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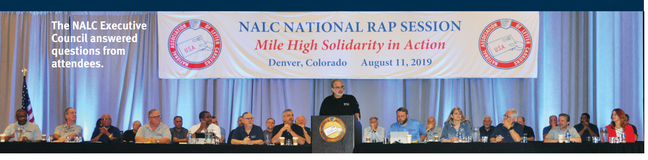
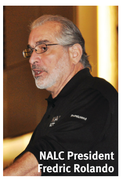


The NALC Executive Council answered questions from attendees.

At rap session, NALC leaders talk bargaining, legislation

Nearly 1,000 letter carrier activists representing branches across the United States gathered in Denver in August to take part in NALC's 2019 National Conference. The *NALC Constitution* calls for the union to hold a national conference in non-convention, odd-numbered years.

The meeting—commonly called a "rap session"—took place approximately halfway through the 90-day bargaining period for a new national collective-bargaining agreement with the U.S. Postal Service.


NALC President Fredric Rolando

Bargaining update

President Rolando began by talking about the bargaining process, noting that preparations had begun at the end of the last round of negotiations. "Last time it took 15 months to negotiate that contract," he said. "As soon as we were done, we began prepping for the next round of bargaining."

He said that the union has been working on two tracks, one involving the negotiations themselves and the second laying the groundwork to make a case for interest arbitration should negotiating prove unfruitful.

The president discussed the work of the bargaining committees and their internal preparation of proposals for this round of negotiations (see the September *Postal Record*).

He also talked about the results of the negotiations by the other postal unions. As reported in the August *Postal Record*, the National Postal Mail Handlers Union (NPMHU) recently opened its negotiating period. The American Postal Workers Union (APWU) failed to reach an agreement and arbitration hearings were scheduled to begin on Sept. 4. The National Rural Letter Carriers' Association (NRLCA) reached a tentative agreement and announced that its agreement was ratified in early August.

Rolando said that NALC's leadership remains in communication with the other unions as a way to assist each other.

He then spoke about the "basic realities" regarding letter carriers and the Postal Service that drive the union's agenda and that shape NALC's goals and strategies through negotiations, as well as the preparation of a possible interest arbitration case should the parties not reach agreement.

National-level issues

President Rolando touched on a number of national-level arbitrations and other issues the union is dealing with. He began by addressing the pay consolidation case and the city carrier assistant cap, and explained how these cases came about and where the union is going with them.

He also discussed the ongoing case consolidation tests in locations throughout the country. He explained how the tests violate the contract and how the union plans to move forward to address these issues.

"We will continue to stay ahead of this," he said. "We will make sure every branch has the resources that they need to be all over this.

"The key is being informed and educated and letting the carriers know how important it is to do the job the right way."

Rolando also touched on the union's objections to the current safety ambassador program. He then briefly explained that USPS informed NALC that it would engage a third party to develop new standards and test them under Article 34 of the contract. Additionally, he spoke about management's test with cameras in postal vehicles and elsewhere. The union plans to move forward with a national-level grievance on this test, he said.

Increased representation

Over the last few years, NALC has created several positions to increase letter carriers' representation in the field. President Rolando outlined the new positions:

- **Regional workers' compensation assistants (RWCAs):** Letter carriers who handle workers' compensation cases. They work through the regional offices. "We'll expand that program as necessary in the future," he added.
- **Legislative and political organizers (LPOs):** Letter carriers who work on advancing the legislative and political agenda in support of the work of the state associations.
- **Regional grievance assistants (RGAs):** Letter carriers who work through the national business agents' offices to "fill any holes in our representation," Rolando said. They will work as outside stewards where necessary and ensure that representation and training reaches members in branches of all sizes.

Legislation and politics

The president then switched to a topic he has addressed frequently over the last decade. He began by acknowledging that almost everyone who signed up to be a leader in the union did so for reasons other than legislation and politics.

"But, if you're going to be a leader in this union, and you want to represent your members, you're in it," he said. "You have to engage in legislation and politics. And I know that takes a lot of people out of their comfort zones."

"The most dangerous challenge we face as letter carriers is the attacks on our jobs, our benefits, the company we work for, our ability to collectively bargain and, basically, the [threatened] destruction of the Postal Service," he said. "The most difficult challenge we face is finding opportunities to educate our members as to what is the danger and what we can do about it."

"We must make this a priority at the branch level and find ways and opportunities to educate the rest of our members as to what the dangers are and what we can do about them," Rolando said.

He called on the leaders in the room to come up with a comfortable narrative for informing the members they represent.

"When they understand what we're up against and what we need to do, they will step up," he said.

