

Preparing for Local Negotiations

Although the majority of contractual rights and benefits are negotiated at the national level, the local parties retain the right to negotiate certain specific issues. Such local negotiations result in an agreement that is just as enforceable as the National Agreement. This local agreement is referred to as a local memorandum of understanding (LMOU).

LMOUs allow local parties to address the interests of the employees within their own individual installations. LMOUs provide for the establishment of employee rights

and benefits that are unique to a given installation. This prevents having a one-size-fits-all National Agreement that, by its very nature, cannot be tailored to address the individual needs of thousands of different installations.

The local parties do not have the right to negotiate changes to their LMOU whenever they feel like it. Rather, the National Agreement provides for just a 30-day window of time in which to engage in local negotiations. This 30-day period only comes around once every time a new National Agreement is nego-

tiated. This is provided for in the JCAM Article 30.B, which states, “Local negotiations take place during a thirty-day local implementation period following completion of each National Agreement.”

The last period of local negotiations was October 2002—more than 4 years ago. Clearly, the opportunities for negotiation are infrequent. This is precisely why branch leaders should adequately prepare for local negotiations before the window of opportunity arrives.

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National Level Bargaining The Process for Achieving a New Contract

NALC is now engaged in national collective bargaining negotiations for the 12th time since 1971.

The right to negotiate a contract has not been around forever. Letter carriers did not gain full collective bargaining rights until the 1970 postal strike led Congress to pass the 1970 Postal Reorganization Act (PRA). The PRA changed the old Post Office Department, which was an executive agency, into a new,

semi-independent entity known as the U.S. Postal Service.

The PRA also granted postal employees the right to bargain collectively with the employer over their wages, hours, and working conditions. Although they remained federal employees with legislated federal benefits, postal workers could negotiate contracts the same as unionized workers in the private sector.

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Preparing for negotiations Review of Existing LMOU

There is always the possibility, in a given installation, that branch leaders and the membership are thoroughly pleased with the existing LMOU. If so, they may feel that there is no room for improvement.

Even though that may be the case, branch leaders should still review the existing LMOU for minor changes that may be necessary in order to keep the memo up-to-date. For example, it would likely be necessary to make changes to dates found within the LMOU.

However, branch leaders would be well-advised not to limit their review of the LMOU to such minor editorial changes. Even if everyone seems satisfied with the current LMOU, branch leaders should examine it carefully anyway in order to identify potential problems.

One problem occurs when LMOU language conflicts with current local practices. This is a lurking danger for any branch currently enjoying rights and benefits that the LMOU's language prohibits. There is always the risk that management will suddenly decide to enforce the LMOU. What happens to those rights and benefits then?

National Arbitrator Das answered that question in a recent decision (C-26165 or Q01N-4Q-C 05023350) involving the question of fixed or rotating NS days. An installation's LMOU language stated that letter carriers "will be granted a non-scheduled work day on a rotating basis. . ." However, in actual practice, carriers in this office had fixed NS days for a good many years. But, the LMOU language was never modified or updated to match the actual practice.

As one might expect, the day came when management decided to change the carriers' NS days from fixed to rotating. The union unsuccessfully grieved the change. Arbitrator Das did not agree with the union's claim that the National Agreement protects a local practice that conflicts with the LMOU.

Arbitrator Das' decision stated, "Once negotiated. . . a rule contained in an LMOU, negotiated pursuant to Article 30.B.2, that contradicts that practice is controlling." Thus, plain LMOU language supercedes any practice that contradicts it. Branch leaders should therefore carefully examine their LMOUs to ensure they are consistent with local practices.

Carriers' Input

In addition to reviewing an LMOU for potential problems, the union should also check for ways to improve it by increasing the carriers' rights and benefits.

Because the wants and needs of installations vary so much, there is no such thing as optimal LMOU language. What would be best for vacation bidding or NS days in one installation might not be received favorably by carriers in another installation. Branch leaders should, therefore, make the effort to find out carriers' preferences regarding LMOU provisions.

The most obvious way to do this is by taking a simple poll. Listed in Article 30.B are the 22 items that the local parties are required to discuss during the negotiating period. Fortunately, many of these items lend themselves to polling. For example, it would be easy for carriers to simply express a preference on issues like fixed or rotating days off. Polling would also allow carri-

ers to express whether they'd like a route to be posted following a change of more than one hour in start time.

Branches solicit opinions from their members in a variety of ways. Branch 25, Massachusetts Northeast Merged, represents approximately 1150 members in 28 different installations. The branch officers get together to review all of the LMOUs. Executive Vice President Dave Barbuzzi said, "After we review the local agreements, we offer to meet with carriers in each of the AOs."



Dave Barbuzzi

If an office expresses a desire to make changes to their LMOU, the branch officers meet with the carriers in person in order to get their input. Barbuzzi said, "We find this works better than just asking carriers to mail us their suggested changes. When we meet with carriers face-to-face, everyone has the

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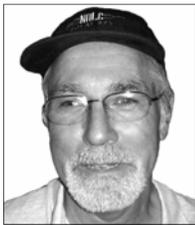


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LMOU open in front of them. That helps us all to be on the same page about the changes that need to be made.”

It’s an even greater challenge for Branch 825, located in Illinois. This branch has 2500 members in 70 offices. Executive Vice President Rich Treonis said, “When you have 70 offices to represent and only a 30-day window in which to negotiate, you have to be very prepared in advance.”

Treonis and the other full-time officers handle it by splitting up the work. Each officer assumes responsibility for a portion of the offices. They gather the carriers’ input by first sending letters to the stewards in each office. If there is interest in that office, the steward will inform the branch officer, who in turn goes to meet with them.



Rich Treonis

Treonis said, “Considering the large number of installations we have in this branch and the fact that some of the merged offices are 4 hours away, this system works very well for our members.”

Branch 9, which represents Minneapolis along with 12 associate offices, has keyed in on an extremely effective process for polling members. The branch, which represents approximately 2300 members, holds meetings to poll members similar to those mentioned above. However, in advance of the meeting, the branch provides the carriers with a list of the 22 items that are negotiable during the period of local implementation.

Executive Vice President Pam Donato said, “In the past, before we started giving the carriers a list of the 22 items ahead of time, they

would come to the meeting with all kinds of things that they wanted to change. Unfortunately, most of them weren’t negotiable.”



Pam Donato

Educating the carriers *in advance* about the negotiable items enables the meetings to stay on track, according to Donato.

