



# News from Washington

## A glimpse into the 116th Congress; mail bomber captured; more

**T**he 116th Congress will convene in January. Following the results of the midterm elections, Congress will move from one-party control to Democrats leading the House and Republicans leading the Senate. Each new Congress calls for both parties, whether in the majority or in the minority, in each chamber to select party and caucus leadership, committee leadership and eventually member assignments to all committees. Here's what we know as of press time for this edition of *The Postal Record*.

Democrats will take control of the House and Republicans will keep control in the Senate. Both parties in the Senate already have determined their caucus leadership, which will largely remain the same. Mitch McConnell (R-KY) will remain Senate majority leader, John Thune (R-SD) was elected majority whip, John Barrasso (R-WY) was selected as conference chairman and Joni Ernst (R-IA) was selected as vice chairwoman. On the Democratic side in the Senate, Chuck Schumer (D-NY), Dick Durbin (D-IL) and Patty Murray (D-WA) were selected to continue in their leadership posts as minority leader, minority whip and assistant Democratic leader, respectively.

In Senate committees relevant to the Postal Service and to letter carriers, Ron Johnson (R-WI) is expected to continue as chairman of the Homeland Security and Government Affairs Committee (HSGAC). Ranking member Claire McCaskill (D-MO) lost her re-election bid, as did Heidi Heitkamp (D-ND), who served as ranking member of the subcommittee on Regulatory Affairs and Federal Management, which has primary jurisdiction on our issues. In addition, the death of John McCain (R-AZ) leaves both Republicans and Democrats with work to do in populat-

ing the committee, which cannot be done until the result of the Mississippi Senate race is known.

In the House, Nancy Pelosi (D-CA) is generally expected to take over as Speaker of the House, with Steny Hoyer (D-MD) serving as majority leader. At press time, no opposition to Pelosi or Hoyer was known, though there was some talk of a possible challenge in the Speaker contest. The positions of majority whip, assistant Democratic whip, assistant Democratic leader and chief deputy whip have multiple members seeking to fill these posts.

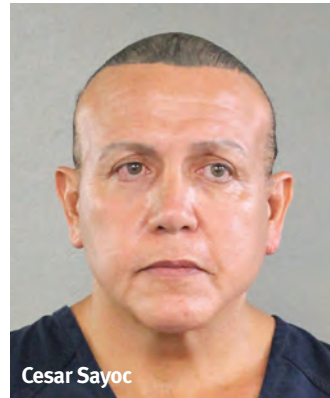
House Republicans, who will become the minority in the new Congress, have elected their key leaders. Kevin McCarthy (R-CA) was selected as House minority leader and Steve Scalise (R-LA) as minority whip. Liz Cheney (R-WY) was elected chairwoman of the Republican Conference. She will be the third-ranking House Republican and the highest-ranking Republican woman in the House.

The House Oversight and Government Reform Committee (OGR) is the primary committee of jurisdiction for postal and federal issues. Elijah Cummings (D-MD) will take over as committee chairman. On the other side of the aisle, as many as seven Republicans retired or lost their re-election bids, leaving much yet to be determined, including who will take over as the committee's ranking member.

In addition to these committee changes, the new Congress will bring nearly 100 new members and will

be one of the most diverse freshman classes in history. Getting to know these new members and educating them on the issues most important to letter carriers will be a top NALC priority in the early part of the 116th Congress.

### Mail bomber arrested, but carriers should remain cautious



On Oct. 26, Cesar Sayoc of Florida was arrested and charged with sending mail bombs to former President Barack Obama, former Secretary of State Hillary Clinton and other prominent Democrats and vocal critics of the current administration. Even on the day Sayoc was arrested, more devices

were found in the mail stream.

"Letter carriers should stay vigilant," NALC President Fredric Rolando said. "Don't let your guard down because an arrest has been made. The possibility exists of others copying these horrible crimes. Make sure you always stay alert, remember the warning signs and follow the protocols for any suspicious package."

The Postal Service issued a stand-up talk for letter carriers and other postal workers to help them identify any additional suspicious packages. Characteristics to look out for include:

- Shape—Is it lopsided or uneven? Is it rigid or bulky?
- Look—Are there oily stains, discolorations or crystals on the wrapper? Does it have a strange odor?
- Address—Is there a return address? Are there restrictive markings? Are



there misspelled words? Is it addressed to a title rather than to an individual? Is it an incorrect title? Is it poorly typed or written?

