

**BEFORE THE ARBITRATION BOARD
SHYAM DAS, Chairman
BRUCE H. SIMON, Member
ROBERT A. DUFEK, Member**

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In the Matter of:)
)
UNITED STATES POSTAL SERVICE,)
)
Employer,)
)
-and-) 2011 Negotiations
)
NATIONAL ASSOCIATION OF)
LETTER CARRIERS, AFL-CIO,)
)
Union.)
_____)

**CONCLUDING PRESENTATION OF PRESIDENT FREDRIC V. ROLANDO
ON BEHALF OF THE NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO**

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Introduction and Biographical Information

My name is Fredric V. Rolando. I am the President of the National Association of Letter Carriers, AFL-CIO (NALC). I have held this position since July, 2009, when, as Executive Vice President, I succeeded NALC President William H. Young, following his retirement. I was elected President by acclamation in 2010 during the NALC's 67th biennial Convention and am presently serving a four year term.

The Constitution of the NALC expressly confers upon the President "the authority and responsibility for carrying out the collective bargaining duties of the Union." In accordance with this authority, I served as chief negotiator for the NALC throughout the 2011 round of negotiations. I was the Union's principal spokesman at the bargaining table, appointed all union members to bargaining committees, and personally conducted all off-the-record settlement discussions with my management counterparts. I personally approved all of NALC's bargaining proposals, as well as our responses to the Postal Service's proposals.

I began my letter carrier career in 1978 in South Miami, Florida and spent 20 years delivering mail in Florida. As a member of Branch 1071, in Miami, I served as a steward from 1979 to 1984, when I moved to Sarasota and soon became chief steward there. In 1988, I was elected president of Sarasota Branch 2148 and held that post until 1999. From 1992 to 1999, I also served as a part-time regional administrative assistant (RAA) for Atlanta Region 9 and was director of education for the Florida State Association of Letter Carriers from 1993 to 1999. I was named a full-time RAA for Region 9 in 1999.

I was first elected to national office by acclamation at the 2002 Philadelphia Convention as Director of City Delivery, having been appointed to that post in February, 2002 by President Vincent R. Sombrotto to fill a vacancy. During my service in the city delivery post I had the

opportunity to become familiar with many of the specific issues that affect letter carriers and took a leading role in preparing the union for future city delivery issues.

At the 2006 NALC National Convention in Las Vegas I was elected by acclamation to the office of Executive Vice President, the second highest position in our union. As Executive Vice President, I focused on working with the U.S. Postal Service to restructure delivery routes of mail carriers in a manner that protected their contractual rights as employees while allowing the Postal Service to have flexibility to meet the financial challenges posed by changing communications technology and the economic crisis.

I hold a B.S. degree in criminology and psychology from Florida International University.

I. **Scope of Testimony**

My testimony constitutes NALC's concluding presentation with respect to major economic issues. I will address NALC's approach to the current negotiations, with particular emphasis on the conditions under which NALC will accept the establishment of a new non-career workforce. I also show why career letter carriers are entitled to an upgrade of their salary structure and discuss the unique contributions made by the NALC and its members to the Postal Service.

II. **NALC's Approach to the Current Negotiations**

A. **The 2012 NALC Convention**

The NALC Constitution states that our National Convention is the "supreme body" in our union. (Article 1, Section 4.) In negotiating collective bargaining agreements, NALC officers are constitutionally obliged to take direction from the Convention. This discussion of NALC's approach to the 2012 round of collective bargaining, therefore, must begin by recounting what took place at our most recent Convention.

The 2012 NALC National Convention was held in Minneapolis this past July. Over 6,500 delegates from all across our country attended. At the Convention, we showed a documentary film on the 1970 postal strike which culminated in the passage of the Postal Reorganization Act, providing for collective bargaining in the Postal Service. The film vividly recounted the awful pay and working conditions that postal workers endured in 1970, a time in which working letter carriers qualified for welfare. Through interviews and archival footage, the film conveyed the courage of the strikers, many of whom were veterans of World War II and the Korean Conflict, as they knowingly put at risk their careers and exposed themselves to federal criminal prosecution. When the film concluded, I asked those delegates who had participated in the strike 42 years ago to stand and be recognized. The handful of veteran carriers who did so received a prolonged, heartfelt ovation from the delegates.

The officers and rank-and-file members of the NALC are fully aware that we owe a huge debt to the 1970 strikers. Because of their courage and commitment, NALC has been able to engage in true collective bargaining with our employer. The improvements in wages, benefits, and working conditions that we have achieved over the past four decades have allowed letter carriers to become part of the middle class in our country. All of us feel duty bound to safeguard those contractual terms and conditions, not just for our current members but for future generations of letter carriers, as well. That is why the deep cuts and concessions demanded by management in the current round of negotiations are simply anathema to the NALC.

At the same time, our Union is well aware that the Postal Service is confronting an unprecedented crisis, and that its survival is at stake. In my opening address to the Convention, I pulled no punches:

Fasten your seat belts, brothers and sisters.

This Convention is going to make history.

And we are going to face extreme turbulence as we do so.

First, our employer, the United States Postal Service, is in great trouble. Financially, in a classic sense, it is insolvent. It can't pay a legally mandated (although absurd) \$5.6 Billion dollar bill on August 1. Even worse, it has no strategy – zero; and no Business Plan – zero; to deal with the structural challenge of electronic delivery of messages. I don't have to tell you what has happened to volume. You see it in your station every day.

Second, The Nation is in the grips of the most vicious anti-union public attitude, and specifically anti-public employee union attitude, since 1947, when the Taft Hartley Act was passed. Anti-unionism, anti-public sector bias, Tea Party anti-intellectualism. A toxic combination.

Third, the Congress of the United States is deadlocked, and dysfunctional. That is true with regard to the great public issues of the day, but especially regarding postal issues.

Fourth, the White House is like a deer frozen in the headlights on postal issues. Politically, that is a huge embarrassment. President Obama is our President. We endorsed him in 2008. We worked our backsides off for him. We spent major dollars to help get him elected. But he has not been of any great help on our critical issues, and we have to own up to that.

And to make the cheese more binding, we will be dealing with this November's election – this week!

Fifth. Top management of the Postal Service – and above them, the governing board – are intellectually bankrupt. No vision. No strategy. No Business Plan. They have one answer and one answer only. Cut service. Cut Saturday delivery. Close facilities. Cut the workforce. Reduce wages and benefits. Contract out. Shrink, shrink, shrink ourselves. Chase the falling knife. Never mind that the inevitable consequence of those actions will be literally to kill the Postal Service. Cut and degrade service. Degrade the Brand. Wreck our unique last mile delivery franchise.

Incredibly, the Postmaster General has joined House Postal Committee Chairman Issa's program to dismantle USPS. The Postal Board of Governors is not governing. We have more than a crisis of leadership. We have a total abdication of leadership. They are hopeless.

But to criticize is easy.

The real question is whether we have a solution?

A complete copy of my speech is attached hereto as Exhibit 1.

I also told the delegates that NALC must be prepared to consider radical, transformative solutions to the current crisis:

We must be prepared to question everything. The structure and nature of the Postal Service. The structure and philosophy of our union. Our role in American life. Our role in the American economy. Everything.

I am pretty sure, that most of us are not prepared to support privatization or deregulation of the Postal Service this week in Minneapolis. I'm certainly not ready to do that. It would be disastrous without lots of other changes.

But we would be foolish to not seriously question the status quo we find ourselves in right now. Knowing what we know about how our political system works – or doesn't work – we must face the fact that, if we do nothing, we face a future of decline.

If we let nature take its course, we won't be fighting 5-day delivery. We'll be fighting 3-day delivery, or worse. And we won't be fighting for a better contract. We'll be fighting to keep any kind of contract. So change is coming, brothers and sisters.

The only thing we need to decide is: Will we be the agents of that change or the victims of it. I'm here to say: We must be agents, not victims.

NALC can save the United States Postal Service. I have no doubt about that. But the USPS we save will not be the one we have proudly worked for years in the past. We must join together to reinvent the Postal Service for the 21st Century in a way that secures satisfying careers for our members, and that will preserve our middle class standard of living.

Later in the Convention, our financial advisor, Ron Bloom, also addressed the delegates.

After recounting his personal experiences in restructuring the steel and auto industries, Mr.

Bloom provided a sobering assessment of the state of the Postal Service:

I believe that today the Postal Service faces a crisis as significant as any in its storied history. Put simply, Congress set up the Postal Service to be a self-sustaining institution, and on that basis, the Postal Service is going out of business.

On its current trajectory, while it will probably take a while, there will come a day when the United States Postal Service is reduced to a tiny shadow of its former self. Within a decade we could easily see mail delivered two to three days a week to a central location where people in a neighborhood or a community go to pick it up.

The basic facts of the Postal Service are dire and dramatic. And this institution, like Bethlehem Steel before it and General Motors three years ago does not have a God-given place in our nation. The Congress created it, and whether by action or inaction, indifference or malice, many people are prepared to see it fade away.

A complete transcript of Mr. Bloom's speech is attached hereto as Exhibit 2.

At the same time, Mr. Bloom, noted that the current crisis was largely attributable to "either the pre-funding mandate, completely a creation of Congress which no other company in the public or private sector needs to bear, or accounting changes driven by extremely low interest rate that caused the Postal Service to change its worker's comp expense." Moreover, he stressed that with appropriate changes in legislation and governance, the Postal Service had the capacity to transform itself so as to thrive in the new economy:

This is still today an extraordinary network. It is the densest network in our country and in the world. For a population as spread out as America, this is the densest network in the world. This network hits 150 million addresses six days a week. Nothing else comes even remotely close.

[W]hile it is true that First Class Mail is in long term decline there is no reason why this network can't be filled with other things, just as in 1912 the Postal Service was given the opportunity to deliver packages. There are many, many products that cannot be reduced to electronic form.

So while Amazon does not deliver books or music by mail particularly anymore, they want to sell you everything else that's in your house. And e-commerce provides an enormous opportunity to take the this dense network, to take the extraordinary brand that the Postal Service brings, the trust and reliability that it has, the value proposition that its customers believe in, and fill that network with new products. So there is an opportunity for growth.

Mr. Bloom told the delegates in no uncertain terms that “in the end, whether or not the Postal Service survives and is restructured successfully really does rest on your shoulders.” He called upon the NALC to “take the bull by the horns and lead the effort to re-imagine, restructure, and revitalize the United States Postal Service.” He concluded by acknowledging that any such effort would necessarily entail collective bargaining sacrifices, but cautioned that such sacrifices must be shared by all stakeholders (including postal customers).

