



Dear Leaguers,

Below is the account of our last consultative meeting with representatives of the Postal Service. Not all of our issues were resolved, but we will continue to engage the Postal Service to get them resolved. The League works hard to put meaningful up-to-date issue on our consultative agenda. It is gratifying to see that Postmasters everywhere will benefit from our efforts as indicated below. While all of the issues that you've sent us to discuss are important, I would ask you to pay special attention to a few that might have impact now or very soon.

Item 5 discusses the credit applied for lost rural routes. With the DUR (delivery unit relocation; districts pulling rural routes out of one office and placing them in another office) process happening in some districts, mostly in the Great Lakes Area, we've seen some districts not properly applying credit to losing offices for these rural routes. According to the form 150, these losing office should be receiving 30% credit for lost routes on line 8 of the form 150. Because of the confusing language on the form, some districts are omitting this credit. If you have lost routes to this process, make sure that you are properly given credit on your office's form 150. Proper crediting may bump your office level up a notch. The League is pleased that we've been able to get Postmasters proper credit for their routes. Also, pay close attention to item 5. This, once finalized, may impact the pay of Exempt Postmasters working more than 50% of their workweek performing non-exempt tasks. Many of you have contacted me about the BMEU training as indicated in item 12. While the training discussed there should have been completed already, some of you who have received it have told me that you don't feel sufficiently trained. We will readdress that issue.

Our next consultative session with Postal Headquarters will happen in mid-July. It is not too early to start to get your issues to us.

Respectfully,

Charley Mapa
President, League of Postmasters

Minutes of the Consultative meeting held Thursday January 28th 2010 between the National League of Postmasters and U.S. Postal Headquarters.

Meeting was called to order at 9:00 a.m. by President Charley Mapa.

Invocation was offered by National Secretary /Treasurer, Shelly Souders.

Attendees: National League of Postmasters President, Charley Mapa, Executive Vice President, Jack Jameson, Vice Presidents, Bob Bittner, Debra Egemo, Kelly McCartney, John Olson, Retired League President Bill Brennan, and Secretary Treasurer, Shelly Souders.

Attendees: Postal Headquarters, John Cavallo, Lee A. Olohan, Art Gilbert, and Sandy Latham.

The following responses were noted:

Sandy Latham, Ground Shipping

1). The League believes that we need to find a way to fix issues caused by FedEx and UPS covering USPS Delivery Confirmation barcodes and numbers with their own labels. Attempting to remove their labels often obliterates our own.

Response: ***Mr. Cochrane is on site with Federal Express today revisiting the recent Holiday scanning- problems. Robert Raines is researching scanning issues further with UPS. Both companies have cited quality-control concerns involving seasonal employees hired for the holiday period.***

2). In the same vein, when we have other carrier involved, such as FedEx, or UPS when those carriers drop off parcels, they are scanned by those carriers as delivered to the post office. Our customers who check on their FedEx or UPS tracking numbers are being shown that the parcels have been delivered through the post office when, in fact they have not always been delivered. In some cases, the parcels have not been dropped off at the post office. The LEAGUE believes that some sort of arrangement needs to be worked out with these carriers so that scans reflect what actually happened with those parcels.

Response: ***Fed Ex is installing a finger-scan system that should give a more accurate account of scanning. There should be a separate per-pallet manifest. If a pallet misses a truck and remains at the dock the pallet should be scanned accordingly. Hopefully this practice will reduce/prevent errors.***

General discussion between parties related the importance of Arrival at Unit scanning and the wording of our partner's sites concerning the arrival at Post Offices for the final mile of delivery.

League leaders strongly feel that our customers are confused due to the verbiage used on Fed Ex and UPS web sites.

Old Items

3). At our last consultative session we asked about the filling of Postmaster vacancies. Still, level 16 and below Postmaster vacancies are not being filled. Why not?

Response: *Pat Donahoe met with management organization presidents Monday and management explained that while the exception process is still in effect – the exception process provides that the district may, if it believes there is a compelling business need to fill an EAS-16 or below postmaster vacancy, explain and substantiate this to the area, and the area, if it concurs, may refer the matter to headquarters for a decision - these vacancies are important continued-employment opportunities for nonbargaining employees displaced as the Postal Service is impacted by continuing declines in mail volume and revenue.*

4). As requested at our last consultative session, the LEAGUE provided Postal Headquarters the proposed PS Form 150 that was developed in conjunction with NAPUS. May we have an update on what, if anything, has been done with that information? If nothing, or if nothing is planned with it, the LEAGUE would like to again engage the Postal Service in working collaboratively in developing a workable, up-to-date form.

