



SAMLU

REPORT

Officers and representatives from nearly every Local Union came together for the second SAMLU meeting conducted in a virtual environment by way of the networking platform ZOOM. Attendees successfully participated remotely on a variety of devices.

On Wednesday, November 17, 2020, President Hogrogian convened the meeting to order and began by honoring the mail handlers and postal employees that have passed as a result of the coronavirus.

National President Hogrogian then introduced the NPMHU National Executive Board, the Contract Administration Department (CAD) staff, General Counsel, and other key staff members from the Union's National Office. During his welcoming remarks, National President Hogrogian introduced three newly installed Local Presidents and seven re-elected Local Presidents, resulting from elections or appointments occurring since the last SAMLU in April 2020.

The new or re-elected Presidents include Chris Bentley (Local 297, Western Missouri and Kansas), Kevin Tabarus (Local 300, Southern New York, Northern New Jersey, and Southern Connecticut), Eddie Cowan (Local 303, Southern California and Las Vegas, Nevada), Charles Charleston (Local 311, Texas), Joe Harms (Local 315, Oregon), Don Sneesby (Local 316, Washington and Alaska), Bernie Gonzalez (Local 320, Arizona), Tony Wilson (Local 321, Colorado), Jeff Larsen (Local 323, Minnesota and North Dakota), and Edvina Tesch (Local 332, Utah).

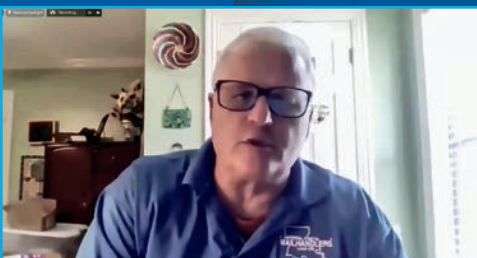
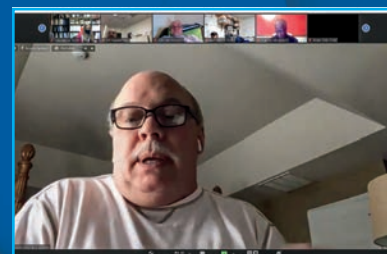
Next, President Hogrogian acknowledged the impending retirements of NPMHU Comptroller Mitzi Montemore and Membership Services Manager Deb Meyers. Paul spoke warmly about their long history with the union. Mitzi and Deb wore many hats throughout the course of their careers. Both did anything asked of

them and always gave one hundred percent; both will be deeply missed. Finally, President Hogrogian spoke about the announced retirement of National CAD Representative Bobby Blum. Paul spoke about the many years he has worked with Brother Blum both at Local 300 and in Washington DC. Bobby has served the members in many capacities, most recently as Assistant to the National President, a position he has held since August 2014. Paul expressed warm regards for his assistant, Bobby Blum. This is the final SAMLU for Mitzi, Deb, and Bobby. President Hogrogian wished Bobby, Mitzi and Deb a long and fruitful retirement on behalf of all members. Additional details about their retirement and subsequent appointments can be found on pages 36–38 of this publication.

Following congratulatory remarks to the future retirees and all newly elected and re-elected local officers from President Hogrogian, attendees watched a replay of the installation ceremony of the NPMHU National Executive Board. The Oath of Office was administered by LiUNA General President Terry O'Sullivan. National President Paul V. Hogrogian, National Secretary-Treasurer Michael J. Hora, Central Regional Vice President June Harris (Local 306), Northeastern Regional Vice President David Wilkin (Local 309), and Southern Regional Vice President Lawrence Sapp (Local 318) were re-elected by acclamation. Eastern Regional Vice President John Gibson (Local 308) and Western Regional Vice President Don Sneesby (Local 316) were reelected by a vote of their respective regional members as certified on October 28, 2020.

Following these opening activities, President Hogrogian provided a report to the assembly. As is customary, the National President's report was a comprehensive account of the activities of the National Union since the previous meeting of the Local Unions. President Hogrogian addressed a wide array of topics, beginning with the operational implications of the coronavirus on mail handlers and the USPS. He discussed operational protocol, safety measures, infection rate, contamination abatement, cleaning, quarantines, and social distancing policy stressing the importance of open communications with the USPS.

