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**MEMORANDUM OF AGREEMENT
CONCERNING THE RURAL ROUTE AND
SUBURBAN SERVICE CONTRACTORS**

BETWEEN

**CANADA POST CORPORATION
("CANADA POST")**

AND

**THE CANADIAN UNION OF POSTAL
WORKERS**

("CUPW")

Canada Post and CUPW acknowledge as follows:

During the current round of collective bargaining respecting CUPW's main bargaining unit, CUPW has stated that acquiring representation rights for Rural Route and Suburban Service Contractors ("RRSSCs") continues to be a key union bargaining demand;

Canada Post and CUPW wish to conclude a collective agreement for the main bargaining unit;

Canada Post is willing to offer employment to RRSSCs under the terms set out in this Memorandum of Agreement ("Agreement") which is conditional upon the ratification, execution and implementation of the tentative collective agreement for the main bargaining unit entered into by the parties on the 26th day of July 2003;

CUPW has provided evidence satisfactory to Canada Post that a majority of RRSSCs have signed CUPW membership cards in the year immediately preceding the date of this Agreement;

CUPW and Canada Post agree that a bargaining unit composed only of RRSSCs is appropriate for collective bargaining;

CUPW and Canada Post expressly agree and acknowledge that a bargaining unit combining RRSSCs with other Canada Post employees would not be appropriate for collective bargaining and would give rise to significant labour relations difficulties;

The collective agreement for the RRSSCs bargaining unit comes into effect on January 1, 2004, save for the arbitration procedure which comes into effect in accordance with paragraph 21 for the purposes of resolving disputes under paragraphs 15, 16 and in cases of unilateral termination for cause of a Mail Transportation and Delivery Agreement.

CUPW and Canada Post agree as follows:

1. Canada Post agrees to provide RRSSCs with the opportunity to become employees of Canada Post and recognizes CUPW as the exclusive bargaining agent for a bargaining unit composed exclusively of these future employees in accordance with this Agreement.
2. This Agreement applies to all RRSSCs and those qualified persons performing the duties of an RRSSC to whom an offer of employment is made pursuant to paragraph 5 of this Agreement.
3. For the purposes of this Agreement, an RRSSC is the signatory of a Mail Transportation and Delivery Agreement with Canada Post that is in effect on the effective date of this Agreement.

4. Forthwith after the date this Agreement comes into effect, Canada Post will provide each RRSSC with at least ninety (90) days' notice of termination in accordance with the provisions of the Mail Transportation and Delivery Agreement.

5. (a) At the same time Canada Post provides the notice of termination in accordance with paragraph 4, Canada Post will offer employment to those same persons, to continue to perform their Schedule "A" of the Mail Transportation and Delivery Agreement services as employees of Canada Post, commencing with the expiry of the notice period, provided that they fulfill and meet all the requirements of employment as defined herein.

(b) In the case of a Master Contractor, a person who has a contract or contracts for more than one route, Canada Post will offer employment to that person for one route provided that he or she fulfills and meets all the requirements of employment as defined herein. Employment on all other routes will be offered to the person who actually and regularly performed the duties of the RRSSC on the route on July 26, 2003, provided he or she fulfills and meets all the requirements of employment as defined herein.

(c) In the case of a contract held by a corporation, the owner of the corporation will be offered employment for one route provided that he or she fulfills and meets all the requirements of employment as defined herein.

6. For the purposes of this Agreement, a person shall be considered to meet all the requirements of employment if that person can demonstrate that he or she is qualified to perform all the duties of the route, has

been granted security clearance, and has and will continue to provide the vehicle required by Canada Post for delivery on the route on which the person is employed.

7. Within forty-five (45) days of the receipt of the offer of employment, each RRSSC must confirm in writing his or her acceptance of the offer of employment and demonstrate that he or she meets all the requirements set out in paragraph 6.

Upon acceptance of the offer of employment, Canada Post shall have no further obligation to, or with respect to, the RRSSC arising from any other contracts, agreements or arrangements.

Effective January 1, 2004 Canada Post's obligations in respect of the RRSSC shall be limited to those arising under this Agreement and the collective agreement negotiated by CUPW and Canada Post respecting the RRSSCs.

For greater certainty, during the notice period, the working terms and conditions of RRSSCs who have accepted employment offers made pursuant to paragraphs 5 and 9 will be governed by this Agreement and their individual Mail Transportation and Delivery Agreements. The working terms and conditions of RRSSCs who have not accepted employment offers will continue to be governed by their individual Mail Transportation and Delivery Agreements.

8. Any RRSSC who does not confirm in writing his or her acceptance of the offer of employment within forty-five (45) days shall be deemed to have declined the offer of employment. The RRSSC's Mail Transportation and Delivery Agreement shall terminate at the expiry of the notice period and Canada Post shall have no further liability or obligation whatsoever to or with respect to the RRSSC.

9. (a) If an RRSSC declines or is deemed to have declined the offer of employment, an offer of employment may be made to a qualified

person who actually and regularly performs duties of the RRSSC on that route, if that person fulfils and meets all requirements.

- (b)** If a qualified person who actually performs duties of the RRSSC on that route declines or is deemed to have declined the offer of employment, an offer of employment may be made to a qualified person who actually and regularly performs duties of a helper of the RRSSC on that route, if that person fulfills and meets all the requirements.

10. The provisions of paragraphs 6 to 8 apply to an offer of employment made pursuant to paragraph 9, except Canada Post may stipulate a reasonable time less than forty-five (45) days for receipt of a written response to an offer of employment.

11. If the qualified person to whom an offer is made pursuant to paragraphs 7, 8 and 9 declines or is deemed to have declined the offer, then Canada Post may fill the vacancy in any manner it considers appropriate.

12. Canada Post shall advise CUPW of the name and work location of all employees hired into the new bargaining unit during the notice period.

13. Nothing in this Agreement has the effect of changing any current corporate policy, practice or process related to the RRSSCs i.e. business as usual.

14. Canada Post and CUPW shall establish forthwith a Transition Committee, which shall have the authority to consider any dispute with respect to the interpretation or application of this Agreement, and make recommendations for resolving the dispute. The Transition Committee's authority shall be restricted to interpreting and applying the provisions of this Agreement and the Transition Committee shall not recommend additions or alterations to this Agreement in any manner.

15. Where a difference arises between Canada Post and CUPW relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting the Transition Committee process contemplated by this Agreement, notify the other party in writing of its desire to submit the difference or allegation to arbitration under the procedure set out in the Rural and Suburban Mail Carriers collective agreement.

16. Any Mail Transportation and Delivery Agreement(s) expiring during the notice period shall be automatically extended to December 31, 2003.

17. CUPW agrees to withdraw its application dated January 10, 2003 made to the Canada Industrial Relations Board pursuant to sections 18, 18.1 and 24 of the *Canada Labour Code* (CIRB File No. 23454-C).

18. Canada Post agrees to withdraw its application dated January 17, 2003 made to the Canada Industrial Relations Board pursuant to sections 97(1), 50(a) and 95(a) of the *Canada Labour Code* (CIRB File No. 23470-C).

19. This agreement is conditional upon ratification by the future bargaining unit employees.

20. Canada Post and CUPW agree and acknowledge that any modifications and amendments to the collective agreement made by CUPW in bargaining respecting CUPW's main bargaining unit are not conditional on the success of Canada Post's voluntary recognition herein of a separate bargaining unit of Rural and Suburban Mail Carriers.

21. This agreement comes into effect on the date the tentative collective agreement by the main bargaining unit has been ratified and executed.

ARTICLE 1

PURPOSE OF COLLECTIVE AGREEMENT

1.01 Purpose

The purpose of this collective agreement is to establish and maintain a harmonious relationship between Canada Post Corporation (hereinafter referred to as "Canada Post" or the "Corporation"), its employees and the Canadian Union of Postal Workers (hereinafter referred to as the "Union") and to provide procedures for the resolution of problems that may arise during the term of this agreement.

ARTICLE 2

MANAGEMENT RIGHTS

2.01 Rights

It is recognized that Canada Post has the exclusive right to manage and operate its business as it sees fit, subject only to the restrictions imposed by law or by the terms of this collective agreement.

ARTICLE 3

RECOGNITION

3.01 Sole and Exclusive Bargaining Agent

The Corporation recognizes the Union as the sole and exclusive bargaining agent of all the employees exercising the function of delivery of mail on rural and suburban service routes.

This group of employees constitutes the bargaining unit to which this collective agreement applies.

