

# NALC activists review contract

## Politics, legislation and training round out 2017 ‘rap session’

**M**ore than 1,200 letter carrier activists representing branches across the United States gathered in Atlantic City, NJ, in June to take part in NALC’s 2017 National Conference. The *NALC Constitution* calls for the union to hold a national conference in non-convention, odd-numbered years.

NALC President Fredric Rolando scheduled the meeting—commonly called a “rap session”—shortly after the union reached a tentative 40-month national collective-bargaining agreement with the U.S. Postal Service—the culmination of 15 months’ worth of negotiations between the two parties.

The president called the June 14 meeting to order at 8 a.m. and invited Atlantic City Branch 370 President Chris Eck to lead participants in the Pledge of Allegiance. Philadelphia Branch 157’s Estes Smith sang a rousing version of the National Anthem, and Reading, PA Branch 258 Vice President Richie McDonough delivered a moving and humorous invocation.

Rolando then introduced members of NALC’s Executive Council, regional assistants and Headquarters staff members present at the meeting before turning to its main topic: the proposed 2016-2019 National Agreement.

“I appreciate the members’ patience throughout the process,” Rolando said, recognizing that nearly 15 months had passed between Feb. 19, 2016—the date that formal negotiations for a new contract were opened, three months before the expiration of the 2011-2016 National Agreement—and May 12, when the proposed pact was officially announced.

“As long as all of our demands remained on the [bargaining] table, we said we would continue to negotiate,” Rolando said. “We were very clear on what had to be included in any negotiated agreement with the Postal Service, and all our key priorities remained on the table over 15 months of talks, so the process kept going.”

After explaining the agreement’s ratification process, Rolando said that the central focus of the conference was to provide branch leaders with a detailed explanation of the tentative agreement and the union’s bargaining and legislative strategies so those leaders could share the information with their members.

“Today’s discussion is for our members,” he said, asking that participants refrain from recording the conference. “It is not in the best interests of our members,” he explained, “to share our bargaining and legislative strategies

with postal management, the media, politicians and the rest of the world through social media.”

Rolando expressed his hope that, between the general sessions and the workshops, leaders not only would get answers to all their questions, but also would understand the NALC’s strategy behind every contract provision.

### A proposed pact

Introducing the subject of the tentative 2016-2019 agreement, Rolando noted that it rewards all letter carriers for their exceptional contributions to the U.S. Postal Service’s comeback from the Great Recession, continues cost-of-living adjustment (COLA) provisions, maintains the ban on subcontracting and preserves the existing no layoff protection.

In addition, he said, NALC successfully negotiated a formal mechanism to address long-standing problems with USPS’ often-acrimonious workplace culture, and the union succeeded not only in narrowing the pay gap between city carrier assistants (CCAs) and career letter carriers, but also in partially compensating carriers for time served as transitional employees (TEs).

External factors made negotiations rocky at times, he said. For example, the April 2016 expiration of an emergency (or “exigent”) postage rate increase—just as contract negotiations were getting underway—complicated matters; the move rolled back the price of a first-class stamp by 2 cents, shaking up the already tenuous financial state of the operationally still-profitable Postal Service.

Other factors that influenced the talks included the arrival of Megan Brennan as the new postmaster general, the excessive rate of attrition among CCAs, the large number of vacancies on USPS’ Board of Governors, the simmering de-



**Right: NALC President Fredric Rolando led the attendees of the 2017 Rap Session through the summary of the proposed agreement.**

**Opposite page: Four microphones were provided for NALC members to ask questions.**



bate over postal reform and the results of contract negotiations between the Postal Service and the other unions.

## Contract review

President Rolando then launched into an interactive summary of the proposed national agreement's key components, stopping frequently to answer questions from four floor microphones and repeating his admonition that no leader should leave Atlantic City without getting his or her questions answered.

He began with the agreement's workplace complement and health insurance provisions and then turned to provisions affecting pay, benefits and working conditions outlined in various articles and memorandums of understanding (MOUs).

Rolando noted that while the proposed contract would not allow the Postal Service to raise the Article 7 caps on the CCA complement, it would allow USPS to keep some of the additional CCAs mutually agreed to (3 percent of full-time regulars) pursuant to various MOUs negotiated in the prior contract.

"These same MOUs provided a mechanism and a timeline for the conversion of over 47,000 [to date] CCAs to career positions," he said, "and most of them did not have to serve an Article 12 probation."

