

BEFORE THE BOARD OF INTEREST ARBITRATION

In the Matter of:)
)
 UNITED STATES POSTAL SERVICE)
)
 and) 2011 National Agreement
)
 NATIONAL POSTAL MAIL HANDLERS)
 UNION, AFL-CIO)
)

AWARD

BOARD OF ARBITRATION

HERBERT FISHGOLD, Impartial Chair
ROBERT DUFEK, USPS Member
ROBERT WEINBERG, NPMHU Member

AWARD DATE: FEBRUARY 15, 2013

APPEARANCES FOR THE PARTIES

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BACKGROUND

This Award sets forth the terms and conditions of employment for the employees represented by the National Postal Mail Handlers Union (“NPMHU”), which is a national labor organization that is the exclusive collective bargaining agent for approximately 42,000 mail handlers employed by the United States Postal Service (“USPS” or “Postal Service”) throughout the United States.

The USPS is an independent establishment of the Executive Branch of the Government of the United States, authorized to provide mail services to the American public. 39 U.S.C. Sections 101 and 201. The Postal Service was created by the Postal Reorganization Act (“PRA”) of 1971, as subsequently amended by the Postal Enhancement and Accountability Act (“PAEA”) of 2006. It is the successor to the former Post Office Department.

Pursuant to Section 1207(c) of Title 39 of the U.S. Code, the PRA, P.L. 91-373, 39 U.S.C. Section 101 et seq., the Federal Mediation and Conciliation Service (“FMCS”) has designated the undersigned as an Arbitration Board for the purpose of resolving the present dispute between USPS and the NPMHU regarding the terms of the 2011 National Agreement between the parties that will serve as the successor to their 2006 National Agreement, which expired at midnight on November 20, 2011. During the 90-day period prior to the expiration of the 2006 Agreement, the parties’ representatives engaged in good-faith collective bargaining with respect to proposals for a new agreement. Formal negotiations began on August 30, 2011, and were extended until the parties declared impasse on January 27, 2012.

On March 22, 2012, FMCS appointed Arbitrator Herbert Fishgold to mediate the dispute between the parties. Mediation between the parties was unsuccessful. The

parties then proceeded to interest arbitration, and a striking procedure implemented by the parties led to Arbitrator Fishgold's appointment as Chair of the Arbitration Board. On October 15, 2012, the Postal Service and the NPMHU entered into a Memorandum of Agreement regarding "Interest Arbitration Procedures" executed by counsel for the USPS and NPMHU (hereinafter, "Ground Rules").

In accordance with the Ground Rules, the parties submitted pre-hearing briefs to the Board on November 7, 2012. The Board heard opening statements from both parties at the offices of Morgan, Lewis & Bockius on November 9, 2012. The parties proceeded to present evidence over the course of several additional hearing dates scheduled from November 2012 through early in February 2013.

Throughout the course of the hearing, the Postal Service argued the following points:

- The Postal Service has experienced an unprecedented and permanent decline in First-Class mail revenue due largely to electronic diversion. This fact, combined with certain regulatory burdens imposed by Congress, has led to a dangerous and untenable financial situation for the Postal Service—one that cannot be solved by Congressional action alone. As part of a comprehensive solution, the Postal Service, with the aid of this Board, must restructure its labor costs, including those involved in mail handling and processing.
- Part of the Postal Service's response to its financial crisis has been rationalization of its mail processing network. This has included consolidation of over 600 mail processing facilities into approximately 417, with possible further consolidation down the road to better align the

network with decreased mail volume. This plan eventually includes an expanded processing window for delivery point sequence (“DPS”) mail. The expanded processing window will necessitate much greater flexibility in the mail handling complement to efficiently handle volatile mail volumes which change monthly, weekly, and daily. The expanded processing window will result in more four- and six-hour shifts and necessitate the ability to send mail handlers home when the work is concluded.

Accordingly, the Postal Service seeks a workforce made up of 25% non-career employees with no restriction as to their use.

- The current structure of the mail handler workforce does not provide the Postal Service with adequate flexibility. The “in lieu of” clause restricts the hiring of casuals to such a degree as to render the 12.5% casual cap largely meaningless. This “in lieu of” clause has been eliminated in all other bargaining unit contracts. The Postal Service must have the ability to use a non-career complement like the APWU PSEs as an integrated, interchangeable workforce with career mail handlers, both to enhance flexibility and lower unit labor costs.
- Mail handling is a high-cost function within the Postal Service, in large part due to a very large proportion of fully-loaded, full-time career employees who receive a significant wage and benefit premium compared to the private sector. This fact is not mitigated by the Postal Service’s ability to hire part-time flexible employees or part-time regular employees. Those employees come with a fully-loaded benefit package which constitutes 40% of the total labor cost dollar. It makes no economic sense to incur

both the active and legacy benefit costs only to work an employee on a part-time basis.

- The appropriate comparison for purposes of private sector comparability is the entire private sector, not only large, unionized employers. Past interest arbitrators have recognized a postal wage premium between mail handlers at the Postal Service and individuals doing similar work in the private sector. This conclusion has been corroborated by the Government Accountability Office in independent studies.
- Collective bargaining does not exist in a vacuum, and must take into account financial realities and changes in product markets. As the Postal Service increasingly moves into competitive product markets such as parcels and packages, provisions which impede flexibility such as COLA clauses, no-layoff protections, and restrictions on contracting out must be modified or eliminated. Such clauses are nearly non-existent in private sector labor contracts today. Accordingly, they should be excised from the parties' agreement.
- In terms of internal equity, the Mail Handlers will be the last of the four major unions to reach an Award. The American Postal Workers Union ("APWU") voluntary settlement and the interest arbitration Awards with the National Rural Letter Carriers Association ("NRLCA") and National Association of Letter Carriers ("NALC")¹ involve a two year wage freeze, COLA revisions, modest general wage increases in FY 2013 through FY 2015, lower wage rates for new career hires, and an increase in non-

¹ At the time of the Postal Service's live testimony, the NALC Award had not been issued. The Postal Service supplemented the record with this Award on January 16, 2013.

career complements with lower wage and benefit packages. The pattern established by those settlements is an important data point for the Board to consider when determining the outcome of this interest arbitration.

During the course of the hearing, the NPMHU argued the following points:

- Although electronic diversion and the Great Recession of 2008 have impacted mail volume, the real problems facing the Postal Service stem from Congressional inaction. First, Congress has refused to refund to the Postal Service the billions of dollars that it is owed from overfunding the Federal Employees Retirement System. Second, Congress has mandated that the Postal Service pre-fund future retiree health benefits for the next 75 years, and also mandated that the Postal Service do so within 10 years, something that no other public agency or private firm does, or would ever do, if allowed to adopt and implement a rational financial plan. As a result, the Postal Service has contributed more than \$21 billion in direct cash payments to its Retiree Health Benefits Fund and today there is more than \$45 billion in that Fund. The combination of the overfunding of the pension system and the pre-funding of retiree health care is the difference between a positive and a negative financial outlook for the Postal Service. Using Congressional inaction as a justification to seek massive changes in the historic nature of the career workforce of the NPMHU is inappropriate and unjustified.
- The Postal Service's proposal for a 25% non-career workforce is nothing more than a thinly-veiled attempt to cut wages and lower labor costs in the guise of greater workforce flexibility. First, this proposal runs directly

counter to the Congressional mandate in the PRA that the Postal Service maintain a workforce comprised of career mail handlers and that the Postal Service assure its employees of meaningful opportunities for promotion and career development.

- Second, the Postal Service is improperly attempting to solve the problems of the Postal Service on the backs of mail handlers, as evidenced by the fact that the Postal Service's 25% proposal exceeds the increases in the non-career workforce negotiated by the Postal Service with the APWU.
- Finally, the Postal Service's proposal for a 25% non-career workforce ignores the fact that the Postal Service has consistently failed to make use of the workforce flexibility already available to it. For example, the Postal Service has not utilized its 10% flexibility by hiring into the part-time flexible position that has no guarantee of 40 hours of work and no fixed schedule, and even today – while the Postal Service is demanding more flexibility – less than 5% of mail handlers are PTFs. Likewise, the Postal Service has never utilized its available complement of 6% part-time regular employees. And, the Postal Service fails to utilize its entire complement of authorized casual employees.
- Interest arbitration is meant to be a conservative process, and is not meant to undermine or eliminate settled historic understandings that the parties have reached in prior negotiations. If the parties wish to completely restructure the workforce, they should do it through negotiation, and not within this interest arbitration proceeding. Nor can interest arbitration with one bargaining unit fully address the global,

overarching financial issues the Postal Service faces. Precedent involving the limited role of interest arbitration is particularly important with regard to the mail handlers because they are the smallest of the four major bargaining units. It is inappropriate for the Board and for the Postal Service to attempt to solve all of USPS' financial problems on the backs of the mail handlers.

- Mail handler pay rates are within the mainstream of wage rates paid in the private sector for jobs involving comparable levels of work and comparable experience, when the data are properly adjusted for large firms and unionized companies in the appropriate private-sector industries and metropolitan areas. In particular, mail handler pay rates at entry level and during the first few years of employment are comparable to similarly-situated private-sector employees, and mail handler pay rates at more advanced steps of the pay scale contain payments for tenure and experience – to reflect, as dictated by Congress, career service and career advancement for mail handlers – for which private-sector comparisons are difficult to find.
- If adopted, the Postal Service's proposal for a two-tier wage system will be counterproductive. First, the trend amongst employers in the private sector is away from two-tier systems. Second, the introduction and maintenance of two-tier wage systems lead to divisiveness amongst employees and, significantly, negatively impact worker productivity. Given that mail handler and postal labor productivity are at an all-time high, the Postal Service's two-tier proposals should be rejected.

The Board met in executive session during the hearings, and on February 14 and 15, 2013.

STATUTORY STANDARD

The Board is obligated to determine the wages, benefits, and work rules for mail handlers for the term of the next agreement consistent with the following statutory provisions:

Thirty-nine U.S.C. § 101(c) provides:

As an employer, the Postal Service shall achieve and maintain compensation for its officers and employees comparable to the rates and types of compensation paid in the private sector of the economy of the United States. It shall place particular emphasis upon opportunities for career advancements of all officers and employees and the achievement of worthwhile and satisfying careers in the service of the United States.

Thirty-nine U.S.C. § 1001(b) provides:

The Postal Service shall establish procedures, in accordance with this title, to assure its officers and employees meaningful opportunities for promotion and career development

Thirty-nine U.S.C. § 1003(a) provides in part:

It shall be the policy of the Postal Service to maintain compensation and benefits for all officers and employees on a standard of comparability to the compensation and benefits paid for comparable levels of work in the private sector of the economy....

The Award as set forth below is consistent with these provisions.

COMMENTS OF THE BOARD

At this juncture in the 2010-2011 round of bargaining, the Board is well aware of the pattern developed between the USPS and its other major unions: the APWU, NRLCA, and NALC. The USPS and APWU reached a voluntary settlement on May 13, 2011. An Arbitration Board chaired by Arbitrator Jack Clarke issued the NRLCA Award on July 3, 2012. Similarly, a Board chaired by Arbitrator Shyam Das issued the NALC

Award on January 10, 2013. The APWU contract and both interest arbitration Awards achieve significant cost savings and workforce flexibility for the Postal Service, while maintaining job protection for bargaining unit employees. Additionally, both Awards emphasized that “action from Congress on regulatory and legacy cost issues is absolutely essential to the long term health and viability of the Postal Service.”

This Board of Arbitration joins Arbitrator Clarke and Arbitrator Das in recognizing that the Postal Service is facing a financial crisis largely attributable to factors beyond its control—loss of mail volume, a change in the mail mix, an onerous and unprecedented retiree health benefits pre-funding obligation, and the fixed costs associated with universal service at a CPI-U cap for First-Class mail and other market dominant products. As Jack Clarke, the Chair of the NRLCA Interest Arbitration, aptly noted: “Only Congress can address the USPS’s overall mission, associated business plan and regulatory framework.” This Board can only address one critically important area – the wages and benefits of mail handlers – and even there it is constrained by law because it cannot address important statutory benefits such as pensions and retiree health care that are crucial components of the USPS’s financial challenge. In short, this interest arbitration proceeding cannot serve as a substitute for Congressional action.

On the issue of wages and benefits for mail handlers, a review of the past agreements negotiated between these parties and the Awards issued by arbitrators in various interest arbitrations make clear that the terms of this Award should not be set without reference to other negotiations and Awards that occurred during the same round of collective bargaining. As explained above, the negotiated agreement with the APWU as well as the agreements set by arbitration for the NALC and NRLCA contain a two year wage freeze, no COLA in year one, a deferral of COLA in year two, a revised

COLA base, and modest general wage increases in the final two and one-half years of each agreement. In addition, those agreements included structural changes that reduce unit labor costs over the course of the contract. Those changes include lower wage rates for new career hires, an increase in non-career complements with lower wage and benefit packages, and modifications to the COLA clauses. The Board considered the above-mentioned contracts in developing this Award, while simultaneously recognizing that the Board is not bound to treat those contracts as precedent for purposes of the NPMHU agreement.

There is no question that the Postal Service faces a permanent decline in the demand for First Class mail which poses a serious threat to Postal Service revenues. The Board has considered testimony from postal witnesses Megan Brennan and Dave Williams on the need for a more flexible, less expensive mail handling complement as part of its re-aligned network, as well as the provisions of the APWU contract and NRLCA and NALC Awards. Based upon a review of all the evidence, the Board awards a two-year wage freeze, no COLA in year one, a deferral of COLA in year two, a revised COLA base and modest general wage increases in FY2014 through FY2016.² In addition, the Board awards a lower entry wage for new career hires. The Board is persuaded, however, that there should not be a reduction in the top step of the mail handler wage schedule. Accordingly, this Award retains the top step of the new pay schedule for all mail handlers regardless of their date of hire. In keeping with the changes made to the NALC COLA, the Board awards the Postal Service application of the COLA formula on a percentage basis for steps below the top step of the new hire

² The Board also awards an adjustment to the NPMHU night shift differential tables to account for the changes in the night shift premium received by APWU clerks in the February 2008 upgrade.

pay schedule. This modification will both lower the Postal Service's costs and ameliorate the tendency of a flat COLA adjustment to compress the pay structure. At the same time, the Award retains the COLA formula for career employees currently on the rolls. The combination of these steps will, consistent with the pattern established in the AWPU, NRLCA, and NALC agreements, meet the Postal Service's stated goal of lowering the unit labor costs for mail handlers.

One of the more contentious issues in this interest arbitration has been the terms and conditions of a non-career workforce. The Postal Service produced substantial evidence that the current system regarding use of casual employees is overly restrictive and will inhibit USPS' ability to flexibly schedule its employees in response to fluctuating mail volume under new operating windows. Specifically, the Board finds that the flexibility available to the Postal Service under the National Agreement is compromised by the "in lieu of" restriction which unnecessarily complicates the hiring of casuals and prevents the Postal Service from even reaching the current 12.5% cap on these employees. The Board further notes that the NPMHU is the only postal bargaining unit that has yet to eliminate this clause from its contract. The Board does not agree with the NPMHU that fully-loaded part-time regular and part-time flexible mail handler employees provide flexibility comparable to that found in other bargaining units. Accordingly, the Board awards the elimination of the "in lieu of" restriction for casual employees within the mail handler craft.

