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The National Constitution of the National Postal Mail Handlers Union—in Article XII, Section 9—requires the National President, acting on behalf of the entire National Executive Board, to present a report to the delegates describing all of the activities and accomplishments of the National Union since the last Convention. To comply with that constitutional requirement, this written report was distributed to all delegates attending the 2024 National Convention. The entire National Executive Board sincerely hopes that all delegates and other Mail Handlers will take the time necessary to review the entire report, for the NEB strongly believes that an informed membership is crucial to the continued success of the NPMHU.

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 2024 CONVENTION

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Two years ago, at the NPMHU 2022 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 are pleased to report that our prediction from 2022 has proven accurate. In 2024, as the NPMHU meets in Las Vegas, Nevada for its 2024 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 two 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 more than 50,000 Mail Handlers who depend on this great Union.

In the remainder of this report, the NPMHU will look in two directions — back into the past two 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 two years, this report must begin with a full recognition of the heroism of the more than 50,000 postal employees who call themselves Mail Handlers.

When we last met in Convention in 2022, we were just coming out of the COVID pandemic, and both the American economy and the Postal Service were just beginning to recover from the ravages of that pandemic. One of the true bright spots of the pandemic though was the effort of the Postal Service generally and the Mail Handlers specifically to continue to ensure the delivery of the mail. The

work of our members was truly historic and helped keep the Postal Service and therefore the American economy going.

In addition, the Mail Handlers played a pivotal role in the federal government's efforts to minimize the spread of the COVID-19 virus. One such program was the government's "Free at-home COVID-19 Test" program, which provided each household in America up to 4 individual test kits, free of charge. To facilitate this program, we negotiated a series of MOUs with the Postal Service making it easier to staff the fulfillment centers. This program delivered over 1.8 billion free COVID-19 test to the American people through COVIDTest.gov. While the free at home Test Kit Program was suspended on March 8, 2024, the Postal Service has been given the go ahead to move forward with Phase 7 of the program which will launch on September 23rd. We can be proud of our work in this critical area.

Another area where Mail Handlers really stepped up was in our collective efforts to ensure the proper functioning of our election system. As we have previously reported to you, during the 2020 election year, the Postal Service processed 135 million ballots, 610 million pieces of election mail, and 4 billion pieces of political mail. 97.9% of ballots were delivered within 3 days, and 99.7% of ballots were delivered within 5 days. Vote by mail committees were established at the National and installation levels, and Mail Handlers played a major role on these committees, identifying problems in the processing of ballots to ensure that they were processed in a safe, secure, and timely manner. That work continued during the 2022 midterm elections where the Postal Service processed more than 54 million ballots, nearly 99% of which were delivered within

three days and 99.82% within five days. And this year, through the 2024 primaries and upcoming general elections, this fine work has and undoubtedly will continue.

Thank you, Mail Handlers, for a job well done. We all should be extremely proud of the work we did together to preserve 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 we met in Denver, we were in the thick of negotiations. As is typical of our process with the Postal Service, we had spent the summer of 2022 exchanging and discussing our respective proposals but it was not until September when the speed and intensity of negotiations really picked up pace. While we are never able to achieve all of our objectives in negotiations, the 2022 National Agreement contains important improvements affecting the entirety of our union — from our most senior members who continued to receive regular wage increases along with continuation of protection from layoffs to those at the entry level steps of the career pay schedule who received additional wage increases to our MHA members who not only received significant wage increases but importantly achieved a guaranteed path to career status.

To begin, the National Agreement not only continued but expanded the traditional pattern of annual general wage increases and semi-annual cost-of-living adjustments for all current Mail Handlers. Specifically, the Agreement provides for three general wage increases for career Mail Handlers,

including 1.3% which was retroactive to November 19, 2022, 1.3% effective in November 2023, and 1.3% effective in November 2024 and six cost-of-living adjustments added to base pay in March and September of 2023, 2024, and 2025. The National Agreement also includes an increase to the night shift differential rate each year of the agreement and provides for an additional 1% increase to the lowest steps of the pay schedule.

One of the critical gains of the 2022 National Agreement for our career Mail Handlers was the elimination of the lowest step on the pay schedule and the shortening of the waiting period from 52 to 48 weeks. These changes shortened the career progression by a total of 116 weeks or more than 2 years.

