



# REPORT of the National Officers

## PREPARED FOR THE DELEGATES TO THE 2016 NATIONAL CONVENTION OF THE NATIONAL POSTAL MAIL HANDLERS UNION

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Article XII, Section 9 of the National Constitution of the National Postal Mail Handlers Union requires the National President, acting on behalf of the entire National Executive Board, to present a report to the delegates describing all of the activities and accomplishments of the Union since the last Convention. This written report is being distributed to comply with that requirement. All delegates attending the 2016 National Convention will receive a copy, and a copy will be made available to all other Union members over the coming weeks. The entire NEB sincerely hopes that all delegates and other Mail Handlers will take whatever time is necessary to review this report, for the NEB strongly believes that an informed membership is crucial to the continued success of the NPMHU.

### Overview

At its 2012 National Convention, the NPMHU celebrated a significant milestone in the history of our great Union, for 2012 marked the 100th anniversary of the founding of the NPMHU, which was initially recognized by the Post Office Department in August 1912 as the National Association of Post Office and Railway Mail Laborers representing postal laborers. It truly can be said, therefore, that the past four years have been the first four years of the NPMHU's second century. What has happened during the past four years, and also what has not happened or not been completed during the past four years, will have a profound impact on our Union for many years to come. Looking back to the period running from August 2012 through August 2016, therefore, is not only relevant to our history, but also important to our future.

Four years ago, the NEB told the delegates assembled at the 2012 Convention in Portland, Oregon that the state of the National Union was excellent; that the Union and all of its officers, representatives, and members at the National, Regional, and Local levels had reason to be proud about their accomplishments; and that every Mail

Handler had reason to be optimistic about the future. Although much has changed in the past four years, the NEB is pleased to report that the status of the Union remains the same: the state of the NPMHU is excellent, if not outstanding.

In 2012, the Union and all Mail Handlers were still enjoying the fruits of the wage increases and non-economic improvements contained in the 2006 National Agreement, and the Union was preparing for arbitration over the terms of the 2011 National Agreement. The nation also was in flux, as the re-election of the President Obama and a new U.S. Congress was still months away, and both the American economy and the U.S. Postal Service were only beginning to recover from the failed economic policies that caused the Great Recession of 2008.

During the past four years, many of the critical factors that affect the day-to-day lives of Mail Handlers have seen only minimal progress. The impact of the Great Recession – brought about because of greed in the banking industry and on Wall Street, an out-of-control housing market, and eight years of disastrous economic strategies implemented by the George W. Bush Administration – has been longer lasting than economists or other experts predicted. The American voters, apparently preferring tension and gridlock between the branches of the federal government, cast their votes both in 2010 and 2014 to put anti-worker, tea-party, right-wing Republicans in charge of both houses of Congress, while also voting in 2012 to re-elect President Obama by an overwhelming margin. This political stalemate has left unaddressed many of the crucial economic issues on the domestic agenda of the United States, including postal reform. As a result, the Postal Service has been forced to deal internally with a sustained and irreversible decline in first-class mail volume (caused by both the recession and ongoing diversion of the mail to the internet and email). Fortunately, in recent years, the decline in first-class mail has been accompanied by double-digit gains in package mail. But postal reform is still pending in Congress, and likely changes in the

Postal Service's debt and ratemaking systems are just around the corner.

In this context, although the NPMHU remains strong and vibrant, there are significant challenges facing our nation, the Postal Service, and this Union. At this writing, the National Office continues to work diligently to finalize bargaining over the terms of the 2016 National Agreement between the NPMHU and the Postal Service, which will be subject to membership ratification. We continue to battle on Capitol Hill and in the Executive Branch to preserve not only our statutory benefits and our collective bargaining process, but also to guarantee the important and sustained role that the Postal Service must continue to play in the future of our American communications system. We continue to marshal our forces, along with the rest of the American labor movement and other like-minded organizations and individuals, to ensure that pro-worker, pro-union, pro-working family candidates are elected into office by the American people. And the Union at all levels must continue to struggle against the internal effects of declining membership, rising expenses, and more intense disputes with the Postal Service, notably relating to the closing and consolidation of postal plants, the erroneous assignment of Mail Handler functions to non-NPMHU employees, and the outsourcing of Mail Handler work.

Visitors, guests, and other attendees less familiar with the NPMHU might wonder how the Union is able to deal simultaneously with all of these important issues, any one of which could lead to catastrophic results for the NPMHU and all Mail Handlers represented by the Union. But the delegates and other Mail Handlers who gather at this 2016 National Convention know, from personal experience, that the NPMHU has been growing stronger for the past quarter century by utilizing, in a thoughtful and rational way, all of the resources at its disposal, be they economic, political, organizational, contractual, legal, or personal.

Of course, the most important resource of the NPMHU is the Power that YOU — and by YOU,

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we mean all delegates and all Mail Handlers – have generously bestowed upon the National Union. The National Office could not represent Mail Handlers without the Power of YOU. With your support, the NPMHU remains fully committed to do everything necessary to represent Mail Handlers, and to represent Mail Handlers successfully. We are prepared to confront all challenges presented and to overcome all obstacles in our way, and to ensure that all Mail Handlers represented by this great Union have a future that is even brighter than the past.

That is why, at this 2016 National Convention, the NPMHU recognizes and celebrates the power of YOU, the elected delegates at this Convention and the entire membership of this Union. We acknowledge that our members are crucial to our success, and our success as a National Union is crucial to our members and their families. Each day the NPMHU strives to work as hard as possible for our membership. Whether it is negotiating the terms of the National Agreement; lobbying on Capitol Hill; electing pro-worker candidates to federal office; dealing with ill-advised closings and consolidations of postal plants or subcontracting; or representing Mail Handlers during grievance meetings or in arbitration hearings, the NPMHU and its Local Unions are constantly serving the members. At the same time, the NPMHU membership – including the Local officers, stewards, and elected delegates – contains our best advocates, representatives, and spokespersons for this Union. Thanks to your dedication to your Union – and to each other – the NPMHU has been able to achieve great things.

Our goal for this Report, therefore, is to recount our successes, and to demonstrate how the NPMHU has been able to win so many battles, big and small. The common thread in all of this information, simply put, is the Power of YOU: the remainder of this Report examines how the Power of YOU has been harnessed at the National, Regional, and Local levels over the past four years.

## Collective Bargaining

As always for the NPMHU, the primary focus of the National Union has been on negotiating, arbitrating, and implementing our National Agreement with the Postal Service. These efforts are focused not only at the bargaining table against the Postal Service, especially during

rounds of National negotiations, but also between periods of direct negotiations, when the Union must enforce the National Agreement at all levels of the Union. During the past four years, the National Office has been exceedingly busy in this area, with two rounds of National bargaining, a host of National arbitrations, and almost constant grievance activity.

When the delegates convened in 2012, the NPMHU was in the midst of negotiations and dispute resolution procedures. The Union had wrapped up bargaining with the Postal Service, after several extensions in the deadline, and had participated in mediation to no avail. Despite the resolve presented by the bargaining teams on both sides, a negotiated agreement proved impossible to reach. The inevitable next step was binding interest arbitration.

The parties entered binding arbitration in late 2012, and a final decision from the panel chaired by Arbitrator Herbert Fishgold was issued in February 2013. The NPMHU-appointed member of the arbitration panel was Robert Weinberg, from the law firm of Bredhoff & Kaiser, PLLC, which also is the home of NPMHU General Counsel Bruce Lerner. USPS counsel Robert Dufek was the Postal Service's appointed arbitrator. The Award followed fifteen months of work by the NPMHU, including its National Officers, the National CAD, its legal staff, and a series of expert witnesses and consultants who diligently prepared the union's case for the interest arbitration proceeding.

The Fishgold Award ushered in several major changes. First, the award fully protected the jobs and careers and living standards of all 42,000 career Mail Handlers then employed by the Postal Service. After a two-year wage freeze, it restored, starting in November 2013 and continuing through May 2016, the historic pattern of annual general wage increases and semi-annual cost-of-living adjustments for all current Mail Handlers. The general wage increases were 1%, 1.5%, and 1% percent during November 2013, November 2014, and November 2015, respectively. The award also granted a potential for seven COLA payments to be made over the course of the four and one-half year agreement. Taken together, these wage and COLA increases were similar to those negotiated or arbitrated by the other, major postal unions. The arbitration panel also ordered a continuation of the one

percent per year hike in employee contribution rates for health insurance, and included a small upward adjustment in night shift differential (of 7 cents per hour) and of clothing allowance.

The principal basis for the Fishgold Award was the Postal Service's financial position – that due to decreasing volume, no government aid, and competing services from the private sector, the Postal Service (although not in bankruptcy, as it had claimed) found it difficult to stay afloat financially. So, although the arbitration panel recognized the need for current Mail Handlers to receive ongoing wage increases, the panel concluded that there was not enough postal revenue to continue the economic and non-economic benefits offered under the National Agreement to all future employees.

Thus, the Award substantially changed the workforce that is now performing Mail Handler work. First, in the larger facilities, all part-time flexible employees were converted to full-time regular, and as of August 2016 there are fewer than 75 Mail Handlers who are still PTFs in smaller facilities. Second, the number of casuals employed in the Mail Handler craft was reduced to 5.0%, while the "in lieu of" clause and other restrictions on their hiring were eliminated. Third, and of most importance, a new category of non-career but bargaining unit employee was created, called the Mail Handler Assistant or MHA. The MHA category now serves as the entry point for all future career mail handlers to be hired by the Postal Service. A maximum of 15% of mail handlers in any district may be MHAs, with a cap of 20% in any particular installation. Unlike casuals, MHAs are members of the NPMHU bargaining unit, are hired based on the postal exam and other routine hiring criteria, and are eligible for conversion to career status based on their relative standing. Although MHAs work flexible hours and may be separated for lack of work, many other provisions of the National Agreement are applied to their employment, and the Union is able to represent them in the grievance and arbitration process. Starting pay for new MHAs was set by the Fishgold Award at \$13.75 per hour at Level 4 and \$14.50 per hour at Level 5, but those amounts have increased by a total of 7% during the remaining years of the 2011 National Agreement to 14.71 and \$15.51 per hour. MHAs also have limited access to subsidized health insurance in accordance with the Affordable Care Act.