In determining an appropriate percentage of non-career employees during the term of this Agreement, the Postal Service argued for a 25% non-career workforce with no usage restrictions to meet its needs, measured by Postal Service district. The Board found this percentage to be too high in light of the historic structure of the mail handler

bargaining unit and the agreement reached with the APWU and the interest arbitration award with the NALC. In neither National Agreement did the Postal Service secure a workforce with no usage restrictions or as high as 25%. For that reason, the Board finds a 20% non-career workforce appropriate to meet the Postal Service's needs. This is similar to the non-career complements established in the APWU agreement and NALC Award, and does not preclude the parties from agreeing upon additional non-career employees as work opportunities evolve.

With regard to the non-career workforce, the Board awards the creation of a new employee classification called Mail Handler Assistant employees, or MHAs. MHAs shall be paid at a wage rate and benefit structure that will reduce mail handling costs. In recognition of the internal structure of the NPMHU, the total number of MHAs within a district will not exceed 15.0% of the total number of career mail handlers in that district, but not more than 20% in any installation. Consistent with the APWU and NALC agreements, MHAs will be included within the NPMHU bargaining unit. MHAs shall be hired from an appropriate register pursuant to such procedures as the Postal Service may establish. MHAs will be hired for terms of 360 calendar days per appointment and will have a break in service of 5 days if reappointed. Significantly, MHAs will have a path toward career employment in the future, comparable to Rural Carrier Associates (RCAs) under the NRLCA Agreement, Postal Support Employees (PSEs) under the APWU Agreement, and City Carrier Assistants (CCAs) under the NALC Agreement..

The Board also determines it is appropriate to continue the existing casual workforce and to maintain that workforce as outside the bargaining unit. Consistent with the negotiation history between the parties and the internal structure of the NPMHU, casual employees shall not exceed 5%, on an installation basis, of the total number of

career employees covered by the Agreement.³ Casuals may be appointed for a term not to exceed 360 calendar days, and may be hired for an unrestricted number of additional terms after a 6-day break in service. As explained above, the “in lieu of” clause shall no longer be in effect as applied to casual employees.

The split between non-career employees, as outlined above, will provide the Postal Service with the flexibility and cost reduction it needs as it moves toward a new mail processing model.

The Board recognizes that such an increase in non-career mail handler complement coupled with elimination of the “in lieu of” clause is a substantial benefit to the Postal Service. Similar to the parallel noted in the NALC Award, the Board finds that there is a logical connection between a concession dramatically reducing unit labor costs and the NPMHU’s demand for job security for their remaining career workforce. An increase in non-career complement with limited restrictions reduces unit labor costs and increases efficiency and productivity through better allocation of human resources. The NPMHU has made a persuasive case that if the Postal Service’s demands with respect to the non-career complement are awarded, then the NPMHU’s demand for job security with regard to existing no layoff protections, including the MOU regarding layoff protection, should be granted. The Board, therefore, awards the NPMHU retention of the existing no layoff provisions as well as the MOU regarding layoff protection as proposed.

The following is the Award of the Board of Arbitration. The Board awards a contract of four and one half years’ duration (November 21, 2011 through May 20, 2016). The terms are effective on the date of the issuance of this Award.

³ As is currently the practice, the Postal Service may exceed the 5% casual cap during two accounting periods each fiscal year, provided it complies with existing notice requirements.

The Award has several component parts, each of which is attached to and incorporated into this Award.

All other provisions of the current contract not modified or deleted in this Award remain.

I. NON-CAREER COMPLEMENT

ARTICLE 7 EMPLOYEE CLASSIFICATIONS

Section 7.1 Definition and Use

A Regular Work Force

The regular work force shall be comprised of two categories of employees which are as follows:

A1 Full-Time

Employees in this category shall be hired pursuant to such procedures as the Employer may establish and shall be assigned to regular schedules consisting of five (5) eight (8) hour days in a service week.

A2 Part-Time

Employees in this category shall be hired pursuant to such procedures as the Employer may establish and shall be assigned to regular schedules of less than forty (40) hours in a service week, or shall be available to work flexible hours as assigned by the Employer during the course of a service week.

B Supplemental Work Force

1. The Supplemental work force shall be comprised of casual employees. ~~Casual employees are those who may be utilized as a limited term supplemental work force, but may not be employed in lieu of full or part time employees.~~ **Casual employees in all postal installations may be hired for a term not to exceed 360 calendar days per appointment.**

2. During the course of a service week, the Employer will make every effort to ensure that qualified and available part-time flexible employees are utilized at the straight time rate prior to assigning such work to casuals. The number of casuals who may be employed in any accounting period, other than the two (2) accounting periods per fiscal year identified as set forth below, shall not exceed **5.0%** ~~12.5%~~, on an installation basis, of the total number of **career** employees covered by this Agreement. The Employer shall notify the Union, at the National level and at the appropriate installation, of which two (2) accounting periods in each fiscal year during which it may exceed the **5.0%** ~~12.5%~~ limitation in that installation; such notice will be provided at least six (6) months in advance of the

beginning date of the affected accounting period(s). ~~Casuals are limited to two (2) ninety (90) day terms of casual employment in a calendar year. In addition to such employment, casuals may be reemployed during one (1) of the two (2) identified accounting periods in each installation for not more than twenty one (21) days; notice of this period shall be provided at the same time and in the same manner as notice of the accounting period exceptions, as outlined above.~~ The Employer will provide the Union at the installation level with an accounting period report listing the number of mail handler casuals at each installation. This report will be provided within fourteen (14) days of the close of the accounting period. In the event that the Employer exceeds the ~~5%~~ **12.5 percent** limitation, a remedy, if any, will be determined by the individual facts and on a case-by-case basis.

~~For PSDS offices, and for former PSDS offices utilizing the ETC system as of the date of this Agreement, the Employer will provide the Union, on an accounting period basis, at the installation level, with a report which lists the number of non-mail handler casuals and hours worked in each facility within that installation, who have worked in those operations designated as 010 and 210 during the previous accounting period. This report will be provided within fourteen (14) days of the close of the accounting period.~~

[See Letters, pages **XX**]

C Mail Handler Assistant Employees (MHAs)

1. The Mail Handler Assistant (MHA) employee work force shall be comprised of noncareer bargaining unit employees.

2. During the course of a service week, in postal installations with less than 200 man years of employment, the Employer will make every effort to ensure that qualified and available part-time flexible employees, if there are any in the installation, are utilized at the straight-time rate prior to assigning such work to MHAs and/or casuals, provided that the reporting guarantee for MHAs is met. This sentence also shall apply to larger installations during the limited period in which they continue to employ part-time flexible employees.

3. The total number of MHAs within a district will not exceed 15.0% of the total number of career mail handlers in that district, but not more than 20% in any installation. The Employer will provide the Union at the National level with an accounting period report listing the number of mail handler MHAs at each installation and in each district. This report will be provided within fourteen (14) days of the close of the accounting period. In the event that the Employer exceeds the 15% limitation by district, or the 20% limitation by installation, a remedy, if any, will be determined by the individual facts and on a case-by-case basis.

4. Any non-NPMHU bargaining unit employee on light or limited duty in the mail handler craft or on a rehabilitation assignment in the mail handler craft who does not hold a bid assignment will not be counted as a career

employee for the purpose of determining the number of MHAs who may be employed in the mail handler craft.

5. MHAs shall be hired from an appropriate register pursuant to such procedures as the Employer may establish. They will be hired for terms of 360 calendar days per appointment. Such employees have no daily or weekly work hour guarantees. MHAs will have a break in service of 5 days if reappointed. In addition, any MHA who is scheduled to work and who reports to work in an installation with 200 or more man years of employment shall be guaranteed four (4) hours of work or pay. MHAs at smaller installations will be guaranteed two (2) hours work or pay.

* * *

Section 7.3 Employee Complements

No later than 180 days after the issuance of this arbitration Award, The Employer shall staff all postal installations which have 200 or more man years of employment in the regular work force as of the date of this Agreement with 90% full-time mail handlers. all existing Part-Time Flexible (PTF) employees in postal installations which have 200 or more man years of employment will be converted to full-time regular status, and thus there will no longer be PTF employees working in the mail handler craft in such installations.

For purposes of this section, ~~part-time regular mail handlers are not to be considered a part of the full-time or part-time work force for purposes of the percentage referenced above.~~ The number of part-time regular mail handlers who may be employed in any period in a particular installation shall not exceed 6% percent of the total number of career employees in that installation covered by this Agreement.

In smaller installations with part-time flexible employees, ~~t~~The Employer shall maximize the number of full-time employees and minimize the number of part-time employees who have no fixed work schedules ~~in all postal installations.~~ A part-time flexible employee working eight (8) hours within ten (10), on the same five (5) days each week over a six-month period will demonstrate the need for converting the assignment to a full-time position.

[See Memos, pages XX]

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL POSTAL MAIL HANDLERS UNION**

Re: Mail Handler Assistant Employees

The Board sets forth the following general principles concerning Mail Handler Assistant Employees (MHAs):

1. General Principles

a. The MHA work force is comprised of noncareer, mail handler bargaining unit employees.

b. MHAs shall be hired for terms of 360 calendar days and will have a break in service of 5 days if reappointed.

c. Leave provisions for MHAs are included in Attachment A to this MOU.

d. For MHA percentage use allowances, see Article 7.1C.

e. The Postal Service will provide a report every four week reporting period with information needed to monitor compliance with the provisions above, i.e., the total number of career bargaining unit employees and MHAs in the mail handler craft by installation.

f. The hourly rates for MHAs on the effective date of this Agreement shall be as follows:

Hourly Rate: Level 4 at \$13.75 and Level 5 at \$14.50

Adjustments to these hourly rates shall be in accordance with Article 9.7. Should it be necessary for recruitment or retention of MHAs, the Postal Service may pay higher hourly rates, with the concurrence of the Union.

g. When the Postal Service hires new mail handler full-time career employees, MHAs within the installation will be converted to full-time regular career status to fill such vacancies based on their relative standing in the installation, which is determined by their original MHA appointment date in that installation. A MHA who does not accept the career opportunity will not lose his/her relative standing for future career opportunities.

2. Contract Provisions

The Board awards that only the following articles and portions of articles of the National Agreement apply to MHAs as outlined below:

Article 1

Article 2

Article 3

Article 5

Article 7.1C

Article 8

HOURS OF WORK

Section 2. Work Schedules

A. The employee's service week shall be a calendar week beginning at 12:01 a.m. Saturday and ending at 12 midnight the following Friday.

B. The employee's service day is the calendar day on which the majority of work is scheduled. Where the work schedule is distributed evenly over two calendar days, the service day is the calendar day on which such work schedule begins.

Section 3. Exceptions

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MHAs will be scheduled in accordance with Section 2, A and B of this Article.

Section 4. Overtime Work

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G. Overtime Work for MHAs

MHAs shall be paid overtime for work performed in excess of forty (40) work hours in any one service week. Overtime pay for MHAs is to be paid at the rate of one and one-half (1-1/2) times the basic hourly straight time rate.

When an opportunity exists for overtime for qualified and available full-time employees, doing similar work in the work location where the employees regularly work, prior to utilizing a MHA in excess of eight (8) work hours in

a service day or forty (40) hours in a service week, such qualified and available full-time employees on the appropriate Overtime Desired List will be selected to perform such work in order of their seniority on a rotating basis.

Section 7. Night Shift Differential

For time worked between the hours of 6:00 p.m. and 6:00 a.m., MHAs shall be paid additional compensation at the applicable flat dollar amount at each pay grade and step in accordance with the attached Table Four.

Section 8. Guarantees

D. Any MHA who is scheduled to work and who reports to work in an installation with 200 or more man years of employment shall be guaranteed four (4) hours of work or pay. MHAs at smaller installations will be guaranteed two (2) hours work or pay.

Section 9. Wash-up Time

Installation heads shall grant reasonable wash-up time to those employees who perform dirty work or work with toxic materials. The amount of wash-up time granted each employee shall be subject to the grievance procedure.

Article 9

SALARIES AND WAGES

Section 7. Mail Handler Assistant Employees

The hourly rates for MHAs shall be adjusted by the general increases provided for in Article 9.1. In addition, MHAs will receive the following wage adjustments:

Effective November 16, 2013, the hourly rates for all grades shall be increased by 1.0%.

Effective November 15, 2014, the hourly rates for all grades shall be increased by 1.0%.

Effective November 14, 2015, the hourly rates for all grades shall be increased by 1.5%.

All percentage increases are applied to the wage rates in effect at the beginning of the contract.

**Article 10
LEAVE**

Section 2. Leave Regulations

A. The leave regulations in Subchapter 510 of the Employee and Labor Relations Manual, insofar as such regulations establish wages, hours and working conditions of employees covered by this Agreement, other than MHAs, shall remain in effect for the life of this Agreement.

B. Career employees will be given preference over noncareer employees when scheduling annual leave. This preference will take into consideration that scheduling is done on a tour-by-tour basis and that employee skills are a determining factor in this decision.

C. Article 30 of the National Agreement and Local Memoranda of Understanding provisions do not apply to MHAs, except as specifically referenced in the 2011 National Agreement and as follows: During the local implementation period, the parties may agree to include provisions in the local memoranda of understanding to permit MHAs to apply for annual leave during choice vacation periods, as defined in Article 10 of the National Agreement. Granting leave under such provisions must be contingent upon the MHA having a leave balance of at least forty (40) hours.

**Article 11
HOLIDAYS**

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Section 6. Holiday Schedule

D. Mail Handler Assistant Employees

MHAs will be scheduled for work on a holiday or designated holiday after all full-time or part-time volunteers are scheduled to work on their holiday or designated holiday. They will be scheduled, to the extent possible, prior to any full-time volunteers or non-volunteers being scheduled to work a nonscheduled day or any full-time non-volunteers being required to work their holiday or designated holiday. If the parties have locally negotiated a pecking order that would schedule full-time volunteers on a nonscheduled day, the Local Memorandum of Understanding will apply.

Article 14

Article 15

Article 16, to the extent specified below.

Article 17, Sections 2, 3, 4, 5, and 6

Article 18

Article 19

HANDBOOKS AND MANUALS

*** * * * ***

Article 19 shall apply in that those parts of all handbooks, manuals and published regulations of the Postal Service, which directly relate to wages, hours, or working conditions shall apply to MHAs only to the extent consistent with other rights and characteristics of MHAs provided for in this Agreement. The Employer shall have the right to make changes to handbooks, manuals and published regulations as they relate to MHAs pursuant to the same standards and procedures found in Article 19 of this Agreement.