"There are three major areas of danger," he explained. "The first is postal reform to deal with the manufactured pre-funding crisis caused by 2006 legislation."

"Overnight, the Postal Service was $100 billion in the red," he said. Even though USPS deposited $50 billion over the next few years, more than $5 billion in annual payments never end—between amortization of the unfunded liability, annual "normal cost" adjustments and the annual rate of increased health care costs.

To confront the pre-funding crisis, NALC engages in the legislative process. But by doing so, it opens the door to legislators and other groups who want to take advantage of the opportunity to advance their agendas, including weakening or privatizing USPS. This includes the push to move to five-day delivery and to end door-to-door delivery.

"We need bipartisan majority support in both houses of Congress to move the postal reform we need to protect us and to stop the postal reform that attacks us," Rolando said.

The second area of danger involves congressional budgets. Despite Congress's recent inability to pass a budget, there are many dangerous budget proposals that might get taken up if Congress does act. These include raising the contribution rate by 6.5 percent for retirement benefits, reducing the Civil Service Retirement System (CSRS) cost-of-living adjustments (COLAs) by half a percent each year, eliminating any COLAs for retirees in the Federal Employee Retirement System (FERS), eliminating the FERS supplement for those retiring at "minimum retirement age" and increasing health benefit contributions, among others.

"Who is going to make those decisions? The same 535 people," he said. "We need bipartisan majority support in both chambers of Congress to stop bad budget proposals."

The third threat comes from the White House. The president's postal task force report called for the elimination of postal employees' collective bargaining.

"We would go back to collective begging," Rolando said.

The task force report also included eliminating the postal monopoly, changing the definition of essential mail and more. Most of the proposals would require legislation, which means it would depend on Congress to enact them or not.

"These are the risks and there is our audience," he explained, "the 535 members of Congress."

Fortunately, the 285,000 NALC members are in every congressional district and match the broad ideological spectrum of members of Congress. "We can send in any congressional office a group of members who can say, 'I support you, I vote for you, I believe in your ideology, but this legislation is good or bad for your people in your district,' " he said.

NALC has two primary tools for engaging in legislation and politics. Members of Congress need votes as well as money for their election campaigns. With the NALC Member App, the union can alert letter carriers about the need to contact members of Congress when legislation is up for a vote. With the Letter Carrier Political Fund, NALC has the money to help elect congressional representatives who support letter carrier issues.

"I believe the vast majority of our members who do not contribute to the fund have no idea what we're up against, what our risks are, who our audience is, what our strengths are and what our tools are to deal with this," he said. "We have to find a way to make informing our members a priority."

Where branches have made it a priority, the contribution rates are overwhelming, in branches of all sizes.

"You have to understand how important this is to our craft and to our jobs," he said.

Other issues

Moving on, Rolando discussed several other issues, including:

- The need for a competent USPS Board of Governors.
- Dealing with Amazon's entry into the delivery business and preventing the company from driving pay to the bottom.
- Warning branch leaders about self-serving "predators" who seek access to NALC members to give retirement investment advice, and about certain medical groups or attorneys who reward branches for access to members on workers' compensation claims.
- The creation and expansion of the NALC Disaster Relief Foundation.
- A proposed event to be held next year to celebrate the 50th anniversary of the Great Postal Strike of 1970.

After that, Rolando and other members of the Executive Council answered members' questions.

End of an informative weekend

Throughout the talk, Rolando referenced the workshops held the previous day, which allowed him to expand on other topics. In a new format, all attendees were issued one of four color-coded tickets, which established their schedule to attend all four workshops. The resident national officers each taught the same class four times, so all attendees could go to each workshop.

The four offerings were:

- Executive Vice President Brian Renfroe, with the assistance of NALC Chief of Staff Jim Sauber and Director of Legislative and Political Affairs Kori Blalock Keller, talked about the collective-bargaining process, NALC's work in the field on legislative issues and the vote-by-mail initiative.
- Vice President Lew Drass and Director of City Delivery Christopher Jackson, along with Headquarters letter carrier staff members, went into detail on the national-level arbitrations and the ongoing issues with the consolidated casing test and other ill-advised management initiatives.
- Secretary-Treasurer Nicole Rhine, Assistant Secretary-Treasurer Paul Barner and Director of Safety and Health Manuel L. Peralta Jr. dealt with safety issues and with issues affecting branch finance and administration.
- Director, Health Benefit Plan Stephanie Stewart; Director of Retired Members Dan Toth and Director of Life Insurance James "Jim" Yates, along with staff members from the NALC Health Benefit Plan, the Mutual Benefit Association and Headquarters letter carrier staff members, talked about the benefits and offerings of the health and life insurance companies, about issues affecting current and future retirees, and about letter carriers injured on the job.

