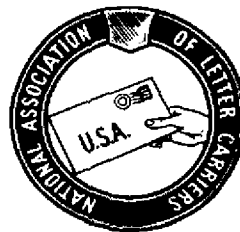


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# Building Our Future by Working Together



USPS—NALC Joint Training Guide  
September, 1992 Memorandums of Understanding

A Joint Publication of the United States Postal Service and the  
National Association of Letter Carriers, AFL-CIO - November 19, 1992

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# Contents

Introduction .....	1
Chapter 1	
Case Configuration—Letter Size Mail .....	5
Chapter 2	
Hempstead Resolution—The Past .....	9
Chapter 3	
The Future: Unilateral Process .....	15
Chapter 4	
The Future: X-Route Process .....	27
Chapter 5	
Delivery Point Sequencing Work Methods .....	43
Chapter 6	
Transitional Employees .....	47
Appendices .....	57
A .....	58
B .....	59
C .....	62
D .....	65
E .....	70
F .....	72

# Introduction

In September, 1992 the U.S. Postal Service and the National Association of Letter Carriers decided to work together to make the change to an automated environment. The parties executed six Memorandums of Understanding which resolved past disputes and set a joint course for the future.

Both parties recognize that the delivery point sequencing of letter mail will change the delivery environment, ultimately producing significant efficiency gains for the Postal Service and better service for postal customers. It will also bring about changes in the working lives of letter carriers: Office time will shrink, most routes will be realigned and some will be abolished. So delivery point sequencing (DPS) represents a crucial challenge to postal managers, letter carriers and NALC.

Together, the six Memorandums comprise a roadmap to the changes that delivery point sequencing will bring to letter carrier routes. They clear the way for change by resolving a number of past disagreements. As to the future, they provide for careful advance planning, the setting of targets for the percentage of mail that will be machine-sorted into DPS order, and rules stating when letter carrier routes will be realigned to accommodate the achievement of those target DPS percentages.

## Joint Statement of Principles

One of the Memorandums, entitled "Joint Agreements" (reprinted as Appendix B to this booklet), sets forth a joint statement of principles. The parties jointly declare that the Postal Service's continued viability depends on "our ability to meet our customers' needs while empowering employees to levels not previously envisioned."

The Memorandum reaffirms the parties' adherence to three principles guiding their agreements on the implementation of letter mail automation on carrier routes:

- Providing the best service to postal customers (mailers and recipients).
- Minimizing the impact on letter carrier craft employees.
- Creating an opportunity for increased efficiency.

The parties anticipate that collectively, the Memorandums "will form the basis for a positive working relationship of mutual trust and respect, and the foundation for continued empowerment of all employees."

## A New Approach

These Memorandums represent a new approach by USPS and NALC, in several significant ways:

- **Joint training.** The parties have decided to disseminate and explain these Memorandums through joint training for local managers and local union representatives. NALC and USPS officials will plan and conduct the training classes together, and participants from both parties will attend the training sessions together, on-the-clock.
- **Joint administration of Memorandums.** The parties will resolve disputes concerning the Memorandums through a joint

process at the national level. A joint body is being created which will have continuing responsibility for seeing that the Memorandums are interpreted and enforced correctly and fairly.

Questions regarding proper interpretations will be forwarded to this joint body for resolution.

- **Local responsibility.** The Memorandums place the responsibility for the successful transition to a DPS environment squarely on the shoulders of local postal managers and local union representatives. Local managers are required to share information with the local NALC branch, and the local parties are strongly encouraged to make

and discuss plans together and to resolve problems in a joint and collaborative fashion.

- **Trust and empowerment of employees.** The combination of joint training, joint administration and local responsibility are intended to help the local parties build

productive working relationships based on mutual trust and respect. Local USPS managers, local NALC representatives and letter carriers who use this opportunity will gain a fair measure of control over their working lives and the future of the Postal Service.

## Overview of the Booklet

This training booklet was created jointly by the National Association of Letter Carriers and the U. S. Postal Service. It is a joint guide to the six Memorandums of Understanding, intended to assist all those throughout the Postal Service and NALC who must understand and implement the Memorandums' provisions.

The booklet consists of six chapters, each addressing one of the Memorandums. The actual Memorandums are reproduced in the back of the booklet, as Appendices A through F. The chapters address the following subjects:

**Chapter 1. Case Configuration—Letter Size Mail.** Authorizes the use of 4- and 5-shelf letter cases through local joint agreements, and route inspections based on those cases.

**Chapter 2. Hempstead Resolution—The Past.** Remands to the local parties for resolution all grievances concerning past "Hempstead-type" route

adjustments. (These "route stabilization," "6 & 2" or "router-buffer" adjustments were based on anticipated efficiency gains from automation, rather than on out-of-adjustment routes or actual efficiency gains.) The local parties are provided criteria for evaluating the merits of those grievances and, where necessary, the local parties are encouraged to formulate practical remedies.

**Chapter 3. The Future—Unilateral Process.** Resolves issues left outstanding by Arbitrator Richard Mittenthal in the Hempstead case.

- **Hempstead-type adjustments prohibited.** Routes will no longer be adjusted to anticipate future efficiency gains from automated mail sorting. "Router-buffer," "route stabilization" or "6 & 2" adjustments will not be used.
- **Unilateral process.** Outlines a unilateral process local managers

may use to establish delivery point sequence (DPS) target percentages for letter mail, make a plan to adjust routes when the targets are reached, and implement the adjustments when the time comes.

- **Methodology to estimate DPS impact.** Sets forth a simple methodology—based on the carrier's demonstrated performance—that must be used to estimate the impact on carrier routes of achieving the DPS target percentage.

**Chapter 4. The Future—X-Route.** Outlines a joint, collaborative process the local parties may use to plan in advance for route realignments that will occur after the DPS target percentage is achieved. Under this alternative to the unilateral process, the local parties work jointly to identify X-Routes—routes slated for

abolishment when the DPS target percentage is reached. The X-Route process places trust in the good sense and commitment to the Postal Service of local managers and local NALC representatives.

**Chapter 5. Delivery Point Sequencing Work Methods.** Establishes two work methods, one of which must be used by letter carriers to handle residual (non-DPS) mail in a DPS environment. Requires the local parties to jointly choose one of the two methods.

**Chapter 6. Transitional Employees.** Resolves a number of past disagreements concerning the implementation of Arbitrator Mittenthal's January 16, 1992 interest arbitration award on transitional employees. Provides that the parties will create a joint training booklet on the subject of transitional letter carriers.

# Chapter 1

## Case Configuration Letter Size Mail

The Memorandum on case configuration resolves a dispute that arose during the implementation of the January 10, 1990 Vertical Flat Case Agreement. The Vertical Flat Case Agreement had authorized the modification of *flat cases only*. However, some NALC branches had also agreed with local management to use four or five shelf letter cases or to case letter size mail into four or five shelf vertical flat cases.

Because these arrangements violated the existing provisions of the M-39 Handbook requiring the use of six-shelf cases for letter size mail, NALC notified its local unions that route inspections could only be conducted on six-shelf cases regardless of any local agreement to modify letter cases. NALC's primary concern was that the use for four or five shelf cases to sort letter mail could have the effect of modifying the existing definition of letter size mail and thereby change the "18 and 8" standard for adjusting letter carrier routes.

