"The proposal delivers an all-regular workforce with weekends off as well as a significant reduction in the level of forced overtime. For the Postal Service, the proposal offers savings in the billions from reduced overtime and benefit costs in the future. However, it was offered only on the condition that the USPS give us new protections against contracting out and that it share its financial savings in the form of higher general wage increases." — President Young.

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Rap Session Cheers Proposal To Revamp City Delivery Work

Young Says Any New Agreement Must Prohibit 'Contracting Out'

Proposal Includes Early-outs, Mon-Fri Work Schedule, Separate Saturday Workforce, Better Health Benefits

Members of the 28-member NALC Executive Council applaud NALC President William H. Young during his remarks opening the National Rap Session in Los Angeles January 28. *(Photos by Mike Shea)*

President William H. Young received a rousing, standing ovation from more than 1,500 NALC members from across the nation January 28 when he described in detail at a National Rap Session in Los Angeles a historic proposal to restructure city delivery operations as part of a new National Agreement that would end the bargaining impasse in negotiations.

President Young addresses negotiations impasse. Observing (l-r) are National Trustees Mike Gill, Randall Keller, and Lawrence Brown Jr., Secretary-Treasurer Jane Broendel, and Vice President Gary Mullins.

Critical to any agreement would be a ban on USPS contracting out city delivery territory, the one issue that Young said prevented the parties from reaching agreement on a new contract.

"Contracting out is not just a union-busting strategy that would threaten the NALC," Young said. "It would also threaten the Postal Service itself. The trust and accountability of career letter carriers is central to the USPS brand. Using low-wage, low-skilled contractors would undermine the confidence customers now have in the Postal Service."

Young described to the overflow audience at the Wilshire Grand Hotel that both parties during negotiations appeared in agreement on virtually the entire contract, but that the impasse occurred when it was presented by postal management to the USPS Board of Governors. That's when the Service refused to agree to protection against contracting out.

General Acceptance

Young explained that all of the proposals that the union suggested — and apparently won general acceptance — would be meaningless if the Service could outsource city delivery territory to private contractors.

"Job security — it's the holy grail of every union in America," he said. "We need a strong and prosperous Postal Service led by well-paid city letter carriers."

But Young emphasized that it was not just job security that is on the line in this year's protracted negotiations for a National Agreement, it is the survival of the Postal Service itself, the same thing that led the NALC to work so hard for enactment of postal reform legislation in the 109th Congress.

Securing the future, Young told the crowd, is what led the NALC to propose "a bold, strategic alternative to the low road of contracting out ... an historic win-win contract designed to reward city carriers for their unique contributions to the Postal Service while preparing the USPS for success in the 21st Century."

Although the formal face-to-face collective bargaining has concluded and the dispute is headed toward mediation and/or binding arbitration, Young said NALC's proposal still remains on the table. He said the union was maintaining communication with USPS officials to ensure that every possible avenue for agreement is explored before going to the next step.

The detailed explanation of NALC's proposal — disclosed for the first time — and a review of the Postal Service's institutional morass that stymied talks in the final days of negotiations were welcomed by the branch leaders assembled in Los Angeles.

'Solidarity Counts!'

"Today, more than ever, solidarity counts," said Charles Miller, president of Garden Grove, California Branch 1100, adding that his branch was prepared to do whatever necessary to support the effort against contracting out.

Prissy Grace, president of Branch 283 in Houston, TX, applauded the union's demand for protection against contracting out.

"We have to have this to set an example for all public employees," she said.

Throughout the four-hour session, scores of letter carriers went to floor microphones to comment on the union's proposal and ask questions about how it would be implemented.

"I compliment you on your vision," said one carrier.

Executive Vice President Fred Rolando, left, answered one of scores of questions from the overflow audience. In center, Vice President Gary Mullins tackles a questions, and at right Los Angeles Branch 24 President and Chairman of the National Trustees Lawrence D. Brown Jr., welcomes letter carriers to his city.

NALC's Historic Proposal

Here are the key elements of NALC's bargaining proposal for a new National Agreement that would revolutionize city delivery work in the Postal Service:

- A **prohibition against contracting out** any work within territory now served by city delivery letter carriers, including in-fill development and natural additions to existing routes.
- Five-year contract, with annual **wage increases** and continued twice-a-year **cost-of-living adjustments.**
- A dramatic change in the **health benefits** whereby the Postal Service would pay 85 percent of premiums in the NALC Plan, and 72 percent in other Federal Employees Health Benefits Program (FEHBP) plans. This proposal would result in substantial savings to the Postal Service. Unlike the health benefit concessions recently accepted by the three other postal unions, NALC's proposal calls for letter carriers to receive a share of these savings in the form of additional general wage increases. In addition, the incentive to join the NALC Plan will allow the plan to be tailored to the needs of letter carriers and to promote better health.
- A major **restructuring of the city carrier workforce**: All letter carriers would become full-time regulars with Monday-Friday schedules by the end of the contract. Grade 2 carriers would be retained with revamped duties. All casuals and transitional employees would be eliminated. A Saturday-only workforce of NALC-represented bargaining unit carriers would be created. NALC and the Postal Service would jointly approach OPM and, if necessary, Congress to secure regulatory or legislative changes to ensure that retired letter carriers may be employed on Saturdays with no dimunition of their annuities. New hires would be Step A and retirees Step 0. Retirees would have preference for positions. Saturday new hires would have priority for vacancies in Monday-Friday workforce. USPS would request from OPM authority to offer an early-out. A task force would be created to implement the workforce reorganization plan. Finally, the substantial savings to the Postal Service resulting from this restructuring will be shared with all letter carriers in the form of general wage increases.