So you need to give, but you need to give to get others to give. Because if others don't give, literally, number one, there's no amount you can give that will fix it. You can't give enough.

And, number two, it just offends the basic sensibility to suggest that an institution can be restructured on the backs of only one stakeholder. That's never, ever a successful path to restructuring.

In the end, the delegates to the NALC Convention overwhelmingly supported the analysis and direction reflected in Mr. Bloom's speech, as well as my own. NALC's present legislative, public relations, and collective bargaining strategies are derived from these perspectives.

B. NALC's Proposals

Consistent with the Convention's direction, NALC's proposals for the 2012 National Agreement are intended to achieve three basic objectives: (1) preserving career letter carriers' job security, compensation and benefits, with appropriate enhancements where possible; (2) improving the efficiency of postal operations, as well as contributing our “fair share” of the savings (no less, but no more!) which may assist the Postal Service to meet the current financial crisis; and (3) ensuring the continuing viability of the Postal Service, while laying the foundation for future growth of its business.

For example, NALC's proposals (previously submitted as Exhibit A-2) provide for: an Innovation Task Force to investigate and test new products and services (NALC Proposal U-2);

the continuation of the existing Joint Arbitration Task Force, with expanded authority to test new methods of improving the efficiency of the grievance-arbitration process (NALC Proposal U-8); a national level task force to study better ways to administer letter carrier overtime, which is a major component of USPS labor costs (NALC Proposal U-15); a test of new procedures to improve the Customer Connect Program, which, as discussed below, has contributed significantly to business growth (NALC Proposal U-22); continuation of the parties' efficient and cost-saving joint route adjustment process (NALC Proposal U-30); and a joint task force to explore methods of improving the workplace climate and the efficiency of letter carrier work methods (NALC Proposal U-34).

Similarly, our proposals to continue restrictions on contracting out and to preserve Saturday delivery reflect not only our legitimate interest in letter carrier job security, but also our firm belief that allowing private contractors to deliver the mail and ending Saturday delivery will undermine the public's confidence in the Postal Service. (*See* testimony of NALC experts, Michael Crew and Elliot Sklar, NALC Exhibits D and F.) Maintaining public confidence is a crucial component of any strategy to expand the Postal Service's parcel and package delivery business, a shared goal to which the NALC is wholly committed.

As reflected in NALC's Economic Proposal, we are willing to work with the Postal Service to design a new Postal-only health plan for active and retired letter carriers, and to support any necessary legislation. The previously submitted testimony of our expert, Gary Lake, demonstrates that such a new plan can reasonably be expected to result in very substantial savings. (*See* NALC Exhibit J.)

The centerpiece of the contributions NALC is willing to make in recognition of the current situation is our acceptance of a new non-career workforce that will replace the existing

Transitional Employee (TE) classification. In accordance with previous discussions between the parties, which did not result in a complete agreement, this new workforce may be called City Carrier Associates, Assistants, or Apprentices (CCAs). CCAs will have a fair level of pay, but one that NALC acknowledges will be lower than the pay of career letter carriers.

We trust that the Panel will appreciate that, but for the present crisis, the concept of a lower paid, non-career letter carrier workforce would be totally unacceptable to the NALC. A non-career classification not only undermines our core mission as a labor union, but is, quite literally, in direct conflict with the policy of the Postal Reorganization Act which explicitly directs the Postal Service to:

. . . place particular emphasis upon opportunities for career advancements of all officers and employees and the achievement of worthwhile and satisfying careers in the service of the United States.

39 U.S.C., Section 101(c). Accordingly, as a *quid pro quo*, NALC must insist on the preservation of the existing memoranda prohibiting the contracting out of carrier work. As previously noted, this has been a critical issue in these negotiations. It is simply outrageous for the Service to insist that it should obtain the savings and flexibility of a new lower paid non-career workforce, while, at the same time, it threatens the job security of the nation's letter carriers by contracting out their work. Preserving the previously negotiated memoranda is essential as a matter of fundamental fairness.

Our acceptance of the CCA classification is also conditioned on the inclusion in the new Agreement of certain minimal safeguards, including:

- ◆ A guaranteed path for all CCAs to achieve career status; employment as a CCA should be viewed as equivalent to an apprenticeship.
- ◆ A requirement that opportunities for career appointments will be provided to CCAs in seniority order.

- ◆ A guarantee that, pending conversion to career status, CCAs will be given priority, in seniority order, for reappointment as a CCA upon completion of their term, or in the event that CCAs are separated for lack of work.
- ◆ Access to the grievance procedure in the event of discipline.
- ◆ Conversion of all current career part-time flexible (PTF) employees to full-time status, and a phase-out of the PTF classification, which will no longer be needed.
- ◆ A guarantee that all current TE's will be given an opportunity for appointment as a CCA and that their seniority will be continued.
- ◆ A contractual right for all CCAs to exercise opting rights.
- ◆ A strict cap on the number of CCAs, similar to the current limit on TEs.
- ◆ Reasonable standards to ensure that all delivery units maintain a minimum level of staffing to insure that all full-time duty assignments are covered by full-time, career employees.

None of the foregoing proposals entail any additional cost to the Postal Service. They will, however, ensure certain basic standards of fairness. Consistent with this approach, NALC also proposes that the Postal Service be obligated to incur the relatively minimal expense that would be necessary to provide a uniform allowance and basic health insurance to CCAs (at least by their second year as authorized by the Federal Employees Health Benefits Act). The Postal Service should also be required to support the establishment of a 401(k) type retirement benefit for CCAs. The additional costs attributable to these benefits will be tiny compared to the enormous savings the Postal Service will achieve through the introduction of the CCA workforce.

In sum, the non-career CCA proposal represents a substantial contribution by the NALC. However, we are not prepared to go further and endorse cuts in the terms and conditions of career letter carriers. Management's proposals to eliminate COLA, freeze wages, and cut benefits are completely unacceptable to the NALC.

We acknowledge that previous awards have reduced the starting pay for newly hired letter carriers. However, there is no NALC interest arbitration precedent which would justify the introduction of a true two-tier wage structure in the letter carrier craft – *i.e.*, an entirely new, lower salary schedule for new hires, as proposed by management. In particular, NALC insists that compensation of the most experienced letter carriers, as reflected in the top step of the schedule, must remain the same for all carriers regardless of the dates they were hired.

If anything, the substantial changes in letter carrier work since Arbitrator Fleischli issued his Award in 1999 justify a second upgrade in letter carrier pay. Moreover, letter carriers and the NALC have made, and continue to make, unique contributions to the Postal Service which should be recognized by the Panel. These topics are addressed in the following sections.

III. **Changes in Letter Carrier Work**

In the following section, I discuss the significant changes in letter carrier work that have taken place since the 1999 Fleischli Award, and why those changes warrant a second upgrade of letter carrier pay.

In the 1999 interest arbitration, NALC's experts testified, without contradiction, that pay levels for specific job classifications in large organizations are typically set by analysis of four basic criteria: effort, skill, responsibility, and working conditions. Indeed, these criteria are reflected in the Postal Service's own regulations governing the evaluation of bargaining unit positions. Section 233 of the Employee and Labor Relations Manual (ELM) provides, in pertinent part:

233 Evaluation of Bargaining Unit Positions

233.1 Purpose

Effective evaluation requires a clear understanding of the position duties, responsibilities, and work requirements. Careful description of the position

ensures that employees receive equal pay for substantively equal work.

233.2 Basis for Position Evaluation

Comparison of a position's duties, responsibilities, and work requirements to key position descriptions serves as the only basis for evaluation. Specifically, the following factors determine final ranking:

- a. Difficulty of the work to be performed.
- b. Degree of responsibility to be exercised.
- c. Scope and variety of tasks involved.
- d. Conditions under which the work is performed.

Through the testimony of experts, union officers, and rank-and-file letter carriers, NALC demonstrated, and Chairman Fleischli found, that the introduction of automation in 1990's, had significantly impacted each of these criteria for letter carriers. A very brief summary of that testimony follows. I then discuss how new changes have affected letter carrier work after 1999.

A. **Pre-Automation Duties and Responsibilities**

I begin by describing how letter carriers have traditionally done their jobs before the introduction of letter automation and delivery point sequencing.

Before automation, most carriers arrived at work at 6:00 or 6:30 each morning. When the carriers arrived, they would clock in and go to their cases. There are two main types of cases. The first is the letter case which is four to six shelves high. Before automation, carriers used these cases to sort each of the letters for their route into delivery sequence.

Letter carriers also had at least one and usually two flat cases. Prior to the late 1980s, carriers cased flats into horizontal stacks or piles in the flat case rather than vertically like letters into narrow separations. When the flats were all cased into these horizontal stacks, the carrier would pull out each stack and sort it again, this time in the precise delivery sequence.

This process of horizontal flat casing ended with the Vertical Flats Agreement on January 10, 1990. In that agreement, the NALC and the Postal Service agreed to implement, and did implement over a two-to-three-year period, a new system for casing flats. Under the new system, the flat cases were altered to have narrow vertical separations like the letter case and the carriers began to case the flats vertically. This eliminated the need for the second sequencing step that was needed under the old flat casing method.

Casing the mail into delivery order was a large part of the letter carrier's job in the post office each morning. Prior to automation, letter carriers received nearly all of their mail each morning unsorted. It was the carrier's job to learn the addresses on the route, to learn the cases, and to be proficient in casing up the mail each morning, both the letters and the flats.

The manual casing functions are governed by certain time standards (18 letters and 8 flats per minute). When a carrier cases mail, he or she reads not only the address, but the name on the mail. It is the carrier's responsibility and no one else's to make sure that the named addressee is actually receiving mail at that address. If the person is not supposed to receive mail at the address, the carrier removes that piece from the mail stream and either holds it for the person's return, forwards it to a forwarding address or in some cases returns it to the sender.

The carrier kept a so-called pink card (containing information such as change of address and vacation holds) in the slot at the beginning of each appropriate shelf on the case. The pink card served as a memory aid for the carriers to use when necessary in the office, to remind the carrier that mail for certain addresses, or individuals at those addresses, is not to be delivered. The carrier also pulled out the forwards each day during the casing process.

Once each morning in the office the carriers also visit a security cage to get a key known as an arrow key or a lock box key for opening the mail boxes, and they also pick up their

accountable mail. This is mail that requires special handling and which is tracked separately by the Postal Service outside the general mail stream. Before automation, the carrier obtained all accountable mail from the Clerk each morning, including registered mail, certified mail, COD mail, and postage due mail.

