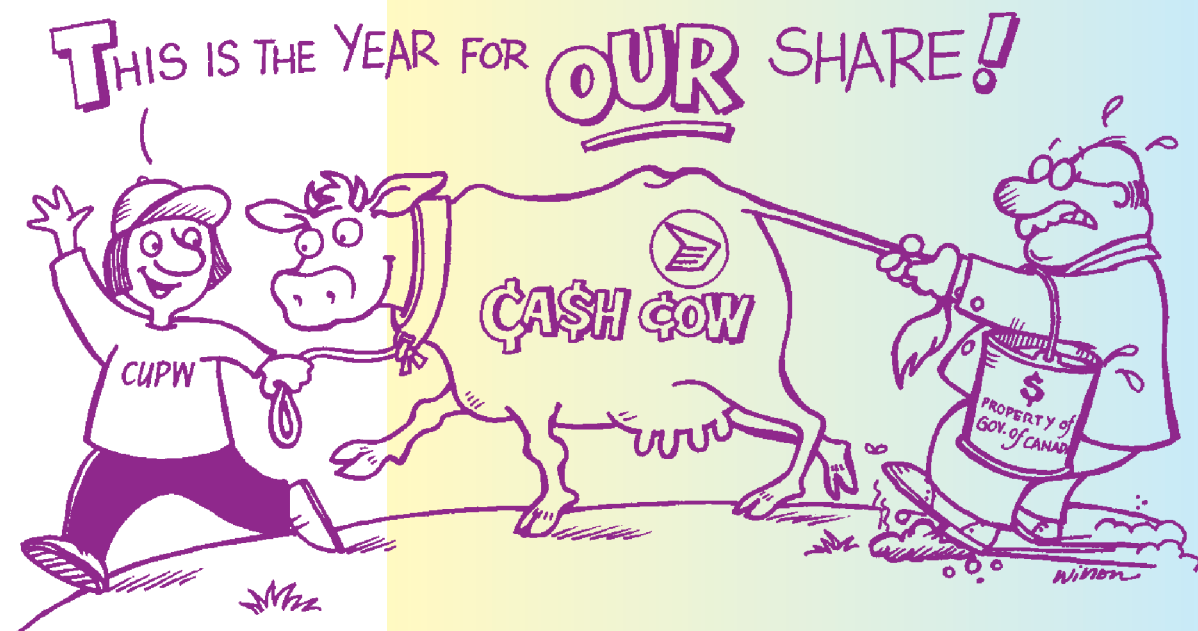
"We have demonstrated that Canada's postal service can be profitable without privatization. We have set an enviable example that many other industrialized countries should follow. Sadly, public transportation, telecommunications and postal service in many Western countries have already been privatized.

A second wave of privatization is now reaching schools and hospitals. I agree with historian Eric Hobsbawm, who says that a government that willingly dismantles key public services and transfers functions to the private sector that are in the public interest, consequently subordinating them to the rule of maximum profit, constitutes a 'government in default.'"

– Canada Post President, André Ouellet, Performance, January/February 2003

"It's nice to see the President of Canada Post shares our view on the importance of public services. Likewise, we are pleased that David Collenette and André Ouellet recognize that our post office is a public sector success story. We just hope they both understand the importance of sharing this success with post office workers."

– Deborah Bourque, CUPW National President, February 2003





World Social Forum says war is not the answer

They came in the tens of thousands. They participated in 1,700 workshops, seminars and forums promoting ways to build a better world. They marched against war.

This was the 3rd World Social Forum, held in Porto Alegre, Brazil from January 23 to 28. The forum is a gathering of activists from around the world who are seeking alternatives to the profit agenda being advanced at the World Economic Forum (WEF). The WEF takes place in Davos, Switzerland at the same time as the World Social Forum. Four CUPW members were part of a Canadian Labour Congress (CLC) delegation attending the alternative forum in Porto Alegre.

The first World Social Forum in 2001 introduced the five radical words, "A different world is possible." The second focussed on the three As: "Argentina, Afghanistan and Alternatives." The activists at this third forum said "no" to war.

At the concluding ceremonies, three Palestinians joined hands with three Israelis and read aloud a declaration for peace in the Middle East. The crowd of 60,000 spectators joined hands as they sang the lyrics to John Lennon's song "Imagine."

American dissident, Noam Chomsky, and Indian writer and activist, Arundhati Roy, spoke last before all spectators took to the streets to march against a war in Iraq. Roy urged activists to "come up with a million ways to become a collective pain in the arse." She added: "Remember this: we be many; they be few. They need us more than we need them. Another world is not only possible, she's on the way and, on a quiet day, if you listen very carefully you can hear her breathe."

It's time for a safer workplace



In some local health and safety committees, it has taken many months, or even years, to resolve certain issues. Now, CUPW has put in place a three-month guideline for local committees to push forward outstanding health and safety issues. The process is one of the internal changes the union is making to address health and safety problems identified at the last national convention.

The three-month expedited process looks like this:

- If the local employer refuses to resolve a health and safety issue during the three-month period, the local union should forward the issue to its regional office. The office can then include it on a consultation agenda at the regional level.
- If the issue is not resolved at the regional level, it can be forwarded to the national level for inclusion on the National Health and Safety Committee's agenda.
- If the employer is refusing to deal with an urgent local health and safety issue with regional or national implications, it should be moved to the next level before the three-month period ends.
- If issues are not being dealt with fairly by the employer and there is a violation of the collective agreement, these issues should be grieved.

