

electronic diversion of the mail to the internet, email, and social media—has been dealing with its first, sustained, and (at least, in part) probably irreversible decline in mail volume.

The challenges facing our nation, the Postal Service, and this Union cannot be overstated. We find ourselves, on this 100th anniversary of the founding of our great Union, facing many challenges and many obstacles. We are about to enter lengthy and complex arbitration hearings that will determine the terms of our 2011 National Agreement. We continue to battle on Capitol Hill and in the Executive Branch to preserve not only our statutory benefits and our collective bargaining process, but also to guarantee the important and sustained role that the Postal Service must continue to play in the future of our American communications system. We need to marshal our forces, along with the rest of the American labor movement and other like-minded organizations and individuals, to ensure that this November the maximum possible number of pro-worker, pro-union, pro-working family candidates are elected into office by the American people. And, as if these challenges were not a sufficient test, we must continue to fight all of these battles while, at the very same time, the National Union and all of its affiliated Local Unions struggle against the internal effects of declining membership, rising expenses, and more intense disputes with the Postal Service, most notably relating to the potential dislocation of our members through the closing and consolidation of postal plants.

If there are visitors and guests at our 2012 Convention, they might be wondering how the Union is able to deal with all of these important issues, any one of which might lead to catastrophic results for Mail Handlers, and how the Union is able to deal with all of these issues at the very same time. But the delegates and other Mail Handlers who have gathered at this centennial National Convention know how the Union is coping, because we know that the NPMHU has been growing stronger and better for the past 20 years. The NPMHU is ready; it is prepared; indeed, it is anxious to confront these challenges, and to Shape the Future of this great Union and all of the Mail Handlers we represent.

Our common goals can be simply stated: on this, the 100th anniversary of the National Postal Mail Handlers Union, our Union pledges not only to Honor the Past, but also to use the lessons learned from our past to Shape the Future.

We will dedicate whatever time and effort is needed; we will expend whatever resources are demanded; we will implement whatever strategies are appropriate; and together we will do whatever it takes to ensure our Union's continued success, and the continued success of all Mail Handlers. Whether it is arbitrating over the 2011 National Agreement, lobbying on Capitol Hill; electing pro-worker candidates to federal office; dealing with the ill-advised closings and consolidations of postal plants; or representing Mail Handlers during grievance meetings or in arbitration hearings, the NPMHU and its Local Unions are prepared to act on behalf of Mail Handlers, now and in the future. Our goal is not simply to deal with these events or address these issues, but to act proactively, to lead by example, to respond aggressively, and ultimately to help Shape the Future.

Before addressing how and what the NPMHU must do to Shape the Future, it is fitting to look back, and Honor the Past, with special emphasis on the past four years.

Collective Bargaining

As always for the NPMHU, the primary focus of the National Union must be at the bargaining table against the Postal Service, especially during rounds of National negotiations, but also between periods of direct negotiations, when the Union must enforce the National Agreement at the National level.

When the 2008 National Convention convened in Orlando, Florida in August of that year, the NPMHU was in the second year of the five-year National Agreement that was negotiated with the Postal Service in late 2006 and ratified by the membership in early 2007. The membership's decision to ratify the 2006 National Agreement—by an overwhelming margin—proved to be the right decision.

The 2006 National Agreement contained a continuing stream of base wage increases, in the form of both general wage increases and cost-of-living adjustments. All Mail Handlers covered by that agreement received six general wage increases in November 2006, November 2007, February 2008, November 2008, November 2009, and November 2010, totaling 6.6% of pay, and continuing COLA payments—calculated using the historical formula and immediately rolled into base pay—that were negotiated for March and September of each year from 2007 through 2011, depending

on inflation increases. In addition, the contract included a new Step P that was instituted for the benefit of all senior mail handlers, offset in part by a lower entry step for new hires. During the five years of that contract, the COLA payments totaled \$3,640, including extremely large COLAs in September 2008 (\$1,477) and September 2011 (\$978). Thus, over the life of the five-year contract, a Level 4 Mail Handler at top step received guaranteed wage increases totaling \$6,989 or 15.2% of base pay, and even larger percentage increases were provided to mail handlers at earlier steps of the pay scale. Significantly, the total wage increases that occurred under the entire five-year contract were better than the predictions issued by the National Office at the time of the contract ratification vote in December 2006, and exceeded the total wage increases obtained by other postal bargaining groups. In addition, the current contract locked in other key economic protections, including rules on overtime, night differential, and Sunday premium pay, and although it contained increases in employee health care contributions, the contract nonetheless provided all Mail Handlers with substantial wage improvements during the five years covered by the agreement.

On noneconomic issues, the 2006 National Agreement extended the no-layoff protection for all mail handlers. It also continued several memoranda related to Article 12, one of which created an Article 12 Task Force so that the National parties could seek agreement on contentious reassignment issues. And it contained a host of other noneconomic improvements on important issues like casual reporting and enforcement, arbitration scheduling, and the automatic conversion of part-time flexibles into residual vacancies.

For the past two years, the focus of the National Office has been on National negotiations over the terms of the 2011 National Agreement. As always, the bargaining process has been lengthy, beginning with the solicitation of proposals from the membership. Both the Field Negotiating Committee comprised of Local and National officers and the National Negotiations Team worked endlessly to develop and analyze proposals, to prepare and present those proposals at the bargaining table, and to make the compromises and adjustments that are part of any negotiations.

Negotiations continued until the end of January 2012, when the Postal Service declared statutory impasse under the Postal Reorganization Act. Efforts at mediation followed in the period