ARTICLE 4

UNION DUES

4.01 Dues

- (a) The Corporation shall, as a condition of employment, deduct from the monthly earnings of all the employees in the bargaining unit, the ordinary membership dues of the Union, the amount of which may vary according to different locations.
- (b) The Corporation shall not levy a charge upon the Union or its members for rendering this service.
- (c) Subject to the provisions of this article, the Corporation shall also deduct, as Union dues, a special levy ordered by the Union, not more than once a year, provided that this levy is uniform and is payable by all the employees of the bargaining unit. The special levy shall, at the request of the Union, be deducted over a period of more than one (1) month.

4.02 Setting of Dues

The Union shall inform the Corporation by means of a data storage medium of the authorized membership dues to be checked off in accordance with clause 4.01.

4.03 Dues Begin Immediately

For the purpose of applying clause 4.01, deductions from pay for each employee in respect of each month will start from the first month of employment to the extent that earnings are available. Where an employee does not have sufficient earnings in respect of any month to permit deductions, the Corporation shall not be obliged to make such deductions from subsequent salary.

4.04 Remit Dues the Next Month

The amounts deducted in accordance with paragraph 4.01(a) shall be remitted to the Union by electronic funds transfer on the 15th of the month following the month in which the deductions were made and shall be accompanied by particulars identifying each employee and the deductions made on his or her behalf.

4.05 Corporation's Liability on Check-Off

The Union agrees to indemnify and save the Corporation harmless against any claim or liability arising out of the application of this article, except for an error committed by the Corporation in the amount of dues deducted; however,

- (a) where such error results in the employee being in arrears for dues deductions, recovery is to be made by making one additional deduction each month in an amount not to exceed the established monthly deduction until the arrears are recovered in full;

- (b) where such an error results in an overdeduction of dues and the money has not been remitted to the Union, the Corporation shall reimburse the employee in the amount of the overdeduction. Such overdeduction shall be reimbursed under normal circumstances in the month following the month in which the overdeduction and the failure to remit the dues to the Union are verified.

4.06 Additional Information

The Corporation agrees to provide the Union with all necessary supplementary information including computerized data in order that the bargaining agent may adequately verify the check-off

of Union dues for all employees belonging to the bargaining unit.

The Corporation will provide the Union with all available information related to Union dues.

4.07 Compulsory Membership

- (a) Any employee hired after the signing of this collective agreement, shall, as a condition of employment, become a member of the Union at the time of hiring, or as soon as possible, in accordance with clause 6.03.

- (b) The Corporation will not be obliged to terminate any employee whose membership rights have been revoked by the Union.

4.08 T4 Slips

The Corporation shall report on the employees' T4 slips and Relevés 1 the amount deducted as union dues provided the Union is complying with the requirements and conditions imposed by legislation, regulation or governmental administrative practices in respect of such report. The reported amount shall reflect the amount appearing on the pay stubs for the corresponding taxation year.

ARTICLE 5

DISCRIMINATION

5.01 Discrimination

There shall be no discrimination, interference, restriction, coercion, harassment, intimidation, or stronger disciplinary action exercised or practiced with respect to an employee by reason of age, race, creed, colour, national origin, political or religious affiliation, sex, physical or emotional handicap, sexual orientation, marital status, family status, conviction for an offence for which a

pardon has been received, or membership or activity in the Union.

ARTICLE 6

COMMUNICATIONS

6.01 Information Essential to the Union

The Corporation shall provide the Union with copies of written communications issued by the headquarters of the Corporation that affect working conditions or conditions of employment of employees in the bargaining unit, and this, at least thirty (30) calendar days before the introduction of a change.

6.02 Notification of the Union

Whenever one of the events described in Appendix "B" occurs, the Corporation agrees to provide, without delay but within fifteen (15) calendar days, the Union with the information listed in Appendix "B".

In the event that multiple changes are made and the information is identical, the name, address and employee number of the employees affected may be included and attached to the Notice of Change as described in Appendix "B".

6.03 New Employees

(a) The Corporation agrees to acquaint new employees with the fact that a collective agreement is in effect. As soon as possible, the Corporation shall provide the employee with a copy of the collective agreement and introduce him or her to his or her Union steward and his or her alternate, when he or she is available in the postal installation.

- (b) As soon as possible after the first day of work of new employees or employees in a new position, the steward or his or her alternate shall be introduced to him or her, when available in the postal installation, and shall be allowed, during the hours of work, a period of fifteen (15) minutes to confer with them.

6.04 List of Installations

The Corporation shall provide the Union with a list of the postal installations in which employees work within thirty (30) calendar days of the signing of this collective agreement. This list shall indicate the routes attached to each postal installation.

The Corporation shall advise the Union, in writing, of any subsequent change to the list at least thirty (30) calendar days in advance.

6.05 Correspondence

Each party shall notify the other of the officers at the respective levels to whom correspondence and contacts should be directed and of any changes that may occur.

6.06 Electronic Version

During the life of the collective agreement, the parties at the national level may agree to exchange documents or reports referred to in the collective agreement by electronic means.

ARTICLE 7

UNION-MANAGEMENT MEETINGS

7.01 Principle

The Corporation and the Union recognize the need for constructive and meaningful consultation on any

issue of mutual interest covered in this collective agreement. They also recognize that consultation may involve an exchange of information, research and consideration of each party's views and opinions, as well as discussions. They agree that consultation does not imply reaching an agreement nor does it interfere with the parties' rights under this collective agreement.

7.02 Level of Consultation

Consultation may be held at the national level or at any other level agreed to between the parties.

7.03 Consultation Meetings

When a party requests a consultation meeting on a given issue, the other party shall accept and agree on a date and time. A location shall be mutually agreed to by the parties. Premises will be provided by the Corporation.

7.04 Minutes

The Corporation shall provide the participating Union representatives with minutes (as complete as possible) of the proceedings of any Union-management meeting within a period which shall not exceed fifteen (15) working days of the date the meeting was held.

In the case of meetings at the local level, a copy of the minutes is sent within the same time limit to the National Director responsible of the local concerned.

7.05 Representatives

Full-time representatives of the Union may attend, without restrictions, any union-management meeting at any level.

ARTICLE 8

SENIORITY

8.01 Continuous Employment

For the purposes of this collective agreement, "continuous employment" shall mean the length of continuous service of an employee since the date of his or her last hiring as an employee of the Corporation.

8.02 Seniority

Seniority shall be determined by the length of continuous employment of the employee within the bargaining unit since his or her last date of entry in the unit.

8.03 Posting and Updating of Seniority Lists

(a) The Corporation shall maintain updated seniority lists by province or territory, as applicable. It shall send the revised lists to the local of the Union. It shall post such revised lists in each postal installation every six (6) months.

As soon as possible following the posting, the Corporation shall provide a copy of the seniority list to any employee who is not required to go to a postal installation to receive mail to be delivered.

(b) The seniority list shall include the following information:

- employee's name
- seniority date
- work location (postal installation)

8.04 Accumulation of Seniority

Seniority continues to accumulate when an employee works outside the bargaining unit on a temporary basis, provided it is not in a managerial or supervisory position.

Seniority does not continue to accumulate when an employee works outside the bargaining unit on a temporary basis in a managerial or supervisory position.

ARTICLE 9

GRIEVANCE AND ARBITRATION

9.01 Definitions

In this article:

- (a) "*grievance*" means a written complaint presented by the Union or the Corporation that is submitted in accordance with the applicable procedures contained in this article and which sets out any difference relating to the interpretation, application, administration or alleged violation of any provision of this agreement.
- (b) "*authorized representative of the Union*" means a person designated by the Union to deal with grievances.
- (c) "*union steward*" means a postal employee appointed or elected by the Union to act as an authorized representative of the Union. In

the event that the union steward is unable to perform his or her function, the Union will designate or substitute another postal employee to act on his or her behalf.

- (d) “*authorized representative of the Corporation*” means a person authorized to deal with grievances.

9.02 Right of Employees to Complain

- (a) An employee may attempt to resolve, with his or her supervisor, any problem or disagreement relating to his or her working conditions prior to using the grievance procedure. In such a case, the employee, if he or she so wishes, may be accompanied by a union steward. If necessary, such union representation may be done by telephone.
- (b) A union steward may also attempt to resolve, with a supervisor or other representative of the Corporation, any problem or disagreement relating to the working conditions of employees prior to using the grievance procedure.
- (c) Discussions held under this clause shall be conducted without prejudice and shall not affect the rights of the parties should a grievance be filed at a later date.

9.03 Representatives

The parties shall notify each other of the names and areas of jurisdiction of the persons authorized to represent them for the purposes of this article and shall promptly notify each other of any changes.

9.04 Recognition of Union Stewards

Union stewards shall have the right to investigate complaints and to prepare and present

grievances in accordance with the procedures herein provided for and, for that purpose, shall have the right to meet or communicate with the employee on behalf of whom the grievance could be submitted. This right will be granted as soon as possible and will not be unreasonably withheld.