Activism protects workers

Health and safety continues to be a union priority and is a key issue in this round of bargaining. That's because the post office is a dangerous place to work, as anyone who has read the union's recently released health and safety negotiations backgrounder knows.

In one CUPW local, the members were determined to draw management's attention to the corporation's poor record on health and safety. They took action by leaving their work floor en masse for a break, backgrounders in hand.

When the workplace is unsafe, local union representatives and members should take action—and the collective agreement gives them the right to do so. If there's an urgent situation affecting the quality of the work environment, union representatives must inform the employer [Clause 33.04 (b)]. The employer then has to conduct an investigation and give the union rep a copy of any report that's subsequently produced. Workers must also notify the employer if there's a defective or missing device or apparatus that could endanger them or their co-workers [Clause 33.05(e)]. Again, the employer has to carry out an investigation in front of a union rep and provide a copy of any report that's produced.

During this past year, the union has worked hard to find solutions to the causes of accidents and injuries to the members. We're more effective in engaging the employer on health and safety issues. We're vigilant and we're going to stay that way. CUPW members deserve healthier and safer working conditions.

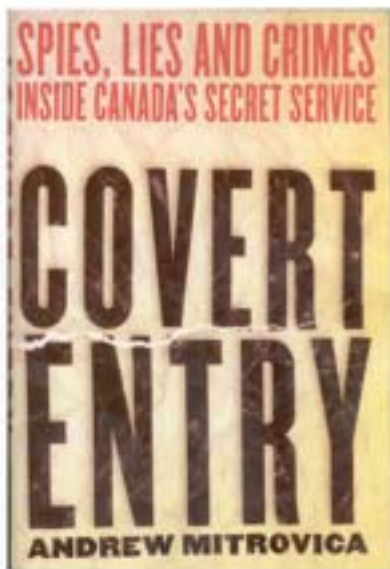
Postal spy caper investigations begin

The Office of the Privacy Commissioner has launched two investigations into CUPW's complaint that Canada Post Corporation (CPC) and the Canadian Security Intelligence Service (CSIS) massively breached the Privacy Act by spying on postal workers for 10 years.

The complaint arose from evidence documented in *Covert Entry*, a new book by award-winning journalist Andrew Mitrovica. The book revealed that CPC's Security and Investigations Branch and CSIS had spied extensively and illegally on postal workers from 1989 to 1998.

In letters to CUPW in December 2002, Jan Peszat, a Senior Privacy Officer, announced an investigation into the union's claim that CPC "unlawfully collected and maintained personal information on union activists and intercepted mail addressed to the homes of union personnel without warrant."

She also initiated an



investigation into the allegation that CSIS, in conjunction with CPC, "collected personal information through its mail intercept program without warrants" on postal workers and other Canadians.

Evert Hoogers, the CUPW National Union Representative attached to the complaint, said the decision of the Privacy Commissioner is good news.

"The Commissioner has the authority to subpoena

witnesses and written or oral evidence. This is an opportunity for a truthful account of the facts to emerge from what has long been suspected. The Privacy Commissioner can count on our full co-operation."

The privacy complaint and a CUPW national policy grievance were spurred by *Covert Entry's* description of the clandestine activities of John Farrell. Farrell was a Postal Inspector with Security and Investigations in the York Division from 1989 to 1991, and an auxiliary Postal Inspector taking orders from CSIS from 1991 to 1997.

The book reveals that Farrell and his colleagues under orders routinely intercepted mail sent to CUPW activists, prepared intrusive dossiers, broke into union leaders' cars and carried out other unlawful actions against union members.



At a major work and family conference in Montreal, CUPW won an award from the Quebec government's Council on the Status of Women for the work it is doing through the Child Care Fund. This photo of CUPW member Jean Saint-Pierre and his daughter Amélie appeared in the magazine *L'actualité*. It was accompanied by an article that explains how CUPW's fund is helping parents like Brother Saint Pierre balance work and family responsibilities.

WORKING WORLD

Food bank use doubles

About 750,000 Canadians used food banks every month in 2002—40 % of them children. That's twice as many users as a decade ago. A spokesperson for the food bank association urged governments to build more affordable housing, increase minimum wages and social assistance, and add more child care spaces. He also pointed out that families on social assistance are better off when they can hold onto their Canada Child Tax Benefit money. In many provinces this benefit is deducted from welfare incomes.

Source: CCPA Monitor

Sex workers organize

The members of the International Union of Sex Workers have voted to join a major British union, the Boilermakers. The union will offer self-defense classes and free legal advice, along with training on issues such as erratic work hours and the right to insist on condoms. The sex workers include prostitutes, telephone sex workers and people who make sex toys.

Source: Labor Notes

Private sector hospital nightmare

In 2000, British Prime Minister Tony Blair cut the ribbon at the Cumberland Infirmary. The infirmary is the first hospital built under a program that allows private companies to run services previously in the public sector.

Some governments on both sides of the Atlantic say that privately-run hospitals are a good thing, but the women in Cumberland's maternity ward and many other patients probably wouldn't agree. The new mothers were almost hit when a ceiling collapsed. Windows blew out of their frames, showering doctors, nurses and patients with glass.

The malfunctioning sewage system washed up brown tides into operating rooms. Cost-cutting measures resulted in dirty wards, poor maintenance and longer waiting lists for medical procedures.

