



ZOOM SAMLU REPORT

Officers and representatives from nearly every Local Union came together for the very first SAMLU meeting conducted in a virtual environment by way of the networking platform ZOOM. Attendees participated remotely on computers, laptops, tablets, eReaders, smart phones, and even land-line telephones. The NPMHU did not surrender to the limitations imposed by the COVID-19 pandemic and social distancing requirements. Instead, the Union adapted and successfully conducted the business of the organization; all whom participated should be commended.

On Tuesday, April 22, 2020, President Hogrogian convened the meeting to order and began by honoring the mail handlers that have passed as a result of the coronavirus. (Those honored and others were memorialized

in the NPMHU May 2020 Update.) Additionally, President Hogrogian paid tribute to Regional Vice President and National Trainer Sam D'Ambrosio; Brother D'Ambrosio recently passed. The President spoke warmly about his experience working with Sammy. Sam was a dedicated unionist who will be forever remembered by those who had the honor of working with him.

President Hogrogian then introduced newly installed Local 327 President Steve Buksch (Montana) and Local 333 President Eric Cory (Iowa). The President next recognized re-elected Local Presidents: Local 298 Wayne Foster (Nebraska), Local 299 Keala Parker (Hawaii), Local 301 Danny St. Marie (New England states including Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, and most of Connecticut), Local 302 Tony

Coleman (Northern California and Reno, Nevada), Local 304 Bip McLemore (Ohio, Indiana, and Kentucky), Local 306 June Harris (Wisconsin and Illinois), Local 308 John Gibson (Central and Southeastern Pennsylvania, Southern New Jersey, and Delaware), Local 310 Andy Badilishamwalimu (Georgia), Local 314 Scott Rodgers (Eastern Missouri), Local 318 Nick Mosezar (Florida), Local 328 Todd Larson (South Dakota) and Local 334 Sheldon Adams (South Carolina).

Following these opening activities, President Hogrogian provided a report to the assembly. As is customary, the National President's report was a comprehensive account of the activities of the National Union since the previous meeting of the Local Presidents. President Hogrogian addressed a wide array of topics, beginning with

the implications of the coronavirus on mail handlers and the USPS. President Hogrogian discussed operational protocol, safety measures, infection rate, contamination abatement, cleaning, quarantines, and social distancing policy, stressing the importance of open communications with the USPS. Representatives at all levels of the NPMHU are on call and available to participate in around the clock COVID-19 meetings at the local, district, and headquarters levels with our USPS counterparts to ensure we have the most current information available. Additionally, National CAD Representative Charles Manago was named by President Hogrogian as the union's point person on COVID-19 matters. President Hogrogian reminded attendees that the union has established a process for systematic dissemination of all COVID-19 resources to representatives and members, noting that the union will continue to ensure that sensitive or location specific information is pushed directly to relevant local president(s), and the more generally applicable COVID-19 resources are widely distributed, updated regularly, and consolidated on the NPMHU website at npmhu.org.

President Hogrogian also spoke about COVID-19 by reviewing complement caps, leave policies, and related Memoranda of Understanding which can be viewed at npmhu.org. President Hogrogian also discussed the Families First Coronavirus Response Act (FFCRA) which allows for up to 12 weeks of Expanded Family and Medical Leave (EFML) to an employee who is caring for a child whose school or place of care is closed (or child care provider is unavailable) due to Coronavirus Disease 2019 (COVID-19) related reasons.

Coronavirus protocols have also impacted implementation of the recently ratified National Agreement and operations at the NPMHU national

headquarters within the AFL-CIO building. President Hogrogian spoke about our remote operations procedures and reviewed the modified ballot verification and counting procedures given rise by COVID-19 social distancing guidelines.

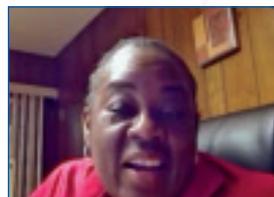
The President's report went on to review the achievements of the 2019 Agreement including fair wage increases, the continuation of cost of living allowances (COLA), retention of the no layoff clause, improved wages and benefits for MHAs with increased conversions to career status. A draft of the National Agreement is posted at npmhu.org and will be distributed to all members in the coming weeks.

President Hogrogian provided an update on the USPS financial condition, with emphasis on the fact that all reporting is from a pre-coronavirus environment, noting that the financial outlook will undoubtedly get worse.