For each separate piece of accountable mail except express mail the carrier fills out a Form 3849, which is called a delivery notice reminder receipt. Once the carrier fills out the Form 3849 he or she either cases the forms with the letter mail for that address or keeps the forms together in the special pouch in his mail satchel. When the carrier delivers the mail out on the street later and knocks at the patron's door. If the patron is available, the carrier has the patron sign for receipt of the accountable mail piece. If the patron is not at home the carrier leaves the form as a notice that delivery was attempted and that the patron can obtain the mail at the post office.

When all the mail was cased and all the accountables were written up, the carrier pulled down and straps out the route, which means to pull the mail out of the case or cases in delivery sequence order and then, at least if the carrier had a walking route or a park and loop route, bundle up the mail with rubber bands or straps. In pulling down and strapping out the mail, the carrier made up bundles of mail that the carrier can hold in his or her hands and satchels. Carriers have different size hands. Accordingly, bundle size was an individual matter.

Several bundles usually make up the loop. To start delivering a loop the carrier will take the rubber band off the bundle of letters and the bundle of flats for the first part of the loop and hold the letters in one hand and the flats either balanced on the forearm or down in the satchel. When these bundles have been delivered the carrier repeats the process of unbundling and delivering to finish the loop before returning to replenish the satchel with bundles for a new loop.

Before automation, each carrier would plan the day's deliveries by making bundles to fit each particular loop and mail volume pattern on the route. The carrier would break the bundles to fit the size of his or her hands and with the carrier's individual comfort level with carrying different amounts of mail in the hands. The carrier would see and handle all of the day's mail before making up and strapping out those bundles. This gave the carrier, while in the office, the information required to break the bundles into appropriate sizes for delivery that day. (Mail volume varies widely, not only by season and month, but by day within the week.)

On marriage mail days carriers did another type of planning for the day's deliveries. Marriage mail is a special commercial type of mailing consisting of a folded collection of loosely bundled advertising mail with all shapes and sizes of inserts. The carrier received the advertising materials as a large, folded collection of loosely bundled advertising mail with all shapes and sizes of inserts. Before automation, the carrier would receive a bundle of pre-sequenced addressed postcards, and would case the postcards with the letters. Later out on the street when the carrier came upon one of the postcards he delivered the advertising mail as well as the postcard. There were two associated pieces, hence the name marriage mail.

Prior to automation of letter mail the work of all letter carriers regardless of type of delivery (foot delivery, park and loop, or mounted) had certain things in common. Most important, with the exception of special pre-sequenced or no sequenced mailings, each letter carrier cased all the letters and all the flats each morning. All the holds and forwards and mail mis-sorted to the wrong route was corrected, fixed and re-routed while the carrier worked in the office each morning. When carriers took out their mail onto the street before automation it was clean. It was accurate. There were virtually no mistakes in the mail. There was no need to worry

about holds, forwards, mis-sorts or other undeliverable mail in the satchel or in the vehicle. The essential job of quality control had been accomplished inside back in the office.

B. Impact of DPS: Basis for Fleischli Upgrade

Delivery Point Sequencing, or “DPS,” focused on one fundamental change in the Postal Service: machines, rather than letter carriers, now sort much of the letter mail into delivery sequence. By 1999, carriers were receiving as much as 80 percent of their letters from DPS machines, so they were no longer casing those letters. As NALC demonstrated to the Fleischli Board, this change transformed the letter carrier job in numerous fundamental ways.

First, as the casing time in the office decreased, letter carrier routes were inspected, and additional territory was added. For letter carriers, street time is “hard” time. Carriers are exposed to the elements, traffic, and the public, along with far greater risks of injury and crime. Carrying and delivering mail outdoors is by far the more physically punishing part of the letter carriers’ work. DPS required letter carriers to deliver the ever-increasing volumes of mail over longer territories for longer times, out in the weather, either walking house to house carrying the mail satchel on their back, or driving from mailbox to mailbox. In contrast, letter carrier officer work is less physically demanding than delivery. Office work is performed in climate control facilities, and it does not involve direct contact with the public. Physically, office work is “soft” time.

Second, DPS required letter carriers to carry additional bundles of mail. The machines have never been capable of sorting all letter mail into delivery sequence. Some of the letter mail must still be cased manually. However, letter carriers were not permitted to merge the manually cased letter mail with the DPS mail. The automation of some, but not all, of the letter mail meant that letter carriers with park and loop or walking routes had to handle two separate bundles of letters at once. NALC demonstrated in the 1999 interest arbitration, and chairman

Fleischli found, that carrying two bundles of letters in one hand is far more difficult than carrying one.

At the time of the Fleischli Award, there was an alternative method for handling the DPS letters, and that was to case them with the flats, and then strap out the non-DPS letters and the flats together. This is called the one-bundle system, or the vertical flat casing method, even though the DPS letters constitute a separate bundle. The one-bundle system is also a very awkward way to carry and deliver mail on the street. Letters and flats were originally separated in the mail stream because they are different sizes, and handling them together is difficult and time-consuming.¹

Third, the implementation of DPS coincided with an increase in the volume of parcels delivered by letter carriers. Parcels are delivered almost entirely by letter carriers on their own routes rather than by special Parcel Post drivers. Park-and-loop carriers carry the small parcels in their bags along with their extra letter bundles, flat bundles, and marriage mail. Parcels are very awkward to carry in the street and even on mounted routes, carriers have a lot – have to do a lot of reaching on the floor, twisting, bending down and lifting to deliver the extra parcel volume. Combining the implementation of DPS with significant increases in parcels added to the new difficulties encountered by letter carriers.

Fourth, DPS imposed new responsibilities on letter carriers to maintain the National Address databases. The Postal Service's entire automation program is driven by computers and databases. In order to sort mail automatically to the proper Zip Code, route and address, the databases containing all the mailing addresses in the United States must be accurate, and they must be kept accurate on an ongoing basis.

¹ Subsequent to the Fleischli Award, use of this one bundle system became mandatory for all letter carriers.

The letter carrier is the key player in maintaining the accuracy of these databases. It is now the carrier's job in the new automated environment to ensure that something called an Edit Book is well maintained. This crucial information provided by the carrier is not only used to alter the DPS sort plans followed by Postal sorting machines, it is also transmitted to mass mailers who receive a discount for pre-bar coding and pre-sorting their mail.

Fifth, DPS transferred the carrier's quality control responsibilities from the controlled environment of the Postal Service out onto the street. DPS automation meant that the first time that a carrier has the opportunity to read the name and address on a DPS letter is during the moment just before he or she places it in the mail box. This changed everything for the letter carrier who was now delivering on the street for the majority of the day. Street delivery used to be mostly a physical job and carriers used to focus mentally on the environment, walking up steps, over curbs, keeping an eye out for children, for patrons, for safety hazards, for dogs and so forth. Carriers used to look just briefly at the address on letters. The introduction of DPS required them to read the full name and address on each and every DPS letter as they move from one stop to another. It takes a great deal of concentration to check through the DPS letter while delivering the mail. However, it is absolutely essential that carriers do so. The reason is that carriers find lots of undeliverable mail in their DPS letters.

Errors are made by the machines that read and sort DPS letters. The Postal Service established the DPS accuracy target at ninety eight percent. Ninety eight percent accuracy means that 2 out of every 100 letters have been sorted to the wrong place. Moreover, NALC demonstrated in the Fleischli proceeding that the error rate can vary widely. On some routes, on certain days, the error rate can greatly exceed two percent.

The machines make different kinds of sorting errors, and the letter carrier is required to figure out which kind of error has occurred and take appropriate action to correct each error. Mis-sent letters have been sorted to the wrong post office. Mis-sorted letters have been sorted to the right post office, but to the wrong letter carrier route. Mis-sequenced letters have come to the right route, but appear in the wrong place in the bundle, out of delivery sequence. The carrier is supposed to identify and fix each of these errors. For mis-sequenced letters, the carrier assumes the responsibility for deciding whether to take the mail back to the office or to double back on his route to deliver the mail on that day.

Forwards and holds probably represent the most common quality control problem that carriers of DPS letters on the street encounter. As noted above, before automation, the carrier manually removed mail to be forwarded or held during the casing process in the office each morning. With DPS letters, that process has also been transferred to the street. A carrier now has to remove forwarded and held mail from the DPS letters while out on the street and then carry it back to the office each day.

Sometimes a mis-sent letter comes back through the DPS machines and returns to the letter carrier after he or she has attempted to forward it to the proper address. This is called loop mail. By 1999, it had become the carrier's job to make sure that the machines do not send the letter back a third time. The carrier needs to read the address and attempts to determine why the mail is returning. He or she may compare the bar code to the Zip either by using a special aid that translates the bar code or by consulting with a quality control person. When necessary, a carrier may take a magic marker and block out the bar code. The carrier knows that the piece will then be read again and given a new bar code.

Carriers also must be on the lookout for Certified Letters while delivering the mail. When this mail is discovered out on the street, the carrier must stop, put down the bundles of mail, fill out the required paperwork, the Form 3849, on the street and then try to get the customer's signature. Previously, this extra paperwork task could be handled in the office. Now, they have to be done outside in the elements.

A sixth impact of automation cited in the Fleischli proceeding involved the introduction of scanners. In 1999, carriers had begun to operate a new piece of equipment while out on the street, a hand-held scanner. This scanner is used for what is called delivery confirmation mail, which may include certified letters, postage due and express mail. Carriers are scanning these items and entering data into the scanners while performing street delivery, another new function resulting from new technology.

Attached to this testimony as Exhibit 3 is a Table submitted by NALC expert witness, Dr. Lorel Wisniewski, in the 1999 case, summarizing the impact of the above-described changes in letter carrier work on the four compensable factors which determine job evaluations. The Table succinctly demonstrates why the automation introduced in the 1990's warranted an upgrade in letter carrier compensation. This analysis was accepted by Chairman Fleischli.

As discussed below, the same analysis supports NALC's proposal for a second upgrade based on subsequent changes in letter carrier work.

C. **Changes in Letter Carrier Work After 1999**

1. **Increase in Outdoor Work**

The Fleischli upgrade was based, in significant part, on the increase in the proportion of letter carrier work that is performed outdoors as a result of the implementation of DPS. Evidence submitted to the Fleischli Board by both NALC and USPS economists showed that outdoor work is paid significantly more than indoor work. Chairman Fleischli noted that "all the

experts were in agreement that there does exist an ‘outdoor premium,’ greater than the 3% which separates grade 5 from grade 6 or grade 6 from grade 7.” (Fleischli Award, NALC Exhibit A-8, p. 33).