The BC Hospital Employees union was distressed to discover that provincial government officials have been meeting with companies involved in private British hospitals, including the Cumberland Infirmary's owners.

Source: SUNSpots (Saskatchewan Nurses Union)



FTAA: another trade agreement attacks health care

As many postal workers know from the UPS law suit, Chapter 11 of the North American Free Trade Agreement (NAFTA) gives corporations the right to sue governments over policies that hinder profits—even projected profits that may never materialize.

Now, the Free Trade Area of the Americas (FTAA) will extend these rights across the Americas, giving a big boost to those who want to privatize public services. Given the ongoing debate about the role of the private sector in health care and other public services, there's a lot to worry about.

The FTAA presents a two-pronged attack on Medicare. First, it threatens to weaken our guarantee of universally accessible, subsidized health care under the Canada Health Act. The FTAA could provide similar methods to NAFTA's for foreign corporations to sue governments that provide funding for public services. Or, it could also simply skip that formality and sign away the right of countries to have any protected public services.

Second, the FTAA will weaken environmental protection laws because they are seen as barriers to maximum corporate profit. Increased greenhouse gases, water pollution, and ground contamination will tax our health care system even more. As more people get sick from contaminants in our ecosystem, we'll need increasing amounts of

money to pay for health care services.

We can't allow international agreements to devastate our health care system. We have to fight back.

The labour-sponsored national health care campaign says "No!" to the FTAA. The CUPW, the Canadian Labour Congress, provincial and territorial Federations of Labour, and local Labour councils are working together to carry out an international anti-FTAA campaign in Canada. The campaign, FTAA: It's Hazardous to Your Health, is spearheaded by Common Frontiers, a multi-sectoral working group that advocates an alternative to the negative social, environmental and economic effects of economic integration in the Americas.

The campaign encourages everyone to:

STOP the FTAA negotiations and all trade agreements that put profits before public well-being. Remove Chapter 11 from NAFTA.

LOOK at the economic instability, the huge disparities between the rich and the poor, and the social and environmental damage caused by economic and trade liberalization.

LISTEN to Canadians, Québécois and citizens throughout the Americas who reject the FTAA and demand the preservation of universal Medicare, environmental protections, respect for human rights and national sovereignty.

Take a stand

All across the Americas, citizens are standing up and saying "NO" to the FTAA. In a recent plebiscite held in Brazil, 98% of the 10 million people who voted cast ballots against the FTAA agreement. Other countries, including Argentina, Chile, Columbia, Peru, Ecuador, Uruguay, the Dominican Republic and many more are holding similar votes and petition signings. Now it's our turn.

Between now and the end of June, we would like everyone to take a copy of the FTAA petition around their neighbourhood, get it signed, and send it to CUPW National Office. CUPW national will then collect all of the petitions and add the names to the list of millions from other countries in the Americas. We will then present the petitions to the FTAA trade ministers at their next ministerial meeting in Miami in November 2003.

We must reach out to everyone in our communities on this important issue. Our health care system depends on it.

Copies of the petition can be obtained through your local or downloaded from the CUPW National web site at:

www.cupw.ca/camp

You can also download the petition, and find out more about the campaign and the FTAA from the Common Frontiers web site at:

www.web.net/comfront

Organizing stops the race to the bottom

Have you ever wondered why CUPW is organizing mail houses and courier companies? We all know that some of our work is going to these operations. But do you really understand why?

Would an hourly wage of \$10.15 to \$11.15 for the warehouse workers (predominately women) and \$11.59 to \$15.15 an hour for the drivers (all men – one with 20 years seniority) be reason enough? How about an employer that has a benefits package

excluding all part-timers and that refuses to create many full-time positions? And, by the way, this benefits package doesn't include dental or optical and you pay 50% for your drugs! How about one that caps the amount of sick leave you can accumulate? But, hey, at least they have some paid sick leave! Most unorganized companies don't. Would you find it hard to have no special leave or other types of leave? Would these be good reasons to organize a mail house and or a courier company?

Mail house and express workers

CUPW is putting together the list of demands for a third collective agreement with both Russell A. Farrow mail house and RAF Express in Windsor, Ontario, an employer with two non-union locations. The conditions at the CUPW sites are so "good" that the employer constantly threatens to close shop and move to another location – across the border. After all, these workers have some benefits that others don't, as well as a higher rate of

pay! Often, as in this case, if an employer wants to keep the union out of the other locations, then the same wages and benefits negotiated at the unionized shop are provided to the non-unionized workers.

The workers at this mail house and express company have the same needs as traditional postal workers. They are parents who worry about child care. Some have children with special needs. Some of them are just starting out and are hoping to buy a car or a home, or take a vacation,

while others are worrying about their children's education, parent's care and the mortgage. As organized workers they are already further ahead than their unorganized counterparts. But when you compare their working conditions to ours—as Canada Post does—then it becomes quite clear why organizing and representing them is so important. Canada Post would like it to be a race to the bottom. We've decided that it's much smarter to pull other workers up.

Trade Watch

GATS

Canada takes decent position so far –The General Agreement on Trade in Services (GATS) is being negotiated at the World Trade Organization (WTO), an international body that regulates trade among nations. As part of the process, WTO-member countries are currently making requests and offers to each other. The deadline for an agreement on a new GATS is January 1, 2005.

