More than 15 months of sustained effort, focused teamwork and often-intense bargaining came to a successful conclusion in May with the announcement of a tentative National Agreement between NALC and the U.S. Postal Service. The new 40-month contract will cover the period from May 21, 2016, to Sept. 20, 2019, and will cover more than 213,000 city letter carriers.

“I’m extremely proud of NALC’s negotiating team of officers and staff,” NALC President Fredric Rolando said. “Our team showed grit and determination to cut a deal worthy of the men and women we are honored to represent. We said we would remain at the table as long as progress was possible and a path to success remained—and that is exactly what we did,” he said.

The tentative agreement includes provisions rewarding all letter carriers for their contributions to the Postal Service’s extraordinary comeback following the Great Recession; narrowing the compensation gap between city carrier assistants (CCAs) and career letter carriers; creating a formal mechanism to address the problems that have undermined the workplace culture of the Postal Service for much of its history; and preserving the core achievements of our bargaining history, including regular general wage increases and cost-of-living adjustments (COLAs), protections against outsourcing and layoffs, as well as other contractual elements that define our standard of living.

The proposed contract, which will be subject to ratification by all active members in the weeks ahead, was unanimously approved by the NALC Executive Council on May 11. It provides for seven COLAs, three pay raises of 1.2 percent and 1.3 percent in the first two years, and a pay upgrade worth about 2.1 percent for all letter carriers, career and non-career alike. (See details below.)

The tentative agreement also contains multiple improvements in the pay and benefits for CCAs; a pay scale advancement for most transitional employees (TEs) who were on the rolls as of Jan. 10, 2013, and were rehired as CCAs; and a new memorandum of understanding (MOU) aimed at improving the Postal Service’s troubled workplace culture. Many other provisions of the existing National Agreement were amended and many new MOUs were reached as well.

President Rolando issued the following statement after the Executive Council recommended approval of the tentative contract settlement: “I’d like to thank all the officers and staff who worked so hard to help reach this proposed National Agreement. Most importantly, I want to thank our members for their patience and steadfast solidarity during the long bargaining process—the strength and unity of our union has always been our most important asset in collective bargaining. Although we were fully prepared, if necessary, to fight for our interests in binding interest arbitration, I am very happy that our members will have a chance to make the final decision about this contract through the ratification process outlined in our constitution. The Executive Council unanimously urges the membership to ratify this contract.”

Ratification and a national rap session

Arrangements are now being made to mail a copy of the tentative contract and all the associated MOUs to the active members of the NALC—along with a ratification ballot and instructions on voting. As dictated by the union’s Constitution, only active letter carrier members of the NALC will be permitted to vote.

President Rolando has appointed a Ballot Committee to conduct the ratification vote; its members are presented at left. The Executive Council has decided that this year’s national rap session will be scheduled before the ratification process is concluded so that branch leaders can be fully briefed on the proposed contract and be prepared to answer members’ questions before the ratification vote is taken. Details on the rap session, which also will offer a broad variety of officer and activist training, will be announced in the NALC Bulletin and distributed through the union’s electronic platforms (website, social media and NALC Member App) as soon as they become available.

NALC Ballot Committee 2017

Reg. 1 Barbara Stickler, Garden Grove, CA Br. 1100
Reg. 2 Phillip Rodriguez, Salt Lake City Br. 111
Reg. 3 Mack Julion, Chicago Br. 11
Reg. 4 Adam Fung, Aurora, CO Br. 5996
Reg. 5 Rod Holub, Manhattan, KS Br. 1018
Reg. 6 Bobbi Green, Royal Oak, MI Br. 3126
Reg. 7 Caitlin Hill, Minneapolis Br. 9
Reg. 8 Antonia Shields, Birmingham, AL Br. 530
Reg. 9 Anthony Ali, Central Florida Br. 1091
Reg. 10 Vanessa Sanchez, San Antonio, TX Br. 421
Reg. 11 John Oross, Dayton, OH Br. 182
Reg. 12 Eryka Tolliver, Pittsburgh, PA Br. 84
Reg. 13 Delano Wilson, Bowie, MD Br. 2611
Reg. 14 Christopher Henwood, Rutland, VT Br. 495
Reg. 15 Joe De Rossi, Brooklyn, NY Br. 562
Summary of the wage and salary provisions

