

Olympia Local American Postal Workers Union

PO Box 1953, Olympia, WA 98507

Why the Union Opposes the Olympia Consolidation

Based on analysis of available data as of 12/13/05

Claims of Savings With Regard to Craft Employees Are False

- 17 New Employees Will Be Hired – USPS Not Accurately Recording This Cost
- Reduction of Maintenance Craft Employees in Olympia Not Justified and Improperly Counted as Savings

Claims of Savings With Regard to Management Positions Are False

- Claim of Management Savings Not True Since Management Simply Reassigned
- Supervisor to Employee Staffing Ratio Not in Accordance with Existing Policy

Productivity Assumptions are Unrealistic and Misleading

Not All Costs of Consolidation Accurately Recorded

- No Costs Recorded for Transfer of Equipment to Another Facility
- Study Does Not Count Maintenance Costs for the Relocated Equipment
- Annual REC Costs for Tacoma are False

Transfer of the Olympia/985 Mail to Tacoma will Reduce Service and Increase Cost to the Entire State

Olympia, the State Capital, Should Keep its Own Postmark

Postal Service Consolidation Plans Are Not in the Best Interests of the Country

- Breaking a Public Good for Private Gain
- Fewer Processing Centers Make the Mailing Network Vulnerable to Disruption

Postal Service Failed to Follow Existing Rules and Policy Regarding Consolidations

- Olympia Plant Does Not Qualify for Consolidation
- The Initiation of the Proposal Did Not Originate at the Local Level
- Postal Service Did Not Perform Review Prior to Decision to Conduct Study
- The Postal Service Failed to Seek and Consider Local Input
- Postal Service Did Not Fully Disclose Intentions with Study
- Postal Service's Failure to Respond to Union Requests for Information

The GAO Has Previously Criticized the Postal Service for Lack of Clarity, Criteria and Accountability And Postal Service Has Not Improved

Final Words

Claims of Savings With Regard to Craft Employees Are False

17 New Employees Will Be Hired as Part of Transfer of Mail And the Postal Service is Not Accurately Recording This Cost

The Postal Service Study of the Olympia Consolidation claims a savings of almost 1.2 million. Most of the 1.2 million in savings are allegedly from the loss of craft and management employees. However, no career employee is being laid off or losing their job. Therefore, there is no actual reduction in staffing. Moreover, according to the Study, the Postal Service plans to hire 17 new career employees (15 in Tacoma and 2 in Olympia). In the overall picture, the transfer of the Olympia/985 mail from Olympia to Tacoma will result in 17 new career employees on the payroll. (See AMP Worksheet 5 of the Postal Service Study)

Contrary to Postal Service spokespersons and the Executive Summary accompanying the Study, the proposal does not call for any Olympia employees to be transferred to Tacoma. The 15 new positions at the Tacoma Plant will be part-time flexible employees hired off the street. The excessed Olympia employees are scheduled to go to other offices in the 985 area.

According to the Study, 14 career full-time craft employees (7 career full-time clerk craft employees, 4 career full-time mailhandler craft employees, and 3 full-time maintenance craft employees) will be excessed out of the Olympia Plant. The Postal Service also plans to separate 8 casual (temporary non-career employees) for a total of 22 employees out of the Olympia Plant. Amazingly, even with the excessing out of Olympia, the Postal Service also plans to hire 2 PTFs for the Olympia Plant. According to the Study, the 22 employees excessed or separated and the 2 employees hired means 20 employees total out of the Olympia Plant.

The 14 career employees will somehow be picked up by other Post Offices. According to the Postal Service, there are only 2 residual vacancies (at the Seattle BMC in Federal Way) in a 50 mile radius of the Olympia Plant. Presumably then, most of the excessed employees will be extra employees at other offices since most offices within the 50 mile radius have enough staffing according to the Postal Service.

Moreover, the number of employees being excessed is inaccurate if management follows the collective bargaining agreement and separates all casuals in the installation, reduces the hours of all the PTFs, reassigns temporarily injured employees in the carrier craft who are working in the clerk craft, and reduces the amount of overtime hours. If management followed the contract on excessing, there would likely be no employees excessed.