The post-Fleischli increase in outdoor work is discussed in the testimony of NALC witness Jim Sauber. (NALC Exhibit G.) At the time of the Fleischli Award, data supplied by the Postal Service indicated that DPS had increased street delivery time from 58.4% to 68.4% of total city carrier work time. More recent data reflect a comparable increase in street delivery time to 74.4%, which is slightly less than six hours for an eight-hour route. *Id.*, p. 10. This evidence, by itself, warrants a second upgrade.

Moreover, there is reason to believe that the Postal Service data understate the increase in letter carrier street time. NALC compiled data from over 65,000 routes selected under the *Joint Alternate Route Adjustment Process – 2011* (JARAP 2011). A summary of the JARAP 2011 data compiled by NALC is attached hereto as Exhibit 4.

After excluding auxiliary routes and routes that were abolished, the average adjusted street time of the remaining 53,612 routes after the route adjustment is six hours and fifteen minutes (78.1% of an eight-hour route). Almost none of the approximately 36,000 routes receiving Flat Sequencing System (FSS) mail are included in this average, as very few FSS routes were adjusted under JARAP 2011. FSS shifts more work from the office to the street due to a larger percentage of mail being automated, which results in less office work for letter carriers and an increase in street time. NALC believes that the average street time of FSS routes is at least six hours and thirty minutes (81.3% of an eight-hour route).

It is hard to imagine that the remaining routes would have less than six hours of street time, but that USPS chose not select any of them for evaluation and adjustment in JARAP 2011.

All things considered, NALC firmly believes the street time has increased more than the Postal Service's data show. NALC believes that the discrepancy can be attributed to the Postal Service's street time data being inclusive of auxiliary routes, which lowers the overall street time average. The street time average of only full-time assignments would produce a more accurate picture of the increased time that letter carriers spend on the street in today's Postal Service.

2. **The Amplified Impact of DPS**

I have already discussed how the impact of Delivery Point Sequencing, or "DPS," was a major part of the basis for the Fleischli upgrade. Chairman Fleischli recognized that dealing with mis-sent letters (sorted to the wrong post office), mis-sorted letters (sorted to the right post office but wrong route), and mis-sequenced letters (sorted to the right route, but out of delivery sequence) on the street, as opposed to in the office, made the job of a letter carrier more difficult. This aspect of DPS is still true today.

Since 1999, DPS has changed in many ways that make the job of a letter carrier significantly more difficult than it was when the Fleischli Panel issued its award. For instance, in 1999 letter carriers were receiving up to 80 percent of letters as DPS in some locations. According to slide nine of the November 2, 2011 Postal Service presentation *USPS/NALC Negotiations*, the average DPS percentage for all city routes was 93 percent in 2011. A copy of this slide is attached hereto as Exhibit 5.

The NALC's own research agrees with this percentage. Because of this increase, letter carriers today see a much larger percentage of mail for the first time at the point of delivery than in 1999. Consequently, there are many more decisions to make than in 1999 that fall squarely on the shoulders of letter carriers involving many more pieces of mail.

The Postal Service has also reduced the efforts and procedures that it employed in 1999 to prevent mail that will not be placed into a mailbox from ending up in the DPS mail product

letter carriers deal with on the street. In the past, mail such as vacation holds, Saturday business closures, secondary address mail (addresses with secondary suite or unit numbers), etc. was withheld from the DPS for letter carriers to easily and efficiently process in the office. That mail is no longer diverted from the DPS. In addition, much of the accountable mail such as certified, postage due, etc that was previously held out from the DPS now comes in the DPS in most locations. In 1999, letter carriers would partially fill out the PS Form 3849 (the form that certifies delivery) at their cases in the office. They would then case the form into the residual mail as a reminder of where to deliver the accountable mail piece. Now they must constantly be on the lookout for accountable mail in the DPS on the street. When accountable mail is discovered in the DPS, letter carriers have to fill out the PS Form 3849 at the delivery point when customers are not home, often in inclement weather, while “juggling” the scanner, multiple bundles of mail, and parcels.

The increasing volume of letters in the DPS mail that was previously held out from the DPS interrupts the flow of letter carriers’ work and requires their constant attention to cull out such letters from the mail stream while they perform street duties. Is this a piece of mail that has to be sorted further due to having a secondary address and not being in the correct delivery order? Is this a piece of mail that needs to be forwarded because the customer has moved? Is this a piece of mail that needs to be returned because the customer no longer resides here and didn’t leave a forwarding order or the forwarding order has expired? Is this customer on vacation or do I need to hold the mail for some other reason? These are questions that letter carriers must ask and answer over and over again for each piece of mail that they look at on the street.

Before delivering each address or delivery point where there are secondary addresses, letter carriers must now break down and sort the secondary address mail into delivery order without the organizing benefit of their letter cases. In the case of business parks or large apartment complexes, this might involve dozens of pieces of mail or dozens of addresses. In the case of mis-sequenced mail, letter carriers must backtrack and revisit delivery points more than ever.

Letter carriers also struggle on the street with a lot more mail that must be brought back to the office to process than they did in 1999, including mis-sorts, mis-sents, forwards, holds, vacants, and undeliverable mail (moved left no forwarding address, attempted not known, insufficient address, unable to forward, no such number, no such street, no such apartment, deceased, undeliverable bulk business mail, etc.). It is particularly difficult to keep all of this mail straight while carrying multiple bundles on a mounted route or using a satchel on foot or park and loop routes.

The Postal Service has also eliminated the DPS “breaker cards” that were being used in 1999 on both foot routes and park and loop routes. Breaker cards were easily identifiable plastic dividers that separated each relay of a walking or park and loop route within the trays of DPS mail. With breaker cards, letter carriers could simply “grab and go” and quickly begin each relay by picking up the letters between the cards. Without the breaker cards letter carriers must now finger through the mail prior to each relay in order to identify the beginning and end points of the relay. The lack of breaker cards makes things even more difficult for new and replacement carriers who don’t know the addresses for the beginning and end points of the relays.

In the rush to meet the Postal Service’s goal of having 95 percent of all letter mail automated in the DPS, the quality of the DPS product has also declined. Many letters show up in

the DPS upside down or even backwards. Letter carriers must constantly manipulate individual mail pieces in order to read the addresses as they juggle multiple bundles of mail while delivering their routes.

Finally, the Postal Service has changed how it stages DPS in ways that compound the difficulties faced by letter carriers. The condition of DPS mail that arrives from processing plants has deteriorated since 1999.

In 1999, DPS mail that arrived from the mail processing plants was staged in racks that remained in each Post Office and were dedicated for DPS mail. These racks were divided and marked for each route. The trays of DPS mail were placed on the shelf above each route number on these stationary racks each day for easy retrieval. Since that time, the Postal Service has greatly reduced the number of clerks that work at plants and in Post Offices all over the country. Today, the effort to properly stage DPS mail is not what it was in the past. Some offices no longer use the dedicated racks and it is a free-for-all to locate the DPS mail for a route.

Even where the racks are still used, letter carriers experience staging problems on a daily basis. Trays of DPS mail for an individual route may be scattered over a dozen or more trays that the letter carrier must track down. Not only does the letter carrier have to properly put these small segments of DPS mail in order, but having such small segments loose in DPS trays can easily result in mis-sequenced mail. Pulling errors at the processing plants create trays of mail that contain sequenced segments of mail for multiple routes that letter carriers must then sort through and redistribute amongst themselves. These staging problems will only get worse in the future as the Postal Service aggressively pursues its plans to close and consolidate mail processing plants all over the country. Fewer and fewer hands will be processing and staging the DPS and they will be operating on ever tighter schedules as the distances increase between the

plants and the delivery stations they serve. Below are photographs from Post Offices that no longer use the dedicated cages to stage DPS mail.

DPS Letters in Unshelved Containers and Not Staged by Route²



² Office of Inspector General United States Postal Service *National Assessment of City Delivery Efficiency 2011 – Office Performance: Management Advisory Report* (Report Number DR-MA-11-002), July 19, 2011/ page 5.

DPS Mail Not Staged by Route Illustration³



DPS Mail in an Unshelved Container⁴



³ Office of Inspector General United States Postal Service *Audit Report – City Delivery Efficiency Review – New York District* (Report Number DR-AR-11-002), January 18, 2011/ page 11.

⁴Office of Inspector General United States Postal Service *Audit Report – City Delivery Efficiency Review – Chicago District* (Report Number DR-AR-11-004), March 30, 2011/ page 9.

3. Increased Difficulty of Change of Address Procedure

The Postal Service has significantly changed the way change of address (COA) orders are processed. The system has become increasingly automated. This increased automation of COA orders combined with increased automation of letter and flat mail have made the letter carrier job more difficult. In the past, letter carriers had ample opportunity to learn the forwards and address changes on their routes because they were involved with the COA process from start to finish. Now, letter carriers are required to remember and recognize information when encountering it for the first time at the point of delivery on the street. Let me explain why this is so.

I start by providing a description of the methods of processing COA orders at the time the Fleischli award was issued. In 1999, the first step of the process was for the customer to submit a COA order. The only means to submit such an order was by using Postal Service (PS) Form 3575, more commonly known as a COA “form” or “card.”

The customer filled out the COA form and it was either picked up by the letter carrier, dropped in an outgoing mailbox like a letter to be mailed, or dropped at a post office. The COA form was delivered to the route serving the customer’s old address. The letter carrier on the route processed the COA order in several steps.

As discussed earlier, each letter carrier case has forms called PS Forms 3982, commonly referred to as “pink cards.” Each shelf on a case has pink cards at the beginning of the row. Each case has four, five, or six shelves or rows. COA orders originating from addresses on each row are recorded on the pink cards at the beginning of that row. The letter carrier would take the COA form and record the information from the COA order on the pink card. The pink cards serve as a record and reference of COA orders for the route. While in the office casing mail, the letter carrier was able to refer to these cards to see which customers’ mail should be forwarded.

After recording the information on the pink card, the letter carrier filled out the top right section of the COA form and sent it to a central Computerized Forwarding System (CFS) location to be entered into the CFS system. A clerk entered the information into the CFS, then a sticker was placed on the COA form and the form was returned to the route of the customer's old address. The letter carrier verified that the information on the sticker was correct. This gave the letter carrier another look at the COA information. The COA form was then filed in a box, where it was kept until the COA order expired.

This process gave letter carriers several opportunities to see and become familiar with new COA orders. The letter carrier was often the first postal employee to see the COA form. The process started with the letter carrier on the route. The letter carrier was and still is the employee responsible for forwarding customers' mail.

Between 2002 and 2005, USPS implemented a new system called the Postal Automated Redirection System (PARS). This system changed the way letter carriers handle COA orders.

