

SPECIAL REPORT from Executive Vice President Fred Rolando



The NALC and the Postal Service recently signed two Memoranda of Understanding regarding the Assignment of City Delivery (M-1694) and the Interim Alternate Route Adjustment Process (M-1695). President Young asked me to prepare explanations for the membership about these agreements, starting with the MOU on the Interim Alternate Route Adjustment Process. I will discuss the MOU on the Assignment of City Delivery in my regular column in the January *Postal Record*.

First, I want to provide some background information, then I will discuss the methodology used to evaluate routes under this process, and finally I will describe the implementation procedures adopted by the parties.

Our current collective bargaining agreement included a Memorandum of Understanding, Re: Alternate Route Evaluation Process, dated September 11, 2007. This MOU established a Joint NALC-USPS National Task Force with a mission to jointly explore alternative methods of evaluating, adjusting, and maintaining routes.

During the past year, the Task Force has been busy developing and testing various methodologies for evaluating routes. The basic premise for the alternative processes tested has been joint teams that would average the regular carrier's actual office and street times over a period of time (up to one year), and then compare the actual office times to estimated standard office times based on the route's volume and fixed office time for the same period.

The parties acknowledge that under an environment of stable and consistent mail volume, a year-round review of actual office and street times may result in the most representative evaluation of a route, and the parties will continue to

pursue such a process. However, in many areas of the country there has been a significant decline in mail volume over recent months. Therefore, in the interim period the parties agreed to a methodology for jointly evaluating and adjusting routes that uses the actual times of the regular carrier for a shorter and more recent time period.

The basic methodology is simple, but I'll explain the variations to the basics when I discuss the roles and responsibilities of each party in the implementation process. Meanwhile, the basic methodology is as follows:

Office Time: For each route, only on days that the regular carrier worked, their actual office time (including a.m., p.m., and any office auxiliary assistance) for the months of May and September 2008 is averaged. This is the carrier's Average Actual Office Time. Then, an Estimated Standard Time is established for the route by determining the route's average cased letters and cased flats for the months of May and September. The average cased letters are divided by 18, the average cased flats are divided by 8, the average cased letters and flats are divided by 70, and a Fixed Office Time of either 33 or 43 minutes (office break) is added to the sum of the other three calculations to determine the Estimated Standard Time. The lesser of the Actual Office Time and the Estimated Standard Time is selected as the Evaluated Office Time for the route.

Street Time: For each route, only on days that the regular carrier worked, their actual street time (including any street auxiliary assistance) for the months of May and September 2008 is averaged. This is the Evaluated Street Time for the route.

Once the process is initiated by the cooperative efforts at the headquarters, regional, area, and district levels, the

implementation procedures for the process involve letter carriers, joint local teams, and joint district teams.

First, management in each district will select the delivery units to be evaluated under this process. All of the routes in these selected stations must be evaluated except for routes evaluated and adjusted under a joint alternative process after April 1, 2008. Any such routes adjusted under a joint process after April 1, 2008, will be reviewed by the Joint District Teams after they complete the overall process. Additionally, the following was agreed to regarding inspections/evaluations/adjustments that were pending when this MOU was signed:

1) If management was conducting a formal six-day count and the actual six-day count was completed by October 24, 2008, they may complete the process or instead choose to use this Joint Interim Process;

2) If management was conducting a unilateral Minor Route Adjustment pursuant to Section 141 of the *M-39* and all carrier consultations were completed by October 24, 2008, they may complete the process or instead choose to use this Joint Interim Process;

3) If the parties were conducting a joint alternative process and the carrier consultations were completed by October 24, 2008, they will complete the process unless the parties jointly agree not to. If the parties jointly agree not to complete the adjustment, management may then choose instead to use this Joint Interim Process.

Absent the conditions described above, all routes in the selected stations will be evaluated under the Joint Interim Process.