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Significantly, future career employees (those hired or converted into career status after February 15, 2013) are being placed on a revised pay scale that reduces entry pay, but contains seventeen step increases of more than \$1,300 each, providing guaranteed increases in pay every 52 weeks, with top pay at Step P being precisely the same of current career mail handlers. The wage scale governing future career employees will continue to be adjusted upward by general wage increases and COLA increases, although the COLA before top step will be proportional to the COLA at Step P. The USPS demand for a permanent two-tier pay scale was rejected.

Also rejected by the arbitration panel were a series of draconian proposals from the Postal Service, including absolutely no general wage increases for career employees, no cost-of-living adjustments, and a drastic increase in employee contributions for health insurance to the current rate paid by federal employees. Another proposal from the Postal Service sought to modify, and effectively eliminate, the current no lay-off clause. In addition, the Postal Service sought the authority to hire and to utilize, without any contractual restrictions whatsoever, a total of 25% casual employees. Finally, for new career mail handlers hired in the future, the Postal Service proposed that their pay rates be 20% lower at the entry level and 20% lower at the maximum level.

After issuance of the Fishgold Award in 2013, the NPMHU National Office moved quickly to work on all of the items that the arbitration panel referred to the parties for further action and implementation. The National Officers and Contract Administration Department worked closely with the Local Union leadership to ensure compliance with the Award, and to promptly address any issues that developed while the new contract was implemented.

By far, the biggest splash made by the Fishgold Award was the introduction of the MHA as a new type and level of employee. Effective February 2013, all entry level Mail Handlers have been required to serve as a non-career, bargaining unit employee until they are converted to full-time career status. MHAs are eligible to join the Union immediately, and are converted to regular based on their relative standing. Indeed, being an MHA is now the exclusive means of being introduced into the career workforce, as part-time flexible employees have been eliminated in most larger

facilities, and most of the pre-existing part-time regular employees also have been allowed to convert to full time. The establishment of this MHA category was offset, in substantial part, by a reduction in the number of casual employees down to 5 percent (exception periods excluded).

The Fishgold Award's creation of the MHA category has presented both the NPMHU and the Postal Service with the challenge of integrating this new employee into the full Mail Handler workforce covered by the National Agreement. Further details on this topic are included in the discussions later in this report related to 2016 negotiations and ongoing contract administration.

For the past year, the focus of the National Office has been on National negotiations over the terms of the 2016 National Agreement. As always, the bargaining process has been lengthy, beginning with the solicitation of proposals from the membership. Around that same time, the National Office used one day at the Semi-Annual Meeting of the Local Unions in August 2015 to conduct a bargaining strategy session, to discuss bargaining goals and objectives and how best to achieve them. Both the Field Negotiating Committee comprised of Local and National officers and the National Negotiations Team worked endlessly to develop and analyze proposals, to prepare and present those proposals at the bargaining table, and to make the compromises and adjustments that are part of any negotiations. In total, the Union ended up submitting 97 pages of proposals, but a good number of those pages contained more than one proposal, so the Union probably submitted over 125 proposals; the USPS submitted about 25 of its own proposals. The parties also exchanged hundreds of counter-proposals through the 90 days of bargaining.

Even before negotiations started, the NPMHU made its priorities very clear: (1) continuation of general wage increases and cost-of-living adjustments; (2) addressing a host of MHA-related issues and improving pay and work rules for MHAs; and (3) moving forward to prevent subcontracting and actually insource Mail Handler work.

Negotiations continued until the midnight deadline on May 20, 2016, at which point the parties agreed to extend their negotiations. There were two primary reasons for this extension: first, the parties had made substantial progress in bargaining, with many tentative

agreements already initialed and verbal commitments on approaches to address the outstanding issues; and second, both parties wanted to wait for the final arbitrated award covering the contract between the Postal Service and the American Postal Workers Union.

The APWU-USPS arbitration award was issued in July 2016, fourteen months after the end of those negotiations, by a panel headed by Stephen Goldberg. The decision awarded a contract covering 40 months, from May 21, 2015 to September 20, 2018. On the key economic issues, the award provided career employees with three general wage increases of 1.2%, 1.3%, and 1.3%, as well as a potential for five cost-of-living adjustments during the same time period. Non-career employees who are not eligible for COLA were awarded wage increases of 2.2%, 2.3%, and 2.3%, plus another 50 cents per hour spread over the contract. The award also included no layoff protections for career employees currently on the rolls, and a continuation in the annual adjustments for the costs of career employee health insurance.

With this APWU-USPS award now completed, the NPMHU and the Postal Service are jointly aiming to complete their bargaining process with a negotiated settlement. Only a handful of issues remain, and talks are underway to resolve those differences. It will probably be September or October before all matters are finalized, but if and when a tentative settlement agreement is reached, it will be subject to ratification by the entire membership of the NPMHU.

With regard to tentatively agreed-to items expected to be included in the 2016 National Agreement, the eventual agreement should include general wage increases and COLAs for career employees and wage increases and other financial improvements for MHAs. The parties also have reached tentative understandings on important work rules, but as with all such agreements, they are dependent upon a negotiated settlement of the entire contract.

Delays in the completion of National negotiations are not uncommon, as they occur in virtually every round of bargaining. At this point, however, the final stage of this extended bargaining process has begun, and the end result is getting closer and closer. The NEB is certain that the National Office of the NPMHU has the skills and resources necessary to achieve a fair

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and equitable result for all mail handlers, and the NPMHU remains dedicated to do whatever may be necessary to reach that result.

## Contract Administration

Between rounds of formal bargaining with the Postal Service, the National CAD — comprised of Mail Handlers working in both the National Office and our Regional Offices — works to improve the interpretations and implementation of the current National Agreement. These dedicated representatives are available to assist and consult with Mail Handlers and Mail Handler advocates from around the country on the endless contractual topics that arise each and every day. It often is easy to overlook this important function, but the National and Regional CAD is in constant and direct communication with Mail Handlers throughout the country.

In addition to these routine communications, the CAD continues to produce a host of reports, publications, and memoranda that are intended to keep the Local leadership and membership informed about contract issues.

First, the National CAD continues to produce a series of semi-annual reports — released in conjunction with each Semi-Annual Meeting of the Local Unions and then distributed to all Local Union officers and representatives — that describe all of the ongoing activities of the CAD since the last report. These reports, together with a constant stream of mail communications with the Local Unions, help to keep all NPMHU advocates apprised of the most recent contractual developments.

The CAD also routinely distributes proposed and final revisions to USPS postal handbooks, manuals, and regulations (as well as any challenges that the Union may have filed on those changes); copies of the dozens of training and resource manuals that have been developed over the years; and NPMHU interpretations of various contract provisions.

In addition to these constant communications and documents, the CAD also takes primary responsibility for the various training programs conducted by the National Union:

### Contract-Based Training Programs:

Throughout the past four years, the National Union has continued to develop and conduct a series of

comprehensive training programs on a host of contractual and statutory issues important to all members. Each of these programs has been aimed at assisting Union officers and representatives from the Local Unions to advocate for Mail Handlers more effectively. Education and training is a crucial component of the National Union's overall program for improving the representation of Mail Handlers; indeed, the importance of this training can hardly be overstated, as educated Union representatives — at both the National and Local levels — are the lifeblood of the effective representation constantly being pursued by the Union. That is why training during the past four years has been extensive, as reflected by these examples:

1. Training Around the Local Unions is held continuously, to ensure that the first-line Union representatives are properly filing and processing grievances. These training programs, conducted by National Shop Steward Trainer and CAD Representative Tim Dwyer, often accompanied by Eastern Regional Vice President and Local 308 President John Gibson and/or CAD Manager T.J. Branch, are invaluable, and include not only basic and advanced shop steward training, but also a series of other training programs, with special emphasis on defending Mail Handlers who are being disciplined, arbitration advocacy, negotiating LMOU, implementing the Family and Medical Leave Act, processing and enforcement of OWCP, and reassignments under Article 12. Those Local Unions who have voluntarily entered into the MAP or Modified Arbitration Procedure also have been the recipient of joint training from National representatives from the Union and the Postal Service.
2. Arbitration Advocacy training was held in Washington, DC in February 2014, and included a comprehensive review of the procedural and evidentiary rules that govern local arbitrations, strategies for dealing with grievants and witnesses, and approaches to settlement, among other topics.
3. Article 12 training was held in October 2014, to provide Local Union representatives with the tools needed to deal with seniority, reassignment, relocation, and excessing issues that arise in the context of plant closings and consolidations.
4. FMLA Training was held in conjunction with the Semi-Annual Meeting of the Local Unions in February 2016.

5. MHA Training was held in Washington, DC during August 2014, and allowed the participants to discuss the entire panoply of issues arising from this new category of employee.

To prepare for each one of these training programs, the National Union has developed comprehensive manuals or handbooks on the specified topics, including outlines of the covered material and relevant documents needed by stewards and other advocates. Supplementary materials often are developed to include relevant arbitration decisions and case law. Of most importance, these manuals or handbooks also are circulated by mail — in either hard copy or on disc — so that the benefits of each training program can be shared with thousands of Union representatives across the country.

### Contract Interpretation Manual (CIM):

The good news is that feedback on the publication and utilization of the CIM has been extremely positive. The CIM includes the parties' joint interpretations of the National Agreement, and is issued together with a Resource Manual that contains each and every arbitration award, memorandum of understanding, letter of intent, and Step 4 agreement that is cited in the CIM. The most recent version of the CIM includes all updates through the 2006 National Agreement, as well as matters that have been settled at the National level during a few years after 2006. The manual took years to write, and each revision also takes a very long time to produce, but the bottom line is that, for the first time in the history of collective bargaining between the NPMHU and the Postal Service, the parties publishing the CIM have set forth, in a comprehensive manner, their substantive agreements about the appropriate way to interpret the National Agreement. To be sure, the CIM has not resolved all work-related disputes; but it has helped the parties at the Local and Regional levels to narrow their disputes by concentrating on the facts underlying particular grievances or issues that are not covered by the CIM.