The update included FY 2020, first quarter results reflecting a net loss of \$748 million, with a 2020 fiscal year loss of \$8 billion. Parcel business growth posted a Q1 decline of 4.6% with Amazon volume down 10%; overall volume decreased by 2.5 billion pieces of 6.7%. First-class mail was down by 3.8%, marketing and political mail dropped by 7.9% and periodicals dropped by 6.4%. The Board of Governors continues to project a \$125 billion shortfall over the next 10 years.

President Hogrogian said, "The USPS anticipates that the loss of mail volume as a result of the COVID-19 pandemic will continue into perpetuity," with volume projections down by 50% in Q3-2020 and 57% in Q4 compared to SPLY. The USPS projects a volume reduction of 26% in FY2021. If no action is taken, the USPS will be out of money by the end of the current fiscal year.

The decline in package mail relative to increased competition is due





to increased efforts by large mailers such as Amazon developing their own delivery networks, and the impact of FedEx retaining much of the last mile mail that they previously diverted to the Postal Service.

President Hogrogian next discussed the USPS rate case that is currently before the Postal Regulatory Commission (PRC). The current rate system is subject to an annual cap on rate increases equal to the rate of inflation, except for rare exigent rate increases like the one that ended in April 2017. The PRC has recommended changes to the rate system that would allow the Postal Service to increase rates at inflation plus 2% per year, plus another 1% based on meeting certain quality improvements. The NPMHU has intervened in support of the Postal Service, and filed comments with the PRC, as have the other postal unions. The NPMHU maintains that the rate

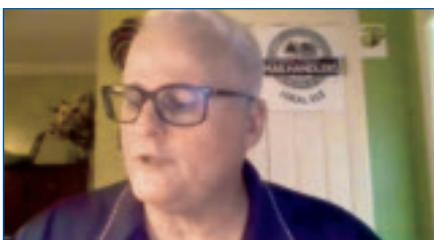
cap should be eliminated, or at least greatly softened, so that the Postal Service can raise rates in a manner that exceeds the rate of inflation if the situation warrants.

The next topic for discussion was the USPS Board of Governors. Currently there are 5 Postal Governors in addition to the PMG and DPMG; those Governors are the previously confirmed former USPS Inspector General David Williams; Robert Duncan, the former president of the Republican National Committee from Kentucky; the recently confirmed Ron Bloom of New York; Roman Martinez of Florida; and John Barger of California. Along with the other postal unions, the NPMHU has been lobbying for other individuals to be nominated.

The President reported on the implications of replacing the Postmaster General. Megan Brennan announced her retirement and that she would

be stepping down from her position effective January 31, 2020. The current members of the Board of Governors are tasked with selecting the next Postmaster General. PMG Brennan has agreed to delay her retirement pending the ongoing search for her replacement. (Since the SAMLU, the Board of Governors has selected Louis DeJoy of Greensboro, NC to serve as the next Postmaster General and Chief Executive Officer of the U.S. Postal Service.)

The next subject was the Office of Management and Budget (OMB) reorganization recommendations. In a June 21, 2018 report, OMB released a plan entitled "Reform Plan and Reorganization Recommendations." Buried in the report is a Presidential plan to restructure the USPS into a 'sustainable business model,' and thereby prepare it for future conversion into a privately held corporation. This restructuring



purports to reduce door-to-door service and the frequency of these deliveries and seeks to reduce the wages and benefits of postal employees to highlight the most draconian recommendations. OMB's proposal has already drawn criticism from both Democrats and Republicans in Congress.

From OMB, President Hogrogian transitioned to President Trump, Amazon, and the Presidential Task Force on the Postal Service. The discussion centered on the Executive Order creating the Task Force that was charged with evaluating the operations and finances of the USPS covering topics such as pricing, USPS policies, workforce, and costs, as well as President Trump's incorrect contentions regarding companies like Amazon causing postal deficits. The Task Force report has been issued, and adds virtually nothing to the ongoing debate. While the report did not call for the outright privatization of the Postal Service, it did coordinate with President Trump's and OMB's plan to restructure the USPS into a sustainable business model and thereby prepare it

for future conversion into a privately held corporation. Many elements of the Task Force's recommendations eventually found their way into the Postmaster General's 10-year plan.