Under the new case configuration Memorandum (reprinted as Appendix A to this booklet), the local parties can agree to use four or five shelf letter cases, and route inspections may be conducted with those agreed-upon cases. However, the Memorandum addresses NALC's concerns by providing that the existing definition of letter-size mail will not change and that the "18 and 8" standard for adjusting routes remains applicable.

In the material below, the Memorandum language appears in the left column of each page and the explanation in the right column.

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

For the purpose of conducting mail counts and route inspections on traditional casing equipment, letter size is defined as mail that can be cased into the letter separations of a standard six-shelf case without folding or bending (approximately six inches in height). Letter size does not include newspapers, rolls, small parcels, flats, magazines, or catalogs under two pounds, even though these items may be cased into the letter separations of a standard case without folding or bending.

**"Letter Size" Mail Defined**

This paragraph merely restates, but does not change, the existing definition of "letter size" mail that currently appears in the M-39 and M-41 Handbooks. Section 121.12 of the M-39 Handbook states:

**121.12 Letter Mail Defined.** Letter-size mail is defined as mail which can be routed into the carrier case between separators, vertically without bending or folding. The size of mail is determined by the smallest vertical space between any two shelves on a particular case. (See Methods Handbook M-41, Section 922.41.)

Section 922.411 of the M-41 Handbook states:

**922.411 Letter size (ordinary letters, cards, and circulars)** includes all mail that can be cased into letter separations without bending or folding — as well as *misthrows* of all classes and types of mail. It does not include newspapers, rolls, small parcels, flats, magazines or catalogs even though they are intended for casing with letter mail:

...



When mail counts and route inspections are conducted in a unit where letter mail is cased into four- and/or five-shelf case configurations that have been established as a result of any joint agreement, the existing definition of letter-sized mail will not change; the 18 and 8 standard remains applicable. Under these conditions, local management will meet with the local union prior to the dry run training to determine an efficient means to verify mail of questionable size during the week of count and inspection, e.g., a measuring strip on each case or use of a template as a reference point.

### Route Inspections Authorized

This paragraph establishes two principles:

- First, route inspections are authorized using four or five shelf letter cases, *but only* when those case configurations have been established as a result of joint agreement between local management and the local union. (It is suggested that such local agreements be reduced to writing to avoid problems where local leaders change.) Management is *not* authorized to unilaterally introduce four or five shelf letter cases.
- Second, local management is *required* to meet with the union prior to the dry run training to determine an efficient means to verify letter size mail of questionable size during the week of count and inspection.

**Verification method.** The language suggests two specific methods to verify mail size—a measuring strip on each case, or the use of a template as a reference point. However, it does not restrict the local parties to the two methods suggested. They are free to agree to other methods.

The acceptance by the parties of this approach to letter size definition and case configuration is without prejudice to the parties' rights under Article 34 of the National Agreement, and shall not be cited by either party in the grievance or arbitration procedure or any other forum which does not pertain to the implementation of this agreement.

### **Memo May Not be Cited in a Grievance**

The Memorandum does not affect in any way the parties' rights under Article 34 (Work and/or Time Standards). Nor may it be used by either party to support a position in a grievance. In particular, it does not resolve grievances, filed prior to the implementation of this Memorandum, which concerned route inspections conducted using four or five shelf letter cases.

Any disputes over the implementation of this Memorandum will be resolved at the National level.

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## **Issues Related to This Memorandum**

- **Four or five shelf case only.** This memorandum addresses only the use of four or five shelf standard letter cases. Letter cases with fewer than four shelves are not currently authorized and will not be used. The memorandum does not authorize any other modification to letter carrier casing equipment—such as extensions, shortened legs, etc.
- **One-bundle system requires joint agreement.** The two-bundle and modified two-bundle casing systems may be used with four or five shelf letter cases. However, use of the

one-bundle system on other than the standard six-shelf letter case requires a joint agreement between the local parties. (It is suggested that any such agreement be reduced to writing.)

In a modified two-bundle system newspapers, magazines and flats are cased into letter separations, withdrawn and strapped out before letter-size mail is cased and strapped out. In the one-bundle system flat and letter-size mail are cased, withdrawn and strapped out together. See M-41 Section 222 for further explanation.

# Chapter 2

## Hempstead Resolution

### The Past

As noted above in the introduction, one of the Memorandums deals with past "router-buffer" or "6 & 2" adjustments—here called "Hempstead-type" adjustments—by remanding grievances over those adjustments to the local parties. The Memorandum also provides criteria for those parties to use in deciding whether the adjustments were proper and in remedying any violations they find. This Memorandum is entitled "Joint Agreements" and appears as Appendix B to this booklet.

In the material below, the Memorandum language appears in the left column of each page and the explanation in the right column.

### Hempstead Resolution—The Past

We are remanding all pending grievances on route adjustments to the local parties for resolution. The parties will be guided by the principles of the above-cited agreements and must take into consideration the following factors.

- Was there a current event; that is, were the routes out of adjustment?

### Past Grievances Remanded

This language remands all Hempstead-type grievances to the local parties at Step 2 for resolution. It further states that the resolution of Hempstead-type grievances will be based generally on the principles set forth in all of the six memorandums, and announces that the local parties will use specific criteria (below) to determine whether past adjustments were proper.

#### First Step: Were Routes Out of Adjustment?

- **"Current event" defined.** Under the guidelines, the parties must first determine whether or not there was a "current event." "Current event" is defined by the Memorandum entitled, "Resolution of Issues Left Open by Mittenthal Award of July 10, 1992," as follows:

A current event is defined as a route or routes which are shown to be out of adjustment by a recent route inspection and evaluation.

- **Current event required.** This language is intended to distinguish those past adjustments that were triggered by actual out-of-adjustment routes, from adjustments which were made when routes were not out of adjustment. Past adjustments that were made without a current event—that is when routes were not out of adjustment—will be considered violations of the contract, and were therefore improper.

- How far in advance was the future event that was used to adjust the route? The parties have made no determination as to the appropriate time period.
- What was the projected timing of the upcoming event?

#### Additional factors.

All Hempstead-type adjustments were made to anticipate a "future event"—that is, an expectation of future mail-sorting automation and efficiency gains in carrier work resulting from that automation.

Where routes were already out of adjustment when this type of adjustment was made, to decide whether the adjustment violated the contract the parties are directed to examine certain additional factors. The factors address the nature of the future event (the introduction of automation) used as the basis for the adjustments: the *timing* of the automation, the *certainty* that it would occur, and the *accuracy of estimates* made of the impact on letter carriers work hours.

- **Timing—no hard-and-fast rule.** The Postal Service may have made past Hempstead-type adjustments based on automation expected to occur in the near term or anticipated to occur further into the future. The national parties have not determined a hard-and-fast rule to determine the appropriateness of the time frame used in those past adjustments.

**Note on 6- and 18-month time periods:** The Memorandum entitled, "Resolution of Issues Left Open by Mittenthal Award of July 10, 1992," authorizes the Postal Service to plan for future route adjustments—those occurring after these six Memorandums were executed—using certain 6- and 18-month time frames. (See Chapter 3,

- What was the basis for determining the effect of the future event?

below.) However, those time frames have no application to the resolution of past grievances over Hempstead-type adjustments.

- **Accuracy of carrier hour impact estimates.** The national parties agree that in past cases there was no specific methodology that management was required to use to estimate the effect of the future event. Whatever method was used, the local parties should determine whether it produced a reasonable estimate of the future impact of automation.