Representatives at all levels of the NPMHU continue to participate in COVID-19 meetings at the local, district and headquarters levels with our USPS counterparts to ensure we have the most current information available. As the NPMHU's point person for coronavirus matters, National CAD Representative Charles Manago runs the process for systematic dissemination of all COVID-19 resources to representatives and members.



President Hogrogian also spoke about the COVID-19 by reviewing complement caps, leave policies, and related Memoranda of Understanding, all of which can be viewed at npmhu.org. Hogrogian also discussed the Families First Coronavirus Response Act (FFCRA), allowing for up to 12 weeks of Expanded Family and Medical Leave to an employee who is caring for a child whose school or place of care is closed (or child care provider is unavailable) due to Coronavirus-related reasons.

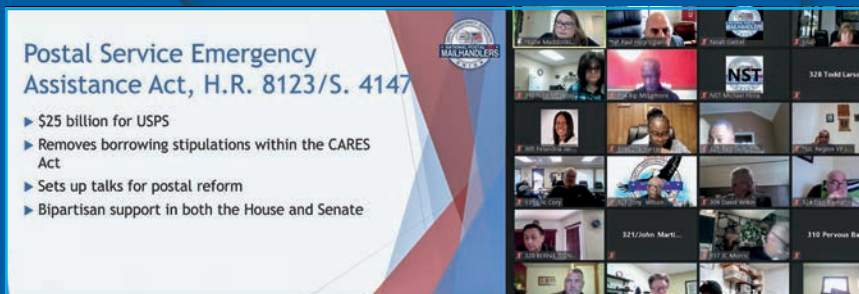
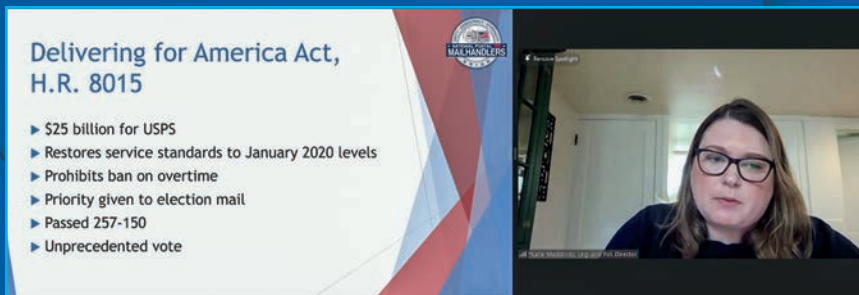
President Hogrogian provided an update on the USPS financial condition, emphasizing that seven of the twelve months reported is from a pre-coronavirus environment and noting that the financial outlook will undoubtedly get worse. The update included a report on the USPS financial condition for fiscal year 2020 ending on September 30, 2020. The Postal Service had a net

loss of \$9.2 billion, and showed an operational loss of \$3.8 billion for the year.

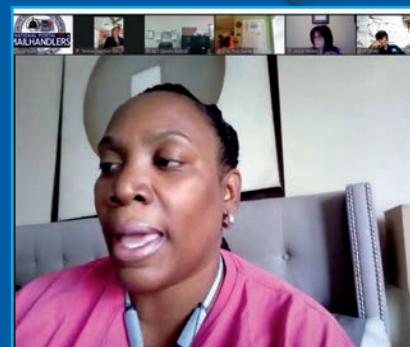
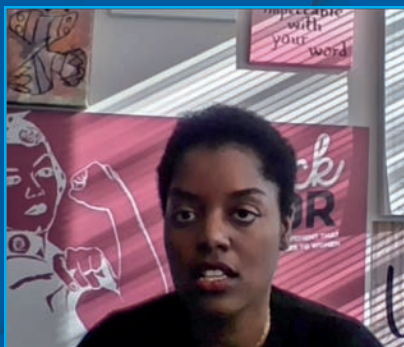
Overall mail volume totaled 129 billion pieces, down 9.4% compared to last fiscal year. First-class mail was down by 4.2% or 2.3 billion pieces in FY 2020, continuing a 15-year downward trend with no change expected. Marketing mail showed a decrease of 15.2% or 11.5 billion pieces. Parcel volume, on the other hand, has increased by 18.8% over FY2019. The increase in parcel volume is attributed to the pandemic and declines are expected, but the Service remains optimistic that moderate increases in parcel volume can be attained throughout the peak season and beyond.