If There is No Agreement

What happens if the Postal Service hierarchy turns its back on letter carriers and tosses away this golden opportunity to streamline its workforce for the future?

President Young explained that under the recently enacted postal reform legislation, the next step is a continuation of negotiations under the supervision of a mediator to be appointed by the Federal Mediation and Conciliation Service. If that process does not result in an agreement, the final step is a referral of the impasse to an interest arbitration panel which will be authorized to hear the parties' evidence and argument and issue a final and binding settlement.

In the meantime, pending future developments, President Young commended all NALC members for their patience and perseverance. He also urged members to continue to support existing cooperative programs such as Customer Connect and route evaluation and health and safety initiatives.

Arbitration Award Backs NALC On Errors in Job Appointment

Management may not remove non-probationary letter carriers without cause simply because an administrative error occurred in their original appointments to the Postal Service, National Arbitrator Shyam Das ruled in an award issued January 19. Consistent with NALC's position, Das rejected the view that erroneous appointments can be terminated at any time at management's discretion.

The case before Das involved four letter carriers who were hired in April 2004 in Mayaguez, Puerto Rico. All four successfully completed their 90-day probationary period. However, in April 2005, following an audit by the Office of Inspector General, the Postal Service notified the carriers that they would be terminated because it had been discovered that they had been placed erroneously on the Mayaguez hiring register when they should have been placed on the San Juan register.

There was no claim that any of the carriers had contributed to the hiring error. Despite the fact that the carriers were blameless, management proceeded with the removal. NALC Branch 826 grieved the removals, and the grievances were ultimately appealed to national arbitration.

The Postal Service argued that when it discovers that an employee has been improperly appointed, management must be permitted discretion to decide whether to retain or separate the employee. Das fully rejected this argument, concluding that the Postal Service was bound by Section 365.311 of the Employee and Labor Relations Manual which requires that the removal of an employee who has completed the applicable probationary period must be "for cause." He added that management, not the union, carries the burden of proof on this issue.

Das remanded the case to the parties for further processing consistent with his award.

Food Drive Branches Reach 1,115

President Young makes comments at meeting of NALC's food drive partners at NALC headquarters. Executive Vice President Fred Rolando is at Young's right, and National Food Drive Coordinator Drew Von Bergen is seated at head of table.

Hundreds of branches are still registering for the 2007 NALC National Food Drive on Saturday, May 12, eager to achieve the challenge set down by President Young — increase last year's donations by at least 10 percent.

Last year, over 70.5 million pounds of food were collected and delivered to local community food banks and pantries in the nation's largest one-day drive to help the hungry.

As the *NALC Bulletin* went to press, registration forms had been received from 1,115 branches.

Within a few weeks, those branches that have registered for this year's drive will receive a food drive packet including a coordinators manual, DVD of a new food drive video, Public Service Announcement featuring the Harlem Globetrotters, forms for ordering the FREE Campbell Soup-Postal Service postcards, the official NALC poster featuring a new Bil Keane 'Family Circus' cartoon, and many other items.

In preparation for the drive, officials of many of the food drive partners — NALC, USPS, Campbell Soup, Cox Target Media, the United Way of America and AFL-CIO, America's Second Harvest and Pace Press met a NALC headquarters on January 25. President Young thanked them all for their assistance and reiterated his goal that this year's drive would be the best ever.

MDA Program Off to Fast Start

President Young and MDA Coordinator Jim Williams discuss taping of MDA video on set at MDA Headquarters in Arizona. *(MDA photo)*

Plans for revitalized and enhanced support from NALC branches for the Muscular Dystrophy Association (MDA) is off to a fast start, with registrations coming into NALC Headquarters quickly and work on a new DVD well underway.

Nearly 100 branches had returned their registration forms by the end of January — 20 percent of the way toward the goal of 500 branches set for this first year of the union's renewed effort to support its official charity.

Registered branches will receive in March a completely redesigned MDA packet including new training material, forms, promotional items, and a new DVD for use in the year-long campaign.

President Young and MDA Coordinator Jim Williams traveled to MDA Headquarters near Tucson, Arizona in January to film a segment for the DVD and met with top MDA officials to discuss involvement of local and regional MDA coordinators with NALC branches.

2007 FECA COLA – 2.4 Percent

The 2007 COLA for Federal Employees Compensation Act (FECA) participants, based on the December report issued January 18 by the U.S. Bureau of Labor Statistics, will be 2.4 percent.

The 2007 FECA COLA reflects the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) CPI-W between December 2005 and December 2006. It is applicable only in cases where death or disability occurred more than one year prior to the adjustment's effective date, and is effective March 1.

There is no accumulation yet toward the 2008 retiree COLA. The 2008 retiree COLA will be based on the increase in the average CPI-W between the third quarter of 2006 and the third quarter of 2007.