The tentative agreement also decreases management's contributions for health care premiums for career letter carriers by 3 percent over 40 months, following a pattern found in NALC's previous negotiated and arbitrated contracts, as well as in the recently negotiated agreements of the other unions. However, Rolando pointed out that USPS would continue to pay more toward health care premiums than any other federal agency over the entire period of the agreement.

Turning to the much larger list of NALC's gains, Rolando then went through the provisions of Article 9 that would take effect if the contract were ratified:

- All letter carriers, career and non-career alike, would receive retroactive raises of 1.2 percent (effective Nov. 26, 2016).
- Career carriers would receive two retroactive COLAs: \$21 (Sept. 3, 2016) and \$333 (March 4, 2017) annually, applied to City Carrier Tables 1 and 2 in the same manner as the last contract.
- CCAs would receive an additional 1 percent retroactive to Nov. 26, 2016 (in lieu of COLAs).
- Applied retroactively to Nov. 26, 2016, CCAs with 12 weeks of service would get a step increase of 50 cents per hour and then another step increase of 50 cents per hour after an additional 40 weeks of service.
- Career letter carriers who retired after May 21, 2016, would be eligible for both back pay for hours worked after the effective dates of retroactive pay increases described above and for an annuity adjustment.
- Going forward, all career and non-career letter carriers would receive a general wage increase of 1.3 percent in November 2017.
- Also in November 2017, CCAs would receive an additional 1 percent wage increase (in lieu of COLAs).
- Career carriers would receive another COLA in September 2017, two COLAs in 2018 and two COLAs in 2019.
- In November 2018, all letter carriers, career and non-career alike, would receive a pay upgrade achieved

through a consolidation of the letter carrier pay grades, meaning all career and non-career letter carriers will be moved to Grade 2, retaining their time-in-step credit and gaining a 2.1 percent raise in pay. (Those already in Grade 2 will also receive a 2.1 percent raise, preserving higher pay for carrier technicians.)

- Also in November 2018, at the time of the upgrade, CCAs would receive an additional increase of 1 percent annually (in lieu of COLAs).

Taking dozens of questions as he went on, Rolando then turned the discussion to a number of contract provisions affecting CCAs and former CCAs with prior TE service.

He went over the proposed contract's one-time conversion to career status for CCAs with at least 30 months of relative standing in offices with at least 100 workyears, defined as the combined bargaining units of NALC, the American Postal Workers Union (APWU) and the National Postal Mailhandlers Union (NPMHU). He also explained the MOU that addresses CCAs in smaller offices who have no clear path to career status.

The president then described the provisions in the contract intended to help former TEs. Those who are still CCAs, he said, would be eligible for



advanced step placements upon conversion to career, while career carriers with substantial TE service after Sept. 29, 2007, would be eligible to receive up to four step increases in May 2018.

Next, Rolando highlighted huge gains made in the area of health insurance coverage for CCAs with spouses or families. In addition to the existing \$125 per pay period for self-only coverage in the USPS Non-Career Health Plan, he said, the proposed contract would provide a management contribution toward self-plus-one or family coverage of 65 percent in a CCA's first year of service and 75 percent in the second year of CCA service.

Another key advancement Rolando highlighted was the agreement's new Joint Workplace Improvement Process (JWIP). "After many years of trying," he said, "we finally have included in this contract a memorandum of understanding with the Postal Service to create a formal process to deal with the dysfunctional workplace culture in far too many postal installations."

Noting the long history of frustration on this front, Rolando vowed to

commit the resources necessary to implement the MOU and, in any event, to achieve our goals in this area.

He concluded the detailed review of the tentative agreement with a discussion of all the key changes made to other articles and MOUs contained in the proposed contract.

If the agreement is accepted by the members, it will go into effect immediately. If the agreement is rejected, the parties may continue bargaining or refer the dispute to interest arbitration.

*Note: A detailed summary of the tentative contract was included in the June issue of The Postal Record and a six-page summary was mailed in June to every active NALC member, along with the full proposed agreement and the ratification ballot. See sidebar for more details on the balloting.*

## Legislative challenges

President Rolando spent the final hour of the morning rap session focusing on legislation and politics. He noted that the 2016 elections gave the United States a one-party government controlling the House of Representatives, the Senate and the White House.

