BEFORE THE BOARD OF INTEREST ARBITRATION

In the Matter of:

UNITED STATES POSTAL SERVICE

and

2011 National Agreement

NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

AWARD

BOARD OF ARBITRATION

SHYAM DAS, Impartial Chair
ROBERT DUFEK, USPS Member
BRUCE SIMON, NALC Member

AWARD DATE: JANUARY 10, 2013

APPEARANCES FOR THE PARTIES

NALC

Keith E. Secular, Esq., Cohen, Weiss and Simon, LLP, New York, N.Y.
Babette Ceccotti, Esq., Cohen, Weiss and Simon, LLP, New York, N.Y.
Thomas N. Ciantra, Esq., Cohen, Weiss and Simon, LLP, New York, N.Y.
Peter D. DeChiara, Esq., Cohen, Weiss and Simon, LLP, New York, N.Y.

USPS

Thomas E. Reinert, Jr., Esq., Morgan Lewis & Bockius, LLP, Washington, D.C.
Stephan J. Boardman, Esq., Chief Counsel, Appellate and Commercial Litigation, Washington, D.C.
Teresa A. Gonsalves, Esq., Chief Counsel, Labor Relations, Washington, D.C.
Sonya J. Penn, Labor Relations Specialist, Washington, D.C.
Katherine P. Sullivan, Labor Relations Specialist, Washington, D.C.
BACKGROUND

Pursuant to Section 1207(c) of Title 39 of the U.S. Code, the Postal Reorganization Act, P.L. 91-373, 39 U.S.C. Section 101 et seq. ("Act" or "PRA"), the Federal Mediation and Conciliation Service ("FMCS") has designated the undersigned as an Arbitration Board for the purpose of resolving the present dispute between the United States Postal Service ("USPS" or "Postal Service"), and the National Association of Letter Carriers, AFL-CIO ("NALC"). The Act provides that following collective bargaining all unresolved disputes between the parties are to be resolved through mediation and arbitration unless other procedures are adopted by the parties.¹

The USPS is an independent establishment of the Executive Branch of the Government of the United States, authorized to provide mail services to the American public. 39 U.S.C. Sections 101 and 201. The Postal Service was created by the PRA, as subsequently amended by the Postal Enhancement and Accountability Act (PAEA) in 2006. It is the successor to the former Post Office Department.

The NALC is a national labor organization representing over 175,000 employees of the USPS in the City Letter Carrier Craft.

This proceeding is to establish a successor to the 2006 National Agreement between the parties, which expired on November 20, 2011. During the 90-day period prior to the expiration of the 2006 Agreement, the parties' representatives engaged in collective bargaining with respect to proposals for a

¹ By memorandum dated August 3, 2012, the parties agreed to ground rules for conducting these interest arbitration proceedings. USPS Exhibit 1. As discussed further herein, the parties, in association with the Board, adopted revisions to these procedures.
new agreement. The first formal negotiating session took place on August 18, 2011. During this period, the parties engaged in good faith negotiations over a host of economic and work rule issues. The parties met frequently in main table discussions and subcommittee meetings.

Nevertheless, when the contract expired at midnight, November 20, 2011, no tentative agreement had been reached. Negotiations were extended by the parties, initially until December 7, 2011, then again until December 16, 2011, and ultimately until January 20, 2012. At that point, no agreement having been reached, impasse was declared.

The Federal Mediation and Conciliation Service appointed Joshua M. Javits, Esq. to mediate the dispute between the parties. Mediation lasted from February 16, 2012 to March 30, 2012. These efforts were unsuccessful.

PROCEDURAL HISTORY

Interest arbitration by its nature is litigation-oriented and adversarial. Thus, it is not surprising that interest arbitration in the Postal Service has been a time consuming and protracted affair, and has resulted in the creation of many extremely large records. For example, in the latest interest arbitration between the USPS and the National Rural Letter Carriers’ Association (NRLCA), resulting in an Award issued on July 3, 2012, the proceedings included some 26 hearing days, 60 witness presentations, and over 4,600 pages of transcript. The last interest arbitration between the USPS and NALC in 1999 was nearly as lengthy.

Prior to the beginning of evidentiary hearings in the present proceeding, the parties determined that it was not in their interests to engage in a protracted
proceeding over many months, and they explored ways to accelerate the process. Ultimately, the parties, with the Board’s concurrence, agreed that direct case presentations could be made through written submissions.\(^2\) This process is akin to procedures before the Postal Regulatory Commission. The parties deferred the issue of live cross-examination for determination after written submissions and further discussions among the parties and the Board.\(^3\) While this manner of proceeding strained the resources of the parties to prepare and submit the lengthy and comprehensive written submissions necessary for a full record in this case, it provided for efficient use of available hearing time and undoubtedly enabled the issuance of an award much more quickly than otherwise would have been possible. The Board appreciates the efforts of both parties in making this process as complete as possible.

The parties submitted Pre-Hearing Briefs to the Board on August 30, 2012, and the Board heard the parties’ respective opening statements on September 6, 2012. The parties then submitted written direct testimony and evidentiary exhibits to the Board in November and December 2012.

The issues addressed and the evidence submitted in this case were extensive.\(^4\) Without attempting to be full and complete, we will summarize some of the parties’ major arguments below.

The Postal Service argued the following points:

---


\(^3\) The Board ultimately indicated to the parties that live cross-examination was unnecessary given the substantial detail of both parties’ written submissions, and the parties concurred.

\(^4\) Specifically, the record exceeds one thousand pages and includes 421 pages of testimony from 21 witnesses as well as 153 separate exhibits.
• The Postal Service has experienced an unprecedented and permanent decline in First-Class mail revenue due largely to electronic diversion. This fact, combined with certain regulatory burdens imposed by Congress, has led to a dangerous and untenable financial situation for the Postal Service—one that cannot be solved by Congressional action alone. As the delivery network continues to grow while the value of the product delivered declines, the Postal Service must bring its delivery cost structure in line with its declining revenues.

• As the Postal Service seeks to generate new revenue in response to the dramatic, permanent loss of First-Class mail volume, it will move increasingly into the packages and parcels market, which is intensely competitive. The growth of e-commerce has led to a large increase in demand for low-cost same-day or next-day delivery in the business-to-consumer market. To effectively compete for this business, the Postal Service needs a less expensive delivery workforce with increased flexibility to deliver outside the typical 9-to-5 delivery window.

• City delivery is significantly more costly than both rural delivery and contract delivery service; indeed, it is the most expensive cost center within the Postal Service. The Postal Service needs a less expensive delivery workforce to (1) ensure the gap between cost and revenue per delivery does not continue to grow, and (2)
position the Postal Service to be competitive as it moves further into the same-day and next-day package delivery markets.

- City letter carriers enjoy a very rich and very costly wage and benefit package that exceeds comparable wages and benefits paid for similar levels of work in the private sector. The appropriate comparison for purposes of private sector comparability is the entire private sector, not only large, unionized employers. Past interest arbitrators have recognized the postal wage premium.

- Collective bargaining does not exist in a vacuum, and must take into account financial realities and changes in product markets. Provisions such as COLA clauses, no-layoff protections, and restrictions on contracting are nearly non-existent in private sector labor contracts today. Accordingly, they should be excised from the parties’ agreement.

The NALC argued the following points:

- The Postal Service faces significant financial and strategic challenges—challenges that are driven by two root causes: (1) the unprecedented financial burdens and operational limitations imposed on the USPS by the Postal Accountability and Enhancement Act of 2006; and (2) the secular decline of letter mail volumes as Americans increasingly shift their communications to digital and electronic media.
• The decline of mail volume is generally understood. The PAEA’s impact is less so, and it is considerably more significant. First, contrary to universally accepted practice in the private and public sectors, the PAEA requires the USPS to pre-fund its obligation to provide health care to future postal retirees. The Postal Service has contributed in excess of $20 billion into a retiree health care trust over the past five years. Second, the PAEA prohibits the Postal Service from raising prices on market dominant products by more than the Consumer Price Index for all Urban Consumers (CPI-U). This is the wrong cap on pricing and its significance cannot be overstated.

• If Congress tied First-Class mail postage to an inflation measure more representative of the actual costs for mailing services (CPI-U Delivery Services), the USPS could have generated over $20 billion of additional profit and cash flow between 2006 and 2012. In short, although much public attention has focused on the secular decline of mail, it is important to understand that the Postal Service’s immediate crisis stems almost entirely from ill-advised legislative mandates—mandates that only Congress, not this interest arbitration Board, can address.

• The Postal Service’s business plan is unduly pessimistic with regard to financial projections and operational objectives and
cannot be relied upon as a basis for asking for unprecedented concessions from employees.

- There is a tremendous growth opportunity for the USPS in the package and parcel market with the growing volume of e-commerce transactions, particularly in the business to consumer market. Uniformed city letter carriers are a key component in the efficient servicing of that opportunity, as is the preservation of existing service standards and a six day delivery network.

- City letter carrier wages and benefits do not exceed private sector standards when measured against appropriate private sector employers. This is particularly true when comparing city letter carriers to other branded, uniformed delivery service competitors.

- Continuing changes in letter carrier work since the 1999 Fleischli Award have significantly increased the skill, effort, and responsibilities associated with letter carrier work; have increased the proportion of letter carrier work performed outdoors; and have made the job more difficult. Letter carriers are entitled to a second pay upgrade above the upgrade awarded by Chairman Fleischli.

- City letter carriers have and will continue to make an extraordinary contribution to the Postal Service and the communities they serve. They are entitled to the job security provisions that they bargained for and obtained in prior collective bargaining agreements.
The Board met in executive session on December 17, 18, and 19 and January 8, 9, and 10.

STATUTORY STANDARD

The Board is obligated to determine the wages, benefits, and work rules for City Letter Carriers for the term of the next contract after giving the parties "a full and fair hearing, including an opportunity to present evidence in support of their claims, and an opportunity to present their case in person, by counsel, or by other representatives as they may elect." 39 U.S.C. §1207. In addition, the Board must take into account the following statutory provisions.

Thirty-nine U.S.C. § 101(c) provides:

As an employer, the Postal Service shall achieve and maintain compensation for its officers and employees comparable to the rates and types of compensation paid in the private sector of the economy of the United States. It shall place particular emphasis upon opportunities for career advancements of all officers and employees and the achievement of worthwhile and satisfying careers in the service of the United States.

Thirty-nine U.S.C. § 1003(a) provides in part:

It shall be the policy of the Postal Service to maintain compensation and benefits for all officers and employees on a standard of comparability to the compensation and benefits paid for comparable levels of work in the private sector of the economy....

The Award as set forth below is consistent with these provisions.

