



John Gibson
Local President



As required by Article IX of the Constitution of the National Postal Mail Handlers Union, the second Semi-Annual Meeting of the Local Unions (SAMLU) for 2011 was held in Milwaukee, Wisconsin beginning August 18 through August 20, 2011. NPMHU National Officers met with representatives of the Local Unions providing a full financial report, a report from the Contract Administration Department as well as matters related to legislation, the Committee on the Future, as well as other items of interest brought to the meeting by the Local Unions.

National President John Hegarty brought the meeting to order on Thursday morning following the invocation and roll call of the Local Unions introducing the National Officers and contract administration staff. President Hegarty began his report to the Local Unions with the recent craft determination by the Postal Service on the Automated Parcel Bundle Sorter. The USPS ruled that the staffing on the APBS should be similar to the staffing on the SPBS. While this is a position contrary to that taken by the National Office, it has not yet been determined whether a national level dispute would be filed. Of course, the most prominent issues before the body were the recent "white papers" circulated by the USPS on Capitol Hill and the current financial condition of the Postal Service. As previously reported those "papers" called for legislative action to abrogate portions of our negotiated rights without the requirement of sitting down at the table with the Union. Legislative infringement on our rights to bargain over benefits, wages and/or working conditions is an assault on Mail Handlers we simply cannot stand for. Although it is unlikely Congress would impose such draconian measures and even less likely the President would sign such legislation, it is an attack that must be taken seriously. President Hegarty called on all Local Unions to stand ready to act should our legislators in Washington begin to move in the wrong direction and in favor of the Service's destructive agenda. Brother Hegarty provided the group with an overview of the conditions that lead to the current state of the United States Postal Service, identifying the contributing factors such as an overall decline in mail volume as well as a decline in first class volume, our greatest revenue stream. John also identified the misguided statutory requirement to overfund both the CSRS and FERS pension plans as well as the Retiree Health Benefit Fund as significant drivers of the Postal Services' fiscal deficits. It was clear at the meeting that the Postal Service's desire to eliminate our no-layoff protection is driven by their wish to replace us with lower cost, non-career employees while irresponsibly compressing the entire Postal Network. I have reviewed both the OIG report on network re-design as well as the circulated "white papers" and while both speak of "right-sizing" the Postal Service, not a mention is made of our eventual economic recovery. A recovery that will undoubtedly drive mail volume upward. As reported by our National President, the Postal Service intends to request a change in the service standards this fall from the Postal Regulatory Commission. Relaxing these standards could facilitate the closing of mail processing facilities nationwide. As **facts** become available we will obviously pass them along.

Additional issues discussed by President Hegarty included a Report from the Committee on the Future inviting those in attendance to submit suggestions to the Committee

as well as announcing that collective bargaining will begin on August 30, 2011. While Brother Hegarty pledged to provide updates on the state of negotiations, he did caution the group that the NPMHU does not intend to bargain in the press or in print while negotiating a fair and decent contract.

Day one continued as National Secretary-Treasurer Mark Gardner provided a detailed report and analysis of the Union's financial state, including a breakdown and trend analysis for both regular and associate members, reporting that the Mail Handler complement has experienced a decline of slightly more than 10% over the last two years. For the period ending June 30, 2011 the National Union's total assets exceeded \$47 million. Secretary Treasurer Gardner then provided an explanation of the revenue sharing program the Union enjoys as a result of our health benefit plan. In addition, Brother Gardner presented a breakdown of raises Mail Handlers have enjoyed over the life of the contract citing a 14.81% increase in wages during that time, capped by the recent \$978 cost of living adjustment that will be reflected in pay checks issued in September. Secretary Treasurer Gardner concluded with the announcement of the upcoming meeting schedule, which includes a Contract meeting in Washington DC on December 1, 2011 and the 2012 SAMLUs to be held March 8-10 in San Diego and December 6-8 in New Orleans, as well as announcing the dates of the NPMHU National Convention to be held in Portland, Oregon, August 6-11, 2012.

President Hegarty then re-took the podium to discuss the restructuring of the Regional and National contract administration departments. Without announcing a specific time frame for restructuring, Brother Hegarty announced that the Eastern, Northeastern, and Southern Regional offices will collapse into Washington DC and the Central and Western offices will collapse into the Denver office. President Hegarty discussed the benefits of the restructuring which included the cost efficiencies gained as well as centralized operational control. The restructuring will require additional representatives at the Washington DC office and National President Hegarty invited resume's from those who would be interested in relocating to Washington and serving in the National Contract Administration Department.

The days agenda concluded with a litigation report from National Counsel Bruce Lerner and a Legislative and Political report from our National Legislative and Political Director Bob Losi. Brother Losi outlined all current legislation that could potentially affect Mail Handlers including HR1351 and S1010 which both address the pension overfunding issues facing the Postal Service.

Following the normal preliminaries Friday began with Brad Corban, Accounts Relations Manager of Coventry Healthcare, who provided a report on the state of the Mail Handlers Benefit Plan. Mr. Corban discussed the strategic direction of the plans offered by the MHBP. Of the three plans offered, Standard, Value, and Consumer Option, migration from the Standard to the Value plan is certainly a concern but the Accounts Relations Manager did provide the positive when he identified growth markets within the Federal sector including the Department of the Army.

William Flynn, Manager of the National's Contract Administration Department, was next to the podium and provided a synopsis of his

distributed and detailed written report. This same report is also mailed to all Union representatives in CD form and will be available for review in your Local Union office or on the Local's web site in the near future. Brother Flynn's report included information regarding the upcoming National negotiations, the Service's continuing efforts to consolidate mail processing plants, national and regional jurisdictional disputes, changes to the ELM regarding the Family and Medical Leave Act as well as other important issues. Again, Brother Flynn's report will soon be available for review in your facility's Local Union office.

Eastern Area Vice President, Sam D'Ambrosio, then discussed both the Task Force of Discipline as well as the Article 12 Task Force. Brother D'Ambrosio provided some background regarding the Modified Arbitration Procedure (MAP) piloted in Local 301, which covers the New England states. Local 301 President, Tim Dwyer then discussed in some detail the benefits of this pilot program. Sam continued with the recently signed memorandum on e-reassign as well as a second Memorandum of Understanding entitled Excessing Issues. To provide perspective and feedback on our Article 12 MOU's were the Postal Service's Bob Brenker who is the Manager of Strategic Complement Reassignment and Debra Mills, Workforce Planning Specialist. Both presented an overview of the two agreements and then took questions from the floor. The two MOU's have been distributed throughout the Local by this office and are available for your review. As always, do not hesitate to contact any Local 308 Union representative or myself directly with any questions or concerns about these or any other Union related issues.

Yours in Union Solidarity,

John Gibson
President
Local 308-NPMHU

Cost of Living Adjustment Announced

Mail Handlers will enjoy the second largest Cost Of Living Adjustment (COLA) under the terms of the 2006 National Agreement. The National Consumer Price Index for Urban Wage Earners and Clerical Workers increased to 663.314 an increase of 18.723 index points since our last COLA. This will add \$978 to our annual salaries or 47 cents per hour. The new rates will begin in September. This is the last wage increase under the terms of the 2006-2011 Contract as we prepare to enter negotiations on August 30, 2011. The Bureau of Labor Statistics of the U.S. Department of Labor measures the increase in the cost of living and publishes the activity monthly. Information regarding the change in the index can be found at www.bls.gov and remember to use the 1967=100 index for Urban Wage Earners and Clerical Workers.

*NPMHU, Local 308
President's Report
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