General wage increases/upgrade: Under the tentative agreement, all city letter carriers—career and non-career alike—will receive three pay raises. The first two will be general wage increases, each calculated as a percentage of the basic salaries in effect at the end of the 2011-2016 National Agreement. In addition, in November 2018, following the terms of a new MOU on pay schedule consolidation, all Grade 1 city carriers, both career and non-career, will be slotted into the equivalent step of Grade 2 of their respective pay table and retain time-in-step credit toward their next step increase—effectively a one-grade upgrade. This upgrade will result in an average wage increase of 2.1 percent for Grade 1 letter carriers across all current wage tables. Additionally, carrier technicians will receive a pay increase of 2.1 percent. Per Article 9 and the pay schedule consolidation MOU, all letter carriers will receive the following pay increases:

- Effective Nov. 26, 2016 – 1.2 percent general increase (retroactive).
- Effective Nov. 25, 2017 – 1.3 percent general increase.
- Effective Nov. 24, 2018 – All Grade 1 letter carriers will be upgraded to Grade 2 (an average 2.1 percent wage increase). All carrier technicians will also receive a 2.1 percent wage increase.

If the contract is ratified, the first-year (2016) increase will be implement-ed retroactively as soon as possible. The effective date will be announced through the NALC’s electronic platforms and in the NALC Bulletin.

Cost-of-living adjustments for career letter carriers. Over its 40-month span, the agreement provides for seven COLAs for career letter carriers, using the same COLA formula we used in the previous contract and for most of our bargaining history. Wage rates will be increased by one cent per hour for each 0.4-point increase in the Consumer Price Index for Urban and Clerical Workers (CPI-W, 1982-84 base). COLAs will be triggered by the release of the January and July index numbers, and July 2014 has been set as the “base month” for this contract’s COLA calculations.

We already know the value of the first two COLAs since they are based on the July 2016 and January 2017 CPIs, which have already been released. If the agreement is ratified, the amount of the first COLA is $21 annually, effective Sept. 3, 2016, and the second COLA is $333 annually, effective March 4, 2017. These COLAs will be added to every step in Grades 1 and 2 of Table 1, which covers career letter carriers appointed before Jan. 12, 2013. For letter carriers with career appointments on or after that date, the full COLAs will also be added to the Step O rates of both grades in Table 2, and then applied proportionately to Steps A through N, following the practice established by the 2011-2016 contract. The first two COLAs will be paid retroactively, should the contract be ratified.

The future value of the remaining five COLAs will depend, of course, on the rate of inflation measured by the CPI-W between now and July 2019. Based on the inflation forecast of the Congressional Budget Office (CBO) in January 2017, we expect an inflation rate of 2.3 percent this year, 2.4 percent in 2018 and 2.4 percent in 2019. This trend of inflation would generate five additional annual COLAs of $520, $312, $562, $354 and $562 respectively, applied to the letter carrier pay tables as described above. Please note that these are only projected COLAs—actual COLAs may be lower or higher, depending on the rate of future inflation. (See below for more detailed projections for both career pay tables.)
City carrier assistant provisions

Additional economic measures affecting CCAs in the tentative contract include: annual CCA pay increases in addition to the general wage increases called for in Article 9 and the upgrade resulting from the pay consolidation MOU; a new step progression for CCAs that will increase pay after 12 weeks of service and again after 40 more weeks of service; and increased Postal Service contributions for CCA health benefits. The details are as follows:

**Additional CCA general wage increases.** In addition to the general wage increases and the upgrade provided for letter carriers by the contract, all CCA letter carriers also will receive:

- Effective Nov. 26, 2016 – 1.0 percent increase (retroactive)
- Effective Nov. 25, 2017 – 1.0 percent increase
- Effective Nov. 24, 2018 – 1.0 percent increase

The general increases and the upgrade, in combination with these additional increases (which are paid in lieu of COLAs), will raise starting wage rates for most CCAs by 7.65 percent over the term of the agreement—from $16.06 per hour to $17.29 per hour. (See Table 3.) For CCAs who were on the rolls as Transitional Employees (TEs) on Jan. 10, 2013, the 7.65 percent increases will raise starting pay from $17.40 per hour to $18.71 per hour by the end of the proposed contract. (See Table 3.) An additional MOU provides that these former TEs will be placed in the career step that is higher than their CCA rate of pay upon conversion (those who have already been converted and still remain in Step A upon ratification will be moved to Step B), while maintaining the overall length of time to reach Step O if not modified by the MOU Re: Step Credit for Former Transitional Employees.

**Step increases for CCAs.** In addition to the foregoing wage hikes, the new contract would implement new step increases for CCAs. These step increases will provide CCAs with a 50 cent per hour raise at both 12 and 52 weeks of service. These step increases will be applied retroactively to Nov. 26, 2016, for current CCAs and those who have been converted to career between Nov. 26, 2016 and the ratification date of the contract. CCAs will be placed in their appropriate step based on their weeks of service as of Nov. 26, 2016, maintaining this service time toward their next step. For example, CCAs with at least 12 weeks of service on Nov. 26, 2016 would receive a 50 cent per hour increase in pay and those CCAs with at least 52 weeks of CCA service on Nov. 26, 2016 would receive an increase in pay of $1 per hour. CCAs with less than 12 weeks of CCA service as of Nov. 26, 2016 will receive the 50 cent increase retroactively to the pay period in which they completed 12 weeks of service and would receive an additional pay increase of 50-cents per hour 40 weeks after that.

Table 3 provides the step increase schedule for CCAs. Each of the step increases is worth about 3.0 percent, which would raise the total pay hikes for CCAs to 13.6 percent over the term of the agreement.

**Back-pay provisions for carriers and recently retired carriers**

A full back-pay calculation for all letter carriers (career and non-career alike) covering all paid hours since the expiration of the 2011-2016 contract will be made as soon as practicable. These back-pay calculations will include the Nov. 26, 2016 general wage increase (the 1 percent additional increase for CCAs on that date), the September 2016 and March 2017 COLAs for career letter carriers, the CCA step increases, and all other pay adjustments called for by the contract.

It will take some time for the Postal Service to complete more than 213,000 back-pay calculations, so it is impossible to know right now the exact pay period in which back-pay will be issued. Carriers who have retired since Sept. 3, 2016 will receive the back-pay for hours worked up until their retirement—and their annuities will be adjusted accordingly. (Depending on their date of retirement, one or both of the first two COLAs and perhaps the first general wage increase may slightly raise their high-3 average salary and, therefore, their monthly annuities.)
CCA complement and special conversion provisions

Upon ratification, there would be a one-time conversion to career status for CCAs with relative standing of at least 30 months prior to the ratification date. The conversions would work as follows:

In 200-workyear offices, eligible CCAs will be converted to full-time regular career status in their installation.

In 125- and 100-workyear offices, eligible CCAs will be converted to part-time flexible (PTF) career status in their installation, rather than waiting to convert to full-time career status as a CCA.

CCAs converted pursuant to this provision will not have to serve a probationary period provided they have successfully completed one 360-day term as a CCA.

The parties have agreed to consider the possibility of another one-time conversion after one year.

Additionally, the parties have agreed to address situations where CCAs work in small offices (e.g., offices with less than 100 workyears of employment) and have no clear path to a career opportunity.