Initially, the parties appointed a Joint NALC/USPS District Team in each USPS District. The NALC members were selected by NALC National President Young and the USPS members were selected by the respective District Managers. The Joint District Teams are

compensated on a no-loss, no-gain basis, and are responsible for data analysis, route evaluation, and oversight of local jointly conducted carrier consultations, route adjustments, and adjustment revisits. The national parties conducted a joint "web-meeting" training for these initial Joint District Teams on October 31, 2008. The training was also intended for the NALC National Business Agents and their Regional Administrative Assistants, as well as for the District Managers and their assistants. The PowerPoint presentation used for that training was then sent to the NBAs to share with the NALC Joint District Team members and the branch presidents of delivery units selected for the process.

The District Managers were then asked to provide the National Business Agents with the specific delivery units and number of routes they wanted evaluated in their district, as well as the number of teams they thought were needed for the workload. The NBAs then forwarded this information, along with their recommendations regarding additional teams, to NALC Headquarters for consideration and approval of additional Joint District Teams.

As of this writing in mid-November, the national parties are in the process of approving additional Joint District teams necessary to complete the workload, and discussing the additional training that will be conducted by the national parties. Consideration is being given to the relatively short time frame in the MOU. All adjustment packages must be completed by the Joint District Teams as of January 16, 2009. The agreed-to adjustments may have been implemented before November 15 of this year, or after January 4, 2009. Keeping in mind the process that has been agreed to, it wasn't likely, nor the intent of the national parties, that many packages would be implemented by November 15. Now, no implementation of adjustments may take place until January 5, 2009.

Additionally, the NBAs were asked to immediately contact the branch presidents of the delivery units selected, provide them with copies of the PowerPoint, and explain the roles and responsibilities of the Joint Local Teams, so the branch presidents could appoint the NALC Joint Local Team members. The branch presidents could then select the appropriate members who are familiar with the delivery units and versed in the art of carrier consultations, route adjustments, and adjustment revisits. The NBAs will then provide the NALC Joint District Team members with the names and contact information of the NALC Joint Local Team members. The first thing the Joint District Team should do is provide training to the Joint Local Teams using the appropriate slides from the PowerPoint presentation regarding the local teams' roles and responsibilities in the process.

Once that is done, the Joint District Team should initiate the process in a delivery unit by discussing local issues with the Joint Local Team. Such local issues include:

1) Whether there are any vacant routes or routes for which there is no data available from May and September 2008 for the regular carrier. If so, whether there is a replacement carrier whose data can be considered;

2) Whether there are data integrity issues in that unit. The Joint District Team will be reviewing data from the DOIS workload/workhour reports. Notwithstanding the specific circumstances involved, there may be units where there have been incidents of legitimate office and/or street time that is intentionally or unintentionally not transferred from TACS to DOIS by manipulative or erroneous entry of clock rings or assignment of office/street codes in TACS. Such data integrity issues must be addressed prior to any analysis or adjustment.

3) Whether there are 3999s on file representative of the route for the

purpose of transferring any territory in the adjustments. If not, management may need to complete 3999s for that purpose.

4) Whether there is some generic reason why May and September would not be representative of the routes in that unit.

Using the information provided by the Joint Local Team, the Joint District Team will then review the workload/workhour reports for May and September, along with the Delivery Unit Summary Report provided by Headquarters, which is a summary of the components for the methodology. Once they have verified the accuracy of the numbers, checked for anomalies, and made any necessary edits to the Summary Report, they will complete the Route Information Worksheet with the initial office and street time evaluation for each route based on the methodology described above.

Regarding office time, the Joint District Team will indicate under the comments section of the worksheet if the Actual Office Time exceeds the Estimated Standard Time so the Joint Local Team can advise if additional Fixed Office Time is necessary to accurately determine the Estimated Standard, on a case-by-case basis. Regarding street time, after reviewing other relevant street data such as a 3999 or base data, the Joint District Team may indicate in the comments section of the worksheet that they want the Joint Local Team to jointly conduct a 3999 on a representative day for the route to assist with their determination of the evaluated street time.

The Route Information Worksheets are then sent to the Joint Local Teams so the local team can jointly conduct the evaluation consultations with the regular carrier on each route. They will be asked to complete those consultations within three days, and providing the carriers with advance copies of the worksheets will likely facilitate the consultation process.



