

**REPORT
OF THE
NATIONAL OFFICERS**

of the

**NATIONAL POSTAL
MAIL HANDLERS UNION**

**A DIVISION OF THE
LABORERS INTERNATIONAL UNION
OF NORTH AMERICA, AFL-CIO**

**PREPARED FOR THE DELEGATES
TO THE
NPMHU 2020 CONVENTION**

August 2022, Denver, CO

Six years ago, at the NPMHU 2016 National Convention, the National Officers reported to the delegates of the National Postal Mail Handlers Union that their Union was in excellent shape. We also boldly predicted that the future of our Union would remain bright because of the hard work and dedication of all of our union representatives – at the National, Regional, Local, and Branch levels. We firmly believed that we would continue to achieve.

We are pleased to report that our prediction from 2016 has proven accurate. In 2022, as the NPMHU meets in Denver, Colorado for its delayed, but not denied 2020 National Convention, the state of the National Postal Mail Handlers Union remains excellent. All Mail Handlers have every reason to be extremely proud about the activities and accomplishments of their Union over the past six years.

The NPMHU continues to be a strong and vibrant Union, focused as always on the bargaining, grievance handling, lobbying, communicating, and training that is the lifeblood of our National Union. As detailed throughout this Report, the NPMHU remains extremely active and extremely determined to achieve great results. We continue to marshal our resources to make them as effective and productive as ever. We remain fully supported by our friends, including the Laborers' International Union of North America (LIUNA), our international parent body, and the AFL-CIO. And we remain respected and sometimes even feared by our adversaries. We therefore remain prepared to meet the needs of the 54,000 Mail Handlers who depend on this great Union.

It goes without saying that the six years since the last National Convention have been filled with unexpected events, not just for Mail Handlers, but for all Americans. As a nation, the United States has suffered through more than six years of unpredictable and uncontrollable events. No one trying to envision the future in August 2016 could have possibly predicted that the years from 2016 to 2022 would see (a) an unprecedented and often unhinged Trump Administration both come (with a surprise election in 2016) and go (with an attempted insurrection in 2021); (b) a

large partisan divide between political parties and ideologies, with adherents refusing to agree on the basic facts necessary to govern America; (c) an unprecedented Covid-19 pandemic leading to a public health disaster that completely disrupted the American economy; (d) an operational overhaul of the U.S. Postal Service caused by massive reductions in mail volume and equally impactful changes in the mail mix from letters and flats to packages and parcels; and (e) a complete change in leadership at the Postal Service, which is now led by a Postmaster General who was a Trump-appointed, Republican fundraiser not easily replaced by the new Biden Administration.

Yet, in the face of all of this uncertainty, the long-term strength of the NPMHU has prevailed, and in 2022 the state of the Mail Handlers Union remains excellent. All Mail Handlers have every reason to be extremely proud that, notwithstanding the events transpiring during the past six years, the NPMHU has not simply survived, but actually thrived during this tumultuous period.

In the remainder of this report, the NPMHU will look in two directions – back into the past six years, and ahead into the future.

LOOKING BACK

Essential Workers for the Public Postal Service

Before addressing the various issues that have confronted the NPMHU and its membership during the past six years, this report must begin with a full recognition of the heroism of the 54,000 postal employees who call themselves Mail Handlers. The NPMHU is forever proud, and forever humbled, by the efforts of its membership for continuing to work throughout the last thirty months, as the Covid-19 pandemic shut down much of the world's economy. The Postal Service needed to continue operations, as it was expected to deliver and process the mail notwithstanding the risk to Mail Handlers and other postal employees.

The NPMHU membership not only kept the Postal Service and all mail communications going, but also should be recognized for helping to save our American democracy. During the 2020 election year, the Postal Service processed and delivered 135 million ballots (to and from voters), 610 million pieces of election mail, as well as an additional 4 billion pieces of political mail. Precisely 97.9% of ballots were delivered within 3 days, and 99.7% of ballots were delivered within 5 days. Vote by mail task forces and committees were established at the National and installation levels, and Mail Handlers were represented and played a major role on these committees. The committees identified and corrected problems in the processing and delivery of ballots to ensure that they were processed in a safe, secure, and timely manner, and to further ensure that every American's vote would be counted.

Our sincere gratitude needs to be expressed to all Mail Handlers who served as the guardians of our nation's ballots. Mail Handlers and other postal employees stepped up and did their jobs, despite having their integrity and honesty questioned by the Trump Administration, and despite being under intense scrutiny from Congress and from the mass media. Even after November 3, 2020, Mail Handlers in Georgia continued their efforts to make certain that the two run-off elections for the U.S. Senate were conducted in a smooth and professional manner. And this year, through the dozens of primary elections and the 2022 mid-term elections, this fine work has and undoubtedly will continue. Thank you, Mail Handlers, for a job well done. It would not be an exaggeration to note that, from 2020 to 2022, Mail Handlers and postal employees generally have preserved the democratic process for the American people.

Collective Bargaining

As always for the NPMHU, the key to effective representation of Mail Handlers is at the bargaining table, especially during rounds of National negotiations

with the U.S. Postal Service.

When the NPMHU delegates last convened in 2016, the NPMHU was headed toward the last few weeks of collective bargaining with the Postal Service over the terms of their 2016 National Agreement. The bargainers finally reached a tentative settlement in December 2016, and the three-year master agreement was overwhelmingly ratified by the membership in a mail referendum vote in early 2017, with more than 95% of the members voting yes.