An office’s workyear designation is determined as of the National Agreement’s effective date and remains unchanged for the life of the agreement. It is determined by counting the hours of bargaining-unit employees in the crafts converted by the 1978 National Agreement (i.e., letter carrier, clerk, motor vehicle, maintenance and mail handler).

There is no increase to the CCA employment caps in Article 7 of the Agreement or to the number of CCAs currently on the rolls. However, the Postal Service will maintain a percentage of the additional CCAs previously agreed to by the parties through a number of MOUs. These MOUs, which would continue in the tentative agreement, have provided additional career conversion opportunities for CCAs, about 47,000 to date. The vast majority of these CCAs did not have to serve probationary periods as career employees. The MOUs continue to include a weekly meeting to monitor appropriate staffing levels through career conversions and voluntary transfer requests.

TE step advancement MOU

Effective May 26, 2018, eligible former TEs will be advanced in Table 2 of the letter carrier pay schedule based on their length of service as TEs after Sept. 29, 2007. Such former TEs will be entitled to between one and four step increases as follows:

<table>
<thead>
<tr>
<th>Length of creditable TE service</th>
<th>Number of additional steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 years but less than 3 years</td>
<td>1</td>
</tr>
<tr>
<td>3 years but less than 4 years</td>
<td>2</td>
</tr>
<tr>
<td>4 years but less than 5 years</td>
<td>3</td>
</tr>
<tr>
<td>5 or more years</td>
<td>4</td>
</tr>
</tbody>
</table>

For those eligible former TEs converted to career status prior to May 26, 2018, the step advancement will be effective on that date. For those converted thereafter, the step advancement will be effective upon conversion to career status. All employees eligible for step advancement will retain time-in-step credit.

Health benefits

Career letter carriers. In 2017, there is no change in the Postal Service’s share of premium costs for career letter carriers’ health insurance (76 percent of the weighted average Federal Employees Health Benefits Program [FEHBP] plan premium, capped at 79.25 percent of any given plan premium). Following the pattern of previous contracts, the Postal Service’s share will decline by a total of 3.0 percent over the term of the tentative agreement.

The revised Appendix B states: “The Postal Service will make a bi-weekly contribution of $125 from the Postal Service to secure self-only coverage from the USPS Non-career Health Plan. But the new deal would significantly increase the Postal Service’s contributions for self-only and self-and-family coverage purchased through the non-career plan.”
of CCA employment. After a CCA’s first year of employment, the Postal Service will make a bi-weekly contribution equal to 75 percent of the total premium for either self plus one or family coverage.”

**Uniform allowances**

Under Article 26 of the current contract, letter carriers in 2016 were entitled to a uniform allowance of $420 annually, with an additional credit of $97 for newly eligible career carriers. The proposed contract calls for a 5 percent increase in 2017 and 2.5 percent annual increases in 2018 and 2019 in the annual uniform allowance for career city carriers. The allowances for the next three years would be as follows:

- May 21, 2017: $441, plus an additional $102 for a newly eligible carrier.
- May 21, 2018: $452, plus an additional $104 for a newly eligible carrier.
- May 21, 2019: $464, plus an additional $107 for a newly eligible carrier.

The newly eligible credit may be used only once, but the current procedures for employees transferring from one allowance category to another (e.g., from CCA to career carrier) will be continued.

CCA carriers are entitled to the same uniform allowances provided to career carriers, but they do not receive the additional amount for the “newly eligible” until they are converted to career status. In addition, the parties signed an MOU that calls for the creation of a joint task force on CCA uniforms within 30 days of ratification. The goal is to improve the CCA uniform program by addressing administrative flaws in the current system of delivering authorized uniforms and paying vendors.

**Other key provisions and MOUs**

- **Maintain sub-contracting and no layoff protections:** The no-layoff clause that protects letter carriers after six years of service as career employees is retained in the tentative agreement. In addition, prohibitions against contracting out city carrier work would be continued for the duration of the 2016-2019 contract, if the contract is ratified.
- **Overtime equitability:** All overtime, regardless of whether such overtime was worked on a carrier’s own route, will count toward equitability for overtime desired list (ODL) carriers. Additionally, management will be required to post equitability totals weekly, rather than quarterly.

