



# NPMHU Leadership Convenes at Semi-Annual Meeting

Officers and representatives from nearly every NPMHU Local Union gathered in the Nation's Capital in late August 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.

As usual, the meeting began with National President John Hegarty's comprehensive report to the assembly, which focused on the activities of the National Union during the past several months. Hegarty began his remarks with a substantive review of the recent wage increases, resulting from two cost-of-living adjustments that became effective on September 6, 2014 for all career mail handler craft employees. Hegarty explained that these two COLA increases are based on the upward change in the relevant Consumer Price Index (CPI) as reflected in the release of the July 2014 Index. The first increase scheduled for this September is a deferred amount of \$540, based on the CPI from January 2013 through July 2013. The amount attributable to this year is an additional \$687, resulting from the upward change in the CPI from January 2014 to July 2014. The total amount of \$1,227 applies to all career employees hired before February 15, 2013, with lower but proportional amounts paid to more recently converted career mail handlers. Together, these COLAs mean that all career mail handlers will enjoy a wage increase of approximately 2.2 percent, with some mail handlers at

lower steps receiving even higher percentage increases. In addition, all Mail Handler Assistants (MHAs) will receive a 2.5% general wage increase this coming November.

President Hegarty commented at length on the Union's ongoing objections to the threatened closures, consolidations, and degradation of delivery service standards. Hegarty said, "The primary objective of the NPMHU is to help protect and preserve the institution of the United States Postal Service with a coordinated strategy to fight the latest round of closings and consolidations scheduled to begin again in January of 2015." President Hegarty went on to highlight some of these unified efforts: "We are working with the American Postal Workers Union, the National Association of Letter Carriers, and the National Rural Letter Carriers' Association to fight the announced closings and consolidations of 82 more mail processing facilities that the Postal Service has targeted. We are fighting this battle on the legislative, legal, and grass-roots front, and this will require rank and file involvement," said Hegarty.

Hegarty reviewed the USPS timeline and procedures regarding the proposed closures, as well as the proposed modifications to the governing service standards that are required to accompany these closures. Indeed, without a change in the service standards, the closing or consolidation of these processing facilities would not be feasible.

The NPMHU's grass-roots strategy to stop or limit these closings and consolidations is based on organizing and highlighting opposition in

NPMHU National Leadership anticipates start of the SAMLU



Attendees discuss the day's agenda





NPMHU President John Hegarty delivers his report to the assembly



National Secretary-Treasurer Mark Gardner



Legislative and Political Director Bob Losi



National CAD Representative Tim Dwyer



(l-r) Vice President, Central Region Jefferson C. Peppers III, and Local 306 Officers - Treasurer Kenneth Leftridge, Local President June Harris, and Vice President Gregory Newsome



the 82 communities and surrounding areas that will be adversely affected by these changes in the postal network. Union representatives need to reach out to local politicians, and encourage them to write letters to the USPS and to their congressional representatives opposing the proposed USPS closings in their communities. Locals will be asked to contact community and religious organizations, other unions, and other sympathetic institutions that will join the Postal Unions in opposing many of these closings and consolidations. "We know that some of you have joined with other Postal Unions to hold protest rallies and other community events, and these too may be helpful," said Hegarty. The National Office has recently issued some written suggestions and guidelines for the Local Unions, which is based on the materials the NPMHU previously circulated during Phase 1 of the implementation of network changes.

Hegarty also addressed the various subcontracting initiatives underway at the National level. As part of the 2013 Fishgold Award, the arbitration panel established a joint subcon-

Local 313 President Julio Figueroa



Also speaking to the NPMHU leaders in attendance at the August 2014 SAMLU was Terry O'Sullivan, General President of the Laborers International Union of North America, the NPMHU's international parent body. In his remarks, President O'Sullivan focused on the importance of the American labor movement, its critical role in the legislative process, and the need for unions to be actively involved in politics and raising funds for our political friends, regardless of party.





tracting committee, the aim of which is the in-sourcing of some mail handler work that previously was outsourced. The committee has been meeting, with a focus on Surface Transportation Centers or STCs; on Mail Transport Equipment Service Centers or MTECs; and on the bed-loading project that was implemented a few years ago.

“We are in the process of meeting and negotiating with the Postal Service to get as much work as we can back into the hands of mail handlers,” said President Hegarty. The parties have jointly visited the STC facility at the Indianapolis airport, where 270 employees are performing mail handler work for wages and benefits set under the Service Contract Act.