Executive Vice President Rolando reported on the work of the Alternate Route Inspection Process Committee to the 66th Biennial NALC Convention in July.

During the evaluation consultation with the regular carrier, the Joint Local Team will explain how the initial evaluated office and street times were determined, and request and notate on the worksheet the carrier's feedback regarding the office time, the street time, the need for additional fixed office time, any suggestions regarding possible territory transfer, and any other comments, input, etc., concerning evaluation of the route.

The Joint Local Team will then complete their portion of the worksheet, including their recommended changes to the Joint District Team's initial evaluation and any comments from them and/or the carrier regarding the initial evaluation. They will then return the worksheet to the Joint District Team, along with any jointly conducted and completed 3999s requested by the Joint District Team.

The Joint District Team will then review the worksheets returned from the Joint Local Teams. After reviewing the comments from the carrier regarding the evaluated street time, the Joint District Team may want to request a 3999 be conducted and completed by the Joint Local Team on a representative day for the route, to assist them with determining the evaluated street time.

Otherwise, the Joint District Team will review the data and comments from the worksheet and determine the Final Evaluated Office and Street times for the route. Within one day, they will return the worksheet to the Joint Local Team. The Joint Local Team will then complete the Route Information Worksheets and the Form 1840 reverse indicating their jointly developed proposed territorial adjustments. A copy of the Form 1840 reverse should be provided to the carrier at least one day in advance of the adjustment carrier consultation. After review and consideration of the comments from the carrier during the adjustment consultations, the Joint Local Team will make any agreed-to changes, finalize their proposed adjustment package, and submit it

to the Joint District Team for review and final approval. The Joint District Team will then forward the adjustment package that they have jointly approved to the district for implementation.

The Joint District Team will then monitor the Joint Local Teams to ensure that they revisit the adjustments to make sure that the routes are adjusted to as near 8 hours as possible.

Carrier Optimal Routing (COR) can only be used in this process if the parties agree that the timelines set forth in the MOU can be maintained. In the test sites where COR was used, we found that the process was confusing, tedious, and time-consuming. The task force has discussed the possibility of using COR in a more constructive and intelligent manner later in the process.

The MOU also provides for a review after September 2009 of any route evaluated under this process. It was agreed that routes evaluated under this process will be reevaluated and adjusted utilizing the Interim Alternate Route Adjustment Process in the event that the total average daily cased volume on a route for May and September 2009 increases by 13 percent or more compared to May and September 2008 combined.

Additionally, as volume declines/increases during the life of the current National Agreement, the parties agree to evaluate and adjust routes through this process, or through a new jointly developed expedited evaluation and adjustment process, in the event they agree upon one.

We are continuing to address various issues on a daily basis while managers in various districts learn that this a joint process. The expressed common goal of the national parties is to develop a joint process that is fair and accurate, and that results in the expeditious adjustment of routes to as near as possible to 8 hours. As long as we have a willing partner, we can continue to pursue that goal. ☒

In his regular monthly column in the January Postal Record, Executive Vice President Rolando will discuss the new MOU on the Assignment of City Delivery.

Here is the text of the two Memorandums of Understanding between the NALC and the Postal Service signed on October 22, 2008, concerning the Interim Alternate Route Adjustment Process and the Assignment of City Delivery. Both MOUs are available in PDF format on the NALC website, nalc.org, in the Contract Administration Unit section.

Memorandum of Understanding between the United States Postal Service and the National Association of Letter Carriers, AFL-CIO

Re: Assignment of City Delivery

The parties agree to the following regarding assignment of city delivery.

■ The Memorandum of Understanding Re: *Subcontracting*, dated September 11, 2007, continues in full force and effect.

■ The six-month moratorium referenced in the September 11, 2007 Memorandum of Understanding Re: *Article 32 Committee*, is continued for the remainder of the term of the 2006 National Agreement.

■ In city only delivery offices with highway contract delivery, all new growth will be assigned to the city carrier craft, except for in-growth on existing highway contract delivery routes.