Today, customers may submit COA orders either online or by submitting a PS Form 3575. The PS Form 3575 or COA form is no longer delivered from the customer to the letter carrier. Instead it is sent directly to a central location to be processed by the PARS system. This change eliminates one opportunity for letter carriers to see the COA order that they had prior to implementation of PARS.

PARS has also made significant changes to the PS Form 3982 or pink card. After the COA form is processed, a sticker showing the customer's name, old address, effective date and more is generated. This sticker is sent to the letter carrier to be placed on the PS Form 3982 at the case. This is usually the first time the letter carrier becomes aware of the COA order. The COA form itself is not sent to the letter carrier at any stage of the current process.

The letter carrier often doesn't receive the stickers until two or three weeks after the COA order became effective. This kind of delay did not happen during the previous COA process because the letter carrier was the first person to receive the customer's COA form. The delay contributes to making the job more difficult for letter carriers on the street.

Mail may accumulate in a mailbox. The customer may have submitted a COA order a week or weeks prior, but if the letter carrier hasn't received the sticker he or she has no confirmation of the COA order. In order to provide proper service to customers, the letter carrier has to determine whether the customer has moved, is on vacation, etc. The delays in receipt of the stickers have contributed to increases in these scenarios that require increased awareness and knowledge on the letter carrier's part.

The sticker on the pink card is the only record letter carriers have of COA orders. Letter carriers now are required to remember the same COA information as before PARS but have less exposure to this information and hence decreased opportunity to learn it than was true in 1999.

There is also decreased opportunity for letter carriers to use COA records as a reference. PS Forms 3982 or pink cards serve as reference for letter carriers. As mail is being cased in the morning, letter carriers review the cards to see which customers have effective COA orders. If there is a question of whether a customer has a COA order, the pink cards normally hold the answer. Due to DPS and FSS, a higher percentage of mail is now taken directly to the street where there are no pink cards to reference and COA information must be recalled from memory.

Over the last 20 years, automation has fundamentally changed the letter carrier job. 90 to 95% of letters delivered are being automated in DPS and taken directly to the street. FSS has been implemented and is automating flat mail in a similar manner. As a result, letter carriers do

not see the vast majority of mail to be delivered until they are on the street positioned next to the customer or mailbox at the point of delivery.

At this point, letter carriers must remember if there is a COA order for that address without the benefit of a form or document to reference. In the past, mail could be returned to the office to check the pink cards to determine if a customer had an effective COA order. If there was an order, the mail was forwarded. If there was not, the mail would be taken out the next day for delivery.

Management's implementation of an "every piece, every day" policy takes that option off the table. Most letter carriers are required to deliver every piece of mail every day, including backtracking for mis-sequenced automated mail. To comply with this management requirement, the letter carrier is responsible for remembering all effective COA orders for a route without the benefit of being able to check their records on the street, where the majority of mail is being seen for the first time. These requirements, combined with the decreased opportunity to learn of COA orders, create many puzzles that the letter carrier must solve daily. The mental challenge of the letter carrier job has increased significantly since the Fleischli award, thus making the job more difficult on a daily basis.

4. **Increased Number of Bundles to Carry**

The number of bundles of mail letter carriers are required to carry has expanded since 1999. A bundle of mail is mail that has been sorted in a specific way for delivery on the route from start to finish. Letter carriers carry multiple bundles every day. Some bundles have multiple pieces for some delivery points and no pieces for other delivery points. Some bundles have one piece for every delivery point. In order to understand what bundles of mail are and how they impact the work methods of letter carriers I will first describe the different types of bundles in more detail.

- DPS mail: *Delivery Point Sequencing* mail is letter mail sorted by automation into delivery order by route. Letter carriers carry the DPS bundle on their routes every day. How much DPS each address on a route receives varies from day to day. Some days there are multiple letters for some addresses and no letters for other addresses. Other days there is at least one piece of mail for every delivery on the route.
- Residual mail: Residual mail consists of both letters and flats that the letter carrier manually sorts into the case to put it in delivery order. Letter carriers carry the residual mail bundle on their routes every day. There may be multiple pieces of mail per address.
- FSS mail: *Flat Sequencing System* mail is flat-sized mail sorted by automation into delivery order by route. FSS mail only exists currently in certain parts of the country. Letter carriers in areas that have FSS carry the FSS bundle on their routes every day. How much FSS mail each address on a route receives varies from day to day. Some days there are multiple flats for some addresses and no flats for other addresses. Other days there is at least one piece of mail for every delivery on the route.
- WSS mail: *Walk Sequence Saturation* mailings are circulars that have either 90% or more coverage of the total active residential addresses, or 75% or more of coverage of the total number of the active deliveries on a route. WSS mail consists of a single item such as a letter, flat or flyer. Letter carriers do not necessarily receive WSS circulars every day. However, they may receive and may be required to carry multiple WSS mailings on a single day.
- EDDM mail: *Every Door Direct Mail* mailings are circulars that use a simplified address such as “Postal Customer” in place of a complete delivery address. They consist of a single item such as a flat or flyer that goes to every home or address on a route. Letter

carriers do not necessarily receive EDDM circulars every day. However, they may receive and may be required to carry multiple EDDM mailings on a single day.

- Unaddressed mailings: Unaddressed mailings are circulars that consist of a single item such as a letter, flat or flyer that goes to every home or address on a route. Letter carriers do not necessarily receive unaddressed circulars every day. However, they may receive and may be required to carry multiple unaddressed mailings on a single day.

While the expansion of the number of bundles has complicated and made letter carrier duties more difficult for both mounted and foot deliveries, it affects each type of delivery differently. Let's look first at park and loop or foot deliveries.

The national parties have agreed that letter carriers on park and loop or foot routes cannot be required to carry more than 3 bundles. Handling a third bundle on foot delivery routes, however, has become the rule rather than the exception since 1999. In non-FSS locations the first two bundles will normally be DPS and cased residual mail. The third bundle can consist of any of the three classes of circulars: WSS mail, EDDM mail or unaddressed mailings. In those regions of the country that have FSS mail, the FSS mail becomes the third bundle that must be carried every day.

Because businesses more and more have shifted from first class mail towards bulk rate circulars, letter carriers in today's work environment often receive multiple circulars on any given day. This results in three bundles or more on most days in non-FSS sites as well. In both FSS and non-FSS locations they must incorporate or merge these additional mailings into their allowable 3 bundles either by collating or casing.

The omnipresent third bundle on park and loop and foot routes has made letter carriers' work more difficult. As noted above in the discussion of DPS, letter carriers at the delivery point

on the street now have to separate and keep straight more and more mail that has to be brought back to the office. Letter carriers with foot delivery have to keep this mail organized in the satchel where they also keep the third bundle and small parcels.

Carriers with mounted delivery have their own unique challenges and difficulties dealing with increased number of bundles they are now required to carry. Unlike city carriers with park and loop or foot deliveries, there is no limit on the number of bundles management can require carriers with mounted deliveries to carry.

Section 322.12 of Handbook M-41 (*City Delivery Carriers Duties and Responsibilities*) states the following:

Any sequenced mailing received by a motorized curb delivery route shall be handled as separate bundles, unless the Delivery unit manager authorizes the casing and/or collating of the mailings.

This language gives management the right to instruct city carriers to deliver more than three bundles of mail on a mounted/curbline/riding route. While this language also gives management the right to authorize letter carriers to case or collate this mail, this is extremely rare. With today's mail mix it is not unusual for carriers with mounted delivery to carry 5 or even 6 bundles. This has complicated and made the work of carriers with mounted delivery more difficult. At each delivery point a mental accounting must be made to ensure that every bundle has been reviewed and that all services for that address have been properly completed. So how do letter carriers with mounted delivery handle more than three bundles?

References in Handbook M-41 (*City Delivery Carriers Duties and Responsibilities*), Handbook M-39 (*Management of Delivery Services*), and the jointly developed *Participant Guide to Course 44502-00 - Standard Training Program for City Letter Carriers* require letter

carriers to work all bundles of mail from the working tray in the vehicle with the addresses facing them. The working trays in the two vehicles currently used by letter carriers to do mounted delivery – the Long Life Vehicle (LLV) and the Flexible Fuel Vehicle (FFV) – have room for only three trays of mail. For letter carriers to work more than three bundles from the working tray requires them to place and work more than one bundle from the mail tray(s) as needed.

For example, for letter carriers with mounted deliveries to deliver 6 bundles on the street would require them to add an additional bundle to each of the only three trays available to work from that fit on the working tray in the vehicle. This in turn would require letter carriers to re-tray all automated mail (DPS and FSS) to partial trays to allow for the additional bundles.

While the staging of more than three bundles of mail for mounted delivery to the street can be complicated and difficult, delivering this mail also presents ergonomic challenges. The dimensions of the working tray in an LLV are 39” by 27.” In an FFV they are 39.5” by 26.5.” The working tray of the LLV is moveable. Three inches separate it from the seat of the driver in its nearest position. In the FFV the working tray does not move and is fixed at a distance of seven inches from the seat. Three trays of mail fit on the working tray platform of either vehicle.

Three Trays of Mail on the Working Tray Platform of the LLV



Below is the distance measured in inches that a right-handed letter carrier would have to reach while twisting to his or her left (measured in inches from the driver's right shoulder to the near and center locations) for each bundle of mail in each tray (back, middle, and forward) on the working tray platform of the LLV and FFV.