Response: *HQ is interested in re-engaging the entire PS 150 program beginning with the topics and revisions that were previously proposed several years ago and were not resolved. The League requests that rural delivery offices be given the same credit that city delivery offices receive for routes that have been relocated to another office. Previous discussion on this matter was discontinued due to unsuccessful efforts to develop a viable process that assesses the workload fairly and due to the timing of such discussions during pay talks). The Board agreed that the process does not belong in pay talks.*

New Items

5). There is still confusion as to whether or not the current PS Form 150 addresses split rural delivery credit when an office has its rural routes removed to another post office. The LEAGUE requests further clarification/discussion on this process. The League had previously offered an alternative to the PS 150 and would like the opportunity to have input and discussion on this program.

Response: *The automated Form 150 gives split credit for rural routes. The gaining office gets 70% credit on line 7 and the losing office gets 30% credit on line 8. These are manual entries that must be made by the person completing the form.*

League Leaders advised that this is not happening in all districts and that the instruction wording on the PS 150 aggravates confusion in efforts to complete the form correctly. WE discussed this concern and agreed that clearer language could be considered. The League, through the national president, may provide its suggestions and ideas so we can work on this constructively with League input.

6). Nationwide, there is an issue with Post Office box addresses versus street addresses. Since mailers use multiple services, including SmartPost and ParcelSelect, customers don't know when they order something, which will be the delivering agency. Often only the street address is given. If the recipient has only a post office box, especially in larger towns, there is always the danger of an item being returned to sender as, "No Mail Receptacle." If we could find a way to include a POB question for mailers, we would prevent parcels from being returned. League leaders questioned if contracts were issued that deal with parcel select and smart post and perhaps working in conjunction with these companies could allow P O Boxes to be added to the address line. League leaders pointed out that in every case with these two products, a contract exists with the consolidator and or mailer, and they should be required to allow Post Office Box addresses on the pieces in addition to the street address.

Response: ***This issue is beyond the scope of our control, as we cannot interact with the great numbers of on-line retailers. The, "No mail receptacle" issues can be used as opportunities to educate the public on addressing and as opportunities for postmasters to encourage customers to inquire of those with whom the customers do business.***

We discussed this at the consultative meeting. The Board felt that when we negotiate contracts with companies to use ParcelSelect or SmartPost we should require them to provide a two- line data entry field for Customer Address, and accept a PO Box as a shipping address on the customer order form. They feel that will solve this issue. They used JC Penney as an example. They claim if I order something from JC Penney on line, the address field will not accept a PO Box, so I have to enter a street address on my order form. Then the parcel is shipped via UPS or Fed Ex to the Post Office. If I don't have street delivery, the Post Office has no way of knowing what box number is mine, so the package is returned to JC Penney.

USPS Ground Shipping department advised that we cannot require e-retailers to offer a PO Box address option for customers. One possible solution might be to educate customers to put the PO Box on the same line, following the street address.

The reason for the problem is that, using JC Penney again, they make the shipping choice after the order is placed, so they don't know in advance which address to accept on the customer's order form. One of the other HQ functional groups is currently looking into possible solutions for this problem. In the meantime, WebBATS help has a search function so if they have time, employees can actually look up the Box number if the customer's box is in their town. District WebBATS Coordinator can also provide assistance with the search function.

7). Postmaster Larry Graves of Estancia NM has created an electronic 1412 program. The program works wonderfully. The program allows entry of the money order numbers and automatically applies the results to the consolidated 1412. This saves time and is very accurate. In districts where Postmasters are using the program, districts are requiring Postmasters to "run a money order tape". This is unnecessary when the program is used as this requirement

duplicates work that has already been done. Is there any reason why money order reports generated by such a program are not acceptable?

Response: ***Districts have authority to decide whether this program will be used and to make decisions concerning requirements regarding the financial document referred to as a manual money- order tape. The Field and International Accounting Group agreed that the Graves program does not appear to compromise internal controls or our ability to report the financial activities of these offices effectively but will not mandate the program for national use. This is because the program is not supported by Postal Service data systems or IT programs. Whether it is used locally is a district determination.***

8). Thousands of Post Offices are being run by OICs. Because of the shortages of employees to serve as OICs, sometimes RCAs are assigned to the OIC position, as long as two years. ECareer allows career employees and PMRs the opportunity to apply for vacant Postmaster positions. Is there any way to open these positions to RCAs as well?