COMMENTS OF THE BOARD

The Board of Arbitration recognizes that the Postal Service is facing a financial crisis largely attributable to factors beyond its control—loss of mail volume, a change in the mail mix, an onerous and unprecedented retiree health benefits pre-funding obligation, and the fixed costs associated with universal
service at a CPI-U cap for First-Class mail and other market dominant products. As Jack Clarke, the Chair of the NRLCA Interest Arbitration, so aptly noted: “Only Congress can address the USPS’s overall mission, associated business plan and regulatory framework.”

This Board joins Chairman Clarke in recognizing that action from Congress on regulatory and legacy cost issues is absolutely essential to the long term health and viability of the Postal Service. This Board of Arbitration can address only one, albeit critically important area—the wages and benefits of city letter carriers. Even there this Board of Arbitration is constrained by law because it cannot address important statutory benefits such as pensions and retiree health care that loom so large in the USPS’s financial challenge. This interest arbitration proceeding cannot serve as a substitute for Congressional action.

On the issue of wages and benefits for city letter carriers, the Board of Arbitration is well aware of both the most recent collective bargaining agreement negotiated with the American Postal Workers’ Union (APWU) as well as the interest arbitration award involving the National Association of Rural Letter Carriers (NRLCA). Both of those contracts contain a two year wage freeze, no COLA in year one, a deferral of COLA in year two, a revised COLA base, and modest general wage increases in FY 2013 through FY 2015. In addition, the agreements included structural changes that reduce unit labor costs over the course of the agreements. Those changes included lower wage rates for new career hires and an increase in non-career complements with lower wage and benefit packages. The Board considered both contracts in developing this
Award, although we recognize that the Board is not bound to treat those contracts as precedent for the NALC agreement.

Both parties recognize that the Postal Service faces a secular decline in the demand for First-Class mail and that fact poses a severe threat to Postal Service revenues. Standard mail, although holding its own in the advertising market, cannot replace the revenue loss from First-Class mail. It takes three pieces of standard mail to provide the same contribution as one piece of First-Class mail. Both the USPS and the NALC agree that the best opportunity to replace lost First-Class mail revenue lies with an ability to compete for a growing parcel and package market—particularly the business to consumer market flowing from an ever growing stream of internet commerce.

The Board has reviewed both the labor cost and operational need for a flexible, low cost delivery capability to service the changed business environment facing the mailing and package industry. As noted above, the Board is also well aware of the contracts both negotiated and awarded with the APWU and NRLCA. Based upon a review of all the evidence, the Board awards a two year wage freeze, no COLA in year one, a deferral of COLA in year two, a revised COLA base and modest general wage increases in FY2014 through FY2016. In addition, the Board awards a lower entry wage for new career hires. We do not award a completely lower wage schedule for new career hires. The top step of the city carrier wage schedule shall remain the same for all letter carriers, regardless of their date of hire. The Award also provides for a new non-career  

---

5 The Board does not award a second pay upgrade for letter carriers as requested by NALC. The Award does retain the COLA formula for career employees currently on the rolls and for the top
workforce with a wage rate and benefit structure which will greatly reduce city delivery unit labor costs. The Board notes that the terms and conditions of the non-career workforce were vigorously contested, and this Award represents a significant and substantial benefit to the Postal Service.

At the same time, the Board recognizes that the NALC has made a powerful case that if the USPS' demands with respect to the non-career complement are awarded, then the NALC's demand for job security, with regard to existing no layoff protections as well as the continuation of the MOUs restricting contracting out should be retained. The NALC has produced substantial evidence that the non-career complement will allow the Postal Service to meet the competitive cost challenges in the package market while retaining its core delivery brand with uniformed employees dedicated to secure and trustworthy performance. The Board agrees with the NALC argument that there is a logical connection between the Postal Service's demand for a competitive cost structure and the NALC's demand for job security. The Board, therefore, awards the NALC the retention of the existing limited no layoff provisions and the MOUs on contracting out as previously negotiated. Secure and trustworthy delivery is the Postal Service's signature brand and it is, in the opinion of the Board, reasonable for the Postal Service as an institution to utilize its uniformed delivery workforce to provide the city delivery service. In addition, the Award provides a path to career appointment for members of the new non-

---

step of the new pay schedule for carriers hired after the date of the Award. For steps below the top step of the new hire pay schedule, the COLA formula will be applied on a proportional basis. This modification will both lower the Postal Service's costs and ameliorate the tendency of a flat COLA adjustment to compress the pay structure.
career complement and converts the career letter carrier workforce to essentially one hundred percent full-time status.

The following is the Award of the Board of Arbitration. The Board awards a contract of four and one half years’ duration (November 21, 2011 through May 20, 2016). The terms are effective on the date of the issuance of this Award.

The Award below has four component parts: I.) the creation of a new non-career employee category, City Carrier Assistant; II.) the wage and benefit package for employees; III.) Memoranda of Understanding that are newly awarded, continued and/or amended from the prior contract, or discontinued; and IV.) Other provisions that are changed by the Award.

All other provisions of the current contract not modified or deleted in this Award remain.

I. NON-CAREER COMPLEMENT

The parties shall establish a new job classification called City Carrier Assistant (CCA).

1. GENERAL PRINCIPLES

a. The CCA work force is comprised of noncareer, city letter carrier bargaining unit employees.

b. CCA employees shall be hired for terms of 360 calendar days and will have a break in service of 5 days between appointments.

c. The provisions for determining the number of CCA employees that may be employed are found in Article 7.1.C.

d. The Postal Service shall provide a report every other pay period with information needed to monitor compliance with the above provision.

e. The hourly rate for CCA employees shall be established in accordance with Table 2, Step BB. Transitional Employees (TEs) employed as of the date of this Agreement who become CCAs shall be paid at Step AA of Table 2. The parties may mutually agree to increase the CCA pay rates should they
determine it necessary for the recruitment or retention of CCAs. Adjustments to salary shall be in accordance with Article 9.7.

f. When hired, a CCA’s relative standing in an installation is determined by his/her original CCA appointment date to the installation, using Article 41.2.B.8.(a) where applicable, and adding the time served as a city letter carrier transitional employee for appointments made after September 29, 2007 in any installation.

g. When the Postal Service hires new city letter carrier career employees, CCA employees within the installation will be converted to full-time regular career status to fill such vacancies based on their relative standing. A CCA who does not accept the career opportunity will not lose his/her relative standing for future career opportunities.

h. CCA employees may be separated at any time during their term of appointment for lack of work. Separations for lack of work shall be by inverse relative standing in the installation. Such separations are not grievable except where the separations are pretextual. CCAs separated for lack of work will be given preference for reappointment ahead of other CCAs with less relative standing in the installation if the need for hiring arises within 18 months of their separation.

i. CCA employees are separated for 5 days between appointments. When operational circumstances indicate that reappointment for a CCA(s) is not needed and the installation employs a CCA(s) with lower relative standing, the CCA(s) will be reappointed and the CCA(s) with the lower standing in the installation will be separated instead. Such separation of a CCA(s) with the lowest relative standing is not grievable except where the separation is pretextual. These CCAs separated for lack of work during or upon completion of their term of appointment will be given a preference for reappointment ahead of other CCAs with less relative standing in the installation provided the need for hiring arises within 18 months of separation.

j. All current transitional employees will be given the opportunity to be employed as CCAs, consistent with their test results and legal requirements. These employment opportunities and the phasing out of the transitional employee category will occur within 90 days of the effective date of this Agreement.

k. As Part-time Flexible (PTF) employees are converted to full-time in accordance with existing contractual processes, the PTF classification shall be phased out. There shall be no new hiring of PTF employees.

l. CCA is the only noncareer category in the NALC bargaining unit.

m. Opting provisions applicable to CCA employees (Article 41.2.B.4) are applicable beginning 90 days after the effective date of this Agreement.
2. CONTRACT PROVISIONS

The following articles and portions of articles of the National Agreement apply to CCA employees as outlined below:

Article 1
Article 2
Article 3
Article 5

ARTICLE 7
EMPLOYEE CLASSIFICATION

Section 1. Definition and Use

****

B. Transitional Work Force (Note: The transitional work force will be phased out within 90 days of the effective date of this Agreement.)

****

C. City Carrier Assistant Employees

The city carrier assistant work force shall be comprised of noncareer, bargaining unit employees, as follows:

1. City carrier assistants may perform the full range of letter carrier duties. The number of city carrier assistants who may be employed in any reporting period shall not exceed 15% of the total number of full-time career city carriers in that District.

2. In order to meet the fundamental changes in the business environment, including, but not limited to flexible windows which may be necessary to develop and provide new products and services, the Employer has the right to hire up to 8,000 CCAs in addition to those authorized in paragraph 1, above. The number of such city carrier assistants who may be employed in any reporting period shall not exceed 8% of the total number of full-time career city carriers in that District. CCAs hired under this Section will be so designated on their PS Form 50.

3. City carrier assistants shall be hired pursuant to such procedures as the Employer may establish. City carrier assistants shall be hired for terms of 360 calendar days and will have a break in service of 5 days between appointments.

4. Over the course of a service week, the Employer will make every effort to ensure that qualified and available part-time flexible employees are utilized at the straight-time rate prior to assigning such work to CCAs working in the same work location and on the same tour, provided that the reporting guarantee for CCA employees is met.
Section 3. Employee Complements

A. The Employer will staff at least one full-time regular city letter carrier per one full-time regular city letter carrier route, as defined in Article 41.1.A.1, plus each Carrier Technician position; however, the Employer's obligation shall not exceed a ratio of 1.18 full-time regular city letter carriers per full-time city letter carrier routes. As long as part-time flexible employees remain on the rolls, the Employer shall staff all postal installations which have 200 or more workyears of employment in the regular work force as of the date of this Agreement with 88% full-time employees in the letter carrier craft.

ARTICLE 8
HOURS OF WORK

Section 2. Work Schedules

A. The employee's service week shall be a calendar week beginning at 12:01 a.m. Saturday and ending at 12 midnight the following Friday.

B. The employee's service day is the calendar day on which the majority of work is scheduled. Where the work schedule is distributed evenly over two calendar days, the service day is the calendar day on which such work schedule begins.

Section 3. Exceptions

*****
CCA employees will be scheduled in accordance with Section 2, A and B, of this Article.

Section 4. Overtime Work

Sections 4 A, B, C, E, and F apply to CCAs.

Section 7. Night Shift Differential

Section 8. Guarantees

*****

D. Any CCA employee who is scheduled to work and who reports to work in a post office or facility with 200 or more workyears of employment shall be guaranteed four (4) hours of work or pay. CCAs at other post offices and facilities will be guaranteed two (2) hours work or pay.