Preparation includes gathering evidence

In addition to educating the carriers regarding what is or isn’t negotiable, Branch 9 also requests that carriers come to the polling meeting armed with documentation in support of their requests. Donato said, “We ask carriers to bring us copies of 3971s, schedules, clock rings, anything to demonstrate that there is a problem in the installation that needs to be addressed.”

Subsequently, branch officers are able to use this documentation while negotiating with management. “It enables us to better convince management that a change needs to be made when we have the documentation in front of us,” said Donato. “This works really well because, when we’re negotiating with management, we don’t just have words. We actually have evidence to back it up.”

Donato also pointed out that having the evidence in advance is a tremendous help in the event the parties fail to reach an agreement during local negotiations. When an impasse occurs, the branch does not have to scramble around at the last

Branch 9’s stewards distribute the list of 22 items to the carriers by handing them out at each work station and also by posting the list on the union bulletin board.

minute trying to gather evidence. It already has the evidence on hand that will ultimately be reviewed by higher levels of the NALC and Postal Service, and perhaps even by a neutral arbitrator.

Ongoing LMOU Review

Branch 543 of Hot Springs, Arkansas does something in addition to taking a poll of its members. The branch keeps track of all grievances that are related to the LMOU. President Teena Davis said, “If we believe that some part of the LMOU has repeated violations, that’s a sign that we might have to change language to make it clearer.”

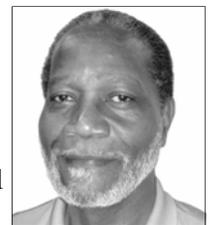


Teena Davis

That is similar to what Branch 73 President Robert Henderson of Atlanta, Georgia does. Henderson keeps a file in which he notates ideas for changing the LMOUs.

Henderson said, “Whenever something comes up that would be good for the local agreement, whether it’s a grievance or not, I write it down in the file.” That way, Branch 73’s officers aren’t pressed at the last minute to try and remember all the issues that arose over the lifetime of a contract.

Henderson also has additional advice for branch leaders. He said they need to look down the road beyond the immediate negotiations and to also think of the branch’s future by educating members. Henderson said, “I try to get as many people involved in the process for local negotiations so that, once I leave, they’ll know how to do it.”



Robert Henderson

How to Grieve the Withdrawal of Limited Duty

One thing is clear: The Postal Service has both contractual and legal obligations to make every effort to provide limited duty. Historically, the Service recognized and generally complied with those obligations. Virtually all carriers with compensable injuries, who were able to do any work at all, were provided limited duty.

As a result, there are very few regional arbitration decisions on the issue of failure to provide (or withdrawal of) limited duty. Grievances were simply not necessary because the Service took the position that all medical restrictions, short of complete bed rest, could be accommodated. Now, however, the landscape is changing.

Historical Context

Things are changing because of the Postal Service's transformation plan. Part of that plan is to cut workers' compensation costs. To that end, the Service implemented a pilot a few years ago in New York, referred to as "outplacement."

In certain cities within New York, management took limited duty work away from injured employees—forcing them off the clock and onto OWCP's rolls. It was management's hope that OWCP would ultimately provide Vocational Rehabilitation services to these employees—services that can involve training to enable them to find work with another employer and thus reduce Postal Service costs.

Thus, the Postal Service named the pilot "outplacement." This name was misleading because the Postal Service has absolutely no

authority to require or influence OWCP to decide to provide Vocational Rehabilitation services.

The union in New York successfully grieved management's decision to withdraw limited duty. While the grievances were pending, the employees worked for employers outside of the Postal Service as a result of OWCP Vocational Rehabilitation. The grievance settlement (see M-1550 on page 7) returned the employees to work at the Postal Service with full back pay.

The Postal Service must make every effort toward assigning the employee to limited duty.

Irrespective of the grievance settlement, the Postal Service did not discontinue the pilot. The Service merely changed the pilot's name from "outplacement" to the National Reassessment Program (NRP). The new name, though more accurate than "outplacement" was no less sinister because, despite the name change, the Service's plan remains the same.

The Service began implementing the newly renamed NRP in San Diego, CA and in areas of western

New York. Grievances were filed in those areas of the country, which are now pending. It now appears that management is considering going nationwide with their plan to withdraw carriers' limited duty.

It is therefore vital that stewards fully understand the Postal Service's legal and contractual obligations to make every effort to provide limited duty.

Contrary to the Postal Service's plan, management does not have any discretion when it comes to the effort that is required of it to seek and provide limited duty. The Service does not have the right to simply take available work away from injured workers, forcing them off the clock.

Stewards who understand this fact will be better prepared to file successful grievances in the event management begins withdrawing or denying limited duty within their installations.

Contractual and Legal Provisions

The JCAM, of course, is the starting point—in Articles 5 and 13. However, additional support for management's obligation to provide limited duty is located in ELM 546, 5 CFR 353 (Code of Federal Regulations), EL-307 Reasonable Accommodation Handbook, and EL 505 Injury Compensation Handbook. For quick and easy reference, all of these cites are listed on the opposite page.

Note that the language in both the law and the contract is very similar in requiring the Postal

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CONTRACTUAL & LEGAL OBLIGATIONS FOR LIMITED DUTY

JCAM

- Article 5 *Article 5 prohibits management taking any unilateral action inconsistent with the terms of the existing agreement or with its obligation under law.*
- Article 13 (page 13-10) *Limited duty work is work provided for an employee who is temporarily or permanently incapable of performing his/her normal duties as a result of a compensable illness or injury.*
- Article 13 (page 13-11) *The Step 4 Settlement G90N-4G-C 95026885, January 28, 1997 (M-01264), specifically provides that the provisions of ELM 546.141 (currently ELM 546.142) are enforceable through the grievance/arbitration procedure.*

ELM Section 546

- ELM Section 546.11—*The Postal Service has legal responsibilities to employees with job-related disabilities under 5 USC and the OPM regulations as outlined below.*
- ELM Section 546.14(a)—*When an employee has partially overcome a compensable disability, the Postal Service must make every effort toward assigning the employee to limited duty consistent with the employee's medically defined work limitation tolerance.*
- ELM Section 546.3—*OPM is responsible for implementing the regulations contained in 5 USC 8151. These regulations are codified in 5 CFR 353.*