The not-so-good news is that, despite our herculean efforts over the past several years, including constant meetings and discussions with our counterparts in the Postal Service, the NPMHU and the USPS have been unable to issue Version 4 of the Contract Interpretation Manual to reflect the 2011 National Agreement



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and the 2013 Fishgold Award. The parties have committed to each other and to their respective constituencies, however, to get the next version of the CIM released as promptly as possible after the ratification and execution of the 2016 National Agreement.

Reports from the Union's Regional and Local representatives show that the CIM continues to be effective because the number of Step 3 appeals has decreased, and management representatives at Step 3 are resolving those cases where local management is not adhering to the requirements set forth in the CIM. The CIM also is being used as a resource to cite when Step 3 decisions are being issued at the Regional level. And a review of the arbitration decisions being issued – at both the Local and National levels – demonstrates that many of the interpretations included in the CIM are being enforced and implemented, and often provide the common rules from which eventual decisions are reached.

Thus, the CIM continues to be used to settle or resolve cases at a much earlier stage of the grievance process, saving the Local Unions from expending resources that can then be used to represent members in other cases. In previous years we have reported that there has been a tremendous decrease in the number of cases pending Regional arbitration: twelve years ago, the NPMHU had more than 5,600 open cases pending arbitration; eight years ago, that number was down below 2,000; four years ago, that number remained below 2,000; and this year, in 2016, that number is just over 1,400, for a reduction of 75%.

It is safe to say that the development and publication of the CIM has had an extremely positive impact on the entire grievance-arbitration process. The document has proven to be far more substantive, and therefore far more useful, than prior efforts at joint interpretation of the National Agreement. The National Office will do all that it can to issue updates to the CIM and its supplements on a more timely basis.

## **MHA Conversions to Career Appointments:**

With the introduction of MHAs in the Fishgold Arbitration Award, the conversion of MHAs to career status has become one of the primary objectives of the CAD. When an MHA is converted, in essence the Postal Service has com-

mitted to a long-term career for another Mail Handler, and the Union is assured that its members will continue to be career-oriented employees who are focused on the long-term success of both the Postal Service and the NPMHU.

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 NPMHU 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. During 2013, in the months following the Fishgold Award, the Postal Service hired up to its limit of approximately 5,000 MHAs, but only 161 were converted during the last few months of 2013, for an average of 53 per month. The following year, in 2014, there were 1,154 MHAs converted to full-time regular, for an average of 96 per month. The first eight months of 2015 experienced 1,136 conversions, for an average conversion rate of 162 per month. At that point, however, the NPMHU and the Postal Service signed their National-level Memorandum of Understanding on the Filling of Residual Vacancies, and the rate of conversions increased dramatically. For the remaining four months of 2015, the rate of conversion has jumped up to more than 280 per month, and that rate has continued through July 2016.

In all, through July 2016, records maintained at the National Office indicate that 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 the NPMHU bargaining unit who have been or still are MHAs. This equates to more than one quarter or 25% of the entire NPMHU bargaining unit.

## **Jurisdictional Disputes and Regional Instruction 399:**

For more than sixty years, since the 1950s, no area involving the job rights of Mail Handlers has been more difficult for the NPMHU than its ongoing jurisdictional battles with the APWU and the Postal Service. In that context, the last four years have been more of the same.

With regard to the RI-399 arbitration docket, cases have been barely moving forward, either Nationally or Regionally, if they are moving forward at all. As for jurisdictional determi-

nations, especially those made by the Postal Service on a nationwide basis, the NPMHU has had mixed success during the past few years. Here are some details.

Soon after the 2012 Convention, the Postal Service for the first time concluded that the modified Advanced Facer Cancellor System (AFCS-200) had changed sufficiently to justify that a clerk employee be assigned to the AFCS Operator position. This determination was disputed by the NPMHU, and is awaiting resolution or arbitration at the National level. In the interim, the National Office issued written guidance to all Locals, making clear that the determination applies only to the AFCS-200 operator, and not to other legacy AFCS machines still being utilized or to other duties related to the AFCS such as dumping, culling, hand sortation, or hand cancelling.

More recently, the Postal Service has asked the NPMHU and the APWU to submit written position statements on several revised or new pieces of equipment or processes, including the Secure Destruction Process and the Universal Sorter (more specifically including the Low Cost Tray Sorter, the High Speed Tray Sorter, the Low Cost Universal Sorter, and the High Speed Universal Sorter). Each of these jurisdictional determinations is still pending.

The biggest news with regard to RI-399 at the National level is undoubtedly the dispute, legal proceedings, and ongoing arbitration concerning the Small Parcel Sorting System or SPSS. The NPMHU originally was notified more than two years ago, on June 25, 2014, of the Postal Service's plans to pilot test the SPSS in select facilities starting in October 2014. National CAD representatives met with postal officials on July 2, 2014, and again on October 3, 2014, to get information on this pilot program.

Following the normal process for making National jurisdictional determinations, the NDRC representatives of the National parties made site visits to the SPSS in Phoenix, AZ; each Union submitted position statements to the Postal Service in May 2015; and then the Postal Service made its determination by letter dated June 1, 2015. In that letter, the Postal Service determined that the Mail Handler craft would be the primary craft for the operation of the SPSS. As a result, bids were identified and awarded in various facilities, and some MHAs were converted to career.

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Without warning, and without further bargaining, the NPMHU was notified in late July that the Postal Service was going to reverse its prior determination about the staffing of the SPSS. That reversal was issued on August 7, 2015. The NPMHU reacted swiftly, with a multi-pronged attack that included notifying the membership of this turn of events and filing several legal actions.

When communicating with the membership, President Hogrogian did not soft peddle his reaction to the improper behavior that led to this reversal:

In a stunning move that defies the tripartite RI-399 Dispute Resolution Process, the requirements of RI-399, Article 1.5 of the National Agreement, and any concept of good faith bargaining, earlier today the Postal Service formally notified the NPMHU of its decision to reverse the June 1, 2015 jurisdictional craft determination that previously identified the mail handler craft as the primary craft for all duties associated with the operation of the Small Parcel Sorter System.

The Postal Service, acting through Labor Relations, issued its reversal of position by facsimile and email to the NPMHU National Office [at 4:00 p.m. on Friday afternoon.] This is nothing less than a cowardly act of disrespect to the NPMHU and all mail handlers. A National-level jurisdictional determination for new equipment is made within the Dispute Resolution Process only after following a specific protocol: the unions are notified about the new equipment, including meetings with postal officials in charge of deploying and operating the equipment; the three parties participate in site visits to observe the new equipment and new jobs resulting from it; each union has the opportunity to submit its written position on the jurisdictional assignment; and then the management representatives appointed to the National Dispute Resolution Procedure apply the principles of RI-399 to issue the Postal Service's jurisdictional determination, with either union having the right to appeal that determination to National arbitration. In this case, the contractually binding procedure was fully and properly implemented, resulting in the June 1, 2015 determination. Indeed, the American Postal Workers Union did not file an appeal by the required deadline, strongly suggesting that the Postal Service's June 1, 2015 determination was correct.

But now the contractually binding process has been hijacked, apparently by a higher level

of USPS management. The Postal Service's unprecedented and untimely reversal of its prior written jurisdictional determination casts a heavy shadow of doubt on every signed management document and every signed labor-management agreement. Such contempt for our mutual obligation to bargain in good faith, and our mutual commitment to settle or resolve matters at the lowest possible level within the agreed procedures, will resonate throughout the Postal Service. With this action, USPS Labor Relations has sent a clear message to the NPMHU – that a written position is not worth the paper on which it is written.

In addition, based on the June 1, 2015 determination, many mail handler bids involving the SPSS have been posted and/or awarded in accordance with the National Agreement, and others are scheduled for the coming weeks. There is absolutely no basis for disrupting the work lives of these hundreds of mail handlers who are likely to be adversely impacted by this improper and unlawful reversal of position.

The NPMHU will do everything within its authority to find out why this craft determination was reversed, and to challenge this reversal in every permissible arena with every resource at our disposal.

As promised, the NPMHU immediately reacted by implementing all possible legal options, including (1) filing charges with the National Labor Relations Board alleging an unlawful unilateral change in terms and conditions of employment; (2) filing a National-level dispute under the RI-399 DRP to ensure that National arbitration would be available, if needed; and (3) filing a federal lawsuit against the Postal Service and the APWU in the U.S. District Court for the District of Columbia, alleging a violation of the contractual rights of Mail Handlers, as defined by the RI-399 DRP and other tripartite agreements under RI-399.

After months of litigation, during which the NPMHU aggressively pursued its NLRB charges and court discovery to prove that the Postal Service's August 7, 2015 reversal of its original SPSS determination violated the employer's contractual commitments, both the Postal Service and the APWU agreed that Joseph Sharnoff would be re-appointed National Arbitrator for RI-399 and that the NPMHU would have an immediate opportunity to arbitrate all of the issues arising from the SPSS firestorm as the

next national case. After these concessions, the three parties were able to stay the lawsuit on the following terms:

Joseph Sharnoff recently accepted the Parties' offer of re-appointment to the position of RI-399 DRP National Arbitrator. The NPMHU, the APWU, and the USPS mutually agree that the NPMHU's SPSS grievance will be the first matter heard by National Arbitrator Sharnoff once his pending appointment is finalized. As a result, the Parties further agree that a stay of proceedings in the above-captioned matter is appropriate pending resolution of the NPMHU's SPSS National Arbitration. The Parties, therefore, respectfully request that the Court enter such an order staying this matter pending arbitration.

Later that same day, the court adopted this settlement in its official records, thereby ensuring that the SPSS case will be arbitrated ahead of all other National cases, and that the court retains jurisdiction to deal with any compliance issues that might arise.

