



NPMHU National Executive Board (rear) and CAD staff (front)

SAMLU NEW ORLEANS

On Thursday, February 18, 2016, officers and representatives from nearly every NPMHU Local Union gathered in New Orleans, Louisiana 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.

During his welcoming remarks, Hogrogian introduced four newly installed Local Presidents and one re-elected Local President, resulting from elections or appointments occurring since the last SAMLU in August 2015. The new Local Presidents include: William “Bip” McLemore (304); Felandria Jackson (305); Maurice Torres (313); Don Chapman (325); and Robert Griffith (330).

President Hogrogian also took time to recognize the esteemed career of Local 304’s retiring President James Bell. As a commemoration to his 46 years of service to the NPMHU, James was presented with the NPMHU gold membership card and a congressional flag that was flown in his honor over the Capitol in Washington D.C. The National President spoke warmly about Brother Bell’s dedication to the Union, highlighting his service in Ohio as a shop steward, Administrative Vice President, Recording Secretary, Vice President and Local President — a position Bell held for an accumulative 19 years over three decades. Also highlighted were Bell’s work at the National level, as the National President noted his service on the National Training Committee, the Committee of the Future, the Eastern Regional RI399 Dispute Resolution Committee, and several Field Negotiation Committees. Brother Bell served as a Delegate to the NPMHU National Convention for an unprecedented run of nine consecutive Conventions beginning in 1980. Hogrogian said it best, “You are a dedicated unionist. You worked for the advancement of the National Postal Mail Handlers Union. Thank you for a career that served to support the interests and welfare of our members in Ohio and across the country. We are forever honored to call you a Mail Handler.” Hogrogian’s admiration and celebration of Brother Bell’s career was echoed by a heartfelt standing ovation from all SAMLU attendees and guests.

After an invocation and the pledge of allegiance, Local 312 President Troy Davis took the podium and offered some remarks welcoming attendees to New Orleans.

The meeting continued with President Hogrogian’s semi-annual report to the attendees. As is customary, Hogrogian’s report was a comprehensive account of the activities of the National Union since the previous meeting of the Local Presidents. President Hogrogian addressed a wide array of topics beginning with postal reform, and the Union’s efforts to champion sensible legislation that is inclusive of several key elements. Hogrogian reported on several encouraging developments. First, the four national postal unions, the Postmaster General and her senior staff, and key members of the mailing industry have agreed on a



(l-r) National Secretary-Treasurer Mark Gardner, Former Local 304 President James Bell, and National President Paul Hogrogian



Local 312 President Troy Lee Davis Welcomes the SAMLU attendees to New Orleans



Executive Director MHBP & Asst. to NST Michael Hora

consensus postal reform bill that would include a solution to the ill-conceived mandate requiring the Postal Service to pre-fund health benefits for all retirees. The solution would include the integration into Medicare of all eligible postal retirees (65 years of age and older) and future postal retirees, as well as the investment of some of the retiree health benefit funds into a TSP Lifecycle 2040 type of account. The consensus bill would also require that the Postal Service's liability under the FERS and CSRS retirement systems be calculated using postal specific assumptions, with any surplus being returned to the Postal service. And importantly the bill would make permanent the 4.3% exigent rate increase, first adopted by offset the negative impact of the Great Recession of 2008, and would correspondingly prohibit the Postal Service from raising market dominant rates until January 1, 2018. Finally, the proposed consensus bill would also allow the Postal Service to provide non-Postal Services to state and local governments and would allow for the mailing of beer, wine and distilled spirits under specific conditions.

Hogrogian discussed two recent actions that also are related to and could affect postal reform. The Senate passed a non-binding resolution and the House Appropriations Committee similarly voted to require the Postal Service to restore its July 2012 service standards. Hogrogian said, "In view of these positive actions and the recent developments on Capitol Hill, we are hopeful that meaningful postal reform may be achievable."

Hogrogian then turned his focus to the closings and consolidation of mail processing plants, noting that this topic also could be addressed in any postal reform legislation. At the same time, he cautioned that if postal reform were to become a reality, any impact on closings or consolidations of processing facilities would be a byproduct, rather than a direct result of any statutory language.

The Postal Service announced last May that it was postponing the implementation of the latest round of closures and consolidations until at least April 2016. The Postal Service also took some of the targeted installations off the closing/consolidation list altogether. Notwithstanding this development and the continuous efforts in Congress and elsewhere to stop or delay these plant closings and consolidations, as of right now the USPS is scheduled to resume Phase 2 of its closures and consolidations later in 2016.

Hogrogian went on to discuss several other plans of action that could potentially bring a stop to or further delay any additional closings and consolidations.