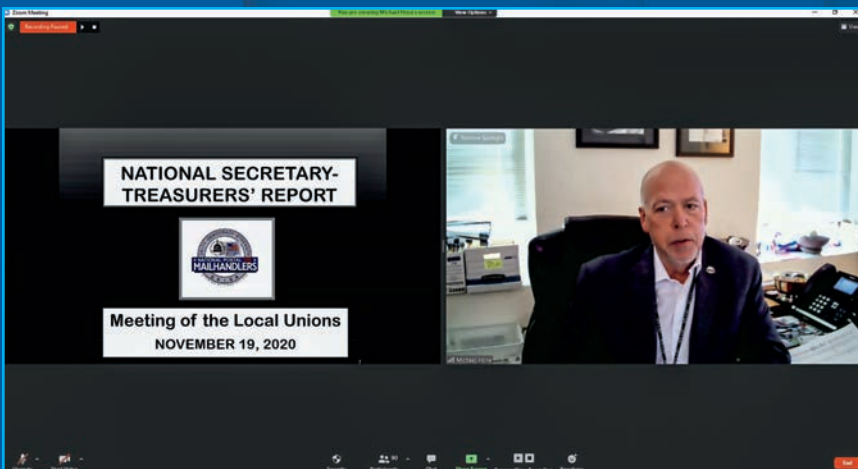
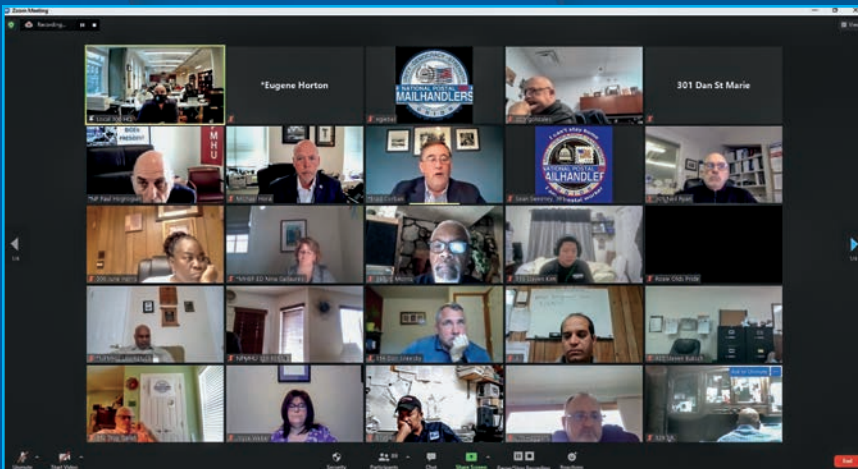
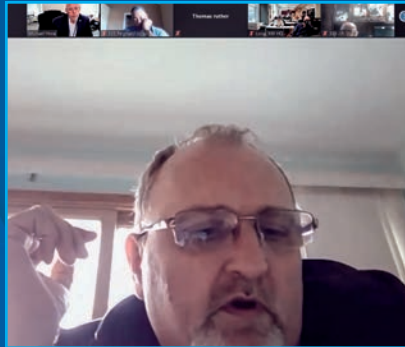
The USPS anticipates overall mail volume to decline, projecting a \$9.7 billion deficit for FY2021 with annual losses of \$10 billion or more for years to come, despite slightly increased volume projections for FY2021. Depending on the pace of economic recovery, the USPS now expects to run out of cash between April and October of 2021. Increased borrowing authority by the Cares Act will extend these projections by a few months. The Postal Service projects that the COVID pandemic will increase its operational loss by more than \$22 billion over the first 18 months of COVID and by over \$54 billion over the longer term.

