FRAMEWORK AGREEMENT BETWEEN THE COMMUNICATION WORKERS AND PARCELFORCE WORLDWIDE ON THE INTRODUCTION OF THE ROAD TRANSPORT DIRECTIVE

INTRODUCTION

Parcelforce Worldwide and the CWU recognise that the provisions of the Road Transport Working Time Directive will apply in Parcelforce Worldwide from April 2007. The removal of the postal articles exemption from the European Transport Legislation will have an impact on both the operation and the people who perform current duties. Compliance with the legislation will restrict the hours that drivers of tachograph vehicles (vehicles greater than 3.5 tonnes) can work to an average of 48hrs per week. Against that backdrop agreements need to be reached on monitoring arrangements, operational changes and people issues.

This framework agreement outlines the approach we intend to take in dealing with this issue. It also sets out some principles to be applied and the terms of reference for the joint review which is intended to result in a final agreement. Both parties aspire to reach agreement during the autumn of 2006 in order to provide affected colleagues, local unit representatives and managers with sufficient time to make the necessary local adjustments.

Both Parcelforce and the CWU fully appreciate the need to recognise each other's strategic goals with equal status and work together to ensure the right solution is quickly and effectively agreed and implemented.

Our competitors have already been subject to these regulations for the past year. VOSA enforce the legislation and prosecutions of drivers and managers who have the responsibility to ensure the legislation is adhered to. Prosecutions can lead to imprisonment and unlimited fines on the company or individual, which could include Parcelforce's operating licence being removed for the most serious breaches.

SCOPE OF THIS FRAMEWORK

This framework covers all CWU represented grades in Parcelforce who drive tachograph vehicles.

For the avoidance of doubt, drivers of non tachograph ordinary 3.5 tonne delivery vehicles are unaffected by this legislation. Reserve drivers who occasionally drive the larger vehicles are unaffected, as long as they do not drive such a vehicle on more than 15 occasions in a 26 week period

PRINCIPLE OBJECTIVES

- > To understand the impact of the legislation on drivers and consider means of mitigating negative impacts where possible, including whether to recommend a move away from the unigrade concept for these drivers, consistent with existing agreed commitments on maintaining and enhancing earnings.
- ➤ To ensure that all our duties are legally compliant by 1 April 2007 in readiness for the new legislation. The requirement for each vehicle larger than 3.5 tonnes will be reviewed to ensure that such vehicles are only used where operationally necessary in order to meet current and foreseen arrival and despatch times and maintain quality of service.
- ➤ Individuals on affected duties will have the opportunity either to remain on that duty and so become subject to the restrictions or, provided they are flexible, to move to another duty which remains outside the scope of the regulations.
- ➤ Both parties are committed to deal with this change in a manner which encourages individuals to continue on tachograph duties if they so wish. However, within the constraints of delivering an effective and efficient service, we would wish to maximise the opportunity for individuals to exercise genuine choice.
- People issues will be a key factor to successful implementation and potential impact is already causing uncertainty/concern for employees. Both parties have therefore acknowledged the need to explore and consider ways in which the working and remuneration arrangements of drivers of larger vehicles can be developed and enhanced in keeping with the new legislative framework.
- ➤ The final agreement will consider whether to incorporate the flexibility permitted by the regulations to reach a collective agreement to have an extended reference period of 26 weeks and to have extended night working, or whether it is beneficial to restrict duties and those performing them to 48 hours in any week.

REVIEW TERMS OF REFERENCE

CWU and Parcelforce Worldwide will each appoint members to a Joint Working Time/Road Transport Directive Review Group.

The purpose of the Group will be to review and gain a common joint understanding of the existing situation with regard to duties and colleagues affected by the forthcoming regulations and to develop an agreement for ratification which meets the following criteria:

- Gives effect to the principles contained in this framework agreement.
- > Draw on the experience of the distribution industry and the existing agreement in Post Office Limited and their experience of working under the Regulations.
- > Takes account of feedback from local offices on the best solutions.
- Provides sufficient direction, following ratification, for local discussions to make the necessary changes to be made in a timely manner, which takes full account of individual preferences and legislative obligations.
- ➤ The Review Group will commence its work in October with a view to developing a final agreement for ratification during November 2006.

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