



SAN FRANCISCO // FEBRUARY 5-7, 2015

SAMLU



SEMI-ANNUAL MEETING OF THE LOCAL UNIONS

President John Hegarty Announces Retirement during San Francisco SAMLU.

On Thursday through Saturday, February 5–7, 2015, officers and representatives from nearly every NPMHU Local Union gathered in San Francisco, California to participate in the latest Semi-Annual Meeting of the Local Unions (SAMLU). Also in attendance at this event were members of the National Executive Board, all NPMHU National Office department heads, and personnel from the National and Regional Contract Administration Department.





National President John Hegarty delivers final report to the SAMLU attendees



Legislative and Political Director Bob Losi



Local 309 President Dave Wilkin comments on his appointment to National Executive Board



Local 302 President Ernie Grijalva welcomes guests to San Francisco



National Secretary-Treasurer Mark Gardner delivers his report to the assembly



Vice President, Northeastern Region and Local 300 President Paul Hogrogian



Local 325 President Earnest Wallace



(l-r) Mark A. Gardner - National Secretary-Treasurer, Phil Armendarez- Grand Junction Branch President, Local 321 and MHBP Executive Director and Assistant to the NST- Michael Hora



Local 300 Officers: (l-r) Thomas Reid- Vice President and Don Utz- CT SEBM



(l-r) Local 302 Branch President (Fresno) Melinda Simental, San Francisco OWL Coordinator Jeanette Amador, and San Francisco ISC Chief Steward Kevin Castro



Barry Painter- Local 304 Branch President South Bend, IN



Local 310 President Pervous (Andy) Badilishamwalimu



Local 323 Vice President Kathleen Schultz



Joel Gonzales, San Jose Steward Local 302

The meeting started with a surprise, as during his opening remarks, National President John Hegarty announced his forthcoming retirement, which is scheduled to be effective on May 1, 2015. As a result of his retirement, Hegarty also announced that the National Executive Board has unanimously selected Paul Hogrogian of Local 300 to fill his unexpired term of office as National President, with that appointment effective on May 2, 2015. Additionally, Hegarty stated that the National Executive Board, also unanimously, had chosen Local 309 President David Wilkin to replace Hogrogian as the Northeast Region Vice President.

To share in the celebration of Hegarty's announcement, the NPMHU was honored to welcome several special guests to the SAMLU. Those in attendance included General President Terry O'Sullivan

re-elected Local Presidents include: Jason Adachi (Local 299, Hawaii); Javier Valencia (Local 303, Southern California and Nevada); Dave Wilkin (Local 309, Upstate New York); Troy Davis (Local 312, Louisiana); Don Sneesby (Local 316, Washington and Alaska); James Morris (Local 317, Alabama); Alex Cervantes (Local 320, Arizona); Dave Wisniewski (Local 331, New Mexico); and Woody Hendrickson (Local 332, Utah). President Hegarty also took time to recognize Local Presidents Julio Figueroa (Local 313, Puerto Rico) and Michael McIntyre (Local 322, Pittsburgh) for their dedication and service to the Union. Both Presidents Figueroa and McIntyre have announced their respective decisions not to seek another term of office. President Hegarty's laudatory comments were echoed by heartfelt standing ovations from all SAMLU attendees and guests.

MANY OF THE ATTENDEES SPOKE IN HONOR OF HEGARTY'S SERVICE, OFFERING GRATITUDE AND THANKS.

from the NPMHU's international parent body, the Laborers' International Union of North America, LIUNA Vice Presidents Sergio Rascon and Oscar De La Torre and Rocco Davis, Special Assistant to the General President and LIUNA Vice-President, Pacific SW Regional Manager. Throughout the SAMLU, many of the attendees spoke in honor of Hegarty's service, offering gratitude and thanks amongst the plethora of congratulatory comments. An introspective dedication to President Hegarty's service to the NPMHU is featured elsewhere in this magazine.

