II. POSTAL SERVICE / LETTER CARRIERS: PROGRESS AND CHALLENGES

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The rhetoric is easy: Labor and management will both say with straight faces that a dispute resolution mechanism to deal with the inevitable controversies that arise under a collective bargaining agreement (CBA) should be fair, expeditious, and inexpensive. And the people in this room—the arbitrators that serve as the court of last resort in the dispute resolution process (except when the Postal Service simply can't restrain itself from going to court)—will hear and decide cases as quickly (more or less) as the parties present them.

So why is the labor relations system, and especially the grievance and arbitration system, so widely perceived as "broken"—by members of the Congress, the General Accounting Office, academics, the media, and the parties themselves? Surely, the existence within the U.S. Postal Service of a backlog of hundreds of thousands of unresolved grievances, extensive delays in resolution, many millions of dollars of annual expense, and the resentments that are engendered, answers *that* question.

But the more intriguing question is, Why should this be? And the ultimately challenging question is, What, if anything, can be done about it?

As the folks in this room know only too well, the U.S. Postal Service is a unique and remarkable institution—not only in its size (800,000 employees and nearly 40,000 locations); its mission ("binding the nation together"); its volume (over 200 billion pieces of mail a year—40 percent of the world's mail); its status (an independent establishment of the Executive Branch of the United States); the legal rules governing its labor relations (The National Labor Relations Act, minus the right to strike, plus interest arbitration)—but also the very character (and characteristics) of the work force.

Here, let me concentrate on the employees in the city letter carrier craft represented by the National Association of Letter Carriers, though most of what I describe will apply to the entire work force. The nation's 240,000 city letter carriers, employed in

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virtually every town and city of this vast country, closely reflect the demographics of the entire population (by sex, age, race, ethnicity, and religion). They are a mirror of America.

Letter carriers are a uniformed work force. We work for an institution traditionally autocratic in nature. We work, after all, for the Postmaster *General*. While our national CBA itself is a hefty (and dense with detail) 266 pages, the manuals, handbooks, and published regulations that have an impact on the U.S. Postal Service literally fill a room—and many of them are explicitly incorporated by reference into the CBA. We deliver the mail (each carrier an average of 2,900 pieces of mail to 505 different delivery points each day), in environments ranging from –20°F in a Minnesota winter to 116°F in the Phoenix sun, and in a variety of no less challenging social environments.

Supervisors are under constant pressure to "make the numbers" and, perhaps inevitably, convert the pressure on them into pressure on carriers—every day. This is a recipe for stress and its consequences, unless we can do something to relieve the pressure—on *both* supervisors and carriers. The parties are trying hard to do just that.

The awful combination of September 11 and the anthrax episodes, combined with a national recession, all in the context of technological developments (the Internet, e-mail, electronic deposits), has presented the U.S. Postal Service and its multifaceted constituencies with an extraordinary set of challenges. The letter carriers and postal management have made significant early progress in meeting those challenges. Perhaps most markedly, we have recently concluded the first directly negotiated national agreement since 1987 (with an apology to the splendid interest arbitrators in the room)—and it was ratified by 87 percent of those voting.

Our new national agreement incorporates a grievance resolution mechanism that has been field-tested over the past two years in 19 different districts, covering over 900 work locations. It commits both parties to the proposition that the number of disputes should be minimized—and union and management have, to that end, jointly produced and distributed to every work location the Joint Contract Administration Manual (JCAM). When a dispute arises, the supervisor and the shop steward are required to consult this document in an effort to resolve the issue. We have attempted to include all areas of the contract where there is no disagreement between the national parties as to what the contract

really means. The JCAM will be updated at least annually as decisions are reached that produce additional agreements. All national arbitrator decisions are added to JCAM.

To handle grievances that cannot be resolved despite the JCAM and first-line efforts, we have established joint teams in each postal district (Step B representatives). In order to ensure a credible level of expertise, all Step B representatives must pass a competency test given jointly by the national parties at the completion of a required intensive one-week training program. This "professionalism" gives credibility to the process, so that contesting parties at the local level will have a level of comfort that their issues will be decided by men and women who understand what the national agreement requires.

Step B representatives are directed to write their decisions in a clear and concise manner so that the local parties will have a roadmap for future situations. We believe that as soon as the local parties see what the result of their appeals in a specific area are, they will learn to resolve these disputes themselves, and we have anecdotal evidence that this is occurring in some areas already.

During the two-year field test, we resolved over 85 percent of the cases appealed to Step B (compared to a resolution rate of less than 50 percent under the preexisting system).

The time to decision for this new process has been greatly reduced. The old Article 15 process took 112 days for an unresolved grievance to reach arbitration; this new process takes just 63 days! Both parties understand that what is at impasse today will be heard in arbitration within two months. There is little to be gained by taking nonmeritorious cases to impasse.

Initially, we also required the districts to rediscuss all pending arbitration appeals in an effort to reduce the backlog of cases. There were then over 25,000 appeals pending arbitration. We have now reduced that load to under 10,000. Two of our 15 areas have over 65 percent of this backlog, and we are reviewing procedures to reduce that case load. Cases being appealed today in the other 13 areas are generally heard within two months of the date of appeal to arbitration.

Throughout this process, the national parties have constantly monitored the results to ensure quality. The Step B teams have the right to call headquarters, and a joint discussion will occur when issues need clarification. We are attempting to keep our representatives free of any local influence from either management or union. Step B representatives have been assured that they need not

fear retribution from either side. The national parties have also agreed that where erroneous decisions are made, they will rediscuss the issue and have new decisions rewritten where required. To date, we have experienced only a handful of cases (out of thousands handled) where this was necessary.

We are determined to change the confrontational element of this process. Symbolically, we no longer use the terms "denied" or "sustained"; in the new process, issues are either resolved, remanded, held, or impassed.

As good as this process has been, the next step that may determine its ultimate success or failure is the development of an intervention process to deal with troubled areas. We have established a task force to work on the elements of intervention. The parties in each district must realize that we will not tolerate deviations from the agreed-upon norm. Training will be an element of this intervention, but the key will be finding a way to enforce compliance on those who resist our effort. Our union believes that we can monitor our representatives and ensure that their conduct complies with this process. As long as we have a willing partner from management who is willing to enforce compliance, we will not fail.

I refer to this new process as the "arbitration reduction process." We should witness a great reduction in our reliance on your members for answers. I am proud to say that many of the Step B decisions I have reviewed are written as well as arbitration decisions and meet the requirement of serving as road maps to the local parties when dealing with similar issues.

The U.S. Postal Service has been a vital part of this nation's history since its founding. The National Association of Letter Carriers, established in 1889 and representing 240,000 letter carriers, is very much a strong partner of the Postal Service in "delivering for America."

Together, we can fix what is broken, and keep the mail moving.