**New methodology does not apply to past estimates.** The Memorandum entitled, "Resolution of Issues Left Open by Mittenthal Award of July 10, 1992," established a methodology for projecting the impact of delivery point sequencing (DPS) automation on letter carrier work hours. (See Chapter 3, below.) That methodology must be applied in the future—after these September, 1992 memorandums were executed. Management was *not required* to use this methodology in making past estimates for Hempstead-type route adjustments. However, the parties may apply this methodology to determine the accuracy of past estimates. Generally, if the estimate previously made and the estimate that results from use of the methodology are in the same ballpark, then the accuracy criterion has been met.

- How certain is that future event?

- **Certainty.** The local parties must determine the certainty of any future event that was used to plan the route adjustments. Relevant considerations include deployment schedules for Delivery Point Bar Code (DPBC) equipment and any equipment that causes mail to be received in the unit in delivery point sequence. The parties may find that the future event was uncertain because "time frames have changed, negating the validity of the adjustment."

As you review each case, you will find that either:

- Management preplanned properly and the current structure is within the purview of this agreement; therefore, the current structure is valid;
- or
- Management preplanned inappropriately or time frames have changed, negating the validity of the adjustment.

It is your obligation to make these joint determinations and to decide what remedy to apply and how to fix the problem if one is discovered. The parties should consider the impact of any decision on our employees who serve our customers and the impact on the customers which they serve. If the parties cannot resolve these cases, they may be appealed to regional arbitration.

### **Determining Validity of Adjustment**

Using the criteria provided, the local parties are directed to determine whether or not the past Hempstead-type adjustments were valid.

In some cases management may have preplanned appropriately, but a subsequent change in time frames has rendered the adjustment invalid. In that circumstance, the parties must reassess the situation to determine whether any changes are appropriate at this point.

### **Local Parties Should Fashion Practical Remedies**

Where the past adjustments were invalid, the parties are strongly encouraged to decide locally how to resolve the problem. The solutions fashioned should take into account the needs of both postal customers and the employees who serve them.





# Chapter 3

## The Future: Unilateral Process

Two of the six Memorandums outline the procedures that must be used to plan and implement route adjustments to accommodate the delivery point sequencing (DPS) of letter size mail. There are two sets of procedures, one of which must be selected to accomplish this complex task.

This chapter addresses the first option, which is a unilateral process in which managers plan and implement the route adjustments. These procedures are outlined in the Memorandum entitled, "Resolution of Issues Left Open by Mittenthal Award of July 10, 1992," reprinted as Appendix C to this booklet.

The second option is a joint process known as the "X-Route" process, in which the local parties jointly make plans to adjust routes. Chapter 4 addresses the X-Route process.

In the material below, the Memorandum language appears in the left column of each page and the explanation in the right column.

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

RESOLUTION OF ISSUES LEFT OPEN BY  
MITTENTHAL AWARD OF JULY 10, 1992

### Current Events and Adjustments

A current event is defined as a route or routes which are shown to be out of adjustment by a recent route inspection and evaluation. All current adjustments to existing routes will place the route on as near an 8-hour daily basis as possible, in accordance with Handbook M-39.

### Rules for Future Adjustments

This Memorandum begins by defining a "current event"—an issue left outstanding by the Mitterthal award. A current event is defined as a route or routes that are shown to be out of adjustment.

This language means that the Postal Service:

1. May not adjust a route unless it is shown to be currently out of adjustment. This does not preclude territorial adjustments necessary to bring out of adjustment routes to as near 8 hours as possible;
2. Must continue to keep routes adjusted to as near 8 hours as possible, using the usual M-39 procedures, as it moves toward an automated environment (this includes the right of letter carriers to request to special inspections under M-39 Section 271.g);
3. Must continue to adjust routes—where a route inspection shows a route is *currently* out of adjustment—within 52 days of the

### **Adjustments Near Term—Automation**

When routes require a current adjustment and Delivery Point Sequencing will commence within 6 months, management will adjust the routes using non-territorial, non-scheme change adjustments by the use of router assistance, segmentation or permanent handoffs as outlined in the M-39 Handbook Section 243.21b. The 6-month period runs from the first day after the week of route inspection.

### **Future Events and Adjustments—Automation**

Management may utilize the results of a recent route inspection and evaluation to estimate and plan route adjustments, including realignment of assignments, that will be required by a future event which is to take place within 18 months. Management must provide documentation to the local union to support the deployment if they intend to plan the adjustments for a future event. The planned adjustments for future events will not be implemented until automation is on line and operative.

completion of the inspection as required by M-39 Section 211.3; and

4. May no longer use Hempstead-type adjustments—which were based on estimated impacts on carrier routes due to automation. This agreement effectively eliminates the use of routers as buffers for automation.

### **Exception**

The section provides a narrow exception to the general rules stated above. When postal managers can demonstrate that delivery point sequencing of letter mail will begin within six months after the week of route inspections, territorial adjustments should not be used. Rather, they must use non-territorial procedures such as segmentation, permanent handoffs or router assistance.

### **Unilateral Planning for Route Realignment**

This section outlines management's right to undertake unilaterally—without NALC approval—a plan for the realignment of letter carrier routes after delivery point sequencing is introduced and reaches certain targeted levels. If there is no local agreement to use the X-Route process as an alternative (see Chapter 4 below), this method must be used. Under this "unilateral" process, management has the right to plan for the route realignment in advance, but cannot

Management may implement the planned adjustments if the actual percentage of Delivery Point Sequence (DPS) mail received at the unit is within plus or minus 5 percentage points of the targeted (in Step 1) level. Should the actual percentage of DPS mail be outside these limits, then management must recalculate the estimated impact on carrier routes, based on the actual percentage of DPS mail being received at the unit. The results of the recent route inspection and evaluation will be used to determine a new impact and construct a new plan or management may wait for the plan levels to be received. The 18-month period runs from the first day after the week of route inspection. For purposes of this agreement, a future event is defined as mail being received at a delivery unit in DPS order.

implement the adjustments before the target DPS percentage is reached. This process is conducted in each individual delivery unit. Even though the decision-making is unilateral, the parties at the national level encourage information sharing and the solicitation of ideas from the union.

This process involves a series of steps:

- 1. Obtaining current or recent route inspection data for the delivery unit.** First, management must obtain current or recent route inspection data, to use as the basis for its planning to realign routes in response to delivery point sequencing. It may use this data as the basis for a planned route realignment that will occur up to 18 months into the future.
- 2. Information sharing with NALC.** Where management engages in advance planning to realign routes in response to delivery point sequencing, it must provide NALC with the documentation supporting the plan—including equipment deployment schedules, projections of the impact of delivery point sequencing on carrier work hours, and the details of how routes will be realigned.
- 3. Establishing a DPS target percentage.** An essential part of the Postal Service's plan is the targeted percentage of letter mail that will be received by carriers in delivery point sequence. The target figure, determined by management, will be used for two purposes: (1) to calculate the projected impact on

letter carrier office time (see Methodology, below); and (2) to trigger the Postal Service's right to implement the planned route realignment.

4. **Using established methodology to estimate impact on carrier work hours.** Next, local postal managers must use the parties' established methodology (explained below) to estimate the impact on letter carrier hours of reaching the DPS target percentage. The current route inspection data and the target percentage figure are the starting points for this calculation.
5. **Re-drawing unit route maps.** Next, local managers must make a plan to realign carrier routes in accordance with the estimated impact. This will involve re-drawing the route maps of the unit. When these plans are finalized they must be shared with the local union. It must be understood that under the unilateral process no adjustments based on automation impact estimates can occur until automation is on-line and operative.
6. **Implementing route realignment when target DPS percentage is reached (within 5 percent).** The planned route realignment cannot be implemented until the percentage of DPS letter mail is within 5 percent (plus or minus) of the targeted percentage. The parties have agreed that management must show it has achieved the target percentage for a minimum of two consecutive weeks.