So far, the Department of Foreign Affairs and International Trade (DFAIT) says it has received very few requests about postal or courier services. This is in part because many countries are trying to reclassify these services to make it easier for courier companies to expand into new markets. "New markets" is code for markets currently serviced by public post offices.

DFAIT says it has strong reservations about proposals put forward by the United States (US) and the European Union (UE) to reclassify express and courier services. It believes the existing classification system is "most appropriate." This is the position CUPW asked the government to take. However, the union remains



Representatives from Union Network International (UNI), the global union federation that represents postal workers, demonstrated at a 10,000 strong rally in Belgium on February 9th. UNI and others were demanding a freeze to negotiations over the General Agreement on Trade in Services.

concerned that the government may change its position in exchange for something else in the heat of negotiations.

Canadian requests not so good – There was no mention of courier services when International Trade Minister Pierre Pettigrew announced Canada's position on the GATS talks in 2001. This didn't stop Pettigrew's department from submitting requests to more than 40 WTO member countries the following year, including requests relating to courier services.

CUPW has informed DFAIT representatives it is not pleased that Canada is requesting that other countries open up their courier markets.

United States-Chile trade agreement – The US has negotiated a trade agreement with Chile that reportedly includes a new definition for express delivery services. According to the publication, *Inside US Trade*, the US hopes to use agreements such as this one to create momentum for similar language in the GATS and the Free Trade Area of the Americas (FTAA).

European Union – The European Commission (EC) is requesting that Canada subject some postal services to competition. It also made an offer in February to further open its own postal services to foreign competition as part of the GATS negotiations.

The EC's draft offer will go to the European Parliament for consideration before being tabled in Geneva at the end of March 2003.

Union Network International (UNI), the global union federation representing postal workers, has condemned the EC's handling of the GATS negotiations, especially the commission's failure to ensure that trade proposals get a hearing at the national level.

UNI wants halt to talks – UNI is calling for a halt to the GATS negotiations. It thinks that there should be an evaluation of the economic and social impact of trade liberalization first.

NAFTA

UPS NAFTA tribunal – In October 2001, the CUPW and the Council of Canadians were denied standing as parties at the tribunal investigating United Parcel Service's (UPS) complaint under the North American Free Trade agreement (NAFTA). The tribunal also ruled it might decide at a later date to allow the union or the council to make written submissions on issues.

In January of 2003, CUPW reminded the tribunal that it wants to make submissions. The union is concerned that the UPS claim will undermine public postal services and jobs, particularly in rural areas. CUPW is also concerned that there is a threat to members' pensions.

Constitutional challenge – It has taken CUPW and the Council of Canadians longer than expected to collect evidence for the court challenge on the constitutionality of NAFTA rules allowing foreign corporations like UPS to sue Canada. With this part of the work now complete, the union and the council expect hearings on the court challenge to finally begin in the fall.

Sources: *Inside US Trade*, January 11, 2001; UNI; DFAIT

Labour and other groups will protest the US-lead war on Iraq on Sunday, May 4th in Ottawa.



This is the day before the President of the United States is scheduled to meet with Prime Minister Chretien. Some CUPW locals in Ontario and Quebec are planning to join Sunday's peace protest. Talk to your local about joining in any plans to call for peace in Ottawa and elsewhere.



No more moratorium on closures – In 1994, the newly elected Liberal government announced that no rural or small town post office would close as long as the government was in power. The moratorium on closures appears to be over—but the Liberals remain in power. Canada Post has been quietly closing outlets in rural areas. The corporation says it has no grand plan for closures, but that there is a process management follows "in extreme cases where there is no justification" to keep an office open.

Japan's postal reforms – Japan is scheduled to open up postal markets and turn its post office into a public corporation in April. Prime Minister Junichiro Koizumi hopes to eventually privatize this corporation. He has not yet said what he intends to do with Japan's postal savings system, which is reported to be the world's biggest saving bank. Previous attempts to privatize Japan's post office have failed.

Australian watchdog – Late last year, the Australian government announced a package of postal reforms which, if implemented, will subject Australia Post to greater scrutiny. One reform is receiving a lot of attention from the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU). It's the proposal for a Postal Ombudsman.

CEPU wants the proposed ombudsman to focus on private postal operators. The union points out that Australia Post has well-defined customer service standards and complaint procedures, but that competitors are not subject to standards of any kind.

UK watchdog in the dog house –

According to media reports, the United Kingdom's Royal Mail is furious about the money being spent by Postwatch, the consumer watchdog that it is forced to fund. The Royal Mail paid over seven million pounds (\$17 million CAD) for Postwatch last year. Postwatch spent 350,000 pounds on furniture (\$867,000 CAD), 600,000 pounds on computer equipment (\$1.5 million CAD) and 464,000 pounds on entertaining subsistence and travel (\$1.1 million CAD). The Royal Mail also funds its regulator, Postcomm, to the tune of five million pounds (\$12 million CAD).

Sources: *Telegraph.co.uk*, February 4, 2003; *Newsday.com*, January 30, 2003; *Canada Post*; *CEPU, Australia*; *Universal Currency Converter*.

I. Introduction

The National Board of Trustees met from November 25 to December 4, 2002 at the National Headquarters of the Union in Ottawa for the first verification of this term.

As provided in the new National Constitution under sections 4.95 to 4.98, we have completed an examination of the financial transactions of the Union for the period of January 1, 2002 to June 30, 2002.