If the union steward is an employee in the bargaining unit, the performance of the above functions shall not cause any change in the services to the customers nor the payment of overtime.

9.05 Presentation of Grievances

Where the Union wishes to present a grievance, an authorized representative shall transmit the grievance to an authorized representative of the Corporation, who shall forthwith:

- (a) enter on the grievance and the copies the date on which the grievance was received;
- (b) provide the Union representative with a copy of the grievance;
- (c) forward the grievance to the representative of the Corporation authorized to reply to the grievance.
- (d) The Corporation agrees to distribute to the Union copies of the grievances submitted and copies of its reply in the following manner:
 - 3rd copy to the national office of the Union;
 - 4th copy to the regional office of the Union;
 - 5th copy to the local office of the Union;
 - 6th copy to the employee on behalf of whom the grievance has been submitted.

9.06 **Time Limits on Grievances**

A grievance concerning only one employee shall be presented not later than the twenty-fifth (25th) working day after the date on which the employee knew or ought reasonably to have known of the facts giving rise to the grievance.

All other grievances shall be presented within twenty-five (25) working days from the time the Union knew or ought reasonably to have known of the facts giving rise to the grievance.

9.07 **Description of the Grievance**

The written description of the nature of the grievance shall be sufficiently clear so as to determine the relationship between the grievance and the provisions of the collective agreement. During the grievance and arbitration procedure, the grieving party shall, at the request of the other party, endeavor to clarify the written description of the grievance. The written description of the grievance may be clarified without changing the substance of the grievance.

9.08 **Right to Present a Policy Grievance**

An authorized representative of the Union may present a policy grievance at any time in order to obtain a declaratory decision. A policy grievance may be presented in the following cases:

- (a) where there is a disagreement between the Corporation and the Union concerning the interpretation or the application of the collective agreement;

- (b) where the Union is of the opinion that a policy, directive, regulation, instruction or communication of the Corporation has or will have the effect of contravening any provision of the collective agreement, of causing

prejudice to employees of the Union or of being unjust or unfair to them.

9.09 Grievance Meetings

The parties agree that grievances shall be processed as expeditiously as possible. They agree that representatives authorized to resolve grievances shall meet or communicate on a regular basis in order to discuss the grievances and try to resolve them.

9.10 Reply to Grievance

Within twenty-five (25) working days after receipt of a grievance, the Corporation shall reply in writing to the grievance and include its codification. The reply shall be sufficiently clear so as to determine the relationship between the collective agreement, the grievance and the decision.

If the Corporation does not reply to the grievance within the prescribed time limit, the grievance may be referred to arbitration after the expiration of the time limit.

9.11 If the grievance is sustained, the corrective action requested should be implemented without delay and the employee on whose behalf the grievance was submitted and the Union will be provided with written notice of the action taken to implement the decision.

9.12 Reference to Arbitration

A grievance shall be referred to arbitration within thirty (30) working days of the receipt of the reply given under clause 9.10 by written notice to the Corporation.

This time limit may be extended by agreement of the parties or by the arbitrator if he or she is satisfied that there are reasonable grounds for the extension and that the other party will not be prejudiced by the extension.

9.13 Sole Arbitrator

Grievances referred to arbitration shall be heard by a sole arbitrator. The following persons shall act as arbitrators under the formal or regular arbitration procedure to hear grievances coming from the area for which they are appointed:

ATLANTIC PROVINCES

Susan Ashley
Milton Veniot

PROVINCE OF QUEBEC AND NUNAVUT

Jean-Guy Ménard
Denis Nadeau
François Hamelin

PROVINCE OF ONTARIO

Kathleen O'Neil
Pamela Chapman
Barry Stephens

PROVINCES OF ALBERTA, MANITOBA AND
SASKATCHEWAN AND NORTHWEST
TERRITORIES

Arne Peltz
William Hamilton
John Moreau

PROVINCE OF BRITISH COLUMBIA, AND THE
YUKON

James Dorsey
Colin Taylor

9.14 The national list of arbitrators will be used for grievances concerning the unit as a whole, grievances concerning the Union as such, grievances concerning employees in more than one area and policy grievances.

NATIONAL LIST OF ARBITRATORS

Jean-Guy Ménard
Pamela Chapman
Susan Stewart

9.15 All grievances shall be assigned to an arbitrator by the party who submitted the grievance, in the chronological order in which they were referred to arbitration, unless the grievance has been placed in abeyance or unless the parties agree otherwise.

The arbitrator is chosen in rotation from the lists established under clauses 9.13 and 9.14.

Where the designated arbitrator is unable to commence the hearing of the grievance within sixty (60) calendar days or where he or she refuses or is unable to act, the Union may then call upon the following arbitrator of the appropriate list to hear the grievance.

9.16 Hearing Dates

- (a) The arbitrator shall promptly hear the parties. The arbitrator may proceed in the absence of a party if such party was duly notified of the hearing.
- (b) Forthwith upon the signature of this agreement and periodically thereafter, the

parties shall make arrangements with every arbitrator to set apart in advance a list of hearing days for each month of the year. The number of days so determined by all the arbitrators of an area shall allow enough time to expeditiously dispose of all the grievances coming from this area. In case of disagreement between the parties on the number of days or on the specific dates that an arbitrator shall set apart for the parties, he or she shall decide.

- (c) Notwithstanding the above, the parties agree that no hearings shall be held between December 10 and January 3 inclusively. Moreover, the parties shall set apart no more than one (1) hearing date for each arbitrator from December 1 to December 9.

9.17 Location of the Sittings and the Language of Arbitration

The language of the hearing shall be determined by the Union. The parties shall agree on the location of the hearing or the arbitrator shall decide. The sittings of arbitration shall be held in the Corporation's offices or in any other facility provided by the Corporation.

9.18 Arbitration Procedures

- (a) Grievances are heard under the formal or the regular arbitration procedure.
- (b) Unless agreed otherwise between the parties, grievances concerning termination of employment, grievances concerning the bargaining unit as a whole or employees in more than one area, grievances that concern the Union as such, policy grievances, grievances involving significant monetary or contractual issues and complex grievances shall be heard in the formal arbitration procedure.

(c) All other grievances are heard under the regular arbitration procedure.

9.19 Where an issue will be dealt with at formal arbitration such that it may have an influence on the disposition of other grievances that are part of the regular procedure inventory of grievances, the parties shall keep those regular procedure grievances in abeyance until the issue is disposed of at formal arbitration.

9.20 Formal Arbitration Procedure

It is understood that the arbitrator shall be vested with all the powers conferred upon him or her by the *Canada Labour Code*.

The arbitrator shall not modify the provisions of this collective agreement.

9.21 The arbitration award must state the grounds on which it is based and be rendered as expeditiously as possible. The arbitrator may render the decision immediately, but must give reasons later on provided it is done within sixty (60) working days after the decision, unless, owing to circumstances beyond the control of the arbitrator, it is not practicable to do so. In such a case, the award shall be executed without waiting for the reasons.

9.22 The award of the arbitrator shall be final and executory. It shall be binding upon the Corporation, the Union and the employees. The final decision rendered by an arbitrator binds the Corporation, the Union and the employees in all cases involving identical or substantially similar circumstances.

9.23 The Corporation and the Union shall share equally the fees and expenses of the arbitrator.

9.24 **Regular Arbitration Procedure**

The regular arbitration procedure is an informal procedure meant to facilitate and accelerate the resolution of grievances arising out of the application of the collective agreement. The parties therefore agree not to use lawyers in this procedure and to conduct the hearing in the most informal and expeditious way possible. They further agree to meet at least one week prior to the arbitration hearing to attempt to settle the grievance, to agree on the facts relevant to each grievance and to exchange documents and authorities. They finally agree that they will attempt to minimize the use of witnesses during the hearing.

9.25 Whenever possible, the arbitrator shall deliver his or her decision orally at the conclusion of the hearing and give a brief resume of his or her reasons and confirm his or her conclusions in writing thereafter. When the decision is not delivered orally at the conclusion of the hearing, the arbitrator shall render it in writing within thirty (30) days.

9.26 The decision of the arbitrator shall be final and executory. It shall be binding upon the Corporation, the Union and the employees. However, the decision shall not constitute a precedent and shall not be referred to in subsequent arbitrations.

9.27 The provisions of clauses 9.20 and 9.23 shall apply to the regular arbitration procedure.

9.28 **Grievances Held in Abeyance**

The parties agree to hold in abeyance any unresolved disciplinary grievance where discipline was imposed with no financial impact on the employee such as reprimands or waived suspensions and those relating to measures taken by the Corporation with respect to the attendance of an employee.