7. **Recalculating if outside plus or minus 5 percent range.** If the actual DPS percentage is more than 5 percent above or below the targeted percentage when the realignment was planned to occur, then local managers have a choice. First, they may wait for the targeted DPS percentage to be reached and then implement the route realignment. Or, second, they may recalculate the estimated impact on carrier routes using the actual percentage of DPS mail being received in the unit. This recalculation will be made using the established methodology, and it will require re-drawing the route map for the planned adjustments.

8. **Abolishment of carrier routes.** When carrier routes are abolished and the Local Memorandum of Understanding includes Article 41.3.O, routes in the unit must be rebid in accordance with that provision. Otherwise, a carrier whose route is abolished becomes an unassigned regular and eligible to bid on any vacant assignment within his or her bidding area. This includes residual vacancies, positions held pending reversion and positions withheld for excessing.

Within 60 days of implementing the planned adjustments for future automated events, the parties will revisit those adjustments to ensure that routes are as near to 8 hours daily, as possible. Both the planned adjustments and subsequent minor adjustments that

#### **Post-Realignment Adjustments**

Within 60 days after implementing the route realignment, the local parties must reexamine the adjustments to ensure that routes are as near to eight hours as possible. If not, they must be

may be necessary to ensure compliance will be based on the most recent route inspection data for the route. However, if the future event occurs after the 18-month time limit expires, a new mail count, route inspection and evaluation must occur, unless the local parties agree otherwise.

### Methodology

Where the future event is the introduction of Delivery Point Bar Coding (DPBC) for existing equipment or equipment that will cause a certain percentage of letter mail to be received by the unit in DPS, the following methodology will be used **to estimate** the impact of the event on city delivery routes:

adjusted in accordance with the M-39. Where the most recent route inspection data is less than 18 months old at this point, then that data may be used to make any necessary post-realignment adjustments. However, if the data is more than 18 months old, then a new mail count and inspection must be conducted unless the local parties agree otherwise.

### Purpose of the Methodology

The parties have jointly established a methodology for estimating the reduction in carrier office time that will result from letter size mail being received in delivery point sequence (DPS). The methodology will be used in each separate delivery unit, to estimate the total hourly impact for the unit.

- **Mandatory.** This methodology is mandatory—it must be used to estimate office time reductions under both the "unilateral" process and the joint X-Route process described in Chapter 4.
- **Based on actual route inspection data.** The methodology is based upon actual letter mail casing times and actual letter volumes from each individual carrier route examination. Thus, it is based on demonstrated performance and individual efforts, and not on any "assumed" efficiency gains from automation.
- **Data collection.** In order to perform the calculations, first the following data must be collected:

Step 1. Determine the percentage of letter-sized mail *targeted* to be received in DPS order on the date when the adjustments will be implemented.

Step 2. Multiply percentage determined in Step 1 by the average letter-sized mail received during the week of count and inspection (from PS Form 1840, Column 1) to determine the number of letters for each route, *targeted* to be received in DPS order.

1. **Route letter volume.** Average daily letter size mail volume for each route during the week of count and inspection. This data should be obtained from page 1, Column 1 (Averages) of the Form 1840, "Summary of Count and Inspection."
2. **Actual percentage of standard office time used.** The percentage of standard office time used on each route during the week of count and inspection. This data should be obtained from page 1, Columns A and B (Averages) of the Form 1840.  $\text{Percentage} = (\text{Column A Average} \div \text{Column B Average}) \times 100.$

After this data is collected the methodology may be applied, as follows.

**Target percentage for DPS mail.** This is the target percentage of letter mail that USPS expects to be received in DPS order in the unit after DPS is fully implemented. See above, "Establishing a DPS target percentage."

The rest of the steps must be performed for each individual route.

**Find amount of impacted letter mail.** This calculation results in an estimate of the number of letters from each route that will be received in DPS order.



Step 3. Divide letters *targeted* to be received in DPS order (as determined in Step 2) by 18.

Step 4. Divide letters *targeted* to be received in DPS order (as determined in Step 2) by 70.

Step 5. Add results of Steps 3 and 4 to determine estimated impact.

Step 6. For routes where the carrier was under standard time during the week of count and inspection, multiply results of Step 5 by percentage of standard office time used during the week of inspection. The result is the estimated impact.

**Find standard casing time for impacted letters.** This calculation produces the number of minutes that would be required to case the impacted letters at a rate of 18 per minute.

**Find standard strap-out time for impacted letters.** The result of this calculation is the number of minutes that would be required to strap-out the impacted letters at a rate of 70 per minute.

**Add standard casing and strap-out time for impacted letters.** The result of this addition is an estimate of the impact on daily office time after DPS is implemented. This figure will be used only where the carrier did not use less than the standard office time—that is, where the carrier did not "beat standard."

**Reduce impact based on demonstrated performance.** Where a carrier's actual office time was less than standard, then using the Step 5 impact estimate would take away more office time than the carrier actually uses to case and strap-out the impacted number of letters.

Step 6 adjusts the impact to reflect the actual, demonstrated performance of the individual letter carrier. If the carrier used just 80 percent of standard office time in the past, then this step ensures that only 80 percent of standard time, applied to the impacted letters, will be counted toward the estimate of reduced office time.

**EXAMPLE 1:**

80 Percent Target for Letter Mail Carrier at/over\*  
Standard Time Allowance

2,700 Letters  
80 Percent Automated

$$\begin{aligned} 2,160 \div 18 &= 120 \text{ minutes} \\ 2,160 \div 70 &= \underline{31} \text{ minutes} \\ &151 \text{ minutes} = \text{estimated impact} \end{aligned}$$

Note: If actual performance is over standard time allowance, the standard casing allowance of 18 pieces per minute is used.

**EXAMPLE 2:**

80 Percent Target for Letter Mail Carrier used  
85 Percent of Standard Time Allowance

2,700 Letters  
80 Percent Automated

$$\begin{aligned} 2,160 \div 18 &= 120 \text{ minutes} \\ 2,160 \div 70 &= \underline{31} \text{ minutes} \\ &151 \text{ minutes} = \text{estimated impact} \end{aligned}$$

Step 6

$$151 \times 85 \text{ percent} = 128 \text{ minutes} = \text{estimated impact}$$

**Total Impact on Delivery Unit**

After these calculations are made for each individual route, the results are added together. The result is the total reduction in the unit's carrier office time expected after DPS is fully implemented.

**Examples**

In Example 1 at left the carrier used the standard office time (or more), so Step 6 above does not apply.

In Example 2 the carrier used 85 percent of standard office time during the last route examination, so Step 6 is used to reduce the impact estimate.



Lined writing area with 20 horizontal lines.

# Chapter 4

## The Future: X-Route Process

This chapter outlines the X-Route process—an alternative to the unilateral process set forth in Chapter 3. Under the X-Route process, local USPS managers and NALC representatives jointly plan for delivery point sequencing and jointly plan the route realignment that will occur when the DPS target percentage is achieved. The Memorandum of Understanding outlining the X-Route process is reprinted as Appendix D to the booklet.