NPMHU National Executive Board



National President Paul Hogrogian presents former Local 304 President a memento for his years of dedicated service to NPMHU



CAD Manager TJ Branch with the CAD Report



National President Paul Hogrogian with his report to the SAMLU



Local 310 Vice President Lisa Grier focused on the proceedings



Local 301 Treasurer Neil Ryan and Local 301 Vice President Hiram Velez



NPMHU SAMLU in progress

First, we have a National-level grievance (currently in National arbitration) asserting that these closings and consolidations do not comply with Handbook PO-408 in that they are based on stale and outdated AMP studies. The NPMHU has already won the threshold issue of whether or not Handbook PO-408 is covered by Article 19 of the National Agreement. The hearing on the merits began before Arbitrator Shyam Das on January 27, 2016, and will continue for one or more days at a future time.

Second, we will continue to seek congressional pressure on postal management to stop or limit the closings and consolidations. As noted, the Senate has already passed a non-binding resolution and the House Appropriations Committee has already voted to restore service standards to their July 2012 levels. If postal reform passes, the likelihood of the moratorium on the closings and consolidations being extended for a number of years increases.

Lastly, we are still looking into the possibility of legal action, which in essence would be a lawsuit to halt or stay any closings or consolidations until there is a final arbitration award on the PO-408 grievance. To file a viable claim, we need to show that there is irreparable harm to employees, most commonly demonstrated by the forced movement of employees to distances well beyond what is recognized as a reasonable commute. "There are some indications that the Postal Service may extend the moratorium on the closings and consolidations to the end of 2016 and even into 2017," said Hogrogian, but this is

by no means official or guaranteed. In short, we remain cautiously optimistic.

President Hogrogian next turned his focus to national bargaining. The NPMHU's 2011 National Agreement expires in approximately three months, on May 20, 2016. Negotiations with the Postal Service will formally commence on February 25, 2016, and preparations at the National Office have been ongoing for many months, including a bargaining strategy session that was conducted with all Local Union representatives at the August 2015 Semi-Annual Meeting of the Local Unions in Boston, MA.

Bargaining proposals were solicited from the membership and Local Unions through September 2015. Each and every one of those proposals was fully analyzed by the NPMHU's Field Negotiating Committee and the National Negotiations Team. Indeed, during the third week of October 2015, a Field Negotiating Committee met at NPMHU Headquarters in

Washington, DC to review and issue recommendations with regard to all of the proposals submitted from the members and Local Unions. This complex but extremely useful process allowed the Union to develop its opening bargaining proposals with maximum input from the NPMHU membership.

Our bargaining kick off with USPS is scheduled for February 25th. Periodic updates concerning the progress of the negotiations will be provided to the Locals and to the membership on a regular basis. Members are encouraged to watch your bulletin boards and website for the most current information.

Hogrogian also addressed the bargaining status of our sister postal unions. Since February 2015, both the American Postal Workers Union and the National Rural Letter Carriers Association have been negotiating over the terms of their expired 2010 National Agreements. They both initially reached impasse with the Postal Service. The



National President Paul Hogrogian, Vice President, Eastern Region John Gibson and members of the CAD Department gathering with members of Local 305

“THE CONDITION OF POSTAL FINANCES IS AN INTERESTING DYNAMIC, ESPECIALLY WHEN THE SUBJECT GETS RAISED WHILE NEGOTIATING NATIONAL LABOR CONTRACTS.”

APWU and the USPS tried mediation through the Federal Mediation and Conciliation Service, while the NRLCA and the USPS did not. More recently, the APWU and the Postal Service have just begun interest arbitration hearings before a three-member Arbitration Board chaired by Professor Stephen Goldberg, who also served as the APWU/USPS interest arbitrator in the 2000 round of national negotiations. “As we know from our last contract, the results could have an effect on mail handlers. We will provide behind the scenes assistance, to the extent we are asked and to the extent it is in the interest of mail handlers,” said Hogrogian.

Just days before the semi-annual meeting, the Rural Letter Carriers announced a tentative agreement with the Postal Service for a three-year contract, providing for continued general wage increases and cost-of-living adjustments, in exchange for additional workforce flexibility. And the city carriers, through the National Association of Letter Carriers, were opening their 2011 round of negotiations on precisely the same day and at the same time that President Hogrogian was reporting to the Local Union representatives.

The condition of postal finances is an interesting dynamic, especially when the subject gets raised while negotiating national labor contracts. Hogrogian noted that the Postal Service has been pleading poverty for some time. However, the Postal Service reported a \$1.3 billion operating surplus for Fiscal Year 2015. Parcel volume and revenue have been steadily increasing. The peak season in 2015 was also a major success for the Postal Service; package volumes were up 18.5% over the same period last year. The Postal Service actually showed a \$1 billion profit in controllable income for the first quarter of FY 2016, according to President Hogrogian.