During his welcoming remarks, Hegarty introduced six newly installed Local Presidents and three re-elected Local Presidents, resulting from elections or appointments occurring since the last SAMLU in August 2014. These newly elected or

After welcoming remarks from President Ernie Grijalva of Local 302 in the host city of San Francisco, the meeting began with President Hegarty's 26th and final report to the attendees of the Semi-Annual Meeting of the Local Unions (SAMLU). As is customary, Hegarty's report was a comprehensive account of the activities of the National Union since the previous meeting of Local Presidents. President Hegarty addressed a wide array of topics beginning with the Union's continued objections to the USPS implementation of its Network Rationalization plan, including threatened closures, consolidations, and reduced service standards. Notwithstanding continuous efforts in Congress and elsewhere to stop or delay these plant closings and consolidations, as of now, they are scheduled to move forward. There were three consolidations in January, but most of the



(l-r) National Secretary-Treasurer Mark Gardner, LiUNA General President Terry O'Sullivan and National President John Hegarty



Paul Hogrogian acknowledges attendees' standing ovation upon announcement to succeed John Hegarty as National President



LiUNA Officers: (l-r) Sergio Rascon- Vice President, General Executive Board, Oscar De La Torre- Vice President, General Executive Board, Rocco Davis- General Executive Board, Assistant to the General President, Vice-President, General Executive Board, Pacific SW Regional Manager and Terry O'Sullivan- LiUNA General President

SAMLU ATTENDEES GATHER IN SAN FRANCISCO, CA, TO CONDUCT THE BUSINESS OF THE UNION.



facilities originally scheduled for January have been pushed back to later in the year. Hegarty noted that “while the outcome is uncertain, the NPMHU will continue to oppose the closing and consolidations on each of three fronts.”

First, the NPMHU has filed a National-level grievance affirming our position that these closings and consolidations do not comply with the requirements and provisions of Handbook PO-408. The grievance is being moved to arbitration as expeditiously as possible. Second, the Union continues to seek congressional pressure on postal management to stop or limit the closings and consolidations. Hegarty highlighted the recent actions taken by Senators Bernie Sanders of Vermont and Jon Tester of Montana; both have personally objected to the closures and consolidations in meetings with the new Postmaster General. And third,

and consolidations. We must continue to apply political pressure on the Postal Service – I think, the day [of action on November 14] was very successful. The nationwide demonstrations helped raise the awareness,” said Hegarty.

Hegarty also spoke at length about the implications of the newly elected, Republican-controlled 114th Congress. The Senate Committee on Homeland Security and Governmental Affairs is now chaired by Republican Sen. Ron Johnson of Wisconsin, and the House Committee on Oversight and Government Affairs is chaired by Republican Rep. Jason Chaffetz of Utah. “When it comes to regulating and shaping the future of the Postal Service, these are key committees and key appointments, and both will play an important role in crafting any forthcoming legislation,” said Hegarty. The President

THE WHITE HOUSE BUDGET INCLUDES SOME VERY CONCERNING RECOMMENDATIONS.

the NPMHU continues to explore the possibility of legal action in the form of a lawsuit to halt or stay any closings or consolidations until there is a final arbitration award on the Handbook PO-408 grievance. Hegarty cautioned that to file a viable claim, the Union would be compelled to show that there is irreparable harm to employees – meaning actions of detriment that cannot be solved with a financial remedy. Examples would include the forced movement and relocation of employees and families well beyond reasonable commuting distances.

Hegarty spoke about the successful National Day of Action events of November 14, 2014. “This national action is not a solution by itself. Grassroots engagement and public education are key elements in the overall strategy to combat closures

went on to stress the importance of remaining politically active, as various favorable and unfavorable postal bills are introduced in the coming months.

Hegarty also spoke about the recently released Obama White House budget. He noted that “the White House does not seem to understand that the Postal Service is one of the crucial institutions in America, and that preserving the USPS is to preserve half-a-million middle class jobs.” The White House budget includes some very concerning recommendations. These include the perpetual recommendation that the Postal Service eliminate Saturday mail delivery after mail volume declines to a level that the White House expects the Postal Service to hit in late 2018; and an authorization to allow the USPS to phase out door-to-door delivery in favor



Local 303 NV SEBM Eric Schneider



(l-r) Local Presidents Robert Griffith (330) and Todd Larson (328)



Local 334 President Sheldon Adams



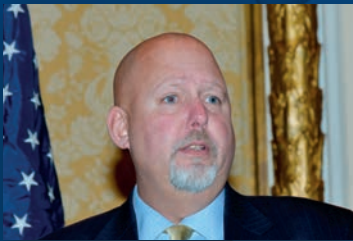
Local 320 President Alex Cervantes



Jose Pena - Vice President Local 305



National Executive Board (l-r) Mark A. Gardner - National Secretary-Treasurer, John F. Hegarty - National President, Paul Hogrogian - Vice President, Northeastern Region, Rudy Santos - Vice President, Western Region, Lawrence B. Sapp - Vice President, Southern Region, Kevin L. Fletcher - Vice President, Eastern Region and Jefferson C. Peppers III - Vice President, Central Region



