On Monday, April 9, 2018, officers and representatives from nearly every NPMHU Local Union gathered in Las Vegas, Nevada to participate in the latest Semi-Annual Meeting of the Local Unions (SAMLU).

During his welcoming remarks, President Hogrogian introduced four newly installed Local Presidents and seven re-elected Local Presidents, resulting from elections or appointments occurring since the last SAMLU in August 2017. The newly elected Local Presidents include: Local 303 President Eddie Cowan (Southern California and Nevada), Local 307 President James Haggarty (Michigan), Local 312 President Troy Gallet (Louisiana), and Local 325 President Reginald Jones (Mississippi). President Hogrogian also extended congratulations to Local 309 President David Wilkin (New York & Erie, Pennsylvania), Local 316 President Don Sneesby (Washington & Alaska), Local 317 President James (J.C.) Morris (Alabama), Local 320 President Alex Cervantes (Arizona), Local 322 President Kelly Dickey (Central/
Western Pennsylvania & West Virginia), Local 331 President David Wisneski (New Mexico), and Local 332 President Woody Hendrickson (Utah), all of whom were recently re-elected as President of their respective Local Unions. Brother Hogrogian also congratulated other recently elected and reelected Local Union officers who attended this meeting.

During introductions, President Hogrogian also took time to recognize several honored guests attending the SAMLU meeting, including retired Contract Administration Department Manager T.J. Branch, and retired Regional Vice President and National Trainer, Sam D’Ambrosio.

Following introductions of newly elected officers, President Hogrogian officiated the ceremony to install Local 307 officers, President James Haggarty and Treasurer Fayelynne Smith. Hogrogian also took time to recognize the career and contributions to the NPMHU by the now retired Local 307 President (and previous NPNHU National President) Glenn Berrien. Local 303 President Eddie Cowan then welcomed all attendees to the beautiful city of Las Vegas, NV.

Following these opening activities, President Hogrogian turned to his comprehensive report to the assembly. As is customary, Paul Hogrogian’s report was a comprehensive account of the activities of the National Union since the previous meeting of the Local Presidents. President Hogrogian addressed a wide array of topics, beginning with the USPS financial situation. The financial information provided by USPS for the first quarter of FY 2018 (October 2017 through December 2017) reflects a net loss of $540 million, but an operational surplus of almost $350 million. The comparable period last year posted an operational surplus over $520 million, and the year before was $1.8 billion. Year-end figures show that the Postal Service posted an operating deficit of $800 million for FY 2017 and projects another $800 million in operational losses for FY 2018. Moreover, second quarter figures are not expected to show improvement above same period last-year (SPLY).

President Hogrogian next spoke about mail volume trends and offered an analytical approach to the outlook. Parcel business is continuing to grow. However, the rate of growth is declining. Parcel volume was up 7.1% during the most recent holiday season, but the more profitable first-class mail continues to decline every year. Losses attributed to first-class letters over-shadow and exceed the increases attributed to parcel growth. It is also concerning that the rate of parcel growth has declined each of the past four years. Hogrogian noted that this
is due to increased competition and increased efforts by large mailers such as Amazon to develop their own delivery networks.

First-class mail is down 4% from last year, resulting in a loss of $298 million, and first-class mail volume is projected to decline another 3.1% during FY 2018. Unfortunately, these mail volume reductions are not limited to letters; catalog mail volume is now on the decline as well. This is significant because catalogs are known to be a generator of more mail. The trickle-down effect of catalog losses will resonate into the future. But, most concerning is the decline in marketing mail; this category volume is down 5.9% from last year. “This is most troubling because the decline in volume is occurring during a period of supposed economic recovery,” said Hogrogian. The USPS projects mail volumes to continue to decrease and predicts an overall decline in volume of 33% over the next 10 years, but Hogrogian added that that these projections are being made as the Unions prepare for the next round of National bargaining.

President Hogrogian addressed the rate review and rate case that is currently before the Postal Regulatory Commission. The current rate system is subject to an annual cap on rate increases equal to the rate of inflation, except for rare exigent rate increases like the one that ended in April 2017. The NPMHU has intervened in support of the Postal Service, as have the other postal unions, and recently filed comments with the PRC. Our position is that the rate cap should be eliminated, or at least greatly softened so that the Postal Service can raise rates in a manner that exceeds the rate of inflation if the situation warrants.

President Hogrogian provided an update on the postal network and employee complement with respect to reversions, abolishments, excessing, withholding, and the impact of the
Function-1 Scheduler. He noted that the PMG, Meghan Brennan, is under extreme pressure from the Congress and PRC to reduce costs and increase efficiencies. In an extreme overreaction to this pressure and to the decline in mail volumes, the Postal Service initiated nationwide complement adjustments threatening to negatively impact thousands of craft employees. President Hogrogian went on to describe the equally extreme reaction to the USPS headquarters edict. “The staffing tool that is being used to determine complement in each postal installation is called the Function-1 Scheduler. Loading the F-1 program with flawed data guarantees flawed results, or better stated, garbage in, garbage out,” said Hogrogian.