Among the consequences, he said, is the unfortunate resurgence of a number of anti-union and anti-postal proposals. He laid out in stark terms the all-out assault on federal and postal employees presented in President Donald Trump's first budget proposal:

- up to 6.45 percent in pay cuts resulting from proposals to raise Federal Employees Retirement System (FERS) pension contributions.
- proposed elimination of FERS COLAs for current and future retirees and the proposed reduction in Civil Service Retirement System (CSRS) COLAs by 0.5 percent per year.
- plans to reduce FERS benefits for future retirees by eliminating the "Social Security supplement" for employees who retire before age 62 and by adopting a high-5 average salary base in the benefit formula (instead of the high-3 average under current law).
- renewed attacks on city carrier jobs in the form of proposals to reduce Saturday and door delivery.

"We face real risks," Rolando said. "Our collective-bargaining agreements could be negated and our ability to collectively bargain could be taken away by Congress. I'm dead serious."

We also have to be at the top of our



## Training time

Gathering hundreds of letter carriers for a national conference also presents a perfect opportunity for NALC to provide training and updates. Workshops were held in the afternoon of the June 14 rap session as well as on the following morning, with activists having opportunities to receive detailed briefings on such topics as proposed contract language regarding CCAs, safety and health concerns, the dispute resolution process, local negotiations, branch administration and NALC's legislative agenda.





game, legislatively, he said. “We need a steady stream of letter carriers contacting their members of Congress—visiting district field offices, making phone calls, sending letters and e-mails, and attending town hall meetings.”

The effort to organize and mobilize NALC members in this fight needs to be led by the state associations, he said, with the full support and activism of the union’s local branches.

“This is not just an exercise,” Rolando said. “This is a reality—scary stuff and very real, a consequence of an election that left us with no checks-and-balances in Washington.”

All federal workers could soon feel the implications as appointments get made to a variety of boards and commissions that have a direct effect on federal employees.

“That’s why our legislative network has to be working at an optimum level,” he said.

## Postal reform

“Not all legislative issues are purely partisan issues,” President Rolando said, turning to the largely bipartisan drive to enact postal reform and its focus on fixing “the pre-funding mess”—that is, the 2006 mandate that requires USPS to set aside billions a year to pay for its share of future health care premiums of retired employees—“a manufactured financial crisis that turned a long-term liability into a massive current obligation,” he said.

Enemies of USPS consistently use this so-called liability against us, he said, adding that the news media’s narrative sometimes refers to a “failing” or “broke” USPS that’s “on the verge of needing

a taxpayer bailout”—even though the agency receives no taxpayer money, funding itself through the sale of postage and postal products and services.

To help combat this false message, NALC continues to work with stakeholders in the other postal unions, in the mailing industry and in USPS itself. This coalition’s attempts to forge a path toward finally solving the pre-funding problem seem to have gained some traction with H.R. 756, a postal reform bill introduced earlier in the House of Representatives this year.

There’s a lot of misinformation out there about NALC’s position on this bill, Rolando said. “We have the same positions we’ve always had,” he said, “but having a one-party government means we needed a new legislative strategy—and that includes pushing to move a solid-but-flawed H.R.756 out of the House Oversight Committee,” the committee with jurisdiction over USPS.

Some of the misleading information falsely equates NALC’s desire for the bill to move along in the legislative process with union approval of the bill as written, he said. There’s also misinformation about the bill’s Medicare integration piece.

If you sign on to Medicare at age 65, Rolando said, it becomes your primary medical insurance. “If you’re already enrolled in a private health plan—such as the NALC Health Benefit Plan—that can take care of whatever isn’t covered by Medicare,” he said.

“Medicare integration is not new,” Rolando said, noting that 85 percent of NALC retirees already enroll in Medicare Parts A (hospitalization) and B (medical expenses) at age 65. H.R. 756

calls for all postal retirees to do so.

“This proposal is designed to help fix the pre-funding problem,” Rolando said, “but our premise has always been that we’re not going to do so on the backs of our retirees.”

Many annuitants have good reasons for choosing not to enroll in Medicare at age 65, he said, and H.R. 756 provides for transitional subsidies and a waiver of the stiff late-enrollment penalty. But he outlined two additional provisions for current unenrolled seniors that must be included for NALC to support final passage: specifically for those who cannot benefit from Medicare Part B and those facing extreme financial hardship.

