



Communications, Energy and Paperworkers Union of Canada

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Progistix Negotiations – Bargaining Bulletin # 10

February 2, 2010.

Recommendation from Your CEP Bargaining Committee:

On December 22, 2009, 83% of CEP members at Progistix voted and rejected the Employer's offer of Dec. 11, 2009 by 64%. The Union immediately notified Progistix of the result and applied for conciliation.

On January 7, 2010, the Union Bargaining Committee met with the Progistix Bargaining Committee in the presence of the conciliator, Herman Stewart. The Union presented Progistix with our counter offer that reflected the strong concerns of our members that had been voiced during the ratification period in December.

Progistix was not willing to make any significant move at this meeting and so the Union asked the conciliator to issue a "no board" report which would put the parties in a legal strike position.

January 16, 2010, the Ontario Ministry of Labour issued a "no board report" which meant that CEP and Progistix were and are in a legal strike position as of February 2, 2010.

The conciliator, Herman Stewart, convened a mediation meeting on February 1, 2010, in an effort to avoid a work stoppage. With the pressure of a legal strike deadline, the Union and Progistix, with the assistance of the mediator, worked into the night to achieve a satisfactory settlement.

This proposed settlement of February 1, 2010 reflects Progistix's **final offer**.

It is the view of the Union Bargaining Committee that we have used the power of the membership's rejection of December 11, 2009, the pressure of the impending legal strike deadline of February 2, 2010 and the leverage of the need for stability for the finalization of the commercial contract with Progistix's largest client, to achieve this final offer and we recommend that it be accepted.

If this proposed Collective Agreement is rejected, the Union has no choice but to call an immediate strike as of one minute into the new day (00:01) on Wed February 10, 2010.

Although a strike is the main tool that the Union would have to back up its demand for a better contract, it would, in our opinion, lead to an extremely negative result for our members at Progistix, given the drive for stability of contract and cost cutting on the part of the major Telco players in Canada these days. In other words, there is very grave danger that a rejection of this proposed offer and a resultant strike would cause Progistix's largest client to take their business elsewhere and lead to the bankruptcy of Progistix and the termination of most employees.

We believe that we have used the current situation to our advantage and gained the most that we can from Progistix. On the other hand, to turn this offer down could lead to an opposite and disastrous result for our members.

The highlights of this Feb 1, 2010 offer include:

- 20 more Regular Part Time employees reclassified to Regular Full Time, (in addition to the 22 reclassifications found in the December offer).
- All 42 reclassifications to Regular Full Time will follow a simple procedure in order of seniority.
- New rights to protect senior Regular Part Time employees on a tour of duty in a work area when hours are reduced.
- *All employees with 25 or more years seniority as of January 1, 2014 are now eligible for Post Retirement Benefits.*
- *Removal* of all corrective action letters issued for productivity for 7 employees who were disciplined in 2009 or earlier and who now have had more than 6 months without productivity issues.
- Any other employees who have received or who receive corrective action for productivity, who have 6 months or more without productivity issues, and, if there are subsequent productivity issues, the Company agrees in a Memorandum of Agreement that they will start over again at the initial and lightest step of the corrective action procedure, instead of proceeding on to a more severe form of discipline.
- Improved wage increases, (above the Dec 11, 2009 offer), for all employees effective February 14, 2010.
- Retroactivity based on all straight time hours paid between January 3, 2010 and February 13, 2010.
- Three additional lump sum payments (in addition to the two lump sum payments found in the December offer) in the last three years of the proposed Collective Agreement for all employees, of \$150/year, as long as the employee has worked at least an average of 24 hours/week in the 6 months preceding January 1st of 2012, 2013 and 2014.

The package that you are now voting on *includes* the Collective Agreement as revised on December 11, 2009 *and* as subsequently amended on February 1, 2010. The proposed Collective Agreement duration remains 5 years, commencing January 1, 2010 and expiring December 31, 2014.