Only three years later, in 2019, the NPMHU and the Postal Service were back at the bargaining table, and again were able to reach voluntary settlement on another three-year agreement in January 2020, this one ratified in a pandemic-delayed mail vote in April 2020, again by an equally wide margin.

And today, the NPMHU is back at the national bargaining table, for a third round of bargaining aimed at determining the terms and conditions of employment for the 2022 National Agreement. With a deadline of September 20, 2022, negotiations will heat up upon our return to Washington, DC, right after this Convention, and we will be reporting the results as they happen.

Taken together, the fully negotiated contracts in 2016 and 2019 have provided Mail Handlers with six years of labor stability, including six years of general wage increases and six years of cost-of-living adjustments. At top step, these wage increases and COLAs have meant almost \$11,000 in base wage improvements, not even counting the largest COLA ever – probably more than \$2,000 – to be announced during the 2020 National Convention on Wednesday, August 10, 2022. Even at lower steps of the new career pay scale, the increase before this next cost-of-living adjustment has been more than 19%. We understand that the uneven COLA amounts, especially over the past 2 to 3 years, have caused noncareer Mail Handler Assistants and career Mail Handlers at the bottom steps to fall behind comparable employees in other crafts, but therefore this wage discrepancy will be a

major topic in this year's national bargaining.

In both the 2016 and 2019 rounds of bargaining, the process was lengthy, beginning with a strategy session conducted at our Semi-Annual Meeting of the Local Unions, followed by the solicitation of proposals from the membership. Both our Field Negotiating Committee comprised of Local and National officers and our National Negotiations Team worked hard to develop and analyze proposals, to prepare and present those proposals at the bargaining table, and to make the compromises and adjustments that are part of any negotiations.

This year's national negotiations have so far been handled in the same open and transparent and methodical way. We hope, and we expect, that the results of 2022 bargaining – whether at the bargaining table or through a final and binding interest arbitration award – will reach a similarly fair and reasonable outcome.

Contract Administration

Between rounds of formal bargaining with the Postal Service, the Contract Administration Department (CAD) of the NPMHU – comprised of Mail Handlers working in both the National and Regional Office – works to improve the interpretations and implementation of the current National Agreement. These dedicated representatives are available to assist and consult with Mail Handlers and Mail Handler advocates from around the country on the endless contractual topics that arise each and every day. It often is easy to overlook this important function, but the National and Regional CAD is in constant and direct communication with Mail Handlers working at the Local level and on the workroom floor.

In addition to these routine communications, the CAD continues to produce a host of reports, publications, and memoranda that are intended to keep the Local leadership and membership informed about contract developments.

First, the National CAD issues a series of semi-annual reports – released in conjunction with each Semi-Annual Meeting of the Local Unions (SAMLUs) and then distributed to all Local Union officers and representatives – that describe all of the ongoing activities of the CAD since the last report. These reports, together with a constant stream of mail communications with the Local Unions, help to keep all NPMHU advocates apprised of the most recent contractual developments.

The CAD also routinely distributes proposed and final revisions to USPS postal handbooks, manuals, and regulations; copies of the dozens of training and resource manuals that have been developed over the years; and NPMHU interpretations of various contract provisions.

Aside from these regular communications, the CAD also takes primary responsibility for a host of other activities of the NPMHU:

Contract Interpretation Manual (CIM): The NPMHU and the USPS have issued several versions of their joint Contract Interpretation Manual, together with a Resource Manual that contains each and every arbitration award, memorandum of understanding, letter of intent, and national settlement agreement that is cited in the CIM. In June 2021, the CAD completed its work with the Postal Service to prepare and distribute version #5 of the CIM, covering matters that have been settled at the National level during the past few years, as well as the terms of the 2019 National Agreement.

The CIM has received extremely positive feedback. For the first time in the history of the collective bargaining relationship between the NPMHU and the Postal Service, the parties publishing the CIM have set forth, in a comprehensive manner, their substantive agreements about the appropriate way to interpret the National Agreement. To be sure, the CIM has not resolved all work-related disputes; but it has helped the parties at the Local and Regional levels to narrow their disputes by concentrating on the facts underlying particular grievances or issues that are not

covered by the CIM. Reports show that the number of appeals has decreased, and that management representatives are resolving those cases where local management is not adhering to the requirements set forth in the CIM. The CIM also is being used as a resource to cite when decisions are being issued at the Regional level. Reports from the Local level are equally encouraging.

Contract-Based Training Programs: Throughout the past six years, the NPMHU has continued to develop and conduct a series of comprehensive training programs on a host of contractual and statutory issues important to all members. Each of these programs has been aimed at assisting Union officers and representatives from the Local Unions to advocate for Mail Handlers more effectively. Education and training are a crucial component of the NPMHU's overall program for improving the representation of Mail Handlers; indeed, the importance of this training can hardly be overstated, as educated Union representatives – at both the National and Local levels – are the lifeblood of the effective representation constantly being pursued by the NPMHU. That is why training in recent years has been extensive, as reflected by these examples:

(1) Certain types of training programs, directed by the National Office, are presented at various Local Unions around the country, to ensure that these first-line Union representatives are properly filing and processing grievances. These training programs are invaluable, and include not only basic shop steward training, but also a series of advanced training programs, with special emphasis on defending Mail Handlers who are being disciplined, arbitration advocacy, and special topics such as reassignments under Article 12 and the Family Medical Leave Act. Credit goes to Regional Vice Presidents John Gibson and Lawrence Sapp for taking the lead on these programs.