Article 20

Article 22

Article 23

Article 24

Article 27

Article 28

Article 31

Article 32

Article 34

Article 36

Article 37.4

Article 39

Only the following Memoranda of Understanding from the 2011 National Agreement shall apply to MHAs:

Leave Sharing

LWOP In Lieu of SL/AL

Administrative Leave for Bone Marrow, Stem Cell, Blood Platelet, and Organ Donations

Bereavement Leave

Interest on Back Pay

Processing of Post-Separation and Post-Removal Grievances

3. Other Provisions

A. Article 15

1. The parties recognize that MHAs will have access to the grievance procedure for those provisions which the Board Award applies to MHAs.

2. Nothing herein will be construed as a waiver of the employer's obligation under the National Labor Relations Act. MHAs will not be discharged for exercising their rights under the grievance-arbitration procedure.

3. The separation of MHAs upon completion of their 360-day term and the decision to not reappoint MHAs to a new term are not grievable, except where it is alleged that the decision to not reappoint is pretextual. MHAs may be separated during their term of appointment for lack of work at any time. Such separation is not grievable except where it is alleged that the separation is pretextual. Separations for lack of work shall be by inverse relative standing in the installation. MHAs separated for lack of work before the end of their term will be given preference for reappointment ahead of other MHAs with less relative seniority and ahead of other applicants who have not served as MHAs, provided that the need for hiring arises within twelve (12) months of their separation.

MHAs may be disciplined or removed within the term of their appointment for just cause and any such discipline or removal will be subject to the grievance arbitration procedure, provided that within the immediately preceding six months, the employee has completed ninety (90) work days, or has been employed for 120 calendar days (whichever comes first) of their initial appointment.

In the case of removal for cause within the term of an appointment, a MHA shall be entitled to advance written notice of the charges against him/her in accordance with the provisions of Article 16 of the National Agreement.

B. Article 25, Higher Level Pay

In the event a MHA is temporarily assigned to a higher level position, such employee will be paid at the higher level only for the time actually spent on such job. This language should not be construed to encourage the Postal Service to temporarily assign such employees to higher level positions. When the opportunity exists for higher level assignment, the principle of preference for career employees over MHAs should be utilized.

C. Health Insurance

After an initial appointment for a 360-day term and upon reappointment to another 360-day term, any eligible noncareer MHA who wants to pay health premiums to participate in the Federal Employees Health (FEHB) Program on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. The total cost of health insurance is the responsibility of the noncareer MHA except as provided below.

Beginning in Plan Year 2014, the Postal Service will make a bi-weekly contribution to the total premium for any MHA who wishes to participate in the USPS Noncareer Health Care Plan (USPS Plan) equal to the greater of (a) \$125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only. The MHA is fully responsible for the cost of premiums for any health insurance plan beyond a self-only plan. Any MHA employee wishing to make their health care contribution on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. All MHAs will be eligible for the USPS Plan within a reasonable period from the date of hire and entry into a pay status, consistent with the requirements established under the Patient Protection and Affordable Care Act.

If for any reason the USPS Plan is not available to a MHA, the Postal Service will make a bi-weekly contribution for any eligible MHA who selects the Mail Handler Benefit Plan (MHBP) Value Plan or any other plan offered by the FEHB Program, which is equal to or lower in cost to the Postal Service than the MHBP Value Plan for self-only coverage. This contribution for any eligible MHA shall be equal to the greater of (a) \$125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only.

D. MHA Career Opportunity

When the Postal Service determines in accordance with contractual provisions that it has needs to fill vacancies with new career employees, available and qualified MHAs will be converted to fill such vacancies based on their relative standing in the installation, which is determined by their initial MHA appointment date in that installation.

E. Retirement Savings Plan

The parties will explore the steps necessary for the establishment of 401(k)-type retirement savings plans and/or payroll allotments for Individual Retirement Accounts for MHAs. Alternatively, if the NPMHU establishes a 401(k) retirement savings plan for MHAs, the Postal Service agrees to implement the necessary steps for payroll deductions for this plan. The Postal Service will not be required to make any matching contributions as part of such plans.

ATTACHMENT A MAIL HANDLER ASSISTANT EMPLOYEE (MHA) ANNUAL LEAVE PROVISIONS

I. GENERAL

A. Purpose. Annual leave is provided to MHAs for rest, recreation, emergency purposes, and illness or injury.

1. Accrual of Annual Leave. MHAs earn annual leave based on the number of hours in which they are in a pay status in each pay period.

Rate of Accrual	Hours in Pay Status	Hours of Annual Leave Earned Per Pay Period
1 hour for each unit of 20 hours in pay status in each pay period	20 40 60 80	1 2 3 4 (max)

2. Biweekly Crediting. Annual leave accrues and is credited in whole hours at the end of each biweekly pay period.

3. Payment For Accumulated Annual Leave. A separating MHA may receive a lump-sum payment for accumulated annual leave subject to the following condition:

B. A MHA whose separation is effective before the last Friday of a pay period does not receive credit or terminal leave payment for the leave that would have accrued during that pay period.

II. AUTHORIZING ANNUAL LEAVE

A. General. Except for emergencies, annual leave for MHAs must be requested on Form 3971 and approved in advance by the appropriate supervisor.

B. Emergencies and Illness or Injury. An exception to the advance approval requirement is made for emergencies and illness or injury; however, in these situations, the MHA must notify appropriate postal authorities as soon as possible as to the emergency or illness/injury and the expected duration of the absence. As soon as possible after return to duty, MHAs must submit Form 3971 and explain the reason for the emergency or illness/injury to their supervisor. Supervisors approve or disapprove the leave request. When the request is disapproved, the absence may be recorded as AWOL at the discretion of the supervisor as outlined in Section IV.B below.

III. UNSCHEDULED ABSENCE

A. Definition. Unscheduled absences are any absences from work that are not requested and approved in advance.

B. MHA Responsibilities. MHAs are expected to maintain their assigned schedule and must make every effort to avoid unscheduled absences. In addition, MHAs must provide acceptable evidence for absences when required.

IV. FORM 3971, REQUEST FOR, OR NOTIFICATION OF, ABSENCE

A. Purpose. Application for annual leave is made in writing, in duplicate, on Form 3971, Request for, or Notification of, Absence.

B. Approval/Disapproval. The supervisor is responsible for approving or disapproving application for annual leave by signing Form 3971, a copy of which is given to the MHA. If a supervisor does not approve an application for leave, the disapproved block on Form 3971 is checked and the reasons given in writing in the space provided. When a request is disapproved, the reasons for disapproval must be noted. AWOL determinations must be similarly noted.

II. EXISTING CONTRACT LANGUAGE

The Board awards the following changes to the existing contract language:

ARTICLE 8

Section 8.7 Night Shift Differential

~~A — For time worked between the hours of 6:00 p.m. and 6:00 a.m. employees shall be paid additional compensation at the rate of ten percent (10%) of the base hourly straight time rate.~~

~~B — Effective for the period November 24, 1995 through November 21, 1997, for time worked between the hours of 6:00 p.m. and 6:00 a.m. career employees shall be paid additional compensation at the applicable flat dollar amount each pay grade and step in accordance with Appendix A attached hereto.~~

~~CA — Effective November 22, 1997, f~~**For time worked between the hours of 6:00 p.m. and 6:00 a.m. career employees shall be paid additional compensation at the applicable flat dollar amount for each pay grade and step in accordance with Appendix B Tables Three and Four, attached hereto.**

~~D — As soon as administratively practicable, career employees on the payroll as of November 21, 1995, shall be paid a one-time cash payment equal to twelve cents (\$.12) times the number of hours for which each was paid a night shift differential premium during the thirteen (13) accounting periods ending March 29, 1996.~~

ARTICLE 9 SALARIES AND WAGES

Section 9.1 Basic Annual Salary

Employees with career appointments before February 15, 2013 shall be paid and earn step increases according to the rates and waiting periods described in Section 9.2A and outlined in Table One.

Employees with career appointments on or after February 15, 2013 shall be paid and earn step increases according to the rates and waiting periods described in Section 9.2B and outlined in Table Two.

The basic annual salary schedule, with proportional application to hourly rate employees, for all grades and steps for those employees covered under the terms and conditions of this Agreement shall be increased as follows:

Effective November 16, 2013 – the basic annual salary for each grade and step of Table One and Table Two shall be increased by an amount equal to 1.0% of the basic annual salary for the grade and step in effect on February 15, 2013.

Effective November 15, 2014 – the basic annual salary for each grade and step of Table One and Table Two shall be increased by an amount equal to 1.5% of the basic annual salary for the grade and step in effect on February 15, 2013.

Effective November 14, 2015 – the basic annual salary for each grade and step of Table One and Table Two shall be increased by an amount equal to 1.0% of the basic annual salary for the grade and step in effect on February 15, 2013.

Section 9.2 Step Progression

A. Table One – Career Appointments Before February 15, 2013

The step progression for the Mail Handler Salary Schedule **on Table One** shall be as follows:

Grades 4, 5		
From Step	To Step	Waiting Period (in weeks)
AA	A	88
A	B	88
B	C	88
C	D	44
D	E	44
E	F	44
F	G	44
G	H	44
H	I	44
I	J	44
J	K	34
K	L	34
L	M	26
M	N	26
N	O	24
O	P	24

Grade 6		
From Step	To Step	Waiting Period (in weeks)
A	B	96
B	C	96
C	D	44

D	E	44
E	F	44
F	G	44
G	H	44
H	I	44
I	J	44
J	K	34
K	L	34
L	M	26
M	N	26
N	O	24
O	P	24

B. Table Two –Career Appointments On or After the Effective Date of the Award, February 15, 2013

The step progression for the Mail Handler Salary Schedule on Table Two shall be as follows:

Grades 4, 5		
From Step	To Step	Waiting Period (in weeks)
BB	AA	52
AA	A	52
A	B	52
B	C	52
C	D	52
D	E	52
E	F	52
F	G	52
G	H	52
H	I	52
I	J	52
J	K	52
K	L	52
L	M	52
M	N	52
N	O	52
O	P	52

Section 9.3 Cost of Living Adjustment

A Definitions

1. "Consumer Price Index" refers to the "National Consumer Price Index for Urban Wage Earners and Clerical Workers," published by the Bureau of Labor Statistics, United States Department of Labor (1967=100) and referred to herein as the "Index."
2. "Consumer Price Index Base" refers to the Consumer Price Index for the month of **July 2012** and is referred to herein as the "Base Index."

B Effective Dates of Adjustment

Each employee covered by this Agreement shall receive cost-of-living adjustments, upward, in accordance with the formula in 4.C, below, effective on the following dates:

January 2013 - the second full pay period after the release of the **January 2014** Index

July 2013 - the second full pay period after the release of the **July 2014** Index

January 2014 - the second full pay period after the release of the **January 2014** Index

July 2014 - the second full pay period after the release of the **July 2014** Index

January 2015 - the second full pay period after the release of the **January 2015** Index

July 2015 - the second full pay period after the release of the **July 2015** Index

January 2016 - the second full pay period after the release of the **January 2016** Index

- C The basic salary schedule provided for in **Table One and Step P of Table Two of this Agreement** shall be increased 1 cent per hour for each full 0.4 of a point increase in the applicable Index above the Base Index. For example, if the increase in the Index from **July 2012** to **January 2013** is 1.2 points, all pay scales for employees covered by this Agreement will be increased by 3 cents per hour. In no event will a decline in the Index below the Base Index result in a decrease in the pay scales provided for in this Agreement. **Steps BB through O in the basic salary schedules provided for in Table Two of this Agreement shall receive COLAs calculated using the formula in this paragraph, adjusted proportionally as reflected in Table Two.**

- D In the event the appropriate Index is not published on or before the beginning of the effective payroll period, any adjustment required will be made effective at the beginning of the second payroll period after publication of the appropriate Index.

- E No adjustment, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures for the Index for any month mentioned in 4.B., above.

- F If during the life of this Agreement, the BLS ceases to make available the CPI-W (1967=100), the parties agree to use the CPI-W (1982-84=100) at such time as BLS ceases to make available the CPI-W (1967=100). At the time of change to the CPI-W (1982-84=100), the cost-of-living formula in Section 9.4.C. will be recalculated to provide the same cost-of-living adjustment that would have been granted under the formula using the CPI-W (1967=100).

Section 9.4 Application of Salary Rates

Except as provided in this Article, the Employer shall continue the current application of salary rates for the duration of this Agreement.

Section 9.5 Granting Step Increases

Except as provided in this Article, the Employer will continue the program on granting step increases for the duration of this Agreement.

Section 9.6 Protected Salary Rates

- A The Employer shall continue the current salary rate protection program for the duration of this Agreement.
- B Employees who qualify for "saved grade" will receive "saved grade" for an indefinite period of time subject to the conditions contained in Article 4.4.

Section 9.7 Mail Handler Assistant Employees

The hourly rates for MHAs shall be adjusted by the general increases provided for in Article 9.1. In addition, MHAs will receive the following wage adjustments:

Effective, November 16, 2013, the hourly rates for all grades shall be increased by 1.0%.

Effective November 15, 2014, the hourly rates for all grades shall be increased by 1.0%.

Effective November 14, 2015, the hourly rates for all grades shall be increased by 1.5%.

All percentage increases are applied to the wage rates in effect at the beginning of the contract.

