



December 10, 2014

Deepak Chopra
President & C. E. O.
N1250-2701 Riverside Dr.
Ottawa ON K1A 0B1

Subject: Canada Post Annual Public Meeting and Communication

Dear Mr. Chopra,

The UPCE National Executive continues to believe in our company, its employees, and our members. That being said, while Canada Post's Vision, Values, and Leadership Behaviours seem powerful in writing, they unfortunately do little to bring great value in reality unless they are applied throughout the organization. We remain concerned in the way Canada Post is demonstrating certain Leadership Behaviours such as "Decision Making" and "Accountability", especially when dealing with communication, direction, and growth.

Similar to the communication we have seen sent from the Federal Government, we feel that the Corporation at large tends to write and to deliberately focus thought and discussion towards one specific idea (to the benefit of the process owner and/or writer). That kind of approach differs with possessing a completely different objective, that of maintaining a transparent dialog with the stakeholders (our bargaining unit, employees, and members). We have commented before about the fact that we were partially impressed by Mr. Hamilton's proficient use of buzzwords. But we continue to believe that the use of those buzzwords alone will do little to either "leverage efficiencies" or "create synergies" within the organization, unless they are meaningfully supported by actual transparent and objective discussions.

In one example, the Corporation made a commitment to the Government of Canada that the Corporate Team Incentive would remain unpaid to our members (and all Canada Post employees) while the special pension deal remains in place. At the same time, Canada Post continues to avoid that subject, by stating that the CTI cannot be paid since we are not meeting our objectives. The Corporation continues to forget about communicating one small detail... the commitment it made to the Government of Canada. The commitment was confirmed by the late Minister of Finance, Jim Flaherty, and again by the current Minister of Finance, Joe Oliver.



A second example is the communication around the pension plan itself. Canada Post keeps focusing its communication on indexation. If the Corporation was serious about consulting with its stakeholders in good faith, please help us understand why the organization would try to focus thought and discussion on this one specific idea. In addition, the organization's message has often been about how we are in "dire straits", which runs contrary to the third quarter profit already stated, plus the significant amount of our revenue that is forecast for our busiest quarter, October to December. Almost every consultation this year, especially when regarding the elimination of UPCE positions, has started with the following statement: "As you know, the Corporation is going through some very difficult times." Has someone created and approved an official "elimination of job template"? It is hypocritical to continue to use this rationale to eliminate UPCE-PSAC represented positions since it holds very little actual merit.

It is clear that Canada Post continues to follow its 5 Point-Action Plan, a plan with which we continue to have some disagreement. Furthermore, there seems to be a gap in communication between different parts of the business. The corporation has historically operated in "silos", and despite attempts at creating a new "Modern Post", we continue to see these impacts as the Corporation is moving from a "transactional mail oriented business" to a "parcel-oriented" business. The Corporation continues to cut our positions which, often times, makes very little or no sense. Also, those cuts rarely result in any value for an organization that has seen decent profit in its last quarter, and has now entered a period which generates a significant amount of revenue. For example, revenues from transactional mail are decreasing, but revenues from our parcel business are increasing. However, we have vacant positions in "consumer claims" and the number of our positions in that department have decreased over the years. To re-iterate, our parcel business is increasing, but the number of agents to process claims are decreasing. Manon Fortin, a newly appointed manager in customer claims, approached us last week for vacation scheduling. The Corporation is stating that, because of an "operational requirement", our members will be restricted from spending time with their families over the holidays, as the Corporation is imposing and implementing a 7 week blackout! The blackout period is directly tied to the number of employees and agents we have lost in this group. These decisions will not only have an impact on our members who have a legally binding contractual agreement with the Corporation, but also on the Corporation and its customers. If the parcel business is increasing, common sense would dictate that we should stop cutting positions in the department that processes claims for our parcel customers.



The Canada Post printing team can be used as another example. On November 24, 2014, the Corporation “consulted” with our Ottawa Local regarding the dissolution of the printing team. Catherine Viau, the Director of the group, presented the decision as a needed change to remain financially viable in these difficult times. We strongly believe that the team was not only financially viable and sustainable, but also profitable. The Local continued to probe for information and it was confirmed that the decision to dissolve the group was indeed “strategic” rather than “financial”, as opposed to the default rationale the Corporation had provided in its presentation. Also, the Corporation will be breaking external contracts with customers in order to dissolve the group. From this we can only conclude that some managers and directors are making egocentric decisions in order to maximize their “pay-at-risk” compensation.

We remain concerned with the Corporation’s strategic plan for growth. The Corporation is changing how we handle our “points-of-call” by cutting into home delivery and replacing a number of routes with Community Mailboxes. This shift will have a significant impact upon our services, Canadians, Canadian jobs, seniors, and individuals with disabilities. While Canada Post states that we will accommodate those in need, we are yet to hear about the plan of action and how Canada Post plans on dealing with these requests. Furthermore, while we obviously agree with growing a parcel business, we continue to disagree with the number of cuts and the refusal to look into other lines of business. Our component has been less vocal than CUPW about postal banking, since we are still weighing our options, but we remain extremely concerned with the lack of discussion and transparency regarding this subject. On February 10, 2014 Blacklock’s Reporter released an article on postal banking: *“Secret Canada Post files obtained by Blacklock’s show executives rated postal banking a “win-win” before cabinet apparently killed the scheme in favour of drastic rate hikes and service cuts this winter...”* We would be less than surprised to find out that the mandate of the Federal Government, was to kill the idea in favour of cuts and rate hikes. However, that being said, we believe these issues should at least be discussed. These documents, received from the Access to Information request, were significantly redacted, and the Corporation states that it was protecting its business since we are a “competing organization”. While we can understand the theory of the argument in part, there remains no professional reason as to why the information is restricted from being shared internally, especially with Canada Post employees and the bargaining units representing those employees. At the Canada Post Annual Public Meeting, held November 18, 2014, both the CPAA and the CUPW officially requested a complete copy of the document. Please note that this letter should also serve as a formal request for an official



complete copy of the document, and our inclusion in discussions with the Board of Directors on this matter.

In summary, while we understand “changing markets” and while we see that the Corporation continues to implement its 5 Point Action Plan, we reserve the right to disagree with the plan or with the significant issues it brings regarding communication, direction, and growth. A strategic plan is supposed to bring value and revenue growth to the organization while remaining in line with the concept of: “creating value for our customers, employees and all Canadians.” We remain unconvinced.

Best regards,

UPCE National Executive