Section 9. Wash-Up Time
ARTICLE 9
SALARIES AND WAGES

Section 7. CCA Employees

The hourly rates for CCA employees shall be established in accordance with Table 2. These rates shall be adjusted for any general increases provided in Article 9.2.

In addition, CCAs will receive the following wage adjustments:

Effective November 16, 2013, the CCA hourly rates in Table 2 shall be increased by 1.0%.

Effective November 15, 2014, the CCA hourly rates in Table 2 shall be increased by 1.0%.

Effective November 14, 2015, the CCA hourly rates in Table 2 shall be increased by 1.5%.

ARTICLE 11
HOLIDAYS

*****

Section 6. Holiday Schedule

D. City Carrier Assistant Employees

Qualified CCAs will be scheduled for work on a holiday or designated holiday after all full-time volunteers are scheduled to work on their holiday or designated holiday. They will be scheduled, to the extent possible, prior to any full-time volunteers or non-volunteers being scheduled to work a nonscheduled day or any full-time non-volunteers being required to work their holiday or designated holiday. If the parties have locally negotiated a pecking order that would schedule full-time volunteers on a nonscheduled day, the Local Memorandum of Understanding will apply.

Article 14
Article 15
Article 17
Article 18

ARTICLE 19
HANDBOOKS AND MANUALS

*****

Article 19 shall apply in that those parts of all handbooks, manuals and published regulations of the Postal Service, which directly relate to wages, hours, or working conditions shall apply to CCA employees only to the extent consistent with other rights and characteristics of CCA employees provided for in this Agreement. The
Employer shall have the right to make changes to handbooks, manuals and published regulations as they relate to CCA employees pursuant to the same standards and procedures found in Article 19 of the National Agreement.

Article 20
Article 22
Article 23
Article 24

ARTICLE 26
UNIFORMS AND WORK CLOTHES

Section 3. City Carrier Assistant

When the CCA has completed ninety (90) work days, or has been employed for 120 calendar days, whichever comes first, the CCA will be provided with an annual uniform allowance equal to the amount provided to career employees in Section 2.A. Time served as a Transitional Employee will count toward the 90/120 day requirement.

The uniform purchases are reimbursed by the Postal Service directly to the vendor. Uniforms will be returned by CCAs separated and not reappointed.

Article 27
Article 28
Article 31
Article 32
Article 34
Article 35
Article 36
Article 42
Article 43

Only the following Memorandums of Understanding from the 2011 National Agreement shall apply to CCA employees:

Use of Privately Owned Vehicles
Leave Sharing
Leave Without Pay
Processing of Post-Removal Grievances
Interest on Back Pay
Bereavement Leave

3. OTHER PROVISIONS

A. Article 6 – No Layoffs or Reduction in Force

Prior to laying off career city letter carriers in an installation, management will, to the extent possible, offer the impacted employee the opportunity to work any
letter carrier assignments being performed by CCA employees, or if necessary, separate CCA employees. There will be no out-of-schedule pay provided to the impacted employees.

B. Article 10 – Leave

GENERAL

1. Purpose. Annual leave is provided to CCA employees for rest, recreation, emergency purposes, and illness or injury.

   a. Accrual of Annual Leave. CCA employees earn annual leave based on the number of hours in which they are in a pay status in each pay period.

<table>
<thead>
<tr>
<th>Rate of Accrual</th>
<th>Hours in Pay Status</th>
<th>Hours of Annual Leave Earned Per Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 hour for each unit of 20 hours in pay status in each pay period</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>40</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>4 (max.)</td>
<td></td>
</tr>
</tbody>
</table>

   b. Biweekly Crediting. Annual leave accrues and is credited in whole hours at the end of each biweekly pay period.

   c. Payment For Accumulated Annual Leave. A separating CCA employee may receive a lump-sum payment for accumulated annual leave subject to the following condition:

   A CCA employee whose separation is effective before the last Friday of a pay period does not receive credit or terminal leave payment for the leave that would have accrued during that pay period.

AUTHORIZED ANNUAL LEAVE

1. General. Except for emergencies, annual leave for CCA employees must be requested on Form 3971 and approved in advance by the appropriate supervisor.

2. Emergencies and Illness or Injury. An exception to the advance approval requirement is made for emergencies and illness or injury; however, in these
situations, the CCA employee must notify appropriate postal authorities as soon as possible as to the emergency or illness/injury and the expected duration of the absence. As soon as possible after return to duty, CCA employees must submit Form 3971 and explain the reason for the emergency or illness/injury to their supervisor. Supervisors approve or disapprove the leave request. When the request is disapproved, the absence may be recorded as AWOL at the discretion of the supervisor as outlined in Section IV.B below.

UNSCHEDULED ABSENCE

1. Definition. Unscheduled absences are any absences from work that are not requested and approved in advance.

2. CCA Employee Responsibilities. CCA employees are expected to maintain their assigned schedule and must make every effort to avoid unscheduled absences. In addition, CCA employees must provide acceptable evidence for absences when required.

FORM 3971, REQUEST FOR, OR NOTIFICATION OF, ABSENCE

1. Purpose. Application for annual leave is made in writing, in duplicate, on Form 3971, Request for, or Notification of, Absence.

2. Approval/Disapproval. The supervisor is responsible for approving or disapproving application for annual leave by signing Form 3971, a copy of which is given to the CCA employee. If a supervisor does not approve an application for leave, the disapproved block on Form 3971 is checked and the reasons given in writing in the space provided. When a request is disapproved, the reasons for disapproval must be noted. AWOL determinations must be similarly noted.

C. Article 12 – Reassignment

In order to minimize the impact on employees in the regular work force, the Employer agrees to offer the impacted employee the opportunity to work any letter carrier duty assignments performed by CCA employees, or to separate, to the extent possible, CCA employees working in the city carrier craft and installation prior to exceeding any regular city letter carrier out of the installation.

D. Article 15 – Grievance procedure

CCA employees will have access to the grievance procedure for those provisions that apply to CCA employees.

E. Article 16 – Discipline Procedure

CCAs may be separated for lack of work at any time before the end of their term. Separations for lack of work shall be by inverse relative standing in the installation. Such separation of the CCA(s) with the lowest relative standing is not grievable except where it is alleged that the separation is pretextual. CCAs
separated for lack of work before the end of their term will be given preference for reappointment ahead of other CCAs with less relative standing in the installation, provided the need for hiring arises within 18 months of their separation.

CCAs may be disciplined or removed within the term of their appointment for just cause and any such discipline or removal will be subject to the grievance arbitration procedure, provided that within the immediately preceding six months, the employee has completed ninety (90) work days, or has been employed for 120 calendar days (whichever comes first) of their initial appointment. A CCA who has previously satisfied the 90/120 day requirement either as a CCA or transitional employee (with an appointment made after September 29, 2007), will have access to the grievance procedure without regard to his/her length of service as a CCA. Further, while in any such grievance the concept of progressive discipline will not apply, discipline should be corrective in nature.

In the case of removal for cause within the term of an appointment, a CCA shall be entitled to advance written notice of the charges against him/her in accordance with the provisions of Article 16 of the National Agreement.

F. Article 21 – Health Insurance

After an initial appointment for a 360-day term and upon reappointment to another 360-day term, any eligible noncareer CCA employee who wants to pay health premiums to participate in the Federal Employees Health Benefits (FEHB) Program on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. A previous appointment as a transitional employee will count toward qualifying for participation in FEHB, in accordance with the Office of Personnel Management (OPM) regulations. The total cost of health insurance is the responsibility of the noncareer CCA employee except as provided below.

Beginning in Plan Year 2014, the Postal Service will make a bi-weekly contribution to the total premium for any CCA employee who wishes to participate in the USPS Noncareer Health Care Plan (USPS Plan) equal to the greater of (a) $125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only. The CCA employee is fully responsible for the cost of premiums for any health insurance plan beyond a self-only plan. Any CCA employee wishing to make their health care contribution on a pre-tax basis will be required to make an election to do so in accordance with applicable procedures. All CCA employees will be eligible for the USPS Plan within a reasonable period from the date of hire and entry into a pay status, consistent with the requirements established under the Patient Protection and Affordable Care Act.

If for any reason the USPS Plan is not available to a CCA, or if a CCA elects more than self-only coverage, the Postal Service will make a bi-weekly contribution for any eligible CCA who selects an NALC Consumer Driven Health Plan equal to the greater of (a) $125, or (b) the minimum required by the Patient Protection and Affordable Care Act, and applicable regulations, for self-only.
G. Retirement Savings Plan

If the NALC establishes a 401k retirement savings plan for CCA employees, the Postal Service agrees to implement the necessary steps for payroll deductions for this plan.

ARTICLE 41
LETTER CARRIER CRAFT

Section 2.B

***

4. Part-time flexible letter carriers may exercise their preference by use of their seniority for vacation scheduling and for available full-time craft duty assignments of anticipated duration of five (5) days or more in the delivery unit to which they are assigned. City carrier assistants may exercise their preference (by use of their relative standing as defined in Section 1.f of the MOU, Re. City Carrier Assistant) for available full-time craft duty assignments of anticipated duration of five (5) days or more in the delivery unit to which they are assigned that are not selected by eligible career employees.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

RE: City Carrier Assistant Opportunities

In order to provide the potential for career opportunities to city carrier assistants beyond their employing installation, a joint Task Force will be established to explore ways to expand opportunities for career city carrier positions within the district.

The Task Force will consist of two members appointed by the NALC and two members appointed by the Postal Service. The Task Force shall convene within 15 days of this agreement and will function for a period of one year, unless extended by mutual extent. The Task Force will provide reports and recommendations to the NALC President and the Vice President, Labor Relations, or their designees on a quarterly basis.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: City Carrier Assistant (CCA) Annual Leave

Article 30 of the National Agreement and Local Memorandum of Understanding provisions do not apply to city carrier assistant employees, except as follows:

During the local implementation period, the parties may agree to include provisions into the local memorandum of understanding to permit city carrier assistant employees to apply for annual leave during choice vacation periods, as defined in Article 10.3.D of the National Agreement. Granting leave under such provisions must be contingent upon the employee having a leave balance of at least forty (40) hours.

In addition, the parties will explore at the national level appropriate options regarding current policies for paying terminal leave.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS
UNION, AFL-CIO

Re: Additional Resources — Holiday Carrier Assistant

The Postal Service may employ holiday carrier assistants during the four week December period as operationally necessary, effective December 2014.

Holiday carrier assistants are subject to the following:

- The hourly rate will be the same as that for City Carrier Assistants.

- Over the course of a service week, the Employer will make every effort to ensure that available city carrier assistants are utilized at the straight-time rate prior to assigning such work to holiday carrier assistants working in the same work location.

- When an opportunity exists for overtime full-time employees on the appropriate Overtime Desired List will be selected to perform such work prior to assigning holiday carrier assistants to work overtime in the same work location where the employees regularly work.

