



## NATIONAL-LEVEL DISPUTES

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In this issue, I want to give a brief overview on the National cases that have recently been heard in National arbitration, as well as some that are currently pending on the arbitration docket at the National level. These cases include:

### SUBCONTRACTING OF THE KANSAS CITY SURFACE TRANSFER CENTER

In early July 2021, the NPMHU and the Postal Service started arbitration hearings over the subcontracting of mail handler work at the Kansas City, KS Surface Transfer Center, which was opened and staffed in the fall of 2019. After six days of hearings, concluding in October 2021, that portion of the dispute is now complete, and only post-hearing briefing remains.

The Union position in this case is set forth in the NPMHU's Step 4 grievance:

The National Postal Mail Handlers Union is initiating a grievance at the Step 4 level — in accordance with Article 15, Section 3D of the 2016 National Agreement between the NPMHU and the Postal Service — concerning the Postal Service's proposed subcontracting for the establishment and staffing of a new Surface Transfer Center (STC) in the Kansas City, KS area. The NPMHU was first notified of this proposal by letter dated August 2, 2019, which was not received at the NPMHU National Office until August 8, 2019. The NPMHU believes that this subcontracting presents both a procedural and substantive violation of Article 32 of the parties' National Agreement, as well as a violation of the Memorandum of Understanding Re Article 32 that appears on page 200 of that National Agreement.

With regard to procedures, Article 32.1B of the National Agreement provides for advance notice and discussions with the Union while the Postal Service is "developing the initial Comparative Analysis Report." It also requires the Postal Service, 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.

Each of these required procedures was violated by the Postal Service in this case. Indeed, in the Postal Service's own letter, it states that "after carefully considering the relevant factors found in Article 32 of the National Agreement, the Postal Service has made the decision" to subcontract. (Emphasis added.) These are blatant violations of Article 32: stated simply and directly, there were no discussions with the Union, nor consideration of the Union's views, prior to the point at which the Postal Service made its final decision.

The Postal Service ends its letter dated August 2, 2019 by claiming, in an apparent attempt to excuse its blatant violations of Article 32, that "[n]o significant impact to the bargaining unit is anticipated." This is utter nonsense. As required by the MOU Re Article 32, the parties have a joint National Subcontracting Committee, through which the parties "commit to . . . continuing their discussions" about the STCs, and thus this is plainly an issue of significant impact to the NPMHU's bargaining unit. To make matters even worse, the NPMHU has been told by its Local leadership that supervisors and/or managers at one USPS facility in Kansas City have held stand-up talks with Mail Handlers and told them that an FSS machine is being removed and that 84 jobs will be impacted because of the subcontracting.

On the substantive factors that must be considered under Article 32.1A, here again the Postal Service could not have properly considered or decided upon these factors without Union input, and the Postal Service's failure to seek advance Union input may account for whatever errors made by the Postal Service when it unilaterally "considered" the Article 32 factors. Failure to inform the Union and discuss with the Union is the epitome of arbitrary and capricious conduct that violates Article 32.

For just one example, a key factor under Article 32 is cost, yet the Postal Service's analysis could not have properly

compared the costs of the subcontract with the cost of using USPS employees because the Postal Service could not know the costs of maintaining the work inside the Postal Service without discussing the work with the NPMHU.

In response, the Postal Service claims that the procedural requirements of Article 32 do not apply, because this subcontracting of the Kansas City STC does not have a “significant impact” on the NPMHU bargaining unit. USPS also claims that its decision was eminently reasonable.

**Promotion Pay** – This pending case, which should be the next to be heard, concerns a change to the promotional pay rules contained in the Employee and Labor Relations Manual (ELM). In April 2017, the Postal Service sent notification that it intended to make changes to the ELM that affected promotion pay under Schedule 2 of the mail handler pay scales, which is the wage scale applicable to career employees hired after February 15, 2013.

Under the old Schedule 1, which still applies to all mail handlers hired prior to February 13, 2013, employees who are promoted to Level 5, usually through the bidding process, have been governed by the rule found in ELM Section 422.323, which means the employee “receives a promotional increase equal to two times the most prevalent step in the former grade.” After this amount is added to the mail handler’s former base wage, if the amount falls between two steps of the new grade (Level 5), the employee is slotted at the next higher step in the grade and a new step waiting period begins unless the employee is being repromoted.

According to the Postal Service, this long-standing rule has unintended consequences when applied to the new career pay scale (Schedule 2), which covers all career employees hired after the effective date of the 2013 Fishgold Arbitration Award. The step increases in the new pay scale are significantly larger (approximately \$1434 per step, compared to the most prevalent step in the old scale of approximately \$300), and thus a promoted employee receives an increase of almost \$3000. The Postal Service claims that such a pay increase was unintended and therefore is an unwarranted windfall to the employee.