Code of Federal Regulations or 5 CFR 353

- 5 CFR 353.104 Notification of Rights and Obligations—*When an agency separates, grants a leave of absence, restores or fails to restore an employee because of uniformed service or compensable injury, it shall notify the employee of his or her rights, obligations, and benefits relating to Government employment, including any appeal and grievance rights.*
- 5 CFR 353.301(c) Physically disqualified—*An individual who is physically disqualified for the former position or equivalent because of a compensable injury, is entitled to be placed in another position for which qualified that will provide the employee with the same status, and pay, or the nearest approximation thereof, consistent with the circumstances in each case.*
- 5 CFR 353.301(d) Partially recovered—*Agencies must make every effort to restore in the local commuting area, according to the circumstances in each case, an individual who has partially recovered from a compensable injury and who is able to return to limited duty. At a minimum, this would mean treating these employees substantially the same as other handicapped individuals under the Rehabilitation Act of 1973, as amended.*

EL-307 Reasonable Accommodation Handbook

- Section 13 Applicable Laws *The Rehabilitation Act also imposes an obligation on the Postal Service to find reasonable ways to accommodate a qualified individual with a disability. In other words, the Rehabilitation Act requires the Postal Service to consider ways to change the manner of doing a job to allow a qualified person with a disability to perform the essential functions of the particular job, or to be considered for a position he or she desires.*
- Section 531 Reassignment as a Reasonable Accommodation—*Reassignment is a form of reasonable accommodation that may be appropriate if no other accommodation will allow the employee to perform the essential functions of the position.*

EL-505, Injury Compensation

- Section 2.4—*Prepare a comprehensive Injury Compensation policy. . . [which must] ensure that limited duty is made available and offered.*
- Section 7.1—*The USPS has legal responsibilities to employees with job-related disabilities under OPM regulations. Specifically, with respect to employees who partially recover from a compensable injury, the USPS must make every effort to assign the employee to limited duty consistent with the employee's medically defined work limitation tolerance.*

Withdrawal of Limited Duty

(continued from page 4)

Service to make “every effort” to find and provide limited duty work.

The law 5 CFR 353.301(d) states “Agencies must make every effort to restore. . . an individual who has partially recovered from a compensable injury and who is able to return to limited duty.

Similarly, the contract (ELM 546.14.a) states “When an employee has partially overcome a compensable disability, the Postal Service must make every effort toward assigning the employee to limited duty consistent with the employee’s medically defined work limitation tolerance.”

This is a strong protection. The Postal Service must do more than make some effort. It must do more than make a lot of effort. It must make *every* effort. The steward should vigorously probe and document the Service’s efforts (and lack of efforts) to find limited duty work and argue accordingly.

Limited Duty Evidence

To prove the basic elements of a limited duty grievance, a steward must provide at least the following documents:

- Letter from OWCP accepting the claim
- Copy of the withdrawn Limited Duty Job Offer (LDJO)
- Copies of all prior LDJOs that exist
- Current and prior CA-17 showing physical limitations
- Management’s written notice to the employee that the limited duty is being withdrawn
- All management emails, correspondence, or other documents that refer to the search for a LDJO
- Current and recent Form 50s

- TACs records or other time records showing the actual duties and hours worked (for the entire period of the LDJO)
- A complete copy of the Injury Compensation Control Office (ICCO) file on the injured worker’s claim

Prove the work exists

The core arguments of the grievance should be 1) that the limited duty exists and 2) that the Service did not make every effort to find or provide the limited duty.

In many cases, the Postal Service has withdrawn limited duty from employees who have been performing that work for a long time—years, in some cases.

Therefore, proving that the work exists begins with asking the question, “What work was previously being performed by the injured worker?”

The best source is the current LDJO, which lists the injured worker’s specific duties. But don’t stop there. A statement from the injured worker is also important because there are often additional duties being performed that are not listed on the LDJO.

Further evidence would include signed statements from co-workers detailing the specific duties they have witnessed the injured worker performing.

It would be useful to include some detail in such statements. For instance, a statement saying, “I saw Jim Hart deliver Express Mail,” is not nearly as helpful as, “I have observed Jim Hart deliver approximately 15-20 Express Mail pieces daily for the past four years.”

The steward should also examine the TACs reports for the entire period of the LDJO. For instance, in the above Express Mail exam-

ple, a TACs report would show the actual time spent on the street for the period in question.

The second question to ask is, “Who is performing the work now that it has been taken away from the injured worker?”

The grievance should include signed statements from the employees who are now performing the work as well as from co-workers who have observed the work being performed by others. Once again, it is more useful to have statements with details than not.

Evidence can also include carrier schedules, TACs reports, or other administrative documents. For example, assume there’s an injured worker whose LDJO includes casing a specific auxiliary route on a daily basis. Carrier schedules should prove that this work is now being performed by PTFs instead.

Likewise, because someone other than the injured worker started doing this work, there should be evidence of an increase in work hours. The increase may be in the hours for PTFs, casuals, or ODL carriers depending upon whom it is that is performing the work. The steward should request TACs reports to show the increase in hours.

In some instances, management does not immediately assign anyone specific to perform the work—allowing it instead to remain undone and fall through the cracks. For example, management might ignore the CFS returns building up on a vacant route—the handling of which was formerly part of a LDJO. Carrier statements identifying duties that management has neglected will help prove that limited duty exists. If possible, delayed mail reports or other management reports should also be included to demonstrate duties that are being left undone.

The third question to answer is “What work is available within the injured worker’s restrictions?”

Withdrawal of Limited Duty

A good place to find evidence of management's stated ability to accommodate all restrictions except complete bed rest is in letters to the physician or injured worker.

The willingness to accommodate everything short of bed rest is also frequently stamped on official OWCP forms by the Postal Service. Although the alteration of OWCP forms is not permissible, if the Service has stamped the lower left portion of the CA-17 in this manner, the steward should use it as evidence.

Stewards should also determine if management has provided limited duty to other injured workers who have similar restrictions. Reviewing the CA-17s along with the accompanying LDJO would constitute evidence that work was available within those restrictions.

Prove management did not make every effort

There will always be a management official who made the decision to withdraw (or not provide) limited duty. The steward's task is to discover the name and position of that management official.

The steward should begin with the written notice advising the employee of the denied limited duty. If the written notice is not immediately available, ask the immediate supervisor who made the decision. It might mean working the way up the chain of command until the deciding official is identified.

Once identified, the steward should interview him or her. Management's response will constitute a crucial component of the grievance. The steward should fully document the answers to these questions:

- Who made the decision to withdraw (or not provide) limited duty?

- What were the reasons to withdraw (or not provide) limited duty?
- What specific efforts were made to identify available limited duty?
- What data, if any, did the deciding official review prior to making the decision?

Once the deciding official reveals the data that he or she reviewed prior to making the decision, the steward should request copies of it in order to make the applicable arguments.