The material in this chapter is *explanation only*, unlike the other chapters. The chapter has an introduction followed by a series of numbered sections explaining the X-Route process.

## Introduction to X-Route

The X-Route alternative offers the Postal Service and NALC a way to work together to reconfigure carrier routes to accommodate the delivery point sequencing of letter mail. This joint process relies upon the commitment, intelligence and good sense of local managers and local union officers to make a successful transition to the automated environment.

Under the X-Route alternative, NALC and the Postal Service decide jointly, in advance of automation, which routes will be abolished after delivery point sequencing (DPS) is fully implemented. These routes are then called "X-Routes." When office time is reduced by the automated sorting of letter mail, it will be necessary to reduce the number of routes and add to those that remain.

X-Routes are identified in advance for planning purposes. However, they are not abolished and their work distributed to other routes until delivery-sequence letter mail reaches a certain, agreed-upon target percentage in the delivery unit.

Because this process is planned jointly in advance, all employees will know what to expect before the changes happen—which routes will disappear and how the remaining routes will be configured.

The X-Route process offers the parties several advantages:

**A joint effort.** First, the X-Route process is a joint effort drawing upon the best talents of all those involved—letter carriers and managers committed to making the Postal Service a success.

**Forward-looking.** Second, the X-Route process has all the benefits of strategic planning. It looks to solve problems before they occur. And it informs all interested parties about what to expect before the changes happen—which routes will disappear and how the remaining routes will be realigned.

**Locally controlled.** X-Route is locally-based, giving local managers and local NALC officials the power to assess their own unique circumstances and design sensible solutions.

**Flexible.** The X-Route process has a few basic rules but otherwise it is very flexible. The local parties can monitor their progress and alter their plans as circumstances change.

# 1. Decision on Method, By Installation

In each separate installation of the Postal Service, a decision must be made about the way letter carrier routes will be adjusted to accommodate automation. There are two choices:

- A. Unilateral method.** Management may decide to plan unilaterally for automation and the reconfiguration of letter carrier routes. The unilateral planning and adjustment process is governed by the Memorandum of Understanding resolving the outstanding Hempstead issues, discussed in Chapter 3 above.
- B. X-Route alternative.** The X-Route alternative approach requires joint agreement and continuous efforts by both parties to discuss, plan, exchange information and ideas, and work together to make a success of the changes that automation will bring.

**One or the other.** Each installation must choose one or the other approach—elements of the two approaches may not be mixed. And the decision to use X-Routes is binding and may not be changed except by mutual consent.

**One NALC branch—several postal installations.** An independent choice of method will be made at each installation, even where one NALC branch represents letter carriers at more than one installation.

**Each delivery unit plans and conducts its own X-Route process.** Even though the decision whether to use the X-Route process is made by installation, the process is planned and conducted for each individual delivery unit.

**Agreement is binding.** An agreement by the local parties to pursue the X-Route process is binding and may not be changed except by mutual agreement. So it is suggested that the parties reduce the agreement to writing, to prevent any problems that could arise where local leaders change.

**If no agreement, then unilateral method.** X-Route is a joint, cooperative process and if no agreement can be reached to pursue it then postal managers must follow the unilateral process outlined in the Memorandum resolving the Hempstead issues. See Chapter 3, above.

## 2. Exploring the X-Route Alternative Together

If the local parties decide to explore the X-Route approach, they should take certain initial steps:

- **Review memorandums.** The parties should meet to review the Memorandums on the X-Route alternative, case configuration, DPS work methods and the resolution of the Hempstead issues.
- **Share information.** Throughout the X-Route process, the Postal

Service is *required* to share information with the union about automation, such as the time it will arrive and its impact on carrier work. Information sharing is essential to a joint X-Route process. In their exploratory talks with NALC, local USPS managers must share relevant information about automation target dates, deployment schedules and so forth.

## 3. X-Route Approach Selected—Getting Started on the Right Foot

If the local parties agree to pursue a joint X-Route process, certain initial steps will help ensure the process works successfully. As with any important organizational project, X-Route will need a working structure and some basic procedures to get off the ground and prosper throughout the transition to automation.

### Select a joint decision-making body.

It is strongly recommended that the local parties create a joint X-Route committee, task force or other body to take responsibility for the process. The transition to automation will take time and may be difficult for both parties.

So the X-Route process needs a solid core of people committed to making it work.

**Composition of group.** Members of the joint group should have authority to make crucial decisions and should be committed to the X-Route process over the long term. The various members should have a mix of skills and expertise—knowledge of route examinations, delivery and customer service operations, and the National Agreement, as well as numerical, analytical and communication skills. Perhaps most important, they should have good negotiating skills—the



ability to build relationships and create solutions that work for both parties.

The Branch President will designate the NALC members of the group and the Postmaster will designate the management members.

**Defining the order of business.** It is also recommended that the joint body set up regular procedures to guarantee its continuity and efficient functioning. Regular meetings should be scheduled. Group members should discuss how the group will operate during its meetings—how it will assign responsibilities, make decisions, take minutes, communicate with others and so forth. Groups that discuss and resolve these issues explicitly at the outset are more likely to succeed.

**Dispute resolution process—required.** The Memorandum *requires* the local parties, as their first order of

business, to set up a joint dispute resolution process. They will use this process to resolve problems in the X-Route process as soon as they arise. It is recommended that the joint body discuss and develop this process. X-Route does not become binding until a joint resolution process has been agreed upon.

The parties may design the dispute resolution process as they wish, using any method that works for them. For instance, some local joint X-Route committees will be able to solve problems through consensus or voting in a joint committee, or they might ask a facilitator for help. Other committees may require "harder" processes such as UMPS or even, as a last resort, arbitration. Regardless of the process chosen, it should be quick and final and help the parties get past their difficulties.

## 4. Review of Current Route Inspection Data

After setting up the joint process, the local parties must meet to review information concerning the adjustment status of carrier routes in the unit.

**Current route inspection data is essential.** Current route inspection data is the starting point for a successful X-Route process. If the parties do not have recent inspection information, they should plan to conduct examinations at an appropriate

time before DPS is introduced\* in the unit. Current inspection data will be needed far enough in advance of the time DPS is introduced to permit the parties to make an estimate of the DPS impact on the unit, make a plan for route realignment, and notify mailers of scheme changes in advance of the planned realignment.

To proceed with these plans the parties will need current route inspection

data—either recent data which they believe reasonably reflects the current situation, or new data from conducting new route inspections. The parties should arrive at agreed-upon route evaluations.

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\*Where this material refers to the time *delivery point sequencing (DPS)* is introduced, this refers to the time when an agreed-upon percentage of letter mail is being received in the delivery point sequence order *so as to effect adjustments*.

## 5. Estimating DPS Impact on the Delivery Unit

Next, starting with the current route inspection data, the parties must estimate the impact of DPS on the delivery unit.

### **Determine DPS target percentage.**

First, management must determine in advance a final target DPS percentage for letter mail in the unit. The percentage must be between 70 and 85 percent.

**Target = percent DPS after full implementation.** The final target percentage represents an estimated goal for the proportion of letter mail that will be received by letter carriers in walk sequence—after DPS technology is fully implemented for the unit.\*\* The percentage of letter mail sorted into walk sequence in some units will begin at lower percentages and then rise as mailers barcode more mail, as the Postal Service deploys new address reading and barcoding machines, and as remote bar code sorting is initiated.