An MOU is incorporated into the agreement to continue to allow the local parties the option of developing a process that allows employees who transfer from another installation or who are converted to full-time following the sign-up period to place their names on either the ODL or work assignment list. Existing agreements pursuant to previous versions of this MOU will remain in effect.

**Climate MOU:** The tentative accord includes an MOU on improving workplace culture. The parties have agreed to establish a Joint Workplace Improvement Process to address a number of issues to provide safe, efficient work environments in which employees are treated with dignity and respect.

**Other new, modified and renewed MOUs:**

- City Carrier Assistant – Discipline Procedure
  - Updated to include the language from the Questions and Answers developed after the 2011 National Agreement.
  - Makes it clear that discipline should be corrective rather than punitive.
- City Carrier Assistant (CCA) Annual Leave
  - Updated to require that CCAs be included in the provisions of an LMOU for granting annual leave selections during the choice vacation period and for incidental leave.
- Probationary Period
  - Updated to reduce the CCA service time required to not serve a probationary period when converted to career status.
- Part-Time Regular City Letter Carriers
  - Caps the number of part-time regular city carriers (PTRs) at 682 for the term of the 2016 National Agreement unless additional PTRs are authorized by the national parties.
- Article 8 Task Force
  - Updated and continues through the term of the 2016 National Agreement.
- Leave Sharing
  - Continues through the 2016 National Agreement.
- Sick Leave or Dependent Care
  - Continues through the 2016 National Agreement.
- City Carrier Assistant Transfers
  - The parties agree to establish a one-year pilot program in at least two districts to study possible approaches to facilitate the voluntary reassignment of CCAs from one installation.
to a different installation within the same district.

- City Carrier Assistant Return from Non-Bargaining Unit Position
  - CCAs who are hired into career non-bargaining positions will lose their relative standing earned as CCAs. If these employees choose to return to the carrier craft, they will do so as CCAs unless they would return as the CCA with the highest relative standing and there is a full-time vacancy in the installation. Exceptions could be granted by the national parties.

- Article 12 Work Group
  - Establishes a national-level work group to discuss and attempt to resolve issues concerning vacant residual positions, the continued need to withhold positions, and the process for recording residual vacancies in the Postal Service systems.

- District Safety Committees Pilot Program
  - Continues through the 2016 National Agreement.

- Smoking in Postal Vehicles
  - Prohibits smoking in postal-owned vehicles acquired or distributed after Sept. 1, 2014.

- Article 15 - ELM 436 - Back Pay
  - Now applies to CCAs.

- Article 15 - Dispute Resolution Procedure Task Force
  - A six-member task force for the purpose of improving the effectiveness of Step B Teams.

- Article 15 – Dispute Resolution Process
  - Updated to include the Area Managers of Labor Relations.
  - Other language updates.

- Arbitration Task Force
  - Continues through the 2016 National Agreement.

- Processing of Grievances (after separation by resignation, retirement or death)
  - Now applies to CCAs.

- Dispute Resolution Process Testing
  - Continues through the 2016 National Agreement.

- Expedited Arbitration
  - Updated to include additional subjects.

- Arbitration Scheduling Procedures – (LMOU)
  - Ensures that all impassed items from an installation will be heard by the same arbitrator with the expectation of multiple items being heard on the same day.

- Representation – Acting as Steward
  - Letter of Intent to update the JCAM language in conjunction with the changes to Article 17.2.B.

- Debits of Retired Employees
  - Lays out a procedure for retired employees to challenge the Postal Service’s intent to collect a debt when the employee receives an invoice or notice of debt determination after their separation date.

- Local Implementation
  - Impassed items are to be scheduled and heard within 120 days.

