

National Postal Mail Handlers Union

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VIA CERTIFIED MAIL# 7006 0810 0003 8317 3652
RETURN RECEIPT REQUESTED

September 18, 2014

Douglas Tulino, Vice President, Labor Relations
Allen Mohl, Manager, Contract Administration (NPMHU)
U.S. Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260

Dear Messrs. Tulino and Mohl:

The National Postal Mail Handlers Union is initiating a grievance at the Step 4 level – in accordance in Article 15, Section 3D of the 2011 National Agreement between the NPMHU and the Postal Service – concerning violations arising from the Postal Service's plans to close or consolidate approximately 82 facilities starting in January 2015. In particular, the NPMHU believes that the Postal Service's decision to close or consolidate these facilities is a violation of Handbook PO-408, Area Mail Processing (AMP) Guidelines, which is incorporated into the National Agreement through Article 19.

Handbook PO-408 requires the Postal Service to take certain actions, conduct various studies, accept and consider various opinions, and hold public meetings before implementing most of these closings and consolidations. But in a clear attempt to avoid these requirements, the Postal Service is claiming that the closings and consolidations during 2015, now scheduled to start in January 2015 and to conclude in September 2015, are a continuation of the AMP activity that previously was approved by the Postal Service and its Board of Governors in 2011, if not earlier. In this way, the Postal Service is planning to violate Handbook PO-408, essentially by avoiding Handbook PO-408.

In the NPMHU's view, this simply cannot be accomplished under the National Agreement and in compliance with the requirements of Handbook PO-408. It is clear that Handbook PO-408 requires decisions made as part of the AMP process to be based on current and meaningful data. Since the earlier AMPs were issued in 2011 or earlier, there have been major changes in mail volume (both in amount and in the mix of the mail), major changes in the workforce (for example, through retirements and other forms of attrition and through contractual changes allowing for less costly employees), major changes in both the mail processing and transportation networks, and many additional changes in each of the other factors or criteria that must be examined when performing an appropriate study under Handbook PO-408. On this basis alone, the 2011 and earlier AMP studies that the Postal Service currently claims to be relying on do not and cannot reflect a reliable basis on which to make closing or consolidation decisions.

Moreover, the timing of the AMP process and its relationship to any eventual closing or consolidation is obviously a crucial factor in properly implementing the guidelines contained in Handbook PO-408. For just one example, here is the "overview" of the AMP process (before the closing or consolidation) that is contained in Section 1-4 of the PO-408, with emphasis added by the NPMHU:

The major events that occur during the AMP process are summarized below in sequence and in Exhibit 1-4.

1. With the bottom-up approach, the process begins when the district manager or senior plant manager notifies the area vice president (AVP) about their intention to conduct an AMP feasibility study. The AVP informs Headquarters' senior vice president (SVP) Operations. With the top-down approach, the SVP Operations contacts the AVP about initiating a feasibility study.

2. When either one of the approaches is used, communication to stakeholders must occur when there is a clear intent to proceed with an AMP feasibility study. The notification of intent to perform the study will include an invitation to the public to submit any comments or concerns to a Postal Service representative.

3. Within two months, the AMP feasibility study is completed, approved by the district manager (DM), and submitted to the AVP along with the required documentation.

4. Within 45 days after submission of the study, the DM must conduct a public input meeting. Fifteen days are provided for the public's submission of additional written comments after the meeting and for the district's summary of the meeting.

5. Also, after the DM's submission of the study, a 60-day review is conducted concurrently by the area and Headquarters management. Every AMP worksheet is verified and issues are

resolved; after which, the study is provided to the AVP for consideration.

6. Following receipt of public comments and finalized AMP worksheets, the AVP determines if the AMP proposal should advance to Headquarters. If the AMP is supported, the AVP must sign the Approval Signatures page and submit the AMP proposal to the SVP Operations. Generally, this step should be completed within two weeks. If the AMP is not supported, the AVP must submit an explanation to the SVP Operations.

7. The Vice President Consumer Advocate also receives a copy of the complete AMP proposal. A review by the Office of the Vice President Consumer Advocate ensures that adequate attention and resolution were given to the public input at the district and area levels prior to the consideration of the AMP by the SVP Operations.

8. The SVP Operations takes into account costs and benefits outlined in the AMP proposal along with summaries of public input when making the final decision to approve or disapprove the consolidation. A decision is expected within two weeks of receipt of the proposal.

9. Prior to the implementation of an approved AMP, national-level employee organizations must be notified and local employee organizations must be briefed in accordance with current employee agreements.

When all of the time deadlines and guidelines that are underscored are combined, the AMP process is defined to encompass a period of approximately six months, from initiation of the feasibility study to final approval by the SVP Operations. One obvious component of this process is to ensure that the information and data relied upon, and the consideration given to comments from managers, unions, and other stakeholders, is as current and timely as practicable.

Indeed, the entire AMP process is based on timely communications and the use of timely data. A computer search of the Handbook PO-408, for example, finds more than 200 references to the timing of the process and the use of “current” data as two key components of the AMP process. See, e.g., Section 3-2 (“based on the most current quarter’s data”); Section 4-4 (stakeholders “require timely and appropriate communications”); Section 6-4 (“the gathering of the current work-hour usage and complement data” and the “import[ant] of current on-rolls, average work hours, and overtime data”); Appendix A-1 data “come from the most current update” of underlying reports); Appendix A-2 (“based on the most current quarter’s data”); Appendix A-5 (“A vital aspect of AMP is timely, clear communication with all stakeholders”); Appendix A-7 (“Workhour Costs – Current”); Appendix A-11 (transportation “[d]ata must come from the most currently completed four quarters”); Appendix

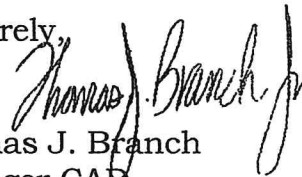
A-13 (changes in mail processing equipment based on “current” versus proposed numbers); Appendix A-15 (the start date re drop shipments “may not exceed 90 days prior to the current date”).

In short, it is the NPMHU position that the Postal Service’s current plans to close or consolidate 82 mail processing facilities during 2015 are based on untimely AMP processes resulting in essentially meaningless AMP studies and reports. The Postal Service implementation of these closings or consolidations during 2015, therefore, would violate Handbook PO-408 and the National Agreement.

The NPMHU and its representatives are available to process this grievance in accordance with Article 15.3(D) of the National Agreement. We seek an immediate meeting to discuss this grievance.

Thank you for your attention to this matter.

Sincerely,



Thomas J. Branch
Manager CAD

Cc: John F. Hegarty, National President
Mark A. Gardner, National Secretary-Treasurer
National CAD
Bruce Lerner, General Counsel