### **Choose target percentage carefully.**

In choosing this final DPS target percentage, Postal Service managers must keep in mind that the abolishment of X-Routes and the realignment of surviving routes will not occur until the target percentage is reached in the unit. So managers will have to balance two goals—the goal of reaching the highest possible target percentage for walk sequence mail, and the goal of realizing the DPS efficiency gains by realigning carrier routes. Establishing too high a target percentage could delay substantially the realignment of routes to realize efficiency gains. Establishing too low a target percentage may necessitate additional adjustments if a higher percentage is achieved.

**Use established methodology to make impact estimate.** In the Memorandum resolving the Hempstead issues, the parties established a methodology for calculating the estimated impact of DPS on each delivery unit. The local parties should "plug in" the DPS target

percentage and current route inspection data, and use the methodology to calculate the impact. The "impact" is the number of letter carrier hours that will be eliminated when the DPS target percentage is reached.

**Target routes for elimination.** Once the impact on the unit is calculated, the local parties will decide jointly how many full-time and/or auxiliary routes will be eliminated from the unit when the DPS target percentage is reached. This number of routes is reached by dividing the total daily hours impact on the unit by eight (8).

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\*\*\*"Full DPS implementation" is when the final target percentage has been achieved. In general, it involves the full deployment of

current address reading, bar coding, and sorting technologies, resulting in the great majority of letter mail being received by letter carriers in delivery point sequence. Usually this will entail the following: (1) Mailers will respond to postage discounts by increasing the proportion of their mail that is pre-bar-coded with the 11-digit zip code, which enables sortation to the individual address. (The hope is that the pre-bar-coded percentage will soon reach 40 percent.) (2) Multi-line address reading machines and 11-digit bar coding machines will be fully deployed in USPS mail processing facilities. (3) Remote bar coding sites will be set up in which employees read addresses on mail that cannot be read by machines; other machines will then spray on the appropriate 11-digit bar code. (4) Delivery point bar code (DPBC) sorting machines will be delivered or upgraded to perform delivery point sequencing, reading the 11-digit bar codes and sorting each carrier route's letter mail into walk sequence. These events may not occur in any particular order, of course, and the deployment of automation will vary in different post offices.

## 6. Drawing New X-Route Maps of the Unit

Next the parties must work together to accomplish the most difficult job in the X-route process—drawing a new map of the zone showing how some routes will be abolished and how others will be realigned for automation.

**X-Routes identified.** The new route map must identify X-Routes—those routes marked for abolishment after full delivery point sequencing is achieved.

**Realignment of surviving routes.** In most units the routes that *will* survive—the "non-X-Routes"—will have to be realigned to create the new X-Route map of the unit.

**Re-drawn routes will remain at 8 hours.** The re-drawn routes—both X-Routes and surviving routes—will be 8-hour routes with *no* assumed or projected efficiency gains built in.

**Partition X-Routes for later transfer.** In addition, the new map of the unit must partition the identified X-Routes, to indicate which surviving route will eventually absorb which X-Route territory.

**Certain routes may be exempted from X-Route realignment.** The parties may decide jointly that, due to local circumstances such as geography, certain routes should be excluded from changes under the X-Route process.

**Advance knowledge of X-Route status and realignments.** All carriers in a unit will know in advance which

routes are X-Routes and the estimated date for their elimination. In addition, carriers on surviving assignments will know how their own routes may be realigned to conform to the new route maps, and what territory their own routes will be absorbing from the X-Routes when automation is implemented.

**Posting and bidding of X-Routes.** X-Routes will be posted for bid when vacant, as long as they remain full-time assignments (see 10, Making Interim Adjustments, below). The bid notice will state the anticipated date of elimination.

## 7. Deciding Jointly Whether to Realign Routes Immediately to New Route Map, or Later when the Target Percentage is Reached

Once the new route map is drawn, the parties must decide when the current route structure will be realigned to fit the new route boundaries.

**Basis for decision—how seriously routes are out of adjustment.** To decide when to realign routes to the new map, the parties should review the unit's current route inspection data.

**If seriously out of adjustment—realign immediately.** If the routes currently are seriously out of

adjustment, then the unit should move immediately to realign routes to fit the new X-Route map. This will accomplish two things: (a) adjust the routes to 8 hours; and (b) get the route alignments ready for the eventual abolishment of X-Routes and their absorption by surviving routes.

**Two steps to final route configuration.** Where the routes need to be adjusted and realigned immediately to the new map, this will be the first of two major route realignment steps taken toward the

final route configuration. In the second step, triggered by the DPS target percentage being reached, the X-Routes will be abolished and the surviving routes will absorb their territory.

**If not seriously out of adjustment—parties may decide to delay realignment until the target DPS percentage is reached and X-Routes are abolished.** If the routes currently are *not* seriously out of adjustment, then the parties may decide jointly to delay the realignment to the new X-Route map until the target DPS percentage is reached. Non-territorial adjustments—router assistance, segmentation or permanent handoffs as outlined in the M-39 Handbook Section 243.21b— will be used to accommodate routes that are longer or shorter than 8 hours.

X-Routes will still be designated and the carriers holding those assignments will be informed of elimination dates. Surviving routes will also be designated and the carriers holding those assignments will learn how their routes will be realigned after the DPS target percentage is reached.

**One step to final route configuration.** Where the realignment of routes to the new map is delayed, there will be only one major route realignment in the transition to the final route configuration. That single realignment step will occur when the final target DPS percentage is reached: X-Routes will be abolished and the surviving routes will both absorb the X-Route territory and be realigned to fit the new route maps—all at the same time.

**Realigned route—election to vacate and become unassigned.** When routes are realigned to conform to the new unit route map, a regular carrier whose street territory is changed may elect, on a one-time basis, to vacate his or her route and become an unassigned regular. This will *not* trigger the provisions of Article 41.3.O (which could otherwise require placing all routes up for bid). Instead, the vacated position will be posted and filled in accordance with the usual procedures set forth in Article 41.1.

## 8. DPS Activation

At some point in time DPS will be activated in the unit: The delivery point bar code sorters will be activated

and begin sorting barcoded letter mail into DPS order. The local parties will be well-prepared for this occurrence.

## 9. When DPS Target is Reached, X-Routes are Abolished

X-Routes are abolished and absorbed by the surviving routes when the final target DPS percentage is reached. The local parties' joint planning will take into account the timing of this event. The national parties have agreed that management must show it has achieved the target percentage for a minimum of two consecutive weeks.

Where the final target percentage will be reached immediately. In some units the mail will be ready for fully implemented delivery point sequencing when the DPS sorting machines first begin operating. So the final DPS target percentage will be reached as soon as the machines are activated.

**X-Route abolishment at the same time.** Where DPS activation and reaching the final target percentage occur simultaneously, the abolishment of X-Routes and their absorption by surviving routes will also take place at that time. The local parties will plan for this occurrence and know in advance if these changes can be expected to occur together.

If the routes have already been realigned to fit the new X-Route map, the only change will be the elimination of the X-Routes and their absorption by surviving routes.

If the routes have not yet been realigned, then the realignment and abolishment of X-Routes will occur at once. In this case the surviving routes will both absorb the X-Routes and also be realigned at the same time to the re-drawn route map of the unit.