For MHAs, the 2022 National Agreement again continued the pattern of regular wage increases. In addition, during negotiations, we stressed to the Postal Service that it was facing a massive problem in retaining MHAs (along with PSEs, CCAs, and RCAs). This is not only a problem for the Postal Service but also for us. Unlike casuals who were not members of our bargaining unit or the union, MHAs not only are members, but they are also the future of our craft and of this Union. As a result, integrating MHAs into the Mail Handler workforce and creating an environment where MHAs will want to build a career with the Postal Service was a key focus during the 2022 negotiations.

To that end, we were successful in negotiating an additional fifty cent per hour wage increase in the first year of the agreement to the MHA rate. We also negotiated an additional fifty cent wage increase when an individual MHA reaches six months of relative standing.

While the National Agreement continued the pre-existing rules for conversion of MHAs to career — a

process that has been highly successful, resulting in tens of thousands of MHAs being converted to career status, we were also able to take steps to protect against the possibility of any long-term MHAs by setting an automatic conversion into career employment after an MHA reaches twenty-four months of relative standing.

This automatic conversion is into a new career status as a full-time flexible mail handler. While FTFs will have flexible reporting times, it is a career position with full health care, retirement, and other benefits. A converted MHA will stay in the FTF position only until they are converted into a full-time regular position through normal processes based on relative standing, until they successfully bid into a career position, until they get placed into a residual vacancy, or until they otherwise convert into regular employment. Since June of 2023, more than 1,700 MHAs have been converted into an FTF position.

The 2022 National Agreement also contains important work rule improvements. All career employees are guaranteed consecutive days off and protection from layoff. MHAs and PTFs are guaranteed one nonscheduled day each week except during peak season and MHAs are advanced 40 hours of annual leave upon reappointment to a second 360-term.

The 2022 National Agreement also contains a new Memorandum of Understanding regarding 204(b) temporary supervisors. One of our perennial efforts in negotiations is to discourage our bargaining unit members from taking these temporary supervisor positions. Having Mail Handlers supervising Mail Handlers even on a temporary basis is destructive to our craft. This MOU acknowledges that the Postal Service was in the process of developing alternative approaches to filling temporary

supervisor vacancies and sets forth a requirement to continue to meet to discuss the status of these changes.

To that end, we have been in discussions with the Postal Service about two initiatives. First, the Postal Service has created an EAS-17 level position called Relief Supervisors. These supervisors provide coverage for front-line supervisors who are on leave or scheduled days off.

The second initiative is the Supervisor Apprentice Program pilot which is a 26-week program to prepare EAS-16 level apprentices to be qualified for future supervisor assignments. As apprentices, these employees will no longer be in our bargaining unit.

With the implementation of these initiatives, we have received reports from you out in the field, that, in many locations, these programs are doing exactly what was intended: greatly reducing if not eliminating the use of 204-Bs — thus achieving a long-term goal of our Union.

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 Office and our Denver 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 March 2024, the CAD completed its work with the Postal Service to prepare and distribute version #6 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 2022 National Agreement.

The CIM attempts to set forth, in a comprehensive manner, our 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 two 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 and Local 301 President Dan St. Marie for taking the lead on these programs.

(2) Training programs run by the National Union also have been conducted during most of the SAMLU meetings held during the past two years. In addition to a training on the 2022 National Agreement, we also provided LMOU training, including a training on the new contract, LMOU training in preparation for a period of local negotiations that was scheduled after the latest round of national bargaining was completed. This program included a strategy session about local negotiations to determine the terms of Local Memoranda of Understanding to be negotiated. In addition, we held a training on strategies to assist in responding to jurisdictional issues related to the Sorting & Delivery Centers.

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 after the SAMLU meetings 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.

When we last met in Denver, we were waiting for a decision from Arbitrator Daniel Brent on the Postal Service's decision to subcontract out the Kansas City Surface Transportation Center.

This case began in August 2019, when the Postal Service first notified the NPMHU at the National level that the Postal Service had decided to subcontract all mail handler work at the Kansas City STC, scheduled for opening and staffing in September 2019. The National Union initiated a grievance at the Step 4 or National level, followed by additional grievances during subsequent months arising from similar situations in Chicago, Orlando, Atlanta, Washington DC, New Jersey, Massachusetts, Southern California, and Northern California.

