



LOCAL UNIONS MEET



As required by Article IX of the Constitution of the National Postal Mail Handlers Union, the second Semi-Annual Meeting of the Local Unions (SALMU) for 2012 was held in New Orleans, LA, December 6-8, 2012.

NPMHU National Officers met with representatives of the Local Unions, providing a state of the Union report, a full financial report, a report from the Contract Administration Department as well as matters related to legislation, the Committee on the Future, and other items of interest submitted by the Local Unions.

National President John Hegarty brought the meeting to order on Thursday morning and began by introducing Sister Beverly Henderson, who delivered the morning's invocation. Following the Pledge of Allegiance, the roll call of all Local Unions, and introductions of our National Officers and staff, we were greeted with a few welcoming words from host Local President, Terry Leban.

Brother Hegarty then began his report to the body with a review of the accomplishments of our most recent National Convention held in Portland, Oregon earlier this year praising some of the positive changes adopted by the attending delegates. (See the *August President's Report* for details) President Hegarty then discussed the possibility of legislative action related to Postal Reform during the Lame Duck session of Congress. John described the effect of reconciliation between Senate Bill 1789 and the House Bill 2309 as disastrous. As many of you know HR 2309 introduced by Darrell Issa and supported by only one other member of Congress would lead to the end of the Postal Service as we know it with the potential stripping of our right to collectively bargain. It is clear that we will all have to bear down, re-doubling our efforts in the upcoming 113th Congress if there is to be any chance of thoughtful Postal Reform. Brother Hegarty continued with a review of the effects of the Voluntary Early Retirement Authority (VERA) on the mail handler complement, announcing that more than 2,900 mail handlers accepted the option. The APWU, on the other hand, could see as many as 18,000 VERA applicants. The fiscal state of the Postal Service was also a topic of Mr. Hegarty's report identifying the various contributors to declining revenue for the Agency, including electronic diversion of first class mail, a struggling economy as well as the requirement to pre-fund the Retiree Health Benefit account, a mandate no other federal or private sector entity must endure. While package services have been on the rise it has not been enough to offset the losses. The National President also discussed the overfunding of the Federal Employee Retirement System (FERS) and the conflicting calculations regarding the scope of that overfunding ranging from \$2 billion to more than \$12 billion. Of course one of the major issues facing this Union at the national level is the status of our

interest arbitration hearings with the Postal Service. Hearings that will ultimately determine the terms of our next National Agreement. Brother Hegarty and then national legal counsel Bruce Lerner described the proceedings up to that point. Following three additional days of hearings, December 13th through December 15th, the parties will begin again in January with the Union presenting our case in chief. The consensus opinion appears to be that the economic terms of the new Agreement will be similar in shape to that accepted by the APWU and reaffirmed in the arbitration decision rendered in USPS v. National Rural Letter Carriers Association (NRLCA). President Hegarty did state that the parties continue to engage in parallel discussions regarding work rule modifications. Other points covered during the National President's report included the many closings and consolidations scheduled to continue in 2013 through 2014, the recent decision by the Postal Service to award the AFCS 200 Operator duties to the clerk craft as well as the Postal Regulatory Commission's review of the Service's proposed service standard change.

National Secretary-Treasurer Mark Gardner followed with his report regarding the financial state of the Union. Brother Gardner provided and discussed a number of reports including the third quarter financial statements for the period ending September 30, 2012. Mark then provided an up to date complement and membership summary as well as membership and revenue trends for the NPMHU. The National complement stands just shy of 42,000 mail handlers with 4,400 non-members continuing to enjoy wages and benefits negotiated with Union dues. Again, we encourage those non-members to pay their fare for the rights we ALL enjoy. The National Secretary-Treasurer then described the process of accounting for the additional dues that will be returned to the Local Unions beginning in pay period 25 as a result of an amendment to the National Constitution. Brother Gardner also provided a description of the calculation of the revenue generated by the Mail Handler Benefit Plan and shared with the Locals. As requested by Local 308, Brother Gardner then presented an examination of the wage comparison between the NPMHU and the APWU since 2006 which revealed an increase of 14.81% for mail handlers versus an increase of 10.68% for members of the APWU. Secretary Treasurer Gardner also informed the group that the eventual annual savings due to the restructuring of the Contract Administration Department could reach \$250,000.

The afternoon session began with Legislative and Political director Bob Losi who provided the group with a synopsis of all relevant activities on Capitol Hill. For a listing of the most important, please visit the Union's website at www.npmhu.org and link through the Legislative Tab. And as always, please contribute to the Mail Handlers Political Action Com-

mittee (PAC) through direct contributions or through a payroll allotment established through Postalease. Remember, only PAC contributions can be used to support a candidacy directly, no dues money can be used. No matter the party affiliation we support the legislators who support us. Following Brother Losi's legislative report, National Counsel Bruce Lerner provided the Local's with a brief litigation report.

Day two began with Brother TJ Branch, National CAD representative, delivering the invocation, followed by the roll call of all Local Unions. The morning's business opened with Al Dileo of Coventry Health Care, who provided a status report on the recent purchase of Coventry by Aetna Insurance. As many of you know, Coventry manages the Mail Handler Benefit Plan for the NPMHU, and its purchase could have an effect on the products we provide. Mr. Dileo informed those in attendance that a preliminary meeting between Coventry and Aetna occurred in November and that the shareholders of Coventry had approved the acquisition, however the required regulatory approval occurs on a state by state basis and is currently ongoing. Brad Corbin of Coventry continued with a review of the open season and the targets and strategies of the plan.

Brother Bill Flynn then provided the Locals with his report of the major activities of the National Contract Administration Department. Mr. Flynn provided information on a variety of important issues including regional and jurisdictional arbitrators, the Modified Arbitration Procedure, the Article 12 Task Force, consolidations, jurisdictional determinations, as well as other issues of national import. In the near future Brother Flynn's report will be available for member review within your facility.

The Local Presidents in attendance were then provided with a status report regarding the restructuring of the Contract Administration Department and Regional Offices by Michael Hora of the CAD. Following Brother Hora, Sam D'Ambrosio provided an update on the Article 12 Taskforce taking questions from the group. Brother Tim Dwyer of Local 301 then discussed the benefit of the Modified Arbitration Process, which has as its main goal the reduction of the backlog of cases, providing quicker resolution of grievances and reduced costs. Finally, following a friendly amendment from Local 308, the Local Presidents voted on and accepted a modification to a resolution introduced by Local 308 and tabled for further review during our National Convention. That resolution in its final version will be posted on the national's web site in the coming weeks. If you have any questions, comments or concerns regarding these or any other Union related matter please do not hesitate to contact me at your convenience.

In Solidarity,
John Gibson

Facility Branch Meetings December 2012



**NPMHU, Local 308
President's Report
December 2012**