The Study states that 15 PTFs (9 clerk craft and 6 mailhandler craft) employees will be hired at the Tacoma Plant. Counting the 2 PTFs to be hired in Olympia, the Study states the overall gain of career employee will be 17 new employees. The 17 PTFs, if used full-time (PTFs in Tacoma and Olympia generally work full-time or close to it), would cost the Postal Service \$1,167,375.04 per year (17 employees x 1768 hours per year x \$38.84 in wages and benefits).

The Postal Service is counting as savings employees whose salary and benefits they will still be paying. The Postal Service is not fully counting the costs associated with the new employees. To count the employees who will not be laid off as savings and to not count the new employees who will be hired is fraud.

Reduction of Maintenance Craft Employees in Olympia Not Justified and Improperly Counted as Savings

The Postal Service Study deducts 3 maintenance craft employees and counts that as savings to justify the consolidation. The 3 positions that will be eliminated in Olympia are an Electronic Technician, Maintenance Mechanic, and Custodian.

The Study provides no justification for the loss of the custodian, so it is unclear as to why a custodian position is being deducted. While there may be a few less people, it is our understanding that the Olympia Plant will still have the same amount of floors, bathrooms, sinks, and other items to clean.

The loss of the Maintenance Mechanic is also confusing. The Olympia Plant is scheduled to lose an AFCS machine and a Micro Mark machine. Both of these machines are utilized on Tour 3. The Maintenance Mechanics are all on Tour 2 and do not perform any maintenance work on the AFCS or the Micro Mark.

Even if the reduction of the maintenance craft employees were justified, it is improper to refer to their reduction as a savings. As with the clerk craft and mailhandler craft employees, the maintenance craft employees will still be employed somewhere and therefore their costs will not be off the Postal Service payroll. Management states that these employees will be reassigned within a 50 mile radius, however there are no vacancies within a 50 mile radius at this time.

Claims of Savings With Regard to Management Positions Are False

Claim of Management Savings Not True Since Management Simply Reassigned Where There Are No Vacancies and Salaries and Benefits Will Still be Paid

The Study also states that 4 management (EAS) employees will be cut from the Olympia Plant and the Postal Service claims \$319,987.20 in savings from this action. However, as with the craft employees, the management employees will still be paid by the Postal Service. They will presumably be extra employees to the unknown offices that pick them up.

The EAS Workhour Savings/Cost figure of \$319,987.20 is taken from AMP Worksheet 6 titled "Impact on EAS Personnel." The Postal Service counted the current number of EAS positions in Olympia and Tacoma and subtracted the proposed number of EAS positions in each Plant. The proposal was for Olympia to lose 4 and for Tacoma to gain none, therefore the Postal Service counts it as a loss of 4 supervisors and a savings of \$319,987.20. According to Note 9 of the AMP Worksheet Comments, each EAS is

calculated at costing \$80,000. However, the salaries for the EAS employees are not the same.

The \$319,987.20 will not be a savings overall for the Postal Service. These supervisors will still be paid and will be located at another office where the Postal Service presumably already has the proper staffing of EAS employees. There are no current vacancies in nearby offices.

The Postal Service's position is that if employees are no longer in Olympia and not moved to Tacoma, it is a savings. This might be true if there were a vacant job that needed filling within 50 miles, but this is not the case.

Proposed Supervisor to Employee Staffing Ratio Not in Accordance with Existing Policy

In addition, the decision to remove 4 EAS employees from Olympia is not in accordance with existing management rules regarding supervisor to employee staffing ratios. Postal Service guidelines state a ratio of 1 supervisor to every 22 employees when staffing supervisors. The number of supervisors per employee in the study currently in Olympia works out to 1 supervisor to every 28 employees. After the transfer of mail to Tacoma, the ratio works out to 1 supervisor for every 40 employees. (See AMP Worksheet 5 and Worksheet 6. Ratio based on working supervisors (1 MDO and 4 SDOs) to employees)

Productivity Assumptions are Unrealistic and Misleading

The Postal Service Study is claiming that by moving the mail to Tacoma, there will be an overall increase in productivity. That might be true if the Tacoma Plant was more productive than the Olympia Plant. However, the Olympia Plant is more productive than the Tacoma Plant. In fact, according to the Postal Service, the Olympia Plant is the most productive Plant of its size in the entire nation and 28th of plants of all sizes.

