

## BATTLING THE EFFECTS OF DIMINISHING MAIL VOLUME

Paul V. Hogrogian, National President



**T**he USPS continues to implement its extremely flawed Function 1 Scheduler across the country, and Mail Handlers continue to be adversely affected. The Postal Service continues to revert vacant assignments and abolish encumbered positions indiscriminately, and without regard to how this drastically affects the lives of Mail Handlers and their families and with little concern about how these changes affect the service that we provide to the American public. The reduced staffing will result in delayed mail processing, delayed delivery, and delayed service to our customers.

Thousands of Mail Handlers have had their lives turned upside down by having their start times, days off, and work assignments changed, only to have them changed again a month or two later. This appears to be a case of management not knowing what they are doing, but being in a hurry to do it.

The NPMHU at the National, Regional and Local levels continues to challenge and oppose these unwarranted and uncalled-for staffing changes on several fronts. At the National level, the NPMHU has initiated a grievance at Step 4 concerning violations arising from the Postal Service's plans to implement wholesale changes to work schedules, bids and work assignments based on the results of the Function 1 Scheduler. The National Office has also filed an Unfair Labor Practice charge with the National Labor Relations Board, trying to compel the Postal Service into disclosing more information about the Function 1 Scheduler and its impact on Mail Handlers and other postal employees. NPMHU Regional Directors have been meeting with their postal counterparts at the Area Level to address concerns associated with the F-1 Scheduler, while representatives from the Local Unions have been filing numerous grievances challenging each and every unwarranted bid reversion and abolishment.

USPS management also plans to involuntarily reassign Full-Time Regular Career Mail Handlers out of their current installations. According to our latest figures, the Postal Service has targeted 76 installations in which over 2,200 Mail Handlers would be adversely affected. The APWU is being similarly affected regarding clerk craft employees. These numbers can certainly get worse, as mail volumes and revenues continue to decline. The involuntary reassignments had been scheduled to be effective in February 2018 but have

now been pushed back to May of this year. We continue to challenge these impacts at all levels (National, Regional, and Local), and have been successful in reducing the number of impacted Mail Handlers and in some cases having the impact canceled in its entirety.

Postal management continues to argue that these changes are necessary because of the continuing decline in mail volumes, especially in First Class Mail, and the resulting drop in revenue. The Fiscal Year 2017 figures released by the Postal Service present a bleak outlook to say the least. The figures reflect a further decrease in First Class Mail of 3 billion pieces and a 2.3% decrease in marketing mail. First Class Mail is expected to decline another 3% during the current Fiscal Year 2018. The decline in marketing mail is most concerning because it is occurring during a time of supposed economic recovery. Package/Parcel volumes continue to increase (11.4% in 2017) but this increase is not enough to offset the decline in First Class and Marketing Mail volumes. The Postal Service showed a controllable deficit of \$800 million for Fiscal Year 2017.

The USPS is also considering plans to implement the closing and consolidation of mail processing facilities, which had been on hold for the past several years. The NPMHU believes that a decision to implement the closings and consolidations is an extremely bad idea because it would adversely affect service, which in turn would lead to a further reduction in mail volume and could result in a classic death spiral in American postal services. Cutting service is simply not the answer to the financial problems of the U.S. Postal Service.

The original list of those installations to be closed or consolidated contained 84 facilities. However, because many of the installations on that list have been "repurposed," the number of closings and consolidations is more realistically around 65 installations.

The NPMHU at the Regional, Local, and Branch levels will be meeting with their counterparts from the Postal Service to discuss the impacts at each individual installation.

The NPMHU continues to coordinate our response with our brothers and sisters from the APWU who are also being affected. We continue to provide a united front to show all concerned that all postal employees are united on this issue.

The National Office also is working with all postal stakeholders (postal unions, management associations, USPS management, and major mailers) to achieve meaningful postal reform legislation. The NPMHU remains committed to the passage of a Postal Reform Bill that would put the USPS on sound financial footing and would ensure that the Postal Service is able to continue to serve the entire American public at the level to which it has grown accustomed and at the level that it deserves. NPMHU Legislative and Political Director Bob Losi has been tirelessly working on this legislation.

In related news, the Postal Regulatory Commission (PRC) recently issued its proposed decision on if and how to change the USPS ratemaking system based on its 10-year review of ratemaking as contained in the 2006 postal reform legislation. The PRC has proposed to allow the USPS to raise its market dominant (including First Class Mail) rates by an additional 2% over the rate of inflation, measured each year by CPI-U).

offer were allowed to retire on either January 31, February 28, or March 31 of 2018. The NPMHU believes that this process was flawed from the very beginning. Postal management made the VERA offer without any advanced notice or bargaining with the NPMHU. Employees were forced to make life changing decisions with very little time or information to make that decision. The VERA offer contained no monetary incentive and provided little, if any, substantial value or benefit. If the USPS truly wanted to maximize the number of retirements, they should have bargained with the NPMHU in advance. Hopefully the USPS will engage in such bargaining and consultation before offering any more voluntary early retirements.

The NPMHU has already begun its preparations for the next round of bargaining. Our National Agreement is set to expire on September 20, 2019. Given the current financial situation of the Postal Service, the current political climate in the Nation's Capital, and the current uncertainty about Postal



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The Postal Accountability and Enhancement Act (PAEA) of 2006 had capped rate increases at the rate of inflation (CPI-U). This “cap” deprived the USPS of its ability to raise revenue in reaction to ever changing environments caused by declining mail volumes and other factors. Without the ability to raise rates above CPI for the past twelve years, the USPS chose to cut service, to reduce its workforce through reverting and abolishing jobs, and to consolidate/close mail processing facilities and post offices.

While the NPMHU believes that the PRC decision is a move in the right direction, we firmly believe that no cap is actually necessary. The USPS should have enough flexibility to set rates to ensure that it has the resources to fulfill its commitment to provide postal services to the American public. The NPMHU will be filing comments with the PRC advocating that no unfair cap be imposed.

The USPS has recently completed its latest Voluntary Early Retirement offer to eligible employees. Those accepting the

Reform legislation, we expect that these negotiations will be extremely difficult.

I remain confident that through the work of our Contract Administration Department and our legal representatives, and through the hard work of our Regional, Local, and Branch representatives, we can successfully meet any and all challenges that lie before us. But we must remain united in the face of the Postal Service's attacks on our jobs.

In these and other endeavors, the continuing support of all Mail Handlers is very much appreciated.

Fraternally,

**Paul V. Hogrogian**  
National President