- Packaging—Is it sealed with tape? Is there excessive tape? Is there excessive postage?

If you open a mailbox and see a suspicious item:

- Don't touch it.
- Don't put anything else in the mailbox.
- Leave the mailbox door open.
- Evacuate the immediate area.
- Isolate the area.

If you see smoke or hear sounds such as hissing, and think there is an immediate danger:

- Move to a safe area and call 911.
- Follow the instructions from first responders.
- Call your supervisor to report the incident.
- Call postal inspectors at 877-876-2455. When prompted, state "emergency" to speak with an inspector.

Even if you believe there is not an immediate danger:

- Move to a safe area and call your supervisor to report the incident.
- Call postal inspectors at 877-876-2455. When prompted, state "emergency" to speak with an inspector.

"Take every precaution to keep yourself and others out of danger," Rolando said.

### USPS releases fiscal numbers while rates are set to increase

The Postal Service released its 2018 Fiscal Year financial report on Nov. 14, demonstrating the Postal Service's underlying business strength while also indicating the need to address external matters beyond USPS control. Despite a solid 1.5 percent rise in revenue compared to last year, USPS reported an operating loss of \$1.951 billion.

"This shows the need for policymakers to address two public policy issues—the stamp price rollback and the congressional mandate that USPS pre-fund future retiree health benefits decades into the future," NALC President Fredric Rolando said in a statement.

In April 2016, the price of a stamp was rolled back by 2 cents, reducing postal revenue by \$2 billion a year. That was the first rollback since 1919 and came even though USPS already has the industrial world's lowest rates.

Without this decrease, the \$1.951 billion operating loss in FY2018 would be a small operating profit of \$49 million.

On Nov. 15, the Postal Regulatory Commission approved USPS's proposed rate increases, allowing them to go into effect on Jan. 27. Most notably, the rate hikes bring the cost of a forever stamp from 50 cents to 55 cents. However, these rate increases don't solve the underlying problems, Rolando said.

"At present, USPS is constricted in its ability to adjust rates by no more than the Consumer Price Index, but the CPI is an economy-wide measurement of consumer goods and services that doesn't fit a transportation and delivery provider," he said. "The PRC has the ability to correct this mismatch and relieve the resulting financial pressure.

"Meanwhile, Congress should address the pre-funding burden it imposed in 2006, which requires USPS—alone among all public and private entities in the country—to pre-fund future retiree health care benefits, at an annual cost of about \$5.8 billion. It's important to note that this goes on the books as red ink whether or not it's actually paid in a given year.

"Fixing the external financial burdens posed by the price rollback and pre-funding will put postal finances on a stable footing and allow USPS—which is based in the Constitution, funds itself through earned revenue and enjoys broad public and political support—to continue providing Americans and their businesses with

## Penalty Overtime Exclusion

As referenced in Article 8, Sections 4 and 5, of the USPS-NALC National Agreement, the December period (during which penalty overtime regulations are not applicable) consists of four consecutive service weeks.

This year, the December period begins Pay Period 25-18, Week 2 (Dec. 1, 2018) and ends Pay Period 01-19, Week 1 (Dec. 28, 2018).

the industrial world's most-affordable delivery network.”

### NALC opposes State Department decision to leave UPU

In October, the U.S. State Department announced that the United States would withdraw from the Universal Postal Union (UPU), after a special meeting of the UPU failed to adopt pricing policies advocated by the administration at the urging of private delivery companies UPS and FedEx. The private companies have complained that the UPU rules, by offering below-cost delivery to the United States, result in business going to USPS—especially from China.

“NALC opposes the decision to withdraw from the UPU,” NALC President Fredric Rolando said in a statement. “The problems [with the UPU’s policies] are best solved through multilateral diplomacy. Leaving the UPU could have unintended negative consequences on American citizens and businesses and hurt the Postal Service financially. This is certainly what is driving the private shippers, which are targeting the Postal Service’s \$2.7 billion in international mail revenue.”

The UPU, a United Nations agency, allows 192 countries to provide universal postal services worldwide. It allows Americans living overseas to send letters



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and packages back home, and enables their families to reach them at affordable rates. It provides the infrastructure for the transport and exchange of letters, e-packets and packages that benefit U.S. citizens and businesses.