The NLRB also agreed to a conditional withdrawal of the unfair labor practice charges against the USPS, acknowledging that any deadline for re-filing would be waived if the parties did not arbitrate their dispute within 180 days.

In accordance with these court and agency orders, the first set of arbitration hearings over the SPSS already were held in June 2016, and the parties all filed their briefs on August 5, 2016. In its brief, the NPMHU identified three distinct violations committed by the Postal Service, with the covert assistance of the APWU:

[The] August 7 Reversal was unprecedented, and violated the RI-399 DRP in several ways. First, as counsel for the Postal Service conceded during the arbitration hearing, the Postal Service failed to bargain with the NPMHU before making this unilateral change to the terms and conditions of employment for mail handlers, thereby violating not only the RI-399 DRP but also Article 5 of the National Agreement. Second, the Postal Service's issuance of the August 7 Reversal violated the RI-399 DRP because the June 1 Determination had already become a final and contractually binding determination when the APWU did not file a timely dispute to that determination in accordance with the tripartite RI-399 DRP. Third and finally, because the August 7 Reversal was based on discussions and consultations between



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only the Postal Service and the APWU, that attempt to reverse the June 1 Determination reflected an impermissible bilateral agreement between the USPS and the APWU, rendering it null and void and of no effect under the RI-399 DRP and other governing documents.

A decision on these threshold procedural issues is expected in the next few months. If Arbitrator Sharnoff rules against the NPMHU, then the next portion of this case will address the merits of the SPSS jurisdictional determination.

Even before all of this SPSS-related turmoil, the National parties were trying to negotiate a nationwide settlement agreement that would re-set the jurisdictional disputes, such that (with certain limited exceptions) all current assignments would be maintained, and only future changes based on new work, new or consolidated facilities, or operational change could be filed. The settlement also would force the withdrawal of all pending cases, and would include a small payment to all Mail Handlers. Any progress that was made on this potential settlement, however, was essentially erased by the Postal Service's disingenuous change of position on the SPSS, and it is too early to know whether this potential settlement might be resurrected in the future.

It has been said before, and it likely will be said again: the RI-399 dispute resolution process remains extremely frustrating, in the past because it operated so slowly, and now because jurisdictional determinations apparently can be changed without notice and without bargaining. Unless and until the RI-399 process is changed by tripartite agreement, however, the NPMHU will operate within that system and will continue to do whatever is necessary to protect and expand Mail Handler job assignments.

## National-level Arbitration:

The past four years have seen substantial progress on the National arbitration docket. A host of issues have been resolved in pre-arbitration settlements, and other unresolved issues have been arbitrated at the National level. Here is a sampling of final arbitration awards issued during the past four years:

- The NPMHU prevailed in a case concerning the application of an APWU no-layoff clause to employees who transfer or are reassigned to the Mail Handler craft. The arbitrator ruled that clerks

or other APWU-represented employees coming into the NPMHU bargaining unit are subject to the rules that govern under the NPMHU National Agreement, and therefore would get laid off first (if layoffs were implemented) based on their lack of seniority in our craft. At the same time, the arbitrator acknowledged (and the Postal Service conceded) that when the NPMHU has its own No-Layoff MOU, then any employees who transfer or are excessed into the Mail Handler craft would be protected from layoff under that MOU, even if they were not in the Mail Handler craft on the initial effective date of that MOU.

- The Postal Service prevailed in the so-called "light duty guarantee" case, in which the NPMHU challenged a 1989 revision to the ELM stating that the light duty provisions of the National Agreement do not guarantee a full-time employee on a light-duty assignment 8 hours of work per day or 40 hours of work per week. In denying the grievance, Arbitrator Das essentially decided to follow a 1987 decision by Arbitrator Richard Mittenthal that reached the same conclusion in a case brought by the APWU and that prompted the Postal Service's 1989 ELM revision. (The NALC did not pursue its own grievance challenging the 1989 ELM revision and has long acceded to the Postal Service's position that light duty employees have no work guarantees.) The NPMHU had tried to avoid this arbitration for the past three decades, and when required to arbitrate the issue, the Union made a concerted effort to create an "exception" to the 1987 Mittenthal decision under which light duty employees could be found to have a guaranteed 8 hours of work per day or 40 hours of work per week if the light duty provisions of the applicable LMOU or local practices have so provided. But that NPMHU position was rejected. It still is the Union's position that Local MOUs containing provisions guaranteeing work hours to light duty employees, or even Local practices supporting light duty guarantees, may remain in effect.
- The NPMHU intervened in a National-level arbitration on whether Non-Traditional Full-Time APWU craft employees could be excessed into full-time positions if they did not hold a full-time position as defined by the gaining craft's National Agreement. The arbitrator agreed with our position, and ruled that the Postal Service "may not reassign into a full-time carrier position any clerk craft employee who does not meet the definition of full-time employee specified in the Postal Service's Agreement with the NALC." Because of the NPMHU intervention, the same rule also is true with regard to full-time positions in the Mail Handler craft.
- An arbitrator denied an NPMHU grievance concerning blood platelet leave, but during the course of the arbitration the Postal Service agreed that references to days of leave actually are being implemented using hours of leave, with 8 hours substituted for each day for full-time employees. This concession clarified the language to make certain that Mail Handlers given 7 days of leave for blood platelet donations, for example, actually are given 56 hours, which should allow for more days of donating leave whenever less than 8 hours are needed for each donation.
- The NPMHU prevailed in its arbitration challenging the Postal Service's attempt to allow Lead Clerks to supervise or in any way assign or direct the work of members of the Mail Handler craft. The arbitration award made two important findings: first, as the Postal Service was forced to concede, Lead Clerks "are not authorized to perform supervisory functions . . . including decisions about hiring, promotion, discipline, approval of leave, the resolution of grievances, and employee evaluations"; and second, absent negotiations between the Postal Service and the NPMHU, the Postal Service cannot utilize Lead Clerks to direct or guide the work of Mail Handlers. The arbitration was made necessary by a Postal Service draft of the position description for the Lead Clerk position, under which the Lead Clerk would not only lead employees in the clerk craft, but also would provide such oversight and direction to all "mail processing employees assigned to mail processing operations," regardless of craft. The arbitrator specifically found that the assignment to the Lead Clerk position of the responsibility to direct and lead the work of Mail Handlers when a supervisor is not present is a "material, substantial and significant" change in the working conditions for Mail Handlers. In reaching this conclusion, it was important to the arbitrator that the Postal Service had assigned to the Lead Clerk the authority to, among other things, "[r]esolv[e] problems that may occur during tour operations and determin[e] when a supervisor should be involved," and to "[s]hif[t] employees . . . from one assignment to another," whereas the Postal Service and the NPMHU had previously agreed that those responsibilities were to be performed

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by the Mail Handler Group Leaders. The Postal Service was ordered to restore the status quo and to bargain with the NPMHU over Lead Clerk responsibilities. No such bargaining has taken place since the decision, and none is likely. This award has put to an end the practice of using clerk craft employees to direct the work of Mail Handlers when a supervisor is not present.

- The NPMHU intervened in an arbitration challenging USPS practices on whether noncareer employees converted to career employment must nonetheless complete a 90-day qualifying period following conversion before they may be credited with or may take annual leave. Such a requirement is set forth in ELM Section 512.313 for “new employees.” While the arbitrator acknowledged that there was no good reason for new career employees to have to wait 90 days before utilizing their annual leave, he suggested that the bargaining table was the appropriate forum for changing the language of the ELM.
- The NPMHU intervened and prevailed in an arbitration determining that an employee who receives back pay as a result of a grievance settlement or an arbitration award may, subject to the arbitrator’s discretion in each case, receive payment for annual leave that might otherwise have been forfeited as in excess of the leave carryover limits.
- In another case with long-term implications, the NPMHU prevailed in the first phase of its National arbitration against the Postal Service challenging many of the proposed closings and consolidations of mail processing plants under the Area Mail Processing guidelines found in Handbook PO-408. In an interim award issued in December 2015, the arbitrator concluded that Handbook PO-408 on Area Mail Processing is incorporated into the National Agreement through Article 19, and therefore enforceable in arbitration by the NPMHU. By way of background, a key part of the NPMHU’s opposition to the Postal Service’s plans to close and/or consolidate up to 82 additional postal facilities (as part of Phase II of the USPS Network Rationalization program) is the NPMHU claim that the Postal Service violates Handbook PO-408 when it attempts to close and/or consolidate facilities without complying with the provisions of that handbook.

The Postal Service claimed that the grievance was not arbitrable because, in its view, the PO-408 Handbook is not covered by Article 19 of the

National Agreement. By its terms, Article 19 restricts the Postal Service from unilaterally making changes to “[t]hose parts of all handbooks, manuals and published that directly relate to wages, hours or working conditions, as they apply to employees covered by this Agreement.” What kinds of regulations “directly relate” to covered employees’ wages, hours and working conditions has been the subject of a substantial number of prior National arbitration decisions, and the Postal Service argued that Handbook PO-408 was unenforceable under those prior decisions. Those arguments have now been rejected by the arbitrator, who held instead that “Article 19 incorporates Handbook PO-408 into the National Agreement.” As this award concluded, “Given the significant impact of decisions to close or relocate a processing facility on employee wages, hours or working conditions, affected employees and their unions have a substantial and direct interest in the Postal Service adhering to the AMP process set forth in PO-408.”

- During 2015, the NPMHU intervened in an arbitration, initially filed by the NALC, on whether the Postal Service violates the National Agreement when it permits an involuntarily reassigned employee to exercise his retreat rights to his former installation only when there existed a residual vacancy in the employee’s craft and level. The NPMHU argued that the Postal Service’s attempt to limit retreat rights to the existence of a residual vacancy, rather than any vacancy, is inconsistent with the plain language of the National Agreement, which refers to “first vacancy,” not “residual vacancy.” Unfortunately, the arbitrator denied the grievance, agreeing with the Postal Service that an employee involuntarily reassigned out of his or her installation can only exercise retreat rights to a residual vacancy.