The attendees of the 2019 National Conference

NALC grows support for USPS Fairness Act

The USPS Fairness Act (H.R. 2382) would repeal the mandate that USPS pre-fund decades' worth of retiree health benefits. As such, it is NALC's top legislative priority. NALC and the other postal unions launched an effort to get congressional support for the bill, beginning with a day of action, July 23, when thousands of letter carriers and other postal employees called on their representatives in Congress to co-sponsor H.R. 2382.

That bill would provide relief from the requirement that the Postal Service pre-fund retiree health care benefits—a mandate that has hung like a dark cloud over the agency since 2006. The mandate has created red ink for USPS at an average of $5.4 billion annually since 2007; it is responsible for 92 percent of USPS losses over the last 12 years, and 100 percent of losses over the past six years.

Without this burden, USPS would have recorded a surplus of nearly $4 billion since 2013.

"The pre-funding mandate makes the Postal Service look like a financial failure, but it's not," NALC President Fredric Rolando said. "Pre-funding has obscured the Postal Service's success story and held the agency back from making needed investments, and that's why we support the USPS Fairness Act."

The president called on NALC branches, state associations and individual letter carriers, active and retired, to mobilize in support of H.R. 2382 during the August congressional recess, which runs through Sept. 8. Thousands of letter carriers have heeded the call by contacting their representatives, launching a sustained effort to build support for the bill and for bringing it to a vote in the House. The efforts are continuing through the fall.

Repealing pre-funding is key to achieving meaningful postal reform—freeing the Postal Service to invest in infrastructure and better utilize its universal network to serve business and residential customers.

"These are bipartisan goals that can be achieved," Rolando said, "but we need to educate lawmakers on the importance of eliminating this mandate."

The legislation, sponsored by Reps. Peter DeFazio (D-OR), Tom Reed (R-NY), Xochitl Torres Small (D-NM) and Brian Fitzpatrick (R-PA), has 225 co-sponsors at press time. Many of the House members on the growing list of supporters signed on as a direct result of the phone calls, emails and personal visits by letter carriers in response to President Rolando's call for letter carriers to act.

NALC achieved more than 218 co-sponsors, which represents a majority of the 435 House members. This sends a strong message of support for the bill. But each additional co-sponsor greatly increases the chances of passing this legislation. Because of a new House rule that establishes a "Consensus Calendar" for broadly supported legislation, bills that have 290 or more co-sponsors can go directly to the floor for a vote without having to be recommended by a committee.

It's not too late to do your part to help pass this crucial legislation. To help, NALC launched the Legislative Action Center, giving members a powerful tool for contacting your representatives and tracking legislation in Congress. The action center can be accessed by going to the "Government Affairs" section of the NALC Member App (for Apple and Android phones) or on nalc.org by selecting "Government Affairs" and then "Legislative Activities."

The tool was unveiled as part of the campaign to support H.R. 2382. With the tool, you can find out "Who Are Your Lawmakers" and if the member is a co-sponsor on H.R. 2382. After you put in your ZIP code and select your representative, you can see if they're a co-sponsor as well as their contact information in Washington, DC, and back in their home district. Ask them to support the U.S. Postal Service and its employees by co-sponsoring H.R. 2382, the USPS Fairness Act.

You also can reach your representative's office by calling the Capitol Switchboard at 202-224-3121 (be prepared to provide your ZIP code to connect to your representative). Or you can look up the local district offices by visiting their website at house.gov.

Two-year budget deal signed into law

At the beginning of August, the president signed into law a two-year $2.7 trillion budget deal along with a two-year suspension of the nation's debt.

The deal increases total defense spending from $716 billion to $738 billion in fiscal year (FY) 2020 and $740.5 billion in FY 2021, while non-defense spending would increase from $605 billion to $632 billion in FY 2020 and $634 billion in FY 2021. The spending deal also prevents nearly $125 billion in mandatory spending cuts set to trigger on Oct. 1 and that were implemented through a sequester (mandatory spending cuts) in the Budget Control Act of 2011.

Of significance for federal and postal employees, the deal does not make any changes to federal employee health and retirement benefits or seek drastic agency spending and hiring cuts, despite the calls by Senate Homeland Security and Government Affairs Committee Chairman Ron Johnson (R-WI) and Senate Budget Committee Chairman Mike Enzi (R-WY) for $15 billion in savings by raising federal employees' retirement contributions, in the FY 2020 Budget Resolution in initial negotiations.