Table One
Mail Handlers (RSC M) Schedule
 Full-Time Annual Basic Rates
 Effective February 15, 2013

RSC M1 (NPMHU)

																		MOST
M																		PREV.
GRADE	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	STEP
4	32,973	37,347	42,845	45,446	49,271	49,577	49,893	50,197	50,511	50,819	51,136	51,441	51,754	52,063	52,373	52,681	52,994	313
5	34,519	38,895	44,769	47,440	50,023	50,357	50,696	51,021	51,358	51,696	52,028	52,359	52,690	53,029	53,364	53,693	54,027	339
6		40,541	46,813	48,193	50,835	51,196	51,561	51,924	52,287	52,652	53,010	53,373	53,740	54,100	54,461	54,823	55,188	365

Part-Time Flexible Employees - Hourly Basic Rates

4	16.49	18.67	21.42	22.72	24.64	24.79	24.95	25.10	25.26	25.41	25.57	25.72	25.88	26.03	26.19	26.34	26.50	
5	17.26	19.45	22.38	23.72	25.01	25.18	25.35	25.51	25.68	25.85	26.01	26.18	26.35	26.51	26.68	26.85	27.01	
6		20.27	23.41	24.10	25.42	25.60	25.78	25.96	26.14	26.33	26.51	26.69	26.87	27.05	27.23	27.41	27.59	

Part-Time Regular Employees - Hourly Basic Rates

4	15.85	17.96	20.60	21.85	23.69	23.84	23.99	24.13	24.28	24.43	24.58	24.73	24.88	25.03	25.18	25.33	25.48	
5	16.60	18.70	21.52	22.81	24.05	24.21	24.37	24.53	24.69	24.85	25.01	25.17	25.33	25.49	25.66	25.81	25.97	
6		19.49	22.51	23.17	24.44	24.61	24.79	24.96	25.14	25.31	25.49	25.66	25.84	26.01	26.18	26.36	26.53	

Step Increase Waiting Periods (In Weeks)

Steps (From-To)	AA-A	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	O-P	Years
Grades 4 - 5		88	88	88	44	44	44	44	44	44	34	34	26	26	24	24	14.2
Grade 6			96	96	44	44	44	44	44	44	34	34	26	26	24	24	12.8

NOTE:

Table Two
Mail Handlers (RSC M) Schedule
 Full-Time Annual Basic Rates
 Effective February 15, 2013

RSC M7 (NPMHU)

M																			PREV.
GRADE	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	STEP
4	30,435	31,762	33,089	34,416	35,743	37,070	38,397	39,724	41,051	42,378	43,705	45,032	46,359	47,686	49,013	50,340	51,667	52,994	1,327
5	31,859	33,163	34,467	35,771	37,075	38,379	39,683	40,987	42,291	43,595	44,899	46,203	47,507	48,811	50,115	51,419	52,723	54,027	1,304

Part-Time Flexible Employees - Hourly Basic Rates

4	15.22	15.88	16.54	17.21	17.87	18.54	19.20	19.86	20.53	21.19	21.85	22.52	23.18	23.84	24.51	25.17	25.83	26.50	
5	15.93	16.58	17.23	17.89	18.54	19.19	19.84	20.49	21.15	21.80	22.45	23.10	23.75	24.41	25.06	25.71	26.36	27.01	

Part-Time Regular Employees - Hourly Basic Rates

4	14.63	15.27	15.91	16.55	17.18	17.82	18.46	19.10	19.74	20.37	21.01	21.65	22.29	22.93	23.56	24.20	24.84	25.48	
5	15.32	15.94	16.57	17.20	17.82	18.45	19.08	19.71	20.33	20.96	21.59	22.21	22.84	23.47	24.09	24.72	25.35	25.97	

Proportional COLA Ratio

4	57.5%	60.0%	62.5%	65.0%	67.5%	70.0%	72.5%	75.0%	77.5%	80.0%	82.5%	85.0%	87.5%	90.0%	92.5%	95.0%	97.5%	100%	
5	57.5%	60.0%	62.5%	65.0%	67.5%	70.0%	72.5%	75.0%	77.5%	80.0%	82.5%	85.0%	87.5%	90.0%	92.5%	95.0%	97.5%	100%	

Step Increase Waiting Periods (In Weeks)

Steps (From-To)		BB-AA	AA-A	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	O-P	Years
Grades 4 - 5		52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	17.0

Mail Handlers Schedule Mail Handler Assistant (MHA) Hourly Rates Effective February 15, 2013 RSC M4 (NPMHU)	
MH Grade	
4	13.75
5	14.50

Table Three
Mail Handlers (RSC M) Schedule
 Night Shift Differential Hourly Rates
 Effective February 15, 2013

RSC M1 (NPMHU)

Full-Time Employees

GRADE	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
4	\$0.90	\$1.02	\$1.22	\$1.31	\$1.45	\$1.46	\$1.48	\$1.49	\$1.50	\$1.51	\$1.52	\$1.53	\$1.54	\$1.55	\$1.56	\$1.58	\$1.59
5	\$0.95	\$1.07	\$1.29	\$1.39	\$1.48	\$1.49	\$1.50	\$1.52	\$1.53	\$1.54	\$1.55	\$1.56	\$1.58	\$1.59	\$1.60	\$1.61	\$1.62
6		\$1.13	\$1.36	\$1.41	\$1.51	\$1.52	\$1.54	\$1.55	\$1.56	\$1.57	\$1.59	\$1.60	\$1.61	\$1.63	\$1.64	\$1.65	\$1.66
7		\$1.15	\$1.39	\$1.44	\$1.54	\$1.56	\$1.57	\$1.58	\$1.60	\$1.61	\$1.63	\$1.64	\$1.65	\$1.67	\$1.68	\$1.70	\$1.71

Part-Time Flexible Employees

4	\$0.92	\$1.05	\$1.26	\$1.36	\$1.50	\$1.52	\$1.53	\$1.54	\$1.55	\$1.56	\$1.57	\$1.59	\$1.60	\$1.61	\$1.62	\$1.63	\$1.64
5	\$0.98	\$1.11	\$1.34	\$1.44	\$1.53	\$1.55	\$1.56	\$1.57	\$1.58	\$1.60	\$1.61	\$1.62	\$1.63	\$1.65	\$1.66	\$1.67	\$1.68
6		\$1.17	\$1.41	\$1.46	\$1.56	\$1.58	\$1.59	\$1.60	\$1.62	\$1.63	\$1.65	\$1.66	\$1.67	\$1.69	\$1.70	\$1.71	\$1.72
7		\$1.19	\$1.44	\$1.49	\$1.60	\$1.61	\$1.63	\$1.64	\$1.66	\$1.67	\$1.68	\$1.70	\$1.71	\$1.73	\$1.74	\$1.76	\$1.77

Part-Time Regular Employees

4	\$0.90	\$1.02	\$1.22	\$1.31	\$1.45	\$1.46	\$1.48	\$1.49	\$1.50	\$1.51	\$1.52	\$1.53	\$1.54	\$1.55	\$1.56	\$1.58	\$1.59
5	\$0.95	\$1.07	\$1.29	\$1.39	\$1.48	\$1.49	\$1.50	\$1.52	\$1.53	\$1.54	\$1.55	\$1.56	\$1.58	\$1.59	\$1.60	\$1.61	\$1.62
6		\$1.13	\$1.36	\$1.41	\$1.51	\$1.52	\$1.54	\$1.55	\$1.56	\$1.57	\$1.59	\$1.60	\$1.61	\$1.63	\$1.64	\$1.65	\$1.66
7		\$1.15	\$1.39	\$1.44	\$1.54	\$1.56	\$1.57	\$1.58	\$1.60	\$1.61	\$1.63	\$1.64	\$1.65	\$1.67	\$1.68	\$1.70	\$1.71

Table Four
Mail Handlers (RSC M) Schedule
 Night Shift Differential Hourly Rates
 Effective February 15, 2013

RSC M7 (NPMHU)

Full-Time Employees																		
GRADE	BB	AA	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
4	\$0.90	\$0.94	\$0.98	\$1.02	\$1.06	\$1.10	\$1.14	\$1.18	\$1.22	\$1.27	\$1.31	\$1.35	\$1.39	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59
5	\$0.95	\$0.99	\$1.03	\$1.07	\$1.11	\$1.15	\$1.19	\$1.23	\$1.27	\$1.30	\$1.34	\$1.38	\$1.42	\$1.46	\$1.50	\$1.54	\$1.58	\$1.62
Part-Time Flexible Employees																		
4	\$0.92	\$0.96	\$1.00	\$1.05	\$1.09	\$1.13	\$1.17	\$1.22	\$1.26	\$1.30	\$1.34	\$1.39	\$1.43	\$1.47	\$1.51	\$1.56	\$1.60	\$1.64
5	\$0.98	\$1.02	\$1.06	\$1.10	\$1.14	\$1.19	\$1.23	\$1.27	\$1.31	\$1.35	\$1.39	\$1.43	\$1.47	\$1.52	\$1.56	\$1.60	\$1.64	\$1.68
Part-Time Regular Employees																		
4	\$0.90	\$0.94	\$0.98	\$1.02	\$1.06	\$1.10	\$1.14	\$1.18	\$1.22	\$1.27	\$1.31	\$1.35	\$1.39	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59
5	\$0.95	\$0.99	\$1.03	\$1.07	\$1.11	\$1.15	\$1.19	\$1.23	\$1.27	\$1.30	\$1.34	\$1.38	\$1.42	\$1.46	\$1.50	\$1.54	\$1.58	\$1.62

Mail Handlers Schedule	
Mail Handler Assistant (MHA)	
Night Differential Hourly Rates	
Effective February 15, 2013	
RSC M4 (NPMHU)	
MH Grade	
4	\$0.90
5	\$0.95

ARTICLE 11 HOLIDAYS

Section 11.6 Holiday Schedule

- A The Employer will determine the number and categories of employees needed for holiday work and a schedule shall be posted as of twelve noon (i.e., 12:00 p.m.) on the Tuesday preceding the service week in which the holiday falls. As many full-time and part-time regular schedule employees as can be spared will be excused from duty on a holiday or day designated as their holiday.
- B Employees shall be selected to work on a holiday within each category in the following order:
- B1 Casuals, even if overtime is required.
- B2 All available and qualified part-time flexible employees, even if overtime is required.
- B3 Full and part-time regular employees, in order of seniority who have volunteered to work on the holiday or the day designated as their holiday when such day is part of their regular work schedule. These employees would be paid at the applicable straight time rate.
- B4 MHAs, as specified below in Subsection D.**
- B5** Full-time and part-time regular employees, in order of seniority, who have volunteered to work on a holiday or day designated as a holiday whose schedule does not include that day as a scheduled workday. Full-time employees would be paid at the applicable overtime rate.
- B6** Full-time and part-time regular employees in inverse order of seniority who have not volunteered to work on the holiday or day designated as a holiday when such day is part of their regular work schedule. These employees would be paid at the applicable straight time rate.
- B7** Full-time and part-time regular employees in inverse order of seniority who have not volunteered to work on the holiday or day designated as a holiday and would be working on what otherwise would be their non-scheduled workday. Full-time employees would be paid at the applicable overtime rate.
- C An employee scheduled to work on a holiday who does not work shall not receive holiday pay, unless such absence is based on an extreme emergency situation and is excused by the Employer.

D Mail Handler Assistant Employees

MHAs will be scheduled for work on a holiday or designated holiday after all full-time or part-time volunteers are scheduled to work on their holiday or designated holiday. MHAs will be scheduled, to the extent possible, prior to any full-time or part-time regular volunteers or non-volunteers being scheduled to work a nonscheduled day or any full-time or part-time

regular non-volunteers being required to work their holiday or designated holiday. If the parties have locally negotiated a pecking order that would schedule full-time volunteers on a nonscheduled day, the Local Memorandum of Understanding will apply.

ARTICLE 12 PRINCIPLES OF SENIORITY POSTING AND REASSIGNMENTS

Section 12.1 Probationary Period

* * *

E MHAs who successfully complete at least two successive 360-day terms will not serve a probationary period when hired for a career appointment, provided such career appointment directly follows a MHA appointment.

Section 12.2 Principles of Seniority

E Relative Standing of Part-Time Flexibles

Part-time flexible employees **and MHAs** are placed on a part-time flexible **or MHA** roster, **as appropriate**, in the order of the date of their **initial** appointment **in the installation**. When changing such employees to full-time, they shall be taken in the order of their standing on the part-time flexible **or the MHA** roster.

These employees do not have seniority rights; however, their relative length of service shall be used for vacation scheduling and for purposes of conversion to full-time status.

When there is an opportunity for conversion to full-time status in an installation and that installation has both part-time flexible and MHA employees available for conversion, the PTFs will be converted to full-time regular prior to the conversion of the MHAs.

F Changes in Which Seniority is Lost

Except as specifically provided elsewhere in this Agreement an employee begins a new period of seniority:

F1 When the change is at the employee's request:

F1a From one postal installation to another, the employee **will begin a new period of seniority**, shall have seniority established as a part-time flexible **if such status is available in the installation**. ~~one day junior to the seniority of the junior part time flexible employee.~~

F1b From another craft to the Mail Handler craft, the employee **will begin a new period of seniority** as a part-time flexible, **if such status is available in the installation.** ~~one day junior to the seniority of the junior part-time flexible employee.~~

Section 12.3 Principles of Posting

A To ensure a more efficient and stable work force, an employee may be designated a successful bidder no more than **nine (9)** ~~seven (7)~~ times during the duration of this Agreement unless such bid:

A1 is to a job in a higher wage level;

A2 is due to elimination or reposting of the employee's duty assignment; or

A3 enables an employee to become assigned to a station closer to the employee's place of residence. It is the responsibility of the employee bidding to notify management that the employee is bidding "closer to home."

B In the Mail Handler Craft, Vacant Craft Duty Assignments Will Be Posted for Bid as Follows:

B1 Full-time and part-time fixed schedule employees will only bid for vacant assignments within their own category.

B2 Full-time employees may apply for residual vacancies in the part-time fixed schedule category, and selection from such applicants shall be based on senior employee meeting the qualification standards.

B3 All vacant or newly established craft duty assignments shall be posted for employees eligible to bid within 10 days after a determination has been made that the position is not to be reverted. If a vacant duty assignment has not been posted within 30 days, the installation head or the installation head's designee shall advise the Union in writing, of the reasons the position is being withheld and the anticipated length of time such position will remain vacant. If the vacant assignment is reverted, a notice shall be posted within 10 days advising of the action taken and the reasons therefore. In addition, a copy of the notice shall be provided to the appropriate Union representative.

B4 When it is necessary that fixed scheduled day(s) of work in the basic work week for a craft assignment be permanently changed, the affected assignment(s) shall be reposted. The change in work days shall not be effected until the job has been posted.

B5 The determination of what constitutes a sufficient change of duties, or principal assignment area, to cause the duty assignment to be reposted shall be subject to local negotiations in accordance with local implementation provisions of this Agreement.

B6 No assignment will be posted because of change in starting time unless the change exceeds an hour. Any change in starting time that exceeds one (1)

hour shall be posted for bid, except when there is a permanent change in starting time of more than one hour and up to and including ~~less than~~ four hours, the incumbent shall have the option to accept such new reporting time. If the incumbent does not accept the new reporting time, the assignment will be posted for bid.

B7 Change in duty assignment, as specified below, will require reposting:

B7a A 50% change in duties (actual duties performed).

B7b A change in principal assignment area which requires reporting to a different physical location; i.e., station, branch, facility annex, etc., except the incumbent shall have the option to accept the new assignment.

B8 Vacant full-time Mail Handler assignments shall be posted for a period of ten (10) days.

B9 The installation head shall establish a method for handling multiple bidding on duty assignments which are simultaneously posted.

B10 An employee may withdraw a bid on a posted assignment, in writing or in the telephone or computerized bidding process, at any time before the closing time (hour and date) of the posting. Such withdrawal, to be official, shall be date stamped or processed by telephone or computer with confirmation.

B11 An unassigned full-time employee may bid on full-time duty assignments posted for bid by employees in the Mail Handler craft. An unassigned full-time employee may be assigned to any vacant duty assignment. Such employee shall be given a choice if more than one vacant assignment is available. When the number of unassigned full-time employees exceeds the number of residual vacant duty assignments, the senior unassigned employee(s) may elect to remain unassigned provided that an unassigned regular making this election is not the only unassigned regular who can fill a higher-level position without promotion or is not the only unassigned regular qualified for a residual assignment. Part-time fixed schedule employees shall be treated similarly within their own category.

