



MAIL HANDLER UPDATE

NATIONAL POSTAL MAIL HANDLERS UNION

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Paul V. Hogrogian
National President

MAIL HANDLERS GATHER FOR SEMI-ANNUAL MEETING

HOGROGIAN PRAISES EFFORTS TO COMBAT F-1 SCHEDULER



Timothy M. Dwyer
Secretary-Treasurer

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). This Update is an abbreviated report on the activities of that meeting. Please watch for the full report in the upcoming spring edition, Mail Handler magazine.

As is customary, Paul Hogrogian's semi-annual report to the attendees 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 2017 year-end figures provided by the USPS show that the agency posted an operating deficit of \$800 million for FY 2017 and projects another \$800 million in operational losses for FY 2018.

President Hogrogian 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. 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.

President Hogrogian provided an update on the postal network with respect to reversions, abolishments, excessing, withholding and the impact of the Function-1 Scheduler. President Hogrogian stated that the PMG is under extreme pressure by the Board of Governors, Congress and PRC to reduce costs and increase efficiencies. In an extreme over reaction 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 extreme overreaction 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, 82 installations were to be impacted resulting in approximately 2,200 FTR mail handlers being involuntarily reassigned out of their installation. This has resulted in virtually every mail handler residual vacancy being withheld as landing spots for the excessed employees. The initial September 2017 date of impact had been moved back several times as a result of the Union's challenges to the proposed actions.

As of April 13, 2018, the Union has achieved a significant reduction in the number of impacted mail handlers. We are now facing 21 impacted facilities affecting 495 full-time regulars, 32 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.

President Hogrogian spoke about the state 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, which now found its way into actual legislation that 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 in the Spring edition, Mail Handler magazine. The bill is currently stalled in the Ways and Means committee.



NPMHU Training Team

President Hogrogian turned his focus to subcontracting noting that the NPMHU has continued its efforts to insource mail handler work from the Surface Transfer Centers, the Mail Transport Equipment Service 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 the Union's anti-subcontracting efforts that resulted in the USPS returning all of the consolidation/deconsolidation (CDF) operations back into the NDCs; this will occur in 3 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 includes 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 September 30, 2018. The USPS and NPMHU representatives are also discussing the possibility of establishing a pilot site for returning subcontracted work from the mail transport equipment service centers to the mail handler craft.

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 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. 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.

Contract Administration Department Manager Teresa Harmon provided a full report on the activities of that department since the last meeting of the Local Unions. Several matters received extra attention, including the Union's challenges to the F-1 Scheduler, RI399 and related jurisdictional matters, the Agency's newly introduced 'OTAdmin' application and its impact on overtime tracking, and a mechanization and technological review to highlight a few.

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 Paul Hogrogian, the program was hosted by John Gibson, Vice President—Eastern Region, June Harris, Vice President—Central Region, Lawrence Sapp Vice President—Southern Region, Pervous Badilishamwalimu—President, Local 310, and CAD Manager—Teresa Harmon. The training program was well-received by all in attendance.



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