



# SAMLU





# REPORT

WASHINGTON, DC

**B**eginning on Monday, August 13, 2018, officers and representatives from nearly every NPMHU Local Union gathered in our nation's capital to participate in the latest Semi-Annual Meeting of the Local Unions (SAMLU). Mail Handlers were honored to conduct this SAMLU meeting in the renovated headquarters of our international parent organization, the Laborers' International Union of North America (LIUNA).

LIUNA General President Terry O'Sullivan made introductory remarks welcoming all Mail Handlers to their house of labor at LIUNA headquarters. President O'Sullivan stressed, "This is not my building, this is LIUNA's and the Mail Handler's headquarters and we're darn proud of it and happy to have you here." Terry spoke about LIUNA's opposition to the postal privatization efforts, the expected impact of the recent Supreme Court decision in Janus, and the condition of LIUNA operations in view of increases in construction, highway, energy, and pipeline projects. Turning his focus to politics, O'Sullivan said, "It is time to come together, stay relevant, and seize control of the legislative and political agenda of this country." O'Sullivan committed LIUNA's support to issues facing Mail Handlers and all federal employees. Attendees were inspired, and rightly reacted to General President O'Sullivan with a heartfelt standing ovation.

Next to address the attendees was NPMHU President Paul Hogrogian. During his welcoming remarks, Hogrogian introduced one newly installed Local President and three re-elected Local Presidents, resulting from elections or appointments occurring since the last SAMLU in April 2018. The newly elected Local Presidents include: Local 299 President Deanna (Keala) Parker (Hawaii), Local 324 President Dan Riemann (Oklahoma), Local 325 President Reginald Jones (Mississippi) and Local 329 President



LIUNA General President Terry O'Sullivan welcomed NPMHU SAMLU attendees to their house at LIUNA Headquarters.



NPMHU National President Paul Hogrogian addresses the SAMLU



NPMHU National Secretary-Treasurer Timothy Dwyer delivers the Treasurers report



Asst. to the NST & Executive Director MHBP Michael Hora



Assistant to the National President Robert Blum



NPMHU General Counsel Bruce Lerner



Manager CAD Teresa Harmon with the CAD Report



NPMHU Legislative and Political Director Bob Losi addressed the SAMLU on political involvements, also presented were the 2018 PACKIE winners.





President Hogrogian engaged in a spirited discussion at the SAMLU



Program Manager JDRF International, Emily Boynton spoke on the importance of NPMHU's efforts to Juvenile Diabetes research.



National President Paul Hogrogian was presented with the 2018 Corporate Partner of the Year Award by members of the JDRF staff. Also, on hand was retiring Executive assistant Martha Ring who also coordinated NPMHU JDRF efforts.



Assistant Director, MHBP Nina Galleuresi with an MHBP update



AETNA Director of National Accounts Brad Corban with a report on the Mail Handlers Benefit Plan



National CAD Representative Kevin Fletcher with a report on the FI Scheduler.



AT&T National Union Account Manager Michael Vander Putten with an AT&T update.

John (J.R.) Macon (Tennessee and Arkansas). Brother Hogrogian also congratulated other recently elected and re-elected Local Union officers who were in attendance. Following introductions of the National Executive Board, the Contract Administration Department members, and the National Office staff, Local 305 President Felandria Jackson took the podium and welcomed all attendees to the District of Columbia.

After these opening activities, President Hogrogian turned to his 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 third quarter of FY 2018 (April through June 2018) reflects that the Postal Service had a net loss of \$1.5 billion for the quarter and a net loss \$3.4 billion for the first 9 months of FY 2018. Even the net operational loss for the Postal Service was \$900 million for the quarter and \$1.2 billion thus far in FY 2018. The Postal Service showed an overall operating deficit of \$800 million for FY 2017, and projects an even higher operating loss for FY 2018 ending on October 31, 2018.

President Hogrogian reviewed mail volume trends and offered an analysis of each major product line. Most notably, although parcel business is continuing to grow, the rate of growth from year to year continues to decline. Parcel volume was up 7.5% during the most recent quarter, and up 6.5% during the first 9 months of the fiscal year. Nonetheless, the rate of growth is trending downward over the past four years, with the greatest percentile reductions occurring in the past seven quarters. Hogrogian noted that this is due to increased competition and increased efforts by large mailers such as Amazon



to develop their own delivery networks. Amazon recently announced that, to meet increased delivery demands, the company ordered 20,000 vans to manage last-mile delivery logistics, thereby increasing its ability to deliver from an Amazon or suppliers' warehouse to the customer's door.