President Hogrogian also discussed Trump's Executive Orders that will harm federal employees and their Unions. The Executive Orders concern limitations on paid Union Time, a government-wide approach to bargaining issues, and an order making it easier to discipline federal workers through the elimination of due-process rights. He further explained that these Executive Orders have all been subject to ongoing legal challenges. The first round was won by the federal unions, but on appeal, the U.S. Court of Appeals for the D.C. Circuit decided that the courts do not have jurisdiction to rule on the issues presented, and therefore referred the matter to the useless Federal Labor Relations Authority. Several other federal courts have agreed. As of October 2019, therefore, the Executive Orders are currently in effect. OPM has already published regulations to

implement the President's Executive Order on discipline. Federal agencies had already been circumventing the district court's injunction on impasses in collective bargaining by imposing collective bargaining agreements as the various contracts expire.

President Hogrogian next spoke about the USPS Function 1 Scheduler tool and the threats of reversions, abolishments, excessing, and withholding to more the 2,200 Full-Time Regular (FTR) Mail Handlers. "Through the efforts of our Regional Directors working in conjunction with Local Presidents, Branch Presidents, and Stewards, the NPMHU collectively and successfully minimized the impact of the first round to mail handlers nationwide, said Hogrogian. The USPS has begun to implement its new version of the Function 1 Scheduler, a.k.a. the Function One Review. Early reports generated by this new version



have been positive, and in many cases resulted in increased mail handler staffing and MHA conversions.

The NPMHU has requested copies of all the new Function 1 scheduler/reviews, including all underlying data. The Postal Service is beginning to implement the second phase of its new Function 1 scheduler, to include bid abolishments and reversions, start time and rest day changes, and some instances of excessing from the installations. Union officials at the regional, local and branch levels must once again challenge all unwarranted start time changes, reversions, and abolishments and file and continue to file the appropriate grievances.

Hogrogian cautioned, "Management remains steadfast in its intentions to realign the workforce and align employees' schedules/rest days/start times with the projected mail arrival profiles. However, it appears that the

Postal Service has put its plans on hold during the COVID crisis."

Turning to the continued threat of closing and consolidations of USPS Installations, and in view of a projected shortfall of \$125 billion over the next 10-year period, the Board of Governors directed the PMG to develop a strategy to offset these losses. The plan is still a work in progress but borrowed several elements from the OMB report, the President's Task Force on the Postal Service, the Postal Regulatory Commission's recommendations, the President's proposed budget, and proposed postal reform bills. The preliminary 10-year plan contains some of the following: redefining the universal service obligation, reducing door-to-door delivery to compensate for volume trends, reducing employee benefits, reducing FERS benefits and increased employee contributions with no defined pension plans for

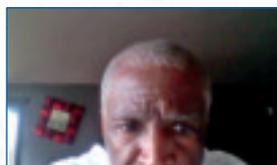
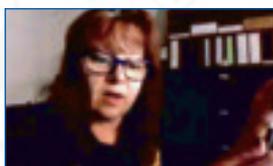
new employees, OWCP reform, various outsourcing initiatives including automation, NMOs, and platform operations, and closure or consolidation of plants and non-profitable post offices. It is still uncertain regarding how aggressively a new PMG will pursue these closings and consolidations. The decline in mail volume due to the COVID crisis could also influence the Postal Service's decisions.

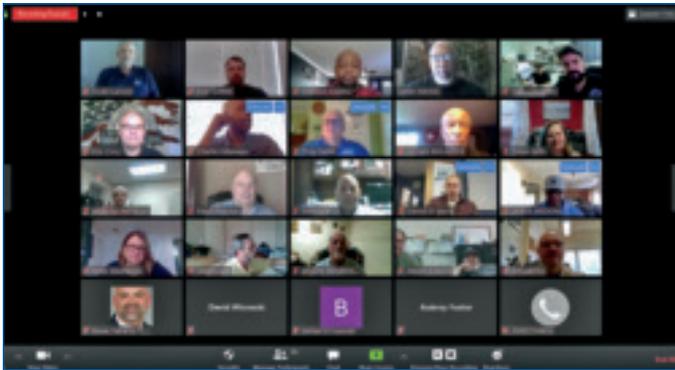
President Hogrogian touched on critical issues pending in the U.S. Congress, including a status report on Congressional activity relative to possible postal reform legislation and bi-partisan support for potential legislation.