It also establishes a uniform system of terminal dues that serves to promote universal service in the same way that uniform domestic postage rates benefit all Americans, rural and urban alike. Terminal dues—the fees postal operators pay each other to deliver international letters and small packages—make possible the benefits of universal service on a global scale. The UPU has been moving forward on changes since 2016, including removing China from the poorest developing country status, which had allowed it to pay the lowest rates. It also moved to increase terminal dues on China’s small parcels by 13 percent annually starting in 2019 and continuing through 2021.

“Pulling out of the UPU would deny ourselves access to this infrastructure

and threaten the world’s invaluable system of universal postal services,” Rolando said. “This would raise costs for consumers and reduce access for millions of American families with overseas ties—and would have unpredictable effects on international mailers.”

NALC is far from alone in opposing the proposed exit. The International Mailers Advisory Group, a trade association of international shippers, has said it opposes the U.S. exiting the UPU.

Although the State Department announcement indicated a willingness to rescind the withdrawal if bilateral and multilateral negotiations succeed, threatening to leave reduces the prospect of success for these negotiations. It is not practical to negotiate bilateral agreements with 191 other countries—and it certainly cannot be done within a year.

Staying in the UPU would give the United States the mechanism and leverage to continue the progress made since 2016. **PR**

## Carriers receive upgrade/pay schedule consolidation

**In accordance with the MOU Re:** Pay Schedule Consolidation, all career and non-career (CCA) Grade 1 city letter carriers were upgraded to their equivalent step in Grade 2 effective Nov. 24. Carrier technicians began receiving an additional 2.1 percent compensation of their

applicable hourly wage for all paid hours effective Nov. 24. Time served toward a letter carrier’s next step is maintained and each will receive their next step increase as previously scheduled.

In accordance with Article 9, Section 7, CCA letter carriers received a

1.0 percent general wage increase in addition to the upgrade mentioned above, also effective Nov. 24. This 1.0 percent general wage increase for CCAs is in lieu of the cost-of-living adjustments (COLAs) that career letter carriers receive in accordance with Article 9, Section 3. **PR**



# Letter Carrier Pay Schedule

## City Carrier Wage Schedule: Effective Nov. 24, 2018

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	TBD
July 2019	COLA	TBD

### 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 will receive an average increase of 3.1%.

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

**NOTE: This pay schedule reflects consolidation of Grade 1 into Grade 2. The remaining grade is called City Carrier.**

**NOTE: Carrier Technicians will 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.

Basic Annual Salaries															<i>MOST PREV. STEP</i>
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
52,220	56,455	56,553	59,584	60,024	60,466	60,901	61,337	61,781	62,208	62,652	63,094	63,528	63,976	64,413	444
Part-Time Flexible Employees - Hourly Basic Rates															
26.11	28.23	28.28	29.79	30.01	30.23	30.45	30.67	30.89	31.10	31.33	31.55	31.76	31.99	32.21	
Full-Time/Part-Time Regular Employees - Hourly Basic Rates															
25.11	27.14	27.19	28.65	28.86	29.07	29.28	29.49	29.70	29.91	30.12	30.33	30.54	30.76	30.97	
Step Increase Waiting Periods (In Weeks)															
Steps (From-To)	A-B	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	YRS.
	96	96	44	44	44	44	44	44	44	34	34	26	26	24	12.4

**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.

Basic Annual Salaries															<i>MOST PREV. STEP</i>
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
39,615	41,384	43,157	44,928	46,700	48,470	50,243	52,014	53,786	55,557	57,329	59,099	60,871	62,641	64,413	1,772
Part-Time Flexible Employees - Hourly Basic Rates															
19.81	20.69	21.58	22.46	23.35	24.24	25.12	26.01	26.89	27.78	28.66	29.55	30.44	31.32	32.21	
Full-Time/Part-Time Regular Employees - Hourly Basic Rates															
19.05	19.90	20.75	21.60	22.45	23.30	24.16	25.01	25.86	26.71	27.56	28.41	29.26	30.12	30.97	
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	B-C	C-D	D-E	E-F	F-G	G-H	H-I	I-J	J-K	K-L	L-M	M-N	N-O	YRS.
	46	46	46	46	46	46	46	46	46	46	46	46	46	46	12.4

**Table 3: City Carrier Assistant Schedule**

**Hourly Rates**

**RSC Q4 (NALC)**

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

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

Steps (From-To)	CC	BB	AA
	17.29	17.79	18.29
	CC-BB	BB-AA	
	12	40	

Steps (From-To)	CC	BB	AA
	18.72	19.22	19.72
	CC-BB	BB-AA	
	12	40	