Except in cases where the installation is under withholding, if no qualified unassigned full-time regular employee is available to be assigned to the residual vacancy, the senior part-time flexible employee in the installation will be converted to full-time regular and assigned to this residual vacant duty assignment. This provision is applicable to residual vacancies remaining from any bid posting after June 1, 2007.

B12 Mail Handlers temporarily detailed to a supervisory position (204b) or detailed to an EAS position may not bid on or be assigned to any vacant mail handler duty assignments while so detailed. However, nothing contained herein shall be construed to preclude such temporarily detailed employees from voluntarily

terminating a 204b or EAS detail and returning to their craft position. Upon return to the craft position, such employees may exercise their right to bid on vacant mail handler craft duty assignments.

The duty assignment of a full-time **or part-time regular** mail handler detailed to an EAS position or a supervisory position, including a supervisory training program, in excess of **120 consecutive days** ~~4 months~~ shall be declared vacant and shall be posted for bid in accordance with this Article. **Under such circumstances, the employee shall not be eligible to re-bid the next posting of that assignment.** Upon return to the craft, the mail handler will become an unassigned full-time mail handler with a fixed schedule. A mail handler temporarily detailed to an EAS position or supervisory position will not return or be returned to the craft solely to circumvent the provisions of Section 12.3B12. **An employee detailed to an EAS position or supervisory position must return to the craft for a minimum of fourteen consecutive days to prevent circumvention of the intent of this provision.**

Form 1723, Notice of Assignment, shall be used in detailing mail handlers to temporary supervisor positions (204b) or EAS detailed positions. The Employer will provide the Union at the local level with a copy of Form(s) 1723 showing the beginning and ending of all such details.

* * * *

E Successful Bidder

E1 Within 10 days after the closing date of the posting (including December), the installation head shall post a notice stating the successful bidder and the bidder's seniority date. The senior qualified bidder meeting the qualification standards established for that position shall be designated the "successful bidder."

E2 The successful bidder must be placed in the new assignment within 15 days except in the month of December.

E3 Normally, an employee shall work the duty assignment for which the employee has been designated the successful bidder. However, when an employee is moved off the employee's duty assignment, the employee shall not be replaced by another employee. For temporary reassignments not covered by Article 25, the movement of people outside the bid assignment area will be as follows:

E3a casuals;

E3b **MHAs;**

~~E3c~~ employees from other crafts;

E3de part-time **flexible** employees;

E3e **part-time regular employees;**

E3fe full-time regular Mail Handler employees;

E3ge the order of movement of full-time regular Mail Handler employees in **E3fe**, above shall be a subject for local negotiations; however, if an agreement is not reached at the local level, the matter will be referred to the Area Manager, Human Resources and the Regional Director, Mail Handlers Union for settlement.

E4 **Except as otherwise provided by this agreement, n**No employee shall be allowed to displace or "bump" another employee properly holding a position or duty assignment.

Section 12.5 Principles of Reassignments

A A primary principle in effecting reassignments will be that dislocation and inconvenience to employees in the regular work force shall be kept to a minimum, consistent with the needs of the Service. Reassignments will be made in accordance with this Section and the provisions of Section 12.6 below.

A1 When a major relocation of employees is planned in major metropolitan areas or due to the implementation of national postal mail networks, the Employer will apply this Article in the development of the relocation and reassignment plan. At least 90 days in advance of implementation of such plan, the Employer will meet with the Union at the national level to fully advise the Union how it intends to implement the plan. If the Union believes such plan violates this Agreement, the matter may be grieved.

A2 Such plan shall include a meeting at the regional/area level in advance (as much as six months whenever possible) of the reassignments anticipated. The Employer will advise the Union, based on the best estimates available at the time, of the anticipated impact; the numbers of employees affected; the locations to which they will be reassigned; and, in the case of a new installation, the anticipated complement by tour. The Union, at the Regional level, will be periodically updated by the Area should any of the information change due to more current data being available.

A3 When employees are excessed out of their installation, the Union at the regional level may request a comparative work hour report of the losing installation 60 days after the excessing of such employees.

A4 If a review of the report does not substantiate that business conditions warranted the action taken, such employees shall have their retreat rights activated. If the retreat right is denied, the employees have the right to the grievance-arbitration procedure.

- B In order to minimize the impact on employees in the regular work force, the Employer agrees to separate to the extent possible, **MHAs and** casual employees, working in the affected craft and installation prior to excessing any regular employee in that craft out of the installation. The junior full-time employee who is being excessed has the option of reverting to part-time flexible status in his/her craft, **if such status is available in the installation,** or of being reassigned to the gaining installation.

Section 12.6 Reassignments

A Basic Principles and Reassignments

When it is proposed to:

- A1 Discontinue an independent installation;
- A2 Consolidate an independent installation (i.e., discontinue the independent identity of an installation by making it part of another and continuing independent installation);
- A3 Transfer a classified station or classified branch to the jurisdiction of another installation or make an independent installation;
- A4 Reassign within an installation employees excess to the needs of a section of that installation;
- A5 Reduce the number of regular work force employees of an installation other than by attrition;
- A6 Centralize mail processing and/or delivery installations; or
- A7 Reduce the number of part-time flexibles other than by attrition; such actions shall be subject to the following principles and requirements.

B Principles and Requirements

- B1 Dislocation and inconvenience to full-time and part-time flexible employees shall be kept to the minimum consistent with the needs of the service.
- B2 The Vice President, Area Operations shall give full consideration to withholding sufficient full-time and part-time flexible positions within the area for full-time and part-time flexible employees who may be involuntarily reassigned. When positions are withheld, **the local union may request, on a quarterly basis, that** local management ~~will periodically~~ review the continuing need for withholding such positions and **management shall** discuss with the union the results of such review.
- B3 **Except as otherwise provided by this agreement, n**No employee shall be allowed to displace, or “bump” another employee, properly holding a position or duty assignment.

B4 Under Section 12.6A4, governing reassignments within an installation of the employees excess to the needs of a section, the Union at the local level shall be notified in advance (as much as 30 days whenever possible). ~~The Union shall be notified in advance (as much as 6 months whenever possible), such notification to be at the regional level, except under .6A4 above, which shall be at the local level.~~

B5 Full-time and part-time flexible employees involuntarily detailed or reassigned from one installation to another shall be given not less than 60 days advance notice, if possible, and shall receive moving, mileage, per diem and reimbursement for movement of household goods, as appropriate, if legally payable, will be governed by the standardized Government travel regulations as set forth in Methods Handbook F-10, "Travel."

B6 The Regional Director for the NPMHU will receive at least 30 days notice for excessing outside of the installation that does not involve employee relocation. Such notice shall include a list of potential vacancies for reassignments. The impacted employees will receive the same notice at least 30 days in advance. Where employee relocation benefits are applicable the Regional Director for the NPMHU will receive at least 60 days notice for excessing outside of the installation. Such notice shall include a list of potential vacancies for reassignments. Impacted employees will receive the same notice at least 60 days in advance.

B7 Any employee volunteering to accept reassignment to another craft or occupational group, another branch of the Postal Service, or another installation shall start a new period of seniority beginning with such assignment, except as provided herein.

B8 Whenever changes in mail handling patterns are undertaken in a geographic area including one or more postal installations with resultant successive reassignments of Mail Handlers from those installations to one or more central installations, the reassignment of Mail Handlers shall be treated as details for the first 120 days **for purposes of bidding only** in order to prevent inequities in the seniority lists at the gaining installations. The 120 days is computed from the date of the first detail of a Mail Handler to the central, consolidated or new installation in that specific planning program. If a tie develops in establishing the merged seniority roster at the gaining installation, it shall be broken by total continuous service in the regular work force in the same craft.

B9 Whenever in this Agreement provision is made for reassignments, it is understood that any full-time or part-time flexible employees reassigned must meet the qualification requirements of the position to which reassigned.

B10 It is understood that any employee entitled hereunder to a specific placement may exercise entitlement only if no other employee has a superior claim hereunder to the same position.

B10a Surplus U.S. Postal Service employees from non-mail processing and non mail delivery installations, area offices, the U.S. Postal Service Headquarters or from other Federal departments or agencies shall be placed at the foot of the part-time flexible roll and begin a new period of seniority effective the date of reassignment.

B10b Former full-time post office Mail Handlers who were reassigned to mail bag repair centers and depositories on or before July 1, 1956, and who since such reassignment have been continuously employed in the same center or depository and subsequent to March 31, 1965:

B10b1 When such an employee is declared excess and is returned to the Mail Handler craft in the same installation from which the employee was reassigned, seniority shall be the same as for continuous service in the craft and installation.

B10b2 Should such an employee who is not excess volunteer to be returned to the installation in place of a junior excess employee, seniority in the Mail Handler craft and installation will be that of the junior excess employee.

B10b3 If such an employee voluntarily transfers to the employee's former installation he/she shall begin a new period of seniority.

* * * *

C Special Provisions on Reassignments

In addition to the general principles and requirements above specified, the following specific provisions are applicable:

C1 Discontinuance of an Independent Installation

C1a When an independent installation is discontinued, all full-time and part-time flexible employees shall, to the maximum extent possible, be involuntarily reassigned to continuing postal positions in accordance with the following:

C1b Involuntary reassignment of full-time employees with their seniority for duty assignments to vacancies in the same, **higher** or lower level in the same craft or occupational group in installations within 50 [400]-miles of the discontinued installation, **or if necessary within 100 miles of the discontinued installation,** or in more distant installations, if after consultation with the Union, it is determined that it is necessary. The

Postal Service will designate such installations for the reassignment of excess full-time employees. When two or more such vacancies are simultaneously available, first choice of duty assignment shall go to the senior employee entitled by displacement from a discontinued installation to such placement.

C1c Involuntary reassignment of full-time employees for whom consultation did not provide for placement under 12.6C1b above, in other crafts or occupational groups in which they meet minimum qualifications at the same or lower level.

C1d Involuntary reassignment of part-time flexible employees with seniority in any part-time flexible vacancy in the same craft or occupational group at any installation within **50 miles** of the discontinued installation, **or if necessary within 100 miles of the discontinued installation,** or in more distant installations, if after consultation with the Union it is determined that it is necessary, the Postal Service will designate such installations for the reassignment of the part-time flexible employees.

C1e Involuntary reassignment of part-time flexible employees for whom consultation did not provide for placement under 12.6C1d, above in other crafts or occupational groups in which they meet minimum qualification at the same or lower level at the foot of existing part-time flexible roster at the receiving installation and begin a new period of seniority.

C1f Full-time employees for whom no full-time vacancies are available by the time the installation is discontinued shall be changed to part-time flexible employees in the same craft and placed as such, **if such status is available in the installation,** but shall retain placement rights to full-time vacancies developing within that time within any installation within **50 miles** of the discontinued installation, **or if necessary within 100 miles of the discontinued installation,** or in more distant installations, if after consultation with the Union it is necessary, U.S. Postal Service will designate such installations for the reassignment of excess full-time employees on the same basis as if they had remained full-time.

C1g Employees, full-time or part-time flexible, involuntarily reassigned as above provided shall upon the reestablishment of the discontinued installation be entitled to reassignment with full seniority to the first vacancy in the reestablished installation in the level, craft or occupational group from which reassigned.

* * * *

C5 Reduction in the Number of Employees in an Installation Other Than by Attrition

C5a Reassignments within installation. When for any reason an installation must reduce the number of employees more rapidly than is possible by normal attrition, that installation:

C5a1 Shall determine by craft and occupational group the number of excess employees;

C5a2 Shall, to the extent possible, minimize the impact on regular work force employees by separation of all casuals **and all MHAs**;

C5a3 Shall, to the extent possible, minimize the impact on full-time positions by reducing part-time flexible hours;

C5a4 Shall identify as excess the necessary number of junior full-time employees in the salary level and occupational group affected on an installation-wide basis within the installation; make reassignments of excess full-time employees who meet the minimum qualifications for vacant assignments in other crafts in the same installation; involuntarily reassign them in the same or lower level.

C5a5 The employee shall be returned at the first opportunity to the craft from which reassigned.

C5a6 When returned, the employee retains seniority previously attained in the craft augmented by intervening employment in the other craft.

C5a7 The right of election by a senior employee provided in paragraph 12.6C5b~~9~~, below is not available for this crosscraft reassignment within the installation.

C5b Reassignments to Other Installations After Making Reassignments Within the Installation:

C5b1 Involuntarily reassign such excess full-time employees starting with the junior with their seniority ~~for duty assignments to vacancies in the same or lower level in the same craft or occupational group in installations within 35 miles of the losing installation.~~ **into mail handler vacancies in the gaining installation at the same, higher, or lower level for which they are qualified within 50 miles of the losing installation. Mail handlers will be excessed from the losing installation by inverse seniority in their craft by status (full-time regular, part-time regular, part-time flexible), without concern to level.**

C5b2 Involuntarily reassign full-time employees for whom vacancies were not identified in C5b1 above in other crafts or occupational groups in which they meet minimum qualifications at the same or lower level within ~~35~~ **50** miles of the losing installation.

C5b3 If sufficient vacancies cannot be identified within the ~~35~~ **50** mile area, involuntarily reassign excess employees ~~to vacancies in~~

~~the same or lower level in the same craft or occupational group within 100 miles of the losing installation.~~ **into mail handler vacancies in the gaining installation at the same, higher, or lower level for which they are qualified within 100 miles. Mail handlers will be excessed from the losing installation by inverse seniority in their craft by status (full-time regular, part-time regular, part-time flexible), without concern to level.**

C5b4 If vacancies cannot be identified within the employees' own craft and occupational group, then vacancies will be identified in other crafts within the 100 mile area. Involuntarily reassign excess employees for whom vacancies were not identified in C5b3 above in other crafts or occupational groups in which they meet minimum qualifications at the same or lower level.

C5b5 If vacancies cannot be identified within the 100 mile area, and after consultation with the affected union it is determined that it is necessary, the Postal Service will designate more distant installations for the reassignment of excess full-time employees.

C5b6 If a veteran preference eligible is reached when assigning impacted or unassigned employees to lower level assignments, the following will apply:

- a. The most junior non-preference eligible same level mail handler in the gaining installation shall be reassigned to the lower level vacancy.**
- b. The impacted preference eligible mail handler will then be assigned to the duty assignment previously occupied by that junior non-preference eligible mail handler.**
- c. Any employee reassigned to a lower level duty assignment shall receive saved grade and shall not be required to bid to their former level for two years to retain the saved grade.**
- d. The non-preference eligible mail handler moved to the lower level duty assignment shall have retreat rights back to the former duty assignment the first time it becomes vacant.**
- e. A veteran preference eligible mail handler for personal convenience may waive the right to appeal through the grievance process, to the Equal Employment Opportunity Commission, and/or to the Merit Systems Protection Board and select a duty**

assignment at a lower level with saved grade with the same saved grade in C5b6c above.

f. If no level 5 vacancies exist, or if all level 5 occupied positions at the gaining installation are occupied by veteran preference eligible handlers, the withholding radius will be expanded to allow for placement unless the veteran preference eligible applies C5b6e above.