President Hogrogian discussed the USPS rate case that is before the Postal Regulatory Commission (PRC). The current rate system is subject to an annual cap on rate increases equal to the rate of inflation, except for rare exigent rate increases like the one that ended in April 2017. The PRC has just adopted changes to that rate system to allow the Postal Service to increase its rates above the rate of inflation. The NPMHU intervened in support of the Postal Service, and filed comments with the PRC, as did the other postal unions. The NPMHU agrees that the rate cap should be greatly softened so that the Postal Service can raise rates



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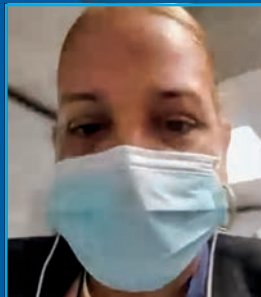
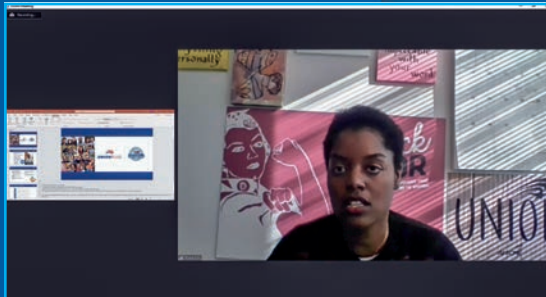


in a manner that exceeds the rate of inflation if the situation warrants.

President Hogrogian next spoke about the USPS Board of Governors. Currently there are 6 Postal Governors in addition to the PMG and Deputy Postmaster General; the DPMG position remains vacant. The sitting Governors include Robert Duncan, the former president of the Republican National Committee from Kentucky; Ron Bloom of New York; Roman Martinez of Florida; William Zollars of Kansas, former chairman of Yellow Worldwide Freight; Lee Moak, former president of the Air Line Pilots Association; and John Barger of California. Three remaining vacancies are expected to be filled by President-Elect Biden. The NPMHU continues to lobby for labor friendly nominees.

The President also reported on issues given rise by PMG DeJoy's actions, including his involvement with subcontractors New Breed Logistics and XPO Logistics, and recent nationwide mail processing delays associated with truck schedule modifications, the removal of mail processing equipment, and the USPS organizational redesign of processing & logistics and retail & delivery.

Also discussed was the Office of Management and Budget (OMB) reorganization recommendations. In a June 21, 2018 report, OMB released a plan entitled "Reform Plan and Reorganization Recommendations." Buried in the report is a Presidential plan to restructure the USPS into a 'sustainable business model,' and thereby prepare it for future conversion into a privately-held corporation. This restructuring purports to reduce door-to-door service and the frequency of these deliveries and seeks to reduce the wages and benefits of postal employees to highlight the most draconian recommendations. OMB's proposal has already drawn criticism from both Democrats and Republicans in Congress. The NPMHU remains optimistic that President-Elect Biden will



and some instances of excessing from the installations. Union officials at the regional, local and branch levels must once again challenge all unwarranted start time changes, reversions, and abolishments and file and continue to file the appropriate grievances.

Management remains steadfast in its intention to realign the workforce and align employees' schedules/rest days/ start times with the projected mail arrival profiles. However, it appears that the Postal Service has put its plans on hold during the COVID crisis.

President Hogrogian touched on critical issues pending in the U.S. Congress, including a status report on Congressional activity relative to possible postal reform legislation and bi-partisan support for potential legislation.

Hogrogian then reviewed the positive influence of the "Residual Vacancy MOU," which created a pecking order for conversion of Mail Handler Assistants (MHAs) to FTR positions. Negotiated in 2015 and incorporated into the 2016 National Agreement, the NPMHU recently surpassed 16,000 MHAs converted to FTR as a result of this Memorandum.