As an example, the deciding official might claim that limited duty was withdrawn because of "declining mail volume." The deciding official might point to data showing a decline in First Class volume compared to last year. However, the steward may examine the report more closely and be able to show that mail volume for all

classes combined is actually increased over the prior year.

No matter what the deciding official claims is the basis for the decision, the steward should persist in verifying its accuracy.

In recent cases, managers used three reasons in particular for withdrawing limited duty. These three reasons were: the injured worker was unable to do street duties, or there was not enough limited duty work to fill 8 hours per day or 40 hours per week, or the injured worker was unlikely to fully recover from the injury.

The steward should use M-1550 in the event that a manager provides any of these three reasons as a basis for denying limited duty. (See box below.)

In M-1550, management states, "the Postal Service is obli-

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M-1550 Management's National Level Position

"First, the NALC is concerned that ". . . management appears to assert that it has no duty to provide limited duty to an injured letter carrier if the carrier cannot deliver mail, even though the employee is capable of performing casing and other letter carrier duties in the office." The Postal Service makes no such assertion. The Postal Service may provide casing duty and other city letter carrier duties to city letter carriers suffering a job-related illness or injury. . .

"Second, the NALC is concerned that ". . . it appears to be management's position that it has no duty to provide limited duty if available work within the employee's limitations is less than 8 hours per day or 40 hours per week." The Postal Service makes no such assertion. The Postal Service may provide work of less than eight hours a day or forty hours a week to city letter carriers suffering a job-related illness or injury. . .

"Third, the NALC is concerned that ". . . it appears to be management's position that there is no obligation to provide limited duty when the employee's treating physician indicates that the employee is unlikely to fully recover from the injury." The Postal Service makes no such assertion. If an employee reaches maximum medical improvement and can no longer perform the essential functions of the city letter carrier position, the Postal Service is obligated to seek work in compliance with ELM Section 546 and, if applicable, the Rehabilitation Act."

Withdrawal of Limited Duty

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gated to seek work in compliance with ELM Section 546 and, if applicable, the Rehabilitation Act.”

Rehabilitation Act

Just as management affirmed in M-1550, the Postal Service does have obligations under the Rehabilitation Act. On page 5, refer to 5 CFR 353.301(d), which states that management is required to treat partially recovered workers “the same as other handicapped individuals under the Rehabilitation Act. . .”

There is an important distinction to make at this point. The Rehab Act provides protection for people who have a physical or mental impairment that substantially limits “a major life activity.”

The EL-307, the Reasonable Accommodation Handbook, defines a major life activity as “hearing, seeing, walking, caring for oneself, performing manual tasks, and breathing.”

Clearly, not all injured workers have physical conditions severe enough to significantly interfere with walking, seeing, or caring for themselves. That does not matter; it’s not required under 5 CFR 353.301(d).

This is significant. If 5 CFR 353.301(d) required an injured worker to be impaired that much in order to qualify for protection under the Rehab Act, the Postal Service would have been able to treat some injured workers better than others.

Instead, 5 CFR 353.301(d) merely states that *all* partially recovered workers, no matter what level of impairment they have, will be treated at least as well as those people who happen to be eligible for Rehab Act protection because of

severe limitations on a major life activity.

Treatment Under the Rehab Act

The purpose of the Reasonable Accommodation Handbook, EL-307, was to provide management with procedures for complying with the Rehab Act.



Management’s obligations for limited duty are completely independent of whatever action OWCP might be taking.



The Rehab Act requires the Postal Service to consider changing the way that a given job is performed in order to accommodate employee impairment.

The EL-307 has specific procedures for handling an employee’s accommodation request. Stewards should include, in the limited duty grievance, all evidence of non-compliance with the EL-307.

Section 223.1 requires management to gain the employee’s participation in the process, making it interactive.

According to Section 25, all denials must be in writing. The written denial must provide specific

reasons and also identify the person who issued the decision.

Section 261 requires the Service to document its efforts to provide accommodation on a Reasonable Accommodation Decision Guide form. Stewards should request copies of this form for inclusion in the grievance.

Remedies

It is important that the steward remember to request an appropriate remedy in the event limited duty is improperly withdrawn or denied.

Stewards should request that the grievant immediately be restored to limited duty. He or she should also be made whole for all lost wages, annual leave, sick leave, and TSP benefits.

Continuing Obligation

The Postal Service has contractual and legal obligations to make every effort to provide limited duty. These obligations are continuing and ongoing.

It is especially important for the steward to understand that management’s obligation for limited duty are completely independent of whatever action OWCP might be taking.

No matter what OWCP is or is not doing, in terms of providing Vocational Rehabilitation services, it does not diminish in any way the Postal Service’s obligation to make every effort in continuing to seek limited duty.

This is true even if OWCP has placed an injured worker with another employer. Even then, the Postal Service’s obligation continues. Stewards must ensure that they enforce the injured worker’s contractual and legal rights to the fullest extent. ■

CONTRACT NEGOTIATIONS

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Negotiations Process

National negotiations open three months before the contract expiration deadline. At the first meeting, chief spokesmen for NALC and USPS management make brief statements, shake hands as press cameras flash, and the parties sit down to speak briefly about an agenda for future meetings.

Later the real work begins. As November 20 approaches, main table negotiations intensify as the parties get down to serious bargaining over the issues of wages and benefits. The pressure of negotiations escalates, usually to a climax on the final evening and into the early hours of the next day.

If the parties reach agreement, they issue press releases. NALC immediately publicizes the terms of the new tentative agreement within the union. A ratification vote follows as soon as ballots can be prepared.

If the parties don't reach agreement by the deadline, employees cannot go on strike—the PRA prohibits that. Instead, the union and employer must enter a dispute resolution process.

Although the law lists two dispute resolution procedures, in practice the parties have made their own choices about how to finally resolve their disagreements. Sometimes they have gone to factfinding, a nonbinding hearing procedure described in the sidebar “Factfinding” on this page. In other cases they have asked the Federal Mediation and Conciliation Service to appoint a mediator—a kind of professional peacemaker in labor disputes—to help the parties come to an agreement.

If these nonbinding procedures do not result in a contract, then the law requires the parties to arbitrate the terms of the new agreement. For

an explanation see “How Interest Arbitration Works,” on page 12.

Joint Bargaining

When postal collective bargaining began in 1971, all the major postal unions bargained together in what is known as “joint bargaining.” There was just one national agreement, often with special provisions that applied to one craft or another.

