

NALC, USPS formally open bargaining talks

The leaders of the National Association of Letter Carriers and the United States Postal Service formally opened negotiations for a new collective-bargaining agreement on June 26.

In his opening statement, NALC President Fredric Rolando told Postmaster General Megan Brennan, “We are committed to work with you in good faith and to do whatever it takes to achieve a mutually beneficial contract. But we are equally committed to fight for such a contract in interest arbitration, if necessary.”

Joining President Rolando for the event—held in the Benjamin Franklin Room at Postal Headquarters in Washington, DC—were the other members of the NALC Executive Council as well as letter carrier staffers from Headquarters and legal counsel. USPS executives and postal headquarters employees joined Brennan at the Wednesday morning meeting.

Brian Renfroe, who as NALC executive vice president serves as the union’s chief spokesperson for this

Below: NALC President Fredric Rolando and Postmaster General Megan Brennan shook hands at the conclusion of the event.

round of bargaining, kicked off NALC’s presentation, saying, “The Postal Service and our union have a long history of productive and successful collective bargaining, dating back to 1970. As we begin this round of collective bargaining almost 50 years later, we reflect on our long, proud history. But, more importantly, it is an opportunity to address issues confronting America’s city letter carriers and the Postal Service today. We embrace this opportunity.”

Past is present

To begin his statement, President Rolando acknowledged that the Postal Service faces many similar obstacles as it did in the last round of negotiations. “As in 2016, we face the impact of the retiree health pre-funding mandate that continues to distort the overall financial picture surrounding the Postal Service, accounting for 100 percent of the Postal Service’s losses over the past six years,” he said. “The outlook for postal reform legislation to resolve the pre-funding fiasco remains cloudy at best, in the face of congressional gridlock and political dysfunction.”

The problems on the workroom floor remain a persistent issue as well. “Speaking bluntly, it has become clear

to us that postal management does not choose to acknowledge—much less address—this problem, which festers and persists in too many post offices across the country,” Rolando said. “We had hoped the workplace culture MOU negotiated in the 2016 contract would result in a serious effort by management to jointly address offices with such work environments. We will aggressively explore other options to improve the workplace environment in this round of collective bargaining.”

The turnover in the ranks of city carrier assistants (CCAs) hasn’t improved, either. “To address these problems we will propose accelerated CCA conversions to career status and changes that will facilitate a transition to an all-career workforce,” he said.

Rolando acknowledged the simultaneous bargaining the Postal Service was doing with the other postal employee unions, but said that these negotiations would not affect a potential agreement for letter carriers.

The president told the postal executives that despite these challenges and distractions, “these factors will not affect the NALC’s agenda in these negotiations. Our unique and indispensable role in





Left: The NALC Executive Council, including the resident national officers, the national business agents and the three trustees, along with headquarters letter carrier staff, were present for the opening statements.

Below: Brennan talked about the Postal Service's desire for flexibility.

the success of the Postal Service dictates a concerted focus on city carrier issues.”

Looking forward

Rolando laid out the goals of the union in these negotiations, starting with the most essential: “to preserve and improve the standard of living for city letter carriers,” he said. “We aim to move forward, not backward. There will be no concessions offered or given. But we will work diligently and professionally to find common ground and mutual progress.”

The president emphasized that any agreements must be enforced jointly and that the union will propose “practical solutions to improve safety, efficiency, service and staffing as well as measures to achieve properly adjusted routes,” he said. “Unilateral approaches are not acceptable to us—only jointly developed and administered approaches will work.”

Rolando said that the history of collective bargaining has strengthened USPS and could do so again. “We are truly hopeful because we believe in the process of collective bargaining,” he said. “Our track record as collective-bargaining partners has been excellent—both sides can be proud of it.”

“I know we have the capacity, on both sides of this table, to rise to the occasion once again—not just to reach a fair agreement but to advance the interests of city letter carriers and the long-term prospects of the Postal Service, a national treasure that all of us truly love.”

The unique role of letter carriers creates great opportunity for the Postal Service to innovate. “Our competitive advantage, made possible by our unique and unrivaled first-mile collection and last-mile delivery networks, can be strengthened through this process,” he said. “We can and must work together to innovate and diversify our customer base.”

Rolando took a moment to comment on his role in these negotiations. “This is the third time I have had the privilege of leading the NALC in contract negotiations,” he said. “I am extremely proud to be representing America’s city letter carriers in this effort, and I am even more proud to be a letter carrier.”