(2) LMOU Training was conducted in 2017 and 2020, in preparation for a period of local negotiations that was scheduled after the two rounds of national bargaining were completed. This program included a strategy session about local

negotiations to determine the terms of Local Memoranda of Understanding to be negotiated. A revised handbook on local negotiations was distributed at these meetings and subsequently circulated to all Local Union officers.

(3) Training programs run by the National Union also have been conducted during most of the SAMLU meetings held during the past six years, including a contract bargaining strategy session, a mini-training on the new contract, training on reassignments and excessing under Article 12, and Local officer leadership training about the NPMHU's constitutional provisions.

To prepare for many of these training programs, the NPMHU has developed comprehensive manuals or handbooks on many of these specified topics, including outlines of the covered material and relevant documents needed by stewards and other advocates. Supplementary materials often are developed to include relevant arbitration decisions and case law. Of most importance, these manuals or handbooks also are circulated by mail – in either hard copy or on flash drives – so that the benefits of each training program are shared with thousands of Union representatives across the country.

National-level Arbitration and Settlement Agreements

There has been substantial progress on the National arbitration docket. Many issues have been resolved in pre-arbitration settlements, and other unresolved issues have been arbitrated at the National level.

Arbitration awards have been issued or are pending on a host of topics during the past six years. Key decisions have been issued on the following topics:

- (a) Mail Handlers are entitled to paid voting leave not only for general and primary elections, but also for party caucuses that serve as a substitute in any State for primary elections;

- (b) Postal Service must continue cross-craft movement options even when another craft obtained additional pay not in the form of a higher-level adjustment;
- (c) Postal Service violated the National Agreement by unilaterally changing its procedures for granting unpaid leave to Mail Handlers volunteering to work for U.S. Presidential and Congressional campaigns, overruling a contrary rule adopted under the Hatch Act by Trump's Office of Special Counsel at the insistence of Senator Ron Johnson (R-WI); and
- (d) Postal Service may not consider or rely on prior discipline issued against a Mail Handler Assistant once such an employee is converted to a full-time career position.

There also are several pending National arbitrations for which decisions are expected shortly:

- (a) Whether the subcontracting of the Kansas City Surface Transportation Center or STC was improperly implemented without notifying the NPMHU in advance and without allowing the NPMHU any opportunity for providing input into the Article 32 decision?
- (b) Whether the Postal Service properly computed the date on which MHAs who are separated for lack of work and then reappointed have completed their 360-day term of appointment?

The National CAD also plays a major and continuous role in the handling and settlement of Step 4 grievances, and the development of new National agreements and memoranda of understanding. The volume of such agreements during each period makes it difficult to describe all of these activities, but key subjects addressed by the NPMHU during the past six years have included (a) converting Mail Handler Assistants to full-time career positions using residual vacancies; (b) converting MHAs to full-time career positions in exchange for temporary increases in noncareer employees to deal with unexpected mail volume or high employee unavailability

because of Covid-19; (c) extending wounded warrior leave on an annual basis to current Mail Handlers, not only upon initial employment after military service; (d) providing additional holiday pay to MHAs; (e) recognizing Juneteenth as an additional USPS holiday; (f) agreeing that, when employee orientation is done remotely or virtually, the NPMHU will be provided an ample opportunity to address new career or non-career mail handlers in a group setting during their initial orientation when possible, but not later than the next day following that orientation when reporting to their assigned installation; and (g) many memoranda of understanding to implement revised leave provisions, liberal leave policies, and annual leave extensions during the Covid-19 pandemic.

Safety and Health in the Workplace

As might be expected, the NPMHU has been focused during the past two or three years on efforts to protect the on-the-job safety and health of all Mail Handlers, all of whom have been required to continue working during the entire Covid-19 pandemic.

To this end, the Union has been an active participant in joint labor-management initiatives and meetings that include representatives of postal management, as well as all unions and employee associations. These advisory groups have been meeting on a routine basis to ensure that all reasonable measures are being taken to prevent further infections, to mitigate the impact of prior infections, and to ensure that all Mail Handlers and other postal employees are as safe as possible while working through the pandemic.

With regard to Covid-19 related MOUs, the NPMHU and the Postal Service first reached these agreements near the outset of the pandemic, in April 2020, and then extended them several times over the past few years, in a joint effort to deal with the impact of the pandemic on Mail Handlers and other postal employees. Before each extension, the National Office reached out for input from the Local

Presidents, in order to determine that there was overwhelming support that these MOUs should be extended.

Among the Covid-related MOUs agreed to were the following:

- MOU – Temporary Expanded Sick Leave for Dependent Care During COVID-19
- MOU – Additional Leave for MHAs
- MOU – Temporary Additional Leave for MHAs
- MOU – Temporary Exception Period – COVID-19
- MOU – Exception for MOU Transfers – COVID-19 Related Absences
- Liberal Changes of Schedule and Leave Letter dated March 23, 2020
- Expansion of Annual Leave Carryover
- Expansion of Annual Leave Exchange Option

Also helpful were important provisions of the Families First Coronavirus Response Act (FFCRA), which provided additional leave for Mail Handlers, including Emergency Paid Sick Leave and Expanded Family Medical Leave for COVID-19 related absences.