The President's report included a discussion on subcontracting and the NPMHU's effort to return subcontracted work to the bargaining unit. Many of the STC contracts with private contractors have short term expiration dates, presenting the parties with an opportunity to bring the work back, but we continue to face resistance from the Postal Service. The USPS is also implementing its plan to redesign the STC network. The stated purpose of the redesign is to improve truck utilization, containerization, visibility, and to reduce mileage and costs associated with moving the mail. In conjunction with the implementation of the STC redesign, the Postal Service announced its intention to subcontract the STC operations in the Chicago area and in Seminole/Orlando, Florida. The

deposit Trump's ill-advised reform and reorganization recommendations in the circular file once and for all.

President Hogrogian next spoke about the second phase of the USPS Function 1 Scheduler tool. The USPS has begun to implement its new version of the Function 1 Scheduler, a.k.a. the Function One Review. Early reports generated by this new version have been

positive, and in many cases resulted in increased mail handler staffing and MHA conversions. The NPMHU has requested copies of all new Function 1 scheduler/reviews, including all underlying data. The Postal Service is beginning to implement the second phase of its new Function 1 scheduler, to include bid abolishments and reversions, start time and rest day changes,

appropriate National-level disputes have been filed.

The USPS and NPMHU continue discussing the possibility of establishing a pilot site for returning subcontracted work from the mail transport equipment service centers (MTESC) (empty equipment) to the mail handler craft. The Postal Service is looking for a possible site for this pilot project.

Next, Legislative and Political Director Katie Maddocks updated attendees on

what was happening, or more accurately what wasn't happening, on Capitol Hill. Since the last SAMLU, the House passed the HEROES Act (H.R. 6800), which included provisions calling for \$25 billion in emergency appropriations for the USPS; removal of borrowing stipulations implemented by the CARES Act; and hazard pay for essential workers, which would include all postal employees. However, Republican leadership saw this legislation as a non-starter due

to its \$3 billion price tag. Throughout the summer and fall, further discussions on stimulus packages faltered as House Democrats and the Trump Administration could not come to terms on what a deal would include. Negotiations began again in December, and President-Elect Biden has commented that additional stimulus plans will be one of his top priorities as he enters office come January 20, 2021.

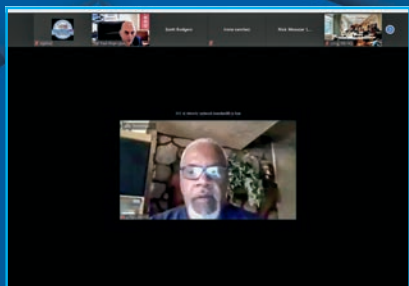
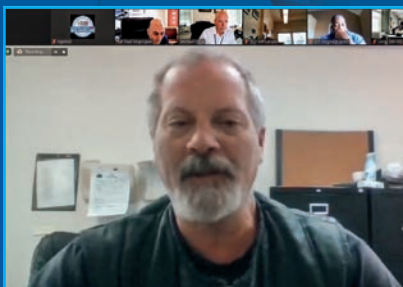
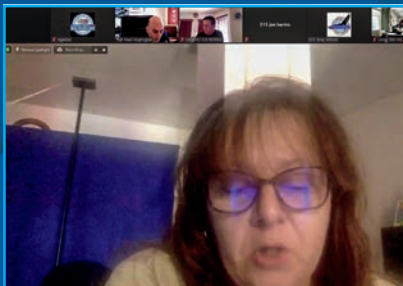
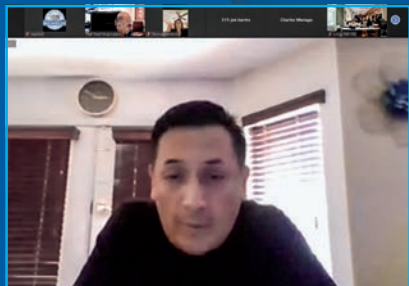
The SAMLU marked a week and a half since Joe Biden was declared the winner of the presidential election, and Sister Maddocks discussed the unprecedented events of this election along with the results of the House and Senate elections. As the 2020 elections were the most expensive on record, she thanked those members who gave to the NPMHU PAC throughout 2020 before announcing PACie Awards which are featured on page 20. Financial contributions to the PAC help to fund the campaigns of our postal friends and champions, ensuring they stay in Washington, DC.