Six days of hearings were held ending in October 2021, during which the NPMHU argued that the USPS action was a blatant violation of Article 32 of the parties' National Agreement, as well as a violation of the Memorandum of Understanding Re Article 32 that has appeared in all National Agreements since 2013. Specifically, the Union argued that both Article 32.1B of the National Agreement and the MOU re Article 32 provide for advance notice and discussions with the Union while the Postal Service is "developing the initial Comparative Analysis Report." We also argued that the Postal Service is required, among other things, to consider the views of the Union before making its subcontracting decision, to respond to the Union's views in its

decisional document, and to not make any final decisions on contracting out work prior to discussing the matter with the Union. Serving as witnesses for the NPMHU were Chris Bentley, President of Local 297 covering Kansas and Western Missouri; Teresa Harmon, Manager of the National CAD; and Paul Hogrogian, National President.

Attempting to excuse these violations of Article 32, the Postal Service claimed that “[n]o significant impact to the bargaining unit is anticipated,” and that therefore Article 32’s procedural and substantive rules did not apply to any decision to subcontract one or more STCs. In the alternative, USPS also claimed that its decisions in Kansas City and elsewhere were eminently reasonable.

Each of the USPS management arguments were soundly rejected by National Arbitrator Daniel Brent. As a summary of his award, Arbitrator Brent stated as follows:

The Postal Service violated the National Agreement by the manner in which the Postal Service implemented the subcontracting of the Kansas City, Kansas STC. The Union’s grievance is sustained.

The Employer failed to provide the Union with an opportunity, as required by the Article 32 Memorandum of Understanding, to propose different percentages of, or hourly rates for, MHA’s to ensure competitiveness with outside services before the Employer decided to subcontract the Kansas City STC. The Employer also neglected to consider the potential impact of future expansion of the STC network when determining that subcontracting of the Kansas City STC would have no significant impact on the NPMHU bargaining unit.

To reach these conclusions, the National Arbitrator issued a series of

interpretations that will prove helpful to Mail Handler representatives and advocates in future subcontracting disputes.

While all NPMHU representatives are encouraged to read the entire decision, here are some key paragraphs from the Brent Award on the issue of “significant impact” under Article 32 of the National Agreement:

The Employer’s argument that there was no significant impact on the bargaining unit because no current bargaining unit employees lost their jobs or suffered diminished work opportunity due to the Kansas City STC outsourcing ignores the plain language in the Article 32 MOU affording the Union the right to prior notice of impending outsourcing and the right to submit certain proposals before a subcontracting decision is finalized. Simply declaring that the opening of the Kansas City STC would not significantly impact the NPMHU bargaining unit did not change the fact that outsourcing was being considered without giving the Union the opportunity to be heard as explicitly required by the Article 32 MOU.

The Employer’s analysis concluding that no significant impact would be caused by subcontracting the Kansas City STC was based exclusively on the relative percentage paradigm that was used in previous precedential awards issued before the Article 32 MOU appeared in the 2011–2016 contract. The Union asserted that the Employer improperly ignored clear evidence, available when the decision to create the Kansas City STC was made in 2019, that the USPS was continuing its on-going process of building a nationwide network of Surface Transportation Centers in order to cut costs by shifting mail volume away from more expensive air transportation and by consolidating regional loads of mail and packages to maximize trailer efficiency

for long distance hauling of mail. The impact of subcontracting much, if not all, of the mail processed by this STC network would be significant for this bargaining unit. Ignoring the possibility of future expansion of the STC network materially impaired the Employer’s Article 32.1B determination of no significant impact.

[T]he Postal Service cannot look myopically at a single facility or solely at a particular point in time when assessing the significant impact of subcontracting work to non-bargaining unit workers without also considering the implications if the disputed program were to be expanded significantly. The facts adduced during six arbitration hearings held in the instant case mandate a conclusion that the planners who were evaluating the Kansas City STC in 2019 were aware of a continuing effort by the Postal Service to shift mail volume from air transportation to surface transportation to reduce both costs and environmental impact. Nothing in the record established that the Employer’s executives and consultants who participated in the outsourcing decision regarding the Kansas City STC in 2019 had a reasonable basis to believe that this long-term initiative would end with the Kansas City STC, as using airplanes would likely remain more expensive than ground transportation and nation-wide consolidation of mail and packages into fewer truck loads would remain economically and environmentally desirable. These evaluators were also aware that expiring outsourced contracts of four previously outsourced STC’s had been renewed in 2018, rather than reassigning the work to NPMHU bargaining unit members.