The more profitable first-class mail product continues to decline every year, hurting the bottom line more than parcels are helping. Losses attributed to first-class letters overshadow and exceed the increases attributed to parcel growth. First-class mail is down 3.6% from last year, resulting in a loss of \$344 million compared to the third quarter of 2017. First-class mail volume is down 3.7% for the fiscal year and is projected to continue declining during the remainder of FY 2018.

Marketing mail volume increased slightly during the quarter, by 0.6%. This is attributed to a busy primary election season. However, marketing mail volume is down 2.3% for the first 9 months of the fiscal year. Total mail volume is down 397 million pieces for the quarter or 1.2% overall. And the USPS projects mail volumes to continue to decline in the foreseeable future, predicting an overall decline in volume of 33% over the next 10 years. "It certainly is possible that these numbers are being inflated due to ongoing and upcoming

bargaining with the four postal unions, but these numbers are still concerning to say the least," said Hogrogian.

President Hogrogian next addressed the rate review and 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 Service to increase rates at Consumer Price Index (CPI) +2% per year, plus another 1% based on meeting certain quality improvements. The Postal Service is aggressively seeking to eliminate the cap altogether and to authorize price increases as necessary, to pay for all expenses, with only an annual review by the PRC in order to monitor the results. The major mailers are obviously opposing the USPS position, as are many charities and non-profits who fear larger rate increases. Some of these customers are using these proceedings to complain about overpaid postal employees, as they often do.

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,



Central Region Vice President and Local 306 President June Harris



Western Region Vice President and Local 316 President Don Sneesby



Eastern Region Vice President and Local 308 President John Gibson



Northeastern Region Vice President and Local 309 President David Wilkin



Southern Region Vice President Lawrence Sapp





or at least greatly softened so that the Postal Service can raise rates in a manner that exceeds the rate of inflation if and when the situation warrants. It appears that the PRC has put its decision on hold pending the release of the report by the President's Task Force on the Postal Service, which originally was due on August 10, 2018.

Speaking of the Presidential Task Force that was created by President Trump's April 10, 2018 Executive Order, President Hogrogian spoke about the newly formed Task Force charged with evaluating the operations and finances of the Postal Service, and directed to address pricing, USPS policies, and workforce costs. The Task Force is chaired by the Secretary of the Treasury, and other members include the Director of the Office of Management and Budget (OMB) and the Director of the Office of Personnel Management (OPM).

Because the task force also must consider the views of the USPS workforce, representatives of the NPMHU – including National Secretary-Treasurer Tim Dwyer, Legislative and Political Director Bob Losi, General Counsel Bruce Lerner, and President Hogrogian were invited to meet with the task force on May 15 of this year. The NPMHU was the first outside stakeholder to meet with the Task Force. The Union stressed the importance of not privatizing the

Postal Service, the need for meaningful postal reform, the need to eliminate the requirement to pre-fund retiree health benefits, and the need for continuing universal service.

The four national postal unions jointly submitted a lengthy report to the Task Force entitled "Making the Postal Service Great Again." The Task Force's findings and report were due on or about August 10th. It has been reported that the Task Force has finished writing its report and has briefed President Trump, but still the report has not been issued. One can only speculate as to the reasons and motive why the report has not been made public. Many expect the report to make some references to the Trump Administration's reorganization plan, which includes a proposal to privatize the Postal Service, and therefore speculate that the report is being withheld until after the November midterm elections.

As noted, on June 21, 2018, the OMB released its so-called "Reform Plan and Reorganization Recommendations" for reorganizing the federal government. Buried deep in the 128-page report is the President's plan to restructure the Postal Service into a sustainable business model and thereby prepare it for future conversion into a privately held corporation. OMB's report also forecasts that the Task Force on the Postal

Service would also advocate for the privatization of the Postal Service.

In response to OMB's report, Amazon and the National Retail Federation, the top retail trade group representing retailers including Walmart and Target, joined with other individual retailers and businesses to create the Package Coalition, a lobbying group seeking to educate the public by disseminating facts about the state of the USPS's package business and to oppose USPS privatization. These are important allies to have if and when the matter of postal privatization goes before Congress. OMB's proposal has already drawn criticism from both Democrats and Republicans in Congress.

President Hogrogian also provided attendees with an update on the status of the USPS Board of Governors. The Board of Governors (BOG) consists of the Postmaster General, the Deputy PMG, and nine other presidentially-appointed governors who are subject to Senate confirmation. Until recently, President Trump failed to appoint any of the nine governors to the 11-member panel. Last October, President Trump nominated three candidates, including David Williams, Robert Duncan, and Calvin Tucker. Williams and Duncan were voted out of Committee and confirmed by the Senate in a recent floor vote, so the BOG now has four total members. Tucker withdrew his nomination, and

the President has now nominated two others for a seat on the Board — Ron Bloom and Ramon Martinez IV. The Board needs at least four new members to have a quorum for meetings. The NPMHU, along with the other postal unions continue to lobby for appropriate BOG nominees.