It is reasonable to assume that transferring mail operations from a Plant with high productivity to another Plant with not such high productivity will result in an overall decrease in productivity and therefore an increased cost to the Postal Service.

A proper study would compare current levels of productivity to determine future levels of productivity. However, instead of using current productivity figures for the Tacoma Plant, the Postal Service Study used productivity figures that are the Postal Service's ideal level of productivity. In the calculations for the three largest operations (Operations 271, 881, and 891) involved in the Study, the Postal Service is projecting productivity figures for Tacoma that are even higher than the ideal goals set by the Postal Service. In the AMP Worksheet Comments, Note 15 states, "Western Area Change: Productivities used for calculations were higher than BPI Target Productivities."

Note 2 of the AMP Worksheet Comments, addressing Operation 060, states, "Western Area Change: Used BPI of 456 in place actual productivity of 199." This is more than double the actual productivity. The Postal Service Study claims the 060 Operation will

only utilize 514 hours and cost them \$19,964 based on the unrealistic productivity. If the actual productivity was used the hours utilized would be 1178 and the cost \$45,754.

By using higher productivity figures for their calculations, the Postal Service is able to claim more savings. The Postal Service is using unrealistic productivity figures to help justify the transfer of mail from Olympia to Tacoma.

Not All Costs of Consolidation Accurately Recorded

No Costs Recorded for Transfer of Equipment to Another Facility

The Postal Service Study states that Olympia will lose its Advanced Facer Cancellor System (AFCS) machine and a Micro Mark. However, the Study does not count the cost of removal, transportation, and installation of this equipment in another facility.

Worksheet 10a of the Study records the reduction of 1 AFCS and 1 Micro Mark in Olympia. Worksheet 10 provides space to record “One-Time Associated Costs” having to do with “Equipment Relocation” and “Equipment Reconfiguration.” The Postal Service falsely claims there will not be any costs for equipment relocation or reconfiguration.

The Olympia AFCS machine is a big expensive machine that has very expensive additions, such as an anthrax detector, filtration system, and advanced co-processor added within the last few months. Employees have received training on the machine and the additions. It will take time to disassemble the various components, transport the components, reassemble the components in the new location, reconfigure the equipment, and train employees on the equipment.

Furthermore, the Postal Service Study also did not count the costs of relocating other equipment associated with the outgoing mail that will not longer be used in Olympia. The Study did not count the Edger Feeder, Loose Mail System (culling belt or “Barney”), and Hamper Dumper. This equipment will have to be removed from Olympia and the cost to do so should have been recorded.

In the case of the Loose Mail System, this large purple colored machine (hence the name “Barney”) was specially configured for Olympia. It is my understanding that it will be difficult if not impossible to use it elsewhere. If equipment is not going to be used again, then there is a cost associated with the loss of this equipment.

In addition, the Postal Service will have to handle the relocation of all the spare parts on hand for the equipment to be located. There are numerous parts for each and the Plant keeps one or more of the spare parts at the Plant to quickly replace any defective part and keep the machines moving. There will be costs associated with moving these spare parts.

There are also the paperwork costs that will be associated with the transfer of equipment and parts. The Study does not record these costs either.

It appears the Postal Service did not count the costs associated with moving the equipment because to do so would reduce the alleged savings of the proposal to transfer the mail to Tacoma.

Study Does Not Count Maintenance Costs for the Relocated Equipment

The AFCS machine is scheduled to be relocated to an unknown office. AMP Worksheet 10 of the Study deducts the amount of maintenance hours utilized in Olympia to maintain the machines as savings. However, the Study does not count the hours that will be utilized to maintain the machine in the new location as costs. The Postal Service position appears to be if the cost is not in Tacoma, then it need not be counted.

The same contention applies to the other equipment that will be relocated.