LLV

Back Tray

Bundle 1- 24"

Bundle 2- 36"

Middle Tray

Bundle 3- 29"

Bundle 4- 39"

Forward Tray

Bundle 5- 40"

Bundle 6- 48"

FFV

Bundle 1- 31"

Bundle 2- 43"

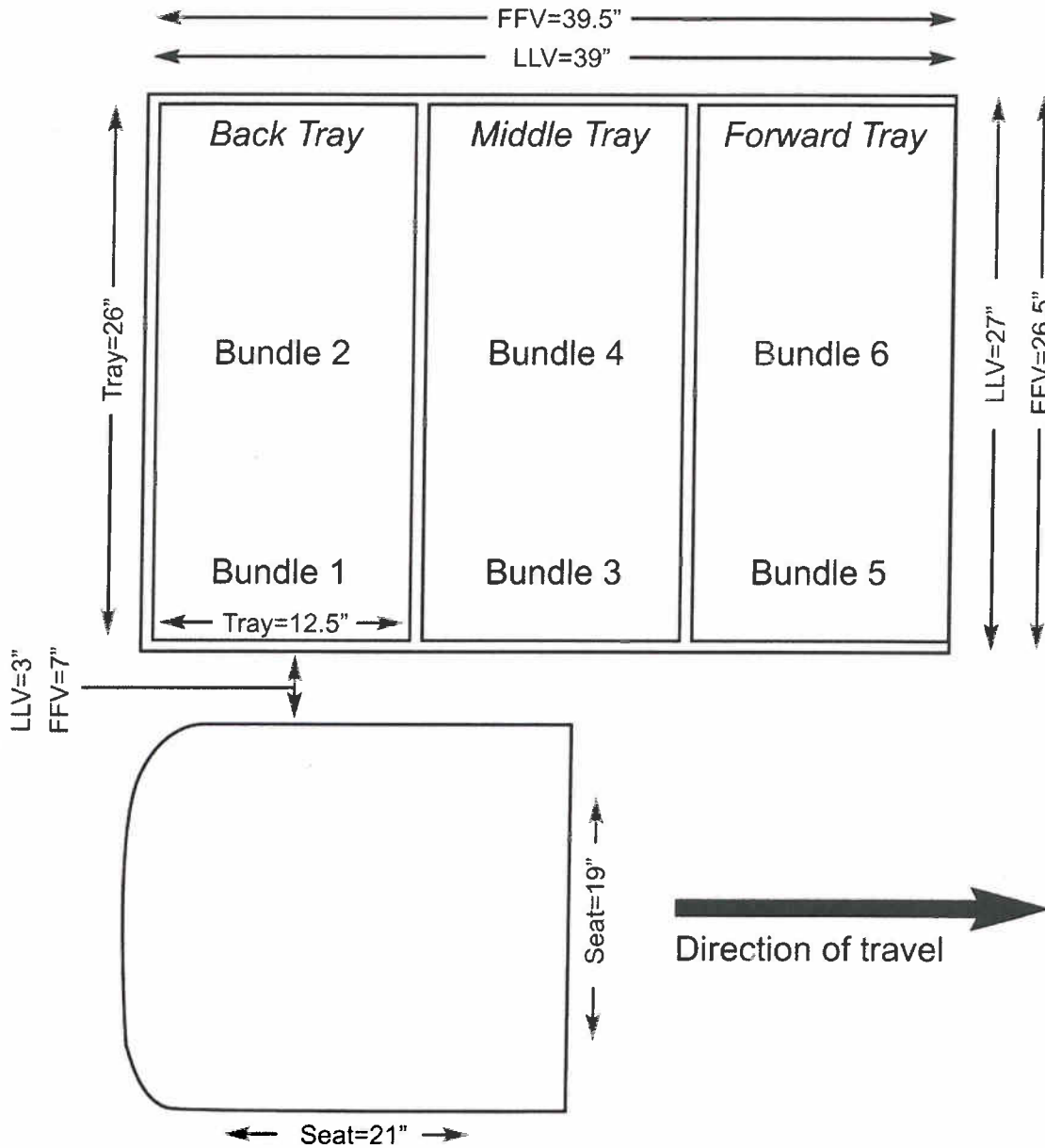
Bundle 3- 36"

Bundle 4- 46"

Bundle 5- 41"

Bundle 6- 48"

Birdseye View of Working Tray Platform with Three Trays of Mail



Letter carriers carrying six bundles have to reach 24" [31"] (FFV distances are in brackets) to reach the first bundle of mail and 36" [43"] to reach the second bundle of mail in the back tray. Next, they have to reach 29" [36"] to reach the third bundle of mail and 39" [46"] to reach the fourth bundle of mail in the middle tray. Then they have to reach 40" [41"] to reach

the fifth bundle of mail and 48” [48”] to reach the sixth bundle of mail in the front tray. When reaching for each bundle they also have to verify the address on each mail piece. Finally, after all of this reaching, they then have to twist in their seats to the right and reach 33” to 37” to put all the bundles of mail in the mailbox outside the vehicle. Oftentimes, they have to also reach in the mailbox and retrieve outgoing mail to be returned to the Post Office.

As of August 31, 2012, mounted or curblin city routes average more than 660 deliveries per route. A letter carrier carrying six bundles on an average route makes over 4600 reaches during the course of the day. The increased number of bundles mounted letter carriers must now carry together and the increased number of street deliveries they now have on their routes have made their work both mentally and physically more difficult.

5. **Flat Sequencing System**

The Flat Sequencing System, or “FSS,” has fundamentally changed the way flat mail is processed and delivered. Just as DPS machines sort letter-size mail, FSS machines now sort flat-size mail into delivery sequence. Phase I of FSS implementation began in 2007. It started slowly, as FSS was implemented in just a few places in 2007 and 2008. The Postal Service ramped up FSS implementation in 2009 and 2010. Phase I is now complete. Approximately 36,000 city delivery routes nationwide now receive FSS mail on a daily basis and have had deliveries added to adjust for the decreased office time. We anticipate that the number of routes receiving and delivering FSS mail will increase in the future.

The Postal Service recently concluded a year-long test on a new FSS machine for Phase II of implementation. This machine is roughly half the size of the machines used in Phase I, therefore requiring much less space to be housed. The Postal Service’s has not yet announced when Phase II of FSS implementation will begin.

FSS now requires letter carriers to carry a minimum of three bundles of mail to the street every day for delivery. These three bundles include FSS, DPS, and a composite bundle of cased letters and flats. The cased mail is also referred to as residual mail or the residual bundle. The most prominent change is that rather than handling one bundle of automated mail (DPS), letter carriers now handle two bundles of automated mail - DPS and FSS. The fact that these two automated bundles are being seen by the letter carrier for the first time on the street adds to the mental responsibilities of the job.

FSS presents the same challenges as DPS and more. As with DPS, letter carriers see each piece of flat mail for the first time at the point of delivery. Every piece must be examined for barcodes that require scanning. Each address must be read completely to determine if the customer to whom it is addressed still lives at the address or if the mail requires forwarding or mark-up. Letter carriers also look for mail that has been temporarily placed on hold by the customers due to being on vacation, etc. Like DPS, this mail must be brought back from the street. It is even more difficult to handle than DPS because flat mail is larger than the letter mail in DPS.

Prior to FSS, most letter carriers carried a minimum of two bundles – DPS letters and the residual bundle consisting of flats and letters that were cased together in the office. Three bundles were only carried on days that pre-sequenced mailings were delivered. In today's Postal Service, letter carriers receiving FSS always carry three bundles of mail. This intensifies and accelerates the negative physical effects on the body that NALC pointed out in 1999 and were recognized by Chairman Fleischli.

The addition of FSS is responsible for several other factors that have made the job more difficult. USPS developed specific trays from which to deliver FSS. These trays are shorter and

deeper than traditional flat mail trays used for many years. Letter carriers find these trays cumbersome and difficult to handle and load.

The trays are also difficult to stack in the vehicle. This is especially problematic on days of increased FSS mail volume. It is not uncommon for a route to receive 10, 20 or more trays of FSS mail on a given day. On these days, letter carriers are faced with the onerous task of loading that many trays into the delivery vehicle.

The poor quality of the FSS mail also complicates letter carriers' work. Flat mail in FSS is often upside down, torn and facing backwards. Letter carriers must twist and reach to read labels on this mail as it is worked from the satchel. In years past, DPS had plastic breaker cards that separated each relay. Breaker cards were previously explained in the DPS section. Breaker cards have never been used in FSS.

Just as letter carriers on foot or park and loop routes experience physical challenges dealing with FSS, letter carriers on motorized routes with curblines also experience physical issues. There is no maximum number of bundles that a carrier may be required to carry on a motorized route with curblines. With the addition of FSS, these carriers always carry three bundles of mail and often carry four, five or even six bundles. Working mail from every bundle at each and every delivery point has significantly increased the amount of twisting, reaching and stretching on a daily basis. This point is further explained in the section discussing bundles of mail.

6. Scanning

The number of barcodes letter carriers scan daily has increased exponentially since 1999. Electronic commerce and advances in technology have caused the number of scans to explode over the last 13 years. This enormous increase has made the letter carrier job more difficult every day.

In 1999, some letter carriers didn't scan at all. Today, all letter carriers carry a device called an "Intelligent Mail Device" (IMD), more commonly known as a "scanner." The IMD was deployed nationwide in 2007. This device is similar to but larger than the ones used in 1999. The IMD is used to scan several different types of barcodes that I will now discuss.

The first type of barcode letter carriers scan is called a "Managed Service Point" or MSP scan. MSP barcodes were implemented nationwide in 2001. Management places these barcodes or scan points on mailboxes and other places throughout each route in order to track delivery times and where letter carriers are at certain times throughout the day.

A typical route will have a scan point inside the post office that the letter carrier scans when he or she leaves the office in the morning to load the vehicle. Then there is a scan point in the loading area that the letter carrier scans after loading and prior to departing the post office. There will be a minimum of eight scan points in mail receptacles throughout the route, including one at the first delivery and one at the last delivery on each route. When the letter carrier returns from the street, there is another scan point he or she scans upon returning to the post office in the evening. On most routes, there are about a dozen MSP scan points that the letter carrier scans every day.

Management holds letter carriers accountable for scanning MSP barcodes. Letter carriers commonly state that the scanner is not 100% accurate. The scanner doesn't work well in direct sunlight. Letter carriers have reported countless instances of barcodes being scanned that don't show up in management's systems.

The letter carrier has no way to verify if an MSP scan has been scanned and recorded by the system. This creates a situation where the letter carrier is held accountable for a task that he or she has no way of verifying whether it has been completed or accurately recorded.

The next type of barcodes letter carriers scan are the ones located on mail being delivered. There are multiple types of mail that require scanning. Barcodes on mail make up the majority of barcodes letter carriers scan over the course of a typical day.

One type of mail barcode that requires scanning is a “Delivery Confirmation” barcode. These are the most common type of mail scans. A letter carrier will normally scan several dozen of these barcodes over the course of a day.

Delivery Confirmation barcodes come in many different forms. Many customers print postage online so it is very common to see these barcodes underneath the address on a label printed by a home or small business computer. There are also stickers that are placed on mail by retailers selling postal products or by postal employees at the retail window at post offices. Delivery Confirmation barcodes are not limited to parcels. They are often found on letter and flat size mail, including automated mail that is being seen by the letter carrier for the first time on the street at the point of delivery.

Accountable mail also requires barcode scanning. Accountable mail includes Express Mail, Certified Mail, Registered Mail, Insured Mail, Signature Confirmation Mail and Collect on Delivery (COD) Mail. The letter carrier must scan each and every piece of accountable mail daily.