Although no one can predict the future, the ongoing evolution in 2019 and likely future expansion of this national Surface Transportation Network as an integral component of mail distribution

across the United States should have been considered in assessing whether significant impact would occur under an Article 32.1 B analysis.

Other sections of Arbitrator Brent's decision discuss the separate and independent impact of the MOU Re Article 32 that appears in the NPMHU National Agreement. Here are some key paragraphs from the Brent Award about the Article 32 MOU:

By [also] ignoring the clear language of the Article 32 MOU, the Employer eroded the propriety of its finding of no significant impact.

The Article 32 MOU explicitly creates an independent obligation to consider all relevant factors regarding using MHAs "whenever contracting-out or in-sourcing is under consideration". Such obligation expressly provides the Union the opportunity, at its sole discretion, to "propose different hourly rates for such MHAs to ensure competitiveness with outside services." The Article 32 MOU necessarily mandates prior notice to the Union whenever outsourcing is considered in order to provide the Union the opportunity to propose MHA related modifications. The Employer did not provide such notice.

Whenever outsourcing or in-sourcing is contemplated by the Employer, the Article 32 MOU guarantees the Union the opportunity to propose using more MHAs or implementing different MHA hourly rates in order to increase the competitiveness of NPMHU bargaining unit employees before the Employer conducts its analysis of the five Article 32.1A factors that must be considered in all subcontracting decisions.

These sophisticated parties have a long bargaining relationship. By incorporating the Article 32 MOU into the collective bargaining agreement, the parties augmented Article 32 and

created a changed circumstance that cannot be disregarded. To hold otherwise would negate the bargain reached by the parties through the process under which the Article 32 MOU became an integral component of the parties' collectively negotiated agreements.

In short, this Brent Award should help to restrict or even end the USPS practice of subcontracting Mail Handler work to private employers without first considering the views of the Union on all issues properly presented.

On the issue of remedy, the Brent Award remanded it to the National parties, which is discussed below.

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

a) In the Brent Award, Arbitrator Brent remanded the issue of remedy to the National parties. Since the issuance of the Brent Award, much of the STC network (including the work performed at the subcontracted Kansas City STC) has been in sourced. What remains is the determination of the appropriate remedy. The hearing on remedy took place on March 13-14, 2024, and post-hearing briefs were filed at the end of June.

b) In 2023, we filed a national-level grievance challenging the Postal Service's handling of the breach of the Postalease system. By way of background, in December of 2022, we learned for the first time from the Postal Service that some Postal Service employees had unknowingly provided their usernames and passwords to criminal websites while attempting to access PostalEASE. We were told that employees had been using Google to access PostalEASE and that Google in turn was redirecting them to third party criminally run websites that mirrored the look and access of PostalEASE. When employees

entered in their login credentials on to those websites, it allowed the criminals to steal that information. The criminals were then able to go to the official PostalEASE site, use the employees' login credentials and add allotments that were then deducted from the employees' checks.

The NALC and APWU also filed national disputes on this same issue. The NALC case was the first to be scheduled for arbitration, and it has heard by Arbitrator Dennis Nolan in January 2024. We showed at that hearing that it is management that has the responsibility to safeguard its employees from this type of criminal activity by ensuring that its own websites are secure. Having failed to do that, the Postal Service should make the affected employees whole. We expect a decision shortly.

IN-SOURCING SUBCONTRACTED WORK

In addition to our success in the Kansas City STC arbitration, we have also had great success at working with the Postal Service to in-source work that the Postal Service had previously subcontracted. Through our Article 32 subcontracting committee, we have repeatedly made the case to the Postal Service that it makes absolutely no sense to give away mail volume to the private sector. The Postal Service has heard these arguments and has begun to work with us to bring significant amounts of subcontracted work back in house. On the STCs, we have signed MOUs with the Postal Service to in-source 9 of the 13 STCs. We are hopeful that we will bring the work of the remaining STCs back in house as well.

