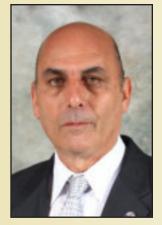
NATIONAL POSTAL MAIL HANDLERS UNION

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Paul V. Hogrogian National President

NPMHUACTIVITY CONTINUES

DURING SUMMER MONTHS



Mark A. Gardner Secretary-Treasurer

DATA BREACHES AND CYBER SECURITY

ate last year, in November 2014, the Postal Service informed the NPMHU and other postal unions, as well as all postal employees, that a massive cyber-intrusion into some of the agency's information systems meant that files containing employee names, dates of birth, social security numbers, addresses, start and end dates of employment, and emergency contact information had been compromised. The Postal Service claimed that it had taken steps to strengthen the security of USPS systems, and offered employees up to twelve months of free credit monitoring. Stand-up talks were held, and individual letters were sent to all affected employees.

Now the Postal Service has agreed, under pressure from the National Labor Relations Board, to settle unfair labor practice charges alleging that the USPS failed to bargain in good faith with the four major postal unions about the impact and potential remedies stemming from this cyber intrusion. Notices have been posted in all USPS facilities about this settlement, and the National parties have entered into bargaining on the subject.

Meanwhile, the U.S. Office of Personnel Management recently announced in late June 2015 that more than 4 million current or former federal employees and perhaps 21 million federal employees, retirees, and job applicants may have been victims of cyber intrusions relating to federal employment and background checks. The information available about this massive breach is still being released, and the NPMHU National Office will collect and analyze this information, before communicating with mail handlers further about any impact that may be felt.

ON CAPITOL HILL

During its biennial Legislative Conference in May 2015, in dozens if not hundreds of visits to lobby Members of Congress and their professional staff, the NPMHU urged Congress to adopt meaningful postal reform legislation that would improve the financial status of the Postal Service while delaying or eliminating the continuing closings or consolidations of mail processing facilities around the country.

In recent weeks, various postal stakeholders have continued to press forward on possible compromise legislation, and sometime soon several bills or other proposals are likely to be introduced. The NPMHU National Office continues its active engagement in the drafting process, and is cautiously optimistic about a long-term solution for USPS finances.

BARGAINING WITH THE POSTAL SERVICE

Two of our sister unions, the American Postal Workers Union and the National Rural Letter Carriers Association, were unable to reach negotiated contract agreements with the Postal Service when their 2010 National Agreements expired toward the end of May 2015. The APWU is now in mediation, and the NRLCA is preparing for interest arbitration.

Meanwhile, National President Hogrogian and the National CAD already have begun preparations for NPMHU national negotiations in 2016. At the upcoming Semi-Annual Meeting of the Local Unions, there is a program scheduled to discuss 2016 bargaining strategy, and later this summer, the NPMHU will be seeking proposals for bargaining from the Locals and all individual members. Watch your bulletin boards for the latest information, including directions on how to submit bargaining proposals.

USPS FINANCES

As of the end of May 2015, the Postal Service reported that it had an unaudited operating surplus through the first eight months of fiscal year 2015 of almost \$1.5 billion, more than

\$350 million ahead of plan. (The media likes to report a loss of \$2.6 billion for the same period of time, but that figure includes \$3.8 billion in presumed payments – not already made and not expected to be made – to the Retiree Health Benefits Fund established by Congress in 2006.)

Mail volume continues to surge in Shipping and Package Services, while First-Class Mail continues to decline and Standard Mail is basically even. The result is that the Postal Service, absent the unjustified costs of pre-funding retiree health care and paper-only fluctuations from changes in interest rates, is now operating in a financially sound manner. Much of the savings can be attributed to monies generated during the last round of collective bargaining, through reduced costs for non-career employees and recently hired career employees.

Every mail handler should ask this question: Why is the Postal Service not actively and accurately discussing its current economic situation, but rather constantly trying to convince the American public that it has a failed business model that needs fixing?

NATIONAL ARBITRATIONS

The National Office is actively engaged in a series of grievance settlements and arbitration proceedings. A recently decided case has denied a grievance seeking to allow Mail Handler Assistants who are converted to full-time career status to be credited with or use their annual leave without consideration of the ELM provision requiring another 90-day employment period for a new employee. In addition, National Arbitrator ruled against the APWU and the NPMHU when deciding that a meal time of 30 minutes may be deducted from their out-of-town Article 36 travel time.

The National Office is also in the middle of a National Arbitration, before Arbitrator Das, concerning the Postal Service's failure to abide by the requirements established by Handbook PO-408 defining the conditions upon which the Postal Service may close or consolidate USPS facilities. Briefs on a preliminary issue – whether the PO-408 handbook is covered by Article 19 – are now being written, and if successful, the NPMHU will then attempt to demonstrate that the Postal Service has violated its own handbook in its unseemly rush to reduce the number and size of mail processing facilities.



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July 2015