Management’s turn

In her opening remarks, Postmaster General Brennan thanked Rolando for his active engagement before turning to the challenges at hand.

“Everyone here today is well aware of the enormous challenges the Postal Service continues to face,” she said.

Other unions

The three other postal employee unions are at various stages in the process of seeking new national agreements.

NRLCA

The national agreement between the National Rural Letter Carriers’ Association and USPS expired on May 20, 2018. On May 30, NRLCA and USPS announced that they had reached a tentative agreement for a three-year contract. The agreement was to be voted on by NRLCA members after ratification meetings were held in every state last month.

APWU

The national agreement between the American Postal Workers Union and USPS expired on Sept. 20, 2018. On Dec. 21, APWU and USPS announced that negotiations were at an impasse. On June 3, a mediator declared the parties too far apart, and both are preparing for interest arbitration.

NPMHU

The national agreement between the National Postal Mail Handlers Union and USPS is set to expire on Sept. 20, 2019. Negotiations were set to occur during the same period as NALC’s negotiations with USPS.



“This includes serious financial challenges and an ongoing erosion of mail volume. At the same time we’re adjusting to the ever more competitive market for package delivery in particular. And this requires unprecedented levels of flexibility as we strive to protect the business we have and compete for

more customers.”

The postmaster general said that she sees collective bargaining as an opportunity to jointly address those challenges, by modifying “the manner in which we manage our cost structure and flexibility of the NALC workforce in this rapidly changing and increas-

Give and take: 49 years of bargaining

The wages, benefits and working conditions of the nation’s city letter carriers never have simply been given—they’ve been forged at the bargaining table, through negotiation and sometimes through arbitration.

Nearly half a century ago, President Richard Nixon, stung by the Great Postal Strike of 1970, signed the Postal Reorganization Act (PRA) into law, replacing the 195-year-old Cabinet-level Post Office Department with a new public corporation: the United States Postal Service.

The PRA granted postal employees the right to bargain collectively for wages, benefits and improved working conditions. Rather than a right to strike, they were given a right to binding interest arbitration: Should contract negotiations fail, each party

presents its case to a three-member arbitration board—one member named by each party and a third, neutral member selected jointly as board chairman. The panel considers the issues and renders a binding judgment.

The first two-year national agreement, settled in 1971, was negotiated between USPS and all seven postal unions of the time, which bargained together. The agreement included negotiated wage increases as well as staggered cost-of-living adjustments (COLAs) to wages based on the Consumer Price Index. The 1973 and 1975 contracts also were negotiated; by the four consolidated unions: NALC, the American Postal Workers Union (APWU), the National Postal Mail Handlers Union (NPMHU) and the National Rural Letter Carriers’ Association (NRLCA).

When the 1975 agreement reached its end in 1978, USPS attacked the COLA provision, arguing a need for protection from inflation-driven pay raises. Initially, NALC, APWU and NPMHU agreed to a proposed limit on COLAs. But rank-and-file letter carriers, for the first and only time, rejected the proposed contract in a national ratification vote.

The rejection forced the COLA issue as well as proposed changes in the prior contract’s prohibition of layoffs (the “no-layoff clause”) into arbitration. In the end, the arbitrator sided with the union on the cap, retaining the existing COLA clause, but he granted management a modification of the no-layoff clause—limiting its coverage to career employees with at least six years of service.



Above: Rolando laid out the goals of the union in these negotiations, starting with the most essential: “to preserve and improve the standard of living for city letter carriers,” he said.

ingly competitive environment. The decisions we will make over the coming months will impact the future success of our organization.”

While she acknowledged the necessity of a legislative solution to the pre-funding burden, “we have a continuing obligation as stewards of

this organization to make the difficult choices and devise the creative solutions that will improve our competitive position as we adjust to our new financial reality and to the changing marketplace,” Brennan said.

“I am committed to investing in the future of the Postal Service in order to

Between 1981 and 1994, NALC and APWU bargained jointly with USPS. The 1981 agreement was successfully negotiated, although the Postal Service began claiming that employees were overpaid compared with private-sector workers in similar jobs. Three years later, the 1984 contract talks reached an impasse when USPS revived the “comparability” issue. In interest arbitration, the board rejected USPS’s demands for massive wage cuts but lowered the starting salaries of NALC and APWU members, calling for “moderate restraint” in future negotiations.