Aetna Senior Director of Federal Plans, Mark D. Quinn



Local 311 Treasurer Roxie Olds-Pride and Local 324 Vice President and Tulsa Branch President Alfred Andrews



Local 323 President Jeff Larsen



Aetna Director of National Accounts, Brad Corban



Tim Dwyer - National CAD Representative



Local 318 President Nick Mosezar



Local 302 Officers: (l-r) San Francisco NDC Branch President Thomas Mayes, Recording Secretary Kim Garcia, Vice President Juanita Contreras, Treasurer Tony Coleman and Local President Ernie Grijalva, with National President John Hegarty (center)



Local Presidents Mosezar, McIntyre and Gibson discuss agenda items during break



(l-r) Don Utz - Local 300 SEBM CT, Joyce Weber - Treasurer Local 318 and Chris Bentley - President Local 298 discuss events of the day.



CAD Manager Thomas (T.J.) Branch delivers the Contract Administration Department's report



Local 327 President Larry Burk



Local 311 President Charles Charleston



Local 321 President Cindy Hoehl-Rinker



Local 322 President Michael McIntyre



(Back) Eric Schneider-Nevada State Representative, (l-r) sitting: Local 303 Stewards Debra Works, Terri Collins and Aukushan Scantlebury with member Vida Sloan

HEGARTY PROVIDED A BRIEF OVERVIEW OF THE NPMHU NATIONAL BARGAINING PROCEDURES AS THE UNION BEGINS TO PREPARE FOR NEXT YEAR'S NEGOTIATIONS.



(l-r) Mark A. Gardner - National Secretary-Treasurer, Anthony Banks- Local President 314 and MHBP Executive Director and Assistant to the NST- Michael Hora



(Front) Lawrence B. Sapp - Vice President, Southern Region and (back) Kevin L. Fletcher - Vice President, Eastern Region



Jefferson C. Peppers III - Vice President, Central Region



Local 303 President Javier Valencia



Local 305 SEBM Ed Evans



Local 307 SEBM and Grand Rapids Branch President Rita Tripp



Local 313 President Julio Figueroa

of centralized or curbside delivery, while codifying the current policy of not closing rural post offices.

On a more positive note, the Obama budget makes the following favorable recommendations. The budget (1) provides that the USPS be given more flexibility in creating new business opportunities, as well as boosting cooperation with state and local governments to offer services at post offices; (2) calls for making permanent the emergency or exigent price increase set to expire this year; and (3) includes a proposal restructuring the Postal Service's requirement to prefund the health care of retirees, deferring the fixed payments due in 2015 and 2016 – and ultimately restructuring a 40-year amortization schedule starting in 2017. Moreover, the proposed 2016 budget would return to the Postal Service any surplus payments it has made to the Office of Personnel Management for USPS' share of the Federal Employees Retirement System.

Unfortunately, the budget from the Obama administration did not propose any delay, moratorium, or cancellation of the plant closings or consolidations, even though many Members of Congress have suggested the same.

Overall, the USPS continues to operate in a state of flux. Effective February 1, 2015, Postmaster General Patrick R. Donahoe retired. The USPS Board of Governors reacted immediately, naming Megan J. Brennan, the USPS Chief Operating Officer and Executive Vice President for the past four years, as the Postal Service's first female Postmaster General. This appointment has resulted in several other senior-level changes at USPS headquarters. In addition to the internal realignments, the Board of Governors is operating without a quorum through a self-designated subcommittee authorized on the last day that the quorum was available. During the 113th Congress, President Obama named five nominees to fill BOG vacancies. All were approved by the Senate Homeland

Security and Governmental Affairs Committee; the full Senate, however, failed to move forward or confirm any of the five. The ramifications of these actions and uncertainties remain to be seen.

Hegarty went on to brief SAMLU attendees about the NPMHU's ongoing National arbitration and Step 4 docket; jurisdictional matters relative to RI-399; and the Postal Service's subcontracting initiatives at the Surface Transfer Centers, the MTECs, and the bedloading or consolidation-deconsolidation project. Noting that our current National Agreement expires in May 2016, Hegarty provided a brief overview of the NPMHU national bargaining procedures as the Union begins to prepare for next year's negotiations.