In addition to the STCs, we have reached agreements with the Postal Service to bring Terminal Handling Services or THS work back in house.

The Postal Service transports a lot of mail through the air. Terminal handling services is how the Post Office gives and receives the mail to FedEx or UPS or some other airline. Nearly twenty years ago, the Postal Service began subcontracting out the THS work. Significantly, through a series of agreements that we have signed with the Postal Service, more than 15 facilities have already insourced THS work. As with the STCs, we fully expect to bring most if not all of this work back in house.

Another success story concerns the subcontracting of sorting and processing Non-Machinable Outside or NMO parcels. We were able to reach agreement with the Postal Service that a pilot program that the Postal Service had developed to subcontract out the NMO work had ended; that the NMO parcel operation is back to its normal operating procedures; and that the Postal Service has ceased further evaluation of outsourcing for NMO parcels.

We were able to negotiate these agreements bringing hundreds, if not thousands, of jobs back to our craft due to the dedicated work of our CAD team and their involvement in the Article 32 Subcontracting Committee set up in the National Agreement. Through this Committee, we have taken advantage of the opportunity to hold regular discussions with the Postal Service about reversing the long trend of using non-union, non-Postal labor to do our work. The National Union will continue to work hard to address erosion of our bargaining unit work.

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.

While outside the last two years, we start by a review of the 2018 Update MOU, which was a nationwide settlement agreement reached by and between the Postal Service, the NPMHU, and the APWU that re-set jurisdictional disputes, such that (with certain limited exceptions) all current assignments would be maintained, and only future changes based on new work, new or consolidated facilities, or operational change could be filed. The settlement also withdrew most of the pending cases and included a small payment to all Mail Handlers.

Since the negotiation of the Update MOU, the parties have been focusing on completing the Revised 9-1-2017 Inventories mandated by the Update MOU, to reflect the work assignment practices or the status quo in each facility as of September 1, 2017. As the Update MOU makes clear, the local jurisdictional work assignment practices as of that date shall be controlling, unless those practices were contrary to a National-level craft determination previously issued by the Postal Service, a National-level or local-level jurisdictional settlement signed by all three parties, a National-level or Regional-level tripartite arbitration award determining jurisdiction, or an existing inventory signed by all three parties. If there is a disagreement as to whether any of these exceptions (following the word “unless”) apply to a particular Revised 9-1-2017 Inventory, it should be referred to the NDRC for resolution by the NDRC.

As of this writing in August 2024, more than 550 facilities have completed their Revised 9-1-2017 Inventories, and approximately 230 facilities have submitted one or more disputes for resolution by the

NDRC. All of these disputes have been resolved by the NDRC or remanded to the RDRCs for review.

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.

While the RI-399 arbitration docket has a number of different cases on it, there are a few that we highlight here.

- **Small Delivery Unit Sorter (SDUS); Challenge to the fact that the Postal Service craft determination for SDUS was only with regard to Function 4 operations;**
- **Single Induction Package Sorter (SIPS): Challenge to the Postal Service craft determination because, unlike the SDUS, the SIPS is affixed with an Optical Character Reader, allowing the SIPS machine to read address information on the packages and not just bar codes and therefore is performing more mail processing functions than the SDUS or ADUS**
- **High Output Parcel Sorter (HOPs): Challenge to the Postal Service craft determination awarding the “Reject Station” to the APWU (the APWU has**

challenged that all remaining work on the HOPs was awarded to the Mail Handlers.

- **APBS Set-up and Breakdown:** The National Determination letter on the APBS awarded the work of Pulling Containers and transporting empty equipment to the MH craft. Because those are the primary functions performed when setting up or breaking down, the NPMHU position is that set up and break down belongs to our craft.

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.

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 25% of mail handlers in any postal installation may be MHAs. These MHAs are full members of the NPMHU bargaining unit.

One of the most important issues facing the Union is the conversion of MHAs to career employees. When an MHA is converted, the Postal Service has in

essence committed to a long-term career for another Mail Handler. This certainly is a life changing event for the MHA.