Protecting the Mail Handler Craft in Jurisdictional Disputes Under RI-399

For almost seven decades, since the 1950s, no area involving the job rights of Mail Handlers has been more difficult for the NPMHU than its ongoing jurisdictional battles with the American Postal Workers Union (APWU) and the Postal Service, commonly known as Regional Instruction No. 399. Seen in this historical context, the NPMHU has made immense progress on jurisdictional issues during the past six years.

Of most importance, in June 2018, the three National parties engaged in these longstanding disputes announced that they had reached a nationwide

settlement, known as the “Update MOU,” that (a) settled thousands of pending disputes that have been filed since 1979, including almost twenty National-level disputes that otherwise would have taken years to arbitrate; (b) agreed to arbitrate on an expedited basis two remaining National cases and any new cases filed after 2018; (c) required the parties to develop and adopt inventories of all work currently being performed in more than 500 mail processing facilities, using the status quo as the determinative criteria for assigning work unless there was an arbitration award, a National-level determination, or a signed inventory to the contrary.

During November 2018, the three parties held five training programs – in Las Vegas, NV and Atlantic City, NJ – explaining the new agreement and its implementation to more than 800 union and management representatives from all fifty States. The agreement also included a cash payment of \$14.5 million from the Postal Service, which was distributed to approximately 45,000 Mail Handlers in the form of a one-time payment.

Work on jurisdictional disputes continues, with several arbitrations at the National level now at different stages of completion. The history of National level arbitration demonstrates, however, that it is extremely difficult, if not impossible, to convince the National arbitrator not to approve the jurisdictional determination initially made by the Postal Service. This is because the governing rules that have developed in prior arbitrations require the arbitrator to give a certain amount of discretion to the Postal Service, and to overrule the management determination only if it is arbitrary or contrary to binding precedent. This explains why the NPMHU has obtained mixed results in arbitration hearings during the past six years:

- SPSS or Small Parcel Sorting System – arbitrator refused to set aside USPS management’s determination
- AFCS or Advanced Facer-Canceller System – arbitrator refused to reverse the USPS decision from 2012 that reassigned the AFCS Operator to the clerk craft upon deployment of the AFCS-200

- USS or Universal Sorting System – arbitrator upheld USPS determination that all work on these machines were within the primary jurisdiction of the Mail Handler Craft
- ADUS of Automated Delivery Unit Sorter – hearings and briefing complete; arbitrator to determine whether USPS determination improperly assigns work to clerical craft by refusing to allow mail handlers in Function 4 facilities and by refusing to apply 4-hour rule

Our work surrounding jurisdictional disputes remains crucial to the success of the NPMHU, and the National Union will continue to do what is necessary to ensure that Mail Handlers maintain old jurisdiction or obtain new jurisdiction as future work determinations are being made. Much of this work occurs prior to the onset of national arbitration hearings. For example, during the past six years:

- The parties at the National level have acknowledged that no group of employees has exclusive jurisdiction over the use of hand-held scanners or the task of scanning and that scanning may be performed by any craft as an integral part of their duties
- A similar understanding exists with regard to the keying function as well
- The parties agreed at the National level that the Postal Service will not issue a national craft determination for the FPARS or the Flats Postal Automation Redirection System, which is an expansion for flat mail of the Postal Automation Redirection System (PARS) program that previously automated Undeliverable As Addressed (UAA) letter processing; this allows the local parties to make determinations based on the particular facts and circumstances of each operation at each mail processing plant
- The National parties have agreed that, with the exception of the so-called supplemental induction stations, the induction and sweeping duties performed on the EPPS are most similar to those on the Automated Package Processing System or APPS, and therefore fall within the primary jurisdiction of the Mail Handler Craft. For the supplemental induction stations only, the Postal Service likens the EPPS to the

APBS and the SPSS, and therefore clerks were given those assignments. Similar pre-arbitration developments will be reported as they occur.

Protecting the Mail Handler Craft Through Conversions

In addition to jurisdictional assignments under RI-399, another important means of protecting the Mail Handler Craft is through continuous conversion of newly hired Mail Handler Assistant into full-time career positions, which form the backbone of our craft.

The Mail Handler complement at the Postal Service as of 2016, six years ago, stood at 44,000. Twelve years earlier, in 2004, that number was 54,000, meaning that the Mail Handler craft saw a decrease of almost 20% in the total number of Mail Handlers from 2004 to 2016. During that time, however, there was a 26% drop in USPS volume, and total career postal employment went down by almost 30%.

As most Mail Handlers know, the Fishgold Arbitration Award issued in 2013 to set the terms of the 2011 National Agreement substantially changed the workforce that is allowed to perform mail handler work. In the larger facilities, all part-time flexible employees employed in February 2013 were converted to full-time regular status, and a new category of bargaining unit employee was created in the form of a non-career employee called a Mail Handler Assistant or MHA. The MHA category now serves as the entry point for all future career mail handlers to be hired by the Postal Service. A maximum of 24.5% of mail handlers in any postal installation may be MHAs. These MHAs are full members of the NPMHU bargaining unit, and are eligible for conversion to career status based on their relative standing.

Future career employees (including all those hired after February 2013) are placed on a revised pay scale with reduced entry pay. But the new pay scale contains seventeen step increases of more than \$1,300, providing guaranteed increases in pay every 52 weeks, with top pay precisely the same as for career mail

handlers on the legacy pay scale. This wage scale for future career employees continues to be adjusted upward by general wage increases and COLA increases, although the COLA adjustments before top step are on a proportional basis. A demand from the Postal Service for a permanent two-tier pay scale in which new career employees never reach top step was rejected.

