

Canada Post tables significant offer to quickly resolve negotiations and clear backlogs with holiday rush coming

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Responding to the union's concerns with a significant time-limited offer with signing bonus to quickly bring negotiations and rotating strikes to a close

On the heels of a third unsuccessful round of mediation, Canada Post is taking the extraordinary step of offering employees a time-limited four-year offer worth approximately \$650 million which includes the following highlights:

- pay increases of 2% a year plus a signing bonus of up to \$1,000.
 - new job security for employees, including rural and suburban employees, many of which have never had it before.
 - to reinforce our commitment to the health and safety of our employees, a new \$10 million Health and Safety fund to pay for joint initiatives to accelerate making the corporation a model organization in safety.
- On the handling of mail, we propose to send the matter back to Arbitrator Burkett, who is one hearing day away from addressing it. This is on top of numerous measures we've proposed to work with the union to better manage employee workload and adjust routes annually for volume changes.

On equality, we will go beyond the recently announced 25% increase in pay and improvements to benefits for rural and suburban employees from the pay equity ruling with a new proposal to pay for overtime, job security and a move to one uniform for all delivery employees. We've also defined processes to work together to

develop a new compensation model for rural and suburban employees.

This measure is to ensure we can reach a just-in-time resolution and deliver for Canadians ahead of the holiday rush. It therefore expires on Saturday, November 17 at 11:59 p.m. The time limit is necessary as this offer is only affordable if we can clear the backlogs caused by the union's strike activity and effectively deliver the quickly arriving massive Black Friday & Cyber Monday volumes.

Strikes creating record-level backlogs

As of this morning at our Gateway parcel processing plant in Toronto, we surpassed 260 trailers of parcels and packets waiting to be unloaded. Union picket lines came down in this city late this morning, but the resulting backlog is beyond any previous record of backlogged trailers, with more expected today after two days of missed customer pickups due to the strike. Our previous high was reached last Black Friday/Cyber Monday with 220 trailers. Clearing the backlog will be much more difficult this time with the shut-downs and the unions not allowing any overtime to be worked by employees. The Vancouver plant is still struggling to keep up with over 100 trailers backlogged after union strikes throughout the weekend.

Without the ability to quickly recover at our facilities, our customers – big and small – are also getting backed up as we are not able to accept our normal trailer volumes. The backlogs are also extending to international mail and parcels entering the country. As a

result, we have been forced to advise international posts, including the United States Postal Service, that we are unable to accept incoming items until further notice. We are working to help clear backlogs at Seattle airport and LAX.

The strikes are now into their fourth week and have touched virtually every Canada Post facility and every Canadian address so far.

Canadian retail economy at risk if more than half of Canada's holiday parcel capacity is compromised

If we are unable to clear the backlog and resume normal operations quickly, the large incoming holiday parcel volumes will severely compromise our ability to deliver the quickly approaching Black Friday and Cyber Monday rush which begins the holiday rush.

Canada Post delivers the bulk of Canada's online shopping and we are entering the busiest six weeks of the year. Canada Post delivers two-thirds of Canadian's online shopping. Twenty five percent of that parcel volume comes in November and December from 200,000 small businesses and 11,000 medium-to-large retailers. With our size and network, there is no other shipping option available for the majority of our customers, especially at this time of year. Without a quick return to normal operations, backlogs will rapidly increase and cause significant

impacts to the Canadian retail economy, especially to smaller retailers.

Canadian charities still rely on holiday fundraising mailings

Canadian charities and not-for-profits still use the mail for major fundraising activities at this time of year and will be impacted without a quick return to normal operations. According to Imagine Canada, donations solicited through the mail remain a top fundraising tool for charities, outpacing payroll deductions and telephone solicitation. With an estimated \$5 billion in charitable contributions occurring in the last six weeks of the year, charities and not-for profits ramp up their mailings during the holiday period. That means 42% of mail volume in the not-for-profit sector occurs during the holiday season. Without a quick return to normal operations, these fundraising and new donor acquisition efforts could be significantly hampered this year.

Bringing resolution to negotiations

After 11 months of negotiations and more than three weeks of continued strike activity, Canada Post is making this significant effort to resolve matters and focus on delivering the important holiday rush for Canadians and Canadian retailers.

Source: [Canada Post](#)