As a result of the Residual Vacancy MOU, where we agreed to limit voluntary transfers under the Transfer MOU to one in every four full-time opportunities or one in six, depending on the size of the installation, and other agreements that we have reached with the Postal Service, such as the 2022 National Agreement's one-time conversion of all MHAs with two and a half years of relative standing at the time of ratification, we have created a system that has allowed a steady stream of our MHAs to achieve career status, with the flow of that stream increasing at a growing rate.

As of Pay Period 16 for 2024, 48,142 MHAs have been converted to career status, starting in October 2013, with more than 45,000 of those conversions occurring after the signing of the Residual Vacancy MOU. That is an average of approximately 370 per month. Adding together the number of current MHAs (approximately 9,000), nearly 70% of the current members of the NPMHU bargaining unit have been converted from MHAs or are currently an MHA.

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. 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 has held its biennial Legislative Conference during the first year of each new Congress. Thus, a Legislative Conference was held in May 2023 for the 118th Congress. 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.

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 Conference. For example, it had been a long-term priority of the Union to focus on the need for adoption and implementation of postal reform legislation. 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). 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 2023, for the current 118th Congress, is republished in this year's Report of the NPMHU Legislative Committee, distributed to all delegates at Convention registration. The NPMHU's legislative priorities include first and foremost that the Postal Service and the Office of Personnel Management will fully implement the Postal Service Reform Act, which was signed into law in 2022 just before we met in Denver for the 2022 National Convention. Additionally, the Union's priorities include:

- Improving the finances of the Postal Service by utilizing postal-only assumptions for calculating pension liabilities and allowing nonpostal services to grow revenue;
- Strengthen service standards for customers;
- Protect earned retirement and healthcare benefits by fighting attacks on and working with lawmakers to strengthen these benefits (e.g., eliminating or curtailing of the Government Pension Offset and the Windfall

Elimination Provision and creating parity between CSRS and FERS retirees by providing the same COLA for both sets of retirees);

- Promoting workers' rights through passage of the Protecting the Right to Organize (or PRO) Act (H.R. 20/S. 567), which would strengthen current federal laws to allow private-sector workers to organize and join a union and bargain for better wages and benefits and the Raise the Wage Act (H.R. 4889/S. 2488), which calls for an increase in the federal minimum wage to \$17.00 per hour by 2028, with gradual increases over a five-year period;
- Strengthen American elections: Since the 2020 elections, there has been an 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. That work continued during the 2022 midterm elections where the Postal Service processed more than 54 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. 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.

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 two 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 two years, the NPMHU has continued its financial recovery. When we met in Denver, the finances of the National Union were in a steady decline.

From 2011, the fund balance dropped from nearly \$35 million dollars to just over \$20 million dollars in 2020, with projections that the fund balance would drop to around \$16 million dollars by 2024. This trajectory had the potential to significantly hinder our ability to meet our collective goals of improving the lives and working conditions of our brothers and sisters across the country.

Without a financially secure National Union, we would face the prospect of having to make choices not based on what is best for our members, but instead on what will keep the union from financial ruin. Likewise, each time that the parties at the National level engage in National grievance arbitration, or threaten to file litigation, it is essential that Postal Service officials

understand that the Union does not have to make strategic judgments based on its financial well-being. Without a large and growing fund balance, the Postal Service — which itself never has to worry about such financial limitations — would try to take advantage of our Union.

This past financial trajectory was simply not sustainable.

To avoid this position, the National Office took bold action to reduce expenses, including such steps as relocating our national office to the AFL-CIO building, reducing staff, and scheduling more of our National meetings in the District of Columbia. The National officers also waived their wage increases and cost of living adjustments for the 5-year period prior to the last convention. Alongside these expenditure cuts, the delegates to the 2022 National Convention also approved an increase in per capita revenue for the National office.

Through the combination of expense reductions and revenue increases, we were able to reverse the steep decline in our financial security. Rather than dropping as projected to a fund balance of \$16 million dollars, our fund balance has stabilized and in fact grew. At year end for 2023, our fund balance grew by \$2.7 million dollars, moving from a low of \$19 million dollars to nearly \$22 million dollars as of December 31, 2023.

