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## **PRESIDENT'S REPORT**

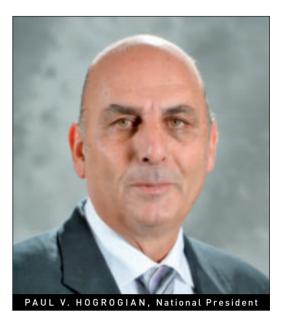
## **NATIONAL** CONVENTION AND BARGAINING UPDATE— **OUR WORK CONTINUES**

## Dear Members,

just returned from the recently concluded 2016 NPMHU National Convention, and it was an overwhelming success. The delegates passed many constitutional amendments improving our governing document, and also approved several resolutions endorsing concepts and causes important to our members. One of the resolutions was for the NPMHU to formally endorse Hillary Clinton for President of the United States. The delegates at the convention re-elected several of the National Officers by acclamation, while selecting candidates for three other Regional Vice President positions through nominations and primary elections.

As you can see, the Convention week was a very busy one, during which serious and sometimes heated debate occurred. However, all delegates came out of the convention united and with the same goals: keeping the NPMHU a strong and vibrant union and ensuring that our members receive the representation that they deserve. I commend all the delegates to the convention for their thoughtful and professional participation throughout the week. Our Convention simply confirmed the fact that if we remain united, we can accomplish great things together.

As you already know, our National Agreement expired on May 20, 2016 and we were unable to reach agreement on a successor agreement with the Postal Service prior to the midnight deadline on that day. However, 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. Significant progress has been made and I still believe that a negotiated settlement can be reached.



Our priorities in bargaining included fair and just general wage increases, continuation of our current Cost of Living Adjustments (COLAs), keeping the No Lay-Off clause, improving the rights and benefits for our MHAs, returning subcontracted work to the Mail Handler Craft. putting a stop to future subcontracting, minimizing the dislocation and inconvenience to Mail Handlers subject to involuntary reassignments, and fighting any USPS demand for concessions including proposals to implement new lower wage scales for future career employees that would limit wages or reduce benefits further.

The NPMHU bargaining team was able to negotiate several tentative agreements which addressed most of our bargaining priorities. However, these tentative agreements are not binding until there is a final agreement, either negotiated or arbitrated. There is no agreement on anything until there is an agreement on everything. There are a few items on the table that still must be resolved. We have returned to the bargaining table to address those items. 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 bargaining 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.

The Postal Service continues to defer indefinitely the implementation of the remaining



closures and consolidations associated with the Network Rationalization Initiative. The latest deferral should remain in place until at least April 2017. 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." The Contract Administration Department, the National Article 12 Task Force, and the NPMHU Legislative Department will continue to address closing and consolidation issues during the moratorium.

The NPMHU continues to meet with the coalition consisting of postal unions, the Postmaster General and her senior staff, and representatives of the mailing industry to advocate for postal reform that is good for postal workers, good for the Postal Service, and good for the American people. 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 all future postal retirees, and investment of some of the Retiree Health Benefit Fund into a TSP L-40 type of account.

Calculation of USPS liability under the CSRS and FERS retirement systems using postal-specific assumptions regarding demographics and wage growth with any surplus being returned to the Postal Service.

Making the exigent rate increase permanent and prohibiting the USPS from raising market dominant rates until January 2018.

Allowing the Postal Service to provide nonpostal services to State and Local governments and allowing for the mailing of beer, wine and distilled spirits under specific conditions.

There are currently bills pending in both the Senate and the House of Representatives that contain many of these concepts. Both of the current bills, however, contain several provisions that we simply cannot support.

The coalition is focusing on getting a consensus bill passed through the 114th Congress, which has not been able to reach agreement on many issues. The NPMHU will continue to work with the members of our coalition and with Members of Congress from both sides of the



aisle 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.

Revision: The first set of arbitration hearings on the SPSS were held in June 2016, and all the parties have filed their briefs on August 5, 2016. A decision on the threshold procedural issues is expected in the next few months. If the arbitrator rules against us, then the next portion of this case will address the merits of the SPSS jurisdictional determination.

One of the most important issues facing the Union is the conversion of MHAs to career employees. When an MHA is converted, in essence the Postal Service has committed to a long-term career for another Mail Handler.

The rate of conversion for MHAs that the Union has been able to achieve in recent years is a testament to the hard work of all Union representatives, who have focused on this issue as if the future of the Union depends on it, because the future of the Union does depend on it. More than 5,800 MHAs have been converted to career status from October 2013 through July 2016. There also are approximately 5,200 MHAs employed across the country, so taken together there are more than 11,000 members of our bargaining unit who have been or still are MHAs. This equates to more than one quarter or 25% of the entire Mail Handler bargaining unit.

The MOU on Filling Residual Vacancies, which we signed in August 2015, has proven to be an extremely productive memo. Overall, this MOU has provided significant opportunities for our part-

time employees to become full time, and for our MHAs to achieve career status. The pace of MHA conversions is now exceeding 280 per month.

By its own terms, however, the Residual Vacancy MOU expired on May 21, 2016. This is one of the items being considered in the extended bargaining period. In the meantime, the parties have agreed that the current Residual 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 want to thank the delegates at the 2016 NPMHU National Convention for allowing me to serve as National President and lead this great Union for the next 4 years. I am truly humbled.

Thanks to your dedication to your Union – and to each other – the Mail Handlers Union has been able to achieve great things. We expect the same for the next four years.

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