



National President Emeritus John Hegarty



# WASHINGTON DC SAMLU REPORT

Officers and representatives from nearly every local gathered in our nation's capital to participate in the Semi-Annual Meeting of the Local Unions (SAMLU). The typical SAMLU meeting schedule was modified slightly to accommodate the national negotiations update that is required by our National Constitution.

On Monday, September 30, 2019, the meeting convened with a bargaining update detailing the status of national

negotiations with Local Presidents as required by Article VII, Section 9 of the NPMHU National Constitution. Mail Handlers were honored to conduct this bargaining update and SAMLU in the headquarters of our international parent organization, the Laborers' International Union of North America (LIUNA). NPMHU President and chief spokesperson Paul Hogrogian introduced the National Bargaining Team that includes National Secretary-Treasurer Michael

Hora, CAD Manager Teresa Harmon, Executive Assistant to the National President Bobby Blum, National CAD Representatives Kevin Fletcher and Charles Manago, as well as General Counsel Bruce Lerner and his colleagues, attorney Matt Clash-Drexler and paralegal Phyllis Thompson, all from Bredhoff & Kaiser, PLLC. To kick things off, the assembly was honored to receive opening remarks from LIUNA's General President Terry O'Sullivan.





President Hogrogian reports on bargaining status



National Secretary-Treasurer Emeritus Mark Gardner.



National Secretary-Treasurer Michael Hora



LIUNA's General President Terry O'Sullivan.



Terry spoke about the importance of the United States Postal Service and the work performed by mail handlers and all postal employees. He railed against the continued threats of closures and consolidations promising that LIUNA's support is all-in during our fight. "There is no retreat and there is no surrender. We are with you shoulder to shoulder—ready to do whatever it takes," said President O'Sullivan. SAMLU attendees were moved by the remarks, recognizing

General President O'Sullivan with a heartfelt standing ovation.

The National President then provided a report, led discussions, and received advice and counsel on a variety of topics relative to national negotiations, including USPS finances, the future impact of possible plant closings and consolidations, changes in Service Standards, Postal Reform legislation and the Postmaster General's 10-Year Plan to cut costs. President Hogrogian also provided the body with an update on the status of the American Postal Workers Union interest arbitration, the National Association of Letter Carriers bargaining impasse, and the potential impact of a Rural Carriers recent ratification vote as it related to the principles of patterned bargaining. To the extent permissible and within the guise of the agreed bargaining ground rules, President Hogrogian discussed economic and non-economic positions, noting the NPMHU's goal of continued general wage increases while preserving the formula for Cost of Living Adjustments (COLA) and no layoff protections. The President also discussed efforts to improve on MHA wages and benefits.

In view of the economic shortfalls, volume declines, and legislative challenges, it is hard to imagine a more unfriendly bargaining environment. Despite this, the parties were able to reach tentative agreements (TAs) on

some issues. However, TAs do not stand on their own, and are only agreed if the entire contract is accepted and approved for ratification. "We are making progress towards a comprehensive agreement but have several hurdles to clear," said President Hogrogian. With an eye on several unresolved issues, the parties have agreed to extend bargaining and continue discussions if talks are productive.

If an agreement is reached, the tentative agreement will be sent out to the field for ratification. If an agreement is not reached, the parties may enter into fact finding or mediation. If an agreement is still not reached, the Union could declare impasse and pursue arbitration. Before concluding the meeting, President Hogrogian and guests were honored to receive remarks from LIUNA General Secretary-Treasurer and New England Regional Manager Armand E. Sabitoni. Armand warmly welcomed all Mail Handlers to Washington D.C. and LIUNA's headquarters.

President Hogrogian concluded his bargaining update by thanking the members of the Field Negotiating Committee, the bargaining team and individual locals that reacted to our continuous requests for fact specific examples and documentation to support bargaining positions over the past many months. The bargaining team fielded questions and comments until the meeting adjourned.



On the evening of September 30, 2019, the NPMHU hosted an Open House welcoming Local Presidents, SAMLU attendees, family, friends and distinguished guests to the NPMHU's new National Headquarters located in Suite 5100 at 815 16<sup>th</sup> Street. The National Staff provided tours of the new office, which is located within the AFL-CIO headquarters. More than 200 guests attended and toured the Union headquarters. The NPMHU Open House is featured on pages 8–12 of this magazine.

On Tuesday, October 1, 2019, the SAMLU meeting was convened. During his welcoming remarks, President Hogrogian introduced honored guests including National President Emeritus John Hegarty and National Secretary-Treasurer Emeritus Mark Gardner. President Hogrogian then introduced newly installed Local 313 President Irene Sanchez (Puerto Rico) and re-elected Local 319 President Robert Jacknitsky (Wyoming). Brother Hogrogian also congratulated other recently elected and re-elected Local Union officers who were in attendance. NPMHU Local 305 President Felandria Jackson then delivered welcoming remarks.

Following these opening activities, President Hogrogian provided a report to the assembly. As is customary, the National President's report was a comprehensive account of the activities of the National Union since the previous meeting of the Local Presidents. President Hogrogian addressed a wide array of topics, beginning with the USPS financial situation. The financial information provided by USPS for the second quarter of FY 2019 reflects that the Postal Service had a net loss of \$2.3 billion for the quarter and a net operational loss of \$1.1 billion for the second quarter of 2019.