Response: ***RCAs are not eligible to serve as OICs unless they are a dual appointment PMR/RCA. ELM 351.13; Employees Eligible for Promotion states, "Employees serving under a career appointment are eligible to apply for reassignment or promotion. An employee serving under a temporary or casual appointment is not eligible for reassignment or promotion." Article 25 of the Rural Carrier Agreement disallows RCA's serving in a higher level assignment. Additionally, Handbook F-21, Section 585 states, "Only regular Rural Carriers (Designation 71) may work a higher level assignment." If the RCA is a dual appointment PMR, they are eligible to apply for vacant Postmaster positions according to Handbook EL-312, Section 743.14.a.1. Districts decide whether to allow dual appointments of RCAs/PMRs.***

9). As a response to the League's inquiry regarding whether or not ELM 434.143 applies to Postmasters, Postal Headquarters told us that the paragraph applies to all Postal Service EAS employees. If a Postmaster, such as a level 16 who daily works 6-7 hours of non-exempt work tries to enter overtime into the TACS system, he finds that the program does not allow this. The LEAGUE would like the program adjusted to accept these overtime hours authorized by the ELM.

Response: ***We are working with HQ Compensation, the Law Department and Finance concerning how ELM 434.143 a. language applies and what the effects of such application should be. We are also examining whether modification of our pay systems is needed to ensure compliance with ELM 434.143 a.***

10). It has come to our attention that some AOs are receiving a "zero" score when a Mystery Shopper does not find one of the 15 required Ready Post Items on display. What is the reason for overriding all of the other factors on the Customer Experience Scorecard because an AO has sold out of a particular inventory item and a gap exists? Postmasters are finding that when they get a request to inventory certain items within 5 days of receipt, often the AO has fewer inventories than POS is showing. This may be one cause of inventory gaps. What is the expected time frame for Ready Post to be resupplied to an AO when POS suggests more

inventory is needed? How is this timeframe measured? Regarding Ready Post inventory control: are Postmasters required to enter supplies into inventory upon receipt or based on the Delivery Confirmation scan on the supplies, are the items entered automatically?

Response: A new component of the Customer Experience Program requires 4 basic inventory items of which 1 of the items must be available for purchase to begin the transaction. If none of the 4 core products are available a zero score will be issued.

Vice President Bob Bittner repeated for clarification that an "Associate Office would have to be out of all 4 items to get a zero", and the answer was, "yes, that is our understanding." The League tells us that they are still receiving conflicting information in the field concerning the four core products and scoring on this requirement. The League should forward additional information about problems regarding inventory/ordering/accountability of ready post products under the POS current system to Labor Relations Policy Administration through the national president of the League along with improvement/solution recommendations and/or suggestions.

Bob Bittner was advised subsequently that when a Ready Post Shop is conducted, the shopper is trained to look for and purchase any one of the four authorized products in the Ready Post Display. If none is available, the shopper will then get in line and ask for up to two of the four authorized products at the counter. If neither product is available, the shop cannot be conducted. The result is a zero score.

Our intent here is to replicate what a normal customer would do and that is... if the product is not available in the display, the shopper will ask for it at the counter. To instruct a shopper to ask for a menu of items continually would not be productive and could lead to identification of the shopper or the four authorized products. Either would undermine the value and purpose of the shop.

Causes of inventory gaps: The causes of inventory gaps are 1) product that has been damaged and removed from sale and 2) missing product. The solution for the inventory system is to complete the audits in a timely manner so that POS reports the correct amounts and replenishment can be completed on time. Currently approximately 30% of the offices do not complete audits on time (or at all) which makes the inventory replenishment system less effective - causing out of stock issues at Post Offices. The POS system does not maintain the inventory balance on hand. In order for POS ONE to maintain correct inventory balances, the product must be received into the POS back office at time of receipt. The reason why an office receives a Spot Audit is because of inventory being out of balance; i.e.: the ReadyPost Central Database indicates the office has (2) small bubble mailers on hand, yet the office sold (4) small bubble mailers.

USPS will look into delayed receipt of parcels from Hallmark. Orders are often split; remaining inventory does not arrive promptly to confirm shipment order. It was suggested to have the inventory invoice exclusive for the items enclosed. If 5 products; then 5 products would be noted. Each box would be scanned to confirm only products inside are accounted for.