As years went by, individual unions split off, deciding to bargain separately rather than jointly. The two largest unions, APWU and NALC, negotiated jointly for several rounds of negotiations during the 1980s and 1990s after the Mail Handlers and Rural Carriers each chose to negotiate alone. Then in 1994 NALC and APWU ended their alliance and have negotiated separately ever since.

In this year's negotiations, APWU, NALC, the Rural Carriers (NRLCA) and the Mail Handlers (NPMHU) are bargaining simultaneously, albeit separately, with the Postal Service. All four contracts will expire on November 20, 2006.

For historical perspective, what follows is a brief summary of each round of NALC collective bargaining—from 1971 through the last contract, which began in 2001.

1971-1973 Contract

When management and the seven postal unions sat down to begin the collective bargaining authorized by the 1970 Postal Reorganization Act, they did not face an easy task. Besides preparing for bargaining over wages, hours, and working conditions with its 650,000 employees, management was adjusting to the internal reorganization required by its change from government department to independent agency.

Factfinding

*Factfinding typically is run by a **jointly selected neutral factfinder**, who may run a hearing or series of meetings, and then issue a formal report with **non-binding recommendations** for the terms of a new agreement.*

*Factfinding is often combined with **mediation**, in which the neutral simply talks with both parties and tries to persuade them to agree. The purpose of factfinding is to place **additional pressure** on the parties to settle the contract.*

*The Postal Reorganization Act prescribes factfinding after a postal bargaining impasse. However, the parties to impasses have treated this procedural step as optional, using it sometimes, but skipping it completely in other cases. In 1998 NALC and USPS used a factfinder who issued a written report suggesting terms for an agreement—but NALC did not agree and the parties proceeded to **interest arbitration**.*

In 1994 the parties skipped factfinding and engaged in a very brief and unsuccessful mediation process, followed by arbitration.

The unions, on the other hand, were trying to make up for years of neglect in employee compensation.

Labor presented 60 proposals when bargaining started on January 20, 1971, while management made limited counter-proposals and in fact did not even introduce a wage package until June.

This established a pattern which has continued through the 1970s. The unions come prepared with specific proposals to address the problems afflicting their members. USPS management sits back and waits until the last minute to put an offer on the table.

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Contract Negotiations

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Bargaining was extremely slow at first. However, the parties faced the prospect of binding arbitration if no agreement was reached by July 18. A marathon 35-hour bargaining session on the last two days finally produced a working agreement.

Although a further 90 days of bargaining would be required to address specific craft work rules and local issues, the basic framework was now set. And it was a framework that has, in large part, prevailed up to the present day. Significant points of this first landmark agreement included:

- Substantial general wage increase—pay package ultimately agreed to was four times management's initial proposal; an eight-year carrier went from \$7,824 to \$9,907
- Cost-of-living adjustments in pay (COLA) to help insulate NALC members against the effects of inflation
- No-layoff clause
- Reduction of the time between the first and the top step from 21 years to eight

The important themes of wage and job protection were thus firmly established from the start.

1973-1975 Contract

Going into negotiations for the second contract, USPS managers announced that they anticipated no need for major changes. Despite this claim, most of their proposals represented significant changes, especially the elimination of the no-layoff clause. The unions, bargaining together, were eager to build on the improvements in employee compensation achieved in the first contract. Bargaining opened on April 19, 1973 and by June, negotiators had hammered out an agreement.

The resulting document contained none of management's proposals. NALC President Rademacher, in presenting the contract to members for ratification, urged them to consider not only what they had gained through negotiations, but what they had not lost, considering management's initial demands.

Employees received an additional \$1,100 in wages over the two years, and continued wage security through COLA. The no-layoff clause remained in force. Local negotiations were still allowed. Evidently NALC members were per-

Management made two pay proposals. Both were pitiful.

sued by Rademacher's argument. Over 70 percent voted for the contract, the first time they had been given an opportunity to vote for the collective bargaining agreement which governed their working lives.

1975-1978 Contract

The 1975 round of national negotiations occurred in the context of the spiraling inflation straining the economy. The contract talks for 600,000 postal workers, which began on April 21, attracted the attention of the federal government's Council on Wage and Price Stability, which hoped to avoid an overly-generous agreement. The Council had already stepped in to persuade the auto and steel industries to reduce proposed price increases, and

the fear was that they would try to influence the Postal Service's offer, to the employees' detriment.

In statements made prior to negotiations, management expressed its firm intention to hold the line on pay increases, citing the Service's financial difficulties and claiming that employees had already achieved comparability with the private sector. USPS revived its plan to eliminate the no-layoff clause, pointing to decreased mail volume and increased use of mechanization.

NALC, while recognizing the Service's financial difficulties and problems caused by inflation, was equally determined to provide job and wage security to its members.

Once again, nothing much was accomplished until July 17, four days before the contract expired. At that point management made two pay proposals, both of which the union considered "pitiful." The clock was ticking, and some union leaders feared a national job action was inevitable at 12:01 a.m. on July 21. To further the negotiations, the unions agreed to modify some of their demands, if management would agree to continue the no-layoff clause. Management declined.

At this point, FMCS Director William Usery got involved. His pressure, and the approaching deadline, did the trick. Serious bargaining began at last. Management agreed to the no-layoff clause, if unions would accept a slightly-sweetened wage proposal. The final result—\$1500 increase in basic wages, an uncapped COLA, management paying 84.5% of health benefit premiums, and a no-layoff clause—was approved by the membership by a 2-to-1 margin.

1978-1981 Contract

NALC's fourth national negotiations took place as internal struggles

Contract Negotiations

peaked within the union. The parties reached a tentative agreement in the wee hours of July 21, which contained many improvements in working conditions but also imposed a cap on COLA increases. Timing was critical to what followed: The union's national convention started on Monday, July 31, while members still had ratification ballots in their hands. The convention voted to recommend that members reject the tentative contract. Delegates then amended the NALC Constitution to require the president to call a national strike if the contract was not ratified and management failed to reopen national negotiations.

The tentative agreement was overwhelmingly rejected on August 23. NALC President Joseph Vacca chose to pursue further negotiations rather than strike. Management refused to reopen negotiations, and instead went to federal court and obtained a temporary restraining order prohibiting postal employees from striking. The parties then agreed to reopen negotiations on August 28. USPS agreed to reopen the wage provisions of Article 9, and in return NALC agreed to reopen the no-layoff clause.

NALC and USPS chose Harvard Professor James Healy to mediate and, if necessary, arbitrate the dispute. The result was a decision on September 15 which increased pay moderately and uncapped the COLA as in previous contracts. However, for the first time, new letter carriers would have to work six years before gaining no-layoff protection.