These grievances shall be kept in abeyance until either party wishes to rely on the

presence or absence of such discipline or measures taken by the employer with respect to the attendance of the employee in relation to another relevant issue or, at the latest, twelve (12) months from the date of the alleged infraction or employer dissatisfaction. At the expiration of the twelve (12) months, the grievance shall be deemed to be settled.

9.29 Grievances of the Corporation

Where the Corporation wishes to present a grievance, it shall be transmitted to a national officer of the Union and clauses 9.06 to 9.12 shall apply with the necessary changes.

Any grievance of the Corporation referred to arbitration shall be heard by a single arbitrator from the national list in clause 9.14 and under the formal arbitration procedure. Clauses 9.15 to 9.17 and 9.20 to 9.23 shall then apply with the necessary changes.

9.30 Translation

Any translated arbitration decision shall be forwarded to the Union. It is understood that the translated version shall not be regarded as official.

ARTICLE 10

DISCHARGE AND DISCIPLINE

10.01 Just Cause

No disciplinary measure, including discharge, shall be imposed on any employee without just, reasonable and sufficient cause and without him or her receiving a written notice showing the grounds on which the disciplinary measure is imposed.

In any arbitration relating to a disciplinary measure, the evidence offered by the Corporation

shall be confined to the grounds mentioned in this notice.

10.02 Personal File

- (a) The Corporation shall inform the employee in writing of any source of dissatisfaction with him or her within ten (10) working days following the date of the incident or of its coming to the attention of the Corporation. Should the Corporation fail to provide such notice, it cannot use this source of dissatisfaction against the employee in the grievance procedure or at arbitration.

- (b) Any unfavourable report concerning an employee shall be withdrawn from his or her file twelve (12) months following the incident at issue as well as any response or comment made by the employee regarding this unfavourable report.

10.03 Access to Personal File

Upon written request from an employee, he or she and/or his or her Union representative shall have access to his or her personal file in the presence of an authorized representative of the Corporation. At no time shall an employee or his or her representative remove from his or her personal file any document contained therein. Access to the files will be granted within a reasonable period of time.

10.04 Interviews

The Corporation agrees to notify an employee in writing, twenty-four (24) hours in advance of any interview of a disciplinary nature or related to his or her attendance record and to indicate the purpose of the meeting, including whether it involves the employee's personal file.

10.05 Right to Representation

- (a) An employee requested to attend an interview shall have the right, if so requested, to be accompanied and represented by a union representative. Right to representation shall not cause the interview to be unduly delayed.

- (b) Any delay of time so caused will not be included in the calculation of the ten (10) working day time limit provided in paragraph 10.02(a).

10.06 Termination of Employment

Article 9 and clause 10.01 shall apply, with the necessary changes, to any form of termination of employment decided by the Corporation.

ARTICLE 11

RESTRUCTURING OF ROUTES

11.01 Maintain Existing Routes

All routes that existed when this collective agreement came into effect shall be maintained until decided otherwise by the Corporation in accordance with the provisions of this article.

11.02 Changes to Routes

Adjustments to wages to reflect changes to a route that do not affect other routes shall be made in accordance with Appendix "A".

11.03 Combining Routes or Adjusting Workload Between Routes

Reallocation of work from one route to another resulting in an adjustment greater than five percent

(5%) but less than twenty percent (20%) will result in a proportional decrease or increase in the annual remuneration of the affected routes.

Should there be a disagreement on the remuneration reallocation from one route to the other, the Transition Committee will be requested to make a recommendation to the parties on a fair and equitable distribution.

11.04 Revision of Routes

- (a) Until an evaluation, revision and restructuring system is implemented at the recommendation of the Transition Committee, the Corporation may evaluate, revise or restructure routes for legitimate business reasons.

The Corporation shall not structure routes for more than forty (40) hours per week on average over a four (4) week period.

- (b) When changes to a route impact twenty percent (20%) or more of the workload, or of the number of kilometres travelled or of the number of points of call, the Transition Committee shall make recommendations to the parties for the adjustment of the remuneration.

11.05 Information to the Transition Committee

When a route is modified as described in clauses 11.03 and 11.04, the Corporation shall notify the Transition Committee as soon as possible and provide it with all relevant information.

ARTICLE 12

FILLING OF VACANT ROUTES

12.01 “Vacant Route”

A route shall be considered vacant when the incumbent ceases to be an employee, becomes the incumbent of another route or position, or when an additional route is created.

12.02 Merging Routes

Prior to filling a vacant route, the Corporation will explore the feasibility of merging all or part of the route with one or several other routes provided the total duration of work in the modified routes does not exceed forty (40) hours per week on average over a four (4) week period. Should there be a disagreement on the remuneration reallocation from one route to the other, the Transition Committee will be requested to make a recommendation to the parties on a fair and equitable distribution.

For the purpose of this clause, the Transition Committee will identify in advance the locations where it would be possible and appropriate to merge routes and will make recommendations to the Corporation.

12.03 Employees from other postal installations

This clause shall take effect January 1st, 2009.

When the Corporation decides that an additional rural and suburban mail carrier is required in a postal installation to fill a vacant route, qualified employees employed within fifty (50) kilometres of the postal installation may submit their application.

The senior qualified employee from among the applicants shall be appointed to the postal installation and be included in the process outlined in clause 12.04.

He or she shall remain in this postal installation for a minimum period of two (2) years, unless this restriction is waived by the Corporation.

The posting, application and appointment processes shall be determined by the Corporation following national consultation.

If a recall list exists for the postal installation, this clause shall not be applied until clause 23.01 is applied.

12.04 Filling of Vacant Routes

When a route becomes vacant and the Corporation decides to fill it, the route shall be offered to the senior qualified rural and suburban mail carrier in the postal installation, including those employees whose name is on the recall list for the postal installation, if applicable.

12.05 Definition of Qualified

To be deemed "*qualified*", the employee must have completed his or her probation period and be able to fulfill the operational requirements of the route as outlined in the specifications identified in the Schedule "A" of the Mail Transportation and Delivery Agreement for the vacant route, including the ability to supply the specified vehicle.

12.06 Training

Prior to commencing duties on the new route, the employee shall perform the duties of the vacant route for a maximum of two (2) consecutive working days, accompanied by either the current employee or, in his or her absence, the qualified replacement for the vacant route, in order to be trained on the Schedule "A" of the Mail Transportation and

Delivery Agreement duties of the new route. New employees will receive up to five (5) days of training. These paid days of training shall form part of the financial cap set out in Article 35.

12.07 Replacement During Training

The employee who is on the training required by clause 12.06 shall provide a qualified replacement to perform the duties of his or her own route, unless the Corporation has provided an on call relief employee to cover the route.

12.08 Selection Process

Following the application of clauses 12.03 and 12.04, any route that remains vacant will be filled by an external hiring process. Qualified employees may apply when a position is made available through the external hiring process. In the application of the selection process, priority consideration will be given to employees.

An employee moving to a new work location under this clause shall maintain his or her continuous service and seniority.

ARTICLE 13

HOURS OF WORK

13.01 Normal Workday and Workweek

The normal workday and workweek shall correspond to the time needed each day and each week to perform the work required on a route. However, the normal workweek shall not exceed forty (40) hours on average, calculated over a four (4) week period. The normal workweek is five (5) days or less.

13.02 **Adjustment in the Normal Workday and Workweek**

Any employee whose average workweek exceeds forty (40) hours during any period of four (4) consecutive weeks must advise the Transition Committee so that it may correct the situation.

The Transition Committee shall examine the issue and recommend measures to reduce the working time to a maximum of forty (40) hours per week on average.

13.03 **Interim Measures**

Any employee whose normal workweek exceeds an average of forty (40) hours when this collective agreement takes effect must use the services of a helper to perform the work in excess of the average forty (40) hours per week until the Transition Committee has reduced the normal workweek to an average of forty (40) hours.

A helper will sign a contract for services with the Corporation, as set out in Article 14. The Corporation will pay the helper at a daily rate determined by the employee, and such amount shall be deducted from the wages that would otherwise have been paid to the employee.

13.04 **Overtime**

The Corporation shall not pay overtime unless it has been specifically authorized or required by a representative of the Corporation.

ARTICLE 14

REPLACEMENTS

14.01 Replacement

Except in circumstances where the Corporation has provided an on call relief employee to cover an employee's absence, an employee who is absent from work for any reason shall take the necessary measures to have a qualified replacement cover his or her route for the entire duration of his or her absence.

Barring exceptional circumstances, such replacement shall meet security requirements.

Such replacement must sign a contract for services with the Corporation in the form of a voucher provided by the Corporation for such purpose.

Notwithstanding the above, where the employee can demonstrate that she/he has made every reasonable effort to provide a qualified replacement, but is unable to provide one, discipline shall not be imposed.

