

RANK AND FILE COMMITTEE REPORT

The Rank and File Committee, comprised of one appointee from each APWU National Executive Board member plus a representative from the Deaf/Hard of Hearing Task Force, was called to APWU Headquarters on June 21, 2005 to begin deliberations on a possible extension of the Collective Bargaining Agreement through November 20, 2006.

The committee received several presentations from President Burrus, National Craft Directors, other National Officers and staff. After examination, consideration and debate of all documents, issues and responses to the committee's in depth questions, the Rank and File committee has approved the contract extension to be released for a ratification vote by the members. The committee's rationale includes the following:


- Basic annual salaries will be increased by 1.6 percent effective March 18, 2006. This increase is based on the basic annual salary for the grade and step in effect on September of 2005. This fact was significant - the other postal Unions will receive a wage increase of 1.3 percent in November of 2005, but that increase will be calculated on either 2001 or 2004 wages. This negotiated wage increase allows for a greater monetary gain for the employee and improves on what the three other postal Unions have already agreed to in their contracts. The cost of living allowance (COLA) will continue under its current formula through the life of the contract extension. In past contracts, the APWU has lost COLA increases for an entire year due to the negotiation process. The committee recognizes that COLA increases are always at issue during contract negotiations. The committee feels the risk of compromising COLA increases as a result of negotiations should not be a deterrent to moving forward in negotiations, but also must be considered a benefit when considering a negotiated agreement or contract extension. The committee deemed significant the retention of two [2] uninterrupted COLA increases combined with the long term impact of a 1.6 percent wage increase based on September 2005 wages.
- In reviewing the wage and benefit package proposed in the extension, the committee noted that the employer's contribution to the Federal Employee's Health Benefits program will remain the same. The committee believes that the employer portion of Health Benefit contributions will be a major issue in future negotiations. Similar to the issue of COLA increases, the committee feels that the risk of negotiating Health Benefits should not be a deterrent to moving forward in negotiations, but also must be considered a benefit when considering the current proposed contract extension. The committee considered the retention of the current level of employer contributions for Health Benefits as an important factor.
- The committee studied past national interest arbitration decisions. The committee considered the impact of these decisions, specifically related to wage increases and retention of COLA increases. The committee believes that the 1.6 percent wage increase combined with the retention of two [2] COLA increases is equal to and/or greater than recent awards from national interest arbitration.
- The committee considered the upgrades of Clerk, Maintenance and MVS craft positions as a positive addition to the negotiated wage and benefit package. On March 18, 2006, approximately 6518 APWU represented employees will receive wage level upgrades in 14 different occupational groups and positions. The committee studied the issue of upgrades at length, noting the absence of certain positions. The craft directors presented information related to these concerns. The committee believes that any opportunity to upgrade any position is important, even when the opportunities are limited. Upgrades amount to significant long term wage increases for the positions and incumbents, as well as future opportunities for the relevant craft. **Noting that upgrades for other positions will continue to be an objective for the APWU, the current upgrades represent an improvement in all crafts.**
- The committee recognizes the importance of extending the no-layoff provisions to November 20, 2006. Other benefits contained in the package that were given favorable consideration were resolution of the VER dispute, employees being allowed to become a successful bidder an additional time, the allowance of an additional payroll deduction/allotment, the Modified Work Week pilot program which mandates a minimum of 18 sites, an increase in work clothes allowances and the ability to negotiate changes in Local Agreements. In addition,

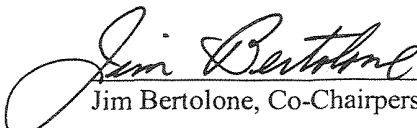
it is important to note that the TE Agreement for non-REC site TE's will not be extended beyond 12/31/05. All non-REC site TE's employed until 12/31/05 and those TE's in REC sites employed beyond 12/31/05 will have career opportunities extended.


- Employee rights under Article 12 are expanded as part of this extension. APWU represented employees in installations where excessing occurs will have priority consideration in transferring to other installations.
- The extension provides the union with the opportunity to advance two cases to the top of the national arbitration docket during the period of the extension. In addition, the National union will be provided all current handbooks, manuals, and published regulations that are on the USPS intranet in an electronic format on a semi-annual basis; reports that are currently provided to the union in hard copy will be transmitted electronically when possible.


In conclusion, the Rank and File Bargaining Advisory Committee believes that the proposed contract extension provides wage increases, stability in secured benefits, and gains in members and Union rights. The decision was not easy and all views were considered and debated. The objective of the Union is to advance the wages, benefits and rights of the membership. Therefore, by majority vote, the committee endorses the contract extension and recommends it be sent to the Union's highest governing body, the membership, for final decision.

RANK AND FILE COMMITTEE

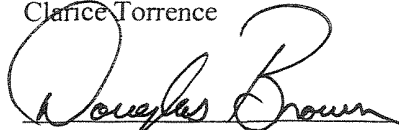

Yolanda Elder, Chairperson

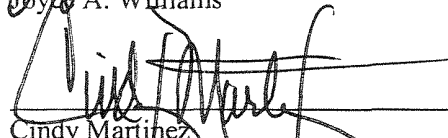

Jim Bertolone, Co-Chairperson


Philip Thomas, Secretary



Clarice Torrence

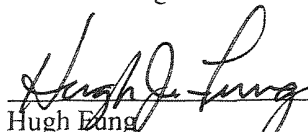

Joyce A. Williams

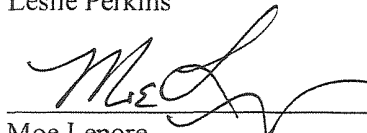

Douglas Brown

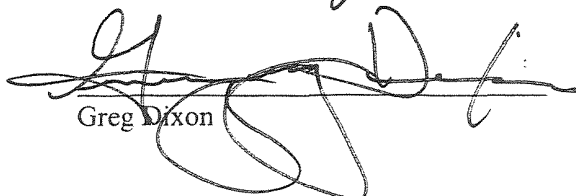

Cindy Martinez

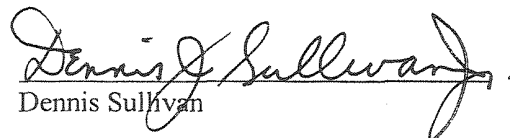

Princella Vogel


Leslie Perkins


Hugh Eang


Moe Lepore


Greg Dixon


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July 7, 2005