Through the first half of 2022, USPS records indicate that more than 33,100 MHAs have been converted to career status since October 2013. That is an average of almost 320 per month and almost 3,800 per year. Adding together current MHAs (approximately 9,000) and more than 24,000 conversions, well over 60% of the current members of the NPMHU bargaining unit have been converted from MHA or are currently an MHA.

Conversions have been extremely high during the past eighteen months. In December 2020, President Hogrogian signed the first MOU dealing with additional staffing and MHA Conversions. The MOUs signed in that year called for the conversion of 5,291 MHAs to career no later than March 13, 2021, in 183 different installations. In exchange, any facility that had conversions was able to exceed the 24.5% contractual cap on MHAs until March 27, 2021. Several weeks later, the NPMHU and USPS agreed on a set of Q&As to implement the MOU. It was agreed that the MHAs converted due to this agreement would not count towards the 1 to 4 or 1 to 6 ratios for transfers, and that the conversions would be additional complement that management in each facility would need to incorporate. A subsequent agreement in November 2021 states that all duty assignments should be posted for bidding.

In March 2021, the NPMHU and the USPS agreed to a second MOU dealing with additional staffing that called for an additional 865 MHAs in 43 installations to be converted by May 22, 2021. Again, those conversions were an increase to the complement and management had to create new duty assignments equal to the number of conversions. Also, these conversions would not count towards the 1:4 or

1:6 ratios.

In June 2021, the NPMHU and the USPS signed a third MOU on additional staffing that called for another 6,596 MHAs to be converted in 245 installations by August 14, 2021. In this MOU, the parties agreed to two lists of conversions, for attrition and for complement. The MHAs converted under attrition would not be an increase to the total complement; rather, they are to replace career Mail Handlers who no longer would be hired by the USPS. The MHAs that fall under the complement list would be an increase and the duty assignments will be created equal to the number of conversions.

Conversions of MHAs to full-time career positions has continued into 2022. In March of this year, another agreement set 1,202 conversions in 42 installations; that was followed by 230 more conversions in May 2022, and more are expected to be agreed before peak season later this year.

Overall, the conversions since 2013, and especially the enhanced rate of conversions since the beginning of 2021, have ensured that the Mail Handler Craft will endure as a crucial part of the Postal Service for many decades to come. For just one example, as of July 2022, more than 25,000 full-time career mail handlers currently on the rolls have been hired in the past eight years, with another 9,000 MHAs currently in the career pipeline. When added to the 20,000 Mail Handlers who remain on the rolls from before 2013, there are currently more than 54,000 Mail Handlers employed by the Postal Service and in the NPMHU bargaining unit.

Legislative Lobbying and Political Action

If there is one area in which the NPMHU has substantially changed direction in recent years, it undoubtedly relates to legislative relations and political action. The NPMHU often tells its membership that, with one stroke of a pen, decades of progress can be obliterated by an uncaring Congress and a hostile White House.

That is why legislative and political action are both so critical to the future of all Mail Handlers.

The entire American labor movement has come to recognize that the political arena holds the key to many of its most important goals. This is truer for Mail Handlers represented by the NPMHU than for most American workers, for our very jobs and most important benefits are dependent on actions taken by Members of Congress and the occupant of the White House. There is no other group of employees – besides other postal or federal employees – for whom retirement benefits, health insurance, workers' compensation, and life insurance are determined by the actions or inactions of the political branches of our National Government. Nor is there any other employee group whose employer is also so dependent on the views and actions of these political branches. It necessarily follows that all Mail Handlers, and certainly the Union that seeks to provide the best possible representation for Mail Handlers, must maximize their involvement in the political processes that control the Federal Government.

That is why the NPMHU has remained so focused – some would say obsessed – on its legislative and political programs during the past six years. Under the leadership of the National Executive Board and the Committee on the Future of the NPMHU, and with the advice of NPMHU Legislative and Political Director Katie Maddocks, the NPMHU has taken many significant steps to strengthen its legislative lobbying efforts and to increase its involvement in the electoral political process.

With the exception of pandemic-plagued 2021, the NPMHU continues to hold its biennial Legislative Conference during the first year of each new Congress. Thus, Legislative Conferences were conducted in May 2017 for the 115th Congress and May 2019 for the 116th Congress. Unfortunately, last year's conference for the 117th Congress had to be canceled because of the pandemic. But based on prior conferences, it is now commonplace for important Senators and Representatives to seek the views and opinions of NPMHU officers and other activists on the key issues

pending before Congress. The Legislative Conference for the 118th Congress is set for May of 2023.

Indeed, nothing could be more important to the future of Mail Handlers than the subjects the Union has chosen to highlight, and to lobby, during the Legislative Conferences that were held since the last Convention. In 2017 and 2019, the NPMHU's legislative program focused on the need for adoption and implementation of postal reform legislation, to ensure that financial provisions of the Postal Accountability and Enhancement Act of 2006 are either interpreted, or if necessary amended, to protect the financial status of the Postal Service and the collective bargaining rights enjoyed by all Mail Handlers. And in April 2022, this legislative priority became a political reality, as President Biden signed into law the Postal Service Reform Act of 2022 (P.L. 117-108), which earlier had passed the Senate and House by wide, bi-partisan margins. This long-sought legislation has provided the first steps to fiscal stability for the Postal Service and will help ensure that dedicated Mail Handlers and the rest of the workforce can continue to serve every American household and business. NPMHU President Paul Hogrogian was proud to stand with President Biden, fellow postal union leaders, and dedicated champions of the Postal Service on the bill's historic signing day.