14.02 Contract Amount

The replacement shall not be considered an employee of the Corporation while performing such work. The value of services rendered shall be the equivalent of the daily rate of the employee being replaced, for each day the replacement works. The daily rate includes an amount for vehicle expenses.

14.03 Notification of Absence

An employee who is absent for any reason must notify the person responsible in the postal installation prior to the absence. The replacement must report to the person responsible in the postal installation. This person will confirm in

writing on the voucher provided that the work will be performed by the replacement for the length of the absence.

14.04 Training Allowance

An employee shall be paid a two hundred and fifty dollar (\$250.00) training allowance, if he or she is required to train a new replacement to fulfill his or her obligations under clause 14.01, as a result of the Corporation hiring his or her replacement as an employee.

An employee may claim this training allowance only once per calendar year.

ARTICLE 15

VACATION LEAVE

15.01 Entitlement to Vacation Leave

- (a) Employees shall be entitled to three (3) weeks' vacation leave per calendar year without reduction in actual wages.
- (b) Vacation leave shall be earned at a rate of one and one-quarter (1¼) days for each calendar month in which an employee receives pay.

15.02 Vacation Leave Period

- (a) Except in locations where on call relief employees have been established, employees may take their vacation leave when they choose, but must provide advance notice to the employer.
- (b) In locations where relief employees are employed, a vacation leave schedule for route holders shall be established by the Corporation after consultation with the

Union at the local level. Route holders shall make their choice by seniority and shall be allowed to bid for only two (2) consecutive weeks of leave in the first round bidding.

ARTICLE 16

DESIGNATED HOLIDAYS

16.01 Designated Holidays

The following are the designated paid holidays:

- New Year's Day;
- Good Friday;
- Easter Monday;
- The day fixed by proclamation of the Governor-in-Council for celebration of the Sovereign's Birthday;
- Canada Day;
- Labour Day;
- Thanksgiving Day;
- Remembrance Day;
- Christmas Day;
- Boxing Day;
- One additional day in each year that in the opinion of the Corporation, is recognized to be a provincial or civic holiday in the area in which the employee is employed.

16.02 Replacement of a Designated Holiday

When a designated holiday falls on a Saturday or Sunday, the paid leave shall be moved to the first working day following the designated holiday.

When a designated holiday falls during an employee's annual leave, he or she shall be entitled to another day of leave with pay at a time of his or her choosing.

16.03 Work on a Designated Holiday

An employee required to work on a designated holiday shall be paid in addition to his or her regular rate of wages for that day, at a rate equal to one and one-half (1½) times his or her regular rate of wages for the time that the employee worked on that day.

ARTICLE 17

SICK LEAVE

17.01 Entitlement

An employee shall be granted unpaid leave when he or she is unable to work as a result of illness or an injury.

17.02 Notifying the Corporation

An employee who is absent as a result of illness or an injury must notify the Corporation as soon as possible.

ARTICLE 18

PARENTAL RIGHTS

18.01 Maternity Leave

- (a) A pregnant employee shall be entitled to maternity leave without pay for a maximum period of seventeen (17) weeks commencing at the earliest eleven (11) weeks before the expected date of delivery and ending at the latest seventeen (17) weeks following the actual date of delivery.
- (b) Insofar as possible, the employee shall notify the Corporation of her intent to take maternity leave and of the duration of such leave at least four (4) weeks in advance.
- (c) The Corporation may ask the employee to provide a medical certificate certifying pregnancy.
- (d) The Corporation may allow an employee to commence her maternity leave earlier than eleven (11) weeks before the expected date of delivery.

18.02 Parental Leave

- (a) An employee who must care for a newborn child, an adopted child or a child placed with him or her for the purpose of adoption shall be entitled to parental leave without pay of up to thirty-seven (37) weeks. This leave shall commence as the employee elects:
 - (i) on the expiry of the maternity leave set out above

or

- (ii) on the day that the child comes into his or her actual care.
- (b) Insofar as possible, the employee shall notify the Corporation of his or her intent to take parental leave and of the duration of such leave at least four (4) weeks in advance.
- (c) The Corporation may ask the employee to submit a copy of the child's birth certificate or adoption papers.
- (d) The aggregate amount of parental leave that may be taken by two employees under this clause in respect of the same birth or adoption shall not exceed thirty-seven (37) weeks.
- (e) Maternity and parental leave taken by two employees for the care of the same child shall not exceed a total of fifty-two (52) weeks.

ARTICLE 19

SPECIAL LEAVE

19.01 Marriage Leave

An employee shall be granted unpaid leave of not more than five (5) days for the purpose of getting married.

The employee shall give the Corporation at least five (5) calendar days' notice.

19.02 Bereavement Leave

- (a) An employee shall be entitled to a maximum of four (4) days of paid bereavement leave which shall not

extend beyond the fourth (4th) day following the date of death of a member of his or her immediate family. For the purpose of this clause, immediate family is defined as his or her spouse, his or her father or mother or their spouse, his or her mother-in-law or father-in-law or their spouse, his or her children or those of his or her spouse, his or her grandchildren, his or her brothers and sisters, his or her grandparents and any relative who resides permanently with the employee or with whom the employee permanently resides.

- (b) The employee shall be entitled to up to three (3) additional paid days if required for the purpose of travel.

19.03 Leave for Other Reasons

An employee shall be granted personal unpaid leave when his or her absence is justified as a result of circumstances not directly attributable to the employee.

19.04 Personal Leave

As of January 1st, 2009, employees shall become entitled to two (2) days of paid personal leave for each calendar year.

A new employee hired on or before September 1st shall receive one (1) day of personal leave in his or her year of hire. An employee hired after September 1st shall not be entitled to personal leave in that calendar year.

A personal leave day may not be used on a working day immediately preceding or following a designated holiday.

Unused personal leave days shall be paid out at the end of the calendar year to an employee and will not be carried over to the following calendar year.

ARTICLE 20

INJURY-ON-DUTY LEAVE

20.01 Injury-On-Duty

An employee who suffers a personal injury caused by an accident arising out of or in the course of his or her employment, or who is disabled by reason of an industrial disease caused by the nature of the employment, shall be entitled to unpaid injury-on-duty leave for the period of time approved by a provincial workers' compensation board.

While on injury-on-duty leave, the employee shall not receive his or her regular remuneration from the Corporation. The employee shall receive compensation as determined and paid by the provincial workers' compensation board.

ARTICLE 21

LEAVE FOR UNION BUSINESS

21.01 Full-time Union Officers

An employee who has been elected or appointed to a full-time office of the Union shall be entitled to an unpaid leave of absence for the period during which he or she is elected or appointed to hold office.

21.02 Convention Delegates and Union Representatives

Employees selected as delegates to conventions of the Union, or to other conferences or seminars of the Union, or as members of a bargaining

committee or another committee of the Union or required to work on behalf of the Union, or selected as delegates to conventions of the Canadian Labour Congress or provincial federations of labour chartered by the Canadian Labour Congress, or other conferences or seminars, shall be granted unpaid leave of absence.

ARTICLE 22

PENSION PLAN, HEARING AND VISION PLAN AND DENTAL PLAN

22.01 Pension Plan

It is understood that the employees who meet the eligibility requirements of the Canada Post Corporation Pension Plan shall participate in it.

22.02 Hearing and Vision Plan

- (a) Employees shall be entitled to the Hearing and Vision Plan.
- (b) This plan shall be in effect for the term of this agreement. During the life of this collective agreement, the parties may agree to modify the level of benefits provided for under the plan.

22.03 Dental Plan

- (a) The dental plan shall be in effect for the term of this agreement.
- (b) Employees shall be covered by the Plan, effective on the first day of the month following the completion of the six (6) month waiting period.
- (c) The Corporation's contribution to the plan shall be ninety-five percent (95%) and the

contribution of the employee shall be five percent (5%).

- (d) Employees covered by the dental plan will be subject to an annual deductible of fifty dollars (\$50) for each covered person to a maximum of eighty dollars (\$80) for a family.
- (e) The 2006 dental fee schedule shall apply.
- (f) During the life of this collective agreement, the parties may agree to modify the level of benefits provided for under the dental plan.

ARTICLE 23

RECALL RIGHTS

23.01 Recall Rights

When an employee is laid off, his or her name will be added to a recall list and he or she may exercise his or her seniority rights to obtain any vacant position in his or her postal installation for which the employee is qualified in accordance with clause 12.04 during the twelve (12) month period following the recording of his or her name on the recall list.

23.02 Notice

An employee shall be notified at least two (2) weeks in advance of a lay-off.

23.03 Maintaining Seniority

An employee whose name appears on a recall list shall continue to accumulate seniority.