In other words, our decision in Denver has helped to put the National Union on the path toward where it needs to be: a financially-secure union that has the resources to pro-actively identify — and remedy — the issues that our brothers and sisters face each and every day around the country.

Not only have we improved the financial picture for the National Union but we did so without harming the financial security of our local

unions. In fact, like the National union, the finances for our local unions also showed steady growth. For our 36 local unions, between 2022 and 2023, assets collectively grew by approximately 10% or an average increase of nearly \$125,000 dollars. This growth was widespread with 28 of our local unions experiencing an increase in year-over-year assets. We should be extremely proud of the steps we all took in Denver at our last convention.

The National Union is now better positioned not only to fund major expenses like the more than \$2 million dollars to fund the costs for this convention, but also to prepare for the upcoming challenges and opportunities — from preparing for and conducting contract negotiations, to fighting to protect and grow our membership as a result of the Postal Service's Delivering For America plan.

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 Brent Booker 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 two years, the NPMHU Scholarship Program has awarded thousands of dollars in college scholarships to 30 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, 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 two 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 response to the Postal Service network redesign plans, specifically focusing on addressing jurisdictional disputes at Sorting and Delivery Centers; and the development of materials to improve the Union's internal organizing efforts.

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

Having looked backward over the past few years, we want to turn to the future of the Postal Service and the impacts and opportunities for our union.

The most significant changes coming to the Postal Service are as a result of the PMG's 10-year Plan called the Delivering for America or DEA plan. A central part of these plans is an aggressive and comprehensive network redesign plan which involve the consolidation of mail processing facilities.

These proposed changes have the potential to result in significant growth for our union. Some are predicting that over the next decade, we could see thousands of new Mail Handlers positions. The Mail Handler craft could grow by 20% or more.

At the core of this consolidation are Regional Processing and Distribution Centers or RPDCs that will consolidate all originating letters, flats, and parcels and all parcels from all mail processing facilities within a metropolitan area into one mega-processing center.

RPDCs are being created in either newly constructed or current large facilities that are being remodeled. The RPDCs will have common operational designs, engineering layouts, and types of machinery. They will also utilize the fastest and advanced automated package sorters that are available, such as the MaRs and the HOPs machines.

As of right now, the Postal Service has announced that there will be 15 initial sites for these RPDCs:

- Sandston or Richmond, Virginia
- North Houston, Texas
- Atlanta, Georgia
- Charlotte, North Carolina
- Chicago, Illinois
- Santa Clarita, California
- Indianapolis, Indiana
- Portland, Oregon
- Jacksonville, Florida
- Boise, Idaho
- Oklahoma City, Oklahoma
- Phoenix, Arizona
- Royal Palm, Florida
- Greensboro, North Carolina
- Jersey City, New Jersey

Given the size and scale of these facilities and the anticipated machinery and equipment that we believe will be installed in the RPDCs, we anticipate significant growth in the Mail Handler complement. Indeed, depending on jurisdictional assignments that will be made, some of the machines themselves will require hundreds of employees to operate.

To put us in the best position to get this work, we have negotiated a series of MOUs regarding the staffing of RPDCs. In other words, we are negotiating now to ensure that these RPDCs are going to be a source of significant Mail Handler positions.

Another area of growth for the Mail Handler craft is in the Sorting and Delivery Centers or S&DCs. The purpose of Sorting and Delivery Centers is to consolidate individual post office delivery units into one central location. This consolidation is significant because in individual post office delivery units, there is typically less than four hours of continuous Mail Handler work — the minimum to require

assignment of the work to our craft. When these individual units are consolidated, we have the ability to establish that there is a sufficient amount of Mail Handler work. In other words, as a result of the consolidations, the S&DCs provide an opportunity for us to put Mail Handlers into operations where there previously were none.

Like the RPDCs, we have also negotiated a series of MOUs with the goal of getting our foot in the door of these facilities. We negotiated a master agreement that provides that S&DCs may be staffed with MHAs and/or PTFs for a period of 120 days and that the parties will then negotiate on a site-by-site basis to determine the number of MHAs, if any, which will not count toward the MHA cap in that installation. Again, our goal, which has been successful, is to make sure that as these S&DCs open that Mail Handlers will be working in these buildings.