The Postal Service shall provide the NALC with reports on the number of holiday carrier assistants hired.
LETTER OF INTENT
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Re: City Carrier Assistants – Opting

With the establishment of the city carrier assistant position, the following changes concerning opting will be incorporated into the Joint Contract Administration Manual.

JCAM Page 41-10
Eligibility for opting. Full-time reserve letter carriers, full-time flexible schedule letter carriers, unassigned full-time carriers, part-time flexible carriers, and city carrier assistants may all opt for hold-down assignments.

JCAM Page 41-13
Removal From Hold-Down. There are exceptions to the rule against involuntarily removing employees from their hold-downs. Part-time flexible and city carrier assistant employees may be "bumped" from their hold-downs to provide sufficient work for full-time employees. Full-time employees are guaranteed forty hours of work per service week. Thus they may be assigned work on routes held down by part-time or city carrier assistant employees if there is not sufficient work available for them on a particular day. (H1N-5D-C 6601, September 11, 1985, M-00097)

JCAM Page 41-14

In such situations, the part-time flexible or city carrier assistant employee's opt is not terminated. Rather, the employee is temporarily "bumped" on a day-to-day basis. Bumping is still a last resort, as reflected in a Step 4 settlement. (H1N-5D-C 7441, October 25, 1983, M-00293), which provides that:

A PTF or city carrier assistant, temporarily assigned to a route under Article 41, Section 2.B. shall work the duty assignment unless there is no other eight-hour assignment available to which a full-time carrier could be assigned. A regular carrier may be required to work parts or "relays" of routes to make up a full-time assignment. Additionally, the route of the "holddown" to which the PTF or city carrier assistant opted may be pivoted if there is insufficient work available to provide a full-time carrier with eight hours of work.

Another exception occurs if the Local Memorandum allows the regular carrier on a route to "bump" the Carrier Technician to another route when the regular carrier is called in on a non-scheduled day to work on his/her own route. In such cases, the Carrier Technician is allowed to displace an employee who has opted on an assignment on the technician's string if none of the other routes on the string are
available. In such cases a part-time flexible or city carrier assistant employee's opt is not terminated. Rather, he/she is temporarily "bumped" on a day-to-day basis. (See Step 4, N8-N-0176, January 9, 1980, M-00154.)

**PTF Pay Status and Opting.** Although a part-time flexible or city carrier assistant employee who obtains a hold-down must be allowed to work an assignment for the duration of the vacancy, he or she does not assume the pay status of the full-time regular carrier being replaced. A part-time flexible or city carrier assistant carrier who assumes the duties of a full-time regular by opting is still paid as a part-time flexible or city carrier assistant as appropriate during the hold-down. While they must be allowed to work the assignment for the duration of the vacancy, PTF’s and city carrier assistants are not guaranteed eight hours daily or forty hours weekly work by virtue of the hold-down alone.

Nor do PTFs or city carrier assistants receive holiday pay for holidays which fall within the hold-down period by virtue of the hold-down. Rather, part-time flexible employees continue to be paid for holidays as PTFs per Article 11.7. City carrier assistant are not covered by Article 11.7.

**JCAM Page 41-16**

**Remedies and Opting.** Where the record is clear that a PTF or city carrier assistant was the senior available employee exercising a preference on a qualifying vacancy, but was denied the opt in violation of Article 41.2.B.4, an appropriate remedy would be a "make whole" remedy in which the employee would be compensated for the difference between the number of hours actually worked and the number of hours he/she would have worked had the opt been properly awarded.

In those circumstances in which a PTF or city carrier assistant worked forty hours per week during the opting period (or forty-eight hours in the case of a six-day opt), an instructional "cease and desist" resolution would be appropriate. This would also be an appropriate remedy in those circumstances in which a reserve letter carrier or an unassigned letter carrier was denied an opt-in violation of Article 41.2.B.3.

These changes will be implemented with the establishment of the city carrier assistant positions and be enforced without regard to the actual publishing of these changes in a revised JCAM incorporating these changes.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

RE: Article 12.1 – Probationary Period

City carrier assistants who successfully complete at least two successive 360 day terms after the date of this agreement will not serve a probationary period when hired for a career appointment, provided such career appointment directly follows a city carrier assistant appointment.
QUESTIONS AND ANSWERS

1. How is the Article 7.3.A ratio of full-time regular city letter carriers per route determined?

Response: The ratio is determined based on the number of full-time city letter carrier routes nationwide.

2. When there is an opportunity for conversion to career status in an installation and that installation has both part-time flexible and CCA employees available for conversion, who is converted?

Response: The part-time flexible employees would be converted to full-time regular prior to conversion of the CCAs.
II. WAGES AND BENEFITS

The parties shall make the following changes to Articles 9, 21, and 26:

ARTICLE 9
SALARIES AND WAGES

Section 1. Salary and Wage Schedules

Employees with career appointments before January 12, 2013 shall be paid and earn step increases according to the rates and waiting periods outlined in Table One.

Employees appointed to career positions on or after January 12, 2013 shall be paid and earn step increases according to the rates and waiting periods outlined in Table Two.

Section 2. Basic Annual Salary

Effective November 16, 2013—the basic annual salary for each grade and step of Table One and Table Two shall be increased by an amount equal to 1.0% of the basic annual salary for the grade and step in effect on the date of this Agreement.

Effective November 15, 2014—the basic annual salary for each grade and step of Table One and Table Two shall be increased by an amount equal to 1.5% of the basic annual salary for the grade and step in effect on the date of this Agreement.

Effective November 14, 2015—the basic annual salary for each grade and step of Table One and Table Two shall be increased by an amount equal to 1.0% of the basic annual salary for the grade and step in effect on the date of this Agreement.

Section 3. Cost of Living Adjustment

A. Definitions

2. “Consumer Price Index Base” refers to the Consumer Price Index for the month of July 2012 and is referred to herein as the “Base Index.”

B. Effective Dates of Adjustment

Each eligible employee covered by this Agreement shall receive cost-of-living adjustments, upward, in accordance with the formula in Section 3.C, below, effective on the following dates:

<table>
<thead>
<tr>
<th>Index</th>
<th>Payment Effective:</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2013</td>
<td>Second full pay period after release of the January 2014 Index</td>
</tr>
<tr>
<td>July 2013</td>
<td>Second full pay period after release of the July 2014 Index</td>
</tr>
<tr>
<td>January 2014</td>
<td>Second full pay period after release of the January 2014 Index</td>
</tr>
<tr>
<td>July 2014</td>
<td>Second full pay period after release of the July 2014 Index</td>
</tr>
<tr>
<td>January 2015</td>
<td>Second full pay period after release of the January 2015 Index</td>
</tr>
<tr>
<td>July 2015</td>
<td>Second full pay period after release of the July 2015 Index</td>
</tr>
</tbody>
</table>
C. The basic salary schedules provided for in Table One and Step O of Table Two of this Agreement shall be increased one cent per hour for each full 0.4 of a point increase in the applicable index above the base index.

D. Steps A through N in the basic salary schedules provided for in Table Two of this Agreement shall receive COLAs calculated using the formula in paragraph C adjusted proportionally to each step's percentage of Step O.

Re-letter old paragraphs D-E-F to E-F-G

Section 7. City Carrier Assistants

The CCA hourly rates in Table Two (Steps AA and BB) shall be adjusted by the general increases provided for in Article 9.2. In addition, CCAs will receive the following wage adjustments:

Effective November 16, 2013, the CCA hourly rates in Table Two shall be increased by 1.0%.

Effective November 15, 2014, the CCA hourly rates in Table Two shall be increased by 1.0%.

Effective November 14, 2015, the CCA hourly rates in Table Two shall be increased by 1.5%.
### Table One

**City Carrier (CC) Schedule**

Full-Time Annual Basic Rates

Effective January 12, 2013 (PP 03-2013)

<table>
<thead>
<tr>
<th>CC Grade</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>O</th>
<th>Most Prev. Step</th>
</tr>
</thead>
</table>

#### Part-Time Flexible Employees - Hourly Basic Rates

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>O</th>
<th>Most Prev. Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>22.15</td>
<td>24.02</td>
<td>24.75</td>
<td>26.15</td>
<td>26.34</td>
<td>26.53</td>
<td>26.72</td>
<td>26.91</td>
<td>27.11</td>
<td>27.29</td>
<td>27.49</td>
<td>27.68</td>
<td>27.87</td>
<td>28.06</td>
<td>28.25</td>
<td></td>
</tr>
</tbody>
</table>

#### Part-Time Regular Employees - Hourly Basic Rates

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>O</th>
<th>Most Prev. Step</th>
</tr>
</thead>
</table>

#### 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. |
|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Grades 1 - 2    | 96  | 96  | 44  | 44  | 44  | 44  | 44  | 44  | 44  | 34  | 34  | 26  | 26  | 24  | 12.4 |
### Table Two
City Carrier (CC) Schedule
Full-Time Annual Basic Rates
Effective January 12, 2013 (PP 03-2013)

<table>
<thead>
<tr>
<th>CC Grade</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>O</th>
<th>Prev. Step</th>
<th>Most Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>34,752</td>
<td>36,306</td>
<td>37,860</td>
<td>39,414</td>
<td>40,968</td>
<td>42,522</td>
<td>44,076</td>
<td>45,630</td>
<td>47,184</td>
<td>48,738</td>
<td>50,292</td>
<td>51,846</td>
<td>53,400</td>
<td>54,954</td>
<td>56,508</td>
<td>1.554</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>35,488</td>
<td>37,075</td>
<td>38,662</td>
<td>40,249</td>
<td>41,835</td>
<td>43,422</td>
<td>45,009</td>
<td>46,596</td>
<td>48,183</td>
<td>49,770</td>
<td>51,357</td>
<td>52,943</td>
<td>54,530</td>
<td>56,117</td>
<td>57,704</td>
<td>1.587</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hourly Basic Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>%Step O</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step Increase Waiting Periods (In Weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steps (From-To)</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Grades 1 - 2</td>
</tr>
</tbody>
</table>

### National Association of Letter Carriers (NALC)
City Carrier Assistant (CCA) Schedule
Hourly Rates

<table>
<thead>
<tr>
<th>RSC Q7(NALC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCA Grade</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>
Table Three
City Carrier (CC) Schedule
Night Differential Rates
Effective January 12, 2013 (PP 03-2013)

RSC Q1 (NALC)

