



Postal Service's POStPlan

May 2012



Major Items

- Consolidation rules for changing an independent Post Office to a station without having to follow consolidation rules
- Staffing of a Post Office can be with any postal employee - not necessarily a Postmaster



HISTORY

- March 31, 2011- Postal Service filed a change to CFR part 241
- May 23, 2011-APWU contract signed
- May 23, 2011-LEAGUE and NAPUS file formal complaint
- July 2011-USPS continues proposed CFR changes
 - pulls two major items (consolidation and staffing)



HISTORY

- August 11, 2011-PRC dismissed our original complaint since the Postal Service pulled the two items from the proposal
- The PRC stated we could renew the complaint if the Postal Service submitted the changes again



HISTORY

- September 1, 2011-LEAGUE office received copy of 2012 Operational Initiatives

This Power Point presentation contains 4 slides extracted from the 22 page .pdf file that was disseminated to District Leadership in September 2011. The title of the .pdf is “Delivery and Post Office Operations 2012 Operational Initiatives”.



History



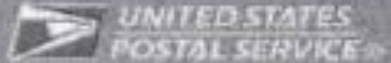
UNITED STATES
POSTAL SERVICE®

Delivery and Post Office Operations 2012 Operational Initiatives

Sept 1, 2011



History



- **Post Office Operations Strategic Initiatives**
 - **Release of Final Two Rules**
 - **Opens Potential for PO Administrative Changes**
 - **Potential to move cost savings forward**
 - **Function 4 Business Plans, 1994 Schedules**
 - **NTFT Conversion**
 - **Newly Established BPI Target in 2012**
 - **Village Post Office Concept**



History



- ***Labor costs at small POs make up the vast majority of total costs, averaging \$81,000 per year***
 - **79% of total operating expenses (non-delivery) went toward Postmaster, clerk and workers comp expenditures in FY2010; only 21% were facility-related**
 - **Large potential cost structure changes after last two rules are finalized, creating a dramatic change in the manner in which we administratively manage retail nationwide.**
 - **Challenges to the final two rules will not be as complex as current structural issues.**



History



- *Administrative restructure of Post Offices is required when considering the work, cost of operating Post Offices today:*
 - Postal Operations requires less administrative oversight today than what was required pre-IRT, POS equipment.
 - Postmasters in EAS-16 and below Post Offices primarily conduct transactions at the window, box mail, or distribute mail.
 - APWU contract, Proposed Rule, allow us to redesign Post Office management structure.



HISTORY

- October 26, 2011-the Postal Service filed the Final Rule with the Federal Register amending regulation with regard to Post Office closings
- Proposed changes would become effective 12/1/2011 *
 - Staffing of post offices with any postal employee
 - Definition of “consolidation

*These are the two changes pulled by the USPS in July



HISTORY

- November 7, 2011-LEAGUE and NAPUS jointly filed to renew the complaint we filed previously
 - We asked that the complaint be expedited since the Final Rule was to be implemented 12/1/2011
 - November 30, 2011-PRC denied the complaint-Final Rule is in effect



History Closures

- July 2011-
 - Postal Service announces 3750 offices being reviewed for closure
 - USPS requests Advisory with PRC on Retail Access Optimization Initiative(RAOI)
 - Numerous articles in national papers quote Postal leadership stating 4000 offices reviewed next for closure, and by 2015 nearly 15,000 offices to be closed



History Closures

- December 15, 2011-Moratorium on closures until May 15, 2012
- December 30, 2011-PRC Advisory on Retail Access Optimization states initiative is flawed
- February 23, 2012-Postal Service announces it will continue with administrative work necessary to close Post Offices after May 15th moratorium ends
- If no legislation, Post Offices will close



History Media

[U.S. Senator Dick Durbin Discusses USPS Consolidation and Unemployment in Centralia](#)

WJBD-AM 1350, January 9, 2012

Durbin discussed the USPS consolidation study on the Centralia facility. He says there are many tough issues with the Postal Service, mainly concerning postmaster salaries. "Many of these postmasters make 60-to-70 thousand dollars a year each, and our post offices don't generate near the revenue necessary to keep it going."



History Media

Federal Times-February 8, 2012....

“We’ll soon be issuing a framework for a revised retail strategy that we hope will accommodate many of the concerns that we have heard,” Donahoe said at Thursday’s Board of Governors meeting. “Especially in rural communities where we have a lot of low-activity post offices.”



HISTORY

- January 2012 -
 - LEAGUE and NAPUS try to get 2nd tier pay for vacant offices
 - LEAGUE and NAPUS are briefed on POSTPlan



Alternatives Discussed

- Legal Action with PRC and Court
- Legislative
- Try to salvage over 17,728 Offices



POStPlan

Four distinct options exist now that two Final Rules have been published:

- **Merge** with nearby Post Office
- **Engage** a local establishment and contract with local business for Village Post Office or contract post office, Post Office discontinued.
- **Deliver** with rural/contract delivery service and discontinue Post Office
- **Maintain** the Post Office, adjust administration requirements and hours of service to meet the value of work (new rule)

POStPlan

Postmaster levels, salaries and benefits compared with workload trends of communities