Over the last couple of years, the Postal Service has introduced a barcode for internal tracking purposes. It is simply labeled “USPS Tracking.” This barcode is placed on many pieces of first class mail of all types and requires letter carriers to pay constant attention to otherwise ordinary pieces of mail in order to identify and scan the barcode.

Electronic commerce and online postage has led to yet another type of scanning. Letter carriers pick up outgoing parcels and other mail from customers at residential and business

addresses every day. Letter carriers scan barcodes on this mail as it is picked up. The number of parcels being mailed from homes and businesses is ever increasing. The number of scans increases along with the number of parcels picked up.

The mere fact that the number of barcodes that letter carriers scan every day has exploded in and of itself makes the job more difficult. Letter carriers scan barcodes constantly, usually while carrying several bundles of mail. The job is further complicated by the quality of the barcodes. A growing number of barcodes will not scan.

Earlier I mentioned that a large percentage of Delivery Confirmation barcodes are printed on home computers or by small businesses. This has resulted in barcodes printed on various kinds of paper using different colors and qualities of ink. Some large parcel mailers use a quality label, but place the label over a seam in the box, which sometimes leads to a crease or overlap in the label. This renders the barcode useless.

Each label has a series of 16, 20 or 24 digit numbers printed underneath the barcode. Letter carriers from all over the nation report that they must manually key in numbers on many barcodes each day because the barcodes will not scan. Some report having to manually key in 20 or more each day.

Manually keying in these long numbers repeatedly makes the job more difficult. Letter carriers on park and loop and foot routes usually have mail in one hand and two bundles of mail in the satchel. In order to manually enter one of these numbers, they must stop, put down a bundle of mail, and move the parcel into a position where they can read the small numbers and key in the number on the scanner.

Labels are located all over parcels, not in a consistent location. The letter carrier may have to flip the parcel over and turn it in order to find the label. Additionally, a large percentage

of parcels have multiple barcodes, so the letter carrier must distinguish between the Postal Service barcode and the other barcodes used by mailers internally. The Postal Service provides an increasing amount of last mile delivery for other carriers such as UPS and Federal Express. These mail pieces in particular are covered with multiple barcodes and require close examination to determine which barcode is the appropriate one to scan.

All this is done while working mail for delivery from the bundle in one hand and the two bundles in the satchel. While scanning a label takes only a second or two, manually entering these long numbers takes upwards of a minute or longer. Letter carriers have accurately described it as “juggling” the letter mail, flat mail, parcels, third bundle of mail and scanner. This usually leads to the letter carrier having to put down at least some of the mail while the numbers are being keyed in the scanner.

In inclement weather, manually entering these numbers in the scanner is even more difficult. In rain or snow, this “juggling” act has to be done while trying to keep the customers’ mail dry and the barcode legible. One drop of rain or blot of snow on a barcode can smear it and make the numbers impossible to read. In cold weather, letter carriers protect themselves by wearing gloves while handling the mail. In order to key in these numbers, they are forced to take the gloves off because it is nearly impossible to push the small keys on the scanner while wearing even the thinnest of gloves. This results in further exposure to extreme cold.

As the Postal Service continues to increase customer convenience and accessibility to postage on the internet and through other means, the diversity of the barcodes will continue to grow. This naturally leads to more manual entries by the letter carrier because the percentage of barcodes that are printed in homes and small businesses will continue to increase.

Most of the barcode scanning on mail pieces improves customer service by allowing the customer to track their mail. Letter carriers are chiefly responsible for providing this service on a daily basis. The central duties of the letter carrier have grown from just delivering the mail to delivering the mail and scanning it to give the recipient and the mailer confirmation of that delivery. This form of customer service is 100% the responsibility of the letter carrier. No other postal employee provides this service.

Scanning began in the late 1990s as a minor addition to the daily duties of a letter carrier. In the 2000s, it has grown exponentially to become a major part of these daily duties. The number of scans, the number of manual entries required, and the responsibility of the letter carrier for customer service are growing incessantly and will continue to grow as the Postal Service increases electronic tracking options for customers as well as internal tracking to improve service. The physical and mental difficulties of the scanning portion of the letter carrier job have increased with the number of scans, manual entries required, and responsibility for customer service.

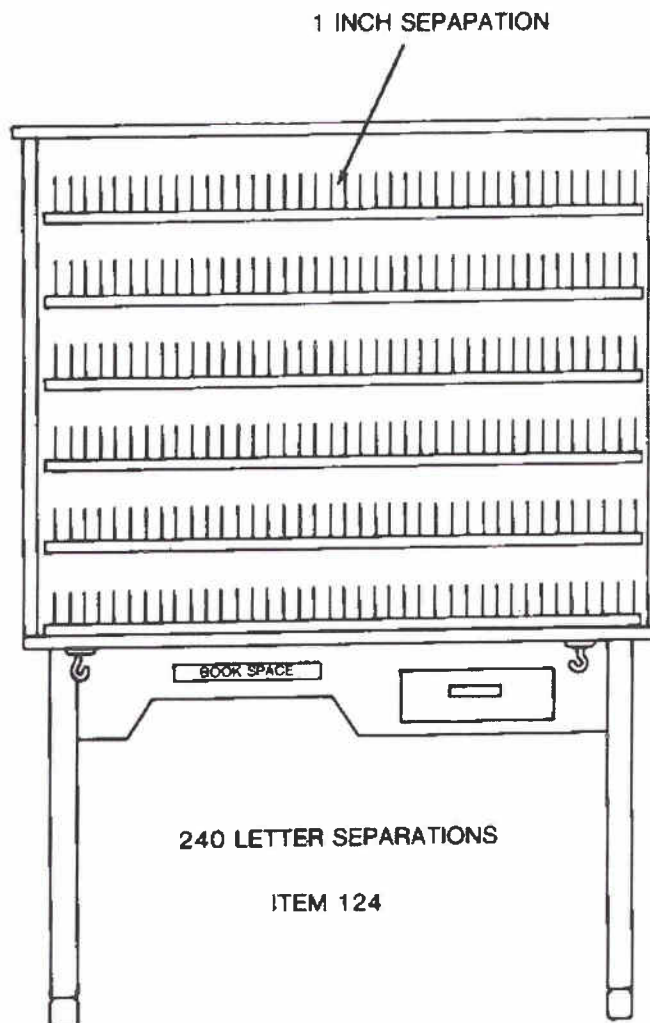
7. **Reduced Casing Equipment**

Case configurations have changed throughout the country since 1999. The changes make casing and pulling down mail more difficult for letter carriers. Letter carriers case or sort their residual mail in the office into cases (see illustration below).

In 1999, letter carrier routes commonly had case configurations with at least three and often four cases. Most cases that were set up to case letters and flats together had four shelves with one address per 1” separation for most non-centralized delivery points (delivery where the letter carrier, either in a vehicle or on foot, moves from address to address to deliver the mail). This configuration made casing mail using a one-bundle system in a DPS environment easier than it is today.

The vertical distance between shelves on a four-shelf case is 9.5 inches. The four-shelf case provided the necessary room, both vertically and horizontally, for letter carriers to case up flat-size mail pieces. It also allowed for casing all letters for an address on one side of the 1" separation in the carrier case and flats on the other side. This system made it much easier to pull down the mail that goes to the street. It also made the residual bundle of mail easier to carry. You always knew your letters would all be in front of the flats for each address on a route.

Single Case from Handbook M-41, p. 16



Since 1999, the Postal Service has reduced the equipment allowed for most routes in the country to just two cases. Over the same period, the average number of deliveries per route has increased from 491 deliveries in 1999 to 616 deliveries in 2011. This means more deliveries are squeezed into fewer separations on the case. This reduced and further restricted sorting space makes letter carriers' office work much more difficult.

These cases now have five (or six in some cases) shelves with two (or in some cases three) addresses per 1" separation for non-centralized delivery. On routes with centralized delivery, such as apartment routes, there may be many more deliveries per separation.

More shelves also equates to a reduction in space between each shelf. Most routes have a five-shelf case configuration. Some routes even have a six-shelf case configuration. The vertical distance between shelves for most letter carriers has been reduced to just 7 ½ inches in the case of a five-shelf configuration. A six-shelf case is even tighter with just 6 ½ inches of vertical space to case mail. The reduced space makes it more difficult for letter carriers to case flat-size mail into the separations. Mail must be bended or folded to fit in the slots.

It is also more difficult for letter carriers to case both letter and flat-size mail into the separations with multiple deliveries per separation, especially with the folded and bent flats already crammed into the separations. When the case fills up, letter carriers frequently have to put down the flats they are holding on their arm to case and use two hands to stuff mail into the reduced space.

Pulling down mail from the case after it has been sorted has also become much more difficult. The increased number of deliveries has been stuffed into the reduced vertical and horizontal space of the two-piece case. Rather than quickly and easily sliding the mail out of the case, letter carriers must now carefully pull out the wedged-in mail separation by separation,

taking precaution that no mail is left behind in the case. The current system naturally causes carriers to have letters and flats comingled for many addresses on the street. Carriers no longer can count on letters being in front of the flats for each address on a route. Carriers now have to look more carefully at every piece of residual mail as they get the mail ready to put in a mailbox.

8. Work Climate

The changes in letter carrier work previously described warrant a second upgrade in pay. Concurrent with these changes, management has created an increasingly pressure filled and stressful work climate for letter carriers. Management often places continual pressure on letter carriers to finish routes faster, constantly question the time they take to deliver mail, and threatens discipline with alarming regularity. America's letter carriers perform all of the additional and more difficult duties previously described in this deteriorating work climate, and still provide better service to postal customers than ever before.

9. Letter Carrier Comments

NALC gathered comments from letter carriers all across the country to answer the question "Is your job harder today than in 1999, and if so, why?" At the NALC biennial Convention in Minneapolis, letter carriers were given the opportunity to write whatever they chose to tell us about why the job is harder now than it was in 1999. Additional letter carriers at various regional NALC functions were given the same opportunity.

The comments come from a representative group of the nation's letter carriers. Letter carriers from 49 of the 50 states weighed in. They reflect the factors previously discussed that warrant a second upgrade. A sampling of these letter carrier comments are attached hereto as Exhibit 6.

IV. **Letter Carrier Contributions**

Apart from the changes in letter carrier work discussed above, the Panel must also consider the unique contributions that NALC and its members have made to the Postal Service during the term of the 2006 Agreement – contributions which no other craft has matched. These contributions have resulted in significant savings and added revenues, and must be taken into account in evaluating the Postal Service’s proposals for economic concessions.

A. **Joint Route Adjustments**

NALC and the Postal Service explored the idea of jointly evaluating and adjusting routes during the years 2004 to 2008. Despite the efforts, there was no national joint process in place by 2008.