- Opting Duration
  - Letter of intent to update the JCAM regarding opting duration to allow employees to voluntarily end their hold-down when they are assigned to a residual vacancy pursuant to Article 41.1.A.7.

- Alternate Route Evaluation and Adjustment Process
  - Updated with agreement to explore ways to utilize technology in a joint route adjustment process.

- City Delivery Task Force
  - Updated with agreement to jointly examine the use of technology, including Managed Service Point scans, in delivery operations.

The NALC Executive Council unanimously endorsed the tentative agreement on May 11.
Wage Increases COLAs

<table>
<thead>
<tr>
<th>Date</th>
<th>Type of Increase</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2016</td>
<td>COLA* (career)</td>
<td>$21</td>
</tr>
<tr>
<td>Nov. 26, 2016</td>
<td>General wage increase (CCAs 2.2%)</td>
<td>1.2%</td>
</tr>
<tr>
<td>March 2017</td>
<td>COLA* (career)</td>
<td>$333</td>
</tr>
<tr>
<td>September 2017</td>
<td>COLA* (career)</td>
<td>TBD</td>
</tr>
<tr>
<td>Nov. 25, 2017</td>
<td>General wage increase (CCAs 2.3%)</td>
<td>1.3%</td>
</tr>
<tr>
<td>March 2018</td>
<td>COLA* (career)</td>
<td>TBD</td>
</tr>
<tr>
<td>September 2018</td>
<td>COLA* (career)</td>
<td>TBD</td>
</tr>
<tr>
<td>Nov. 24, 2018</td>
<td>Pay Upgrade (CCAs Upgrade + 1%)</td>
<td>Grade 1 gets Grade 2 pay/CARRIER TECHNICIANS - 2.1%</td>
</tr>
<tr>
<td>March 2019</td>
<td>COLA* (career)</td>
<td>TBD</td>
</tr>
<tr>
<td>September 2019</td>
<td>COLA* (career)</td>
<td>TBD</td>
</tr>
</tbody>
</table>

* Value of COLAs depend on changes in the level of the Consumer Price Index. In accordance with Article 9.3.D, Table 2 Steps A through N receive COLAs adjusted proportionally to each step’s percentage of Step O.

2016-2019 General Wage Increases and Projected COLAs

### Table 1

<table>
<thead>
<tr>
<th>Date</th>
<th>Salary as of May 20, 2016</th>
<th>Projected Step Value Increase</th>
<th>Projected Carrier Wage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 2016</td>
<td>$21</td>
<td>$333</td>
<td>$520</td>
</tr>
<tr>
<td>Nov. 26, 2016</td>
<td>$21</td>
<td>$333</td>
<td>$520</td>
</tr>
<tr>
<td>March 2017</td>
<td>$21</td>
<td>$333</td>
<td>$520</td>
</tr>
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<td>$520</td>
</tr>
<tr>
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<td>$21</td>
<td>$333</td>
<td>$520</td>
</tr>
<tr>
<td>Nov. 24, 2019</td>
<td>$21</td>
<td>$333</td>
<td>$520</td>
</tr>
</tbody>
</table>

* Value of COLAs depend on changes in the level of the Consumer Price Index. The estimated COLAs shown above are based on the Congressional Budget Office forecast.

** Includes projected COLA amounts.

*** This projection includes the general increases, projected COLAs, upgrade and the average step increases a carrier would receive over the term of the agreement. It assumes the employee was in the step to the left of the chart at the beginning of the agreement and they received either one, two, or three step increases depending on their beginning step and the variance in waiting periods between steps. The lower amounts for Steps K, L, M, N and O are a result of the employee reaching top pay where they will no longer receive step increases.
2016-2019 General Wage Increases and Projected COLAs

Table 2

Career Carriers appointed on or after January 12, 2013

Table 3 - City Carrier Assistant Schedule

CCAs who were on the rolls as TEs on January 10, 2013

Table 3 - Carrier Technician Schedule

CCAs who were not on the rolls as TEs on January 10, 2013