<table>
<thead>
<tr>
<th>CC Grade</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>O</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.12</td>
<td>1.25</td>
<td>1.35</td>
<td>1.45</td>
<td>1.46</td>
<td>1.47</td>
<td>1.48</td>
<td>1.50</td>
<td>1.51</td>
<td>1.52</td>
<td>1.53</td>
<td>1.55</td>
<td>1.56</td>
<td>1.57</td>
<td>1.58</td>
</tr>
<tr>
<td></td>
<td>1.19</td>
<td>1.32</td>
<td>1.38</td>
<td>1.48</td>
<td>1.49</td>
<td>1.50</td>
<td>1.52</td>
<td>1.53</td>
<td>1.54</td>
<td>1.56</td>
<td>1.57</td>
<td>1.58</td>
<td>1.60</td>
<td>1.61</td>
<td>1.63</td>
</tr>
</tbody>
</table>

|          | 1.16| 1.29| 1.40| 1.50| 1.51| 1.53| 1.54| 1.55| 1.57| 1.58| 1.59| 1.60| 1.62| 1.63| 1.64|
|          | 1.23| 1.37| 1.43| 1.53| 1.55| 1.56| 1.57| 1.59| 1.60| 1.62| 1.63| 1.64| 1.66| 1.67| 1.69|

Part-Time Flexible Employee Hourly Rates
Table Four
City Carrier (CC) Schedule
Night Differential Rates
Effective January 12, 2013 (PP 03-2013)

<table>
<thead>
<tr>
<th>RSC Q2 (NALC)</th>
<th>CC Grade</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>O</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>0.97</td>
<td>1.02</td>
<td>1.06</td>
<td>1.10</td>
<td>1.15</td>
<td>1.19</td>
<td>1.23</td>
<td>1.28</td>
<td>1.32</td>
<td>1.36</td>
<td>1.41</td>
<td>1.45</td>
<td>1.49</td>
<td>1.54</td>
<td>1.58</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>1.00</td>
<td>1.05</td>
<td>1.09</td>
<td>1.14</td>
<td>1.18</td>
<td>1.23</td>
<td>1.27</td>
<td>1.32</td>
<td>1.36</td>
<td>1.41</td>
<td>1.45</td>
<td>1.50</td>
<td>1.54</td>
<td>1.59</td>
<td>1.63</td>
</tr>
</tbody>
</table>

National Association of Letter Carriers (NALC)
City Carrier Assistant
Night Differential Rates
Effective January 12, 2013 (PP 03-2013)

<table>
<thead>
<tr>
<th>RSC Q8</th>
<th>CC Grade</th>
<th>BB</th>
<th>AA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1.16</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td>1.16</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>1.23</td>
<td>1.23</td>
</tr>
</tbody>
</table>
ARTICLE 21
BENEFIT PLANS

Section 21.1. Health Benefits

The method for determining the Employer bi-weekly contributions to the cost of employee health insurance programs under the Federal Employees Health Benefits Program (FEHBP) will be as follows:

A. The Office of Personnel Management shall calculate the subscription charges under the FEHBP that will be in effect the following January with respect to self only enrollments and self and family enrollments.

B. For career employees on the rolls prior to January 12, 2013, the bi-weekly Employer contribution for self only and self and family plans is adjusted to an amount equal to 80% in 2013, 78% in 2014, 77% in 2015, and 76% in 2016, of the weighted average bi-weekly premiums under the FEHBP as determined by the Office of Personnel Management. For career employees hired on or subsequent to January 12, 2013, the bi-weekly Employer contribution for self only and self and family plans is adjusted to an amount equal to 77% in years 2013 through 2016, and 76% in 2016, of the weighted average bi-weekly premiums under the FEHBP as determined by the Office of Personnel Management. The adjustment begins on the effective date determined by the Office of Personnel Management in January 2013, January 2014, January 2015, and January 2016.

C. The weight to be given to a particular subscription charge for each FEHB plan and option will be based on the number of enrollees in each such plan and option for whom contributions have been received from employers covered by the FEHBP as determined by the Office of Personnel Management.

D. The amount necessary to pay the total charge for enrollment after the Employer’s contribution is deducted shall be withheld from the pay of each enrolled employee. To the extent permitted by law, the Employer shall permit employees covered by this Agreement to make their premium contributions to the cost of each plan on a pre-tax basis, and shall extend eligibility to such employees for the U.S. Postal Service’s flexible spending account plans for unreimbursed health care expenses and work-related dependent child care and elder care expenses as authorized under Section 125 of the Internal Revenue Code.

E. For career employees on the rolls prior to January 12, 2013, the limitation upon the Employer’s contribution towards any individual employee shall be 83.5% in 2013, 81.25% in 2014, 80.25% in 2015, and 79.25% in 2016 of the subscription charge under the FEHBP in 2013, 2014, 2015, and 2016. For career employees hired on or subsequent to January 12, 2013, the limitation shall be 80.25% for years 2013 through 2015, and 79.25% for 2016.

(See Memo, page xxx)
ARTICLE 26
UNIFORMS AND WORK CLOTHES

Section 26.2. Annual Allowance

The annual allowance for eligible employees in the reimbursable uniform program shall be as follows:

A. Effective November 21, 2012 the annual allowance for all eligible employees shall be increased from present $371.00 per annum to $390.00 per annum. The increase shall become effective on the employee’s anniversary date.

Effective November 21, 2013 the annual allowance for all eligible employees shall be increased from $390.00 per annum to $399.00 per annum. The increase shall become effective on the employee’s anniversary date.

Effective November 21, 2014 the annual allowance for all eligible employees shall be increased from $399.00 per annum to $409.00 per annum. The increase shall become effective on the employee’s anniversary date.

Effective November 21, 2015 the annual allowance for all eligible employees shall be increased from $409.00 per annum to $420.00 per annum. The increase shall become effective on the employee’s anniversary date.

B. A newly eligible employee entering the reimbursable uniform program will receive an additional credit to the employee’s allowance as follows:

Effective November 21, 2012 - $90.00 if entitled to $390.00 per annum.

Effective November 21, 2013 - $93.00 if entitled to $399.00 per annum.

Effective November 21, 2014 - $95.00 if entitled to $409.00 per annum.

Effective November 21, 2015 - $97.00 if entitled to $420.00 per annum.

An eligible employee cannot receive this additional credit more than once; however, the current procedures regarding employees transferring from one allowance category to another shall be continued.

Section 26.3. City Carrier Assistant

When the CCA has completed ninety (90) work days, or has been employed for 120 calendar days, whichever comes first, the CCA will be provided with an annual uniform allowance equal to the amount provided to career employees in Section 2.A. Time served as a Transitional Employee will count toward the 90/120 day requirement.

The uniform purchases are reimbursed by the Postal Service directly to the vendor. Uniforms will be returned by CCAs separated and not reappointed.

[see Memo, page xxx]
III. AWARDED MEMORANDA OF UNDERSTANDING

The following Memoranda of Understanding (MOUs) are newly awarded as part of the USPS/NALC 2011 National Agreement:

MOU: Re. Transitional Employees
MOU: Re. Transitional Employees/ Part-time Flexible Conversions MOU
MOU: Re. Delivery and Collection of Competitive Products
MOU: Re. City Delivery Task Force
MOU: Re. Multiple Days of Inspection
MOU: Re. Dispute Resolution Process Testing
MOU: Re. Expedited Arbitration
MOU: Re. Involuntary Reassignment Without Regard to Level
MOU: Re. Involuntary Reassignment – Preference Eligible
MOU: Re. Article 8 Task Force
MOU: Re. Resolution of Health Benefits Issues
MOU: Re. Part-Time Flexible Conversions
MOU: Re. Part-Time Regular City Letter Carriers

The following MOUs included in the 2006 USPS/NALC National Agreement will be updated or revised and continue in the successor National Agreement:

MOU: Re. Leave Sharing
MOU: Re. Sick Leave for Dependent Care
MOU: Re. District Safety Committees Pilot Program
MOU: Re. Arbitration Task Force
MOU: Re. Article 19
MOU: Re. Local Implementation
MOU: Re. Bargaining Information
MOU: Re. Alternate Route Evaluation and Adjustment Process

The following Articles shall be updated:

Preamble
Article 30
Article 35
Article 43

The following MOUs included in the 2006 USPS/NALC National Agreement will continue in the successor National Agreement:

MOU: Re: Deaf and Hard of Hearing
MOU: Re: Article 7, 12 and 13 - Cross Craft and Office Size
MOU: Re: Article 7.1
MOU: Re: Article 7.3
MOU: Re: Maximization/Full-time Flexible – NALC
LOI: Re: Maximization
MOU: Re: Transitional Employees-Additional Provisions
MOU: Re: TRANSITIONAL EMPLOYEES/PART-TIME FLEXIBLE CONVERSIONS
MOU: Re: Transitional Employee Employment Opportunities
MOU: Re: Transitional Employees (Flat Sequencing System)
The following MOU included in the 2006 USPS/NALC National Agreement is \textbf{not continued} in the successor National Agreement:

MOU: Re: Extension of Negotiation Period for Local Implementation
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Transitional Employees

All provisions of the 2006 USPS/NALC National Agreement that were applicable to transitional employees, including related Memoranda of Understanding and other agreements or policy statements, will continue during the period that transitional employees will be phased out (within 90 days of the effective date of the 2011 Agreement).
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Transitional Employees/ Part-time Flexible Conversions MOU

The above-referenced Memorandum of Understanding has been modified by the 2011 National Agreement as follows:

1. The second sentence of paragraph 5 will now read: “The joint work group will meet within 30 days of the date of this agreement and will function through the term of the 2011 National Agreement.”

2. The second sentence (and new third sentence) of paragraph 7 will now read: “The Postal Service may maintain the additional transitional employees authorized under paragraph 3 above until the transitional employee category is phased out and/or those transitional employees have the opportunity to become City Carrier Assistants (CCAs) in accordance with Section 1.j. of the Memorandum of Understanding, Re: City Carrier Assistant. Once these transitional employees become CCAs, they shall be counted as part of the cap outlined in Article 7.1.C of the National Agreement.”

Paragraphs 1, 2, 4, and 6 will remain in effect until those provisions are fully implemented.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Delivery and Collection of Competitive Products

The parties are aware that the Postal Service is discussing arrangements with suppliers of retail products to have the Postal Service collect and deliver such products both within and outside of normal business hours and days.

The parties recognize the value to the Postal Service, its customers and the public of utilizing a cost-effective, uniformed city letter carrier work force for the collection and delivery of such products.

Accordingly, the Board awards the following:

The collection and delivery of such products which are to be delivered in city delivery territory, whether during or outside of normal business days and hours, shall be assigned to the city letter carrier craft. The Postal Service will schedule available city letter carrier craft employees in order to comply with the previous sentence. However, the parties recognize that occasionally circumstances may arise where there are no city letter carrier craft employees available. In such circumstances, the Postal Service may assign other employees to deliver such products, but only if such assignment is necessary to meet delivery commitments to our customers.