We want to recognize the members of the taskforce that was created by the Committee on the Future to address the opportunities that have arisen as a result of the creation of the S&DCs. The committee has been very active in creating resources to address the jurisdictional fights that are arising over the staffing and creation of the inventories for these new facilities. The committee has put together a handbook that was distributed at the Portland SAMLU in 2023. The Committee has also created talking points for when the Locals meet at the LDRC. We also have a short training course that can be conducted via Zoom for Locals who are interested. Special thanks to John Gibson, National VP Eastern Region and Local 308 President, Kelly Dickey Local 322 President, Nick Mosezar Local 318 President, Teresa Harmon National CAD Manager and Thomas Ruther National CAD Representative for their work in

this area. Our union succeeds when we rely on the expertise of each other to fight the battles that are ahead of us.

Another area of opportunity is a new initiative announced in September of 2023 called the Go East/Go West Initiative, which was developed to save on transportation cost caused by trucks that are not loaded to capacity. Instead of the originating site separating the mail for all the facilities around the destination site, they would jackpot that mail and truck it to the designated “Hub Site.”. The Hub site would then process the mail for the facilities within their region. By doing so the trucks that were traveling with a 60–70 percent capacity would now be at 100 percent. There are currently 10 Hub sites, but that number constantly changes.

The reason we see potential growth is that where this initiative has been implemented, the Postal Service has utilized the HOPS, SIPS, and HTSPs to process the mail. Because jurisdiction for this equipment has largely been awarded to the Mail Handlers, this Initiative has created an increase in Mail Handler bargaining unit work and hundreds of Mail Handler jobs in those facilities. While the initiative began in Seattle, Atlanta, and New Jersey, it has already been expanded to more sites, with more planned through the rest of 2024.

While the network design has the potential for significant growth for our Union, it also comes with the potential of real hardship for our members. First of all, in those locations where the RPDCs have been rolled out, the implementation has been rocky with major delays in mail processing at the Richmond, Atlanta, and Houston RPDCs. For example, on-time performance for first class mail in Richmond fell to sixty-five percent, a twenty percent drop; in Houston, it fell to 71%, and in Palmetto — the Atlanta location

— there have been reports of significant mail delays. Likely due to this rocky roll-out and pressure from elected officials, the Postal Service has informed us that RPDCs in Santa Clarita, Oklahoma City, and Royal Palm are on hold and that the Greensboro RPDC is being redesigned.

In addition to the RPDCs that have been announced, the Postal Service has also initiated what it calls Mail Processing Facility Reviews for approximately 60 more sites across the country to determine whether there is a need to further consolidate mail processing operations from the facilities in those locations into other processing centers. These Reviews — which used to be referred to as AMPs — are to involve a public hearing and input from those involved.

Not surprisingly, while some of these consolidations make sense, others do not, such as those proposed consolidations that have extended far beyond the anticipated 50-mile radius to distances exceeding 100 and sometimes more than 200 hundred miles. The Postmaster General recently notified the NPMHU that in 36 of the 60 MPFR sites, local mail would remain local meaning that these 36 sites would continue to cancel mail and that the local mail would remain and be processed locally. The NPMHU has yet to be provided a list of the 36 sites.

Where the proposed consolidations do not make sense, we must work together at the national and local levels to respond and argue that the Postal Service must reevaluate and reconsider their plans and to develop a more rational and reasonable plan.

In sum, while the proposed network redesign has the potential to result in a significant increase in the size of our bargaining unit with some estimates predicting thousands of new positions — and we will fight for every position that is ours — these changes come with

the possibility of extensive excessing. Our CAD team is working diligently with the leaders of our local unions to ensure that any adverse impact that does occur is kept to an absolute minimum. Doing so will be a top priority of ours over the next few years. We will ensure that the Postal Service complies with all of the provisions of the National Agreement especially those contained in Article 12 which are designed to keep all dislocation and inconvenience to Mail Handlers to an absolute minimum.

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, in jurisdictional disputes, 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 also join with the rest of the American labor movement and other like-minded organizations and individuals, to ensure that in every future November election — and in particular this November election — that we elect candidates that are pro-worker, pro-union, and pro-working family.

With our dedicated staff and our leadership at the national, regional, and local levels, we are ready for these fights, and we will prevail in these fights.

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