

IN THE MATTER OF AN ARBITRATION

BETWEEN:

**CANADA POST CORPORATION
("the Corporation")**

-and-

**CANADIAN POSTMASTERS AND ASSISTANTS ASSOCIATION
("the Association")**

**RE: FINAL OFFER SELECTION OF THE TERMS AND CONDITIONS
OF THE CPC/CPAA COLLECTIVE AGREEMENT**

SOLE ARBITRATOR: Michel G. Picher

APPEARANCES FOR THE CORPORATION:

Mary Gleason	- Counsel
Annie Berthiaume	- Counsel
Peter Mactavish	- Counsel
Barbara Zdansky	- Director, Labour Relations
Barry Beadow	- Director, Finance
Brett Demers	- Officer, Labour Relations
Clint Schafer	- Local Area Manager
Sonia Dupuis	- Manager Labour Relations

APPEARANCES FOR THE ASSOCIATION:

Sean McGee	- Counsel
Leslie Schous	- National President
Daniel Maheux	- National Secretary-Treasurer
Darwin Hoimyr	- President, Saskatchewan Branch
Karen MacDonald	- President, Maritime Branch
Jacinthe Turcotte	- President, Quebec Branch

Hearings in this matter were held in Ottawa, Ontario on May 7 and 8, 2010.

AWARD

This interest arbitration concerns the resolution of issues in dispute relating to the terms and conditions of the collective agreement of the parties, by final offer selection. The parties appeared before me to mediate the terms of their collective agreement and to settle the outstanding issues that they had not agreed to. This Award establishes the provisions of the parties' collective agreement extending over a five-year period, ending December 31, 2014. The agreement shall contain all the provisions agreed to by the parties (as contained in their respective final offer proposals) as well as my ruling on the one outstanding issue, as detailed below.

The bargaining unit is comprised of postmasters and assistants responsible for providing retail services. They variously work in grade and group offices, on company premises and from their own private premises.

The current round of collective bargaining involved some twenty-five (25) days of negotiations in the period between May 5, 2009 and February 16, 2010, plus two days of mediation before me. Article 60.03 of the collective agreement contemplates either party invoking final offer selection as the means for resolving an impasse. On February 2, 2010 the Association gave notice of its intent to refer all outstanding items to final offer selection arbitration under the terms of article 60.03 of the collective agreement.

The parties nominated me first to mediate and then arbitrate and settle the issues that were not resolved during mediation. This arbitration is the result of that process.

The Arbitrator must record that the parties have been cooperative and constructive in their negotiations. In the result, by the time of the tabling of their respective final offers submitted to me pursuant to article 60.03 of the collective agreement, all issues save wages were finally agreed. With respect to wages the position of the Corporation, based on its submissions concerning falling revenues and mail volumes as a result of an economic recession which commenced in 2008, is limited to an offer of a general wage increase of 1.9 percent in each of the five (5) years of the new collective agreement. The final offer of the Canadian Postmasters and Assistants Association differs from that of the Corporation in that the Association proposes a general wage rate increase of 2.75 percent in the first year of the collective agreement, and 1.9 percent for each of the subsequent years with the agreed-to reopener after the second year.

In considering the respective positions of the parties on the issue of wages the Arbitrator is compelled to take a number of factors into consideration. One factor is to ensure that the members of the bargaining unit are compensated for the first year of their collective agreement (2010) at a rate, after an increase, which maintains their relative position vis-à-vis the members of other bargaining units. However, a second factor of equal importance is to recognize that in the following years compensation must realistically reflect an ongoing recession and its impact on the Corporation's business,

as is reflected in the settlement reached by A.P.O.C. at a 1.9 percent wage increase over a five-year period.

I therefore award the wage proposal of the Association, mindful that the agreed – to reopener will allow either party to seek future adjustments, including where changing economic circumstances justify such an adjustment.

I retain jurisdiction in the event of any dispute between the parties concerning the interpretation or implementation of this Award.

Dated at Ottawa, Ontario this 4th day of June, 2010.

Michel G. Picher
Arbitrator