Annual REC Costs for Tacoma are False

Worksheet 10 of the Postal Service Study states that in Olympia, the “Reduced Annual REC Cost” will be –\$119,904. This is because Olympia will no longer be responsible for the REC (Remote Encoding Center) site. The Postal Service Study acknowledges that Tacoma will have increased REC site costs, and will have a proposed slightly additional annual cost of \$120,923 for REC site costs. However, in the difference category, the number entered is \$1,018.60. The number entered should have been \$120,923, which is the actual difference from what Tacoma had before and what is proposed. Management incorrectly subtracted the \$119,904 from the \$120,923 to arrive at the \$1,018.60 figure. Later calculations will make that subtraction, but management essentially subtracted the \$119,904 figure twice. As a result, the savings associated with the transfer is false by \$119,904.

The Transfer of the Olympia/985 Mail to Tacoma will Reduce Service and Increase Cost to the Entire State

The transfer of the Olympia/985 mail to Tacoma will reduce service to residents in Thurston, Lewis, Grays Harbor, Mason, and Pacific Counties. Moreover, because Olympia is the capitol and home of most state agencies, the transfer of the Olympia/985 mail to Tacoma will reduce service and increase cost to the entire state.

The study released by the Postal Service falsely claims there will be no changes in service to the community as a result of the transfer of Olympia/985 mail operations to Tacoma. Worksheet 7 of the study states no changes to First Class Mail (FCM) overnight and two-day service areas. Worksheet 7a of the study states no changes in service for Priority Mail Service Commitments for overnight and two-day service areas. Worksheet 8 lists no changes for any other classes of mail.

However, in the 11/1/05 notice posted on employee bulletin boards announcing the transfer of the Olympia mail to Tacoma, the Postal Service stated the following:

“The cost reductions and efficiency improvements expected with this consolidation were deciding factors in making this very difficult decision. While the Postal Service is extremely proud of the world-class service it provides its customers, current cost pressures make the protection of all overnight and/or two day service commitments for the consolidated office impractical.”

The consolidated office is Olympia, the capitol of Washington State. Nearly every piece of mail canceled or metered in Olympia going somewhere in the 985 area will get there overnight. The Postal Service is saying that with the transfer of the Olympia/985 mail to Tacoma, mail will be delayed a minimum of one day.

The Postal Service has also admitted that with a transfer of operations to Tacoma, cut off times for processing outgoing mail will have to be earlier. This means that residents, businesses, organizations, and state agencies in the entire 985 zip code areas will have to drop their mail off earlier or their mail will be delayed.

State agencies, businesses and organizations that do large discounted mailings will be faced with the unpleasant choice of paying extra postage or delaying the mail if they don't meet the earlier cut off time. As reported in a 11/4/05 article in *The Olympian*, Consolidated Mail, a Washington State agency, has predicted a cost of approximately \$2 million if the proposal to transfer the mail goes through. This cost will ultimately be paid by everyone in the state.

Olympia is the Capital and the home of many state agencies and organizations and if these mailings are affected, then mail going to residents and businesses in the entire state will be affected.

Washington State residents vote by mail and all ballots must be postmarked by Election Day. If the postmark is not applied that day, then ballots would be invalidated and a person's vote would not be counted.

Property tax payments and IRS forms that are not postmarked on the day mailed will result in financial penalties.

In addition, many business, legal, and state transactions involving the requirement of a postmark will also be in jeopardy if the Postal Service requires an earlier cut off time to receive that day's postmark.

As it is, most people can mail their letters after work and the Olympia Plant will place that day's postmark on the mail and send it on its way in a timely manner. An earlier cut off time would mean a major readjustment and will jeopardize important citizen, business, legal and state correspondence.

Olympia, the State Capital, Should Keep its Own Postmark

Olympia, the State Capital of Washington State should keep its own Postmark. Nearly every other state capital has it's own postmark. Washington is certainly as deserving as other states.

The issue of removing the Olympia Postmark came up before and in 1987 the WA State House and Senate both passed resolutions that stated,

“Now, Therefore, be it resolved, That the Senate of the state of Washington request the administration to support the interests of the present and future citizens of the state of Washington and preserve the use of the Olympia postmark.”