FY 11

<u>Level</u>	<u>S&B</u>	<u>Earned</u>	<u>Actual</u>
16	92.2k	6.70h	8.00h
15	83.4k	6.60h	8.00h
13	76.0k	3.99h	8.00h
11	70.1k	2.49h	8.00h
55	45.1k	1.78h	6.00h
53	30.1k	1.55h	4.00h
51	15.0k	1.27h	2.00h

Last 8 Weeks

<u>Level</u>	<u>S&B</u>	<u>Earned</u>	<u>Actual</u>
16	92.2k	5.54h	8.00h
15	83.4k	5.76h	8.00h
13	76.0k	3.30h	8.00h
11	70.1k	2.01h	8.00h
55	45.1k	1.40h	6.00h
53	30.1k	1.20h	4.00h
51	15.0k	1.01h	2.00h

k = thousands h = hours

POStPlan Background & Structure

- Small post office hours of operation exceed their earned hours based on the community's demand for retail services. A high percentage of these offices are subject to closure

Current	#Small Offices
Level 11	4,425
Level 13	6,140
Level 15	2,808
Level 16	2,805
Level 51 (12 hr/weekly)	81
Level 53 (24 hr/weekly)	506
Level 55 (36 hr/weekly)	590
Total	17,728



Proposed		# Offices
Level 2	Non-Career	1,975
Level 4	Non-Career	6,879
Level 6	PT "Postmaster"	4,313
New Level 18	Career	4,561
Total		17,728



POStPlan

- POStPlan Update:
 - Plan will allow for directional movement of Postmasters to higher levels or through retirement options
 - RIF Protection for two years with no impact
 - Incentive based VER retirement to be offered
 - Positional posting with limited competition
 - Over 4,500 upgraded level 18 positions
 - These steps will allow for Postmasters to view their options and migrate through a two year cycle to retirement (early or optional) or through promotion.



POStPlan Impact

- Postmaster vacancies facilitate deployment schedule:
 - 5030 Postmaster vacancies, 4185 Level 16 & Below
 - 13,167 Offices will migrate to the POStPlan
 - 9,800 Estimate of Impacted Postmasters
 - 69.2% Impacted Postmasters VER/Optional (2012)
 - 77.8% Impacted Postmasters VER/Optional (2014)



POStPlan Timeline

- PRC filing
- Communications plan released for Internal, Public and Legislative
 - Impacted employees will receive RIF notices - clock starts on 2 year protection
 - Incentive based VER will be offered to VER and Optional eligible Postmasters at all EAS levels
 - All vacant positions will be posted with limited competitive area for Postmasters only-at least 2 rounds
 - Implement POStPlan in vacant offices from late August 2012 forward
- 2014 -Implement POStPlan in encumbered offices from date of 2012 RIF notice



POStPlan Structure

- Review of all Post Offices 16 and below using SOV and CSV to determine Part Time and Full Time
- Part Time Remotely Managed Post Offices (RMPOs) are offices evaluated at 5.74 earned workhours or less
- Offices 16 and below earning 5.75 or more will be reclassified as Level 18
- Offices 18-22 could manage up to 10 RMPO's and will be called Administrative Post Offices (APO)



Evaluation

All RMPOs report to host Postmaster

- 0-1.99 Earned Hours RMPO 2 staffed by PMR
- 2-3.99 Earned Hours RMPO 4 staffed by PMR
- 4-5.74 Earned Hours RMPO 6 staffed by PT Career

There is 3 exceptions, those offices 25 driving miles from the nearest postal operated retail facility, RMPOs that are in excess of a 25 mile radius from an 8 hour operation APO and when the RMPO's exceed 10 offices reporting to an APO and RMPO will be established. These 3 exceptions make the RMPO (decided by the District) an automatic 6 hr Career Part Time Post Offices (PTPO).



Window Service Hours

EARNED WORKLOAD RANGE (HOURS) WINDOW SERVICE HOURS EACH WEEKDAY

- 4.00 to 5.74 6 = 6:30 Open and Closing
- 2.00 to 3.99 4 = 4:20 Open and Closing
- 0.00 to 1.99 2 = 2:10 Open and Closing



Staffing

RMPOs 4 hours or less will be a non-career PMR

- Starting salary \$11.76 per hour
- Earn 1 hour of leave for every 20 hours worked per pay period
- Beginning 2014, Postal Service will provide eligible PMR employees, who meet the requirement, health coverage under the Affordable Care Act of 2009
- Non-career may apply for vacant career positions



Staffing

RMPOs With Earned Hours 4-5.74 will be Career Evaluated Postmasters (EPM)

- Compensation will be \$12.30 per hour
- Current incumbent Postmasters will be provided leave and benefits consistent with current policies
- Newly hired in RMPOs will earn leave in effect at the time of hire
- EPM can apply for other positions consistent with standard Postal Service rules



Staffing

- Post Offices 16 and below that earn 5.75 or more will be upgraded to EAS 18 and above offices
- Incumbent Postmasters will receive upgrades and pay raises consistent with standard Postal Service Policy
- Post Offices 18 and above becoming Administrative Post Offices (APOs) to RPMOs will receive upgrades and pay raises consistent with the current WSC 150 policy



POStPlan

- We protected universal service
- We protected Rural Post Offices
- We kept 17,728 jobs within our structure
- We worked to protect the impacted Postmaster first and foremost and will continue to do so