President Hegarty also spoke about the subcontracting committee’s joint visit to the MTEC facility in Barrington, New Jersey. This is one of 15 such facilities around the nation that are still being subcontracted. This one facility in southern New Jersey, near Philadelphia, has approximately 150 employees, and the NPMHU believes that there are over 1,000 employees in other MTEC facilities throughout the country who should be mail handlers working for the Postal Service.

President Hegarty also addressed the NMO pilot program that was started in Chicago, Illinois, Des Moines, Iowa, and nearby facilities during 2013. The pilot has now ended, and we have requested all of the data that the Postal Service has collected. The Postal Service is claiming that it has not yet made a determination on the success (or failure) of the pilot. In fact, in the middle of August, USPS headquarters issued a letter saying that management has now hired an outside consultant to review the NMO pilot and determine whether the outsourcing should move forward. We have requested all of the data provided to the consultant, as well as information about the consultant. Said President Hegarty, “If the Postal Service decides to move forward with a full-blown subcontracting initiative on NMOs, we will have another large-scale battle on our hands. It’s a fight we are prepared for should it become necessary.”

“We are working hard to get some of this work back into the Postal Service and therefore into the hands of mail handlers represented by our Union. The process to undo this subcontracting has been very slow, and there are still major hurdles to overcome, but we are pressing forward as hard and as quickly as we can,” said Hegarty.

Hegarty highlighted President Obama’s four recent appointments to the USPS Board of Governors and the confirmation hearings before the Senate Homeland Security & Governmental Affairs Committee that followed. The appointments include at least one Republican, former

Vice President, Eastern Region and Local 305 President Kevin L. Fletcher and National CAD Representative Teresa Harmon



General Counsel Bruce Lerner



Local 306 Vice President Gregory Newsome



Local 301 President Rene Morissette



Local 308 President John Gibson



Local 298 President James Mills



Local 302 President Ernie Grijalva



(l-r) Regional Director Don Gonzales, Vice President, Western Region Rudy Santos, Local 320 President Madelyn Puricelli, and Local 302 President Ernie Grijalva





(l-r) KY SEBM Rhonda Hinkle, OH SEBM Beverly Bell, and Local 304 Treasurer Gloria Ward



Guests from across the country attended the Washington D.C. SAMLU



Office of Management and Budget Director James C. Miller III, and three Democrats, including Victoria Reggie Kennedy, the widow of Senator Ted Kennedy; Steven Crawford, a professor of policy at George Washington University; and David Bennett, a lawyer who works for the defense, security and aerospace contractor, Bae Systems. All four nominees are expected to be confirmed.

Hegarty next spoke about the sorry state of affairs in Congress and the ongoing stalemate on Capitol Hill. "There is always the possibility that a lame-duck session of Congress, which will be held in November and December of this year, could produce a postal bill," said Hegarty, but he cautioned that, "any progress towards favorable Postal Reform legislation may be contingent on the outcome of the November mid-term elections."

When addressing the topic of USPS finances, Hegarty noted that, "The NPMHU has been saying for almost two years now that the Postal Service has been operating with a surplus from its operations... Yet monthly and quarterly finance

Local 297 President Chris Bentley



Local 315 President Bryan Easley



Local Presidents convene for the semi-annual meeting





figures released by the Postal Service repeatedly make claims of a continuing deficit.” This is nothing more than a disingenuous campaign to misrepresent recent improvements with a distorted view of reality. “As everyone should know by now, the losses being reported are primarily caused by payments that are supposed to be made each year into the Retiree Health Benefits Fund,” said Hegarty. These annual payments are not based on any defensible or logical amortization schedule. Rather, they are the result of an overly-aggressive funding schedule included in the Postal Accountability and Enhancement Act (PAEA) when it was adopted in 2006. The calculations were tied to fluctuating long-term interest rates and the politics of scoring within the Congressional Budget Office, and are not based on reasonable estimates of what should be placed into the Retiree Health Benefits Fund or be paid for the ongoing costs of workers’ compensation benefits to cover the actual liabilities. “No one should be fooled – the Postal Service’s financial status is improving, and without the

Eastern Regional Director Eileen Mills



Southern Regional Director Charles Manago



Local 324 President Dan Riemann



Local 334 President Sheldon D. Adams



(l-r) National Secretary-Treasurer Mark Gardner and Local 306 Treasurer Kenneth Leftridge



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Vice President, Eastern Region and Local 305 President Kevin L. Fletcher welcomes attendees to the Nation’s Capital