While there is concern about the postmark, primarily there is concern with the service historically associated with having the postmark in Olympia. The postmark usually signifies where the mail is processed. Processing the mail in Olympia provides better service to the entire state because of the mailing cut off times that allow state agencies the time to get the mail to citizens all over the state. Processing the mail in Tacoma, Seattle or anywhere else will mean earlier cut off times. Putting an Olympia postmark on mail processed in Tacoma or even the ridiculous idea of a joint postmark is dishonest and will not change the fact that mail cut off times will be earlier and service will be reduced for the entire state.

Postal Service Consolidation Plans Are Not in the Best Interests of the Country

The Postal Service consolidation plans are not in the interest of the country. While some consolidations that increase efficiency, but do not reduce service are warranted, the Postal Service is attempting to consolidate Post Offices regardless of real savings and regardless of the loss in service. The Postal Service's consolidation plans will undermine the public's confidence in the Postal Service and make it easier for corporate interests to privatize the Postal Service. In addition, a privatized Postal Service means the transfer of union protected living wage jobs to non-union low wage jobs. The consolidation plans will also make the country's mailing network more vulnerable to disruption.

Breaking a Public Good for Private Gain

The Postal Service is a much treasured and valuable institution. Surveys continually show a high level of support for the Postal Service as an institution.

However, large mailers and the business friendly Board of Governors are pushing consolidation plans and other plans that will undermine that support and will benefit private business interests. The Postal Service is subject to outside interests. Over the years, the large mailers have increased their influence over the Postal Service. For example, the current chair of the Board of Governors is now James C. Miller III, who is a long time advocate for the privatization of the Postal Service. The governing head of the Postal Service is someone who does not believe in the Postal Service.

The agenda of moving towards privatization of the Postal Service has slowly been going on for a long time. Discounts to large mailers for presorting the mail prior to being dropped off at the Post Office began in 1976 as “transitional rates” towards the goal of automation. Over 30 years later, these “transitional rates” are still in existence despite all the advances in automation. The discounts to the large mailers are greater than the cost avoided by the Postal Service. In testimony before the Presidential Commission in 2003, President Bill Burrus of the American Postal Workers Union provided statistics that showed the Postal Service was essentially paying the large mailers \$1,000 per hour for applying barcodes to letters prior to entering the Post Office.

The discounts to large mailers for applying barcodes and presorting the mail are also unwarranted because the Postal Service now attempts to sort all the mail in route order for the carriers. The discounted mail from the large mailers that comes in to the Post Office is basically mixed in with the regular mail from individuals and sorted together to put the mail in route order. Yet, the large mailers still receive a discount and the individual does not.

Because of the discounts to the large mailers, the Postal Service has had a revenue problem and the private postal industry has grown dramatically over the years. The Postal Service often brags about how they have cut so many jobs in the Post Office. However, the jobs have not really been cut, the jobs have been turned over to private business. The discounts to large mailers have been used to convert union jobs into non-union jobs. The discounts have turned living wage jobs with benefits into lower wage jobs with little, if any benefits.

Another example of the privatization that has occurred with the Postal Service is in window services. The Postal Service has been successful in driving many customers to contract stations to do their mailings by deliberately short staffing the amount of window clerks at the Post Office. In fact, the Postal Service actively advertises for customers to use the contract stations.

With consolidations, the Postal Service plans to essentially “break” current service commitments to the community, which will provide the opportunity for private business to “fix” the situation in the future.

According to the National Association of Postal Supervisors,

“A recent briefing to Postal Service executives on the END redesign plan reportedly projected the elimination of as many as 250 processing centers by the time the network redesign effort is completed.”

The removal of these processing centers will reduce service to the communities. The centers are not as visible as the Post Offices and their removal will not generate as much opposition as the removal of a Post Office, but the reduction in service will be real.

The fewer larger facilities that remain will be easier to turn over to private business.

Smaller Processing Centers More Efficient Than Large Processing Centers

In addition, the smaller processing centers are more efficient than the larger processing centers. Therefore, the Postal Service’s plans to increase consolidation (eliminate the efficient smaller processing centers) will increase inefficiency. The Postal Service acknowledges that the smaller processing centers are more efficient. The Postal Service target productivity for the smaller plants is higher than that for the larger plants. The target productivity for the most utilized machine, a DBCS machine, varies with the size of the plant. The target productivity measured in pieces per hour (pph) for Olympia, Tacoma and Seattle are as follows:

Plant	Target	Actual
Olympia	12,019	11,090
Tacoma	10,634	10,083
Seattle	9,274	8,419

The plants are measured by how close they come to meeting the target, but that is misleading because the targets for the smaller plants are higher because they are more efficient. The actual productivity of the smaller plants is higher than the larger plants. Consolidation as practiced by the Postal Service means eliminating the smaller plants and increasing the larger plants. Consolidation will therefore increase inefficiency.