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:

Metro-Montreal Region

Brother Michel Chevrier, Chairperson

Ontario Region

Sister Deborah Roberts, Secretary

Atlantic Region

Brother Paul Hand, Member

Quebec Region

Brother Denis Poirier, Member

Central Region

Brother John Meloche, Member

Metro-Toronto Region

Brother Frank Covello, Member

Prairie Region

Brother George Britton, Member

Pacific Region

Brother Svavar Tryggvason, Member

At our first meeting held on November 25, 2002, the National Board of Trustees elected Brother Michel Chevrier of the Metro-Montreal Region and Sister Deborah Roberts of the Ontario Region as Chairperson and Secretary of the Board respectively.

3. Semi-Annual Verification

The National Board of Trustees noted that although the sixth verification was presented to the National Executive Board in March 2002, eight months have passed and the National Board of Trustees have not yet received a response to the recommendations made in the report. We were informed by the National Secretary-Treasurer that the National Executive Board had not yet finalized their responses.

4. 2002 CUPW National Triennial Convention

Based on a computer statement and on our verification work, the cost of the National Triennial Convention held in Ottawa from April 7th to 11th, 2002 and of the pre-convention committee meetings was approximately \$2,569,308.00.

At the time of verification, the total final cost was not available. We will have these results at the next verification, at which time we will be able to present a complete and detailed report.

However, based on our verification, we are able to note that expenses incurred for the Convention are consistent with the National Constitution.

5. Review of Statement of Expenses

The National Board of Trustees examined the individual statement of expense forms for the National and Regional Officers and Union Representatives. We also examined the individual statement of expense forms for the Alternate Union Representatives, members of various committees, specialists and contract employees working for the Union.

For the period under review, the National Board of Trustees noted several cases of missing statements. In some cases, the missing statements are more than three months late. As this is the way leave is recorded (annual and sick leave, etc.) the National Board of Trustees finds this to be a problem.

We also noted a few irregularities regarding unsigned forms and payments made from fax or photocopied receipts. These were brought to the attention of the National Secretary-Treasurer.

Canadian Union of Postal Workers NATIONAL BOARD OF TRUSTEES (2002-2005 Term) First Verification

Therefore, the National Board of Trustees recommends that:

- All expense forms be submitted on a monthly basis;

The majority of expense forms are submitted on a timely basis. Some reports noted by the Trustees as "missing" had in fact been received but were misfiled.

- Missing expense forms be actively pursued by the National Secretary-Treasurer.
- Officers who continue to fail to file monthly expense reports should be dealt with individually.

The National Secretary-Treasurer periodically issues memos to individuals who are delinquent in filing expense claims requesting that the outstanding reports be provided within a specific period.

6. Expenses for Regional Offices

The National Board of Trustees reviewed the files containing the forms and receipts for the expenses of Regional offices for the period of January 1 to June 30, 2002.

6.1 The National Board of Trustees reviewed the bank statements and bank reconciliation reports for each region. Three regions have not submitted any bank reconciliation for the entire period under review. However, one of these regions seems to be in the process of correcting this situation. Another region did not submit statements for certain accounts that contain Union funds (eg. for education, etc.)

6.2 We also noted that a number of regions continue to be delinquent in submitting the detailed portion of the telephone invoices and purchase statements.

6.3 During the sixth verification carried out in the previous mandate (1999-2002), the National Board of Trustees noted that an elected regional officer had forged a signature. The NEB reviewed the problem and took appropriate steps to avoid a recurrence of this situation.

Therefore, the National Board of Trustees recommends:

- 6.1** That the National Secretary-Treasurer ensure that all National Directors submit complete copies of monthly bank statements, as well as bank reconciliation reports, for all Union accounts, in accordance with a prior decision made by the National Executive Board.

The National Secretary-Treasurer will follow up with the National Directors who have not kept up to date with their bank reconciliations in order to rectify the situation.

- 6.2** That the complete invoice statement for all expenses be submitted.

National Directors will ensure that complete invoice statements for all submitted expenses will be included with their reports.

7. 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. It was noted that expense reports and/or surplus funds for the majority of these activities were not submitted to National Office within the 45-day time limit specified in section 5.11 of the National Constitution.

While there was one region that had not sub-

mitted any activity reports for the verification period in question another region had only submitted their activity expense reports just prior to our arrival in November. Therefore, it was impossible for the National Office to reconcile these accounts for the National Board of Trustees to verify at this verification.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer ensure that section 5.11 of the National Constitution is complied with.

The National Secretary-Treasurer will follow up with National Directors in respect of delinquent reports.

- That advances for future activities not be issued to regions unless activity reports are submitted in a timely fashion.

The National Executive Board is not prepared to prejudice the ability of a Region to hold a constitutionally mandated meeting or event due to the lateness of a report from a previous meeting.

If an advance is requested by a Region that has outstanding reports the National Secretary-Treasurer, before issuing the advance, will contact the National Director for an explanation of the delay and a specific commitment for filing the delinquent report or reports.

8. Travel Expenses

At the beginning of the period of verification there were seven regions with union-owned vehicles as per section 7.44 of the National Constitution. The National Board of Trustees noted that during the period of verification one region sold its vehicle. Therefore, as of June 30, 2002, six regions owned vehicles. We were only able to review the complete vehicle usage logs for three regions. Incomplete vehicle usage logs were submitted by two regions while the remaining two regions did not submit any vehicle usage logs whatsoever.