11). Many Postmasters have reported that they are not receiving their Postmaster certificates in a timely manner.

Response: ***A list of newly appointed Postmasters is submitted to Postal Service headquarters monthly. The list is provided to both postmaster organizations, and is sent to the vendor for preparation of certificates. Normally, the vendor sends the certificates back to District Managers, HR within 30 days from the date the vendor receives the list. Any League member who has been in his/her position longer than three months and has not yet received his/ her certificate should contact the local District Manager, HR.***

12). BME is a complicated process. We have been told that hundreds of million of dollars are potentially being lost through the process. Please explain what the Postal Service is doing for training, both for the very in depth duties required of acceptance personnel as well as for supervisors and Postmasters who must do verifications and certifications of the mailings and remain in compliance with all postal regulations.

Response: ***The Postal Service conducted a "SOX Compliance for Revenue Assurance" briefing on January 8, 2010 for the officers of all three management associations. Tom Day, Senior VP, Intelligent Mail/Address Quality and Pritha Mehra, VP, Business Mail Entry and Payment Technology explained this process thoroughly, including the required training, and answered questions posed by the management association officers. Additionally, this information is available on the Blue page, and was the topic of an article in the January 22 NewsLink. As Mr. Day noted, the current training focus is on the 2000 facilities with annual BMAU revenue of one million dollars or more. This training period is January 11 to January 29. More than 5000 employees, including supervisors and managers, will receive the training. Headquarters advised the field that this training is to be conducted away from the work room floor to be effective.***

League leader's requests formalized training for all Postmasters responsible for the acceptance of Bulk Mail. A Postmaster cannot verify a mailing without proper training.

13). Have CSAW and CSV superseded the function 4 audits to determine the clerk functions in an office? Kathy Ainsworth stated that these programs were not supposed to replace the function 4 in determining and office's complement. Increasingly we are seeing districts refusing function 4 audits and relying solely on the data from these various programs.

Response: ***Art Gilbert was in attendance on behalf of Dean Granholm, Vice President Delivery and Post Office Operations and replied as follows:***

"CSAW and CSV are nationally sponsored programs that provide relevant information from the unit level up to the national level regarding workload, workhours and complement. Function 4 reviews gather the same information as CSAW and CSV do, relying on daily local data input. It is important that Managers and Postmasters ensure their workload and work hour charging data is accurate. The only difference provided between a Function 4 Review and CSV would be significant local issues that create a large impact to overall Function 4

performance. These anomalies should be reviewed by District Management to ensure a fair representation of office performance and appropriate staffing is available."

Discussion followed restating that it is important that postmasters record daily volumes in CSAW accurately and timely. Where anomalies exist in individual offices over and above the model, there is a process in CSV providing that postmasters "must articulate their reasoning to their MPOOs and F4 coordinator in order to receive credit". Additionally, it was pointed out and restated per Kathy Ainsworth, former Vice President Delivery and Post Office Operations, "The CSV Complement Model should not be the sole source of permanent staffing decisions." Onsite review of Function 4 operations remains an option where information is needed over and above what is already provided via the daily input in CSAW, combined with the data contained in CSV.

League leaders stressed that it views CSV as an attempt to gain accurate projection of earned hours based on "expected factors". Although we had high hopes at the start of this process, we do not agree with all the present factors and how this program is being interpreted in each area and district. We still support the in house, in person, F 4 audits to deal with the anomalies in individual offices.

A lengthy discussion followed with no decisions offered. SOV will affect 18,000 offices and training on CSV should be offered thru Elearning in the near future. League leaders still see merit in the Function 4 reviews that are completed on site.

14). Some Area Vice Presidents are quite regular with their meetings with management associations. Some have not met in well over a year. We are required to run many issues through districts and areas before presentation to Post Headquarters. This is impossible with some area as they do not meet. While face to face meetings are preferable, sometimes that type of meeting is cost prohibitive. Even in those cases, telecoms or web-meetings would be preferable to no meeting at all. What can be done to see that each AVP conducts regular quarterly meetings?

Response: ***The Postal Service has contacted Area Managers, HR advising them to encourage field management to meet with the League to address matters of concern. The Postal Service values such communication and recognizes its importance as we work together to strengthen the Postal Service.***

Consultative adjourned at 12:07 P.M.

Respectfully Submitted,

Shelly M. Souders

Secretary/Treasurer

National League of Postmasters