President Hogrogian next 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, Megan Brennan, continues to be 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.

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 expected increase in excessed employees. As of today, however, all excessing events have been canceled.

Our Regional Directors have done an extraordinary job, in conjunction with many Local Union representatives, in fighting, challenging, and reversing these job impacts. “I am extremely proud of what our representatives at the National, Regional, Local and Branch levels accomplished in fighting back against the Postal Service’s unwarranted attack on our members,” said Hogrogian.

Management remains steadfast in its intentions to realign the workforce and align employees’ schedules, rest days, and start times with the projected mail arrival profiles. To support the Union’s position and craft appropriate challenges, the NPMHU requested the



CAD Regional Director Northeast Region  
Tom Ruther



National CAD Representative Kevin Fletcher



CAD Regional Director South Region  
Eileen Mills



CAD Regional Director East Region  
Eugene Horton



Manager CAD Teresa Harmon



National CAD Representative Charles Manago



CAD Regional Director & Denver Field Office  
Manager David Ross



CAD Regional Director West Region  
Don Gonzales





underlying data for all F-1 Schedulers. When no information was forthcoming, the NPMHU challenged the Service's failure to provide requested information with the National Labor Relations Board (NLRB). The NLRB investigated and issued a complaint; a settlement recently was reached. In short, all of these reports are being provided to the union and distributed to the Local Presidents as they are made available.

The NPMHU has also filed a National-level grievance challenging the F-1 Scheduler, based specifically at violations of Article 34 of the National Agreement. In particular, we are claiming that the F-1 scheduler is based, at least in part, on improper time and work studies, in violation of Article 34.

Union officials at the Regional, Local, and Branch levels have been challenging the unwarranted start time changes, reversions and abolishments and have filed and continue to file the appropriate grievances; our efforts have been paying off. Many Locals have been successful in the grievance procedure and at arbitration challenging the reversions and abolishments on a bid-by-bid basis. President Hogrogian praised the accomplishments of all representatives, noting the tedious nature of these cases.

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 continuing pressure from Congress, the PRC, and major mailers, the PMG said early last year that the closing and consolidations of mail processing facilities have been put back on the table. The National Union has received no further communications concerning any closing or consolidations since the PMG's earlier declaration, however, so the NPMHU will continue to meet with the PMG and voice its opposition to unnecessary closings and consolidations.

President Hogrogian spoke about the recently signed RI-399 settlement and Update MOU. The key points of the MOU include: (1) all pending national disputes are withdrawn, thereby accepting USPS determinations except for the AFCS and the SPSS; (2) craft determination on LCTS, HSTS, LCUS and HSUS will be determined by who was performing the work as of September 1, 2017; (3) the Update MOU confirms that containerization is and will remain mail handler work; (4) implementation of status quo agreement relative to who was

performing the work as of September 1, 2017 (with several exceptions); (5) development of new inventories for all postal facilities employing clerks and mail handlers; (6) withdrawal of all disputes that were pending in the RI-399 process as of September 1, 2017; (7) a relatively large monetary remedy; and (8) changes to RI-399 procedures establishing who and when future grievances can be referred to the dispute resolution process. The attendees also attended a comprehensive training session on the application and administration of the RI399 settlement and Update MOU on day two of the SAMLU.

Turning to national contract bargaining in 2019, President Hogrogian reiterated that preparations for these upcoming negotiations have already begun. A wide-ranging bargaining strategy meeting was held on day three of the SAMLU meeting; debate was energetic and robust. The NPMHU Field Negotiating Committee will meet in February 2019. Given the financial condition of the Postal Service, this round of bargaining promises to be extremely challenging.

President Hogrogian issued the official call for bargaining proposals in the September Update, it is posted on the website at [npmhu.org](http://npmhu.org), and can also be found on page 21 in this publication. Blank proposal forms have been mailed to all Local Unions. If you have any proposals that you would like to have considered for the upcoming round of bargaining, now is the time to submit them







to the National Office. Every proposal submitted will be fully analyzed by the NPMHU's Field Negotiating Committee and the National Negotiations Team while the Union develops its opening bargaining proposals.