The National Board of Trustees continued to note inconsistencies with proper authorization for the use of personal and rented vehicles. Sections 7.54 to 7.57 of the National Constitution clearly indicate the method of authorization for all expenses at the National and Regional offices.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board compel the delinquent National Directors to supply the vehicle usage logs on a monthly basis.

The National Executive Board directs the National Directors to supply copies of the vehicle usage logs on a monthly basis.

- That proper authorization, as per sections 7.54 to 7.57 of the National Constitution, be obtained for all use of personal or rented vehicles.

Procedures meeting the requirements of sections 7.54 to 7.57 of the National Constitution for the authorization and payment of expenses are in place. The National Secretary-Treasurer will continue to monitor compliance with those procedures.

9. Union Funds

9.1 The National Board of Trustees was unable to examine the annual audited statements as the accounting firm – Marcil, Lavallée, Loyer and Associates – will perform its audit following this verification. The annual audited statements (2001-2002) provide data relating to the General Fund, Defence Fund and Reserve Fund.

9.2 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.

9.3 We reviewed the withdrawals from the Reserve Fund for various activities as a result of motions adopted under sections 7.16 and 7.19 of the National Constitution.

9.4 The National Board of Trustees found, for the verification period, that the transfers to the Reserve Fund were not made monthly, as per section 7.17 of the National Constitution.

Although we are aware of the uncertain status of the General Fund, in that a bank overdraft would have occurred had these transfers been made, the National Board of Trustees continues to consider this a serious matter.

Consequently, the National Board of Trustees recommends:

- That transfers to the Reserve Fund be made as provided for in section 7.17 of the National Constitution.

Transfers to the Reserve Fund are calculated on a monthly basis. The actual transfer from the General Fund to the Reserve Fund is sometimes delayed in order to avoid interest bearing overdrafts in our current account.

- When the final audited financial statements become available, that they be mailed to the National Board of Trustees.

The audited financial statements, upon adoption by the National Executive Board, were mailed to the members of the National Board of Trustees.

10. Financial Reports

10.1 The National Board of Trustees verified if financial statements were sent to the Locals covering the period under review in accordance with sections 4.49 and 4.53 (m) of the National Constitution. Not all months had been sent at the time of this verification.

10.2 The National Board of Trustees was unable to examine the annual audited statements for 2001-2002 as the accounting firm – Marcil, Lavallée, Loyer and Associates – will perform its audit following this verification.

We will do a follow-up on this at our next verification.

10.3 The National Executive Board approved the budget for 2002-2003.

Therefore the National Board of Trustees recommends that:

- When the audited financial statements become available, that they be mailed to the National Board of Trustees.

The audited financial statements, upon adoption by the National Executive Board, were mailed to the members of the National Board of Trustees.

11. CUPW Holdings Ltd.

The National Board of Trustees was unable to examine the annual audited statements for 2001-2002 as the accounting firm – Marcil, Lavallée, Loyer and Associates – will perform its audit following this verification. CUPW Holdings Ltd. is the company mandated to deal with the administration of four buildings occupied by postal workers. These are:

- 377-385 Bank Street in Ottawa;
- 344 Sovereign Road in London, Ontario;
- 999 Carnarvon Street in New Westminster, British Columbia;
- 5000, des Gradins Boulevard, Suite 340, in Québec City, Québec.

We will do a follow-up on this file at our next verification.

Therefore the National Board of Trustees recommends that:

- When the final audited financial statements become available, that they be mailed to the National Board of Trustees.
- The audited financial statements, upon adoption by the National Executive Board, were mailed to the members of the National Board of Trustees.

12. Insurance (Section 4.98 (a))

As provided for under section 4.98 (a) of the National Constitution, the National Board of Trustees verified that a national insurance policy was in place that contains a section regarding dishonesty. The National Board of Trustees verified that the total insurance coverage for dishonesty is \$50,000 per year.

Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer review the insurance coverage to comply with section 4.98 (a) of the National Constitution.

The National Secretary-Treasurer has reviewed the coverage provided by our insurer and has made the necessary policy changes to ensure compliance with section 4.98 (a) of the National Constitution.

13. Resolutions & 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, 2002, for the purpose of verifying financial resolutions, as per section 4.98 (c) of the National Constitution.

The National Board of Trustees noted that a number of motions, involving monetary expenses, were approved. However, the costs of these motions and the source of funding were not always specified.

14. Attendance

The National Board of Trustees also reviewed annual, pre-retirement and sick leave taken by national and regional officers and union representatives.

14.1 For the 2001-2002 fiscal year, approximately 1,150 days of annual leave were unused as of June 30, 2002 although there were two officers who had incomplete records.

This represents a decrease of 41 days of unused credit over the preceding year, despite a payout of 338.5 days of pay for unused annual leave credits of officers no longer with the Union. We note that out of the 63 National and Regional Officers and Union Representatives covered by this verification, seven of them held 44% of all unused annual leave credits.

This situation can be detrimental to the health and safety of the officers concerned. This represents an increasing liability for the Union. The last recommendation on this subject was made in the 3rd verification of the 1999-2002 term and still applies. The National Executive Board's response to the effect that clause 19.06 of the collective agreement allows carry-overs of unused annual leave credits must also take into account clause 19.12 before being applied.