■ Disputes over whether an existing contract route is CDS or highway contract will be resolved by the Article 32 Committee, established pursuant to the September 11, 2007 Memorandum of Understanding, Re: *Article 32 Committee*.

In offices with both city and rural delivery, new deliveries will be assigned in keeping with the following:

■ Growth will be assigned in accordance with boundaries that have been established by agreement of the Postal Service, National Association of Letter Carriers, and National Rural Letter Carriers' Association.

■ Absent such agreement, the city letter carrier craft will be assigned all new growth (i.e., new deliveries that are not in-growth on an existing route assigned to another form of delivery), subject to the following. The Postal Service may assign new growth to another form of delivery only if assigning the work to the city letter carrier craft would result in inefficiencies. In such case, the appropriate NALC National Business Agent must be provided notice. If the union disagrees with such assignment, the National Business Agent may directly refer the matter to a national-level task force. This task force will consist of two members appointed by the Postal Service Vice President, Labor Relations, and two members appointed by the President of the NALC. The task force will promptly determine whether assignment of such deliveries to the city letter carrier craft will result in inefficiencies.

The parties recognize and agree that this agreement does not alter or amend the terms of the September 11, 2007, Memorandum of Understanding Re: *Subcontracting MOU Issues* and that the provisions of that MOU apply to this agreement. As such, the duration of this agreement is limited to the remainder of the contract term in accordance with the provisions of that MOU.

However, the duration of this agreement is also subject to the parties' implementation of the October 22, 2008, Memorandum of Understanding, Re: *Interim Alternate Route Adjustment Process*. Therefore, if the Postal Service continues to experience mail volume declines so as to invoke the fifth paragraph of that MOU, and the parties are unable to agree to a new process or use again the process described in that MOU by June 30, 2009 or June 30, 2010, this agreement shall terminate and be of no effect.

/s/ William H. Young
President, NALC

/s/ Doug A. Tulino
Vice President, Labor Relations, USPS

October 22, 2008

Memorandum of Understanding between the United States Postal Service and the National Association of Letter Carriers, AFL-CIO

Re: Interim Alternate Route Adjustment Process

In accordance with the Memorandum of Understanding Re: *Alternate Route Evaluation Process*, the parties agree to the following:

The National Association of Letter Carriers, AFL-CIO (NALC) and United States Postal Service (USPS) recognize the importance of maintaining routes in proper adjustment throughout the year. The parties agree that in a stable and consistent mail volume environment, a historical review of data over a longer period would be preferred and the parties will continue to pursue a permanent process which encom-

passes the regular carrier's office and street time.

The parties further agree that certain conditions may require that the review period be of a shorter and more recent duration for the evaluation to be representative of the current mail volume environment. The current environment has resulted in a significant and continued decline in mail volume over recent months. Therefore, the parties agree to the following Interim Alternate Route Adjustment Process with the understanding that routes evaluated under this process will be

reevaluated and adjusted utilizing the Interim Alternate Route Adjustment Process in the event that the total average daily cased mail volume on a route for May and September 2009 increases by 13% or more compared to May and September 2008 combined. If mail volume continues to decline during the life of the current National Agreement, the parties agree to evaluate and adjust city delivery routes through a new jointly developed expedited evaluation and adjustment process, unless the parties mutually agree to use the Interim Alternate Route Adjustment

Process outlined in this Memorandum of Understanding. Additionally, if annual mail volume increases during the remaining term of the National Agreement, city delivery routes will be evaluated and adjusted in accordance with the expedited process agreed to pursuant to this paragraph.

Interim Alternate Route Adjustment Process

1. The parties will appoint a joint NALC/USPS route evaluation team in each District who will be detailed to implement the methodology out-

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lined below (with the NALC team member compensated on a no loss, no gain basis). The evaluation team will be responsible for data analysis, route evaluation and oversight of jointly conducted carrier consultations and adjustments. The NALC representative on the evaluation team will be appointed by the National NALC President while the USPS representative will be selected by the District Manager.