The NPMHU also continues to expand its efforts – and its results – in raising money for its Political Action Committee, which remains part of the Laborers Political League. Because many members do not realize that the Union's dues revenues cannot legally be contributed to political candidates, it has taken some time to increase the rates of participation in the Mail Handler PAC. But recent trends are extremely encouraging. Using the salary allocation program that the NPMHU implemented through the Postal Service, some members have chosen to apportion a small amount of their paycheck each pay period for direct allocation into the PAC. Many Local Unions also have done a superb job of encouraging their officers and stewards to contribute to the PAC, as a means of demonstrating leadership by example to the rank and file. As a result, the numbers of Mail Handlers routinely

contributing to the PAC, while still small, continues to increase.

All of these efforts are aimed at one objective: to ensure that the NPMHU is able to influence legislation or impact congressional oversight that will directly affect the work lives of the Mail Handlers that the Union represents. The importance of obtaining or retaining majorities on Capitol Hill (and, of course, in the White House) of worker-friendly representatives cannot be overstated, and therefore the NPMHU's legislative and political efforts must continue.

When each new Congress convenes, the NPMHU adopts a legislative agenda for that Congress, which sets forth the goals and objectives of the Mail Handlers Union for the next two years. The agenda adopted in 2021, for the current 117th Congress, is republished in this year's Report of the NPMHU Legislative Committee, distributed to all delegates at Convention registration. In addition to postal reform, the NPMHU's legislative priorities include:

- Protecting the health and safety of our members as the COVID-19 pandemic continues to impact our professional and personal lives
- Protecting the postal workforce's earned benefits and collective bargaining rights
- Promoting workers' rights through passage of the Protecting the Right to Organize (or PRO) Act (H.R. 2474/S. 1306), which would strengthen current federal laws to allow private-sector workers to organize and join a union and bargain for better wages and benefits
- Continuing advocacy to increase the minimum wage and enact living wage standards
- Strengthening American elections: During the 2020 elections, there was unprecedented reliance on the Postal Service for the processing and delivery of mail-in ballots. In the November 2020 general election, the Postal Service processed and delivered over 4.7 billion pieces of election and political mail, including over 130 million ballots. This success occurred because of the dedicated work of thousands of Mail Handlers and other postal employees, as

well as constant communications between USPS, postal unions and management associations, and state and local election boards. As the pandemic continues, putting in-person voting at risk, these joint efforts need to continue. That is why the NPMHU will promote legislation, primarily at the state and local level, to encourage democratic participation through “vote by mail” initiatives, and will support such efforts at the federal level as well.

When all is said and done, the prominence that the NPMHU gives to its legislative and political program is an especially effective means of representing all Mail Handlers, and that explains the NPMHU’s emphasis on legislative and political affairs throughout the past six years.

Internal Operations of the NPMHU

For the past thirty years, the NPMHU has focused a large part of its efforts on improving its own internal operations. That emphasis has continued unabated for the past six years. Today, those efforts continue to bear fruit, as the NPMHU is a well-run labor organization, second to none in overall financial management, membership recruitment and maintenance, and internal communications.

Financial Management at the NPMHU: During the past six years, the NPMHU has continued its financial recovery. Although the NPMHU still enjoys a large surplus of more than \$20 million, that surplus has been shrinking, as decreased membership in recent years has meant decreased dues income. In addition, a compelling argument can be made that the Union’s fund balance needs to be much larger. Like most unions, the NPMHU must continually preserve its funds so that it has the resources necessary to effectively represent, and ultimately fight for, all of its members, without fear of financial collapse when such fights become necessary. Moreover, given the increasing costs of the Union’s activities, and the increasing share of the NPMHU’s revenues that are being shared with the Local Unions, it is likely that the NPMHU will continue to operate at a deficit on a

year-to-year basis, unless the Union is able to make some fundamental changes related to future dues increases and revenue sharing.

The need for a large and secure fund balance should be obvious. If the NPMHU is to continue to obtain favorable agreements in collective bargaining, it is imperative that the Postal Service know that the NPMHU has the financial resources necessary to take the USPS through a complicated (and extremely costly) interest arbitration if bargaining does not produce an agreement. Likewise, each time that the parties at the National level engage in National grievance arbitration, or threaten to file litigation against the other party, it is essential that USPS officials understand that the Union does not have to make strategic judgments based on its financial well-being. Without these financial resources, therefore, the Postal Service – which never has to worry about such financial limitations – will try to take advantage of the NPMHU, as it was last able to do successfully in the 1990 round of National negotiations.

In the past six years, there have been several significant developments to enhance the finances of the National Office. First, the NPMHU has moved its National Headquarters in the AFL-CIO building in Washington, DC. This has greatly reduced expenses for rent, and allows the NPMHU to enjoy the hospitality of the AFL-CIO and LIUNA (located across the street) for meetings and other events, at a large annual savings. The NPMHU also has been scheduling more of its meetings in the Nation's capital, or during the pandemic on a video platform, further reducing expenditures.