**Full-time carrier on abolished X-Route becomes unassigned.** When an X-Route is abolished the full-time carrier assigned to it will become an unassigned regular. However, no implementation of Article 41.3.O will occur. The carrier then has 30 days to use his or her seniority to bid on any vacancy within his or her bidding area. This includes residual vacancies and positions withheld for excessing. (Note: For this purpose only, an assignment is considered "vacant" if it is being worked as a hold-down, but otherwise no regular carrier has successfully bid on and now holds the assignment.) The parties may choose to limit such a bid posting to unassigned carriers displaced by the abolishment of X-Routes, or they may use some other, mutually agreed-upon process.

## 10. Making Interim Adjustments in Limited Circumstances

In some offices the final DPS target percentage will *not* be reached as soon as the DPS machines are activated. This may occur because address-reading and 11-digit bar coding machines have not yet been deployed at mail processing centers, or because remote bar code sorting of non-machinable mail has not yet been implemented in the area. In these cases there may be a long wait—perhaps more than a year after DPS activation—for the new machines or processes to come on-line and for the DPS percentage to reach the final target.

Where this is expected to happen the local parties may decide jointly to make interim adjustments of letter carrier routes, before the final DPS target percentage is reached. Such a decision will be based on current automation levels and anticipated deployment of further automation.

**Cautious use of interim adjustments.** Interim adjustments are disruptive to postal operations, to customers and to letter carriers. The parties should avoid making more than one interim adjustment, and should make such an adjustment only after substantial progress has been made toward reaching the final DPS target percentage. It is probably best to reach at least 50 percent DPS before implementing any interim adjustment.

**Advance planning must include any interim adjustment.** Where the parties anticipate that an interim adjustment will be needed, they should make that adjustment and its "trigger percentage" part of their joint plans. The new route maps should also be drawn to show what territory will be distributed from X-Routes to surviving routes in the interim adjustment, and what territory will remain in the X-Routes until their abolishment.

**Example.** In planning for an interim adjustment the parties might estimate, for example, that when DPS is first activated the DPS percentage will be 40 percent. They may further anticipate that the introduction of new multi-line address reading machines 16 months later will increase the DPS percentage to 60 percent.

The parties could plan to "trigger" an interim adjustment at the 60 percent DPS level. The territory to be interim-transferred from X-Routes to surviving routes would be identified in advance. They might anticipate further that remote bar code sorting will begin after another year. They could plan for DPS to reach the final target percentage at that time, and to abolish X-Routes then and distribute their work to surviving routes.

**Partial absorption of X-Routes.** In an interim adjustment, parts of X-Routes (but not all) are distributed to surviving routes. The surviving routes take on the new territory and are adjusted to 8 hours based on pre-planned carrier hour impact estimates. The impact estimates will have been made in advance of DPS introduction, using the established methodology.

**Timing of general route realignment.** Where the unit's routes have already been realigned to fit the new X-Route map, the interim adjustment will involve only the transfer of some territory, but not all, from X-Routes to surviving routes. Where the routes have not yet been realigned to the new map, the interim adjustment will trigger both the general route realignment and the partial absorption of X-Routes.

**Handling the remaining X-Route assignments.** After an interim adjustment the X-Routes will be less than 8 hours. The parties will decide jointly how to deal with these assignments.

**Combining to form maximum full-time assignments.** First the parties will attempt to combine such routes efficiently to provide the maximum possible number of full-time assignments.

**Auxiliary or split assignments where necessary.** Where full-time assignments cannot be efficiently created from the X-Routes, the parties may then decide jointly to form auxiliary assignments and/or to split the remaining hours and distribute them to the surviving routes. Where the latter method is used, the surviving routes may be "built up" to no more than 8 hours and 20 minutes.

**Not all surviving routes "built up"—priority in distribution.** If the remaining X-Route work is split among surviving routes, and not all surviving routes will be "built up" as a result, then where efficiency can be maintained routes will be selected for "build-up" in the following order:

- 1) By seniority, routes whose regular carriers are on the work assignment list;
- 2) By seniority, routes whose regular carriers are on the overtime desired list; and
- 3) Lastly, by inverse seniority, carriers not on any overtime list.



## 11. Revisiting After the Route Realignment

After X-Routes are abolished and the surviving routes are realigned to absorb them, the parties must work jointly to monitor and fine-tune the results. The M-39 will continue to require routes to be adjusted to as nearly eight hours as possible.

The parties should plan in advance to revisit the route adjustments and correct them where necessary. This

review should occur within 60 days after the route realignment.

Both USPS and NALC understand that even the best estimates cannot predict the future with precision. Planning for the future is difficult, and unforeseen and changing circumstances will require us to be flexible. The parties believe that through joint efforts we can solve problems as they occur and work steadily toward the future.

### Note on Transitional Employees

In a unit adjusting routes under the X-Route process, transitional employees will be used in accordance with the relevant national Interest Arbitration

Award and any subsequent agreement(s) between the Postal Service and NALC.

## Comparison of Two Approaches— Unilateral and X-Route

### A. Unilateral Adjustments by Management

1. Regular count and inspection occurs with all applicable sections of the M-39 adhered to.
2. Management makes evaluations in accordance with existing handbooks and manuals.
3. Current adjustments are implemented to get routes as near to eight hours as possible. These adjustments must take the form of non-territorial, non-scheme adjustments if automation will occur within 6 months. No adjustments for future events may occur at this time.
4. Management may plan for future adjustments for delivery point sequencing using the methodology agreed to in Memorandum if the implementation of those adjustments will occur within 18 months of this inspection. Management will supply to the local union documentation to support the deployment of equipment where they intend to plan this type of adjustment.
5. Management determines which assignments will not survive implementation of delivery point sequencing and how the work formerly on those assignments will be allocated to routes that will survive automation.
6. When the automation is on line and operative those adjustments will be implemented if within the 18 month window and if the local union has Article 41.3.O in its LMU those provisions will apply. If the adjustments are outside the 18 month window and the parties have not otherwise agreed, then a new count and inspection must occur.
7. Within 60 days of the implementation of the adjustments based upon estimated impact from automation, a review of all routes will occur to insure that those assignments are as near to eight hours as possible.

## B. Adjustments through Joint X-Route Process

1. Management meets with the local union to review the provisions of this agreement. If current route inspection data does not exist, plans should be made to conduct a regular count and inspection.
2. Management will share with the union their deployment plans and the projected impact they will have on delivery units.
3. If agreement is reached to enter into this process, then a joint resolution process must be developed by the parties.
4. The results of the inspection are jointly reviewed and evaluations are agreed upon.
5. Management must develop a final targeted DPS percentage which is then used in methodology process to estimate impact on routes within that unit.
6. The parties will jointly determine the number and identity of X-Routes for the unit.
7. The parties jointly determine what realignment of routes is necessary and when that realignment will occur.
8. Any regular carrier whose street territory is changed from this realignment will have a one-time right to vacate his/her assignment and will become an unassigned regular. No Article 41.3.O will apply.
9. Adjustment strategies will be jointly determined. Decisions such as whether or not interim adjustments will be necessary are jointly decided.
10. Where interim adjustment strategies are employed the parties will jointly determine how to distribute the work on X-Routes after each interim adjustment.
11. X-Routes will be posted when vacant along with the expected date of elimination. Carriers on X-Routes when they are abolished will become unassigned regulars and will be eligible to bid any vacant duty assignment within their bidding area. However, no implementation of Article 41.3.O will occur.



# Chapter 5

## Delivery Point Sequencing Work Methods

The introduction of delivery point sequencing (DPS) will necessitate some changes in the way letter carriers handle the mail. NALC and the Postal Service have anticipated this change and have given the local parties the joint responsibility to choose between two options for handling the mail in an automated environment. The Memorandum on this subject is reprinted as Appendix E to this booklet.