NALC national elections took place during September, as Healy was making his decision to finalize the National Agreement. The

result was an upset—Vincent Sombrotto of New York City Branch 36 narrowly defeated incumbent Joseph Vacca. Thus, two struggles converged in 1978 bargaining—the union's internal battles over union governance and the struggle in collective bargaining to retain COLA protection. Two unique milestones resulted: NALC members rejected a tentative agreement for the first time (and only time, so far), and they replaced an incumbent NALC president with a challenger.

1981-1984 Contract

Instead of showing up at the start of 1981 negotiations, the Postal Service delivered a bombshell: It filed a petition asking the National Labor Relations Board to force all postal employees into a single nationwide bargaining unit. The unions opposed the petition in fast-moving litigation before the NLRB, which ultimately denied the Postal Service's request. Bargaining began on June 16 with only five weeks left before the contract expired. On June 25 thousands of letter carriers and APWU-represented employees demanded a fair contract in informational picketing throughout the country.

USPS introduced its economist-for-hire, Michael L. Wachter, in the 1981 round of bargaining, who presented wage analyses purporting to show that letter carriers were paid a "premium" over comparable workers in the private sector.

In fact, Wachter compared postal employees to all other workers with similar age and education—not with other workers who performed similar jobs.

The parties faced a July 20 deadline with tensions high.

NALC and APWU, bargaining jointly, prepared to go on strike if no agreement was reached. Local activists stayed up late on the final night, picket signs ready, waiting for news and instructions from union headquarters. The parties ultimately reached agreement early July 21. Uncapped COLA increases would continue, and the 3-year contract provided for three \$300 wage increases, three \$350 cash bonuses and a \$150 ratification bonus. The parties delayed for three years the usual "roll-in" of COLA increases accumulated during the previous contract.

Instead of showing up at the start of 1981 negotiations, the Postal Service delivered a bombshell.

The ratification vote proceeded with the PATCO strike as a backdrop. On August 3, more than 12,000 air traffic controllers walked out in a nationwide strike. President Reagan ordered them back to work but only 1,200 returned. Reagan fired all the strikers on August 5, breaking the union and sending a powerful anti-labor message that reverberated throughout the 1980s. In August, letter carriers voted by an extraordinary 85.6% to ratify their contract.

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How Interest Arbitration Works

If neither factfinding nor mediation results in a voluntary agreement, under the Postal Reorganization Act the parties must arbitrate the terms of the new labor contract, in a process known as **interest arbitration**. The parties select a mutually acceptable neutral arbitrator, typically one who is well known and widely respected. Sometimes NALC and USPS have selected a neutral arbitrator through direct talks. In other cases they have obtained a list of candidates from the Federal Mediation and Conciliation Service, and then alternately struck names until just one remained.

In postal arbitration there is an arbitration panel, chaired by the **neutral arbitrator** and also including members from the union and management sides. For instance, in NALC's last interest arbitration with USPS in 1999, the parties jointly chose Arbitrator George Fleischli to serve as neutral chairman. NALC chose Bruce Simon, its general counsel, to be the union member of the panel. USPS chose R. Theodore Clark, a partner in a management labor law firm, as its panel member.

The extra **panel members** are not "neutral" in the interest arbitration proceeding; each is an advocate for the party who selected him or her. However, in a panel interest arbitration the chair must obtain a majority to

issue a decision. In the 1998 round, neutral arbitrator George Fleischli issued a decision which the NALC advocate-arbitrator also signed. The USPS panel member wrote a dissenting opinion.

National interest arbitration hearings are unusual. Unlike a typical grievance arbitration hearing, they are never finished in a single day. In 1999, the Fleischli panel held 23 separate days of hearing. This arduous process was spread out over a few months, because the arbitrator had a busy schedule which the parties had to accommodate. The result was a procedure that progressed in fits and starts, with hearing days occurring individually or in clumps, separated by breaks of varying length. Other interest arbitrations have been similar.

NALC-USPS interest arbitrations have grown in complexity and length each time the parties have resorted to the procedure. **Witnesses lists** have been long. NALC's witnesses have included NALC presidents and other national officers, experts such as Ph.D. economists and labor relations professors, panels of working letter carriers, local union activists with special expertise, and headquarters staffers.

The hearing process is a hybrid of sorts. It follows the general order of a grievance arbitra-

tion hearing. The union begins by presenting an opening statement and then offers a procession of witnesses to present its case-in-chief—arguments for raises in pay and other proposals. The employer responds with its own case-in-chief and witnesses. Each side may then present rebuttal witnesses. After the evidence is all presented and the hearing closes, each side submits a written brief.

However, the usual **rules of evidence** and hearing behavior have not been used in interest arbitrations. Direct and cross-examination are very informal, witnesses typically present their cases on direct examination without much questioning or interruption, and rules of evidence are largely ignored. Panel members often ask questions—with arbitrator/advocate members helping their respective sides in the manner of a partisan congressional hearing.

At the close of the hearing, the interest arbitration panel meets on its own in **executive session**. These private discussions resemble a resumption of negotiations, with the neutral arbitrator sometimes acting as a kind of mediator. In the end, however, the neutral chairman must act as arbiter, making the final decisions on the provisions of the new contract. The interest arbitration award is final and binding on both parties. ■

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1984-1987 Contract

The Postal Service's opening wage proposals in 1984 were all give-backs: a wage freeze; elimination of \$1,643 in previous COLA increases; both a cap and a 5% floor on COLA increases; conversion of COLA from wage increases to cash payments; a cap on USPS health benefits contributions; no sick leave pay for the first sick day.

USPS also proposed to cut new workers' pay by one-third, eliminate their first-year COLA, and reduce their sick and annual leave. This proposal for a "two-tiered" wage structure reflected a trend in employer bargaining in the 1980s.

After the employer's final proposal hardly differed from its first one, NALC and its bargaining partner APWU refused to agree and prepared for interest arbitration. USPS hired a prominent, union-busting law firm to present the employer's case. With strong lobbying from NALC, Congress passed legislation barring USPS from implementing its final proposals as arbitration of the contract proceeded.

As the arbitration hearing opened, NALC negotiated with USPS a major restriction on mandatory overtime. The "Letter Carrier Paragraph," as it became known, required the employer to seek auxiliary assistance rather than forcing a letter carrier to work overtime on his or her own route on a regularly scheduled day.