Nor is there any risk that the operating fund maintained by the NPMHU will be squandered or expended inappropriately. The National Executive Board has authorized a conservative investment portfolio, and the NPMHU has been subject to annual audits by outside accountants, as well as a lengthy and in-depth compliance audit by the U.S. Department of Labor.

Financial Assistance to the Local Unions: Notwithstanding the continuous need to preserve NPMHU resources, the National Executive Board also has routinely recognized that the NPMHU Local Unions have their own financial requirements that need to be met. That is why, on several occasions, the National Officers have supported – and, in fact, voluntarily adopted – programs designed to share large amounts of dues revenue with all of the Local Unions. In prior years, there were downward adjustments in the amount of per capita taxes retained by the NPMHU from both regular and associate members, transferring millions of dollars per year to the combined treasuries of the Local Unions. The National Executive Board also has adopted a Revenue Sharing Program, which in the years since it was started in 2003 has provided the Local Unions with more than \$50 million in additional tax-free revenue.

Thus, improvement in the NPMHU's financial resources has had positive and wide-ranging effects, not the least of which has been to provide all 36 Local Unions with additional revenues with which to operate. Under the governing constitutional provisions, the Local Unions affiliated with the NPMHU currently receive more than 70% of all dues collected, and thus the Local Unions and members being represented at the Local level are the principal beneficiaries of these revenues.

Finally, to ensure that the Local Unions operate in a financially sound manner, the NPMHU has routinely conducted Financial Management seminars, also known as Treasurers' Training. The last of these sessions was held May 2022.

Membership and Organizing: The NPMHU continues to maximize Union membership to the greatest extent possible. More than ten years ago, at the peak of postal employment, the Union made history by reaching 50,000 members for the first time. Membership remained over 50,000 for several years, but because of subsequent downsizing in the postal workforce and a substantial number of retirements, the total membership today is approximately 44,000. As a percentage of all Mail Handlers, however, membership remains high.

These membership numbers have not occurred by happenstance. During the past six years, the NPMHU, working in cooperation with the Locals, has made concerted efforts to sign-up new members and to convince many former members to give the NPMHU another try. The Union uses financial and other incentives to get members to help in the recruitment efforts. In recent years, with the hiring of tens of thousands of MHAs, and the conversions of thousands of MHAs into full-time career Mail Handlers, the Union also has focused on making certain that these new Mail Handlers join the Union that represents their interests.

Communications

One area in which the NPMHU constantly works hard to improve is communications with the membership. The quarterly magazine – The Mail Handler – allows for substantive coverage of the major issues facing the Union. Monthly bulletins continue to be circulated to all Local Union officers and representatives, for posting on all bulletin boards. The NPMHU website at www.npmhu.org is an increasingly important source for the timely circulation of information, especially in the legislative and political arena. Not many Mail Handlers remember that, in 1995, the NPMHU was the first national union with an operating website that contained searchable archives of arbitration decisions, and to this day the NPMHU website remains a leader in that area.

More recently, the NPMHU has created a mobile App for NPMHU members, which can be accessed on any smart phone. This allows more frequent and timely communications when necessary for the well-being of the membership.

Mail Handlers in the Community

Within the Labor Movement: The NPMHU remains an active participant in the trade union movement.

Relations between the NPMHU and LIUNA, its international parent body, have remained very strong. With the full support of General President Terry O'Sullivan and the entire General Executive Board, LIUNA has become a staunch supporter of the NPMHU, offering its assistance and cooperation when advisable, but otherwise allowing the NPMHU to operate under its own autonomy. Mail Handlers also have a direct say in the operations of LIUNA, as Mail Handlers serve as delegates at all LIUNA Conventions, and the NPMHU National President is an automatic member of the GEB.

In the Greater Community: The NPMHU continues to recognize that giving to those less fortunate is a significant part of the Union's legacy.

In the past six years, the NPMHU Scholarship Program has awarded thousands of dollars in college scholarships to more than 100 Mail Handlers and family members who seek a university degree. For many of the recipients, this financial aid makes it possible to continue their higher education, and allows the Union to encourage members and their families to take advantage of such educational opportunities. The Vallone Scholars chosen by the scholarship program are named in memory of Arthur S. Vallone, the former Northeastern Regional Vice President and Local 309 President who died suddenly in 2005. His memory and good works will forever live in the minds of these scholars.

The NPMHU also works with LIUNA as an active sponsor of the Juvenile Diabetes Research Foundation, which remains the official charity of the Union. Both the NPMHU and many of its Local Unions participate in walkathons and other fundraising activities to help pay for research to find a cure for this disease.

The NPMHU also continues to contribute, both time and money, to PERF or the Postal Employees Relief Fund. This joint project of all postal unions, management associations, and postal management provides timely grants to postal employees

who suffer financial losses from natural disasters such as hurricanes, tornadoes, and wildfires. With the support of the NPMHU, PERF has liberalized the criteria for eligibility and the dollar amounts of the grants available to postal employees in need. The PERF fund has made hundreds of payments to postal employees, including scores of Mail Handlers, during the past few years.

Providing Value to the Members: The NPMHU also sponsors and in part administers important benefit programs aimed at giving Mail Handlers and associate members of the NPMHU excellent benefits at a good value.

The Mail Handlers Benefit Plan, which has been sponsored by the NPMHU since the early 1960s, remains one of the largest health insurance programs under the Federal Employees Health Benefit Program. Although in prior years there were significant drops in enrollment in the MHBP, during the past six years overall enrollment has steadied. The NPMHU and its insurance partner, Aetna, are rejuvenating the program so that there will be continuing growth in membership.