14.2 In the 2001-2002 fiscal year, 20 officers were eligible for pre-retirement leave, 11 of whom took this type of leave, for a total of 65 days.

Therefore, the National Board of Trustees recommends:

14.1 That the National Executive Board require Officers and Union Representatives "to take his/her unused annual leave in accordance with a schedule that the National Executive Board shall establish" pursuant to paragraph 7.38 of the National Constitution.

The National Executive Board has attempted to ensure that all Officers and

Union Representatives schedule and take their annual leave entitlements in the fiscal year.

Excluding the payout of 338.5 days to officers on their termination, the Officers and Union Representatives did use 85% of their aggregate entitlements.

That, insofar as possible, the National Executive Board require the National and Regional Officers and Union Representatives to take their annual leave, pursuant to paragraph 7.37 of the National Constitution.

The previously accumulated leave remains a problem that the NEB will strive to resolve according to the provisions of section 7.37 of the National Constitution.

15. Termination of Employment and Moving

The National Board of Trustees reviewed the amounts of money paid to or on behalf of National and Regional Officers and Union Representatives whose employment terminated between January 1, 2002 and June 30, 2002. These payments were as follows:

To 16 members:	
severance pay (7.39)	\$222,088.33
To 12 members: moving	
expenses (7.40 & 7.41)	91,758.63
To 16 members:	
20 days (7.42)	57,929.22
Unused Annual Leave:	
338.5 days	67,316.08
Total	\$439,092.26

Please note that other payments will be entered in the next verification, since not all expenses were incurred before June 30, 2002.

Unfortunately, the National Board of Trustees has noted that the problem of unused annual leave is not being resolved quickly. Among those who have left, three of them had, respectively, 72, 71, and 53 days of unused leave that had to be reimbursed. This represents a cost of \$38,812.05.

16. Collective Agreement Funds

The National Board of Trustees reviewed receipts and printouts under the following provisions of the Collective Agreement:

Appendix "U"	Education Fund
Appendix "L"	Childcare Fund
Appendix "T"	Service Expansion & Workplace Development
Appendix "R"	International Postal Fund

The National Board of Trustees found the expenditures to be in order.

17. Grievance Resolution, Article 39 (\$15 million)

The National Board of Trustees noted that on June 30, 2002:

- There were two employees working full-time on this task and the majority of the work has been completed.
- That salary and sundry expenses arising out of this work (computer equipment, stationary, etc) were being paid out of the interest generated by investing the \$15 million.

Article 39 settlement from	
Canada Post	\$15,000,000.00
Interest Earned	1,359,591.17
Total	\$16,359,591.17
Salaries and sundry expenses	\$717,737.24
Distributed to members as of June 30, 2002	14,781,555.38
Balance	860,298.55
Total	\$16,359,591.17

The National Board of Trustees noted that this project is near completion. There is some money being held for distribution to members who have not been located.

18. Payment for union leave (Clause 26.06)

The National Board of Trustees continued to monitor union leave with pay reimbursed to Canada Post as per clause 26.06 of the Collective Agreement. We noted that little progress was made in dealing with the numerous issues raised during the last verification of the previous term:

- double payments to CPC continued to

occur;

- some locals are still not paying and/or disputing the billing within the 30-day time period;
- national standards to deal with clause 26.06 were still under review almost three years after clause 26.06 came into effect;
- there is still no permanent staff person to deal with clause 26.06; (The person working on this issue is on a six-month contract.);
- Canada Post continues to hold approximately \$1.5 million recovered from the national rebate in 2001. How much of this amount is due back to the Union is unknown.

The National Board of Trustees is greatly frustrated by the lack of national resources to deal with the various issues surrounding clause 26.06.

Therefore the National Board of Trustees recommends:

- That the National Executive Board take all required steps to finally resolve the outstanding invoices for the period prior to March 1, 2000 including hiring an additional staff person to assist in the recovery of the approximately \$1.5 million dollars from Canada Post.
- That the National Office devote all necessary resources to assist locals in meeting their obligations under clause 26.06 of the Collective Agreement.
- That a national standard to deal with clause 26.06 billings be finalized by the National Executive Board and implemented as soon as possible.

The National Office currently employs an accounting assistant who works full time on 26.06 billings. She also provides support to locals in respect of their obligation under 26.06. A standardized leave authorization form has been developed which will assist in keeping track of leave for union business with pay.

19. Joe Davidson Fund

The National Board of Trustees has reviewed the education bursary granted in the 2001-2002 fiscal year.

The education bursary provided to the Canadian Labour Congress and the equivalent education bursary to be given to the Union Education Service of the Québec Federation of Labour, was \$1,975.85, which covers registration and residential fees.

Additional funds of \$2,597.24 were provided to cover per diem, travel expenses and childcare. There is still an outstanding bill for wage recovery. An equivalent amount was available for delegates attending the QFL education programs. However, there were no requests for bursaries.

20. Other Collective Agreements to Administer

20.1 All office staff working for CUPW at National and Regional Offices are covered by a collective agreement negotiated between CUPW and Opeui 225 (Office and Professional Employees International Union). This agreement is to be for the period of January 1, 2000 to December 31, 2001. As of June 30, 2002, there were 48 employees on strength. A new Collective Agreement has not yet been negotiated.