The parties will monitor whether the city carrier associate employees authorized by Article 7, Section 1.C of the National Agreement are sufficient to permit the Postal Service to meet the fundamental changes in the business environment, including, but not limited to flexible windows which may be necessary to develop and provide new products and services. Additional CCAs may be jointly authorized based on such review.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Re: City Delivery Task Force

In the interest of increasing operational efficiency and improving relationships on the workroom floor, both parties recognize the need to adapt in order to accommodate advances in technology and changes and in the types and volumes of mail. With the mutual understanding that the parties’ respective interests are best served through a cooperative effort, a Task Force will be established for the purpose of jointly seeking methods to improve the work environment, and examine and develop improved methods and procedures related to the city delivery function. At a minimum, the Task Force will:

- Jointly develop methods for eliminating or reducing conflicts between management and city letter carriers. Emphasis will be placed on disagreements over the amount of time an individual city letter carrier needs to complete his/her daily assignment.

- Jointly explore the modification of current case configurations and work methods to identify more efficient techniques for handling residual and sequenced mail volumes.

- Jointly examine current casing standards and times for associated line items.

- Explore various combinations of office and street functions and other alternatives for structuring city carrier routes and for capturing undertime associated with variable daily workloads.

The Task Force is established the effective date of the 2011 National Agreement, and will consist of four members appointed by the NALC and four members appointed by the Postal Service. The Task Force is authorized to jointly test techniques directed to improving work relationships between city letter carriers and supervisors as well as alternate methods and procedures related to city delivery functions. These initiatives may be tested separately or in concert with each other, as jointly determined by the Task Force. The Task Force’s guiding principles should be to improve the work climate and daily relationships on the workroom floor, and to increase operational efficiency in city delivery.

The Task Force shall convene within 15 days of the effective date of this Agreement and will function for the term of the 2011 National Agreement. Testing will commence no later than 45 days from the initial meeting. The Task Force will provide reports and recommendations no less frequently than on a quarterly basis to the NALC National President and the Postal Service Vice President, Labor Relations.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Multiple Days of Inspection

The following will apply when conducting a six-day route count and inspection pursuant to Chapter 2 of Handbook M-39:

Management will, if it determines it necessary when scheduling an inspection to inspect on more than one day, inspect on no more than three days during the week of count and inspection. If management elects to inspect on two or three days during the week of count and inspection, management will be responsible for completion of the 1838-C one of the days. The letter carrier will count the mail and complete the 1838-C on the other days of inspection. When management elects to inspect on two or three days, the PS Form 3999 closest to the selected street time on the PS Form 1840 will be used to transfer territory.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Dispute Resolution Process Testing

A national Task Force will be established for the purpose of jointly exploring methods to improve the dispute resolution process.

The Task Force will consist of three members appointed by the NALC and three members appointed by the Postal Service. The Task Force will consider improvements and, as appropriate, conduct testing on various aspects of the Dispute Resolution Process.

The Task Force will provide status reports that include recommendations to the NALC President and the Vice President, Labor Relations, or their designees on a quarterly basis. The Task Force is prohibited from implementing any test or issuing instructions related to its mission without the agreement of the NALC President and the Vice President of Labor Relations.

The Task Force will function for the term of the 2011 National Agreement.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Expedited Arbitration

The expedited arbitration system will be utilized for the following issues:

- Disciplinary grievances for issues of fourteen (14) day suspensions or less
- Requests for medical certification
- Restricted sick leave
- Individual requests for annual leave, sick leave, advance sick leave, leave without pay or court leave
- Individual holiday scheduling issues
- Article 25, higher level assignments
- Employee claims
- Employer claims of less than $1000 dollars
- Hold-down assignments

The parties at the National level will continue to attempt to identify and agree upon additional issues to be heard in expedited arbitration.

This does not change either party's right to refer an expedited case to regular arbitration in accordance with the provisions of Article 15, Section 4.C.2, of the National Agreement.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Re: Involuntary Reassignment Without Regard to Level

The following modification to Article 12 of the National Agreement will apply as it relates to the involuntary reassignment of city letter carriers who are excessed into a city letter carrier duty assignment in a different installation:

A. City letter carriers will be involuntarily reassigned by seniority and status (full-time, part-time regular, or part-time flexible) without regard to pay grade. City letter carriers who are involuntarily reassigned to an assignment in a lower pay grade will be provided Saved Grade pursuant to Employee and Labor Relations Manual, Section 421.53.

B. The involuntarily reassigned or senior in lieu of volunteer city letter carrier will be placed into a withheld city letter carrier residual vacancy in the gaining installation at the same, lower, or higher pay level.

C. Upon being involuntarily reassigned, an impacted city letter carrier will receive retreat rights, by seniority, to a vacant position in the same pay grade as that formerly held in the original installation. Retreat rights are terminated when an offer to retreat is made, regardless of whether the excessed city letter carrier accepts or rejects the offer. However, if an opportunity to retreat to a different pay grade in the original installation occurs first, it will be offered to impacted employees by seniority without regard to pay grade. An offer to retreat to a different pay grade will be made only once to each excessed city letter carrier per excessing event. Failure to accept an offer to a different pay grade does not exhaust a city letter carrier's retreat rights to his/her original pay grade.

D. Saved Grade provided under this agreement will be discontinued for city letter carriers who fail to accept a retreat opportunity back to a Grade Q-2 vacancy in his/her original installation.

E. Withheld residual duty assignments that would be part of an Article 41.3.O posting if the positions were occupied, will be made available for selection during the 41.3.O bidding process, unless such withheld residual assignment(s) has already been selected by or assigned to an employee subject to involuntary or a senior in lieu of a junior reassignment pursuant to Article 12.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Re: Involuntary Reassignment – Preference Eligible

The following procedure will apply for the involuntary reassignment of Grade Q-2 veteran preference eligible city letter carriers who are excess to the needs of an installation and reassigned into duty assignments in the letter carrier craft:

A. Identify the number of preference eligible Grade Q-2 city letter carriers who are identified as excess to the needs of an installation.

B. Identify the available withheld Grade Q-2 duty assignments within the withholding radius of the losing installation.

C. Offer and assign available residual withheld duty assignments to city letter carriers identified as excess, without regard to level of assignments or non-preference/preference eligible status of the employee(s) pursuant to the Memorandum of Understanding Re: Involuntary Reassignment Without Regard to Level.

D. If a preference eligible Grade Q-2 city letter carrier declines to select an available Grade Q-2 duty assignment that remains unselected, he/she will be assigned to that position. If there is more than one available Grade Q-2 assignment, the employee will be assigned to the position closest to his/her original installation.

E. An impacted preference eligible city letter carrier may elect reassignment to an available withheld Grade Q-1 duty assignment. In such case the employee will receive Saved Grade pursuant to Employee and Labor Relations Manual, Section 421.53. To make a selection to a lower level duty assignment, the preference eligible city letter carrier must expressly waive his/her rights to appeal such reassignment through the grievance arbitration process, the Merit Systems Protection Board, and the Equal Employment Opportunity Commission.

F. When reassignment of an excess Grade Q-2 preference eligible employee through the above provisions is not possible, the most junior non-veteran preference eligible Grade Q-2 city letter carrier in an installation within the withholding radius that has an available residual Grade Q-1 duty assignment will be reassigned to the residual Grade Q-1 vacancy. Such reassigned city letter carrier will receive Saved Grade pursuant to Employee and Labor Relations Manual, Section 421.53. The veteran preference eligible city letter carrier will then be assigned to the resulting vacant Q-2 assignment in that installation.

G. If reassignment cannot be accomplished through items A-F of this memorandum, the affected preference eligible city letter carrier will be assigned to the closest available withheld residual Grade Q-2 (or equivalent) vacancy from the losing installation.

H. When a non-veteran preference Q-2 city letter carrier is reassigned pursuant to item F of this agreement the National Business Agent will be notified prior to such reassignment.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Article 8 Task Force

The scheduling and administration of overtime is frequently a source of controversy and disputes between the parties. In an effort to address this issue, a national level Task Force will be established for the purpose of developing and evaluating improvements to the overtime process.

The Task Force will consist of four members appointed by the NALC and four members appointed by the Postal Service. The Task Force is authorized to test alternate methods of administering overtime.

The Task Force shall convene within 15 days of this agreement and will function for a period of one year, unless extended by mutual agreement. The Task Force will provide reports and recommendations to the NALC President and the Vice President, Labor Relations, or their designees on a quarterly basis.

If a test or any component of a test is deemed to be satisfactory, the parties will enter into agreements necessary to allow for implementation.
MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS,  
AFL-CIO  

Re: Resolution of Health Benefits Issues

Health benefits issues shall be resolved in accordance with the following principles and obligations:

1. Preserving high-quality health benefits and controlling their costs have been a special focus in this round of bargaining. The parties agree that it is critical to restrain the cost of health care, especially retiree health care, both in the 2011 round of collective bargaining and through legislative action in order to preserve the long term viability of the United States Postal Service.

2. Although health care issues are complex, with many moving parts—including accounting rules, the pre-funding mandate, the preservation of choice, retiree coverage, and Medicare integration—there is much common ground in their respective positions and goals.

3. The Postal Service and the Union shall explore the establishment of a plan providing health benefits to employees in the city letter carrier bargaining unit and letter carrier retirees (the Plan) in accordance with this MOU.

4. The parties will consider the benefit/cost structure for the Plan and all issues regarding governance of the Plan, including procedures for establishing future changes in benefits and costs. Such consideration will be governed by the following objectives: improving the health of covered participants; preserving health benefits for employees and retirees together with changes in Plan design, Plan option, and coverage level structure; achieving efficiencies to reduce the costs of the Plan; and structuring the Plan to reduce the Postal Service's long-term liability for retiree health benefits.

5. The parties will establish a Health Benefits Task Force consisting of three representatives of the Union, three representatives of the Employer, and such expert consultants as the parties jointly wish to retain. The Task Force will explore all issues pertaining to the establishment of a new Plan, including, but not necessarily limited to, the following:
   a. whether the new Plan will be inside or outside the Federal Employees Health Benefits Program (FEHB);
   b. the number and content of Plan options;
   c. the number of tiers comprising the coverage level structure;
   d. integration of retiree benefits with Medicare Part A and B, coordination of the Plan benefits with Medicare, including a possible carve-out provision;
e. the inclusion of an Employer Group Waiver Plan (EGWP) for prescription drug benefits;

f. the allocation of employer, employee, and retiree contributions to the Plan;

g. alternatives for coverage of non-career employees consistent with the Patient Protection and Affordable Care Act (PPACA); and

h. an appropriate joint governance structure for the Plan.