## National-level Legal Challenges:

The National Office continued to file legal challenges to USPS actions when the circumstances warrant. Among the highlights in addition to the SPSS-related actions already described:

- The NPMHU successfully pursued unfair labor practice charges against the Postal Service, proving that management’s reaction to the cyber breaches of employee information were not the subject of necessary bargaining.
- The NPMHU successfully demonstrated before the National Labor Relations Board that the

Postal Service’s attempt to name volunteer employees to represent other Mail Handlers as part of the USPS Lean Mail Processing initiative was an improper interference in the rights of the NPMHU, and the Postal Service agreed that the Local Union President will have to select Mail Handlers, if any, who serve on the LMP Teams.

## MOUs and Step 4 Agreements:

The National CAD also plays a major and continuous role in the handling and settlement of Step 4 grievances, and the development of new National agreements and memoranda of understanding. The volume of such agreements during each four-year period makes it difficult to mention all of these activities, but there have been several key subjects addressed by the National Union, especially during the past two years. These included the following:

- In late August 2015, the NPMHU and the Postal Service agreed upon a Memorandum of Understanding containing procedures for filling residual vacancies, including a specific pecking order to be followed. Without doubt, this MOU on Filling Residual Vacancies has had a positive impact on the NPMHU bargaining unit. For those installations that are not subject to withholding pursuant to Article 12, the MOU provides a specific pecking order for filling residual vacancies that most prominently includes the right to return to the installation for those with active retreat rights, the conversion of PTF and PTR Mail Handlers, the acceptance of transfers through e-Reassign, and the conversion of MHAs to career status. More recently, on February 8, 2016, the parties executed an Addendum to the MOU mutually agreeing to change item 6 of the original MOU – governing the filling of vacancies based on the MOU Re Transfers – so that the number of career reassignments allowed under the Transfer MOU is limited to one in every four full-time opportunities filled in offices of 100 or more work-years and one in every six full-time opportunities filled in offices of less than 100 work-years. Overall, this MOU has provided significant opportunities for our part-time employees to become full time, and for our MHAs to achieve career status. As noted earlier, the pace of MHA conversions is now exceeding 280 per month.
- In February 2016, the NPMHU and the Postal Service reached a Step 4 settlement on the important issue of the meaning of “just cause”



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when the Postal Service imposes discipline on Mail Handler Assistants. The operative paragraph of the settlement agreement provides that discipline of MHAs must be both progressive and corrective in nature rather than punitive, and that determining whether the level of disciplinary action taken is appropriate must be based on the individual facts and circumstances of each case. Prior to this settlement, as MHA disciplinary cases were heard in Regional arbitration, the decisions were confusing and often reached contradictory conclusions. The Postal Service also had placed all MHA discipline arbitrations on hold pending the outcome of Step 4 discussions or arbitration at the National level. The settlement has now resolved these issues, and allows NPMHU advocates to focus on the facts of each case.

- In 2014, the NPMHU reached settlement with the Postal Service to require that appropriate Privacy Act statements be included in all information mailed to employees under the Family and Medical Leave Act
- The parties agreed at Step 4 that it is not permissible under the National Agreement to exclude one party from an arbitration hearing during the other party's oral closing statement, even if the excluded party chose to file a post-hearing brief
- The parties reached agreement over the NPMHU's National-level grievance over the possible subcontracting of sorting and processing Non-Machinable Outside (NMO) parcels, when in January 2016 they agreed in writing that the NMO pilot test has ended; the NMO parcel operation is back to its normal operating procedures; and the Postal Service has ceased further evaluation of outsourcing for NMO parcels. This dispute started in August 2013, when the NPMHU first received notice regarding a pilot test on the sorting and processing of originating and destinating NMOs — at the Des Moines, IA and Chicago, IL Network Distribution Centers. The Union argued that the contracting out would cost more money under the Service Contract Act; that management either was lying about what information was available to the USPS or was drafting a Statement of Work before sufficient information was known; that the pilot, even if only for 6 months in 2 locations, qualified as subcontracting having a significant impact on mail handler work; that the pilot was inconsistent with Article 32 and related MOU in the 2011 National Agreement. The

Postal Service retained an outside consultant to review the results of the NMO pilot program, and the Union met with that consultant in January 2015. Earlier this year the parties were able to reach the executed settlement.

- The National parties have continued to settle District cap violations with regard to MHA employment, normally for conversions of MHAs to career status.
- The National parties agreed in August of 2014 that full-time regular employees may bid for vacant duty assignments even if they are serving a probationary period under Article 12.1
- In February 2014, the NMPHU and the Postal Service settled two National-level grievances challenging changes made by the Postal Service to the ELM Section 865 (Return to Duty After Absence for Medical Reasons) and ELM Section 515 (Absence for Family Care or Illness of Employee). With respect to ELM 515, the settlement states that the CIM will be updated to clarify certain unclear language in the current ELM. Specifically, the new questions and answers clarify that an employee may not be penalized for not providing FMLA documentation within 15 days, where it is "not practicable under the particular facts and circumstances"; that a health condition may qualify as a "serious health condition" where a follow-up visit would ordinarily be held within 30 days, but "extenuating circumstances" prevent the visit from occurring; and that an employee does not have a responsibility to provide FMLA documentation unless and until the Postal Service requests it. With respect to ELM 865, the settlement makes clear that management must enforce the MOU on Return to Duty, and that, in all cases, the "reasonableness of the Service in delaying an employee's return beyond his/her next scheduled tour of duty or the date stated in the medical documentation shall be a proper subject for the grievance procedure on a case-by-case basis." Significantly, this clarifies that the Union may grieve an unreasonable refusal to return an employee to duty even where the employee's return is not covered by the MOU on Return to Duty—for instance, in the case of MHAs or where a career Mail Handler's medical leave was not an "extended absence" as provided for in the MOU.

## Other Major CAD Activities:

The past four years have presented several major tests of the CAD's oppositional skills, because of aggressive and unilateral management actions aimed at reducing the number of career

Mail Handlers. The following are some of the major initiatives of the Postal Service that have been contested by the NPMHU, with the direct involvement of the CAD and others:

## A. Plant Closings and Consolidations and Network Optimization:

It was in 2005 that the Postal Service began to notify both the National Union and the Locals about its plans to consolidate or close certain postal facilities, but those actions really started to take hold during the past eight years, as the Postal Service has reduced the size and scope of its network because of reduced mail volume.

In May 2012, the Postal Service announced a three-phase implementation of closings and consolidations, which for some reason it called a two-phase process, with the first phase containing two parts. In summary, the Postal Service's "new plan" was to close or consolidate 48 facilities in August 2012, followed by 92 more facilities in February 2013 (together called Phase I), and then another 89 facilities before the end of 2014 (Phase II). Taken together, all of these closings and consolidations would supposedly save \$2.1 billion (actually \$2.6 billion, with \$.5 billion in expected volume loss caused by the changes) through the reduction of 28,000 jobs (\$1.2 billion and 13,000 jobs from Phase I).

The initial list of closings and consolidations of 48 facilities slated for August 2012 was distributed. Among the 48 were 15 to 20 smaller facilities that did not employ any Mail Handlers, so the National Office and the affected Local Unions could focus on the thirty or so facilities with Mail Handlers. The Locals were urged to cooperate and coordinate, as some of the closings had gaining facilities in more than one Local Union.

Around the same time, the Postal Service announced plans to change its service standards through a filing in the Federal Register. As reflected in the USPS press release: "We are essentially preserving overnight delivery for First-Class Mail through the end of 2013, although we are collapsing the distance that we can provide overnight service to the distribution area served by a particular mail processing facility," said Megan Brennan. "This will result in a roughly 10 percent decline in the volume of mail delivered overnight, which we believe is a modest impact for customers seeking overnight delivery."

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The Postal Service stated its expectation to pursue additional consolidation activities for an additional 89 mail processing locations beginning in 2014 unless circumstances were to change. These consolidations would be based on long-term service standards that would significantly revise mail-entry times for customers seeking overnight delivery. In other words, the 89 facilities then earmarked for 2014 may or may not occur, depending on intervening circumstances revolving around Congressional action, economic circumstances, and mail volume.

The first wave of 48 closings and consolidations slated for August 2012 essentially occurred as planned. Article 12 issues were addressed by the Local Unions, with certain issues sent to the National-level Task Force on Article 12.

In November 2012, after many revisions, the National Office received another list of the facilities to be closed or consolidated in February 2013. That November 2012 list was implemented, as planned, in February 2013. It contained 81 facilities, approximately 12 of which were Processing & Distribution Centers, including facilities in Tucson, AZ; Long Beach, CA; Stockton, CA; South Florida; Atlanta, GA; Gary, IN; Saginaw, MI; Dayton, OH; and Southeastern PA.

In both January 2013 and March 2013, the NPMHU's National Office received two additional lists of facilities that were selected by the Postal Service for advanced implementation. Each of these closings or consolidations could be accomplished, according to the Postal Service, without making the drastic changes to service standards that previously have been proposed. As stated in the USPS letter of January 17, 2013, "the reason for this change is that the Postal Service has identified the opportunity to accelerate the anticipated savings while still maintaining the interim SCF service standard." The January 2013 list included 18 facilities, and those actions were completed in February.

Another list was sent to the NPMHU National Office by letter dated March 26, 2013, giving precisely the same reason for accelerating the closing or consolidation of another 55 facilities into 2013. In late June 2013, the National Office obtained and circulated comprehensive information about these facilities: 14 of the 55 facilities had no Mail Handlers, but the other 41 facilities included some extremely large Mail Handler complements.

For the next year, at least until June 2014, the issue of plant closings and consolidations was being addressed primarily as a legislative matter, as the Senate postal-reform bill introduced during the 113th Congress (S. 1486) contained a two-year moratorium on such actions. Perhaps as a means of influencing the legislation, in February 2014 the Postal Service notified the NPMHU that it was suspending any further changes to service standards and any further closing or consolidations, until management decided to reverse that decision. Almost simultaneously, during February 2014, the Union was notified in many Areas/Regions that the Postal Service was releasing its withholding actions across the country.

