

Perseverance pays off



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In this issue of *The Postal Record*, I am pleased to announce that after 20 long months of struggle, our union has reached a tentative agreement on a new 2023-2026 National Agreement. I am even more pleased that we negotiated this contract so that the eligible active members of our union will have the ability to decide whether to ratify its terms and conditions in the democratic process in accordance with the *NALC Constitution*, just as we have done throughout our history. Although our union was well prepared to proceed to binding interest arbitration, after much discussion

with our legal counsel and our economists, I concluded that such a course would be unwise.

The tentative agreement (TA) will both maintain and improve on the pattern set by the prior two contracts with three slightly higher general wage increases (1.3 percent); the maintenance of regular step increases and twice-a-year cost-of-living adjustments (with seven COLAs in total); and the preservation of our existing protections against layoffs and subcontracting. In addition, major changes to Table 2 (the elimination of Steps AA, A and B) and an additional \$1,000 per annum increase early next year in Step P pay will significantly boost city carrier career earnings by raising both starting and top career salaries and reducing the time to the top step (by 92 weeks) for the first time in decades.

Full back pay for every paid hour (including all leave and work hours, as well as all overtime and other premium pay hours) since May 20, 2023, will be paid—reflecting the first two November general increases (for 2023 and 2024) and the first three COLAs, which will be \$978 (August 2023), \$353 (March 2024), and \$978 (September 2024) at Step P, with proportional application to the lower steps.

The new contract would continue the pattern of pay increases for city carrier assistants (CCAs) from the last contract, with general wage increases of an additional 1 percent on top of the increases called for career carriers—that is, three increases of 2.3 percent. In addition, CCA pay would be increased by 50 cents per hour at the same time that Table 2 would be restructured (within 180 days of ratification). We

also amended our memorandum of understanding on complement and staffing to reflect the jointly developed process for hiring career carriers in places where CCA recruitment and retention is grossly inadequate. We intend to intensify our use of this process under the new agreement.

This month's magazine provides all the details of the TA—including projected pay tables based on COLA estimates using the Congressional Budget Office's (CBO) inflation forecast for the next few years. But to give members a simplified idea of what this settlement would mean to you economically, I have produced two charts on the next page.

The first chart shows the total projected increase in Table 2 salaries (given the CBO's inflation forecast) over the course of the contract for carriers by step—in both dollar and percentage terms. It conservatively assumes that carriers start in their step on May 20, 2023, the beginning of the contract (though many will have step credit that could increase their pay further by allowing them to get an additional step increase). This shows that carriers starting career pay at Step A would see salaries rise by an estimated \$11,466 (about 25 percent) and carriers in Step P would see salaries rise by an estimated \$8,655 (11.5 percent) over the contract period. This captures all the potential wage increases provided by the contract—general wage increases, COLAs and step increases, all of which are negotiated in Article 9 of the agreement. Based on the distribution of city carriers among the steps of Table 2, the weighted average increase in pay for those city carriers would be \$12,194 annually and 22.4 percent.

A question that often comes up when reading the individual economic terms of this tentative agreement relates to those carriers in Table 2, Steps C-O. Those in Steps AA, A and B would be moved to Step C, and the Step P annual rate would be increased by \$1,000 annually within 180 days of ratification. This chart shows that the percentage increase carriers will see over the life of this agreement gradually increases by around half a percentage point on average at each step, starting from Step P working back through the middle and lower steps of the pay scale. This fair pattern of total increases was accomplished while modifying Table 2 to raise starting pay and shorten the time to reach the top step and providing an additional increase at that top step that will benefit all letter carriers when they reach the top of the pay table—elements of our core economic goals from the start of this round of collective bargaining.

The second chart provides a conservative estimate of back pay for carriers who work 40 hours a week (no overtime) starting in each step (with no accrued waiting time) on May 20, 2023, through March 8, 2025 (our estimate of when the USPS would implement new pay rates should the contract be

Projected Table 2 salary increase over length of contract

Beginning Step	Salary May 20, 2023	New Step	Salary November 7, 2026	\$ Increase	% Increase
AA	\$46,038	D	\$57,504	\$11,466	24.9%
A	\$46,038	D	\$57,504	\$11,466	24.9%
B	\$48,094	E	\$59,773	\$11,679	24.3%
C	\$50,153	F	\$62,036	\$11,883	23.7%
D	\$52,211	G	\$64,306	\$12,095	23.2%
E	\$54,271	H	\$66,576	\$12,305	22.7%
F	\$56,327	I	\$68,843	\$12,516	22.2%
G	\$58,387	J	\$71,107	\$12,720	21.8%
H	\$60,448	K	\$73,374	\$12,926	21.4%
I	\$62,505	L	\$75,641	\$13,136	21.0%
J	\$64,562	M	\$77,912	\$13,350	20.7%
K	\$66,622	N	\$80,175	\$13,553	20.3%
L	\$68,679	O	\$82,441	\$13,762	20.0%
M	\$70,740	P	\$83,954	\$13,214	18.7%
N	\$72,796	P	\$83,954	\$11,158	15.3%
O	\$74,854	P	\$83,954	\$9,100	12.2%
P	\$75,299	P	\$83,954	\$8,655	11.5%