Summary of Proposed Collective Agreement:

The following presents a summary of the proposed changes to the Collective Agreement as per the negotiations that concluded on Feb. 1st, 2010. If you wish to read the actual proposed contract language - that applies to these changes - see the exhibits titled Memorandum of Agreement between Progistix-Solutions Inc, (herein after called "The Company") and The Communications, Energy and Paperworkers Union of Canada, (herein after called "The Union"), Revised 2-1-10. We have included in this bargaining bulletin a reference to the specific Exhibit #, next to a summary of the language change, to make it easy for you to find the associated language in the Exhibits.

Memorandum of Agreement re Reclassification of Part Time Employees:

Within 4 weeks of ratification, 42 active Regular Part Time employees will be offered reclassification by seniority as Regular Full Time employees in their existing classification. If any of these Regular Part Time employees decline the offer, the offer will be extended to the next most senior Regular Part Time employee(s). Corrective action will NOT be a determinate in identifying employees for reclassification. Employees who accept the reclassification will NOT be frozen for the purpose of applying for future promotions or vacancies. (Exhibit XXX)

Memorandum of Agreement re Wage Administration:

This new Memorandum describes the wage treatment for an employee who moved from a higher wage classification to a lower wage classification and then was subsequently temporarily upgraded to the same higher wage classification or subsequently permanently promoted to the same higher wage classification. In the event of a temporary upgrade or permanent promotion back to the higher wage classification, the employee will be moved to the same wage rate that he or she had previously earned in the higher occupation and if there is not an identical rate, to the next **higher** wage rate.

(Exhibit XXXV)

Memorandum of Agreement re Hours of Work:

This new Memorandum of Agreement states that when the Company decides that they don't need all part time employees in a classification in a work area on a tour of duty to continue at work for the entire tour of duty, the reduction in hours will be based on seniority with the most junior employee(s) in the classification in the work area having their time on the tour of duty reduced, before a more senior employee, provided the remaining employees can perform the work required to be done. (Exhibit XXXVI)

Post Retirement Benefits:

Progistix is ending eligibility for post retirement benefits effective January 1, 2014, however the Union was able to negotiate two categories of maintaining eligibility for post retirement benefits. One category (negotiated Dec 11, 2009) is employees who have 54+ years of age *and* 9+ years of service as of January 1, 2014 and **the additional category is employees who have 25 years of service as of January 1, 2014**. If an employee meets **either** of the above categories, remains with Progistix and subsequently retires under the terms of the Pension Plan after January 1, 2014, that employee will retain post retirement benefits. (Exhibit XXXIII)

Memorandum of Agreement re Productivity – Quantity of Work:

The Union will appoint two representatives from each of the following work areas to work jointly with the Manager and Team Leader or designate to develop a workshop for team members that will –

Provide an overview of the process for establishing quantity or work objectives

Describe the basis for time sheet productivity codes and the importance of accuracy

Respond to issues and concerns, highlighting the importance of and the process for presenting recommendations for improvement.

The work areas for the purpose of this Memorandum are: Cable, Internet Services, Pack and Hold, Selection, Inbound and Returns.

As well, the parties have agreed that an employee who has received corrective action for productivity and who subsequently works for 6 consecutive months without further corrective action for productivity, should a circumstance arise beyond the 6 month period that, in the opinion of management, leads to corrective action for productivity, then that corrective action will commence with a Confirmation of Problem Solving Interview which is the *initial* step of the corrective action procedure.

The parties have also agreed in a separate Memorandum of Agreement re Productivity-Quantity of Work Corrective Actions that 7 employees who received corrective action during the term of the existing Collective Agreement and who have not had any productivity issues for more than 6 months, that those corrective actions will be removed as of date of ratification. (Since an individual employee's corrective action record is a private matter, if you wish to confirm whether you are one of the 7 employees, please speak with a member of the Bargaining Committee who will be able to verify.)