On the flip side, the 4.3% exigent rate increase that was adopted by the Postal Regulatory Commission and extended by court order is now set to expire in April 2016. This represents approximately \$2 billion of annual revenue. If no action is taken by the Postal Regulatory Commission or by Congress, postal rates will actually decrease during the next few months. The Postal Service claims that if the PRC does not act and Congress does not take necessary action to address the retiree prefunding issue, the USPS could run out of money sometime next year, per-

haps as early as April 2017. This obviously could have an impact on national contract negotiations.

Hogrogian then updated attendees on subcontracting initiatives facing the NPMHU. Two years ago, the Postal Service conducted a pilot program to test methods of subcontracting the processing and sortation of originating and destinating non-machinable outside (NMOs) parcels currently performed in the NDCs. The test sites were the Chicago NDC and the Des Moines NDC, and the test dates ran from December 10, 2013 through June 26, 2014. The chosen subcontractor was the United Parcel Service. The NPMHU filed a national grievance protesting this action. The NMO pilot project has now ended and the NMO parcel operations have been returned to their normal processing procedures in the NDCs. The Postal Service has informed the NPMHU that it has ceased further evaluation of the subcontracting of the NMO operations. “While this is certainly good news, we are also keenly aware of the Postal Service’s history of changing its mind on such matters,” Hogrogian cautioned.

The Fishgold interest arbitration award referred several outstanding issues to the Subcontracting Committee, including the Surface Transfer Centers (STCs), the bedloading or consolidating/deconsolidation project (CDFs), and the Mail Transport Equipment Centers (MTECs). Hogrogian stated that meetings addressing the possibility of returning this work to the Mail Handler craft are continuing. “It is still too early to announce any results, but we are continuing our efforts to bring at least some of this subcontracted work back” to the Postal Service and to the NPMHU bargaining unit, said Hogrogian. The discussions have started to approach the subject on a facility by facility basis, with the Postal Service extending its current subcontracts for short periods of time while discussions continue; subcontracting will also be a major topic in 2016 bargaining.

President Hogrogian discussed the recently negotiated Memorandum of Understanding concerning the filling of residual vacancies. The MOU applies only to those installations that are not under Article 12 withholding. “We feel that this MOU will provide greater opportunities for MHAs to achieve career status. Hundreds of MHAs have already been con-



National Secretary-Treasurer Mark Gardner delivers the Treasurers report to the SAMLU



Aetna Director of National Accounts Brad Corban with his report to the SAMLU



Aetna Director of Federal Programs Sue Kohl



National Trainer Tim Dwyer with a report on Article 12 Task Force



National Legislative and Political Director Bob Losi with his report to the SAMLU

verted to full-time career status as a result of this MOU, with more to come,” said Hogrogian. To date, over 4,000 MHAs have been converted since the advent of the MHA category. The National Office recently signed an addendum which strictly establishes a ratio of three or five MHA conversions for every non-priority transfer, depending on the size of the facility. This extension will provide even more conversion opportunities for our MHAs.

President Hogrogian briefed attendees on the status of the Small Parcel Sorter System (SPSS), new technology currently deployed in in approximately thirty facilities around the country. With the rapid increase of parcel mail, we expect even more of this equipment to be deployed in future years.

On June 1, 2015, the USPS announced that the primary craft for all duties associated with the operation of the SPSS is the mail handler craft. As most everyone knows, in a stunning and totally unacceptable move, in early August 2015 the Postal Service notified the NPMHU of its decision to reverse that craft determination and to staff the SPSS in a manner similar to the way the APBS is staffed. Clerk craft employees were awarded the facing function with rotation to the sweeping function. “This decision defies all principles of good faith bargaining,” said Hogrogian. The NPMHU is doing everything in its power to challenge this decision, including but not limited to appeals through the RI-399 dispute resolution procedures, the filing of unfair labor practice charges with the NLRB, and a lawsuit filed in federal court. The Union’s General Counsel, Bruce Lerner, discussed the status of each of these legal proceedings in greater detail during his report as well.

When speaking about the RI-399 process, Hogrogian commented that those involved in the jurisdictional dispute process probably have noticed that the process for deciding RI-399 matters has been dormant for some time. The reason that cases have not been routinely heard is that the parties at the National level have been trying to revise or update RI-399 in a manner that makes sense. “There is no signed agreement or settlement, and such settlement would be contingent on a satisfactory resolution of the SPSS issue,” cautioned Hogrogian.