A discussion on mail volume, including USPS reports that the parcel business growth has slowed in four consecutive years culminating with the first quarterly decline in years. In





Local 305 President Felandria Jackson welcomes attendees to the SAMLU



Q2-2019, package volume declined 3.2% with preliminary July figures showing a 7% decrease compared to last year. This is due in large part to the increased efforts by large mailers such as Amazon to develop their own delivery networks.

President Hogrogian reviewed mail volume trends and offered an analysis of each major product line highlighting trends and concerns. The more profitable first-class mail continues to decline, hurting the bottom line more than parcels are helping. First-class mail volume is down 2.7% from last year and is projected to continue the decline through 2019. Overall, the USPS

projects mail volumes to continue to decline and projects an overall decline in volume of 33% over the next 10 years. While cognizant of the timing of this projection as it related to bargaining of four National Agreements, the outlook is very concerning.

President Hogrogian discussed the USPS rate case that is currently before the Postal Regulatory Commission (PRC). The current rate system is subject to an annual cap on rate increases equal to the rate of inflation, except for rare exigent rate increases like the one that ended in April 2017. The PRC has recommended changes to the rate system that would allow the Postal

National Executive Board and Contract Staff at the SAMLU







National President Paul Hogrogian addresses the SAMLU



National Secretary-Treasurer Michael Hora with the Treasurer's Report

Service to increase rates at inflation plus 2% per year, plus another 1% based on meeting certain quality improvements. The NPMHU has intervened in support of the Postal Service, and filed comments with the PRC, as have the other postal unions.

As for the USPS Board of Governors, currently there are 5 Postal Governors in addition to the PMG and DPMG; those Governors are the previously confirmed former USPS Inspector General David Williams; Robert Duncan, the former president of the Republican





NPMHU SAMLU Attendees

National Committee from Kentucky and the recently confirmed Ron Bloom of New York; Roman Martinez of Florida and John Barger of California are the other nominees. Along with the other postal unions, the NPMHU has been lobbying for other individuals to be nominated.

Paul spoke about the Office of Management and Budget (OMB) reorganization recommendations. In a June 21, 2018 report, OMB released a plan entitled "Reform Plan and Reorganization Recommendations."

Buried in the report is a Presidential plan to restructure the USPS into a 'sustainable business model,' and thereby prepare it for future conversion into a privately held corporation. This restructuring purports to reduce door-to-door service and the frequency of these deliveries and seeks to reduce the wages and benefits of postal employees to highlight the most draconian recommendations. OMB's proposal has already drawn criticism from both Democrats and Republicans in Congress.



Northeastern Vice President and Local 309 President David Wilkin



Central Region Vice President and Local 306 President June Harris



Western Region Vice President and Local 316 President Don Sneesby



Southern Region Vice President Lawrence Sapp



From OMB, President Hogrogian transitioned to President Trump, Amazon, and the Presidential Task Force on the Postal Service. The discussion centered on the Executive Order creating the Task Force that was charged with evaluating the operations and finances of the USPS covering topics such as pricing, USPS policies, workforce, and costs, as well as President Trump's incorrect contentions regarding companies like Amazon causing postal deficits. President Hogrogian, former Secretary-Treasurer Tim Dwyer, Legislative Director Losi and General Counsel Lerner met with the Task Force on May 15, 2018. The four postal unions jointly submitted



LiUNA General Secretary-Treasurer and New England Regional Manager Armand E. Sabitoni addresses the SAMLU.



NPMHU SAMLU Local leaders at the SAMLU





NPMHU SAMLU in progress



Eastern Region Vice President and Local 308 President John Gibson.

a report to the Committee entitled Making the Postal Service Great Again. The Task Force report has been issued, and adds virtually nothing to the ongoing debate. While the report did not call for the outright privatization of the Postal Service, it did coordinate with President Trump's and OMB's plan to restructure the USPS into a sustainable business model and thereby prepare it for future conversion into a privately held corporation. Many elements of the Task Force's recommendations eventually found their way into the Postmaster General's 10-year plan.

Paul then turned his focus to President Trump's Executive Orders and the harm they will bring to federal employees and their Unions. The Executive Orders concern limitations on paid Union Time, a government-wide approach to bargaining issues, and an order making it easier to discipline federal workers through the elimination of due-process rights.

These Executive Orders are all subject to ongoing legal challenges. The first round was won by the federal unions, but on appeal, the U.S. Court of Appeals for the D.C. Circuit decided that the courts do not have jurisdiction to rule on the issues presented, and therefore referred the matter to the useless Federal Labor Relations Authority. As of October 2019, therefore, the Executive Orders are currently in effect. OPM has already published regulations to implement the President's Executive Order on discipline. Federal agencies had already been circumventing the district court's injunction on impasses in collective bargaining by impassing collective bargaining agreement negotiations as the various contracts expire. The NPMHU participated in an AFGE organized rally on Capitol Hill on September 24, 2019 to show our solidarity with the brothers and sisters of other federal unions. Images from this event are found on pages 42-44 of this Fall edition