Now that the deal is signed into law and Congress is returning from August recess, lawmakers have the parameters necessary to negotiate spending for all 12 appropriations bills, which fund the various government programs and agencies. With just a few weeks before the start of the new fiscal year, Congress will need to agree on each of the 12 individual spending bills and combine the appropriations measures into "mini-buses" or a single "omnibus" measure to avoid a third shutdown during the Trump administration.

New WEP bill introduced

Prior to the August recess, House Ways and Means Committee Ranking Member Kevin Brady (R-TX) introduced the Equal Treatment of Public Servants Act (H.R. 3934) to repeal the Windfall Elimination Provision (WEP) and replace it with a formula equalizing benefits for certain individuals with non-covered employment.

Enacted in 1983, the WEP rule reduces the Social Security benefits of those receiving annuity under the Civil Service Retirement System (CSRS) and of those who also earn Social Security benefits from other employment. This can reduce benefits by more than $400 a month for those subject to WEP at retirement.

While this bill is largely similar to a previous version of the bill introduced in the 113th, 114th and 115th Congress, the legislation differs from previous bills in that:

- Individuals whose earnings and pensions are not covered and who are eligible for benefits from 2022-2060 (age 21 to 59 in 2019) will have the higher of either current law or the proportional formula applied to their benefits.
- Individuals who are eligible for benefits starting in 2061 (age 20 and younger in 2019) will have the proportional formula applied to their benefits.
- A rebate or "foreign pensions" will be issued to individuals who are eligible for benefits before 2022 (age 60 and older in 2019).

NALC's assessment is that this bill would negatively affect a small universe of letter carriers, and that therefore we cannot support this legislation. We continue to work on full repeal of WEP and Government Pension Offset (GPO) through the bipartisan Social Security Fairness Act (H.R. 141/S. 521), both introduced earlier this year. NALC will be sure to keep letter carriers informed of any updates regarding the WEP and GPO.

2019 Health Benefit Plan Seminar

The NALC Health Benefit Plan is excited to announce that the 34th National Health Benefit Seminar will be held at the Tropicana in Las Vegas, NV. The dates for the seminar are Oct. 20-23.

If you are a registered health benefit representative (HBR), you will receive a discounted registration fee of $150. For all other branch representatives, the registration fee is $200. Please verify that the Plan has the correct HBR listed before sending in your registration form. This helps HBP staff when processing each form.

The NALC Health Benefit Plan room rate at the Tropicana is $129 plus tax, per room, per night for the Club Deluxe room. Reservations for the Tropicana can be made by calling 800-634-4000 and mentioning the NALC Health Benefit Plan Seminar 2019. Please be aware that the rate guarantee cutoff for room reservations is Sept. 24.

For more information, please go to nalchbp.org and click on High Option›Member Resources›HBR Reports, and pull up the June 2019 report. A registration form and detailed information can be found there.

Seventh COLA set at $624

With the release of the July 2019 CPI-W, the seventh contract COLA was finalized at $624 annually for proportional application as indicated in the pay schedule below. This is the last COLA of the 2016-2019 National Agreement.

Letter Carrier Pay Schedule

City Carrier Wage Schedule: Effective Aug. 31, 2019

The following salary and rate schedule is for all NALC-represented employees.

Career city letter carrier increases

Date	Type of Increase	Amount
July 2016	COLA	$21
Nov. 26, 2016	General wage increase	1.2%
Jan. 2017	COLA	$333
July 2017	COLA	$270
Nov. 25, 2017	General wage increase	1.3%
Jan. 2018	COLA	$520
July 2018	COLA	$645
Nov. 24, 2018	Upgrade/Pay Schedule Consolidation*	2.1%
Jan. 2019	COLA	$0
July 2019	COLA	$624

City carrier assistant increases

Date	Type of Increase	Amount
Nov. 26, 2016	General wage increase	2.2%
Nov. 25, 2017	General wage increase	2.3%
Nov. 24, 2018	Upgrade/Pay Schedule Consolidation**	3.1%

** All Grade 1 and Grade 2 CCAs received an average increase of 3.1%.

* All career Grade 1 and Grade 2 letter carriers received an average increase of 2.1%.

NOTE: This pay schedule reflects consolidation of Grade 1 into Grade 2 on Nov. 24, 2018. The remaining grade is called City Carrier.

NOTE: Carrier Technicians receive additional compensation equivalent to 2.1% of the employee's applicable hourly rate for all paid hours.

NOTE: The full COLAs will be added to the salaries of all steps in Table 1 and Step O of Table 2, with proportionate application of the COLA to Steps A-N of Table 2.