C5b7 The Regional Director for the NPMHU will receive at least 30 days notice for excessing outside of the installation that does not involve employee relocation. Such notice shall include a list of potential vacancies for reassignments. The impacted employees will receive the same notice at least 30 days in advance. Where employee relocation benefits are applicable the Regional Director for the NPMHU will receive at least 60 days notice for excessing outside of the installation. Such notice shall include a list of potential vacancies for reassignments. Impacted employees will receive the same notice at least 60 days in advance.

C5b8 Impacted mail handlers, and senior in lieu of volunteers, may be placed as unassigned regular mail handlers in the gaining installation provided that sufficient vacancies will be available for placement of all such unassigned regular mail handlers (regardless of level) within 3 months of the date that the employee was placed. These mail handlers must bid on all available vacancies in the gaining installation or be immediately placed into the first available residual vacancy by management in accordance with the provisions of Article 12 of the National Agreement, provided that Level 5 veteran preference mail handlers who were involuntarily excessed will only be placed into Level 5 residual vacancies or in accordance with paragraph C5b6 above.

C5b~~9~~⁶ Any senior employee in the same occupational group in the same installation may elect to be reassigned to the gaining installation and take the seniority of the senior full-time employee subject to involuntary reassignment. Such senior employees who accept reassignment to the gaining installation do not have retreat rights.

C5b~~10~~⁷ When two or more such vacancies are simultaneously available, first choice of duty assignment shall go to the senior

employee entitled by displacement from a discontinued installation to such placement.

C5b~~118~~ A full-time employee shall have the option of changing to part-time flexible in the same craft or occupational group in lieu of involuntary reassignment, **if part-time flexible status exists in the losing installation.**

C5b~~129~~ Employees involuntarily reassigned under 12.6C5b1 through 12.6C5b5 above, other than senior employees who elect to be reassigned in place of junior employees, shall be entitled at the time of such reassignment to file a written request to be returned to the first vacancy in the level, in the craft or occupational group in the installation from which reassigned, and such request shall be honored so long as the employee does not withdraw it or decline to accept an opportunity to return in accordance with such request.

C6 Centralized Mail Processing and/or Delivery Installation

C6a When the operations at a centralized installation or other mail processing and/or delivery installation result in an excess of full-time Mail Handlers at another installation(s), full-time Mail Handlers who are excess in a losing installation(s) by reason of the change, shall have a choice to be:

C6a(1) Involuntarily reassigned in other crafts or occupational groups in which they meet minimum qualifications at the same or lower level if no vacancies are available in the same craft or occupational group within **50** miles of the losing installation; or,

C6a(2) Involuntarily reassigned starting with the junior with their seniority for duty assignments to vacancies in the same, **higher**, or lower level in the same craft or occupational group in installations within 100 miles of the losing installation, or in more distant installations if after consultation with the affected Union it is determined that it is necessary, the Postal Service will designate such installations for the reassignment of excess full-time employees.

C6a(3) Reassignments of Mail Handlers shall be treated as details for the first 120 days, **for bidding purposes only**, to avoid inequities in the selection of preferred duty assignments by full-time Mail Handlers in the gaining installation.

C6b Previously established preferred duty assignments which become vacant before expiration of the detail period must be posted for bid and awarded to eligible full-time Mail Handlers then permanently assigned in

the gaining installation. Excess part-time flexible Mail Handlers may be reassigned as provided for in Section 12.6C7.

C6c All new duty assignments created in the gaining installation and all other vacant duty assignments in the centralized installation shall be posted for bid. One hundred twenty (120) days is computed from the date of the first detail of an employee. Bidding shall be open to all full-time mail handlers of the craft involved at the gaining installation. This includes full-time Mail Handlers assigned to the gaining installation.

Employees involuntarily reassigned under 12.6C6 shall be entitled to be returned to the first vacancy in any level, in the craft or occupational group in the installation from which reassigned, and such entitlement shall be honored until the employee withdraws or declines to accept an opportunity to return in accordance with such request.

C7 Reassignment-Part-time Flexible Employees in Excess of the Needs of the Craft/Installation

Where there are excess part-time flexible employees in the craft for whom work is not available, part-time flexibles lowest on the part-time flexible roll equal in number to such excess may at their option be reassigned to the foot of the part-time flexible roll in the same or another craft in another installation.

C7a An excess **part-time flexible** employee reassigned to another craft in the same or another installation shall be assigned to the foot of the part-time flexible roll and begin a new period of seniority.

C7b An excess part-time flexible employee reassigned to the same craft in another installation shall be **assigned** [~~placed at the foot of the part-time flexible roll. Upon change of full-time from the top of the part-time flexible roll, the employee's seniority for preferred assignments shall include~~] the seniority **and relative standing** the employee had in the losing installation. [~~augmented by part-time flexible service in the gaining installation.~~]

C7c A senior part-time flexible in the same craft or occupational group in the same installation may elect to be reassigned in another installation in the same or another craft and take the seniority, if any, of the senior excess part-time flexible being reassigned, as set forth in 12.6C7a and 12.6C7b above.

C7d The Postal Service will designate, after consultation with the Union, vacancies at installations in which excess part-time flexibles may request to be reassigned beginning with vacancies in other crafts in the same installation; then vacancies in the same craft in other installations; and

finally vacancies in other crafts in other installations making the designations to minimize relocation hardships to the extent practicable.

C7e Part-time flexibles reassigned to another craft in the same installation shall be returned to the first part-time flexible vacancy within the craft and level from which reassigned.

C7f Part-time flexibles reassigned to other installations have retreat rights to the next such vacancy according to their standing on the part-time flexible roll in the losing installation but such retreat right does not extend to part-time flexibles who elect to request reassignment in place of the junior part-time flexibles.

C7g **Retreat rights** [~~The right to return is dependent upon a written request made at the time of reassignment from the losing installation and such request~~] shall be honored **until** [~~unless it is withdrawn or~~]**the employee withdraws** or an opportunity to return is declined, **with full seniority or relative standing held in the installation from which reassigned plus credit for service for the time away from the installation.**

* * * *

Additional Items:

The parties shall add the two recently-executed Memoranda of Understanding on Transfer Opportunities to Minimize Excessing Pursuant to the Memorandum of Understanding on Transfers (March 1, 2011) and on Excessing Issues (June 3, 2011). Both MOUs shall be placed in the back of the 2011 National Agreement.

The arbitration panel determines that the following issues shall be referred to the Article 12 Task Force, which shall meet and discuss these issues within 45 days of the release of this Award:

- **Whether management should notify the union when an installation is released from withholding, in whole or in part**
- **Whether senior employees may choose between staying in the installation in another craft or being reassigned to another installation in the same craft, under Article 12.6C5a4**

The arbitration panel directs an MOU providing as follows:

For purposes of implementing “same or lower” level or “same or lower” salary level under the National Agreement, in Articles 6, 12, and 13, the parties agree that MH Level 4 is the same level as PS Level 5 and that MH Level 5 is the same

level as PS Level 6. Exhibit 418.1, Equivalent Grades, of the ELM and other ELM provisions, as necessary, will be amended accordingly.

The arbitration panel directs an MOU providing as follows:

With regard to reassignments made pursuant to Article 12.6C6c, there currently exists an inequity in the gaining installation when employees from other crafts could be awarded bids while mail handlers assigned to the gaining installation cannot bid during the 120-day detail period. The parties shall meet and discuss this issue, through the Article 12 Task Force or otherwise, as promptly as possible after the issuance of this Award.

ARTICLE 15 GRIEVANCE-ARBITRATION PROCEDURE

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Section 15.2 Grievance Procedure – Steps

Step1: (a) Any employee who feels aggrieved must discuss the grievance with the employee's immediate supervisor within fourteen (14) days of the date on which the employee or the Union first learned or may reasonably have been expected to have learned of its cause, **unless the parties agree in writing to extend the fourteen (14) day period.** The employee, if he or she so desires, may be accompanied and represented by the employee's steward or a Union representative. The Union also may initiate a grievance at Step 1 within 14 days of the date the Union first became aware of (or reasonably should have become aware of) the facts giving rise to the grievance. In such case the participation of an individual grievant is not required.

* * * * *

Step 3:

(a) Any appeal from an adverse decision in Step 2 shall be in writing to the appropriate management official at the ~~Grievance/Arbitration Processing Center~~ **LR Service Center** with a copy to the Employer's Step 2 representative, and shall specify the reasons for the appeal.

(b) The grievant shall be represented at Step 3 level by the Union's Regional representative, or designee. The Step 3 meeting of the parties' representatives to discuss the grievance shall be held at the respective Postal Service office (former regional headquarters) within 15 days after it has been appealed to Step 3. **Step 3 discussions by telephone or video conferencing are permitted with the agreement of both parties' representatives. These discussions and reviews will have the same contractual force and effect as if the parties had met in person.** Each party's representative shall be responsible for making certain that all relevant facts and contentions have been developed and considered. The Union representative shall have authority to settle or withdraw the grievance in whole or in part. The Employer's

representative likewise shall have authority to grant the grievance in whole or in part. In any case where the parties' representatives mutually conclude that relevant facts or contentions were not developed adequately in Step 2, they shall have authority to jointly return the grievance to the Step 2 level for full development of all facts and further consideration at that level. In such event, the parties' representatives at Step 2 shall meet within 7 days after the grievance is returned to Step 2. Thereafter, the time limits and procedures applicable to Step 2 grievances shall apply.

* * * * *

Section 15.3 Grievance Procedure – General

- A. The parties expect that good faith observance, by their respective representatives, of the principles and procedures set forth above will result in settlement or withdrawal of substantially all grievances initiated hereunder at the lowest possible step and recognize their obligation to achieve that end. Every effort shall be made to ensure timely compliance and payment of monetary grievance settlement and arbitration awards. The Employer agrees that upon receipt of necessary paperwork, from the grievant and/or union, concerning a grievance settlement or arbitration award, monetary remuneration will be made. * * *

Section 15.4 Arbitration

A General Provisions

- A1 A request for arbitration shall be submitted within the specified time limit for appeal.
- A2 No grievance may be arbitrated at the National level except when timely notice of appeal is given the Employer in writing by the Union. No grievance may be appealed to arbitration at the Regional level except when timely notice of appeal is given in writing to the appropriate management official at the **LR Service** Center by the certified representative of the Union in the particular Region. Such representative shall be certified to appeal grievances by the Union to the Employer at the National level.
- A3 All grievances appealed to arbitration will be placed on the appropriate pending arbitration list(s) in the order in which appealed. The Employer, in consultation with the Union, will be responsible for maintaining appropriate dockets of grievances, as appealed, and for administrative functions necessary to assure efficient scheduling and hearing of cases by arbitrators at all levels.
- A4 In order to avoid loss of available hearing time, except in National level cases, a sufficient number of back-up cases shall be scheduled in accordance with Article 15.4B2 to be heard in the event of late settlement or withdrawal of grievances before the hearing. In the event that the parties settle a case or either party withdraws a case five (5) or more days prior to

the scheduled arbitration date, the backup cases on the appropriate arbitration list shall be scheduled. In the event that either party withdraws a case less than five (5) days prior to the scheduled arbitration date, and the parties are unable to agree on scheduling other cases on that date, the party withdrawing the case shall pay the full costs of the arbitrator for that date. If the parties settle a case less than five (5) days prior to the scheduled arbitration date and are unable to agree to schedule other cases, the parties shall share the costs of the arbitrator for that date. This paragraph shall not apply to National level arbitration cases.

- A5 Arbitration hearings normally will be held during working hours where practical. Employees whose attendance as witnesses is required at hearings during their regular working hours shall be on Employer time when appearing at the hearing, provided the time spent as a witness is part of the employee's regular working hours. Absent a more permissive local past practice and at no cost to the Employer, the Employer will permit one change of work schedule per case scheduled for arbitration for either the grievant or a witness, provided notice is given to his or her immediate supervisor at least two days prior to the scheduled arbitration hearing.
- A6 All decisions of an arbitrator will be final and binding. All decisions of arbitrators shall be limited to the terms and provisions of this Agreement, and in no event may the terms and provisions of this Agreement be altered, amended, or modified by an arbitrator. Unless otherwise provided in this Article, all costs, fees and expenses charged by an arbitrator will be shared equally by the parties.
- A7 The parties agree that, upon receipt of the award, each arbitrator's fees and expenses shall be paid in a prompt and timely manner.
- A8 All arbitrators on the District Regular Contract/Discipline Panels and the District Expedited Panels and on the National Panel shall serve for the term of this Agreement and shall continue to serve for six (6) months thereafter, unless the parties otherwise mutually agree.

[See Letter, page **XX**]

- A9 Arbitrators on the National and on the District Regular Contract/Discipline and District Expedited Panels shall be selected by the method agreed upon by the parties at the National Level. The parties shall meet for this purpose within 90 days after signing this Agreement. In the event the parties cannot agree on individuals to serve on these panels, or to fill any vacancies, selection shall be made by the alternate striking of names from the appropriate list.

[See Letter, page **XX**]

B Regional Level Arbitration-Regular

B1 In each District, 3 separate dockets of cases to be heard in arbitration shall be maintained for the Union by the Employer at the Area level:

B1a one for all removal cases and cases involving suspensions for more than 30 days;

B1b one for all cases appealed or referred to Expedited Arbitration; and

B1c one for all other cases appealed to arbitration at the Regional Level.

B2 Regional Arbitration Scheduling

B2a Except as otherwise provided in B2b hereunder, all cases will be scheduled from their respective dockets for each District on a first-in, first-out order based on appeal to arbitration date, unless the Union and Employer otherwise agree at the Regional level.

B2b Grievances involving letters of warning or suspensions that have been timely appealed or referred to Expedited or Regular arbitration, where such discipline is cited in a removal or suspension of more than 30 days timely appealed to Regional arbitration, will be provided priority scheduling on the respective docket to assure that such grievances are heard prior to the grievance regarding the removal or suspension of more than 30 days. In no case shall a grievance regarding the removal or suspension of more than 30 days be heard prior to adjudication of the timely-appealed grievance involving discipline cited in the removal or suspension of more than 30 days. Grievances involving separate elements of discipline cited in a particular removal or suspension of more than 30 days will not be combined for hearing without the mutual consent of the parties.

B2c The parties agree that all cases will be heard in arbitration within **120** days from the date of the grievance appeal to arbitration. If a grievance is not heard in arbitration within the **120** days, the grievance will be scheduled as the first primary case on the next available arbitration hearing date. If, one year after the effective date of this Agreement, this hearing requirement is not complied with by a particular District Panel(s) for 3 consecutive Accounting Periods, the parties will meet to jointly select a sufficient number of additional arbitrators for that panel(s) to ensure compliance with this hearing requirement. Such meetings and addition of arbitrators will continue, as jointly agreed to by the parties, until the panel(s) is in compliance with the hearing requirement.