Another development occurred in June 2014, when the Postal Service announced that the next 82 closings and consolidations would begin in January 2015, at which time the Postal Service planned to implement the changes in overnight service standards that already had been published. A full discussion of the issues presented by these 2015 closings and consolidations took center stage during the Semi-Annual Meeting of the Local Unions that was held in August 2014 in Washington, DC. In the months following, there were ongoing efforts to deal with these issues in the legislative arena. Unfortunately, the legislative pressure did not produce concrete results.

The Postal Service continued to experience problems while proceeding with its 2015 plans for closings or consolidations. Even with delays into April, July, or September 2015, the Postal Service was unable to maintain reasonable standards for its mail processing or delivery. Thus, by April 2015, the Postal Service announced a one-year delay in any further closings or consolidations (except for the Queens, NY P&DC and the Houston, TX P&DC). This moratorium was scheduled to last until at least April 2016:

The Postal Service has decided to defer most of the plant consolidations that were scheduled to take place this summer [2015] as the final stage of its Network Rationalization Initiative. The decision to defer the next phase of the initiative was based upon operational considerations, and was made to ensure that the Postal Service will continue to provide prompt, reliable and predictable service consistent with the published service standards. The planned consolidation activities will resume in 2016. The Postal

Service will continue to implement network efficiencies and to pursue service performance improvements as it has always done.

At this writing, these potential closings or consolidations have been delayed yet again, probably into 2017, so that Congress has a longer opportunity to enact postal reform and relieve some of the USPS financial pressures. Nonetheless, the National Office had no choice but to move forward with its plans.

First, as noted earlier, the NPMHU has a National-level grievance (currently in National arbitration) claiming that these closings and consolidations do not comply with Handbook PO-408 because they are based on old and outdated AMP studies. This argument essentially was incorporated into the arbitration award issued for the APWU National Agreement, so it is likely to be contained in the next NPMHU National Agreement as well.

Second, the NPMHU continues to seek Congressional pressure on USPS management to stop or limit the plant closings or consolidations. The Senate has passed a non-binding resolution and the House Committee has voted out its own version of postal reform. If postal reform passes, that would significantly increase the chances that the moratorium on further closings and consolidations would continue, perhaps for as long as three more years.

Third, should closings and consolidations be resurrected, each potential closing or consolidation will need its own response – every situation is different. In some cases – such as where the proposal concerns a facility that currently has no Mail Handlers, or where the Mail Handlers in that facility do not object to the consolidation – the Local Union may decide not to get involved. In other cases, the best approach may be to "wait and see." In every case, however, communication between and among the National Office, the relevant Regional Office, and the affected Local Union(s) and Branch(es) is critical. Of even more importance, it is crucial to communicate with the affected or potentially affected members. Materials have been circulated by the National Office to assist each Local Union in making the determination about what is the appropriate response in a particular situation, and to assist the Local in deciding what to do once it has made that determination. The National and Regional CAD will continue to



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assist, on a case-by-case basis, when requested to do so by the Local Unions.

With the reality of declining mail volumes and recent changes in the mail mix, it is likely that proposals for “network rationalization” will continue. From a contractual perspective, the NPMHU has in place many provisions in Article 12 of the National Agreement, in related memoranda, and in Local Memoranda of Understanding, all of which have been and will continue to be enforced, and the Union will remain vigilant if closings and consolidations occur. Under Article 12, issues must be raised to minimize to the greatest extent possible any dislocation or inconvenience to Mail Handlers. On the legislative front, NPMHU representatives are coordinating with other postal unions and community groups that are working to oppose and to mitigate the effects of a proposed closing or consolidation. Together, these contractual and political efforts have proved useful, at least in some places, to defeat or limit or delay a closing or consolidation, and in other places to reduce any adverse impact on mail handlers.

## **B. Subcontracting.**

The past four years have seen a continuation of the Postal Service’s efforts, sometimes haphazard but sometimes coordinated, to subcontract or outsource Mail Handler work under Article 32. It makes absolutely no sense to the NPMHU for the Postal Service to give away mail volume to the private sector, when nearby postal plants are suffering from losses of mail volume themselves. If the Postal Service decides that the bedloading of trucks or the creation of hubs makes the transportation of mail more efficient and less costly, then it would make perfect business sense to relocate that work to the nearby plants to be performed by Mail Handlers. There simply is no need to outsource this work. We have challenged these ill-advised plans in the grievance procedure, and have attempted in bargaining to get this work back where it rightfully belongs, in the Mail Handler craft. The efforts by the NPMHU will continue, until the Postal Service stops subcontracting of our bargaining unit work.

## **Safety and Health in the Workplace:**

During the past four years, the National Union has continued its efforts to protect the on-the-job safety and health of all Mail Handlers.

From a historical perspective, two key events have dramatically changed the landscape in this area. First, in 1998, Congress enacted the Postal Employees Safety Enhancement Act, which applied private-sector rules under the Occupational Safety and Health Act to Mail Handlers and other postal employees. And second, beginning in 2001, the Postal Service and its employees fell victim to a series of bio-terrorist attacks, starting with anthrax in October 2001, and continuing in more recent years with the mailing of ricin and other harmful agents. Both of these developments have significantly changed the postal landscape.

With union support, the Postal Service was able to obtain funding for the installation of new bio-detection technology, and more recently, the focus has turned to planning for the outbreak of illness or similar natural disasters. Only by planning in advance can the safety and security of all Mail Handlers be maximized.

On a related issue, more than a decade ago, the National Union signed a historic agreement with the Postal Service and representatives of the Occupational Safety and Health Administration aimed at reducing musculoskeletal risk factors in the postal workplace. The partners agreed to work cooperatively to implement an Ergonomic Risk Reduction Process to identify musculoskeletal disorders and control the associated risk factors. After implementation of the program for ten years, the results were terrific. The program was launched at more than 160 postal facilities, and in those facilities in which studies were conducted, there was a substantial reduction in reportable injuries. Given this success, the Union had hoped that ERRP would be expanded into every postal facility so that the protection offered by this process could be afforded to all Mail Handlers. Yet the Postal Service apparently has allowed the ERRP to expire.

In a similar vein, the NPMHU also partnered with the Postal Service and with OSHA to implement the prestigious Voluntary Protection Programs, a long-standing program with a proven record of reducing injuries and illnesses. Data show that sites utilizing the VPP had a 13% reduction in recordable injury and illness incidents, resulting in 60% fewer injuries and illnesses than the industry average. The program also improves labor-management relations, and creates a safety-conscious work environment

that benefits all Mail Handlers working at the participating sites. To date, more than 200 sites have met the demanding criteria for participation in the VPP.

Unfortunately, the Postal Service has used its recent financial difficulties as an excuse for unjustified cuts in these safety and health programs. For the USPS to be penny-wise and pound-foolish when it comes to safety is unacceptable to the NPMHU; thus, the National Union is seeking to resurrect the joint efforts, as the well-being of Mail Handlers cannot take a back seat to financial concerns.

## **E. Quality of Work Life.**

The QWL or Quality of Work Life process is a joint labor-management program that continues to meet, for those Local Unions that choose to participate. There have been periodic meetings and training programs to highlight the QWL process, which seeks to develop good working relationships between labor and management. To foster this program, the NPMHU remains a participant on the National Joint Steering Committee, and hundreds of Mail Handlers from around the country attend nationwide QWL meetings when they occur. Unfortunately, in many areas – again in an ill-advised attempt to save money – the Postal Service has cut back on QWL.

## **Legislative Lobbying and Political Action**

The National Union often tells Mail Handlers that, with one stroke of a pen, decades of progress can be obliterated by an uncaring Congress and an unfriendly White House. That is why legislative and political action are both so critical to the future of all Mail Handlers. And never in the 104 year history of the NPMHU has this been more true than today, when anti-worker forces are in control of Congress, and draconian proposals are being introduced, with the claim that they are deficit-cutting measures, but in reality they are aimed directly at postal and federal employees, and at the Postal Service as a government enterprise.

The entire American labor movement has come to recognize that the political arena holds the key to many of its most important goals. This is more true for Mail Handlers represented by the NPMHU than for most American workers,

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for our very jobs and most important benefits are dependent on actions taken by Members of Congress and the current occupant of the White House. There is no other group of employees – besides other postal or federal employees – for whom retirement benefits, health insurance, workers' compensation, and life insurance are determined by the actions or inactions of the political branches of our National Government. Nor is there any other employee group whose employer is also so dependent on the views and actions of these political branches. It necessarily follows that all Mail Handlers, and certainly the Union that represents Mail Handlers, must maximize their involvement in the political processes that control the Federal Government.

That is why the National Union has remained so focused on its legislative and political programs during the past four years. Under the leadership of the National Executive Board, our Legislative and Political Director, and the Committee on the Future of the NPMHU, the National Union has strengthened its legislative lobbying efforts, while increasing its involvement in the electoral political process.

First and foremost, the bi-annual Legislative Conference, most recently held in 2013 and 2015 to coincide with the first session of each new Congress, has become the focal point of the NPMHU's legislative efforts. Not only are hundreds of Mail Handler activists educated about current legislative issues and the legislative process, but their visits with Members of Congress and professional staff have continued to, quite literally, open the doors for the NPMHU. It is now commonplace for important Senators and Representatives to seek the views and opinions of NPMHU officers and other activists on the key postal and related issues pending before Congress. Leadership in these ongoing efforts has been provided by President Hogrogian, who has become a mainstay on Capitol Hill and at legislative strategy sessions conducted by the major postal unions, by the Postmaster General, and by the major mailers. A great assist is provided by Secretary-Treasurer Gardner and by Bob Losi, who serves as Legislative & Political Director for the NPMHU.