Table 1: City Carrier Schedule — **RSC Q (NALC)**

This schedule applies to all carriers with a career appointment date prior to Jan. 12, 2013.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	*Most Prev. Step*
Basic Annual Salaries																
City Carrier (Grade 2)	52,844	57,079	57,177	60,208	60,648	61,090	61,525	61,961	62,405	62,832	63,276	63,718	64,152	64,600	65,037	444
Carrier Technician**	53,954	58,278	58,378	61,472	61,922	62,373	62,817	63,262	63,716	64,151	64,605	65,056	65,499	65,957	66,403	454
Part-Time Flexible Employees - Hourly Basic Rates																
City Carrier (Grade 2)	26.42	28.54	28.59	30.10	30.32	30.55	30.76	30.98	31.20	31.42	31.64	31.86	32.08	32.30	32.52	
Carrier Technician**	26.98	29.14	29.19	30.74	30.96	31.19	31.41	31.63	31.86	32.08	32.30	32.53	32.75	32.98	33.20	
Full-Time/Part-Time Regular Employees - Hourly Basic Rates																
City Carrier (Grade 2)	25.41	27.44	27.49	28.95	29.16	29.37	29.58	29.79	30.00	30.21	30.42	30.63	30.84	31.06	31.27	
Carrier Technician**	25.94	28.02	28.07	29.55	29.77	29.99	30.20	30.41	30.63	30.84	31.06	31.28	31.49	31.71	31.92	
Step Increase Waiting Periods (In Weeks)																
Steps (From-To)	A-B 96	B-C 96	C-D 44	D-E 44	E-F 44	F-G 44	G-H 44	H-I 44	I-J 44	J-K 34	K-L 34	L-M 26	M-N 26	N-O 24		*YRS. 12.4*

** Carrier Technicians receive an additional 2.1%

Table 2: City Carrier Schedule — **RSC Q7 (NALC)**

This schedule applies to all carriers with a career appointment date on or after Jan. 12, 2013.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	*Most Prev. Step*
Basic Annual Salaries																
City Carrier (Grade 2)	39,999	41,785	43,575	45,363	47,152	48,940	50,730	52,518	54,307	56,095	57,884	59,672	61,461	63,248	65,037	*1,789*
Carrier Technician**	40,839	42,662	44,490	46,314	48,142	49,968	51,795	53,621	55,447	57,273	59,100	60,925	62,752	64,576	66,403	*1,826*
Part-Time Flexible Employees - Hourly Basic Rates																
City Carrier (Grade 2)	20.00	20.89	21.79	22.68	23.58	24.47	25.37	26.26	27.15	28.05	28.94	29.84	30.73	31.62	32.52	
Carrier Technician**	20.42	21.33	22.25	23.16	24.07	24.98	25.90	26.81	27.72	28.64	29.55	30.46	31.38	32.29	33.20	
Full-Time/Part-Time Regular Employees - Hourly Basic Rates																
City Carrier (Grade 2)	19.23	20.09	20.95	21.81	22.67	23.53	24.39	25.25	26.11	26.97	27.83	28.69	29.55	30.41	31.27	
Carrier Technician**	19.63	20.51	21.39	22.27	23.15	24.02	24.90	25.78	26.66	27.54	28.41	29.29	30.17	31.05	31.92	
Percent Step O	61.50%	64.25%	67.00%	69.75%	72.50%	75.25%	78.00%	80.75%	83.50%	86.25%	89.00%	91.75%	94.50%	97.25%	100.00%	
Step Increase Waiting Periods (In Weeks)																
Steps (From-To)	A-B 46	B-C 46	C-D 46	D-E 46	E-F 46	F-G 46	G-H 46	H-I 46	I-J 46	J-K 46	K-L 46	L-M 46	M-N 46	N-O 46		*YRS. 12.4*

** Carrier Technicians receive an additional 2.1%

Table 3: City Carrier Assistant Schedule — **Hourly Rates**

This schedule applies to CCA Hires with no previous TE service.

	CC	BB	AA
City Carrier (Grade 2)	17.29	17.79	18.29
Carrier Technician (add 2.1%)	17.65	18.16	18.67
Steps (From-To) in weeks	CC-BB 12	BB-AA 40	

RSC Q4 (NALC)

This schedule applies to CCA Hires with previous TE service after Sept. 29, 2007, who were on the rolls as of Jan. 10, 2013.

	CC	BB	AA
City Carrier (Grade 2)	18.72	19.22	19.72
Carrier Technician (add 2.1%)	19.11	19.62	20.13
Steps (From-To) in weeks	CC-BB 12	BB-AA 40	

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