Fewer Processing Centers Make the Mailing Network Vulnerable to Disruption

The plan for fewer and larger processing centers will weaken the flexibility of the Postal Service to respond in a crisis.

For example, the anthrax attack in WA DC closed down the Brentwood facility where the mail was processed. Mail had to be processed elsewhere. If the Postal Service’s plans for consolidation are not stopped, we could end up with one processing center for Western Washington or even the state. If a large center had to close for whatever reason, the mail would have to be moved hundreds of miles away to another regional center. The region and the country’s mailing network could be more easily disrupted. The current system of local processing centers does not put all the eggs in one basket and is proven to be effective.

Postal Service Failed to Follow Existing Rules and Policy Regarding Consolidations

Olympia Plant Does Not Qualify for Consolidation

The Olympia Plant does not qualify for consolidation. Postal Service guidelines for consolidation contain reasons to consolidate mail operations and Olympia does not qualify. Page 1 of the PO-408 Area Mail Processing (AMP) Guidelines, states,

What is AMP?

Area Mail Processing (AMP) is the consolidation of *all* originating and/or destinating distribution operations from one or more post offices into another automated and/or mechanized facility for the purpose of-improving operational efficiency and/or service.

How Does AMP Function?

AMP transfers responsibility and accountability for distributing mail from a nonautomated or nonmechanized office to an automated and/or mechanized office. By transporting mail to another office, the Postal Service makes better use of space, staffing, and transportation, and more efficiently processes mail, which ensures better service.

- AMP masses smaller volumes together at one office to better use resources and to improve dispatching.
- AMP takes advantage of automated/mechanized capabilities (originating and destinating) currently not available at nonautomated offices.

The Olympia Plant is an automated plant as is the Tacoma Plant. The machine that will process the Olympia mail in Tacoma is an Advanced Facer Cancellor System (AFCS) machine. This is the same machine that would process the mail in Tacoma. The Olympia Plant has one AFCS and the Tacoma Plant has four AFCS machines. The transfer of the Olympia/985 mail from an AFCS machine in Olympia to an AFCS machine in Tacoma does not qualify as an improvement in automation.

Furthermore, the efficiency of the Olympia Plant in processing the mail on the AFCS is greater than the efficiency of the Tacoma Plant. The Olympia Plant sorts 24,313 pieces per hour on the AFCS and the Tacoma Plant sorts 20,321 pieces per hour on the AFCS. On the whole, as explained earlier, the Olympia Plant is much more effective than the Tacoma Plant. The transfer of the Olympia/985 mail to Tacoma would therefore be a reduction in “operational efficiency” and therefore not a qualifying reason to consolidate the Olympia mail.

As stated elsewhere, the Postal Service acknowledges that service to the community will be reduced with the consolidation. The Postal Service admits that collection times will be earlier and that “the protection of all overnight and/or two day service commitments for the consolidated office (will be) impractical.” Since the consolidation will reduce service, Olympia does not qualify for consolidation.

The Initiation of the Proposal Did Not Originate at the Local Level

Upper level management initiated the Area Mail Processing proposal for Olympia, which is a violation of existing rules and policy. The Postal Service handbook, *PO 408 - Area Mail Processing Guidelines*, page 4 under the heading, “Who Should Initiate an AMP Study” states,

“The AMP proposal process may be initiated by either the district manager, Customer Sales and Service and/or the plant manager, Processing and Distribution Center.”

The Olympia Plant Manager Ryan Moody acknowledged that he did not initiate the proposal and that it had come from up high. Local management stated that management officials in Olympia, Tacoma, and the Seattle District expressed their opposition to the proposal. Local management explained that it would not produce savings and service to the community would be reduced.