Local 321 NDC Branch President Curtis Grantham



Local 331 President Zeke Moreno



Local 322 President Mike McIntyre



Local 302 Representatives (l-r): (Oakland) Shop Steward Royal Davis, (Reno) Branch President Jerry Todd, (Sacramento) Chief Shop Steward Ed Lenzer, NDC Branch President Christina Davis, (San Francisco) Branch President Thomas Mayes, Treasurer & (Sacramento) Branch President Anthony Coleman, National President John Hegarty, Local President Ernie Grijalva, and National Secretary-Treasurer Mark Gardner



President Hegarty presents Local 333 President Randy Krueger with the coveted Ambassador PACKie Award





Local 310 President Pervous (Andy) Badilishamwalimu



Local 300 Treasurer Kevin Tabarus



(l-r) Vice President, Central Region Jefferson C. Peppers III, Local 313 President Julio Figueroa, National Secretary-Treasurer Mark Gardner, and Legislative and Political Director Bob Losi



(l-r) Local Presidents Terry LeBan (312) and J.R. Macon (329)



## MAIL HANDLERS BENEFIT PLAN

MHBP Executive Director Michael Hora



Aetna's Director of National Accounts Brad Corban comments on the status of the Mail Handler Benefit Plan



Aetna's President of Government-Sector and Labor Division Cain A. Hayes delivers remarks to the attendees



Local 332 President Woody Hendrickson



Local 303 President Eddie Cowan



CAD Manager T.J. Branch



Local 321's past and current Presidents (l-r) CAD Field Office Manager and Regional Director David Ross, Local President Cindy Hoehl-Rinker, MHBP Executive Director Michael Hora, and Regional Director Don (Gonzo) Gonzales



Vice President, Western Region Rudy Santos



fooled—the Postal Service's financial status the Retiree Health Benefit Fund and OWCP issues, it is operating at a surplus,"



Retiree Health Benefit Fund and OWCP issues, it is operating at a surplus,” said President Hegarty.

President Hegarty also spoke about the activities of the Committee on the Future; the efforts of the Contract Administration Department; an upcoming training on Article 12; and issues related to Mail Handler Assistants and NPMHU membership.

Following the National President’s report, National Secretary-Treasurer Mark 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, 2013 and the most recent second quarter ending June 30, 2014; an updated presentation and analysis related to Mail Handler complement, with particular emphasis placed on the importance of organizing recently hired MHAs; a review of membership trends and revenue allocation among our Union’s affiliated organizations; a summary of cost-of living and wage adjustments provided under the 2011 National Agreement; and the recently completed, nationwide membership organizing campaign.

The attendees also received a comprehensive report and engaging discussion from Aetna, the administrator and underwriter of the Mail Handlers Benefit Plan. Aetna’s President of Government-Sector and Labor Division, Cain A. Hayes, and Aetna’s Director of National Accounts, Brad Corban, both spoke about the status of the Mail Handlers Benefit Plan (MHBP).

NPMHU Legislative and Political Director Bob Losi delivered a report on various legislative and political efforts, and that was followed by a comprehensive report and discussion on MHBP marketing and enrollment strategies from Michael Hora, the MHBP Executive Director.

Contract Administration Department Manager T.J. Branch then provided a 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 the pending Blood Platelet Leave arbitration decision, the Lead Clerks grievance, and a recent resolution on Payment of Sunday Pay Premium while on Administrative Leave. The CAD report also addressed the Small Package Sorting System (SPSS); the Quality of Work Life (QWL) process; and the activities of the National Dispute Resolution Committee and jurisdictional issues arising under Regional Instruction No. 399.

On Saturday, August 23, 2014, the third day of meetings, the NPMHU conducted a comprehensive training program focusing on contractual and legal issues specific to MHAs. Northeastern Regional Vice President, Local 300 President, and

DC SEBM and Branch President Lamar Grigsby



MI SEBM Rita Tripp addresses the trainers



Local 321 President Cindy Hoehl-Rinker



Vice President, Southern Region  
Lawrence Sapp



Western Region Director Don Gonzales



Local 318 President Nick Mosezar



(l-r) Local Presidents David Wilkin (309), and  
Madelyn Puricelli (320)



Vice President, Northeastern Region and  
Local 300 President Paul Hogrogian



Branch President (Tulsa) Alfred Andrews



National CAD Representative and Assistant  
to the National President Bobby Blum



President Hegarty discusses issues with Local 303 Branch President  
Ron Williams and Steward Vicki Eady