At the high point of planned impacts, 82 installations were to be directly affected, resulting in approximately 2,200 full-time regular mail handlers scheduled for being involuntarily reassigned out of their installation. This resulted in virtually every mail handler residual vacancy being withheld as landing spots for the excessed employees. But the initial September 2017 date for this drastic impact was moved back several times as a result of the Union’s challenges to the proposed actions.

President Hogrogian recognized the hard work of the Union’s Regional Directors, in concert with Local Union Representatives, taken to minimize, and in some cases totally eliminate, these impacts. As of April 13, 2018, the Union had achieved a significant reduction in the number of impacted mail handlers, and we are now facing 13 impacted facilities affecting 399 full-time regulars, 27 MHAs, and 2 part-time regulars. “These numbers continue to decline. I am extremely proud of what our representatives at the national, regional, local and branch levels have accomplished in fighting back against the Postal Service’s unwarranted attack on our members,” said Hogrogian.
We will continue to challenge the remaining impacts given rise by the F-1 Scheduler. In reaction to the Postal Service’s uncooperative methods and refusal to provide requested information, the NPMHU filed charges with the NLRB. The Board has issued a complaint against the USPS; a full hearing on the charge is scheduled for June 28, 2018. The NPMHU has also filed a National-level grievance challenging the Function-1 Scheduler, aimed specifically at violations of Article 34 of the National Agreement. The Union asserts that the F-1 scheduler is based, at least in part, on improper time or work studies, in violation of Article 34. Union officials at the regional, local and branch levels are challenging the unwarranted start-time changes, reversions, and abolishments and have or will file the appropriate grievances.

The contractual MOU Re Filling of Residual Vacancies continues to pay dividends for the NPMHU. The MOU was negotiated in 2015 and incorporated into the 2016 National Agreement, affirmatively establishing a pecking order for filling residual vacancies. Since the advent of the MHA category, approximately 9,200 MHAs have been converted to full-time regular career status. However, because of the current flurry of job reversions, job abolishments, and the plethora of withholding events occurring throughout the country, the rate of MHA conversions has slowed down considerably. As the impacts are cancelled and the withholdings lifted, we recently are beginning to see increased conversions once again.

President Hogrogian took time to address facility closings and consolidations, noting that the Union previously had assurances that closings and consolidations were on hold pending congressional consideration and enactment of postal reform legislation. Given the current state of postal finances, the projection of continuing declines in mail volume, the uncertainty of postal reform, and the pressure from Congress, the PRC, and major mailers, however, the PMG said early last year that the closing and consolidations of mail processing facilities have been put back on the table. We have received no further communications concerning any closing or consolidations since the PMG’s earlier declaration. The NPMHU will continue to meet with the PMG and voice its opposition to unnecessary closings and consolidations.

President Hogrogian next addressed the current status of postal reform legislation, noting that the four major postal unions, postal management and many of the major mailers (including Amazon and Hallmark) have agreed on a stakeholders’ consensus bill on postal reform. That bill has found its way into actual legislation in the House of Representatives and has cleared a bipartisan vote out of the relevant House Committee on Oversight and Government Reform. The key
components of this legislation will be covered in greater detail in Legislative and Political Director Bob Losi’s report elsewhere in this Spring edition of the Mail Handlers magazine.

President Hogrogian then turned his focus to subcontracting, noting that the NPMHU has continued its efforts to insource mail handler work from the four remaining Surface Transfer Centers still being subcontracted, from the Mail Transport Equipment Centers, and from some of the consolidation-deconsolidation facilities. Hogrogian spoke about an agreement reached in the Saint Louis CDF which has kept this work within the mail handler craft.

Hogrogian also spoke about recent developments related to the return of all work performed by subcontractors at the consolidation/deconsolidation (CDF) operations located near many of the Network Distribution Centers. This work will be moved back into the NDCs in three phases. The first phase will be effective on May 19, 2018 and will include Springfield, Atlanta, Philadelphia, Kansas City, San Francisco, and Detroit. The second phase will be effective July 21, 2018 and will include Minneapolis, Cincinnati, Dallas, Seattle, Denver, Jacksonville, and Chicago. The remaining sites have not been announced, but it is anticipated that the effective date for phase 3 will be no later than September 30, 2018. The USPS and NPMHU representatives are also discussing the
possibility of establishing a pilot site (in the St. Louis area) for returning subcontracted work from the Mail Transport Equipment Service Centers to the mail handler craft.