After a lengthy hearing, Arbitrator Clark Kerr issued the panel's award on December 24. The new contract provided for three annual wage increases of 2.7 percent each, plus continuation of the COLA. The Kerr award also created two new, lower wage steps. As a result, wages

at the lowest step began \$3,800 lower and the service time required to reach the top step increased from 8 years to 10.5 years. Arbitrator Kerr believed postal workers were receiving a wage "premium" of some amount, so he decided upon "moderate restraint" in wages.

1987-1990 Contract

For the first time since collective bargaining was established, the Postmaster General attended the opening session of negotiations on April 22, 1987.

Given steadily increasing mail volume and the Service's overall fiscal health, the NALC had made it clear that it would not countenance any concessions or give-backs. Nevertheless, USPS trotted out a new version of the two-tier proposal it had been unable to achieve in 1984. Once again, management proposed creating a substantial part-time workforce with lower pay and benefits, and doubling the number of casuals, in the name of "flexibility."

The negotiations were tough, but unlike three years earlier, they were also serious. Managers discussed their concerns freely and supported their positions clearly. They responded quickly to requests for information. The emphasis was on reaching an agreement at the bargaining table. And ultimately, that was done.

On July 15, while NALC and APWU jointly presented proposals for substantial wage increases, news broke that the Mail Handlers had made a "sweetheart deal" with USPS, accepting a vastly inferior wage offer. APWU then walked out of the negotiations, and NALC followed in solidarity. Despite the looming deadline, for three days no talks took place.

When talks finally resumed, USPS began by offering three clearly unacceptable wage packages, with in-

creases averaging only 1.4%. If the unions wanted to avoid an increase in part-time and casual workers, management wanted them to pay for it through concessions in wages. Negotiations continued past the midnight deadline on July 20, but the parties gradually reconciled their differences and a fair contract was ultimately reached and ratified by the members.

Once again, the threat of a two-tier workforce was beaten back. The increased use of casuals was not permitted. There were no give-backs. A letter carrier's basic salary rose an average of \$1,814 over the life of the contract, compared with a \$1,250 increase for the Mail Handlers. The COLA continued uncapped.

1990-1994 Contract

Negotiations followed a very different course for the next contract. Before talks even started, postal management said it wanted to keep costs 2% below inflation. Once again, the Service sought "flexibility"—the ability to increase the number of part-time and casual workers.

Unlike in past negotiations, where the contract deadline forced the parties into protracted, serious negotiations, the Postal Service this time basically stopped bargaining 72 hours before the contract expired. President Sombrotto called the final management proposal "an insult to every postal employee," one which would have reversed most of the gains made since collective bargaining began over 20 years before.

So, for the second time since bargaining began between the USPS and its unions, the NALC prepared for binding arbitration. Neutral arbitrator Richard Mittenthal headed a five-person panel. Over 18 days of

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Contract Negotiations

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testimony, NALC fought back against USPS claims that letter carriers were overpaid, and its desire to establish a two-tier workforce. The union also had to counter management's demands that it accept a settlement similar to the Mail Handlers', which called for lump-sum bonuses instead of wage increases.

Ten months after bargaining opened, the Mittenthal panel issued its award. The resulting contract met most of the unions' major priorities. NALC members received basic wage increases of \$4,367, compared with \$2,400 in lump sum payments accepted by the Mail Handlers. COLAs remained uncapped. But, as President Sombroto noted, "Clearly we didn't get everything we wanted, and we took a few hits." Although the union was largely successful in fending off management's plans for large-scale use of part-time workers, the award did change the 90/10 full-time/part-time ratio in 200 man-year installations to 88/12 for city carrier bargaining units and 80/20 for APWU units.

1994-1998 Contract

As the time for 1994 negotiations approached, NALC found that its own interests and that of its usual bargaining partner, APWU, were diverging. In August, the Atlantic City national convention decided that NALC would bargain alone for the first time in 1994.

The 1994 bargaining round was also the first for Postmaster General Marvin Runyon. Runyon, appointed to the top postal job in 1992, had moved quickly to slash costs and reorganize the Postal Service. He had been dubbed "Carvin' Marvin" for similar moves as head at the Tennessee Valley Authority.

Negotiations proceeded throughout the fall but broke off on the November 20 deadline, when the Service refused to budge from what it dubbed a "solid, fair proposal." That proposal was a series of give-backs including a 2-year wage freeze, elimination of COLA, a doubling of casuals and transitional employees, and cuts in sick and annual leave.

To resolve the impasse the parties decided to begin a nonbinding, combination mediation/factfinding process in February 1995 (see box to left on "Factfinding"). The mediator/factfinder's report suggested a 3-year contract continuing the COLA but providing cash bonuses instead of wage increases. NALC rejected the report and the parties proceeded to interest arbitration.

Neutral Arbitrator Arthur Stark issued his decision on August 19. The award provided a four-year agreement with two 1.2 percent wage increases and two lump sum cash payments of \$950 and \$400. Letter carriers also gained Sick Leave for Dependent Care, the right to use sick leave to care for ill or injured family members.

1998-2001 Contract

The Postal Service accumulated more than \$5 billion in profits during the four years leading up to the 1998 negotiations. As talks began in August, NALC made a pay raise its top priority. Although both sides said they hoped for the first negotiated agreement since 1987, negotiations again broke off over economic issues on November 20. On December 3rd APWU and the Mail Handlers reached settlements with USPS on 2-year contracts; the Rural Carriers agreed to extend their contract under similar terms in early 1999.

Although NALC and USPS resumed negotiating on January 5, 1999, including mediation efforts,

they failed to reach agreement and again prepared for interest arbitration. NALC argued before neutral arbitrator George R. Fleischli that, because DPS and other automation had made letter carrier jobs more difficult and complex, all letter carriers deserved an upgrade from Grade 5 to Grade 6. USPS insisted that letter carriers deserved no more than "parity" with the APWU, Mail Handlers, and Rural Carrier settlements. The arbitration panel heard from a slew of expert witnesses and also from several panels of working letter carriers from around the country. All told, the hearing lasted 23 days over the months June through September, 1999.

Following the hearing the parties agreed to use "final offer" arbitration, a procedure in which each party submits a final proposal on the remaining issues in dispute. The arbitrator must select one or the other final proposal rather than crafting a compromise somewhere in the middle. In the end Arbitrator Fleischli chose NALC's final offer, giving letter carriers an historic victory. The new contract raised all letter carriers to Grade 6 in 2000, and maintained the existing Carrier-Technician differential (which later became City Carrier Grades 1 and 2). It provided three annual increases of 2.0, 1.4 and 1.2 percent, and continued the COLA formula without change.

