



National Postal Mail Handlers Union

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National Postal Mail Handlers Union

PRESIDENT'S REPORT

NATIONAL NEGOTIATIONS WORKING TO ACHIEVE A NEGOTIATED AGREEMENT

Dear Members,

Our 2011 National Agreement expired on May 20, 2016. Unfortunately, the parties were unable to reach agreement on a successor agreement before the midnight deadline on May 20. Because significant progress was made in bargaining, the parties have agreed to extend bargaining in an attempt to achieve a negotiated agreement rather than have an arbitrator determine the terms of our contract.

Negotiations formally kicked off back on February 25, and bargaining then began in earnest with main table meetings and various subcommittee meetings being conducted. Our priorities in bargaining included fair and just general wage increases, continuation of our current cost of living adjustments (COLAs), keeping the no-layoff clause, improving the rights and benefits for our MHAs, returning subcontracted work to the Mail Handler craft, minimizing the dislocation and inconvenience to Mail Handlers subject to involuntary reassignments, and fighting any USPS demand for concessions including proposals to implement another lower scale for future career employees which would limit wages and reduce benefits.

We realize that times are tough and that the USPS is experiencing some economic difficulties, especially in light of the expiration of the exigent rate increase. This round of bargaining, as expected, was extremely difficult. However, your bargaining team was able to negotiate several tentative agreements on several specific contractual proposals, many of which addressed our bargaining priorities. These tentative agreements are not binding until there is a final agreement, either negotiated or



PAUL V. HOGROGIAN, National President

arbitrated. Simply put: there is no agreement on anything until there is an agreement on everything. We will continue to make every effort to reach a negotiated agreement with the Postal Service. If a negotiated agreement is reached, it will be sent to the membership for ratification. If agreement cannot be reached, the parties will enter into a binding arbitration process. Our current National Agreement remains in effect until we have a new agreement either through negotiation or arbitration. The membership will continue to be kept informed during this entire process through updates and bulletins.

In May 2015, the Postal Service announced that it was deferring the implementation of the remaining closures and consolidations associated with the Network Rationalization Initiative until at least April 2016. More recently, in March 2016, the Postal Service announced that the closings and consolidations would remain in a deferred status indefinitely. The Postal Service also announced that prior to resuming these activities, "the Postal Service will update and review the Area Mail Processing feasibility studies using the most recent available data." At the same time, the USPS also cautions that these consolidations "are not, however, off the table." The moratorium notwithstanding, the NPMHU continues to address closing and consolidation issues through legislative avenues, through its Contract Administration Department, and through the Article 12 Task Force.

The Presidents of the four National Postal Unions continue to meet with the Postmaster General and her senior staff and with representatives of the mailing industry to form a coalition



on a postal reform bill. The parties in the coalition have reached consensus on the following concepts:

- **Integration into Medicare of all eligible postal retirees (65 years of age and older) and future postal retirees, and investment of some of the retiree health benefit fund into a TSP L-40 type of account;**
- **USPS liability under the CSRS and FERS retirement systems to be calculated using postal specific assumptions regarding demographics and wage growth with any surplus being returned to the Postal Service;**
- **Make the exigent rate increase permanent and prohibit the USPS from raising market dominant rates until January 2018; and**
- **Allow the Postal Service to provide non-postal services to State and Local governments and allow the mailing of beer, wine and distilled spirits under specific conditions.**

Senator Thomas Carper (D-DE) has introduced a bill (iPOST) that incorporates many of these concepts. His bill, however, also contains several provisions that we simply cannot support.

On May 11, 2016, the House Committee on Oversight and Government Reform conducted a hearing on Postal Reform. In an encouraging sign, both Chairman Jason Chaffetz (R-UT) and Ranking Member Elijah Cummings (D-MD) indicated that they are focusing on areas of agreement and are close to advancing a postal reform bill.

The challenge is now getting a consensus bill passed in a Congress that has not shown that it can reach agreement on many issues. The NPMHU will continue to work with its allies throughout the postal community to achieve meaningful postal reform that will best serve the collective interests of NPMHU members, the USPS, and the customers who rely on postal products and services.

The struggle over the Small Parcel Sorter System (SPSS) continues. The NPMHU continues to fight the USPS' unjustified reversal of its craft determination originally awarding all work on the SPSS to the Mail Handler craft. This reversal defies all principles of good faith bargaining. The NPMHU continues to fight this injustice in the RI-399 process, as proceedings before the NLRB and in federal court are held in abeyance or stayed. The NPMHU will do everything

within its power through any available forum to challenge this reversal. National arbitration on this issue is scheduled to begin in June.

Hundreds of MHAs from installations throughout the nation continue to be converted to Full-Time Regular career status as a result of the negotiated "Vacancy MOU," adding to the thousands of MHAs who have been converted to career status since the advent of the MHA category. The Vacancy MOU now establishes strict ratios of 3 MHA conversions (in installations of 100 or more man years) or 5 MHA conversions (in offices with less than 100 man years) for every non-priority transfer accepted. This MOU will provide even more future opportunities for MHAs to be converted to Full-Time career status.

By its own terms, however, the Vacancy MOU expired on May 21, 2016. At bargaining, the parties began negotiating on a new "Residual Vacancy" MOU that should further expedite the conversion of MHAs to career Full-Time Regular career status. This is one of the items being considered in the extended bargaining period. In the meantime, the parties agreed that the current Vacancy MOU would remain in effect until the parties agree to amend its terms or extend it again. This extension will allow for the continuing conversions of MHAs while the parties try to finalize negotiations over the terms of the 2016 National Agreement.

I remain confident that, through the work of our Contract Administration Department and our legal representatives, we can successfully meet any and all challenges that lie before us. The continuing support of all Mail Handlers is very much appreciated.

Fraternally,

Paul V. Hogrogian
National President

"WE WILL
CONTINUE TO
MAKE EVERY
EFFORT TO
REACH A
NEGOTIATED
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WITH THE
POSTAL
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