B2d The primary case(s) assigned for each arbitration date will be listed on the scheduling letter. Unless mutually agreed otherwise, a maximum of two (2) primary cases from the District Regular Contract and District

Regular Discipline dockets and a minimum of six (6) cases from the District Expedited docket will be listed on the respective scheduling letters. In addition every open case from the particular post office where the primary case(s) are located will be scheduled in the event the primary case(s) are resolved or withdrawn; a listing of such cases will be attached to the scheduling letter. If multiple cases exist at the primary location, the cases will be heard in order of appeal date, unless otherwise mutually agreed by the parties. The primary cases will be backed up with three (3) additional cases from the same District and Union geographic area. It is understood that the parties will resolve or arbitrate the cases at this primary location prior to moving to the first back-up location. The parties agree that cases will be heard rather than lose a hearing date.

The primary case(s) and the back-up cases will appear in the scheduling letter to the arbitrator and the parties, which will be submitted no later than forty-five (45) days prior to the scheduled hearing date, unless the parties at the Area/Regional level agree otherwise in a specific instance.

- B2e If all cases at the primary location are resolved or withdrawn, the first back-up case shall become the scheduled case. If the first back-up case is resolved or withdrawn, additional back-up cases will consist of any open cases (see Section 4B2a for priority scheduling) at the post office location where the first back-up case is scheduled. The scheduling of these cases at the first back-up location shall go in order of appeal date to arbitration unless otherwise agreed at the Area/Regional level. If all cases at the first back-up location are resolved or withdrawn, the second backup case shall become the scheduled case. If that case is resolved or withdrawn, any open cases (see Section 4B2a for priority scheduling) at the second back-up location will be scheduled as above, first-in, first-out. If all cases at the second back-up location are resolved or withdrawn, the third back-up case shall become the scheduled case, and the same procedures shall apply for scheduling additional cases at that location.
- B2f In the event that all back-up locations are exhausted. the location will be determined by the order of appeal date of cases within the same District and Union geographic area and will continue until no arbitration appeals remain either in the original District or union geographic area.
- B2g If the procedures in B2d through B2f are exhausted, additional locations will be determined by the parties based upon mutual agreement at the Area/Regional level. If no agreement is reached, scheduling of cases will be based upon the order in which cases were appealed to Regional arbitration.

- B2h The appropriate management official at the **LR Service** Center will provide to the Union at the **National** level a list of the pending cases on each docket by District listed in order of first-in, first-out.
- B2i If more than one hearing on a particular date is scheduled for a particular union geographic area, the union at the Regional level may request, and the Employer will agree to a mutually acceptable scheduling adjustment to another union geographic area.
- B3 Only discipline cases involving suspensions of 30 days or less and those other disputes as may be mutually determined by the parties shall be appealed or referred to Expedited Arbitration in accordance with Section 4C hereof.
- B4 Cases appealed or referred to arbitration, which involve removals or suspensions for more than 30 days, shall be scheduled from the appropriate District Regular Discipline docket for hearing at the Regional Level at the earliest possible date in the order in which appealed by the Union or referred.
- B5 If a written request is submitted by either party at least thirty (30) days prior to the scheduled hearing date for a case(s) appealed to Regional arbitration, the parties promptly (normally no later than ten (10) calendar days after the request is received by the other party) conduct pre-arbitration discussions regarding the specified case(s).
- B6 If either party concludes that a case appealed or referred to Regional Arbitration involves an interpretative issue under the National Agreement or some supplement thereto which may be of general application, that party may withdraw the case from arbitration and refer the case to Step 4 of the grievance procedure. The party referring the case to Step 4 shall pay the full costs of the arbitrator for that date unless another scheduled case is heard on that date.
- The party whose representative maintains that the grievance involves an interpretive issue shall provide the other party a written notice specifying in detail the precise interpretive issue(s) to be decided and that party's contention with regard to the issue. A copy of the notice will be provided to the designated management and union officials at the Area/Regional level.
- B7 The arbitrators on each District Panel shall be scheduled to hear cases on a rotating system basis, unless otherwise agreed by the parties.
- B8 Normally, there will be no transcripts of arbitration hearings or filing of post-hearing briefs in cases heard in Regular Regional level arbitration, except either party at the National level may request a transcript, and either party at

the hearing may request to file a post-hearing brief. However, each party may file a written statement setting forth its understanding of the facts and issues and its argument at the beginning of the hearing and also shall be given an adequate opportunity to present argument at the conclusion of the hearing.

B9 The arbitrator in any given case should render an award therein within 30 days of the close of the record in the case.

C Regional Level Arbitration Expedited

C1 The parties agree to continue the utilization of an expedited arbitration system for disciplinary cases of 30 days suspension or less which do not involve interpretation of this Agreement and for such other cases as the parties may mutually determine. This system may be utilized by agreement of the **National** Union and the Vice-President, Labor Relations, or designee.

C2 The parties agree that all cases will be heard in arbitration within **120** days from the date of the grievance appeal to arbitration. If a grievance is not heard in arbitration within the **120** days, the grievance will be scheduled as the first case to be heard on the next available arbitration date. If, one year after the effective date of this Agreement, this hearing requirement is not complied with by a particular District Panel(s) for 3 consecutive Accounting Periods, the parties will meet to jointly select a sufficient number of additional arbitrators for that panel(s) to ensure compliance with this hearing requirement. Such meetings and addition of arbitrators will continue, as jointly agreed to by the parties, until the panel(s) is in compliance with the hearing requirement.

C3 If either party concludes that the issues involved are of such complexity or significance as to warrant reference to the District Regular Contract/Discipline Arbitration Panel(s), that party shall notify the other party of such reference at least 24 hours prior to the scheduled time for the expedited arbitration.

C4 The hearing shall be conducted in accordance with the following:

C4a the hearing shall be informal;

C4b no briefs shall be filed or transcripts made;

C4c there shall be no formal rules of evidence;

C4d the hearing shall normally be completed within one day;

C4e if the arbitrator or the parties mutually conclude at the hearing that the issues involved are of such complexity or significance as to

warrant reference to the District Regular Contract/Discipline Arbitration Panel, the case shall be referred to that panel. **If the arbitrator, or the parties mutually, refer the case to Regular Arbitration, the parties shall share the costs of the arbitrator for that expedited arbitration date;** and

- C4f the arbitrator may issue a bench decision at the hearing but in any event shall render a decision within 48 hours after conclusion of the hearing. Such decision shall be based on the record before the arbitrator and may include a brief written explanation of the basis for such conclusion. These decisions will not be cited as a precedent. The arbitrator's decision shall be final and binding. An arbitrator who issues a bench decision shall furnish a written copy of the award to the parties within 48 hours of the close of the hearing.
- C5 No decision by a member of the District Expedited Panel in such a case shall be regarded as a precedent or be cited in any future proceeding, but otherwise will be a final and binding decision.
- C6 The District Expedited Arbitration Panel shall be developed by the National parties, on a geographic area basis with the aid of the American Arbitration Association and the Federal Mediation and Conciliation Service.

[See MOU, page **XX**]

D National Level Arbitration

- D1 Only cases involving interpretive issues under this Agreement or supplements thereto of general application will be arbitrated at the National level.
- D2 A docket of cases appealed to arbitration at the National level shall be maintained for the Union. The arbitrators on the National Panel shall be scheduled to hear cases on a rotating system basis, unless otherwise agreed by the parties. Cases on the docket will be scheduled for arbitration in the order in which appealed, unless the Union and Employer otherwise agree, and with the exception of priority scheduling hereinafter defined. The parties agree that in each calendar year the Employer may, at its option, elect priority scheduling to the top of the arbitration docket, of up to two cases from the list of disputes it previously initiated pursuant to Article 15.3D, and the Union may, at its option, elect priority scheduling to the top of the arbitration docket, of up to two cases from all cases other than those initiated by the Employer pursuant to Article 15.3D.

Section 15.5 Administration

The parties recognize their continuing joint responsibility for efficient functioning of the grievance procedure and effective use of arbitration.

The Employer will furnish to the Union a copy of a quarterly report containing the following information covering operation of the arbitration procedure at the National level, and for each District docket separately:

- A number of cases appealed to arbitration;
- B number of cases scheduled for hearing;
- C number of cases heard;
- D number of scheduled hearing dates, if any, which were not used;
- E the total number of cases pending but not scheduled at the end of the quarter.

MEMORANDUM OF UNDERSTANDING

INTERVENTION INITIATIVE

The parties agree to establish at the National level an "Intervention Protocol" to facilitate resolution of contractually-based disputes at the local level which contribute to contentious labor-management relations. Interventions are intended to analyze the underlying causes of such ongoing contractual disputes and to reach resolution through cooperative efforts.

The parties agree that all efforts initiated under this agreement will be coordinated by the National parties and the respective local and/or Area/Regional management and union officials who are responsible for ensuring that such problems are properly resolved.

Either party at the local level may advance an individual request for intervention to their respective National representatives. An intervention will be initiated contingent upon mutual agreement between the National parties. It is agreed that the following rationale, while not intended to be all-inclusive, may be used to support a request for intervention:

- ongoing or repetitive labor-management problems related to the local parties' inability to jointly settle or to identify the root cause of a contractually-based dispute(s);
- continued failure of either party to comply with the grievance-arbitration procedures of Article 15; and
- **excessive use of official union time or excessive denial of official union time;**
and
- excessive cancellation of arbitration dates.

[This Memorandum of Understanding shall be effective during the term of the 2006
2011 National Agreement.]

MEMORANDUM OF UNDERSTANDING

ARTICLE 15 (MAP)

The parties agree to continue piloting the Modified Arbitration Procedure (MAP). Locations for further implementation of the MAP will be subject to mutual agreement of the parties.

This Memorandum of Understanding shall be effective during the term of the 2011 National Agreement.

LETTER OF INTENT

Article 15.2 Step 3

The Arbitration Panel orders the parties to establish a Step 3 Scheduling Task Force to determine the most efficient location in which Step 3 meetings are to be held.

MEMORANDUM OF UNDERSTANDING

Pre-arbitration Discussions

The Arbitration Panel directs the parties to discuss whether to make changes to the pre-arbitration discussion set forth in Article 15.4(B)(5). Such discussions shall include, but are not limited to, the consideration of the following issues:

- 1. The timing for any pre-arbitration discussions;**
- 2. Whether cases should be placed on a scheduling letter before any such pre-arbitration discussion is held;**
- 3. Procedures to address a refusal by any party to conduct a pre-arbitration discussion; and**
- 4. The process for scheduling cases following the completion of the pre-arbitration discussion.**

MEMORANDUM OF UNDERSTANDING

The Arbitration Panel directs the parties to discuss the creation of a pilot program to address issues regarding the number of cases to be placed on a scheduling letter and the withdrawal, postponement, or referral of grievances that have been placed on a scheduling letter for arbitration. Such discussions shall include, but are not limited to, the consideration of the following issues:

1. The number of cases that shall be placed on a scheduling letter;
2. The terms of arbitrator contracts, including the appropriate timeframe in which cancellation fees are owed to the arbitrator; and
3. The circumstances under which one party or the other would be fully responsible for the payment of any cancellation fees.

Section 17.5 Union Participation in New Employee Orientation

During the course of any employment orientation program for new **career or non-career employees covered by this Agreement**, a representative of the Union representing the craft to which the new employees are assigned shall be provided ample opportunity to address such new employees, provided that this provision does not preclude the Employer from addressing employees concerning the same subject. **In addition, at the time any non-career employees covered by this Agreement become eligible for health insurance, the Union will be provided ample opportunity to address such employees on this subject.**

Health benefit enrollment information and forms will not be provided during orientation until such time as a representative of the Union has had an opportunity to address such new employees.

Side Letter Agreement: ELM Sections 924.12a and 925.21 concerning dues deductions shall be amended to include MHAs.

ARTICLE 21 BENEFIT PLANS

Section 21.1. Health Benefits

The method for determining the Employer bi-weekly contributions to the cost of employee health insurance programs under the Federal Employees Health Benefits Program (FEHBP) will be as follows:

- A. The Office of Personnel Management shall calculate the subscription charges under the FEHBP that will be in effect the following January with respect to self only enrollments and self and family enrollments.

- B. **For career employees on the rolls prior to February 15, 2013**, the bi-weekly Employer contribution for self only and self and family plans is adjusted to an amount equal to 80% in 2013, 78% in 2014, 77% in 2015, and 76% in 2016 of the weighted average bi-weekly premiums under the FEHBP as determined by the Office of Personnel Management. **For career employees hired on or subsequent to February 15, 2013, the bi-weekly Employer contribution to self and family plans is adjusted to an amount equal to 77% in years 2013 through 2015, and 76% in 2016, of the weighted average bi-weekly premiums under the FEHBP as determined by the Office of Personnel Management.** The adjustment begins on the effective date determined by the Office of Personnel Management in January 2013, January 2014, January 2015, and January 2016.
- C. The weight to be given to a particular subscription charge for each FEHB plan and option will be based on the number of enrollees in each such plan and option for whom contributions have been received from employers covered by the FEHBP as determined by the Office of Personnel Management.
- D. The amount necessary to pay the total charge for enrollment after the Employer's contribution is deducted shall be withheld from the pay of each enrolled employee. To the extent permitted by law, the Employer shall permit employees covered by this Agreement to make their premium contributions to the cost of each plan on a pre-tax basis, and shall extend eligibility to such employees for the U.S. Postal Service's flexible spending account plans for unreimbursed health care expenses and work-related dependent child care and elder care expenses as authorized under Section 125 of the Internal Revenue Code.
- E. **For career employees on the rolls prior to February 15, 2013**, the limitation upon the Employer's contribution towards any individual employee shall be 83.50% in 2013, 81.25% in 2014, 80.25% in 2015, and 79.25% in 2016 of the subscription charge under the FEHBP in 2013, 2014, 2015, and 2016. **For career employees hired on or subsequent to February 15, 2013, the limitation shall be 80.25% for years 2013 through 2015, and 79.25% for 2016.**

* * * *

ARTICLE 26 -- UNIFORM AND WORK CLOTHES

Section 26.1 Uniform and Work Clothes Administration

All employees who are required to wear uniforms or work clothes shall be furnished uniforms or work clothes or shall be reimbursed for purchases of authorized items from duly licensed vendors. The current administration of the Uniform and Work Clothes Program shall be continued unless otherwise changed by this Agreement or the Employer.

Section 26.2 Contract Program Administration

Employees who are currently furnished uniforms pursuant to the contract program shall continue to be so entitled. Such uniforms shall be issued in a

timely manner. The allowance to Mail Handlers under this program shall be as follows:

\$158 effective November 21, 2013

\$162 effective November 21, 2014

\$166 effective November 21, 2015

Each increase shall become effective on the employee's anniversary date following the effective date of change.