ARTICLE 24

HEALTH AND SAFETY

24.01 General

The provisions of Part II of the *Canada Labour Code* shall apply.

The Corporation and the Union agree to establish health and safety committees and a safety representative structure that will satisfy the requirements of the Part II of the *Canada Labour Code*.

To that end the parties agree that in those postal installations where Rural and Suburban Mail Carriers work and where there exists a Joint Health and Safety Committee (CUPW - Canada Post) or CUPW health and safety representatives, the Rural and Suburban Mail Carriers shall be integrated into the existing structure.

The Transition Committee will review the organizational structure of all other postal installations in which Rural and Suburban Mail Carriers work and recommend the appropriate Joint Health and Safety Committee or health and safety representative structure.

24.02 Wages Maintained

A Union representative acting pursuant to this article during his or her hours of work shall not suffer any loss of actual wages.

24.03 Boot Allowance

Employees shall receive an annual boot allowance, calculated as follows: the number of daily hours of work established for his or her route multiplied by thirty dollars (\$30.00), to a maximum of two hundred forty dollars (\$240.00) per year. Such payment shall be issued by January 31st each year.

The number of daily hours of work shall be determined by dividing by five (5) the number of weekly hours of work established by the Corporation for the employee's route.

ARTICLE 25

UNIFORMS

25.01 Uniforms

Should the Corporation require that employees wear a uniform, any associated costs will be borne by the Corporation.

However, if the Transition Committee recommends, and the parties agree, that the employees should be in uniform, the costs shall form part of the financial cap set out in Article 35.

ARTICLE 26

TRAINING

26.01 Training

The Corporation and the Union acknowledge that properly trained employees are required for the Corporation to meet its objectives.

It is recognized that the Corporation has a responsibility to provide adequate and sufficient training to employees within the bargaining unit.

The Corporation will provide to the Union a copy of National training programs directed to Rural and Suburban Mail Carriers.

It is also recognized that employees have a responsibility to undertake any training required by

the Corporation to ensure that their respective duties are performed in a fully satisfactory manner.

ARTICLE 27

JOB DESCRIPTIONS

27.01 Job Descriptions

The parties agree that all employees in the bargaining unit shall perform the duties of rural and suburban mail carriers and that their tasks are generally described in Schedule "A" of the Mail Transportation and Delivery Agreement that applied prior to this collective agreement taking effect as amended by the Corporation from time to time in accordance with the collective agreement.

ARTICLE 28

WORK IN THE BARGAINING UNIT

28.01 Work in the Bargaining Unit

- (a)** An employee in the bargaining unit will not be required to perform work outside the bargaining unit.

- (b)** An employee of the Corporation outside the bargaining unit shall not perform work normally done by employees in the bargaining unit, except for the purpose of training or to prevent or recover from operational disruptions resulting from circumstances beyond the control of the Corporation.

ARTICLE 29

STATUS OF EMPLOYEES

29.01 Definition

The term “*employee*” means any employee as defined under the *Canada Labour Code* and who is included in the bargaining unit.

Subject to the probation period, employees shall be hired for an indeterminate period.

29.02 Probation

There shall be a probation period of six (6) months starting with the first day of work for employees newly hired by the Corporation.

ARTICLE 30

SECURITY OF THE MAIL

30.01 The watch and observation systems cannot be used except for the purpose of protecting the mail and the property of the State against criminal acts such as theft, depredation and damage to property. At no time may such systems be used as a means to evaluate the performance of employees and to gather evidence in support of disciplinary measures unless such disciplinary measures result from the commission of a criminal act.

ARTICLE 31

GENERAL

31.01 Bulletin Boards

Bulletin boards shall be provided by the Corporation at convenient locations for the use of the Union. These locations shall be determined through

consultation. The contents of notices or other material posted on bulletin boards shall not require the prior approval of the Corporation. The contents of notices or other material posted on bulletin boards shall not be libellous or defamatory.

The Corporation shall be required to provide bulletin boards only in postal installations it owns or rents.

31.02 Copies of the Collective Agreement

- (a) The Corporation agrees that the Union will be given the opportunity to review the make-up of the collective agreement as it pertains to the proposed format, colour, size and style of type and the index prior to printing.
- (b) The Corporation shall reproduce this collective agreement in both the French and the English languages. Both texts shall be regarded as official.
- (c) The Corporation shall provide each employee with a copy of the collective agreement within ninety (90) days of its signature.
- (d) The Corporation shall have a sufficient number of copies of the collective agreement available to the Union and its locals.

31.03 Plural or Singular Terms May Apply

Wherever the singular is used in this agreement, the plural shall apply where the context so requires.

31.04 Subtitles

Titles to respective clauses are not part of this collective agreement and are considered to have been inserted for convenience of reference only.

However, it is understood that these titles shall have full force if the intent is to indicate to whom or in what circumstances provisions are applicable.

31.05 Definition of Working Day

“*Working day*”: in this collective agreement means calendar days excluding Saturdays, Sundays and holidays.

31.06 Common-Law Spouse

For the purpose of this collective agreement and the benefits it provides for, including insurance plans, a “*common-law spouse*” relationship is said to exist when, for a continuous period of at least one (1) year, or less if a child is born of the relationship, an employee has lived with a person, represented that person to be his or her spouse, and lives and intends to continue to live with that person as if that person were his or her spouse, and the word “*spouse*” includes a “*common-law spouse*”.

31.07 Physical Facilities for Employees

Employees shall have access to the facilities, installations and other services usually accessible to other employees of the Corporation in postal installations it owns and rents.

ARTICLE 32

VEHICLES

32.01 Type of Vehicle

An employee must provide a vehicle to perform the work on his or her route and pay all operating and maintenance costs out of his or her annual pay. The employee must provide the type of vehicle as stipulated in schedule “A” of the Mail Transportation and Delivery Agreement that was applicable to the route on December 31, 2003. This

obligation shall be maintained until the nature of the work to be performed or the situation has changed.

When an employee's route is altered in accordance with Article 11, the Corporation may require that the employee use a specific type of vehicle when necessary as a result of changes made to the route. In such a case, the employee shall be entitled to the amount set out in Appendix "A" for the use of a specific type of vehicle.

32.02 Insurance

In respect of any vehicle used to cover his or her route, an employee shall provide and maintain, at his or her own expense, the required automobile liability insurance of not less than one million dollars (\$1,000,000.00) inclusive per occurrence for damages, including damage to the property of others and, when authorized by law, for bodily injury and death, until decided otherwise by the Corporation.

The Corporation may require that an employee provide and maintain an insurance policy with greater coverage than that set out above. In such cases, the Corporation shall pay the additional costs of such coverage up to a maximum equivalent to the provincial insurance industry average.

ARTICLE 33

WAGES

33.01 Wages

(a) An employee shall receive the same annual pay as that in effect on December 31, 2003 for his or her route or, as the case may be, for each of his or her routes, subject to changes, increases or adjustments provided for in this collective agreement.

- (b) Annual pay shall be divided between the employee's actual wages and the vehicle expenses.
- (c) As of July 1st, 2008, the vehicle expenses shall be equal to fifty-two cents (52¢) per kilometre for the first five-thousand (5,000) kilometres travelled yearly and forty-six cents (46¢) per kilometre for the additional kilometres, unless otherwise agreed to by the parties. The number of kilometres travelled in a year shall be determined based on the number of kilometres established by the Corporation for the route.
- (d) For the Northwest Territories, Nunavut and Yukon, as of July 1st, 2008, the vehicle expenses shall be equal to fifty-six cents (56¢) per kilometre for the first five-thousand (5,000) kilometres travelled yearly and fifty cents (50¢) per kilometre for the additional kilometres, unless otherwise agreed to by the parties. The number of kilometres travelled in a year shall be determined based on the number of kilometres established by the Corporation for the route.
- (e) Actual wages shall correspond to the difference between the annual pay and the vehicle expenses.

33.02 Wage Increases

- (a) As of September 1st, 2008, each employee shall be entitled to an increase in his or her annual pay calculation as follows: the number of daily hours of work established for his or her route multiplied by eighty dollars (\$80.00).
- (b) As of January 1st, 2009, each employee shall be entitled to an increase in his or her annual pay calculation as follows: the

number of daily hours of work established for his or her route multiplied by thirty-two dollars (\$32.00).

- (c) The number of daily hours of work shall be determined by dividing by five (5) the number of weekly hours of work established by the Corporation for the employee's route.
- (d) Additional funds shall be allocated to increase the annual pay of the lowest paid routes, in accordance with Appendix "C".

33.03 Adjustments

When a route is changed, a pay adjustment shall be made in accordance with Appendix "A".