The NPMHU also has greatly expanded its efforts – and its results – in raising money for its Political Action Committee. Because many members do not realize that the Union's dues revenues may not be contributed to political

candidates, it has taken some time to increase the rates of participation in the Mail Handler PAC. But recent trends are extremely encouraging. Using the salary allotment program that the NPMHU implemented through the Postal Service, members have chosen to apportion a small amount of their paycheck each pay period for direct allocation into the PAC. Many Local Unions also have done a superb job of encouraging their officers and stewards to contribute to the PAC, as a means of demonstrating leadership by example to the rank and file. As a result, the numbers of Mail Handlers routinely contributing to the PAC, while still small, has increased geometrically in the last few years. Thus, our total contributions have increased each and every year, topping \$200,000 for the first time in 2015, and we expect an all-time record to be set during 2016. Each and every one of those dollars will go toward supporting our friends on Capitol Hill.

In recent election cycles, the NPMHU also has sponsored a limited number of Mail Handlers to work as NPMHU representatives in coordination with the AFL-CIO political program to assist with voter education and turnout efforts in key battleground states and crucial legislative races.

All of these efforts are aimed at one objective: to ensure that the NPMHU is able to influence legislation or impact congressional oversight that will directly affect the work lives of the Mail Handlers that the Union represents. The upcoming federal elections in November 2016 promise to be another watershed in American political history, and the NPMHU's political efforts must continue.

## Postal Reform:

For more than twenty years, ever since 1995, the NPMHU's principal legislative issue has been amendment of the Postal Reorganization Act of 1970, often called postal reform. Our work always is centered around two important objectives: to ensure that the Postal Service can survive amongst the modern system of communications in the 21st century, and to guarantee that the right to collective bargaining and the resulting wages and benefits of postal employees are preserved.

With these goals in mind, the NPMHU was a key player in the debate and ultimate enactment of postal reform legislation in December 2006, in the form of the Postal Accountability and

Enhancement Act (PAEA). To be sure, the PAEA was not a perfect bill. It capped price increases at the rate of inflation by class of mail, subject to exceptions for unexpected conditions and price increases previously banked, thereby potentially creating a wage cap for future negotiations. It also included an unjustified cut in OWCP benefits that was aimed only at postal employees. That provision – moving the 3-day waiting period so that it applies before an injured employee receives 45 days of COP or Continuation of Pay – was enacted without any evidence or hearings to justify the cut in benefits.

But the PAEA also made clear that collective bargaining will remain the touchstone of labor relations in the Postal Service for decades to come. Congress correctly rejected the most onerous recommendations issued by President George W. Bush's Commission on the Future of the Postal Service, and also provided the Postal Service with additional flexibility in developing products, setting rates, and entering competitive markets. The NPMHU was able to provide direct input into certain legislative language important to Mail Handlers. Throughout the legislative process, the NPMHU remained an active participant because, notwithstanding the Union's reservations about certain aspects of postal reform, to do otherwise would have been to risk the wages and benefits, and perhaps even the jobs, enjoyed by our members.

After the passage of postal reform legislation in 2006, of course, America experienced the Great Recession of 2008. It therefore has become clear that one of the key features of that law, the required pre-funding of retiree health benefits, has become outdated and unjustified. In times of financial distress, it simply makes no sense for Congress to require the Postal Service – and only the Postal Service – to prefund one hundred percent of its future health care costs. As of today, the Retiree Health Benefits Fund (RHBF) already contains \$50 billion, more than enough to pay for all of the expected retiree health care costs for decades into the future. The currently effective law that requires ongoing annual contributions of \$5.5 billion needs to be repealed. Congress created this problem, and Congress needs to fix it.

For the past four years, the Postal Service has been defaulting on its financial obligations to the RHBF. The gridlock that has characterized Congress for the past four years also means that



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no compromise on postal reform legislation has been finalized, although the major postal unions, the Postal Service, and many of the major mailers are demanding action. The inaction by Congress for so many years is an outrage, and a complete dereliction of duty – indeed, the uncertainty surrounding the financial future of the Postal Service is by itself having an adverse impact on mail volume, as mailers consider alternatives and reduce their long-term plans for using the U.S. mail. That is why the NPMHU has joined a coalition seeking to push through a minimally-controversial version of postal reform during this 114th Congress (to include the integration of postal retirees into Medicare, the investment of RHBF monies into more varied investments, the calculation of the Postal Service's retirement liabilities using postal-specific assumptions, the authority for the Postal Service to provide certain non-postal services, and the permanent implementation of some of the exigent rate increase that ended in April 2016). Notably, the Postal Service has retreated from its most draconian proposals, such as five-day delivery, and the mailers have recognized the need for some permanent rate adjustments to ensure the Postal Service's future well-being.

In recent weeks, there has been some reason for optimism, as the beginning signs of legislative action have appeared, suggesting however slightly that postal reform could see some action during the lame-duck session of Congress after the November 2016 elections. In particular, in July of this year, the House Oversight and Government Reform Committee, led by Chairman Jason Chaffetz (R-UT) and Ranking Member Elijah Cummings (D-MD), passed the Postal Service Reform Act of 2016 (H.R. 5714) by a voice vote. There are several positive items included in this bill, including relief from the unjustified obligations for the RHBF, integration of postal retirees into Medicare, and restoration, in part, of the exigent rate increase. The biggest drawback in the passed bill is a provision that would change residential and business door delivery to cluster box delivery. In related news, the Postal Service Financial Improvement Act of 2016 (H.R. 5707), cosponsored by Representatives David McKinley (R-WV) and Stephen Lynch (D-MA), also passed the House Committee. If enacted, this bill would create a Postal Service Retiree Health Benefits Fund Investment Committee and permit the Secretary of the Treasury to invest a portion of

the Fund in index funds, among other investments. The NPMHU strongly supports these investment options, which would allow the USPS to obtain better returns on the investment of these assets. Currently, the Fund contains more than \$50 billion, but investments are limited to low-interest notes and bonds issued by the Federal Government.

President Hogrogian decided to view the committee action as a glass half full: "The NPMHU appreciates the hard work done by both parties in moving forward this bi-partisan piece of legislation, but changes still are needed for the NPMHU to support this bill," he said.

It therefore is essential that the attention of the NPMHU's legislative operations remain focused on postal reform. While NPMHU representatives continue to work behind the scenes on these issues, the NPMHU President and other NPMHU officers continue to appear before Congress and testify on Capitol Hill. Their testimony has focused on general issues of PAEA implementation, on the NPMHU's opposition to the contracting out of postal career jobs to private companies, on the possible closing or consolidation of postal facilities, on the economics of universal mail service after the PAEA, and on continuation of the universal service obligation.

The NPMHU must remain vigilant, and must continue to expend a tremendous amount of time and effort on legislative relations. That is why the NPMHU continues to urge each and every Mail Handler, including but certainly not limited to all officers and representatives, to stay informed and to stay involved. If any member reading this report has not already done so, please join – and encourage your officers, stewards, members, friends, and family members to join – the NPMHU e-activist network. Your future, and the future of all Mail Handlers, very well may depend on your active involvement.

Nor are these efforts limited to postal reform, as there are a host of other crucial issues of direct interest to all Mail Handlers pending in Congress.

## Other Legislative Proposals:

Although postal reform has occupied a large portion of the NPMHU legislative agenda, there are other important issues also pending. In prior years, the NPMHU has organized legislative efforts to oppose the subcontracting of Mail

Handler work, and more recently legislative attention has turned to placing limitations on the closing and consolidation of postal facilities. On these and other issues, the NPMHU and its legislative staff work behind the scenes to garner support for positive proposals or to amend and/or defeat unwanted legislation.

- During 2015, the NPMHU supported legislation to provide sick leave for veterans during their first year of employment following injuries incurred in military service. The bill passed on November 5, 2015 as the Wounded Warrior Federal Leave Act, and will become effective in November 2016 pursuant to regulations that the Postal Service is now drafting with input from the NPMHU CAD Department.

Other legislative proposals currently being monitored by the National Union include the following:

- Legislation that would repeal or reduce the Windfall Elimination Provision (WEP), which currently reduces the Social Security benefit of postal or federal employees who spend most of their working years in Civil Service Retirement System jobs not covered by Social Security.
- Legislation that would eliminate or soften the impact of the Government Pension Offset, which as currently in effect could eliminate spousal or survivor benefits for thousands of postal or federal employees.
- Legislation that would worsen the workers' compensation benefits for federal and postal employees
- Legislation that would prohibit continuing employment by postal or federal employees if they owe money to the Internal Revenue Service for the failure to pay taxes
- Legislation to provide pre-tax health care premiums for postal and federal retirees (premium conversion).
- Legislation with proposed improvements in the TSP or Thrift Savings Plan
- Legislation that would increase the minimum wage, at both the federal and state/local levels
- Efforts, mostly at the State level, to require "Do Not Mail" lists similar to the "Do Not Call" list generated by Congress several years ago. Some legislators do not appreciate the important economic role played by the Postal Service and have not been able to distinguish between the value of mail and unwanted telephone solicitations.

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- Legislation that would allow vote-by-mail in all fifty States and the Territories, thereby increasing voter turnout and increasing mail volume.

When all is said and done, the renewed prominence that the National Union is giving to its legislative and political program is an especially important and effective means of representing all Mail Handlers.

## Internal Operations of the NPMHU

Ever since 1992, the National Union has focused a large part of its efforts on improving its own internal operations. That emphasis has continued unabated for the past four years. The NPMHU remains a well-run labor organization, with overall excellence in overall financial management, membership recruitment and maintenance, and internal communications.

### Financial Management at the National Union:

The National Union's remarkable financial recovery since 1992, during which it managed to spend less each year than its annual income, has come to an end with recent and significant declines in membership, many caused by early retirement programs. But the surpluses resulting from prior years has allowed the National Office to maintain a large surplus, while also sharing large amounts of revenue with the Local Unions.

Maintaining a large fund balance at the National Office is absolutely essential. Like most unions, the NPMHU must continually preserve its funds so that it has the resources necessary to effectively represent, and ultimately fight for, all of its members, without fear of financial collapse when such fights become necessary. Moreover, given the ongoing costs of the Union's activities, and the increasing share of the National Union's revenues that are being shared with the Local Unions, it is likely that the National Union will be operating at a deficit on a year-to-year basis for the foreseeable future. Thus, the maintenance of the NPMHU's general fund balance will become an ever-increasing internal priority.