20.2 Specialists and translators at the National Office are covered by a collective agreement negotiated between CUPW and CUPE (Canadian Union of Public Employees). A new collective agreement was ratified on August 24, 2001 and is for the period of November 5, 2001 to November 4, 2003.

As of June 30, 2002, there were fifteen employees on strength covered by this collective agreement, of which two employees are working on independent projects and their wages are paid for or subsidized by Canada Post (Appendix "T").

20.3 The Director of Finance and Administration is part of the National Office staff and is covered by an individual

contract.

21. Check-off and Membership

We have recorded membership statistics using the same terms and definitions as appear on the computer printouts as provided by the National Secretary-Treasurer. The printouts designate all employees as "full-time" or "part-time" with the appropriate membership status as defined in the National Constitution and the Collective Agreements.

They are:

- Regular "members"
- Temporary "members"
- F-T MIGS – full-time "members in good standing"
- P-T MIGS – part-time "members in good standing"
- Full-time "members"
- Part-time "members"
- Full-time "Rand"
- Part-time "Rand"
- Active "members"
- Unknown "members"
- Members from other bargaining units
- Payments suspended
- Unapplied payments

Notes:

- The terms "regular" member and "temporary" member as defined in Collective Agreements.
- 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 section 70 of the Canada Labour Code formula for collecting union dues from employees who have either chosen not to become members or who have lost membership status as per section 1.11 of the National Constitution.
- The term "active" members refers to all those members covered by Collective Agreements as opposed to "inactive" members whom are members no longer covered by Collective Agreements (i.e. retired, resigned, deceased, etc.).
- The term "unknown" members refers to all those members that do not have an "employment category" assigned to them. Simply put, they are members that the computer cannot distinguish as being regular, temporary, full-time or part-time members. What we do know is all of them fall under the classification of "Rand". Therefore, it is safe to assume that a high percentage of them are temporaries.
- The union dues received referred to as "payments suspended" are those that are not identified, either because the information stored in the computer at National Headquarters does not correspond with the information provided later by the employers, or because the employers simply do not provide all the necessary information.
- The National Board of Trustees have been advised that "unapplied payments" refers

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

Michel Chevrier, Chairperson
Metro-Montreal Region

Deborah Roberts, Secretary
Ontario Region

Paul Hand, Member
Atlantic Region

Denis Poirier, Member
Québec Region

John Meloche, Member
Central Region

Frank Covello, Member
Metro-Toronto Region

George Britton, Member
Prairie Region

Svavar Tryggvason, Member
Pacific Region

primarily to dues to be returned to members.

Chart 1

Change in Group Membership January 1 to June 30, 2002

	Group 1	Group 2	Group 3	Group 4	Group 5	Private Sector	Unknown	Total
January	21,732	25,903	777	81	28	460	858	49,839
February	21,143	25,758	777	84	28	460	349	48,599
March	20,975	25,701	772	85	28	464	335	48,360
April	21,037	25,853	772	85	28	463	299	48,537
May	20,853	25,765	773	85	28	465	295	48,264
June	20,656	25,758	774	86	28	483	289	48,074
Change	- 1,076	-145	-3	5	0	23	-569	-1,765

Chart # 1 divides the entire membership into groups, private sector members and unknown members. The numbers reflected in the chart also include temporary employees.

Chart 2

Change in full-time, part-time and temporary January 1 to June 30, 2002

	Full-time	Part-time	Temporary	Unknown
January	34,814	6,875	8,092	58
February	34,860	6,825	6,856	58
March	34,821	6,747	6,735	57
April	34,896	6,838	6,747	56
May	34,949	6,840	6,415	60
June	34,895	6,891	6,231	57
Change	81	16	-1,861	-1

Chart # 2 divides the entire membership into full-time, part-time, temporary and unknown members.

Chart 3

Change in membership status January 1 to June 30, 2002

	MIGS	Members	Rand	Unknown
January	41,588	3,081	5,112	58
February	41,471	2,954	4,116	58
March	41,348	2,926	4,029	57
April	41,502	2,985	3,994	56
May	41,459	2,977	3,768	60
June	41,293	2,945	3,779	57
Change	-295	-136	-1,333	-1

Chart # 3 divides the entire membership into the number of members in good standing, members, Rand members and unknown members. The numbers reflected in the chart also include temporary employees. Note: The bottom line of each chart indicates the change in the number of members from January 1 to January 30, 2002. The National Board of Trustees have attributed this change primarily to the decrease in the number of temporary employees used during the period in question. It is also important to note that the numbers in each chart were obtained from computer printouts provided by the Director of Finance and Administration under the direction of the National Secretary-Treasurer.

Chart 4

Revenue and Expenses June 30, 2002

Payment received		\$ 2,821,940.78
Dues from refund balance		1,516.81
Dues suspensions released		6,306.99
Total Revenue		2,829,764.58
Local rebate	\$ 628,932.25	
Extra Local rebate	30,109.00	
Local assessments	127,653.19	
Total Local Payments		755,802.48
Federations of Labour per capita		30,891.96
Optional insurance		173,512.79
Unapplied payments		3,160.89
Payments suspended		9,709.89
Basic insurance		56,689.00
Reserve Fund		94,339.78
General Fund		1,705,657.79
TOTAL DISTRIBUTION		\$ 2,829,764.58

* The amount shown as "Total Local Payments" includes a deduction for the payments to the Federations of Labour.

Chart # 4 above provides a financial view of the distribution of funds received for the month of June, 2002 only.