The worst economic recession since 1929 hit in 2008. History shows that mail volume is a good measurement of the economy. Declines in mail volume usually predate and follow economic troubles. That is exactly what happened in Fiscal Years (FY) 2008 and 2009.

The NALC could have easily buried our heads in the sand and ignored reality. We didn’t travel that road. The Postal Service was in dire need of a way to adjust routes quickly and in a cost efficient manner. The NALC chose to accommodate the needs of the Postal Service and negotiated a uniform national process for jointly evaluating and adjusting routes quickly and efficiently.

The MOU *Re: Interim Alternate Route Adjustment Process* (IARAP) was signed on October 22, 2008. This process jointly evaluated and adjusted 93,301 routes. Routes that were receiving Flat Sequencing System (FSS) mail were excluded from this process. A total of 2,464 routes were eliminated through IARAP. IARAP route adjustments concluded in February 2009.

Once this process was over, the decline in mail volume from the recession deepened. The Postal Service once again needed to adjust routes quickly and efficiently. Once again, the NALC accommodated its needs.

The parties signed the MOU *Re: Modified Interim Alternate Route Adjustment Process* (MIARAP) on April 7, 2009. This process jointly evaluated and adjusted every city route in the country (with the exception of routes receiving FSS). A total of 7,211 routes were eliminated through MIARAP. The MIARAP agreement expired February 28, 2010.

Volume continued to decline in FY 2010, but at a much slower rate than in FY 2008 and 2009. The Postal Service also began accelerating FSS implementation in FY 2010. The parties entered into another agreement to adjust routes quickly and efficiently.

The MOU *Re: Joint Alternate Route Adjustment Process 2010* (JARAP – 2010) was signed on April 29, 2010. This process jointly evaluated and adjusted 73,399 routes. A total of 1,091 routes were eliminated through JARAP 2010. There were many more routes excluded from consideration under JARAP because they had begun to receive FSS. The JARAP 2010 agreement expired on February 28, 2011.

Volume began to stabilize in FY 2011. The Postal Service planned to continue the accelerated FSS implementation, so there were even more routes that the Postal Service was unwilling to evaluate and adjust jointly. The Postal Service also expressed its desire to use a computer program called Carrier Optimal Routing (COR) to make route adjustments more often than had been done in the previous years in our joint processes. The NALC stepped up again to accommodate its stated needs.

The MOU *Re: Joint Alternate Route Adjustment Process - 2011* (JARAP - 2011) was signed on March 22, 2011. This process jointly evaluated and adjusted 70,309 routes.

Approximately 36,000 routes were excluded from consideration due to FSS implementation. A total of 2,011 routes were eliminated through JARAP 2011. The JARAP 2011 agreement expired on February 28, 2012.

In April 2012, after eight months of negotiations, the Postal Service walked away from negotiations for a joint route adjustment process for 2012. Instead, the Postal Service decided to go back to unilaterally conducting traditional route inspections.

Over the course of four years and four joint route adjustment processes, NALC and USPS fairly adjusted routes through processes that were much more efficient, more cost effective, less intrusive, and less confrontational for both employees and management than traditional route counts and inspections. According to the data provided to the NALC by the Postal Service, a total of 12,777 routes were eliminated through these processes. This data is hereto attached as Exhibit 7.⁵

The success of the joint programs should be measured against another very significant number: between fiscal year (FY) 2008 and FY 2011 a total of 1.39 million new delivery points were added to city delivery routes around the country while the parties jointly eliminated the 12,777 routes. New delivery point data provided by the Postal Service is hereto attached as Exhibit 8.

⁵ The Postal Service has previously claimed an even greater reduction in city carrier routes resulting from the joint route adjustment processes. In the recent interest arbitration between the Postal Service and the National Rural Letter Carriers Association, chaired by Jack Clarke, the Postal Service's Chief Operating Officer and Executive Vice President, Megan Brennan, testified: "Back in 2009, we partnered with the NALC and developed a joint agreement to evaluate and adjust city routes. And over the course of the last three years, that joint agreement has resulted in a reduction of over 20,000 routes and a reduction in complement in total of more than 44,000 career [city] carriers." Transcript, Vol. 3, December 7, 2011, page 466.

B. **Customer Connect**

Another example of letter carrier contributions is the Customer Connect program, a win-win program in which letter carriers parlay their familiarity with their customers into added business for the Postal Service, while also serving the interests of those very customers. Under the program, which USPS and NALC have jointly developed and supported, city carriers identify opportunities by looking each month on their route for two additional customers who use USPS competitors' shipping services. The carrier personally asks four simple questions of the potential customer, leaves an informational brochure and returns the 'lead' to the office for follow-up by a USPS sales representative.

The program, which began in 2004, has expanded to every office in the USPS that houses city carriers, and each office has a letter carrier station coordinator who participates in related weekly stand-up talks and lends support. Participation by at least 35 percent of letter carriers in every office with 10 or more businesses on a route – the USPS measurement for involvement – stands at 95.64 percent.

A few examples of how this works in practice:

- Columbus, GA letter carrier Gary Wilbourne, Branch 546, quickly developed a good relationship with a new business customer, FedSys, Inc. Company executives were sufficiently impressed with the level of customer service that when Wilbourne invited them to discuss their shipping needs with the Postal Service, they were receptive. The result: \$1.5 million in new USPS revenue.
- A firm called Etsy.com relocated to a Brooklyn neighborhood in 2010, and while making his regular mail deliveries, Branch 41 letter carrier Leo Facto recognized the new tenant in a commercial building on his route. Facto immediately submitted a Customer Connect lead, informing Sales that this new tenant appeared promising. Etsy.com and the Postal Service developed a customized plan. The result: USPS became the preferred shipping provider for a company whose domestic and global expansion translates into a forecasted 26 percent annual growth in package volume. USPS' estimated new package volume: 55,000 pieces of Express Mail, 115,000 pieces of Priority Mail, and 370,000 pieces of First Class Mail – a total of 540,000 new pieces of mail with estimated revenue of \$3,085,340.

- Letter carrier Victor Hernandez of Branch 373 in Cedar Rapids, IA, noticed that J. Lloyd International, which owns, operates and distributes toy brands, used UPS regularly. He asked the executives if they would be interested in saving some money, and he turned in a lead to the USPS. Meanwhile, the firm moved to another location in Cedar Rapids, but the process Hernandez set in motion led Sales to close a deal estimated to increase postal revenues by \$1,238,000. This was no aberration for Hernandez, whose enthusiasm about Customer Connect has spurred him to approach nearly every business on his route, no small feat for a route that's one-third commercial. A previous lead he submitted now generates up to 300 small parcels a week for USPS.
- Letter carrier Jim Eidem of Branch 2942 in Eden Prairie, MN, tells his customers about Postal Service products, offering to bring them sample boxes. He's produced 64 leads since 2006; one-quarter have resulted in a sale, helping his office generate \$1,216, 327 in new revenue.
- Not to be outdone by his fellow Minnesotan, Todd Viere of St. Cloud, who serves as the station's Customer Collect coordinator, has helped the office generate \$1,505,758 in new revenue; he personally has submitted leads that this fiscal year alone have brought in \$386,000. He's led the St. Cloud office to reach 100 percent carrier participation, and has even taken the initiative to help the station establish a Rural Reach coordinator as well.
- On Long Island, N.Y., Patricia Kee, a letter carrier with Branch 6000, communicates well with folks on her route, which led her to identify an opportunity with Bi-Lo Distributors, a beauty supply wholesaler. In all, Kee has submitted 28 leads through the Customer Collect program, yielding roughly \$2.5 million in new revenue for the USPS. As she puts it, "I like my people, and without the customer, there is no Postal Service."
- In Lincoln Park, MI, letter carrier Laura Schaeffer of Branch 2184 noticed that packages from a company that used "Federal Express Smart Post" and were delivered by the USPS as part of a third-party arrangement could instead have been processed and delivered entirely through the USPS. She notified the NALC Customer Connect coordinator in her office, Paul Hall; the result was a \$1,136,000 sale for the USPS. Good union-management cooperation in the office – along with the dedication of Hall, whose own leads the past three years produced \$536,748 in revenue – shows what's possible: Lincoln Park, with only 45 letter carriers, is the No. 1 office for Customer Connect sales in the entire USPS Detroit District.

Such efforts, which occur on a regular basis throughout the country, have thus far boosted USPS revenue by \$1.58 billion since the program began in 2003. Moreover, by saving the

companies (and hence their customers) money, the program benefits the overall economy, as more-profitable firms are able to invest, expand and hire.

C. **Other Activities**

Letter carriers engage in other voluntary activities that, while harder to quantify in economic terms, contribute to the overall society and to millions of individual Americans.

Under the Cities' Readiness Initiative begun by President George W. Bush and continued by President Obama, letter carriers – of whom one-quarter are military veterans – have voluntarily trained to deliver medicines to residents in several major metropolitan areas in event of a biological attack. The Carrier Alert program protects the elderly and disabled living alone, with letter carriers looking for signs that something is amiss and quickly alerting relatives and authorities if necessary. (This is the formal version of something letter carriers do every day on the job, saving people from fires, summoning help when a resident faces a medical emergency after falling or taking ill, helping put out fires, finding missing children or stopping crimes.) Letter carriers annually conduct the country's largest single-day food drive, replenishing local food banks nationwide.

These efforts contribute to public safety, security and a better quality of life for Americans. Let me note that letter carriers do these things not because they are supermen (or women) but rather because they are the face – and often the eyes and ears – of the Postal Service. They have the privilege of being in neighborhoods six days a week, gaining awareness of life in those communities and often becoming almost like family to their customers.

And so, along with performing their contractual duties in a way that plays an integral role in making the U.S. Postal Service the most affordable and efficient delivery network in the world, letter carriers go beyond that to provide economic and societal value that greatly benefits the USPS, thousands of communities and our country as a whole.

V. **Conclusion**

Through the extraordinary efforts of letter carriers and their Union, the Postal Service has already realized significant cost savings and revenue growth. The NALC's economic proposals provide for additional savings through restructuring of the health benefits program and introduction of a new non-career workforce. In this context, there is no justification for the steep concessions demanded by the Postal Service. To the contrary, the evidence shows that letter carrier work has become far more difficult than it was in 1999 when Chairman Fleischli upheld NALC's proposal for a pay upgrade. The significant changes in letter carrier work since the issuance of the Fleischli Award warrant a second upgrade in their pay.

NALC's proposals for the 2011 National Agreement should be adopted by the Panel.