The Postal Service has therefore amended the language for promotions in ELM, Section 422.323(a)(2) to provide the following: “The Grade 4 employee receives a promotional increase that brings the salary to the same step in Grade 5. The promoted employee will retain the waiting period step credit that had been earned prior to the promotion in calculating the next step increase date.” In addition, the Postal Service has initiated a “hold in place” rule as follows: Employees who were promoted to either Step AA or A will have a one-time additional step waiting period of 52 weeks, minus time in step credit at the time of the most recent promotion. Employees who were promoted to Steps B through O will have a

one-time additional step waiting period of 104 weeks, minus time in step credit at the time of the most recent promotion.

The NPMHU position is that the new step placement rule creates changes in wages, hours, or working conditions that must be bargained with the Union and cannot simply be implemented unilaterally under Article 19. This new rule is also not fair, reasonable or equitable and is inconsistent and in conflict with our National Agreement.

**Safety Ambassador Program** – This pending dispute concerns the Postal Service’s roll out of a new program called the Safety Ambassador Program. According to the Postal Service, the purpose of the program was to create a standardized program based on the existing locally developed Safety Captain Programs. The Safety Ambassador Program is supposed to focus on employee engagement, training, communication, hazard identification/abatement, and accident reduction.

Upon implementation of the program, however, the Union found that selection of the Ambassador in each facility is at the sole discretion of the installation head and is not selected by the Union or with any Union input. The Local Safety and Health Committee established under Article 14 of the National Agreement also is not part of the program, and the program is being implemented in a manner that is interfering with pre-existing safety programs and procedures.

The NPMHU position is that the implementation of this Safety Ambassador Program is a violation of Articles 5, 14, and 19 of the National Agreement.

## UPDATE ON RI-399 NATIONAL JURISDICTIONAL ARBITRATIONS

**Advanced Facer and Canceled System (AFCS):** Arbitration was held on December 8 and 9, 2020. Closing briefs have been submitted by the parties and a decision should be rendered soon.

**Automated Delivery Unit Sorter (ADUS):** After the AFCS, the next National dispute to be heard was the jurisdictional determination issued by the Postal Service concerning the ADUS. Both unions have appealed that decision. The hearings on this case were held on February 17, 2021. Briefs already have been submitted by all parties and a decision is expected soon, but probably will not be issued until after the AFCS case is decided.

**Universal Sorter System:** The next National case that was heard in RI-399 National arbitration dealt with the Universal Sorter System (USS). These hearings began on April 20, 2021, and continued into June 2021 over five separate days. All disputes on the USS were from the APWU, as mail handlers have been assigned as the primary craft for all positions operating the USS. All parties have completed their briefs, which were submitted to the Arbitrator on November 8, 2021, and we are now awaiting the decision from Arbitrator Sharnoff.

If you have any questions about any of these cases or others that are pending, please talk to your union official.

# Contract Administration Department Representative Positions

As a result of upcoming retirements, there will be several vacancies in the Contract Administration Department. To ensure that there are qualified and available applicants, the NPMHU is asking any interested Union representatives or members to send in a “statement of interest” to the National Office. Applicants must be willing to relocate. Any statement of interest should include a listing of qualifications, a description of experience in contractual matters, positions held within the Union, any special projects, duties or accomplishments, training programs attended, education/degrees and other pertinent information deemed appropriate. This can be in the form of a simple letter or as formal as a resume. All submissions should be sent to:

**TERESA HARMON**

NPMHU Contract Administration Department  
815 16th St. NW, Suite 5100  
Washington, DC 20006

# FILLING RESIDUALS IN INSTALLATIONS WITHOUT MHA'S

**O**n October 5, 2021, the NPMHU was notified of a new computer software program that will be used by the Postal Service to canvas for residuals in installations that have no Mail Handler Assistants.

When an installation that does not have an MHA creates a residual through the bidding process, that duty assignment is placed on eReassign for a period of 21 days in accordance with the Vacancy MOU. After that period, if no one requests to transfer into this installation, management currently would manually canvas all MHAs within a 50 mile radius of this

installation. Over the last few years many problems with this process occurred, causing the same job to be canvassed several times.

With this new software program, the process will now be handled through the Lite Blue system. After a residual comes off eReassign with no interest expressed for the transfer opportunity, it will be placed into the new program and the computer will automatically show all MHAs that are employed within the 50-mile radius. The computer also will generate a stand-up talk for the installations that employ those MHAs. The stand-up talk also will be

displayed for the period of 10 days. During this period all eligible MHAs will be able to select this position through a program in Lite Blue. At the end of the 10-day period, the senior MHA within the 50-mile radius will be offered the position; that MHA can either accept or reject the bid. If the senior MHA rejects the bid, it will then go to the next senior eligible MHA. If no MHAs select the position, the Postal Service will look to externally hire to fill it.

This new, computer-based process will help ensure that all MHAs eligible for a residual get the chance to select the career position.