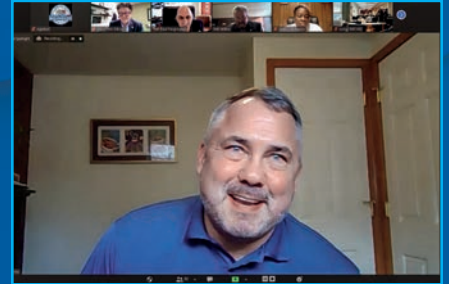
Next, the assembly heard a report from General Counsel Bruce Lerner on litigation and other pending legal matters involving the NPMHU National Union.

Finally, CAD Representative Kevin Fletcher led discussions on the RI-399 Update memorandum and provided a comprehensive report on the activities of the Article 12 Task Force.

On Wednesday, November 19, 2020, attendees received a comprehensive report regarding various matters related to the Mail Handlers Benefit Plan (MHBP) from Executive Director Nina Gallauresi and Brad Corban, Aetna's Director of National Accounts.

Next, National Secretary-Treasurer Hora provided a detailed presentation and entertained questions and comments on a variety of topics, including the financial implications of remote operations during the COVID-19 pandemic, the NPMHU financial statements for the quarter ending





September 30, 2020, and deficit control measures. His presentation also included a membership analysis of Mail Handler complement, regular and associate membership trends and revenue projections, and allocation among our Union's affiliated organizations. NST Hora led a review and discussion on issues related to the NPMHU Revenue Sharing Program including an in-depth membership review and recruitment initiatives relative to new MHA health benefits. Brother Hora also spoke about the NPMHU's participation in virtual new-hire orientations beginning on November 7, 2020. The Mail Handlers Union established four teams to lead four weekly virtual orientations wherein the USPS will orient 16,000 MHAs. Hora thanked all members of the NEB and the National CAD Representatives for assisting in the live presentations. Additionally, members of the NEB and CAD have assisted with live chat Q&A during each of the twenty-three orientations.

The NST next spoke about delays associated with new member enrollment, including a review of HRSSC operations during COVID and overview of PS Form 1187 submission protocol.

NST Hora reviewed NPMHU merchandise sales and NPMHU mobile app usage statistics, and reported on scheduled NPMHU national meetings and training programs. Finally, NST Hora spoke about the upcoming quadrennial NPMHU Convention and the likelihood that it will be postponed to August 2022.

Contract Administration Department Manager Teresa Harmon then provided a full report and entertained questions and comments from various attendees on the activities of the CAD since the last meeting of the Local Unions. Sister Harmon's presentation was based on the written report that was distributed electronically before the meeting and included the following topics: Implementation of the 2019 National Agreement and Q&A document; MHA Health Insurance and Open Disputes; Mail Handler Workforce; 2019 National Agreement Questions and Answers; 200 Man Year Report for the 2019 National Agreement; Selection of National, Regional & Expedited Arbitration Panels; Contract Interpretation Manual, Version 5; Coronavirus/COVID-19; COVID-19 Related MOUs Extended; New Memoranda of Understanding; Annual Leave Carryover for Leave Year

2021; Annual Leave Exchange Option for Leave Year 2021; Annual Leave Payout Upon Retirement for Leave Year 2021; Update on the MHAs Retro Holiday Pay Settlement; Cases Pending National Arbitration; and a discussion on the redesigned MAILS resource website for union representatives.

Attendees received a written report on the NPMHU Women's Committee, from Committee Chair and Vice President Central Region/Local 306 President June Harris.

As with each of these Semi-Annual Meetings of the Local Unions, a solicitation for agenda items was distributed to all Local Union Presidents in advance of this meeting. Agenda items that were sent to the National Office were distributed to all Local Presidents prior to the meeting and, to the extent possible, the submitted agenda items were addressed in the appropriate reports and through other discussion before the assembly. Several other topics were raised and discussed during the round-robin segment of the meeting.

After the business session, and without any further business before the body, the Semi-Annual Meeting of the Local Unions was adjourned.