33.04 Payment of Wages

Until bi-weekly pay is implemented, the Corporation shall pay the wages in twelve (12) equal monthly payments payable on the last day of each month. The payment will be made by direct deposit.

As soon as possible, but by no later than May 1st, 2009, the Corporation shall pay the wages on a bi-weekly basis every second Thursday. The payment will be made by direct deposit.

An employee shall receive an itemized statement of his or her earnings and deductions once per pay period.

33.05 Change of Route

An employee whose route changes or who has changed routes shall receive the rate of pay for that route as soon as he or she starts working on his or her new route.

33.06 Recovery of Overpayment

When an employee has been overpaid, through no fault of his or her own, and the overpayment is in excess of fifty dollars (\$50.00), the paying office will advise in writing the employee of the intention to recover the overpayment.

ARTICLE 34

TRANSITION COMMITTEE

34.01 Objectives

The parties agree to work together to facilitate the integration of rural and suburban mail carriers (RSMC) as employees of the Corporation and to improve the wages, benefits and working conditions of the RSMC. To this end, the parties shall establish a Transition Committee (the "Committee") immediately upon the signing of this agreement.

34.02 Transition Committee

The Transition Committee shall be composed of three (3) representatives appointed by each party. Unless the parties agree otherwise the members of the Committee will be working on a full time basis to fulfill the functions assigned to them, except for periods during which no work is required for the purposes of the Committee. The Committee may call upon a neutral third party for assistance. The parties may also agree to provide the Committee with additional personnel and resources that may be necessary to attain the objectives outlined in clause 34.01.

Each party can at any time replace a person appointed as a member of the Committee and designate alternate representatives.

34.03 **Mandate of the Committee**

- (a) The mandate of the Transition Committee shall be to make recommendations on improvements to the wages, benefits and working conditions of the RSMC that can be made within the financial cap more fully described in Article 35.

- (b) The work of this Committee does not restrict the Corporation in the day to day management of its business, including implementing any changes in operations, processes and products.

- (c) The Committee shall also have the mandate to try to resolve any problem or dispute related to the working conditions of the RSMC that is referred to the Committee by either party. This mandate also includes when a new route is created and this newly created route receives a higher rate of compensation than other routes in the installation, an equitable redistribution of annual pay within an installation will be considered.

34.04 **Work of the Committee**

The Committee shall be provided with all relevant information with respect to the persons working as a RSMC, the way their work is organized and performed and their existing working conditions. The Committee may conduct surveys or investigations to obtain relevant information.

The Committee shall also be provided with all relevant financial information in accordance with Article 35.

When requested by the Corporation, to protect the commercial interests of the Corporation, the representatives of the Union on behalf of the

Union will enter into an undertaking to keep confidential and not to disclose any information or proposal of the Corporation.

A failure to provide such an undertaking shall relieve the Corporation of its obligation to provide such information.

Similarly, when requested by the Union, the representatives of the Corporation on behalf of the Corporation will also enter into an undertaking to keep confidential any information or proposal received from the Union.

34.05 Recommendations of the Committee

The Committee is only empowered to make recommendations to the parties. For greater certainty, the Committee cannot bind the parties. Such recommendations of the Committee require the consensus of all the members of the Committee.

34.06 Expenses of the Committee

The Corporation agrees to pay the expenses, salaries, and benefits of the members of the Transition Committee who are not full-time representatives of the Union, while performing the work of the Committee and any additional personnel and resources provided to the Committee, the fees and expenses of a neutral third party and other fees and expenses of the Committee.

ARTICLE 35

FINANCIAL CAP

35.01 Financial Cap

- (a) The first full year of this collective agreement shall constitute the base financial year (the "*base financial year*").

- (b) All additional costs incurred by the Corporation as a result of the inclusion of rural and suburban mail carriers as employees shall be limited to twenty-nine million dollars (\$29,000,000) in the first year (the “*base financial year cap*”).
- (c) The total cost to the Corporation in each twelve (12) month period following the base financial year, of all terms and conditions of this collective agreement, including as amended either through the Transition Committee, collective bargaining or otherwise, shall not exceed the base financial year cap plus an additional, cumulative amount of fifteen million dollars (\$15,000,000) for each twelve (12) month period following the base financial year (the “*financial cap*”).
- (d) The base financial year cap and financial cap shall include all expenses of the Corporation including salaries, costs related to all forms of leave, insurance premiums, employment insurance premiums, workers’ compensation costs, pension plan contributions, vehicle expenses, all amounts payable under this collective agreement and any other amount the parties agree to include.
- (e) However, it is understood that costs resulting from an increase in mail volumes or point of call growth shall not be included in the financial cap.

The financial cap shall bear the impact of a negotiated increase affecting the cost of growth in mail volumes or points of call.
- (f) In the event the actual costs in any twelve (12) month period exceed the base financial year cap or the financial

cap, the fifteen million dollars (\$15,000,000) for the following year shall be reduced accordingly such that the financial cap is met.

- (g) In the event that the costs agreed to by the parties in any twelve (12) month period are lower than the base year financial cap or the financial cap, the fifteen million dollars (\$15,000,000) for the following fiscal year shall be upwardly adjusted accordingly.

35.02 Indexation

If the price cap formula as defined in the Policy Framework is revised to the full value of inflation versus the current two-third (2/3) formula, the fifteen million dollar (\$15,000,000) amount provided for in paragraph 35.01 (c) above shall be indexed each year commencing in 2006 by a percentage equal to the increase in the Consumer Price Index for Canada, all items, for the previous year.

35.03 Method

The parties shall agree on a method to precisely determine the total cost to the Corporation in the base financial year as described in paragraph 35.01 (d) and the cost of any subsequent improvements in the employees' working conditions.

ARTICLE 36

DURATION AND REVISION OF THE COLLECTIVE AGREEMENT

36.01 Term of the Collective Agreement

Subject to clauses 36.02 to 36.04, the terms of this collective agreement are effective and binding on the Corporation and the Union from January 1, 2004 and until December 31, 2011.

36.02 Changes to the Collective Agreement

Upon the recommendation of the Transition Committee or on their own initiative, the parties may at any time agree to change or adapt any provision of this collective agreement or to include new provisions in it.

36.03 Revision of Provisions of the Collective Agreement

- (a) During the three (3) month period preceding December 31 of years 2005, 2007 and 2009, either party may, by notice, require the other party to commence collective bargaining for the purpose of revising pursuant to subsection 49(2) of the *Canada Labour Code*, all the provisions of this collective agreement, with the exception of Articles 1, 3, 35 and 36 and agreeing on additional provisions.
- (b) Any agreement entered into between the parties following a notice to bargain given under this clause shall become part of this collective agreement as of the date determined by the parties.
- (c) If the parties do not reach a complete agreement within sixty (60) days after the notice to bargain has been given, either

party may, at any time thereafter, refer the unresolved issues to interest arbitration in accordance with clause 36.04.

36.04 Interest Arbitration

- (a) The parties agree that any unresolved matter resulting from collective bargaining under clause 36.03 will be referred to an arbitrator for final and binding determination in accordance with section 79 of the *Canada Labour Code*.
- (b) The reference of unresolved matters to arbitration shall be made by written notice to the other party. The notice shall specify the issues in dispute. The party to whom the notice is given may within fifteen (15) calendar days and by written notification add other unresolved issues to be submitted to arbitration.
- (c) The arbitrator shall be appointed by the parties. If they are unable to agree on the selection of a person, the arbitrator shall be appointed by the Minister of Labour upon request by either party.
- (d) The arbitrator shall start hearing the parties as soon as possible after his or her appointment.
- (e) The arbitrator may determine his or her own procedure but shall give the parties the opportunity to present their evidence and make their submissions. The arbitrator shall have the powers conferred upon a grievance arbitrator by the *Canada Labour Code* and by this collective agreement. The arbitrator may also try to mediate between the parties.

- (f) In making his or her decision, the arbitrator shall be bound by Article 35 including the financial cap set out therein. This cap includes all amounts agreed to by the parties pursuant to clause 36.02 and paragraph 36.03 (b) in each fiscal year. For greater certainty, the arbitrator is bound by the provisions of paragraphs 35.01 (f) and (g). The arbitrator will also consider the following:
- (i) the provisions of the *Canada Post Corporation Act* and the policy framework, or any other such binding document in effect;
 - (ii) the labour market conditions;
 - (iii) the cost of living;
 - (iv) the economy in general.
- (g) The decisions of the arbitrator shall form part of this collective agreement as of the date determined by the arbitrator. It is understood that the arbitrator shall have no authority to amend Articles 1, 3, 35 and 36.

36.05 Extension of Collective Agreement

After its expiration, this collective agreement as amended by the parties or by decisions of arbitrators shall remain in full force and effect until the signing of a new collective agreement or until the requirements of section 89(1) of the *Canada Labour Code* have been met.