A Postal Service letter to the union’s regional coordinator, dated 11/2/05, states,

“U.S. Postal Service Headquarters officials reviewed and approved the proposal of our Western Area managers who cited that mail volume at the Olympia, WA P&DC has declined over the past few years.”

The Postal Service’s decision to initiate the proposal at the Western Area level and ignore the input of local management officials violated Postal Service regulations and policy and contributed to a flawed study. It should be noted here that mail volume at the Olympia Plant has *increased* over the last few years (270,884,592 pieces in FY 2000 increased to 290,010,298 in FY 2005).

This mistake in mail volumes for Olympia is a good example of why there are rules requiring local initiation of consolidation proposals. Local management is much more familiar with local conditions and are more accountable to the communities they live in. Decisions to consolidate mail functions at the local level are more likely to take all aspects into account to ensure that proposals are conducted fairly and will benefit the community.

Postal Service Did Not Perform Review Prior to Decision to Conduct Study

Prior to conducting a study, the initiating office must fully consider 10 categories of factors having to do with service impacts, other impacts on the community (such as the loss of the Olympia Postmark), transportations costs, etc. The PO 408 states the following on page 3,

Before beginning an AMP study, the initiating office must *fully* consider the following:

- The service impact that AMP will have on the community, as measured by service indicators such as (but not limited to) Customer Service Index (CSI), External First Class (EXFC), and Origin Destination Information System (ODIS).
- Current and proposed service commitments. Will there be any degradation to service commitments? Upgrades?
- Other impacts on the community.

- Impact on employees.
- Transportation and network concerns.
- Changes to the operating plan at the area mail processing center (AMPC) and at the affected office.
- Future automation deployment.
- New and existing facilities.
- Changes in the transportation requirements of any existing Highway Contract Route (HCR). If so, is the implementation planned to coincide with the contract's Effective date in order to avoid unnecessary indemnity costs?
- Impacts on costs and productivity.

The review did not occur at the hands of local management and we don't believe any review occurred at all. A review might have prevented the embarrassing position the Postal Service finds itself in now. A review would also have allowed for input from interested parties and would have avoided unnecessary stress to the community.

The Postal Service Failed to Seek and Consider Local Input

A proper review would have considered local input at the beginning of the process. Patrick R. Donahue, the Chief Operating Officer and Executive Vice President of the Postal Service wrote to the GAO in a letter dated 3/18/05,

“The decision to consider an AMP consolidation begins at the local management level, with input from and concern for the views, needs and wishes of stakeholders on the local business community, mailers, employees and their union representatives, and local elected officials.”

The community was left in the dark as to the intentions of the Postal Service and as far as we can tell, local stakeholders were not consulted during the review process or as part of the study. The union certainly was not solicited for input. In fact, union and even congressional requests for information in order to better understand the proposal and provide input were ignored.

Postal Service Did Not Fully Disclose Intentions with Study

The union received a letter, dated 9/2/05, from District Manager Dale Zinser that stated,

“This letter is an informational notice of the intent of the US Postal Service to conduct an Area Mail Processing (AMP) survey of the total mail processing at the Olympia P&DC. The reason for this study is to address the continuing decline of

mail volume and the need to eliminate excess capacity while improving efficiency.

This letter is solely intended to provide you with information that we plan to conduct the study. The study results will be analyzed and a decision will then be made. This letter is not intended as notice of future changes in mail processing, and is not a notice of impact to employees. I will provide you with the appropriate notice, if any is required, when a decision is made on the study results.

If you have any questions concerning this AMP study please contact the Manager, Human Resources.”

Presumably, certain other parties received a similar letter. The letter makes no mention that the proposal is to move Olympia mail to Tacoma. The letter also refers to total mail processing and not specifically outgoing mail processing, which would have been more of a clue for the Olympia community.

The union requested clarifying information from the Manager of Human resources in letters dated 9/19/05 and again on 10/8/05. The Postal Service failed to respond, which is further evidence of the Postal Service’s failure to fully disclose its intentions.

A GAO report released in April of this year noted that,

“The Service has stated that it is reluctant to publicly disclose information on its realignment strategy because it believes that it will meet with resistance from employees, communities, and government representatives if it tells them what it is planning on doing too far in advance.”