6. Upon reaching agreement, the parties will jointly support the enactment of legislation which may be necessary to permit the establishment of the Plan.

7. Absent an alternative agreement on premium contributions by employees and the Postal Service pursuant to this MOU, the bi-weekly employer contribution for self only and self and family plans for current employees will be adjusted to an amount equal to the percentages reflected below of the weighted average bi-weekly premiums under the FEHB as determined by the Office of Personnel Management. The adjustments begin on the effective date determined by the office of Personnel Management:

<table>
<thead>
<tr>
<th></th>
<th>Weighted average</th>
<th>Not to exceed for any individual plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2014</td>
<td>78%</td>
<td>81.25%</td>
</tr>
<tr>
<td>January 2015</td>
<td>77%</td>
<td>80.25%</td>
</tr>
<tr>
<td>January 2016</td>
<td>76%</td>
<td>79.25%</td>
</tr>
</tbody>
</table>

8. The employer contributions for plans for new career employees will be an amount equal to 77% of the weighted average bi-weekly premiums under FEHB as determined by the Office of Personnel Management. The adjustment for new career employees begins on the effective date determined by the Office of Personnel Management in January 2013 and continues through plan year 2015. Thereafter, the employer contribution for new career employees will be adjusted to 76% effective in January 2016.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Re: Part-Time Flexible Conversions

It is anticipated that during the term of the 2011 National Agreement, sufficient full-time duty assignments will become available through attrition to accommodate the conversion of part-time flexible employees currently on the rolls to full-time status. The parties recognize that there may be certain circumstances where conversion opportunities are not available for individual part-time flexible employees. The parties will explore ways to provide full-time conversion opportunities to such employees.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Re: Part-Time Regular City Letter Carriers

During the term of the 2011 National Agreement, the number of part-time regular city letter carriers employed by the Postal Service may not exceed the number of part-time regular city carriers on the rolls the date of this agreement.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Leave Sharing

The Postal Service will continue a Leave Sharing Program during the term of the 2011 Agreement under which career postal employees will be able to donate annual leave from their earned annual leave account to another career postal employee, within the same geographic area serviced by a postal district. In addition, career postal employees may donate annual leave to other family members that are career postal employees without restriction as to geographic location. Family members shall include son or daughter, parent, and spouse as defined in ELM Section 515.2. Single donations must be of 8 or more whole hours and may not exceed half of the amount of annual leave earned each year based on the leave earnings category of the donor at the time of donation. Sick leave, unearned annual leave, and annual leave hours subject to forfeiture (leave in excess of the maximum carryover which the employee would not be permitted to use before the end of the leave year), may not be donated, and employees may not donate leave to their immediate supervisors. To be eligible to receive donated leave, a career employee (a) must be incapacitated for available postal duties due to serious personal health conditions or pregnancy and (b) must be known or expected to miss at least 40 more hours from work than his or her own annual leave and/or sick leave balance(s), as applicable, will cover, and (c) must have his or her absence approved pursuant to standard attendance policies. Donated leave may be used to cover the 40 hours of LWOP required to be eligible for leave sharing.

For purposes other than pay and legally required payroll deductions, employees using donated leave will be subject to regulations applicable to employees in LWOP status and will not earn any type of leave while using donated leave. Donated leave may be carried over from one leave year to the next without limitation.

Donated leave not actually used remains in the recipient’s account (i.e., is not restored to donors). Such residual donated leave at any time may be applied against negative leave balances caused by a medical exigency. At separation, any remaining donated leave balance will be paid in a lump sum.

(The preceding Memorandum of Understanding, Leave Sharing, applies to City Carrier Assistant employees.)
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Sick Leave for Dependent Care

The parties agree that, during the term of the 2011 National Agreement, sick leave may be used by an employee to give care or otherwise attend to a family member with an illness, injury or other condition which, if an employee had such condition, would justify the use of sick leave by that employee. Family members shall include son or daughter, parent, and spouse as defined in ELM Section 515.2. Up to 80 hours of sick leave may be used for dependent care in any leave year. Approval of sick leave for dependent care will be subject to normal procedures for leave approval.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
National Association of Letter Carriers, AFL-CIO

Re: District Safety Committees Pilot Program

The United States Postal Service and the National Association of Letter Carriers, AFL-CIO, agree that it is in their mutual interest to have an effective health and safety program. To that end, the parties agree to further test district safety committees in each area during the term of the 2011 National Agreement.

Under the test program, district safety committees will be phased in incrementally and will consist of two members from each party; with management members selected by the District Manager or designee and union members selected by the National Business Agent or designee. District safety committees will meet quarterly and are responsible for assisting in implementing district-wide safety initiatives, facilitating communication between area and local safety committees, and assisting local committees as determined by the District Manager and NBA. Area Safety Committees are responsible for assisting and monitoring district committees within their jurisdiction during the test period.

The USPS/NALC National Safety Committee will create guidelines for district committees. The National Safety Committee will also establish a methodology for assessing the effectiveness of district safety committees during the test period, and will provide quarterly evaluation reports and recommendations to the NALC President and the Postal Service Vice President, Labor Relations.

It is understood that nothing in this Memorandum of Understanding is intended to add or detract from management or union rights as found in the National Agreement.

This memorandum expires with the 2011 National Agreement.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS
UNION, AFL-CIO

Re: Arbitration Task Force

The parties have a shared interest in reducing the cost and improving the efficiency of the arbitration process. To that end, a national level Task Force will be established for the purpose of evaluating the current arbitration process and developing improvements and cost reduction measures.

The Task Force will consist of three members appointed by the NALC and three members appointed by the Postal Service. The Task Force will consider various aspects of arbitration scheduling and procedure including but not limited to:

- district and/or expedited arbitration panels
- procedures used to hire, educate and compensate arbitrators
- communications with arbitrators, including post-hearing briefs
- ensuring that accepted hearing dates are fully utilized
- avoiding settlements/withdrawal less than five days before the scheduled hearing date
- eliminating hearings for cases where there is no material issue in dispute
- centralized arbitration scheduling

The Task Force will provide status reports that include recommendations to the NALC President and the Vice President, Labor Relations, or their designees on a quarterly basis. The Task Force is prohibited from implementing any test or issuing instructions related to its mission without the agreement of the NALC President and the Vice President of Labor Relations.

The Task Force will function during the term of the 2011 National Agreement.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Article 19

1. When the Postal Service provides the Union with proposed changes in handbooks, manuals, or published regulations pursuant to Article 19 of the National Agreement, the Postal Service will furnish a final draft copy of the revisions and a document that identifies the change(s) being made from the existing handbook, manual, or published regulation. When the handbook, manual, or published regulation is available in electronic form, the Postal Service will provide, in addition to a hard copy, an electronic version of the final draft copy clearly indicating the changes and an unmarked final draft copy with the changes incorporated.

2. The document that identifies the changes will indicate language that has been added, deleted, or moved, and the new location of language moved. Normally, changes will be identified by striking through deleted language, underlining new language, and placing brackets around language that is moved, with the new location indicated. If another method of identifying the changes is used, the method will be clearly explained, and must include a means to identify which language is added, deleted, and moved, as well as the new location of any language moved.

3. When notified of a change(s) to handbooks, manuals, and published regulations, pursuant to Article 19 of the National Agreement, the Union will be notified of the purpose and anticipated impact of the change(s) on city letter carrier bargaining unit employees.

4. At the request of the Union, the parties will meet to discuss the change(s). If the Union requests a meeting on the change(s), the Union will provide the Postal Service with notice identifying the specific change(s) the Union wants to discuss.

5. Within sixty (60) days of the Union’s receipt of the notice of proposed change(s), the Union will notify the Postal Service in writing of any change(s) it believes is directly related to wages, hours, or working conditions and not fair, reasonable or equitable and/or in conflict with the National Agreement. The Union may request a meeting on the change(s) at issue.

6. The Postal Service will provide the Union with a written response addressing each issue raised by the Union, pursuant to paragraph 5, within thirty (30) days of receipt, provided the Union identifies the issue(s) within sixty (60) days of the Union’s receipt of the notice of proposed change(s).

7. If the Union, after receipt of the Postal Service’s written response, believes the proposed change(s) violates the National Agreement, it may submit the issue to arbitration within sixty (60) days of receipt of the notice of proposed change or thirty (30) days after the Union receives the Postal Service’s written response, whichever is later. If the Postal Service fails to provide a response to the Union pursuant to paragraph 6, the Union may submit the issue(s) to arbitration provided it does so within thirty (30) days after the Postal Service’s response.
was due. The Union’s appeal shall specify the change(s) it believes is not fair, reasonable or equitable and/or in conflict with the National Agreement, and shall state the basis for the appeal.

8. If modifications are made to the final draft copy as a result of meetings with employee organizations, the Postal Service will provide NALC with a revised final draft copy clearly indicating only the change(s) which is different from the final draft copy.

9. When the changes discussed in paragraph 8 are incorporated into the final version of a handbook, manual, or published regulation, and there is not an additional change(s) which would require notice under Article 19, the Union will be provided a courtesy copy. In such case, a new Article 19 notice period is not necessary.

10. Lastly, in any case in which the Postal Service has affirmatively represented that there is no change(s) that directly relates to wages, hours, or working conditions pursuant to Article 19 of the National Agreement, time limits for an Article 19 appeal will not be used by the Postal Service as a procedural argument if the Union determines afterwards that there has been a change to wages, hours, or working conditions.

Nothing contained in this memorandum modifies the Postal Service’s right to publish a change(s) in a handbook, manual or published regulation, sixty (60) days after notification to the Union.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Local Implementation

It is hereby agreed by the United States Postal Service and the National Association of Letter Carriers, AFL-CIO that the following procedures will apply to the implementation of Article 30 during the 2011 local implementation period.

1. 2011 local implementation will commence on April 1, 2013 and terminate on April 30, 2013.

2. In the event that any issue(s) remain in dispute at the end of the thirty (30) day local implementation period, each party shall identify such issue(s) in writing. Initialed copies of this written statement and copies of all proposals and counter-proposals pertinent to the issue(s) in dispute will be furnished by the appropriate local party to the appropriate management official at the Labor Relations Service Center with copies to the Postmaster and the Union’s Regional Representative within fifteen (15) days of the expiration of the local implementation period. Inclusion of any matter in the written statement does not necessarily reflect the agreement of either of the parties that such matter is properly subject to local implementation.

3. The Representative of the Employer and the Union’s Regional Representative shall attempt to resolve the matters in dispute within seventy-five (75) days after the expiration of the local implementation period. The Representatives of both the Union and the Employer will have full authority to resolve all issues still in dispute.