The need for such a large fund balance should be obvious. If the National Union is to continue to obtain favorable agreements in collective bargaining, it is imperative that the Postal Service know that the NPMHU has the financial

resources necessary to take the USPS through a complicated (and extremely costly) interest arbitration if bargaining does not produce an agreement, as was the case with the deadlock in bargaining over the terms of the 2011 National Agreement. Likewise, each time that the parties at the National level engage in National grievance arbitration, or threaten to file litigation against the other party, it is essential that USPS officials understand that the Union does not have to make strategic judgments based on its financial well-being. Without these financial resources, therefore, the Postal Service – which never has to worry about such financial limitations – will try to take advantage of the NPMHU.

Nor is there any risk that the operating fund maintained by the National Union will be squandered or expended inappropriately. The NEB has authorized a conservative investment portfolio of government bonds and treasury notes. Not many years ago, in 2008, the NPMHU was subject to a lengthy and in-depth audit by the U.S. Department of Labor, which determined that the National Office and its accounting office were appropriately managing the membership's money.

### Financial Assistance to the Local Unions:

Notwithstanding the continuous need to preserve National Union resources, the NEB has routinely recognized that the Local Unions have their own financial requirements that need to be met. That is why, on several occasions in past years, the National Officers have supported – and, in fact, voluntarily adopted – programs designed to share large amounts of dues revenue with all of the Local Unions. At prior National Conventions, with the support of the National Union, the delegates adjusted the amount of per capita taxes retained by the National Union from both regular and associate members, transferring millions of dollars each year to the combined treasuries of the Local Unions. The NEB also has continued its Revenue Sharing Program, which in the fourteen years since it was started in 2003 has provided the Local Unions with over \$30 million in additional tax-free revenue. No other National Union has implemented such a voluntary effort to provide direct financial assistance to all of the Locals.

Stated another way, the improvement in the National Union's financial resources over the

past 25 years has had positive and wide-ranging effects, not the least of which has been to provide all 37 Local Unions with additional revenues with which to operate. Under the governing constitutional provisions, the Local Unions affiliated with the NPMHU currently receive well more than 70% of all dues collected, and thus the Local Unions and members being represented at the Local level are the principal beneficiaries of these revenues. Here, the bottom line speaks for itself: In 1992, the National Union remitted a total of \$13.6 million to the Local Unions; by 1999, that amount had increased more than 50% and was up to \$21.7 million; and during recent years, the amount of money remitted to the Local Unions has reached an all-time high.

### Membership and Organizing:

The National Union continues to maximize Union membership to the greatest extent possible. In 1998, at the peak of postal employment, the Union made history by reaching 50,000 members for the first time. Membership remained over 50,000 for several years, but because of recent downsizing in the postal workforce and a substantial number of retirements, the total membership today is down to approximately 38,000. As a percentage of all Mail Handlers, however, membership remains high, at almost 90%.

These membership numbers have not occurred by happenstance. For many years, the National Union, working in cooperation with the Locals, has made concerted efforts to sign-up new members and to convince many former members to give the NPMHU another try. On occasion, financial and other incentives are provided to members who helped in the recruitment efforts, and these campaigns will continue.

In recent years, the focus of the Union's organizing efforts has necessarily shifted to MHAs, who are entering the Postal Service and the NPMHU as new employees. Under the direction of the Committee on the Future, the NPMHU has prepared orientation materials for MHAs, and training for such organizing also has been presented.

### Communications:

One area in which the National Union constantly works hard to improve is communications with the membership. The quarterly magazine – The Mail Handler – tries to provide substantive coverage of the major issues facing the Union.



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Monthly bulletins continue to be circulated to all Local Union officers and representatives, for posting on all bulletin boards; for obvious reasons, these bulletins can focus on more time-sensitive matters. And in recent years, the National Union has emphasized its growing presence on the internet, with updates posted routinely as noteworthy events occur. All Mail Handlers should be certain that visit the NPMHU website at [www.npmhu.org](http://www.npmhu.org) on the routine basis, as it has become an increasingly important source for the timely circulation of information, especially in the legislative and political arena. Not many Mail Handlers remember that, in 1995, the NPMHU was the first major national or international union with an operating website that contained searchable archives of arbitration decisions, and to this day the NPMHU website remains a leader in that area as well.

## Mail Handlers In the Community

### Within the Labor Movement:

The National Union remains an active participant in the trade union movement, both in America and on a world-wide stage.

Relations between the NPMHU and its international parent body, the Laborers' International Union of North America, continue to be strong. Under the leadership of General President Terry O'Sullivan, who is recognized as one of the mainstays in America's next generation of labor leaders, LIUNA has become a staunch supporter of the NPMHU, offering its assistance and cooperation when advisable, but otherwise allowing the NPMHU to operate under its own autonomy. Mail Handlers also have a direct say in the operations of LIUNA, as Mail Handlers receive their fair share of delegates at all LIUNA Conventions, and the NPMHU National President is an automatic member of the LIUNA General Executive Board.

LIUNA is affiliated with the AFL-CIO, and the NPMHU continues to benefit from all of the activities conducted by that labor federation. The NPMHU also continues to be a participant in UNI Global Unions (UNI) – formerly known as Union Network International, which includes a Postal Sector representing the interests of postal workers from across the globe. As the American economy continues to globalize, especially in the postal and commu-

nications sectors, the NPMHU's involvement in UNI provides the National Union with valuable information about postal technology and trends in postal employment.

### In the Greater Community:

The National Union continues to recognize that giving to those less fortunate is a significant part of the Union's legacy.

In the past four years, the NPMHU Scholarship Program has continued to award hundreds of thousands of dollars in college scholarships to Mail Handlers and family members who seek a university degree. For many of the recipients, this financial aid makes it possible to continue their higher education, and allows the Union to encourage members and their families to take advantage of such educational opportunities. It is especially fitting that the Vallone Scholars chosen by the scholarship program are named in memory of Arthur S. Vallone, the former Northeastern Regional Vice President and Local 309 President who died suddenly in 2005. His memory and good works will forever live in the minds of these scholars.

The NPMHU also remains an active sponsor of the Juvenile Diabetes Research Foundation, which is the official charity of the NPMHU and LIUNA. Both the National Office and many Local Unions participate in walkathons and other fundraising activities to help pay for research to find a cure for this disease.

The NPMHU also continues to contribute, both time and money, to PERF or the Postal Employees Relief Fund. This joint project of all postal unions, management associations, and postal management provides timely loans and grants to postal employees who suffer financial losses from natural disasters such as hurricanes, tornadoes, and wildfires. The PERF fund has made hundreds of payments to postal employees, including scores of Mail Handlers, during the past few years.

### Providing Value to the Members:

The National Union also sponsors and in part administers important benefit programs aimed at giving Mail Handlers and other NPMHU members excellent benefits at a good value.

The Mail Handlers Benefit Plan, which has been sponsored by the NPMHU since the early

1960s, remains one of the largest health insurance programs under the Federal Employees Health Benefit Program. Although the past four years have seen some significant reductions in associate membership in the MHBP, both premium rates and membership have stabilized, with rates in the last year or two going down and membership going up. Our partners at Aetna, which recently purchased Coventry Health Care, continue to serve as the underwriter and administrator for the program, and they are working hard to ensure the MHBP's continued success.

Equally important to the everyday lives of many Mail Handlers are the programs made available through Union Privilege, including the Union Plus Credit Card, mortgage services, and telephone discounts. These benefits of NPMHU membership make our job of organizing new members easier, while enhancing the NPMHU's ability to serve our current members.

## Committee on the Future of the NPMHU

The aptly named Committee on the Future of the NPMHU has continued to engage in long-range planning and strategic thinking on behalf of the Union and all Mail Handlers employed by the Postal Service. The Committee is comprised of all members of the National Executive Board and several Local Union Presidents representing a cross-section of the NPMHU membership.

The agenda of the Committee remains wide-ranging, and includes long-term issues such as privatization of the Postal Service, the NPMHU's legislative relations program, USPS automation and other technological changes, financial planning; and membership recruitment.

It is extremely difficult to measure the benefits of strategic planning, at least over the short term, but all Mail Handlers should rest assured that their National Union and its Committee on the Future are very much focused on the long-term interests and anticipated needs of all members.

## Conclusion

As the delegates gather in 2016, all Mail Handlers should take pride in the accomplishments and activities of their Union, not only over the past four years, but for the 100 years that came before.

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But remembering the past cannot substitute for the Union's need to plan for the future. The entire National Executive Board remains focused on the challenges that lie ahead. We believe that the NPMHU is stronger, tougher, quicker, and smarter than it has been at any point in its long and colorful history, and these attributes will help all Mail Handlers face the difficult issues that must be confronted over the next four years.

Although it often is difficult to predict exactly what challenges may develop in future years, 2016 presents one of those rare situations in which the future challenges can be easily identified. We know that the Union is about to finalize a new National Agreement with the Postal

Service, and that in a few years, another round of national negotiations will take place, probably before the next National Convention in the year 2020. We know that the Union must continue to battle on Capitol Hill and in the Executive Branch to preserve not only our statutory benefits and our collective bargaining process, but also to guarantee the important and sustained role that the Postal Service must continue to play in the future of our American communications system through meaningful postal reform. We know that the Union needs to work with the rest of the American labor movement and other supporters to ensure that this November, and in future elections, the maximum possible number of pro-worker and pro-union candidates are elected into

office by the American people. We know that the Union must continue to address, on a pro-active basis, the potential dislocation of our members if and when there are additional closings or consolidations of postal plants. We know that the Union will have to continue its battles over subcontracting, craft jurisdiction, and maintaining the well-being of the American working class.

Of most importance, the National Executive Board is certain that the NPMHU will be able to meet all of these challenges because we understand the Power of You, the power that arises from a united membership, from well-trained and strategic leadership, and from an organizational focus that is second to none.