In January 2018, the Postal Service offered voluntary early retirement to eligible mail handlers and clerks. No advance notification was given to the union; nor were any negotiations held. In order to qualify for early retirement, a mail handler had to be 50 years of age with 20 years of service or have 25 years of service at any age. The early retirements were phased in over three effective dates: January 31, February 28, and March 31, 2018. The Postal Service offered no financial incentives. Because no incentives were offered, the USPS exercised its Voluntary Early Retirement Authority on a unilateral basis and was not required to negotiate with the unions prior to offering the VER. The USPS has informed us that 314 mail handlers and approximately 1,800 clerks have retired under this initiative.

When speaking about national contract bargaining, President Hogrogian stated that preparations for bargaining have already begun. “We will schedule a bargaining strategy meeting during the August SAMLU meeting in Washington, DC,” said Hogrogian. Our solicitation for contract changes will be sent out shortly thereafter. The NPMHU Field Negotiating Committee will meet in early 2019. Given the financial condition of the Postal Service, this round of bargaining promises to be extremely challenging. “I am confident that our bargaining team, CAD staff, NEB and legal team are up to this challenge. However, we will need the support of all union representatives and the entire membership to be successful,” said President Hogrogian.

Following the President’s report, Assistant to the Secretary-Treasurer Michael Hora provided a detailed
presentation on a variety of topics, including the NPMHU Unaudited Q4 2017 Financial Statements; an updated presentation and analysis related to Mail Handler complement, with particular emphasis placed on the importance of organizing our new MHAs; membership trends and revenue allocation among our Union’s affiliated organizations; and analysis and review of Associate Dues, Service Charge, and Revenue Sharing programs. The attendees also heard a legal report from the General Counsel, focusing on pending lawsuits and NLRB matters, new Hatch Act rules governing social media, and the possible impact of an expected Supreme Court decision on the constitutionality of agency or fair share fees. Also presented was a report from NPMHU Legislative and Political Director Bob Losi on various legislative and political efforts.

On the second day of meeting, the attendees were honored to welcome LIUNA Vice President and Northwest Regional Manager Robert Abbott. The Executive Director of the Mail Handler Benefit Plan, Michael Hora, provided an update on the status of the CVS/Caremark/Aetna acquisition and the impact on the MHBP®. Afterwards, Aetna’s Director of National Accounts, Brad Corban gave a comprehensive report on the status of the Mail Handlers Benefit Plan.

National CAD Representative Kevin Fletcher then gave a comprehensive presentation on the activities of the Article 12 Task Force. This was followed by CAD Manager Teresa Harmon, who provided a full report on the activities of that department since the last meeting of the Local Unions. Sister Harmon’s presentation was based on the full CAD Report that was circulated at the meeting and is available, with all of its attachments, to all NPMHU members at the MAILS link behind the Member Resources tab at www/npmhu.org. During the
SAMLU meeting, CAD Manager Teresa Harmon spoke specifically to the following topics:

- **Wages under the 2016 National Agreement**;
- **Contract Interpretation Manual (CIM) #4**;
- Mail Handler Workforce: through March 17, 2018, USPS records indicate that 9,138 MHAs have been converted to career status since October 2013. That is an average of 2,000 per year, or almost 172 per month;
- VERA: As of April 9, 2018, a total of 314 mail handlers have chosen to take advantage of the Voluntary Early Retirement;
- Function-1 (F-1) Scheduler and recommended course of action;
- RI-399 and Jurisdictional Disputes;
- Subcontracting Pilot Program for the Initial Scanning and Dumping of the ePacket Sacks at Chicago ISC and Los Angeles ISC;
- Overtime (OTAdmin) Administration, which is intended to serve as a tool to assist local managers and supervisors administer and track bargaining-unit overtime;
- Informed Visibility Employee Scheduler (IVES), a web-based application intended to serve as a tool to assist local managers and supervisors in mail processing operations (Function 1) in managing the staffing and scheduling of employees;
- Revisions to ELM Section 460—Collection of Postal Debts from Bargaining Unit Employees by Salary Offset;
- Mech-Tech Update, including Autonomous Guided Vehicles (AGVs), APBS In-Feed System, Pallet Box Alternatives Development, Vertical Pallet Lift, High Speed Flats Feeder, High Density Staging and Enhanced Package Processing System (EPPS);
- Safety Ambassador Program and the establishment of National guidelines for the existing Safety Captain Program;

On day three of the meetings, all attendees participated in a comprehensive training program addressing matters relative to the application of Article 12. Under the leadership of President Hogrogian, the program was presented by John Gibson, Vice President Eastern Region; June Harris, Vice President Central Region; Lawrence Sapp, Vice President Southern Region; Pervous Badilishamwalimu, President of Local 310; and CAD Manager Teresa Harmon. The training program was well-received by all in attendance.