



SUBCONTRACTING UPDATE

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Since 2013, the National Agreement has included two provisions governing the subcontracting of Mail Handler work by the Postal.

First, Article 32 of the National Agreement requires that the Postal Service “will give due consideration to public interest, cost, efficiency, availability of equipment, and qualification of employees when evaluating the need to subcontract.” To ensure that these factors are properly considered, Article 32 also requires that the NPMHU be notified and consulted before any final decision on subcontracting is made. In this light, Section 1B of Article 32 states that “The Employer will give advance notification to the Union at the national level when subcontracting which will have a significant impact on bargaining unit work is being considered and will meet with the Union while developing the initial Comparative Analysis Report. The Employer will consider the Union’s views on costs and other factors, together with proposals to avoid subcontracting and proposals to minimize the impact of any subcontracting. A statement of the Union’s views and proposals will be included in the initial Comparative Analysis and in any Decision Analysis Report relating to the subcontracting under consideration. No final decision on whether or not such work will be contracted out will be made until the matter is discussed with the Union.

Second, the National Agreement includes an MOU on subcontracting, part of which states the following: “Under the 2019 National Agreement, the parties commit to re-establishing their Subcontracting Committee and continuing their discussions about the possibility of returning mail handler work from the Surface Transportation Centers (STC), Mail Transport Equipment Service Centers (MTESC) and the bedloading project. The Committee will consider all relevant factors when discussing the issue outlined above, to include cost, operational efficiency, availability of equipment, and qualification of employees. In addition, any MHA employees utilized as referenced in paragraph 1 will not count against existing non-career caps.”

Based on this MOU, the parties at the National level have been engaged in continuous discussions about ongoing subcontracting projects and proposals, including the three subjects listed in the MOU itself.

In May 2017, the National parties reached their first agreement on insourcing or returning some of the bedloading work to the mail handler craft at the St. Louis Consolidation Deconsolidation Facility (CDF), which is physically attached to the St. Louis National Distribution Center (NDC). The parties agreed to an 18-month period during which a total of eight MHAs could be hired to perform the work for the CDF.

In March 2018, the Postal Service agreed to return all of the bedloading work back into the NDCs. The work was returned in three phases. The first phase was effective on May 19, 2018. The six sites returned in Phase 1 were: Springfield, Atlanta, Philadelphia, Kansas City, San Francisco, and Detroit. The second phase was effective on July 21, 2018. The seven sites that were returned in Phase 2 were: Minneapolis, Cincinnati, Dallas, Seattle, Denver, Chicago, and Jacksonville. The third phase was effective at the end of September 2018. Those six sites included Memphis, Greensboro, Pittsburgh, Los Angeles, Des Moines, and New Jersey.

On July 13, 2022, the parties reached an agreement on insourcing or returning some of the Terminal Handling Service work to the Mail Handler craft starting with a one-year pilot program in certain postal facilities. The Terminal Handling Services have been subcontracted by the Postal Service in most locations since 2001. To date, THS pilot programs have begun at the West Valley P&DC in Phoenix, Arizona and at the Anchorage P&DC in Anchorage, Alaska.

In addition to these pilot programs, the Postal Service sent notification last year on November 10, 2021 of its plans to implement a proof of concept project which is testing insourcing of some of the Terminal Handling Services (THS) work at the Columbus, OH P&DC.

The NPMHU has also prevailed in National arbitration concerning the Postal Service’s decision to subcontract Mail Handler work at the Kansas City Surface Transportation Center or STC. The award was issued by National Arbitrator Daniel Brent on August 15, 2022.

This case began in August 2019, when the Postal Service first notified the NPMHU at the National level that the Postal Service had decided to subcontract all mail handler work at the Kansas City STC, scheduled for opening and staffing in September 2019. The National Union initiated a grievance at

the Step 4 or National level, followed by additional grievances during subsequent months arising from similar situations in Chicago, Orlando, Atlanta, Washington DC, New Jersey, Massachusetts, Southern California, and Northern California.

Six days of hearings were held ending in October 2021, during which the NPMHU argued that the USPS action was a blatant violation of both Article 32 and the Memorandum of Understanding Re Article 32 that has appeared in all National Agreements since 2013. Specifically, the Union argued that these contract provisions require advance notice and discussions with the Union while the Postal Service is “developing the initial Comparative Analysis Report.” We also argued that the Postal Service is obligated, among other things, to consider the views of the Union before making its subcontracting decision, to respond to the

Union’s views in its decisional document, and to not make any final decisions on contracting out work prior to discussing the matter with the Union.

The Brent Award ruled for the NPMHU on all of these issues, and then remanded the issue of remedy to the National parties. The remedial portion of this Award and its impact on subcontracting at the STC in Kansas City, and possibly in other locations, is still to be determined as the parties are still discussing these matters at the time of writing this article.

The NPMHU also is hopeful that additional, subcontracted work can be brought back into the Postal Service. Although much of the information obtained by the NPMHU is subject to nondisclosure and confidentiality agreements, should you have any questions on these matters, please do not hesitate to contact the National CAD.



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The USPS CFC goal for 2022 is to raise \$5 million.

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The CFC 2022-23 contribution solicitation period runs from September 1, 2022 through January 14, 2023. There are over 20,000 participating nonprofit charitable organizations to donate to through the CFC. One such charitable organization that helps fellow Postal employees is the Postal Employees Relief Fund (PERF). PERF was established in 1990 to aid postal employees and retirees whose homes are completely destroyed or left uninhabitable because of a major natural disaster or house fire. Currently in 2022, there has been seventy-nine declared major disasters. This includes Hurricane Ian, which severely impacted postal workers and facilities in Florida and Puerto Rico. When disaster strikes and all is lost, PERF is committed to helping postal families rebuild their lives. The PERF CFC charity code is 10268.

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