



from March through May, but those efforts were unsuccessful, with the Postal Service more interested in trying to obtain legislative solutions to its congressionally created financial problems and trying to finalize its arbitration over the terms of its 2010 agreement with the rural letter carriers. In that arbitration, the Postal Service argued that it essentially is a bankrupt entity, now defaulting on legally required payments into the Retiree Health Benefits Fund that total more than \$5.5 billion per year, and therefore should be able to avoid all improvements in wages in its future contracts. That contention was soundly rejected by the arbitration panel.

As this report is being written, the NPMHU and the Postal Service have started the interest arbitration process that ultimately will determine the terms of the 2011 National Agreement. In accordance with a striking procedure implemented by the parties, the Federal Mediation and Conciliation Service has appointed Herbert Fishgold as the neutral arbitrator to head the three-person arbitration panel that will issue the final arbitration award, after extensive hearings on the issues that continue to divide the parties. Each party also will appoint one of the remaining arbitrators. The actual hearings have not been scheduled yet, but are expected to occur as soon as possible following the conclusion of this National Convention, with a decision sometime later this year or early next year.

Delays in the completion of National negotiations are not uncommon, and delays in the completion of arbitration as the final procedure in National negotiations are inevitable. Nor are the ongoing delays in the current round of bargaining surprising, given the central role that Congress and the financial condition of the Postal Service have played, and will continue to play, in this round of bargaining. At this point, however, the final stage of this extended bargaining process has begun, and the end result is getting closer and closer. The National Office has the skills and resources necessary to achieve a fair and equitable result for all mail handlers, and the NPMHU remains dedicated to do whatever may be necessary to reach that result.

Early Retirement Incentives

On two separate occasions during the past four years, first during the fall of 2009 and then during the summer of 2012, the NPMHU has negotiated terms for the implementation of retirement

incentives for mail handlers who may want to decide that leaving the Postal Service and collecting their retirement benefits is the right personal choice. In 2009, approximately 2,500 mail handlers made that choice, and a larger number of mail handlers, probably around 3,000, are likely to be retiring or otherwise separating from the Postal Service on or before August 31, 2012.

These incentives were made available (with certain restrictions) to all Mail Handlers who were currently eligible for regular retirement or voluntary early retirement, and all other employees who may have wanted to separate from the Postal Service. Although the NPMHU does not like to reduce the total number of mail handlers employed, or to lose active members of the Union, these retirement agreements with the Postal Service were intended to provide a financial cushion, and added peace of mind, for mail handlers who might be prepared to move on to the next chapter of their lives by leaving the Postal Service. Of equal importance, with many reassignments, consolidations, and even plant closings being implemented at mail processing facilities during the past four years, the agreements also produced important side benefits for remaining mail handlers, by ensuring that they experience less excessing and, if excessed, have more landing spots and bidding opportunities to protect themselves from the adverse effects of reduced staffing.

The NPMHU wishes a long, enjoyable, and well-deserved retirement to all of our departing brothers and sisters.

Contract Administration

Between rounds of formal bargaining with the Postal Service, the Contract Administration Department (CAD) of the National Union—comprised of Mail Handlers working in both the National Office and our Regional Offices—works to improve the interpretations and implementation of the current National Agreement. These dedicated representatives are available to assist and consult with Mail Handlers and Mail Handler advocates from around the country on the endless contractual topics that arise each and every day. It often is easy to overlook this important function, but the National and Regional CAD is in constant and direct communication with Mail Handlers throughout the country.

In addition to these routine communications, the CAD continues to produce a host of reports,

publications, and memoranda that are intended to keep the Local leadership and membership informed about contract developments.

First, the National CAD continues to produce a series of semi-annual reports—released in conjunction with each Semi-Annual Meeting of the Local Unions and then distributed to all Local Union officers and representatives—that describe all of the ongoing activities of the CAD since the last report. These reports, together with a constant stream of mail communications with the Local Unions, help to keep all NPMHU advocates apprised of the most recent contractual developments.

Second, more than six years ago, the National Office began to publish *Union Time*, a newsletter aimed directly at NPMHU officers and shop stewards who take on the tough, and often thankless, job of representing Mail Handlers on a day-to-day basis. The newsletter contains articles that are meant not only to be informative, but particularly useful in an officer's or shop steward's day-to-day dealings with postal management.

During the past four years, issues of *Union Time* have included articles analyzing a host of important topics, including seniority and status after excessing under the National Agreement; sick leave documentation and the “deems desirable” provision; the enforcement of Weingarten rights before the National Labor Relations Board; the reassignment of mail handlers in excess of the needs of a section under Section 12.6C4 of the National Agreement; incumbency rights under Section 12.3B3; and an entire issue devoted to the Contract Interpretation Manual (Version 3). Also included in each and every issue are summaries of recent arbitration decisions that should prove helpful to our NPMHU advocates.

The CAD also routinely distributes proposed and final revisions to USPS postal handbooks, manuals, and regulations (as well as any challenges that the Union may have filed on those changes); copies of the dozens of training and resource manuals that have been developed over the years; and NPMHU interpretations of various contract provisions.

Aside from these day-to-day communications, the CAD also takes primary responsibility for a host of other activities of the National Union:

Contract Interpretation Manual (CIM):

After several years of meetings and discussions with the Postal Service, the NPMHU and the USPS were able to issue their Version 3 of the