4. If the parties identified above are unable to reach agreement by the end of the seventy-five (75) day period provided for above, the issue(s) may be appealed to final and binding arbitration by the National Union President or the Vice President, Labor Relations within twenty one (21) days of the end of the seventy-five (75) day period.

5. Where there is no agreement and the matter is not referred to the Labor Relations Service Center or to arbitration, the provision(s), if any, of the former Local Memorandum of Understanding (LMOU) shall apply.

6. LMOU items existing prior to the 2006 local implementation period may not be challenged as inconsistent or in conflict, unless already subject to a pending arbitration appeal. The parties may challenge an LMOU item added or modified during a National Agreement’s local implementation period as inconsistent or in conflict only during the period of local implementation of the successor National Agreement.

7. The national parties will establish an impasse arbitration panel in each area for challenges to LMOU items as inconsistent or in conflict with the National Agreement or an unreasonable burden. A sufficient number of arbitrators will be selected so that all such appeals will be scheduled and heard within thirty (30) days of receipt of the appeal to arbitration. In those areas where the impasse backlog will not allow the parties to meet these time limits, it is understood that steps will be taken to process them as expeditiously as possible. Impasse appeals addressing whether an item is inconsistent or in conflict will be scheduled prior to unreasonable burden cases.

This Memorandum of Understanding expires at 12 midnight May 20, 2016.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO

Re: Bargaining Information

Pursuant to the provisions of Article 31 of the National Agreement, between the United States Postal Service and the National Association of Letter Carriers, AFL-CIO, the Employer shall, on a monthly basis, provide the Union with the following information on those in the city letter carrier bargaining unit by either encrypted/password protected disc or Automated File Transfer:

1. SSN
2. Last Name
3. First Name (Full)
4. Middle Initial
5. Address
6. City
7. State
8. ZIP Code
9. Post Office Name
10. PO State
11. PO ZIP
12. PO Finance Number
13. PO CAG
14. Rate Schedule
15. Nature of Action
16. Effective Date
17. Pay Grade
18. Pay Step
19. Health Benefit Plan
20. Designation Activity
21. Enter on Duty Date
22. Retire on Date
23. Layoff
24. Occupation Code
25. Pay Location
26. Next Step Date
27. Retiree FICA Code
28. Gender
29. Veteran Preference Code
30. Date of Birth
31. Life Insurance Code
32. Handicap Code
33. TSP (Thrift Savings Plan) Status Code
34. TSP Deduction Amount
35. TSP Deduction Percentage Amount
36. USPS EIN (Employee Identification Code)

The Postal Service will provide the Unions with the information above without charge.
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO.

Re: Alternate Route Evaluation and Adjustment Process

The National Association of Letter Carriers, AFL-CIO (NALC) and United States Postal Service recognize the success the parties have experienced the past four years working jointly to evaluate and adjust city delivery routes.

In order to continue efforts to jointly develop a city delivery route evaluation and adjustment process that reduces disputes and is more efficient and less intrusive, a National Task Force will be established to continue efforts to jointly explore alternative methods of evaluating, adjusting and maintaining routes.

The Task Force will be established with the signing of this Memorandum, and will include four members from the NALC, and four members of the Postal Service. The Task Force will report to the NALC National President and the Postal Service Vice President, Labor Relations. A report outlining findings and recommendations will be issued by the Task Force as appropriate, but at least once per year from the date of this Memorandum.

The Task Force will function throughout the term of the 2011 National Agreement.
IV. OTHER PROVISIONS

PREAMBLE

This Agreement (referred to as the 2011 National Agreement) is entered into by and between the United States Postal Service (hereinafter referred to as "Employer") and the National Association of Letter Carriers, AFL-CIO (hereinafter referred to as the "Union"), pursuant to an Arbitration Award issued January 10, 2013. In accordance with the terms of this Award, the Agreement is effective as of the date of the Award unless otherwise provided.
ARTICLE 30
LOCAL IMPLEMENTATION

Section 1. Programs

A. Presently effective local memoranda of understanding not inconsistent or in conflict with the 2011 National Agreement shall remain in effect during the term of this Agreement unless changed by mutual agreement pursuant to the local implementation procedure set forth below or, as a result of an arbitration award or settlement arising from either party’s impasse of an item from the presently effective local memorandum of understanding (LMOU).

B. There shall be a 30-day period of local implementation to commence April 1, 2013 on the 22 specific items enumerated below, provided that no LMOU may be inconsistent with or vary the terms of the 2011 National Agreement:

[see Memo, page xxx]

1. Additional or longer wash-up periods.

2. The establishment of a regular work week of five days with either fixed or rotating days off.

3. Guidelines for the curtailment or termination of postal operations to conform to orders of local authorities or as local conditions warrant because of emergency conditions.

4. Formulation of local leave program.

5. The duration of choice vacation period(s).

6. The determination of the beginning day of an employee’s vacation period.

7. Whether employees at their option may request two selections during the choice vacation period, in units of either 5 or 10 days.

8. Whether jury duty and attendance at National or State Conventions shall be charged to the choice vacation period.

9. Determination of the maximum number of employees who shall receive leave each week during the choice vacation period.

10. The issuance of official notices to each employee of the vacation schedule approved for such employee.

11. Determination of the date and means of notifying employees of the beginning of the new leave year.

12. The procedures for submission of applications for annual leave during other than the choice vacation period.

13. The method of selecting employees to work on a holiday.
14. Whether "Overtime Desired" lists in Article 8 shall be by section and/or tour.

15. The number of light duty assignments within each craft or occupational group to be reserved for temporary or permanent light duty assignment.

16. The method to be used in reserving light duty assignments so that no regularly assigned member of the regular work force will be adversely affected.

17. The identification of assignments that are to be considered light duty within each craft represented in the office.

18. The identification of assignments comprising a section, when it is proposed to reassign within an installation employees excess to the needs of a section.

19. The assignment of employee parking spaces.

20. The determination as to whether annual leave to attend Union activities requested prior to determination of the choice vacation schedule is to be part of the total choice vacation plan.

21. Those other items which are subject to local negotiations as provided in the craft provisions of this Agreement.

22. Local implementation of this Agreement relating to seniority, reassignments and posting.

C. All proposals remaining in dispute may be submitted to final and binding arbitration, with the written authorization of the national Union President or the Vice President, Labor Relations. The request for arbitration must be submitted within 10 days of the end of the local implementation period. However, where there is no agreement and the matter is not referred to arbitration, the provisions of the former LMOU shall apply. The parties may challenge a provision(s) of an LMOU as inconsistent or in conflict with the National Agreement only under the following circumstances:

1. Any LMOU provision(s) added or modified during one local implementation period may be challenged as inconsistent or in conflict with the National Agreement only during the local implementation period of the successor National Agreement.

2. At any time a provision(s) of an LMOU becomes inconsistent or in conflict as the result of a new or modified provision(s) of the National Agreement.

3. At any time a provision(s) of an LMOU becomes inconsistent or in conflict as the result of the amendment or modification of the National Agreement subsequent to the local implementation period.

In such case, the party declaring a provision(s) inconsistent or in conflict must provide the other party a detailed written explanation of its position during the period of local implementation, but no later than seven (7) days prior to the expiration of that period. If the local parties are unable to resolve the issue(s) during the period of local implementation, the union may appeal the impasse to arbitration pursuant to the procedures outlined above. If appealed, a provision(s) of an LMOU declared inconsistent or in conflict will remain in effect unless modified or eliminated through arbitration decision or by mutual agreement.
D. An alleged violation of the terms of an LMOU shall be subject to the grievance arbitration procedure.

E. When installations are consolidated or when a new installation is established, the parties shall conduct a thirty (30) day period of local implementation, pursuant to Section B. All proposals remaining in dispute may be submitted to final and binding arbitration, with the written authorization of the National Union President or the Vice President, Labor Relations. The request for arbitration must be submitted within 10 days of the end of the local implementation period.

F. Where the Postal Service, pursuant to Section C, submits a proposal remaining in dispute to arbitration, which proposal seeks to change a presently-effective LMOU, the Postal Service shall have the burden of establishing that continuation of the existing provision would represent an unreasonable burden to the USPS.
ARTICLE 35
EMPLOYEE ASSISTANCE PROGRAM

Section 1. Programs

The Employer and the Union express strong support for programs of self-help. The Employer shall provide and maintain a program which shall encompass the education, identification, referral, guidance and follow-up of those employees afflicted by the disease of alcoholism and/or drug abuse. When an employee is referred to the EAP by the Employer, the EAP staff will have a reasonable period of time to evaluate the employee’s progress in the program. This program of labor-management cooperation shall support the continuation of the EAP for alcohol, drug abuse, and other family and/or personal problems at the current level.

An employee’s voluntary participation in the EAP for assistance with alcohol and/or drug abuse will be considered favorably in disciplinary action proceedings.

Section 2. Joint Committee

For the term of the 2011 National Agreement, the Employer and the Union agree to establish at the national level a National EAP Committee. The Committee will have responsibility for jointly assessing the effectiveness of EAPs operating inside and outside the USPS, and for developing on an ongoing basis the general guidelines with respect to the level of services and the mechanisms by which the services will be provided.

The Committee is not responsible for day-to-day administration of the program.

The Committee shall convene at such times and places as it deems appropriate during the term of the 2011 National Agreement. No action or recommendations may be taken by the Committee except by consensus of its members. In the event that the members of the Committee are unable to agree within a reasonable time on an appropriate course of action with respect to any aspect of its responsibility, the Vice President, Labor Relations, and the National Union President shall meet to resolve such issues.

The Committee is authorized to obtain expert advice and assistance to aid its pursuit of its objectives. The apportionment of any fees and expenses for any such experts shall be by consensus of the Committee.

The Employer and the Union agree that they will cooperate fully at all levels towards achieving the objectives of the EAP. This joint effort will continue for the term of the 2011 National Agreement.
ARTICLE 43
SEPARABILITY AND DURATION

Section 1. Separability

Should any part of this Agreement or any provision contained herein be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by a court of competent jurisdiction, such invalidation of such part or provision of this Agreement shall not invalidate the remaining portions of this Agreement, and they shall remain in full force and effect.

Section 2. Duration

Unless otherwise provided, this Agreement shall be effective January 10, 2013 and shall remain in full force and effect to and including 12 midnight May 20, 2016, and unless either party desires to terminate or modify it, for successive annual periods. The party demanding such termination or modification must serve written notice of such intent to the other party, not less than 90 or more than 120 days before the expiration date of the Agreement.

(The preceding Article, Article 43, shall apply to City Carrier Assistant Employees.)
Date: January 10, 2013

Shyam Das
Impartial Chair

I concur with the Award.

Bruce Simon
NALC-Appointed Arbitrator

I concur with the Award.

Robert A. Dufek
USPS-Appointed Arbitrator