Following President Hegarty, National Secretary-Treasurer Gardner provided a detailed presentation and entertained questions and comments on a variety of topics, including the NPMHU financial statements for the year ending December 31, 2014; an updated presentation and analysis related to the Mail Handler complement, with particular emphasis placed on the importance of organizing our newly hired MHAs; membership trends and revenue allocation among our Union's affiliated organizations; a review of cost-of living and wage adjustments provided under the 2011 National Agreement; the upcoming Financial Management Seminar; and Local Union planning and budgeting for upcoming events such as the NPMHU's quadrennial and LIUNA's quinquennial Conventions, both scheduled to occur in 2016. It is noteworthy that these Conventions will take place in the same year, which only occurs once every 20 years.

The attendees also heard a report from NPMHU's Legislative and Political Director Bob Losi on various legislative and political efforts, including but not limited to an analysis of the White House budget and its impact on postal and federal workers; House Resolution 54 and the bipartisan move to restore service

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(back) National Executive Board and (front) Contract Administration Department



(l-r) John F. Hegarty - National President, Lawrence B. Sapp - Vice President, Southern Region, Paul Hogrogian - Vice President, Northeastern Region, Joyce Weber- Treasurer Local 318, Nick Mosezar- Local 318 President and Mark A. Gardner - National Secretary-Treasurer



(l-r) National Secretary-Treasurer Mark A. Gardner, Local 303 President Javier Valencia, Treasurer Van Cunningham, Vice President, Western Region Rudy Santos, LAISC Branch President Gregory Harris, Vice President Juan Torres, Moreno Valley DDC Branch President Jarol Garcia, and NV SEBM Eric Schneider

standards to those in effect on July 1, 2012; and H.R. 784 – the Protect Overnight Delivery Act. The bipartisan legislation would reinstate overnight delivery service and prevent the Postal Service from operating under the current, weaker delivery standards. Brother Losi encouraged all attendees to contact their Representatives in the House and ask them to support and co-sponsor H. Res. 54 and H.R. 784. Losi also gave a comprehensive presentation on the status and impact of the NPMHU Political Action Committee (PAC). He spoke about the consequences of the newly elected 114th Congress and the implications of the new assignments for the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform. Finally, Losi reviewed the upcoming

of a renewed CVS/Caremark contact, member retention, quality care, service levels, and future growth.

Contract Administration Department Manager T.J. Branch then provided a full report on the activities of that department since the last meeting of the Local Unions, addressing and taking questions on a series of contract issues. He started with a discussion of National arbitrations and settlements including the lead clerks issue, blood platelet leave, Handbook PO-408, an MHA's use of annual leave after conversion, and meal times under Article 36. Brother Branch also spoke about the activities of the National Dispute Resolution Committee and jurisdictional issues arising under Regional Instruction No. 399, including those relative to the Small Package Sorting System (SPSS), the Passive Adaptive Scanning System (PASS), and the Automated Delivery

THE BUDGET FROM THE OBAMA ADMINISTRATION DID NOT PROPOSE ANY DELAY, MORATORIUM, OR CANCELLATION OF THE PLANT CLOSINGS OR CONSOLIDATIONS...

Legislative Conference set in Washington, DC, which is scheduled for May 12 and 13, 2015.

Aetna is the administrator and underwriter of the Mail Handlers Benefit Plan, and its Director of National Accounts, Brad Corban, accompanied by Aetna Senior Director of Federal Plans Mark D. Quinn, gave a comprehensive report on the status of the MHBP. Corban presented on all matters relative to the most recent open season, updating attendees on membership trends in the Standard, Value, and Consumer health plans; the presentation also included updates on the status of our supplemental dental and vision products. Finally, the presentation concluded with an overview on the strategic direction of the MHBP, focusing on the benefits of the transition to the Aetna network, acquisition

Unit Sorter (ADUS). Following the CAD report, Northeastern Region Vice President Paul Hogrogian delivered a report from the Article 12 Task Force. National CAD Representative Tim Dwyer then gave a comprehensive report on the Modified Arbitration Process (MAP).

Finally, Mady Gilson of Bredhoff & Kaiser, the law firm that serves as counsel to the NPMHU, provided a comprehensive training session on the handling of sexual harassment complaints, with a special emphasis on the contractual and statutory issues arising within the Postal Service. The training was well-received, and resulted in a lively exchange of opinions and ideas.

The next Semi-Annual Meeting of the Local Unions is scheduled for August 2015 in Boston, MA.