(Exhibit XXXVII)

Memorandum of Agreement re Lump Sum Payments:

In addition to the lump sum payments of \$400 in February 2010 & January 2011 (for full time employees) and \$300 in February 2010 & in January 2011 (for part time employees), Progistix has agreed to three lump sum payments of \$150 each for all employees, who average 24 or more hours worked per week in the 13 pay periods preceding January 1st, in January 2012, January 2013 and January 2014.

Wage Schedule 1:

Classification	Current	**Effective DOR	*Effective 1-1-11	*Effective 1-1-12	*Effective 1-1-13	*Effective 1-1-14
	\$24.46	\$24.93	\$25.32	\$25.72	\$26.12	\$26.53
BET	\$24.01	\$24.48	\$24.87	\$25.27	\$25.67	\$26.08
	\$23.61	\$24.08	\$24.47	\$24.87	\$25.27	\$25.68
Logistics	\$17.05	\$17.40	\$17.79	\$18.19	\$18.59	\$19.00
Processor	\$16.75	\$17.00	\$17.39	\$17.79	\$18.19	\$18.60
	\$16.50	\$16.60	\$16.99	\$17.39	\$17.79	\$18.20
	\$16.25	\$16.15	\$16.54	\$16.94	\$17.34	\$17.75
	\$15.75	\$15.70	\$16.09	\$16.49	\$16.89	\$17.30
	\$15.25	\$15.25	\$15.64	\$16.04	\$16.44	\$16.85
	\$14.75	\$14.80	\$15.19	\$15.59	\$15.99	\$16.40
	\$14.25	\$14.35	\$14.74	\$15.14	\$15.54	\$15.95
	\$13.75	\$13.85	\$14.24	\$14.64	\$15.04	\$15.45
	\$13.25	\$13.40	\$13.79	\$14.19	\$14.59	\$15.00
	\$12.75	\$12.95	\$13.34	\$13.74	\$14.14	\$14.55
	\$12.25					
	\$11.75					
Material	\$13.75	\$13.95	\$14.16	\$14.38	\$14.61	\$14.85
Handler	\$13.25	\$13.45	\$13.66	\$13.88	\$14.11	\$14.35
	\$12.75	\$12.95	\$13.16	\$13.38	\$13.61	\$13.85
	\$12.25	\$12.45	\$12.66	\$12.88	\$13.11	\$13.35
	\$11.75	\$11.95	\$12.16	\$12.38	\$12.61	\$12.85

* all wage scales take effect on the first day of the first full bi-weekly pay period following the above effective dates

** The above wage scale to become effective February 14, 2010 with retroactivity based upon straight time hours paid between January 3rd, 2010 and February 13th, 2010.

Effective upon implementation of the above wage schedule, all employees who are assigned to a leadership role as determined by the Company will be eligible to receive a Leadership Premium of \$1.00 for each hour worked in such a role.

An employee who has been provided with specialized forklift truck trainer training will be eligible to receive a premium of \$0.50 for each hour they are assigned to train and certify others in the safe and efficient operation of forklift trucks. Employees receiving this premium are not also entitled to the Leadership Premium.

Note: *All employees* will receive wage increases as described in the above chart. The number of steps in the wage progression for Logistics Processors has been reduced from 13 steps to 11 steps. This means that it will take less time to rise to the top LP wage step.

As well, there are 7 Logistics Processors whose existing wage rate is \$15.25 an hr. Those employees' hourly rate will rise to \$15.70 as of date of ratification. If your existing wage rate is \$15.25 and you wish to verify that your wage rate will rise to \$15.70, please see a member of the Bargaining Committee who will verify your name from a list provided to the Bargaining Committee.

Respectfully Presented by Your CEP Bargaining Committee,

Al Borden

Denise Hazel

Al Uprichard

Ray Mortimer, CEP Local 26 President

Janice McClelland, National Representative