Despite GAO recommendations that the Postal Service become more open in their communication with the community, the Postal Service continues to hide their intentions.

Postal Service’s Failure to Respond to Union Requests for Information

After receiving notice of the planned study and hearing a rumor that study was intended to justify moving the mail to Tacoma, the union sent a letter and requested information pertaining to these factors by certified mail to the Postal Service (Katherine Nash, Manager of Human Resources for the Seattle District) on 9/19/05. The letter stated in part,

“Previous studies showed that local and state government and community members were firmly against losing the Olympia postmark, losing the service that was expected in a move to Tacoma, and losing local jobs. Previous studies also revealed little, if any, savings in transferring the mail to Tacoma.

It is therefore disconcerting for employees and the larger community to receive notice that another study is going to be performed. It would seem that a

preliminary review would show that the situation in Olympia does not qualify for a study.

Mr. Zinser informed us that if we have any questions regarding the AMP study to contact you, the Manager of Human Resources. Attached are questions/requests for information pertaining to the AMP study of the Olympia P&DC.

Thank you in advance for your assistance in this matter. A prompt reply with the requested information would greatly assist in dispelling rumors and would provide the transparency that is needed for everyone to understand the situation accurately.”

A lengthy request for information pertaining to the notice was attached. The Postal Service did not respond and a second request for the same information was sent on 10/8/05. The Postal Service has still not had the courtesy to respond to our request, much less provide any information. The parties have agreed locally that information should be provided within 3 days. The Postal Service has not responded to these requests for information as of 12/12/05.

An “adverse inference,” a technical phrase used in arbitration, which can be interpreted to mean the refusal to provide the information is evidence that the information would prove the union’s contentions and undermine the Postal Service position can be made in this case.

The union has had difficulties getting other information as well. Most notably, the Postal Service at first refused to provide the AMP Worksheet Comments that are part of the Study. The Postal Service also did not provide the union with an official headquarters approved copy of the Study. The union had to file an unfair labor charge before the information was provided.

The Worksheet Comments suggest that the Postal Service knew important information that they purposefully did not include in the study. These documents also suggest that the Postal Service used inflated figures to justify cost savings. The Postal Service’s failure to willingly provide the information indicates an attempt to mislead and perpetuate fraud on the community.

The GAO Has Previously Criticized the Postal Service for Lack of Clarity, Criteria and Accountability and Postal Service Has Not Improved

The General Accounting Office (GAO) review in April of 2005 strongly criticized the Postal Service for its lack of clarity, criteria and accountability in handling consolidations. Some of these criticisms are valid for the Olympia case as well.

The Executive Summary in the GAO report stated,

“the Service’s strategy is not sufficiently transparent and accountable, excludes stakeholder input, and lacks performance measures for results of decisions. The Service’s limited communication makes it difficult for customers to work with the Service to achieve a least-cost network for the entire mailing industry, for Service employees to understand how they may be affected, for communities to understand how they will be affected, and for Members of Congress to explain to their constituents what the Service is planning to do.”

Patrick R. Donahue, the Chief Operating Officer and Executive Vice President of the Postal Service provided the USPS response to the GAO in a letter dated 3/18/05. His promises of local initiation and accountability of the proposals and the commitment to local input have been ignored just months after his letter was sent.

The fact that the Postal Service has already been criticized for such failures and continues to ignore the criticism or otherwise make improvements demonstrates that the Postal Service is unable to make the necessary commitments to transparency and fairness required. The Postal Service should be required to cease all consolidations until such time that transparency and fairness can be insured.

Final Words

As postal workers we are uniquely situated to observe and communicate an inside look at the Postal Service. It is our considered opinion that the plan to transfer mail operations from Olympia to Tacoma will cost the Postal Service more money and will reduce service to the local community and the state. It is also our contention that the Postal Service is purposefully misleading the public on this issue.

The members of the Olympia Local of the American Postal Workers Union are informing the community that the Postal Service’s plan to transfer the Olympia/985 outgoing mail operations to Tacoma is not in the interest of the local community, the state, or the Postal Service. We hope that you will do your part in defending the interests of the community on this issue.

In Solidarity,

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