2001-2006 Contract

NALC and USPS entered 2001 negotiations with strong commitments from both sides to produce a voluntary agreement. Since 1998 the parties had been working together to overhaul the grievance-arbitration system and build a better working relationship on many issues of mutual interest. Then came the attacks of September 11, 2001, fol-

Regional Training Seminars

Listed below are the educational and training seminars for 2007. For more information, contact your National Business Agent.

Region 1—NBA Manny Peralta (714) 750-2982

California, Hawaii, Nevada, Guam

CSALC/NALC NBA Regional Training Seminars

March 16-18	Clarion Hotel	Millbrae, CA
Nov 30-Dec 2	Wilshire Grand Hotel	Los Angeles CA
<u>Nevada State Convention Training</u>		
March 29	Flamingo Hotel	Laughlin, NV

Region 2—NBA Paul Price (360) 892-6545

Alaska, Utah, Idaho, Montana, Oregon, Washington

State Shop Steward Colleges

April 5-8	McKenzie River Center	Blue River, OR
April 9-12	McKenzie River Center	Blue River, OR
April 16-19	To be announced	Utah
April 23-26	To be announced	Idaho
May 3-5	Hampton Inn	Billings, MT

Regional Assembly

Oct. 22-25	Coeur d'Alene Resort	Idaho
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Region 4—NBA Wesley Davis (501) 760-6566

Arizona, Arkansas, Colorado, Oklahoma, Wyoming

Feb. 24-25	CO State Training	Denver, CO
May 3-5	Oklahoma State Convention	
June 5-7	Arkansas Convention	Hot Springs, AR

Region 5—NBA Mike Weir (314) 872-0227

Missouri, Iowa, Nebraska, Kansas

Feb 24-25	Region 5 Rap Session	
	Radisson Hotel/Suites	St. Louis, MO

Region 6—NBA Pat Carroll (248) 589-1779

Kentucky, Indiana, Michigan

Oct 6-8	KIM Regional Training Seminar	
	Sheraton Indianapolis	Indianapolis, IN

Region 7—NBA Ned Furr (612) 378-3035

Minnesota, North Dakota, South Dakota, Wisconsin

Apr 13-15	SD State Convention	
Apr 27-28	ND State Convention	Bismarck, ND
Apr 30-May 4	Regional Training	
	HolidayInn Metrodome	Minneapolis, MN
May 19-20	Wisconsin Spring Training Seminar	
Sept 15-16	South Dakota Training Seminar	
Sept 30-Oct 3	MN State Training	Brainerd, MN
Oct 26-28	ND Fall Training	Fargo, ND
Nov 3-4	Wisconsin Fall Training Seminar	

Region 9—NBA Judy Willoughby (954) 964-2116

Florida, Georgia, North Carolina, South Carolina

March 23-24	Training Seminar	Havelock/New Bern NC
May 4-6	South Carolina State Convention	
June 6-10	FL State Convention	Jacksonville, FL
June 15-16	NC State Convention	Charlotte, NC
Oct 26-27	NC Training Seminar	Greensboro, NC
Nov 3-4	South Carolina State Convention	

Region 12—NBA William Lucini (215) 824-4826

Pennsylvania, South and Central New Jersey

March 4-6	Region 12 Rap Session	
	Tropicana	Atlantic City, NJ

Region 13—NBA Tim Dowdy (757) 431-9053

Delaware, Maryland, Virginia, West Virginia, Wash DC

Jan 29-30	MD-DC Shop Steward	Hagerstown, MD
Feb 18-19	DE Shop Steward	Newark, DE
Feb 22-23	Virginia Shop Steward	Richmond, VA
May 3-4	WV Shop Steward	TBA
May 20-21	Branch Officers Training	
	Lakeview Conference Center	
	Morgantown, WV	

Region 15—NBA Lawrence Cirelli (212) 868-0284

March 27-29	Regional Leadership Training & Rap	
	Hilton Ponce Golf & Casino Resort	
	Hilton Ponce, PR	

lowed shortly by the sending of deadly anthrax through the mail. The parties suspended negotiations during these crises, which caused the largest drop in mail volume since the Great Depression of the 1930s.

After agreeing to extend negotiations beyond the deadline, NALC and USPS settled on April 24, 2002

with a five-year tentative agreement. It provided five annual wage increases of 1.8, 1.5, 1.2, 1.3, and 1.3 percent, cashed out COLA accumulated from October 2001 to July 2002, and continued regular, semianual COLA increases in the years 2003-2006. The contract term was long to permit the parties a period of calm and stability during which they

could work on relationships and important issues of mutual interest.

The 2001 contract also incorporated into Articles 15 and 16 the Dispute Resolution Process, the previously experimental system that had proven its ability to help resolve grievances and drastically reduce arbitration backlogs across the nation.

USPS

BY THE NUMBERS

July 2006

<u>USPS Operations</u>	<u>Number</u>	<u>Change from SPLY*</u>
Total mail volume year-to-date (YTD) (Billions of pieces)	177.4	0.8%
Mail volume by class (YTD in billions)		
<i>First-Class</i>	81.9	-0.5%
<i>Priority Mail</i>	0.8	4.9%
<i>Express</i>	0.0	-4.6%
<i>Periodicals</i>	7.5	-1.7%
<i>Standard (bulk mail)</i>	84.5	1.7%
<i>Packages</i>	1.0	1.7%
<i>International</i>	0.7	1.3%
Daily delivery points	145.8 mil.	1.3%
<i>Percent city</i>	70.0%	—
<i>Percent rural</i>	29.7%	—
City carrier routes	163,450	-0.6%
Rural carrier routes	74,191	2.9%

*SPLY = Same Period Last Year

<u>USPS Operations</u>	<u>Number</u>	<u>Change from SPLY*</u>
Estimated Net Income (\$mil.)**	\$1,339.3	-8.2%
<i>Total Revenue</i>	\$60,561.4	3.9%
<i>Total Expense</i>	\$59,222.1	4.3%
City carrier employment	226,147	-1.4%
<i>Percent union members</i>	92.5%	1.1%
City Carrier Casuals	5,770	-4.6%
<i>Percent of bargaining unit</i>	2.8%	—
Transitional	0.0	-100.0%
<i>Percent of bargaining unit</i>	0.0%	—
City carriers per delivery supervisor	18.3	-3.9%
Career USPS employment	696,451	-0.9%
City carrier avg. straight-time wage	\$22.25/hr	4.0%
City carrier overtime ratio (OT hrs/total work hours)	15.8%	—
Ratio SPLY	14.9%	—

**Net income shown before escrow requirement



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