



# NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

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## NAPS's Response to USPS EAS Pay Decision

### **Background**

**USPS Pay Decision.** On May 15, 2019, the United States Postal Service issued its final decision concerning the pay package for the approximately 31,000 “field” managers, supervisors, and other administrative personnel covered by the Executive-Administrative Schedule (EAS) for the period fiscal 2016 through fiscal 2019. The Postal Service’s EAS pay package decision rejected most of the findings and recommendations of a factfinding panel report to the Postal Service on EAS pay, dated April 30, 2019.

**Factfinding Panel.** Last summer, NAPS requested the creation of the factfinding panel, invoking federal postal law. The panel was comprised of three labor relations experts commissioned by the Federal Mediation and Conciliation Service. One of the panelists was chosen by USPS, another by NAPS and the chairperson was selected by the other two members. The panel held two days of hearings in December 2018 to review NAPS’s objections to the EAS pay package. The panel reviewed extensive documentation and received testimony from NAPS and Postal Service witnesses about EAS pay and the work of postal managers and supervisors. After extensively analyzing the record, the panel agreed with NAPS on nearly every aspect of NAPS’s disagreements with the USPS on the EAS pay package and its standards.

### **Factfinding Panel Report**

**Findings and Recommendations.** The factfinding panel unanimously agreed with NAPS on nearly every aspect of its challenge to the USPS pay plan. The panel’s April 30, 2019, report recommended substantial changes to the Postal Service’s pay rates for EAS employees, as well as their calculation. The panel also found the Postal Service’s pay for performance system was broken and counterproductive.

**Statutory Compliance.** In their 30-page report, all three factfinders found that the Postal Service’s EAS pay package for FY 2016-2019 violates statutory requirements that EAS pay be comparable to the private sector, be sufficiently higher than the pay of clerks and carriers supervised, and be sufficient to attract and retain qualified supervisors and managers and maintain a well-motivated workforce.

### **USPS Pay Decision**

**Rejection of Many Factfinding Panel Recommendations.** The Postal Service’s EAS pay package decision issued May 15, 2019, rejected many of the factfinding panel’s findings and recommendations on EAS pay, including PFP, SDA, locality pay and COLA. In its announcement, the Postal Service in some cases failed to adequately explain why it departed from the panel’s recommendations or the requirements of the law. Curiously, to justify some of its 2019 decisions, the Postal Service relied on nothing more than assertions made by a previous factfinding panel that reviewed EAS pay in 2012.



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**PFP.** USPS rejected the panel’s finding that “the PFP program, as currently designed and administered, is seriously flawed.” The panel found that PFP does not accomplish its objectives or satisfy the requirements of postal law. The Postal Service could have agreed to undertake serious effort to overhaul the PFP program, but instead responded that it “in no way endorses the panel’s findings” about PFP.

**Supervisory Differential Adjustment.** The Postal Service disagreed with the panel’s finding that the SDA is flawed in how it is calculated. The narrow way in which the Postal Service calculates the SDA, the panel found, results in thousands of supervisors being paid less than the carriers and clerks they supervise.

**Locality Pay.** The panel also found that, without locality pay, many thousands of supervisors are paid far less than private-sector supervisors in the regions where they work. The Postal Service did not dispute this finding, but in response asserted that it cannot afford locality pay.

**Retroactive Pay.** The Postal Service rejected the panel’s recommendation of retroactive pay increases of 1.1% for FY2017, and 2.15% for FY2018, and implementation of the pay package effective July 20, 2018, as recommended by the panel. The Service’s decision to avoid retroactivity is counterproductive. The retroactive increases are well-supported, would assure USPS compliance with the law, and would demonstrate to EAS employees that the Postal Service values them and is acting in good faith.

## **Joint Work Group and Next Steps**

The factfinding panel “strongly recommended” that USPS and NAPS agree to establish “a joint work group to examine and report on the issues of locality pay, SDA, PFP, and, possibly, a permanent Cost of Living Adjustment” for EAS employees.” In its May 15 pay decision, the Postal Service agreed to participate in a joint work group but rejected the panel’s recommendations for time limits and the assistance of a mediator and a mutually selected compensation expert. The Postal Service also rejected the panel’s recommendation that a COLA for EAS employees be considered by the workgroup.

NAPS is pleased that the Postal Service has agreed to participate in a joint work group to address urgent EAS pay issues. But NAPS is disappointed that the Postal Service has rejected the factfinding panel’s unanimous recommendation that the work group be assisted by a mediator and a mutually selected compensation expert. The panel found these devices crucial to rebuilding the broken trust between USPS top management and its manager and supervisors. The last round of pay talks took up nearly the entirety of the FY 2016-2019 period covered by the EAS pay package – and without any retroactivity by USPS to offset pay and benefit erosion resulting from delay.

The Postal Service should reconsider its refusal to commit to a six-month workgroup timeline. A lack of urgency to address the deep-seated EAS problems is in itself a reflection of the underlying problems. The Postal Pulse survey conducted by Gallup bears this out. Prompt, meaningful change, not endless discussion, is critical. Managers and supervisors deserve genuine respect by the Postal Service as true partners in improving morale, productivity, and customer service – not simply costs to be managed.

*Representing supervisors, managers and postmasters in the United States Postal Service*