Hogrogian summarized the revision of RI-399 procedures as follows. The agreement

would involve the withdrawal of all pending National disputes which would solidify NPMHU jurisdiction over containerization, the AI/ATHS of the AFSM 100, the Automated Parcel Processing System, and the FSS machine. Disputes about the Advanced Facer Cancellor System would proceed to arbitration. Modifications to RI399 would also establish new inventories that would reflect which craft was doing the work on September 1, 2014. This would allow all parties to document and solidify, once and for all, the existing work assignments. Discussions on this potential RI-399 global settlement have already been held during recent meetings of the National Executive Board, the Committee on the Future, and the Contract Administration Department, as well as at the SAMLU in August 2015. Discussions are continuing among the three parties at the National level. Local Unions will be kept informed as these discussions progress.

Following President Hogrogian, 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, 2015; an updated presentation and analysis related to Mail Handler complement, with particular emphasis placed on the importance of organizing our new 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; and upcoming events such as the NPMHU’s quadrennial and LIUNA’s quinquennial Conventions, both occurring during 2016. It is noteworthy that these Conventions occur in the same year only once every 20 years.

The attendees also heard a report from NPMHU Legislative and Political Director Bob Losi on various legislative and political efforts, including but not limited to: an examination of the upcoming federal elections, with Brother Losi’s analysis of the race for U.S. President and key House and Senate contests; a description of Senate Bill 2051, also known as iPost reform legislation proposed by Senator Tom Carper (D-DE); and various proposals pending in the House of Representatives concerning service standards, six-day business and residential delivery, and modernization of the postal net-

“THE NMO PILOT PROJECT HAS NOW ENDED AND THE NMO PARCEL OPERATIONS HAVE BEEN RETURNED TO THEIR NORMAL PROCESSING PROCEDURES IN THE NDCS.”



Local 299 President Jason Adachi



Local members and guests



Local 297 President Chris Bentley



Local 321 President Cindy Hoehl-Rinker

work. Brother Losi also spoke at length about the status of the USPS Board of Governors and concerns related to their inability to convene a quorum. He also gave a comprehensive presentation on the status and impact of the NPMHU Political Action Committee (PAC).

On day two, Aetna's Director of National Accounts, Brad Corban, accompanied by Aetna's Director of FFS Plans and Integration, Sue Kohl, gave a comprehensive report on the status of the Mail Handlers Benefit Plan (MHBP). They jointly presented on all matters relative to the most recent open season – discussing the following topics in appropriate detail: (1) membership trends in the Value, Standard and Consumer Plans; (2) MHBP product review and strategy for the 2017 offering; (3) prescription trends 4) and marketing strategies. SAMLU attendees were eager to hear Aetna representatives highlight the reasons behind the favorable enrollment numbers for the 2016 plan year.

Assistant to the Secretary-Treasurer Michael Hora then gave a comprehensive presentation on matters related to increasing NPMHU membership with enhanced MHA recruitment procedures. He led a discussion on important components of the NPMHU membership recruitment strategy including new employee orientation, for MHAs, newly converted career employees, and transfers from other crafts, local strategies to enhance organizing, routine and timely processing of Forms 1187, and tracking and pursuing non-members.

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 each of the following issues: National arbitrations and settlements including Handbook PO-408; Discipline of MHAs Under the "Just Cause" Standard; and MHA Carryover of Annual Leave Upon Conversion. Brother Branch also spoke to the activities of the National Dispute Resolution Committee and jurisdictional issues arising under Regional Instruction No. 399. Branch also reviewed the USPS's Counseling at Risk Employees (CARE) and Badge Reader System (BRS) pilot programs, discussing their potential impact on the mail handler craft. Finally, Branch reviewed the potential impact of a random OPM audit of FEHB enrollees. Following the CAD report, National Trainer and CAD Representative Tim Dwyer delivered a report from the Article 12 task force.

On day three of the SAMLU meeting, the NPMHU presented a comprehensive training program covering application and enforcement of the Family Medical Leave Act. National CAD

Representatives T.J. Branch and Tim Dwyer, Local 308 President and Eastern Regional Vice President John Gibson, and Counsel Kathleen Keller presented on a plethora of issues relevant to FMLA. The meeting 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 December 2016 in Tucson, Arizona.



Local 322 President Kelly Dickey



Local 322 Treasurer John Szewczyk



Local 302 President Ernie Grijalva



Local 297 Treasurer Pamela Grant



Local 301 President Rene Morissette



Local 300 President Kevin Tabarus



Local 302 Treasurer Tony Coleman



National President Paul Hogrogian with members of Local 302