Equally important to the everyday lives of many Mail Handlers are the programs made available through Union Privilege, including the Union Plus Credit Card, and mortgage and educational services. These benefits of NPMHU membership make our job of organizing new members easier, while enhancing the NPMHU's ability to serve our current members.

Committee on the Future of the NPMHU

The aptly named Committee on the Future of the NPMHU has become a mainstay in the NPMHU's efforts to engage in long-range planning and strategic thinking on behalf of the Union and all Mail Handlers employed by the Postal Service. The Committee is comprised of all members of the National Executive Board and several Local Union Presidents representing a cross-section of the NPMHU membership.

The agenda of the Committee remains wide-ranging, and includes long-term issues such as:

- privatization of the Postal Service;
- the NPMHU's legislative relations program;
- USPS automation and other technological changes;
- financial planning; and
- membership recruitment.

In the past six years, the Committee has substantively delved into many of the major issues confronting the NPMHU. In particular, the Committee has taken a leadership position in developing the NPMHU's legislative agenda; the Union's strategic reaction to the potential closing and consolidation of postal facilities; and the Union's continuing approach to USPS automation and Mail Handler jurisdictional assignments.

It is usually difficult to measure the benefits of strategic planning, at least over the short term, but Mail Handlers understand that the NPMHU and its Committee on the Future are very much focused on the long-term interests and anticipated needs of all members.

LOOKING FORWARD

Notwithstanding the constantly changing political atmosphere in the Nation's Capital, and the uncertainty surrounding the pandemic and its hope for conclusion, it still is possible for the NPMHU to look forward at what issues are likely to be on the horizon.

First and foremost, the NPMHU is now in the middle of another round of National negotiations with the Postal Service, with a current contract deadline of September 20, 2022.

Second, the continuing drop in mail volume, especially in first-class mail, and the ongoing change in the mail mix, with parcels and packages increasing while letter and flat volumes decrease, has become the Postal Service's recent focus. In April 2021, the Postmaster General and the USPS Board of Governors adopted and announced a ten-year strategic plan. Although the plan contains many good proposals, it also suggests that the Postal Service expects either to downsize or to rearrange its mail processing network, by closing, consolidating, or repurposing many of the mail processing facilities in which Mail Handlers work. Where once there were over 630 such facilities, today only 400 remain. Nonetheless, the new Postal Service under the leadership of PMG Louis DeJoy apparently is developing plans to cut services to the American public further. To be sure, although unofficial and hidden from public scrutiny, the National Office does know the broad outlines of these plans, which themselves contain proposals that are constantly changing. One thing is certain, however: the NPMHU and its leadership will be facing an onslaught of closing, consolidations, and adjustments to mail processing plants. If that happens, the NPMHU will take all available steps to restrict or mitigate the impact of such wholesale changes in the postal network and their impact on Mail Handlers. The Union will seek to challenge closings, consolidations, and any other modifications, both on political and contractual grounds, and will pressure political representatives on Capitol Hill and in the executive branch to oppose these changes as well. The NPMHU expects that, soon after any official announcement about plant closings or modifications, the Union once again will have to adopt a series of responses to be implemented by both National and Regional representatives and the entire Contract Administration Department. These representatives, together with the NPMHU's legislative and legal staff, will work hard to develop appropriate strategies that could assist the affected Locals in responding to these proposals.

The Union also expects that the next few years may bring repeated attempts by the Postal Service to subcontract or outsource Mail Handler work to the private sector. In prior years, such subcontracting or outsourcing has been a constant thorn

in the side of the NPMHU. Today, even though the parties at the National level continue to discuss possible insourcing of previously subcontracted work at the Surface Transportation Centers (STCs) and the Mail Transport Equipment Service Centers (MTECs), the Postal Service continues to operate many of these facilities on a subcontracted basis. These talks continue, as do various arbitration proceedings, with the goal of bringing work back to postal Mail Handlers represented by the NPMHU.

Finally, only two years from now, the NPMHU will hold its next, regularly scheduled National Convention during August 2024, in Las Vegas, NV, where almost 400 elected delegates will set the course of the Union for the next few years with the election of National Officers and the adoption of constitutional amendments and policy resolutions.

Conclusion

The work of the NPMHU, like the mail that Mail Handlers process, never stops. So the NPMHU must always remain ready for the next set of challenges.

We must continue to fight the Postal Service, at the bargaining table, in grievance meetings, and in arbitration hearings, to preserve and extend our contractual rights. We also must continue to battle on Capitol Hill and in the Executive Branch, to preserve not only our statutory benefits and our collective bargaining process, but also to guarantee the important and sustained role that the Postal Service should continue to play in the future of our American communications system. We must marshal our forces, along with the rest of the American labor movement and other like-minded organizations and individuals, to ensure that in every future November election, the maximum number of pro-worker, pro-union, pro-working family candidates are elected into office by the American people. And we must continue to fight management at Postal Headquarters, as it tries to tear the Postal Service apart by indiscriminately closing and consolidating postal plants,

cutting service standards, and reducing service to the American people.

The NPMHU has faced these or similar threats throughout its 110-year history. This Union is ready for the next fight; we are fully prepared; indeed, we are anxious to confront these challenges, and to confront the future of this great Union and the future of all of the Mail Handlers we represent.

Together with we look forward to continued progress in the years to come.