Estimated Table 2 back pay

Step	Back pay
CCA	\$ 1,492
AA	\$ 2,359
A	\$ 2,436
B	\$ 2,542
C	\$ 2,647
D	\$ 2,752
E	\$ 2,858
F	\$ 2,963
G	\$ 3,069
H	\$ 3,174
I	\$ 3,279
J	\$ 3,385
K	\$ 3,490
L	\$ 3,596
M	\$ 3,701
N	\$ 3,805
O	\$ 3,850
P	\$ 3,856

This chart shows the total projected increase in Table 2 salaries over the course of the contract for carriers by step in dollar and percentage terms. This captures all the potential wage increases provided by the contract—general wage increases, COLAs (future COLAs projected using the Congressional Budget Office’s inflation forecast) and step increases, all of which are negotiated in Article 9 of the agreement. Assumes that the beginning step starts the first day of the contract (May 20, 2023). Many carriers will have step credit that could increase their pay further by allowing them to get an additional step increase.

The chart assumes 40 hours a week starting in each step (with no accrued waiting time) on May 20, 2023, through March 8, 2025 (estimate of date of implementation of new pay rates). It does not include overtime or other premium pay.

ratified). Under these assumptions, the back pay would range from \$1,492 for CCAs to \$3,856 for Step P carriers. Of course, with overtime, other premium pay and the date of potential conversion from CCA to career, these numbers may be larger.

As your president, I have the responsibility under the NALC Constitution to lead our negotiations with the Postal Service and to decide whether to send a tentative agreement out to the membership for ratification, or to invoke the impasse resolution procedures of the Postal Reorganization Act and seek a contract through binding interest arbitration. I stayed at the table with the Postal Service as long as there was progress toward the best possible deal for our members. We made incremental improvements to the proposed package right up until the end of the negotiations. Then it was decision time—could we do better in arbitration?

Based on my conversations with my colleagues on the NALC Executive Council and with our extremely experienced legal team and professional staff (some of whom have been involved in our negotiations since the 1970s and 1980s), I decided that sending out this tentative agreement for ratification is the best course for our union. Interest arbitration, which would expose every provision of every article of our National Agreement to alteration by an interest arbitrator, is not a risk-free exercise.

To help branch leaders educate you about the proposed National Agreement, I organized four regional rap sessions between Oct. 27 and Nov. 2. In addition, I have recorded episodes of the NALC podcast “You Are the Current Resident.”

Further information on the contract and the planned ratification process will be provided on the NALC’s website and through our social media platforms.

In our Leadership Academy class on NALC’s collective-bargaining history, we have described the period since 2011 as an era of “crisis bargaining,” since it captures the

challenges of negotiating in the face of two extraordinary crises—the Great Recession that followed the 2008 global financial meltdown and the COVID-19 pandemic in 2020-2021. In both cases, the Postal Service faced crushing declines in mail volume and huge financial losses due to deep recessions—not to mention a wave of inflation due to the pandemic that caused damage as well. But thanks to the power and value of collective bargaining, our union has been able to navigate this extraordinary period and protect the standard of living of city letter carriers while mitigating and/or fending off what usually happens to workers in non-union settings during times of crisis—layoffs, wage and benefit cuts, pay freezes, etc. Instead, we have enjoyed two or three wage hikes a year over the past decade. As we approach the Thanksgiving holiday this month, this recent history provides a timely reminder of how grateful I am for the collective-bargaining rights won by the many generations of letter carriers who came before us.

I want to thank all of you for your patience and for the solidarity you have shown each other over the past 20 months. While I certainly believe we should ratify this tentative agreement, whatever decision our active membership makes in the upcoming ratification ballot will be the right one. The officers and staff of the NALC stand ready to do the hard work of implementing and enforcing this agreement—or of pursuing a different agreement through arbitration if need be.

I urge every active letter carrier who is eligible to vote to carefully review the materials we send out and to attend their branch meetings to learn more about the tentative agreement before they vote.