2. The parties agree that the months of May and September 2008 will be used for the review period, unless the evaluation team mutually agrees to select a different review period.

3. Adjustment packages may be implemented before November 15, 2008, if completed. Adjustment packages not implemented before November 15 must be finalized no later than January 16, 2009, and implemented beginning January 5, 2009.

The Interim Alternate Route Adjustment Process will be used to evaluate all routes in delivery units selected that have not been adjusted pursuant to a joint local alternative adjustment method on or after April 1, 2008. Any routes evaluated and adjusted under a joint local alternative adjustment method on or after April 1, 2008 will be reviewed by the district evaluation team after completion of Interim Alternate Route Adjustment Process to ensure that the routes are properly adjusted.

Data Analysis

Data Integrity

Data integrity issues will be addressed prior to any analysis and adjustments. Such issues include, but are not limited to, amended

clock rings, work hour transfers, and designation of work hour codes. Unresolved disputes over data integrity will be forwarded to the District evaluation team.

Volume for the Selected Period by Route

- Cased Letters
- Cased Flats

Office Evaluation

The lesser of the Estimated Standard using average volumes for the data analysis period (18/8/70 + fixed office time 33/43 minutes), or the actual average office time from the data analysis period (regular carrier's office time including any auxiliary assistance provided).

Additional fixed office time may be included in the Estimated Standard should the team agree to the need on a case by case basis.

Street Evaluation

The average actual street time from the data analysis period (regular carrier's street time including any auxiliary assistance provided) shall be used. However, if either route evaluation team member believes that actual street time is not representative by comparison to other relevant data (e.g. base street time, current PS Form 3999, carrier consultation), a PS Form 3999 from an average volume day will be completed jointly to determine the most representative street evaluation.

Replacement Carriers

All actual office and street time data used will be based on the performance of the regular carrier as described above. On vacant routes or routes where the data for the regular carrier is not available for the analysis period, the parties may

use the data from a mutually agreed-to replacement carrier.

Consultations

Joint consultations will be conducted with each carrier to obtain his/her input regarding the evaluation and proposed adjustments. No adjustment will be finalized until after the carrier consultations have taken place.

Adjustments

A current 3999 will be used to determine the street value of territory transferred.

The associated office time for the territory transferred will be jointly determined using either of the following methods:

- M-39 243.316.b (one of five methods); or
- M-39 141.19 (office factor based on office time per delivery FOT subtracted)

Miscellaneous

Carrier Optimal Routing (COR) can be jointly utilized for adjustment by the team providing that the parties agree that the timelines set forth in this agreement can be maintained.

The District Team should monitor the parties at the local level to ensure that all adjustments implemented under this agreement are jointly revisited pursuant to M-39 243.6.

This agreement is without prejudice to the position of either party in this or any other matter. The procedures described in this agreement will be utilized solely for the purpose of implementing the Interim Alternate Route Adjustment Process, and may be cited only for purposes of enforcing the terms of the agree-

ment. Termination of this agreement pursuant to the paragraph below shall not affect completion of the Interim Alternate Route Adjustment Process in 2008/2009 or invalidate any adjustments made as a result of that process.

Either party may terminate this agreement if 1) the Postal Service implements a route adjustment process other than as provided by this agreement, pursuant to Section 271 of Handbook M-39, or by mutual agreement; 2) the Memorandum of Understanding Re: *Assignment of City Delivery* is terminated pursuant to the last paragraph of that MOU; 3) either party fails in good faith to live up to its obligations under the Memorandum of Understanding Re: *Assignment of City Delivery* or 4) the Memorandum of Understanding Re: *Assignment of City Delivery* is invalidated, in whole or in part, by a decision of an arbitrator, a court, the National Labor Relations Board or by any other forum.

/s/ William H. Young
President, NALC

/s/ Doug A. Tulino
Vice President, Labor Relations,
USPS

October 22, 2008

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The special envelope inside this *Postal Record* invites you to make a tax-deductible year-end contribution to the Muscular Dystrophy Association, the NALC's official charity for more than a half-century. Please give what you can—Jerry's Kids are counting on you.