The 1987 agreement was negotiated, while concerns surrounding comparability and health insurance premiums forced the 1990 contract to arbitration. That arbitrator provided wage increases and maintained COLAs, but

created a transitional mmployee classification to facilitate the implementation of DPS automation. The arbitrator agreed that USPS deserved relief on health insurance contributions, but told the parties to try to reach an agreement on that issue through mediation. Those talks failed, and in 1993, a second arbitrator’s award cut the Postal Service’s contribution toward health benefits 1 percent per year over five years.

NALC’s 1994 national convention in Atlantic City decided that the union should “go it alone” in contract negotiations. In 1994 and 1998, USPS again raised the comparability issue; in both years, talks went to arbitration, with NALC raising its own concerns over the impact of automation—specifically, delivery point sequence (DPS)—on

carrier productivity, injury rates and street times.

Also in 1994, NALC pushed for a significant pay upgrade based on changes in letter carriers’ work. The arbitrator did not grant the increase but wrote in the final award that the union had raised an important issue that needed to be addressed in the future. The arbitrator also rejected the Postal Service’s claim that letter carriers were overpaid.

In 1998, after extensive hearings, letter carriers finally won their sought-after pay upgrade in recognition of the increasingly difficult nature of their work—a devastating blow to USPS’s “comparability” arguments.

The Sept. 11, 2001, terrorist attacks and the postal anthrax attacks shortly thereafter delayed completion of the



Above: NALC Executive Vice President Brian Renfroe serves as the union's chief spokesperson for this round of bargaining.

create long-term opportunities for success. And our customers are continually demanding flexibility in where and how they do business with us. We will continue to invest in technology, our infrastructure and our people, enabling us to better compete for business and continue to provide outstanding service to the American public," she added.

Ultimately, Brennan said that she remained hopeful that the parties would reach an agreement. "We should take this opportunity to partner together and achieve a negotiated agreement that is both fair to our employees and positions the organization for success moving forward," she said. "Whatever our disagreements may be, we can always agree that we share a common objective, and that is to ensure the long-term viability of the Postal Service that serves the American people and that [it] is also a great place for our employees to come to work.

"I thank President Rolando, each and every one of you and all of our professional letter carriers throughout

the country for their continued service and dedication to the Postal Service and the American public. I have faith that the parties will work together to meet the challenges we continue to face, and know that we will engage in serious and honest discussions in an effort to reach a negotiated agreement. We look forward to continuing the conversation," she concluded.

Next steps

The present collective-bargaining agreement is set to expire at midnight on Sept. 20. If the parties fail to reach an agreement by then, federal law establishes a system of mediation and binding arbitration to resolve disputes; the law forbids strikes by postal workers. As this issue of *The Postal Record* was going to press, the parties were organizing bargaining committees for negotiations.

President Rolando's full statement is available on nalc.org and future updates on bargaining will be in the *NALC Bulletin*, in *The Postal Record*, on the NALC Member App and on NALC's social media accounts. **PR**

2001 contract talks until the spring of 2002. The negotiated agreement covered five years—a first—and included wage increases and COLAs; it also overhauled the grievance/arbitration procedure by incorporating the Dispute Resolution Process into Article 15.

In 2006, NALC was unrelenting in its push for protection from the Postal Service's increased use of contracted-out delivery services. Negotiations dragged on for months and arbitration seemed likely. Meanwhile, NALC pressed Congress for protection from contracting out. Eventually, postal management conceded on the issue and another five-year agreement was

negotiated, finalized and ratified by a 9-to-1 ratio. That agreement secured the protections against subcontracting that still cover us today.

Following 14 months of negotiations and mediation, the 2011-2016 agreement was settled in January 2013 through interest arbitration. The transitional employee (TE) classification was replaced with the new non-career classification known as city carrier assistant (CCA).

The current 2016-2019 agreement, covering 40 months, took 15 months to negotiate. It included many gains, including a pay upgrade, COLAs and general wage increases. It also

included provisions affecting CCAs and former CCAs, notably a one-time conversion affecting certain CCAs as well as advanced step placements and step increases for CCAs and former CCAs with significant TE service. It was ratified by a 16-to-1 ratio.

The current contract expires at midnight on Sept. 20, and the bargaining process already is underway. Almost 50 years after the Great Postal Strike, NALC and USPS still have faith that bargaining-table compromises are the best means toward crafting a contract agreement that serves the interests of city letter carriers and the Postal Service. **PR**