Following the President's report, National Secretary-Treasurer Tim Dwyer provided a detailed presentation on a variety of topics, including the NPMHU Unaudited Q2 2018 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 the Union's Associate Dues, Service Charge, and Revenue Sharing Programs. Also announced was the NPMHU's upcoming relocation to the fifth floor at 815 16th Street, NW in Washington, DC, which is the headquarters building owned and operated by the AFL-CIO. An update on upcoming meetings and training sessions also was provided. The attendees also heard a legal report from the General Counsel, focusing on pending lawsuits and NLRB matters. NPMHU Women's Committee Chairperson June Harris presented on issues facing the organization. Also presented was a report from NPMHU Legislative and

Political Director Bob Losi on various legislative and political efforts.

On the second day of the SAMLU meeting, Emily Boynton, Manager of Development for the union's official national charity — the Juvenile Diabetes Research Foundation — gave a short presentation honoring the NPMHU's commitment and dedication to JDRE. Additionally, JDRE representatives and President Hogrogian spoke warmly about the contributions and career of retiring executive secretary Martha Ring. "Martha has been a true asset to the National Postal Mail Handlers Union and will be deeply missed," said President Hogrogian.



Local 323 President Jeff Larsen



Local 304 President William McLeMore



Local 315 President Bryan Easley



Local 321 President Errol (Tony) Wilson



Local 322 President Kelly Dickey



Local 329 President John (JR) Macon



Local 310 President  
Andy Badilishamwalimu



Local 334 President Sheldon Adams



NPMHU National Officers, National CAD, Regional CAD Directors & Representatives, Local presidents and Local Union representatives engaged in an RI-399 Training on day 3 of the Semi-Annual Meeting of the Local Unions.



Local 318 President Nick Mosezar



Local 325 President Reginald Jones



Local 299 President Deanna (Keala) Parker



Local 301 President Daniel St. Marie



Local 300 President Kevin Tabarus



Local 305 President Felandria Jackson

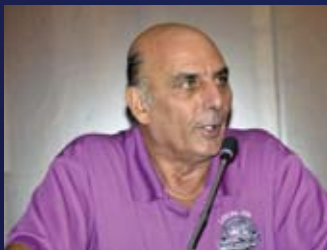


Local 320 President Alex Cervantes



Local 303 President Eddie Cowan





Aetna's Director of National Accounts, Brad Corban, Executive Director MHBP® Michael Hora, and Assistant Director MHBP® Nina Gallauresi tag-teamed presentations offering a comprehensive report on the status of the Mail Handlers Benefit Plan, including its operations, membership, benefits, and marketing. The attendees also were briefed on the upcoming FEHB open season.

CAD Manager Teresa Harmon next 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 referenced attachments, to all NPMHU members at the MAILS link behind the Member Resources tab at [npmhu.org](http://npmhu.org). During the SAMLU meeting, CAD Manager Teresa Harmon spoke specifically to the following topics:

- Mail Handler Workforce: through March 17, 2018, USPS records indicate that 10,346 MHAs



have been converted to career status since October 2013, averaging 180 per month;

- Wages Under the 2016 National Agreement: in April 2018, all Mail Handler Assistants received an hourly wage increase of \$0.20 per hour effective on Saturday, May 26, 2018;
- Holiday Pay for MHAs, still awaiting arbitration;
- Function-1 (F-1) Scheduler and recommended course of action;
- Promotion Pay and National-level grievance;
- RI-399 and Jurisdictional Disputes, RI-399 Update MOU, Secure Destruction Program, Enhanced Package Processing System (EPPS), and Automated Delivery Unit Sorter (ADUS);
- Implementation of Autonomous Guided Vehicles (AGV); and
- Modification of Administrative Fees for Processing Creditor Garnishments.

- National CAD Representative Kevin Fletcher then gave a comprehensive presentation on the activities of the Article 12 Task Force and use of F-1 Scheduler information resulting from the Union's successful NLRB charge against the Postal Service. The second half of day two was dedicated to a comprehensive training session addressing application of the RI-399 Update Memorandum of Understanding.

On day three of the meetings, all attendees participated in an energetic round-table discussion led by President Hogrogian addressing the upcoming national contract negotiations. Attendees presented and debated various proposals that may be considered in the upcoming round of bargaining. Our current National Agreement expires on September 20, 2019. Members are reminded that the official call for bargaining proposals was issued on September 15, 2018. Members are encouraged to submit proposals as



soon as possible, but in no event later than January 18, 2019. Blank submission forms can be found at [npmhu.org](http://npmhu.org).

The SAMLU meeting was well attended and resulted in a wide array of discussion and debate. The next SAMLU meeting is scheduled for April 2019.