APPENDIX "A"

CHANGES TO A ROUTE

1. When an employee's route is changed, his or her wages shall be adjusted based on the following calculations:

- (a) 9 ¢ per point of call;
- (b) 24 ¢ per point of call located inside a commercial building;
- (c) \$1.00 per stop for personal contact items delivered to the door;
- (d) 44 ¢ per kilometre;
- (e) \$1.00 per lock change;
- (f) 0.5 ¢ per set of householders (up to 500 grams) per point of call;
- (g) 10 ¢ per set of householders (between 500 and 1,000 grams) per point of call;
- (h) 15 ¢ per set of householders (from 1,000 grams to 2,000 grams) per point of call.

2. The adjustments provided in paragraphs 1(a) to 1(f) above shall be made once per calendar year.

3. Between the adjustments provided for in clause 2, if the increase or decrease to total points of call or number of kilometres exceeds five percent (5%), the adjustments shall be made in accordance with paragraphs 1(a), 1(b) and 1(d).

Adjustments resulting in an increase in the amount payable shall be paid retroactively to the date the change exceeded five per cent (5%). Adjustments resulting in a decrease in the amount payable shall take effect on the day the adjustments are made.

4. The special allowance that was being paid, prior to the coming into effect of this collective agreement, for the use of a specific type of vehicle shall continue to be paid as long as the employee is required to use such a vehicle.

Following the coming into effect of this collective agreement, when the Corporation requires, in accordance with clause 32.01, that an employee use a specific type of vehicle, it shall pay a minimum of twelve hundred dollars (\$1,200) per year.

The amount set out above is to be added to the vehicle expenses determined under paragraph 33.01 (c).

APPENDIX "B"

**NOTICE OF CHANGE IN UNION AFFILIATION
OR STATUS CHANGE**

The following information shall be provided to the Union when there is a change in union affiliation or status:

1. Last Name
2. First Name
3. Initials
4. Residence Address 1
5. Residence Address 2
6. Residence City
7. Residence Province
8. Residence Address Postal Code
9. New Class and Level
10. Work Location Name (English)
11. Work Location Name (French)
12. Work Location City
13. New Paylist
14. Old Effective From Date
(YYYYMMDD)
15. Old Effective To Date
(YYYYMMDD)
16. New Effective From Date
(YYYYMMDD)
17. New Effective To Date
(YYYYMMDD)
18. Action Code
19. Reason Code
20. New Employment Category
21. New BUD Code
22. New Scheduled Hours
23. Employee ID
24. Prior (Old) Work Area
25. New Work Area
26. Prior (Old) Work Location (City)
27. Prior (Old) Paylist

APPENDIX "C"

WAGE INCREASES

1. The parties agree to allocate an annualized amount of three million seven hundred fifty thousand dollars (\$3,750,000), (inclusive of benefits), as of November 1st, 2008, and one million five hundred thousand dollars (\$1,500,000), (inclusive of benefits), as of January 1st, 2009, to increase the annual pay (exclusive of vehicle expenses and variable allowance) of the lowest paid routes.

2. The amounts available in paragraph 1 shall be divided among routes whose annual pay is the lowest as of October 15th, 2008 (for the November 1st, 2008 wage increase) and December 10th, 2008 (for the January 1st, 2009 wage increase) to obtain a standard level of annual pay for these routes.

APPENDIX "D"

UNION EDUCATION FUND

1. The Corporation agrees to pay into the Union Education Fund set out under Appendix "U" of the collective agreement applicable to the urban operations bargaining unit, for the benefit of the employees covered by this collective agreement, the following amounts:
 - (a) as of January 1, 2004, one third ($\frac{1}{3}$) of a cent for each hour of work established by the Corporation for the routes of all employees;
 - (b) as of January 1, 2005, the amount paid shall be two thirds ($\frac{2}{3}$) of a cent for each hour paid to all employees;
 - (c) as of January 1, 2011, the amount shall be equal to three (3) cents per hour paid to all employees.

APPENDIX "E"

ON CALL RELIEF EMPLOYEES

- 1.** As of September 1, 2006, the Corporation agrees to hire one hundred (100) on call relief employees in locations to be recommended to the parties by the Transition Committee.
- 2.** As of January 1, 2007, the Corporation agrees to hire one hundred (100) on call relief employees in locations to be recommended to the parties by the Transition Committee.
- 3.** As of July 1, 2007, the Corporation agrees to hire one hundred (100) on call relief employees in locations to be recommended to the parties by the Transition Committee.
- 4.** As of September 1, 2006, the Transition Committee shall make recommendations to the parties concerning the rules for the allocation of relief assignments.
- 5.** As soon as possible, but by no later than July 1, 2009, the Corporation agrees to utilize on call relief employees to cover all types of leave recognized under the collective agreement for employees in the following major urban centres:

 - (a)** Calgary, Charlottetown, Edmonton, Fredericton, Greater Toronto Area, Halifax, Hamilton, Kitchener, London, Moncton, Montreal, Ottawa, Quebec City, Regina, Saint John, Saskatoon, St. John's, Vancouver, Victoria, Windsor, Winnipeg.
 - (b)** The Corporation may, at its own discretion, cover absences in other postal installations, following consultation.

(c) Should the Corporation encounter staffing difficulties in certain locations, the parties agree to consult locally on solutions to the staffing difficulties.

6. The collective agreement shall apply to on call relief employees, except for the following provisions: Articles 8, 11, 12 (except 12.05, 12.06 and 12.08), 13.02, 14 (except 14.03), 15, 16, 17, 19, 22, 23, 24.03, 33 (except 33.04), Appendix A and F.

7. On call relief employees shall receive an annual boot allowance in the amount of one hundred eighty dollars (\$180.00). Such payment shall be issued by January 31st each year.

8. On call relief employees shall be paid the equivalent of the daily rate of the employee being replaced, for each day the on call relief employee works. The daily rate includes an amount for vehicle expenses.

APPENDIX "F"

HOURLY RATE OF PAY

1. The Transition Committee shall, as quickly as possible, after the coming into force of the collective agreement, study the feasibility of the adoption of an hourly pay system. To this end, the Committee shall:
 - (a) first determine the amount of the employee's annual pay that must be considered as vehicle expenses; the expenses shall be determined in accordance with paragraph 33.01 (c);
 - (b) then calculate the employee's hourly rate based on the number of hours of work for the route and the annual pay, from which is subtracted the percentage that corresponds to the vehicle expenses; and
 - (c) analyze the results obtained for all employees and make a recommendation on the feasibility of the adoption of a standard hourly rate.
2. The parties shall consider the recommendations of the Transition Committee.

APPENDIX "G"

October 8, 2008

Mr. Donald Lafleur
Chief Negotiator and 4th National Vice-President
Canadian Union of Postal Workers
377 Bank Street
Ottawa ON K2P 1Y3

Dear Mr. Lafleur,

RE: ARTICLE 13

In response to issues raised by the Union during the 2007 round of bargaining and in addition to the requirements of clause 13.02, the Corporation agrees to use available information, including information provided by the Union, to identify routes where the normal workweek exceeds forty (40) hours on average, calculated over a four (4) week period.

The Corporation will review these routes prior to December 31, 2011, with the objective of reaching a normal workweek of forty (40) hours on average, calculated over a four (4) week period.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruno Cadieux". The signature is stylized and cursive.

Bruno Cadieux
Chief Negotiator

APPENDIX “H”

HOURS OF WORK STUDY

- 1.** The parties recognize that there is a need to gain a better understanding of the hours worked by employees. Therefore, the parties agree to study the hours of work of employees in selected postal installations beginning within thirty (30) days of the signing of the collective agreement. To this end, the parties agree to jointly:

 - (a)** select from two (2) postal installations, routes which are representative of the various types of work performed by employees;
 - (b)** capture the daily start and finish times, and any time spent not performing work, to determine the hours worked by these employees;
 - (c)** consider and use the best available means to capture this information (e.g. on route observation, in-car observation, sign-in/out sheets, log sheets or punch clocks, etc.).
- 2.** In order to ensure that variations in the hours of work during a day, week, month and year are captured, the information will be captured for a one (1) year period.
- 3.** No part of this study shall be interpreted in a manner that restricts the Corporation’s right to manage and operate its business as it sees fit, subject to the restrictions imposed by law or by the terms of this collective agreement.
- 4.** The Corporation shall pay the Union sixty thousand dollars (\$60,000) to cover its costs for the

present study. No costs shall be charged to the financial cap.

5. This Appendix shall expire at the conclusion of the one (1) year period or on December 31, 2009, whichever occurs first.

6. The parties agree to jointly review the findings of the study at the national level.