Section 26.3 Annual Allowance

The current Work Clothes Program will be continued for those full-time employees who have been determined to be eligible for such clothing based on the nature of work performed on a full-time basis in pouching and dispatching units, parcel post sorting units, bulk mail sacking operations, and ordinary paper sacking units. The Employer will provide eligible employees with an annual allowance to obtain authorized work clothes on a reimbursable basis from licensed vendors as follows:

\$80 effective November 21, 2013

\$82 effective November 21, 2014

\$84 effective November 21, 2015

Each increase shall become effective on the employee's anniversary date following the effective date of change.

MEMORANDUM OF UNDERSTANDING

ARTICLE 32

In addition to the cap on MHAs set forth in paragraph 7.1C3 above, the Board acknowledges that the parties may agree upon the use of additional MHAs in other circumstances when new or contracted work is brought in-house. In addition, whenever contracting-out or in-sourcing is under consideration, the Union may propose different hourly rates for such MHAs to ensure competitiveness with outside services.

Immediately after the effective date of this Decision, the Board orders the parties to establish a Subcontracting Committee to discuss the possibility of returning mail handler work from Surface Transportation Centers (STC), Mail Transport Equipment Service Centers (MTEC), and the bedloading project. The Committee will consider all relevant factors when discussing the issue outlined above, to include cost, operational efficiency, availability of equipment, and qualification of employees. In addition, any MHA employees utilized as referenced in paragraph 1 will not count against existing non-career caps.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL POSTAL MAIL HANDLERS UNION**

Article 6 - Layoff Protection

Each employee who is employed in the regular work force as of November 20, 2011, and who has not acquired the protection provided under Article 6 shall be protected henceforth against any involuntary layoff or force reduction during the term of this Agreement. It is the intent of this Memorandum of Understanding to provide job security to each such employee during the term of this Agreement; however, in the event Congress repeals or significantly relaxes the Private Express Statutes this Memorandum shall expire upon the enactment of such legislation. In addition, nothing in this Memorandum of Understanding shall diminish the rights of any bargaining-unit employees under Article 6. Since this Memorandum of Understanding is being entered into on a nonprecedential basis, it shall terminate for all purposes at midnight, May 20, 2016, and may not be cited or used in any subsequent dispute resolution proceedings.

III. AWARDED MEMORANDA OF UNDERSTANDING AND LETTERS OF INTENT

The following Memoranda of Understanding (MOUs) and Letters of Intent (LOIs) are newly awarded as part of the USPS/NPMHU 2011 National Agreement:

MOU: Mail Handler Assistant Employees (pages 17-25 of this Award)
MOU: Transfer Opportunities to Minimize Excessing Pursuant to the MOU on Transfers (as referenced on page 50 of this Award)
MOU: Excessing Issues (as referenced on page 50 of this Award)
MOU: Article 32 (page 63 of this Award)
LOI: Installation Measurement of Casuals (page 68 of this Award)
LOI (page 68 of this Award)
LOI: Transition Period (page 69 of this Award)
MOU (page 69 of this Award)
MOU: Same or Lower Level Salary Level (as described on pages 50-51 of this Award)
MOU: Article 12.6C6c Reassignments (as described on page 51 of this Award)
MOU: Article 15 (MAP) (page 60 of this Award)
LOI: Article 15.2 Step 3 (page 60 of this Award)
MOU: Pre-arbitration Discussions (page 60 of this Award)
MOU (page 61 of this Award)

The following MOUs and LOIs included in the 2006 USPS/NPMHU National Agreement will be **updated or revised** and **continue** in the successor National Agreement:

LOI: Re: Casuals – In Excess of 5.0% (page 67 of this Award)
MOU: Article 30 – Local Implementation Procedures (pages 70-71 of this Award)
MOU: Intervention Initiative (page 59 of this Award)
MOU: Supervisors Performing Bargaining Unit Work
MOU: Article 6 - Layoff Protection (page 64 of this Award)
MOU: Annual Leave Exchange Option
MOU: Leave Sharing
MOU: Sick Leave for Dependent Care
MOU: Workforce Repositioning
MOU: Article 15 (MOD – 15)
MOU: National Administrative Committee
MOU: Language Changes due to Organizational Structure Changes
LOI: District Arbitration Panels
LOI: Expectations of Arbitrators
MOU: Purge of Warning Letters
MOU: Task Force on Discipline
MOU: Modified Discipline Programs
MOU: Step Increase, Unsatisfactory Performance
LOI: Article 26 Gender-Specific Garments
MOU: Clean Air Act Committee
MOU: Committee on Benefits
LOI: Article 31 – Information/Reports
MOU: Education and Training Fund

The following MOUs and LOIs included in the 2006 USPS/NPMHU National Agreement will **continue** in the successor National Agreement:

LOI: Casuals – Accounting Period Report (page 67 of this Award)
LOI (page 67 of this Award)
LOI: USPS Installations (pages 68-69 of this Award)
MOU: Reasonable Accommodation for the Deaf and Hard of Hearing
MOU: Cross Craft
MOU: Part-Time Regulars
MOU: Conversion of Mail Handler Craft Employees
MOU: Improper By-Pass Overtime
MOU: Overtime/Acting Supervisor (204B) Detailed EAS Position
MOU: Promotion Pay Anomaly
MOU: Flexible Spending Account
MOU: Annual Leave Carry-Over
MOU: Bereavement Leave
MOU: Administrative Leave for Bone Marrow, Stem Cell, Blood Platelet, and Organ Donations
MOU: LWOP In Lieu of SL/AL
MOU: Part-Time Flexible Court Leave
MOU: Holiday Scheduling
MOU: Employee Bidding
LOI: Sack Sorter Machine Operator
LOI: Reversion Notice
MOU: Joint Task Force on Article 12
MOU: Transfers
MOU: Light Duty Bidding
MOU: Return to Duty
LOI: Re Article 15.3D and 15.4D2
MOU: Step 4 Procedures
MOU: Processing of Post-Separation and Post Removal Grievances
MOU: Article 15 Back Pay Awards
MOU: Interest on Back Pay
MOU: Expedited Arbitration
MOU: Role of the Inspection Service in Labor Relations Matters
MOU: Article 16 Privacy in the Disciplinary Process
MOU: Article 17.6D Payroll Allotments
MOU: Higher Level Pay for Temporary Details
MOU: On-the-Job Instructors Compensation
MOU: Article 31 – Computer Tape Accounting Period Report
LOI: Operations 110-129 and 180-189 Clarifying Instructions
MOU: Mail Transport Equipment Centers/Repair Centers
LOI: References to Union, Craft or Bargaining Unit
LOI: Regional Instruction 399

The following LOIs included in the 2006 USPS/NPMHU National Agreement are **not continued** in the successor National Agreement:

LOI: PSDS-Operation Numbers Accounting Period Report
LOI: Implementation of Installation Measurement of Casuals
MOU: Reports TACS

LETTER OF INTENT
CASUALS - ACCOUNTING PERIOD REPORT

The Employer will provide an accounting period report which lists the number and work hours of mail handler casuals at each installation. The report will be provided to the designated Union officials within fourteen (14) days of the close of each accounting period.

LETTER OF INTENT

The Employer will provide to the designated Union officials, within fourteen (14) days of the close of each accounting period, a report listing the number and work hours of mail handler casuals calculated and listed for each Friday of each accounting period.

LETTER OF INTENT
CASUALS - IN EXCESS OF 5.0% ~~12.5%~~

With the exception of the two (2) accounting periods in each fiscal year referenced in Article 7.1B, the parties acknowledge that there are certain situations of limited duration that occur during the course of the year when the Employer must employ casuals in excess of the five ~~twelve and one-half (12.5)~~ percent (5%) limitation.

The parties understand and agree that the type of circumstances that could result in employment of more than the five ~~twelve and one-half (12.5)~~ percent (5%) limitation include: activation of a new facility, implementation of Area Mail Processing or the anticipated increases in mail volume that impact certain facilities for specified and limited periods of time.

It is also recognized and agreed that the parties will meet and discuss the circumstances requiring casual employment in excess of the five ~~twelve and one-half (12.5)~~ percent (5%) limitation as far in advance as practicable, and mutually agree as to the appropriate resolution.

LETTER OF INTENT
USPS INSTALLATIONS

The parties agree that reports provided to the Union pursuant to the Letter of Intent on Casuals - Accounting Period Report will include all installations, including those listed on the predecessor report (AAW990P1) provided to the Union during FY 98. If no career mail handlers and no mail handler casuals are employed in an installation, no report is required.

The parties further agree that the Employer retains the right to add installations, consolidate installations, and discontinue installations in accordance with Article 12, and the referenced reports will be adjusted to reflect such changes as soon as reasonably practicable thereafter. An installation for the purposes of this paragraph will be defined to include all facilities for which a mail handler career employee is entitled to bid, as provided under Article 12.3C.

LETTER OF INTENT

INSTALLATION MEASUREMENT OF CASUALS

The Award establishes that the number of mail handler casual employees that may be hired at any one installation will be limited to 5.0% of the total number of career employees at that installation. The Employer may employ mail handler casual employees in any installation which employs more than four mail handler career employees.

For purposes of determining the correct number of mail handler casuals on an installation basis for installations with fewer than 100 career mail handlers, the chart below governs:

Career Mail Handlers in Installation	Number of Casuals Allowed
5 – 30	1
31 – 50	2
51 – 70	3
71 – 90	4
91 – 99	5

LETTER OF INTENT

The Board recognizes that the Employer has historically provided qualified and available career employees with work at the straight time rate prior to assigning such work to noncareer employees. The interest arbitration award divides the mail handler noncareer workforce into two distinct categories—MHAs who have a career path and casuals who do not.

In creating the MHA category, the parties recognize the value of a noncareer workforce that can ultimately become career employees. Accordingly, the parties are directed to establish a Task Force to address any issues that arise with regard to the scheduling of work during the course of a service week between MHAs and casuals working in the same 200 man year installation.

**LETTER OF INTENT
TRANSITION PERIOD**

The Board recognizes that the new contract makes significant structural changes to the non-bargaining unit workforce and, therefore, creates a need for a transition period to implement the changes. The Board awards a transition period not to exceed 180 days from the date of the award.

During the transition period, the number of casuals employed at any installation will be maintained at current levels or at 12.5%, whichever is lower. An exception will be made for installations that have local agreements allowing temporary use of additional casuals; such agreements will remain enforceable, provided that after the local agreement expires (if within the 180 day period) the number of casuals will be limited to 12.5%. Any new non-career employees hired during the transition period will be MHAs, unless the installation is below 5% casuals, in which case the installation may hire new casuals up to the 5% cap before hiring MHAs. At no time during the transition period will the combination of casuals and MHAs exceed 20% of the total number of career mail handler employees in a district and 25% in any installation except as provided for in Article 7, Section 1B.

After 180 days from the date of the Award, the language of Article 7, Section 1B2 as supplemented by the Letter of Intent re: Installation Measurement of Casuals and the language of Article 7, Section 1C3 concerning MHA hiring shall be in full force and effect.

MEMORANDUM OF UNDERSTANDING

Under Article 12.6B1, the dislocation and inconvenience to full-time and part-time flexible employees who are being involuntarily reassigned shall be kept to the minimum consistent with the needs of the service. In addition, under Article 12.6B2, the Vice President, Area Operations shall give full consideration to withholding sufficient full-time and part-time flexible positions within the area for full-time and part-time flexible employees who may be involuntarily reassigned.

The Joint Task Force on Article 12 shall meet after the effective date of this Agreement to explore ways to reduce unnecessary impact on career employees while maintaining utilization of the non-career workforce.

MEMORANDUM OF UNDERSTANDING

ARTICLE 30 - LOCAL IMPLEMENTATION PROCEDURES

It is hereby agreed by the United States Postal Service and the National Postal Mail Handlers Union, **AFL-CIO**, a Division of the Laborers' International Union of North America, that the following procedures will apply to the implementation of Article 30 during the **2011** local implementation period.

1. The 30 consecutive day period for **2011** local implementation will commence, pursuant to agreement by the local parties, on or after September 1, **2013** and terminate on or before October 30, **2013**. If the local parties do not reach agreement on the dates for local implementation, the local implementation period shall be from October 1, **2013** to October 30, **2013**. Initial proposals must be exchanged within the first twenty one (21) days of the 30 consecutive day local implementation period.

If neither party provides written notification of its intent to invoke the local implementation process on or before September 15, **2013**, presently effective Memoranda of Understanding not inconsistent or in conflict with the **2011** National Agreement shall remain in effect during the term of this Agreement.

2. In the event that any issue(s) remain in dispute at the end of the thirty (30) consecutive day local implementation period, each party shall identify such issue(s) in writing. Initialed copies of this written statement and copies of all proposals and counterproposals pertinent to the issue(s) in dispute will be furnished by the appropriate local party to the appropriate management official at the **Labor Relations Service** ~~Grievance/Arbitration Processing~~ Center of the Employer with copies to the Installation Head, local Union President and the Union's Regional Representative within fifteen (15) days after October 30, **2013**. Inclusion of any matter in the written statement does not necessarily reflect the agreement of either of the parties that such matter is properly subject to local implementation.
3. The appropriate management official at the Area office and the Regional Union representative shall attempt to resolve the matters in dispute within seventy-five (75) days after October 30, **2013**. The appropriate management official at the Area office and the Regional Union representative will have full authority to resolve all issues still in dispute.
4. If the parties identified in paragraph 3 above are unable to reach agreement at the Regional level by the end of the seventy-five (75) day period provided for above, the issue(s) may be appealed to final and binding arbitration by the Union or the Vice President, Labor Relations, within twenty-one (21) days of the end of the seventy-five (75) day period. Any such appeal shall be given priority scheduling on the District Regular Contract Docket.
5. Where there is no agreement and the matter is not referred to the appropriate management official at the **Labor Relations Service** ~~Grievance/Arbitration Processing~~ Center or to arbitration, the provision(s), if any, of the former Local

Memorandum of Understanding shall apply unless inconsistent with or in conflict with new or amended provisions of the **2011** National Agreement.

6. Where a dispute exists as to whether an item in the former Local Memorandum of Understanding is inconsistent or in conflict with the **2011** Mail Handlers National Agreement, such dispute will be processed in accordance with the procedures outlined in 2. through 4. above. Items declared to be inconsistent or in conflict shall remain in effect until four (4) months have elapsed from the conclusion of the local implementation period under the **2011** National Agreement.

This Memorandum of Understanding expires at 12 midnight **May 20, 2016.**

Date: February 15, 2013



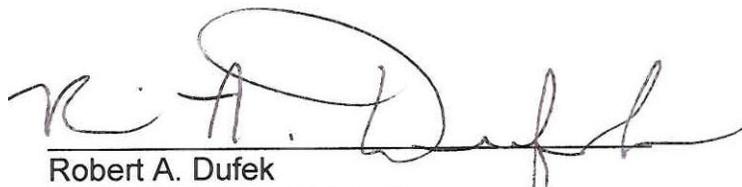
Herbert Fishgold
Impartial Chair

I concur with the Award.



Robert Weinberg
NPMHU-Appointed Arbitrator

I concur with the Award.



Robert A. Dufek
USPS-Appointed Arbitrator