Also reviewed was the positive influence of the "Residual Vacancy MOU," which created a pecking order for conversion of Mail Handler Assistants (MHAs) to FTR positions. Negotiated in 2015 and incorporated into the 2016 National Agreement, the NPMHU recently surpassed 14,560 MHAs converted to FTR as a result of this Memorandum.

The President's report included a discussion on subcontracting and the NPMHU's effort to return subcontracted work to the bargaining unit. He discussed a recently announced craft determination for the USS and EPPS. "The mail handler craft has been granted jurisdiction over a majority of the functions on these machines. These craft determinations will provide for hundreds of mail handler jobs nationwide," said Hogrogian. Additionally, he spoke to the continued efforts to insource mail handler work from Surface Transfer Centers (STCs) and Mail Transport Equipment Centers (MTEC) including a possible pilot site.

Next, Legislative and Political Director Katie Maddocks provided an update pertaining to postal legislation as well as COVID-19 stimulus plans that impacts the Postal Service and its employees. Sister Maddocks provided an update on H.R. 2382, the USPS Fairness Act, which passed in the House





on February 5, 2019. Its companion bill, S. 2965, is currently in the Senate. Before the declaration of the global pandemic, the NPMHU and other postal unions and stakeholders worked with members of the House Oversight and Reform Committee on potential postal reform language. The NPMHU called for any language to include: repealing of the retiree healthcare prefunding mandate; prospective Medicare Integration; proper investment of Postal Service Retiree Health Benefits Fund; restoration of 50 percent of the exigency surcharge rate; and, providing for new revenue generating products.

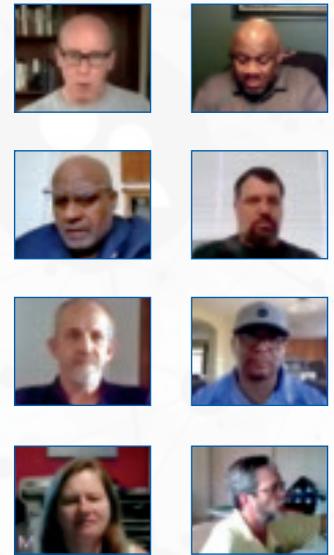
Sister Maddocks also provided an update on COVID-19 stimulus packages

that previously passed into law. At the time of the SAMLU, two laws had been passed that directly impacted USPS and its employees: the Families First Coronavirus Response (FFCRA) Act, P.L. 116-127; and, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. The NPMHU was in talks with members of the House and Senate on the next round of stimulus that could give direct appropriations to USPS for COVID-19 relief. Finally, Sister Maddocks talked about the 2020 elections, and the importance of voting for candidates that support the Postal Service and its employees.

Finally, the assembly heard a report from General Counsel Bruce Lerner on

litigation and other pending legal matters involving the NPMHU National Union.

On Wednesday, April 23, 2020, National Secretary-Treasurer Michael Hora kicked off day 2 with a detailed presentation on a variety of topics. He began with the financial implications of remote operations during COVID-19 pandemic, including a review of the NPMHU financial statements for the quarter ending December 31, 2019. NST Hora next addressed the union's ongoing deficit control measures when providing an updated presentation and analysis of Mail Handler complement, regular and associate membership trends and revenue projections, and allocation among our Union's affiliated organizations.



Hora reviewed the NPMHU Revenue Sharing Program and provided an in-depth membership review including recruitment initiatives relative to new MHA health benefits.

NST Hora also reported on the NPMHU merchandise program, OLMS compliance, and LM filings. Next, he spoke about the status of the NPMHU 2020 Quadrennial Convention. NST Hora also reviewed union communication methods including the newly implemented NPMHU mobile app. Finally, the Secretary-Treasurer provided a report on scheduled NPMHU national meetings and training programs.

Next, SAMLU participants received a comprehensive report regarding

various matters related to the Mail Handlers Benefit Plan (MHBP) from Executive Director Nina Gallauresi.

Finally, the participants received a wide-ranging report and presentation from National CAD Representative Charles Manago on all matters pertaining to the coronavirus and pandemic including the operational implications of the coronavirus on mail handlers and the USPS.

The customary reports on the NPMHU Women's Committee, Contract Administration Department (CAD) Report, and Article 12 Task Force were provided to participants in written format in advance and will be posted on the NPMHU website at npmhu.org

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