Rolando also highlighted another area of concern with H.R. 756: the unacceptable and unnecessary provisions on door delivery that would inflexibly prevent any new business and residential addresses from receiving door delivery. These provisions also would require the USPS to identify addresses that currently have door delivery but could be moved to some other delivery method, mandatorily for businesses and voluntarily for residences.

The Postal Service’s current practice for the conversion of door delivery involves a minimal and declining number of addresses, the president said, and the agency provides door delivery to new addresses in cases where that method makes the most sense. He explained that, for NALC to support H.R. 756, the law’s delivery provisions must not result in a trend of conversions beyond the current practice, allowing USPS to retain the flexibility to provide door delivery service when it makes financial or operational sense.





The NALC Ballot Committee monitored and observed as the proposed agreements were mailed to the voting members.

## Balloting begins

Shortly after NALC's 2017 National Conference in Atlantic City, every active letter carrier eligible to vote in the contract ratification election was mailed a copy of the proposed 2016-2019 National Agreement between NALC and USPS. Included in the mailing is a letter from President Rolando, a summary of the contract's provisions, a ballot and secrecy envelope, a return envelope and instructions for casting a vote. For a ballot to be counted, it must be received by 11:59 p.m. on July 29.

The *NALC Constitution* provides that "membership acceptance or rejection of a proposed National Agreement shall be by majority of valid ballots returned by the voters." If the agreement is accepted, it will go into effect immediately. If the agreement is rejected, then, under the Postal Reorganization Act, the parties may continue bargaining or, ultimately, refer the dispute to an interest arbitration board. Under the law, decisions of the arbitration board are conclusive and binding upon the parties.

If any of the ballot materials described above are missing from your mailing, immediately call NALC Headquarters at 202-393-4836.

As reported in the June *Postal Record*, President Rolando has appointed a Ballot Committee to conduct the ratification vote. The Ballot Committee arrived in Washington, DC, on June 19 to monitor and observe the mailing of the ballots.

Other components of H.R. 756 include a partial restoration of the exigent rate increase equal to a one-cent raise in the price of a first-class stamp, and a requirement to accurately value the Postal Service's pension accounts. Rolando noted that the union's coalition of stakeholders hopes to merge H.R. 756 with a separate postal bill, H.R. 760, that calls for facilitating better investment of the Postal Service Retiree Health Benefit Fund (PSRHBFF) to further reduce the burden of pre-funding.

Rolando concluded his presentation on the union's legislative strategy by reminding branch leaders that letter carriers have two factors in our favor: First, postal reform is not a partisan issue, and second, the political diversity of our members is a strength.

"We are part of a universal delivery service to every address in the U.S. that receives no taxpayer dollars and is among the least expensive in the world," he said. "That's a message that can appeal across the political spectrum."

Working together, Rolando said, NALC members can pool resources to elect senators and representatives from both parties who support letter carriers and the Postal Service. That means downloading the NALC Member App to their smartphones, he said, to become part of our army of grassroots activists, as well as giving to our political action committee (PAC), the Letter Carrier Political Fund—essential, he said, since the union is prohibited from using dues for political activity.

"We're very thankful for the thou-

sands of members who already contribute to the Fund," he said, "but we're obviously not reaching enough of our members. We have to do more to educate them about the legislative risks we've discussed today—the budget and reform proposals that directly threaten our jobs and our standard of living.

"If we all do our part to inform the membership," Rolando said, "we can be certain that many more members will step up and contribute to our common defense."

But money alone, Rolando said, is not enough. "Politicians respond most to voters and constituents back home," he said. When letter carriers visit their elected representatives' district offices, make phone calls, send letters and e-mails and show up at town halls, it sends them a message that we are voters and we care.

"In the coming battle over the 2018 budget and postal reform," the president said, "this can make all the difference in the world."

## Standing up for each other

Wrapping up the session shortly after noon, President Rolando urged the leaders to take full advantage of the workshops and training to be offered over that afternoon and the following day.

"Don't leave here without getting all your questions answered," he said. "Even more importantly, take what you learn here back home to your branches."

Rolando thanked participants for coming and for their commitment to the NALC. In the battles ahead, he said, "It's important to remember why we got involved in this union to begin with."

For most of us, he said, it started very simply: "We witnessed a fellow letter carrier being treated unfairly, so we stepped up to defend that carrier.

"That's the strength of our great union," he said. "No matter what our role is, we step up and defend each other." **PR**