In the material below, the Memorandum language appears in the left column of each page and the explanation in the right column.

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

The U.S. Postal Service and the National Association of Letter Carriers, AFL-CIO, recognize the importance of the work methods that will be used in a delivery point sequence environment. The parties also realize the substantial contribution that letter carriers can make in the development of these work methods. Towards facilitating that involvement, the following principles have been agreed to by the parties at the national level:

1. The following are the approved work methods:

- Case residual letters in the same separations with vertically cased flat mail, pull down and carry as one bundle.
- Case residual letter mail separately into delivery sequence order, pull down and carry as a composite (third) bundle.

**Two DPS Work Methods Authorized**

- **The problem—DPS and residual letter mail.** When delivery point sequencing is implemented, some letter mail will be sequenced by machines and other, residual letters will require casing. Letter carriers will have to adopt work methods to handle the residual letters.
- **The solution—two authorized work methods.** The parties have authorized two work methods to resolve this problem:
  - A. Casing residual letters with the flats and carrying the combined flats/residual mail as a single bundle and carrying the DPS letters as a second bundle.
  - B. Casing and pulling down residual letter mail separately, and carrying it separately as a third bundle.

**Note:** These methods apply regardless of the case configuration selected; see Chapter 1, above.

2. As implementation of the delivery point bar coding impacts a delivery unit, local parties will select the most efficient work method possible from the delivery point sequence work methods authorized in number 1 above. If the local parties cannot agree on the most efficient work method, the issue will be presented to the parties at the Headquarters level to determine the most efficient work method.

3. Local parties will also be encouraged to develop efficient new work methods and to share their ideas with the parties at the national level for joint review and evaluation. The purpose of this joint review and evaluation will be to determine the efficiency of the local method. After the review and evaluation of the new work method and if the method proves to be efficient, it will be added to Item 1 above.

#### **Joint Decision Re: Most Efficient Method**

- **Joint selection of one method.** When DPS comes, the memorandum instructs the local parties to make a joint decision to adopt the more efficient of the two work methods. The decision is up to local managers and union representatives, who will select the best method for *each route* in a delivery unit.

For instance, the parties may agree that only two bundles should be used on park and loop routes, and that a third bundle is more efficient for motorized curbside delivery. In making their choices the parties should take into account the impact on street time as well as office time, and the need for additional space and casing equipment.

- **No local agreement - National joint resolution.** If the local parties cannot agree the matter is forwarded the parties at the national level for a joint resolution.

#### **Development of More Efficient Work Methods Encouraged; National Review & Evaluation Process**

- **Search for more efficient work methods.** Allows the parties to look jointly for more efficient work methods, in addition to A and B above.
- **Local parties may submit to National level.** If the local parties agree on a more efficient method

4. The parties agree that the work method in place at the delivery unit will be utilized in the day-to-day management of letter carrier routes and in the procedures for inspection, evaluation and adjustment of routes.

5. The parties at the national level will continually review alternative methods in an effort to improve efficiency. Both parties agree that the process of continual joint review of new and more efficient work methods will result in the continued upgrading at the local delivery unit of the most efficient work method.

they may forward their proposal to headquarters for joint review and evaluation.

- **If approved, added to list.** If approved, the method will be added to the list of authorized methods available to the local parties.

**Same Work Method Authorized for Inspections, Evaluations and Adjustments**

Once the parties have selected the most efficient DPS work method, that method will be used by carriers during route examinations and will be used in day-to-day delivery operations.

**Continual Joint National Review of New and More Efficient Work Methods**

The National parties have agreed to work together in a continuous search for work methods that will improve delivery unit efficiency.

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# Chapter 6

## Transitional Employees

The Memorandum on Transitional Employees resolves certain disputes that have arisen over the interpretation of Arbitrator Mittenthal's January 16, 1992 arbitration award on Transitional Employees (TE Award). This chapter describes the Memorandum's clarifications and agreements. The Memorandum is reprinted as Appendix F to this booklet.

The parties have also agreed to write a training booklet outlining their joint understanding of how and when transitional letter carriers may be utilized by the Postal Service. The booklet will set forth in greater detail the rules governing the hiring and use of transitional employees.

In the material below, the Memorandum language appears in the left column of each page and the explanation in the right column.

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

It appears that, due to some differences in interpretation, there has been some lack of agreement between the parties locally on application of the January 16, 1992, Mittenhal Award on transitional employees (TE) in the Letter Carrier Craft. NALC and USPS have been meeting at the national level to resolve those differences and, with the exception of the PTF conversion issue that is presently awaiting national arbitration, we have reached accord regarding TE hire and utilization.

We anticipate that a joint TE booklet will be made available for reference in the next several weeks. In the meantime, the following information will serve to highlight areas of apparent disparity in interpretation where mutual understanding has now been reached.

#### Resolution of TE Issues

The parties at the national level have discussed issues concerning the TE Award and decided to resolve certain matters as follows:

- **Memorandum resolves disputes.** First, this memorandum resolves certain disputes over application of the award; see the Memorandum language and explanation below.
- **Joint training booklet.** In addition, the parties are producing a joint training booklet on transitional employees that will explain their joint intent regarding implementation of TE Award and this Memorandum. The booklet will explain in step-by-step format what contractual rights and benefits apply to TEs, when TEs may be hired and utilized by the Postal Service, and what limits have been placed on the use of TEs.

**Completion of the DSSA** will be accomplished in accordance with existing instructions. It is in our joint interest to establish a credible baseline from which realistic projections can be made. Thus, every effort will be made to avoid any inflation of baseline hours or the baseline/ projection difference. In that regard, the parties agree that line 27 of the DSSA represents the average-weekly difference between the authorized hours (shown on line 26) and the actual weekly hours being used by the unit, expressed as a percentage of authorized hours (line 26).

### **Realistic Baseline Work Hours**

The TE Award requires the calculation of a Baseline DSSA showing current carrier work hours required in a work unit, and a Projection DSSA estimating the carrier work hours that will be required after automation is implemented. The difference between these two figures represents the carrier work hour reduction that will occur by the end of the transition period. The same number represents the maximum TE hours that may be used in the delivery unit to cover positions held pending reversion, or due to certain opting or PTF attrition.

The Memorandum establishes two agreements about the calculation of the Baseline and Projection DSSA.

- **Credible baseline data.** First, the parties have agreed to avoid inflating the ceiling on TE hours established by the DSSA analysis.
- **Line 27 of DSSA—actual work hours.** Second, the parties agree that actual average work hours in the work unit, rather than authorized hours, will be used to calculate the Baseline DSSA. This agreement facilitates the establishment of credible, actual baseline hours figures. By starting with a credible baseline, the parties can then make realistic projections of how carrier hours will change in the future.

**DSSA—Union Review.** Management will make available to the local union all relevant information on which calculations are based. Union representatives will be allowed reasonable time to review management calculations on DSSAs. Our intent is to resolve DSSA and TE issues via information sharing and discussion rather than conflict and confrontation.

**TE Hire versus Baseline DSSA—**For purposes of implementing Parts 1c (1)-(4) of the Award, TEs may be hired only after a unit's baseline and projection DSSAs have been completed and the difference between the two has established a ceiling for TE hours. If, at that point, existing staffing is insufficient to meet the weekly requirements demonstrated by the baseline DSSA, TEs may be employed without current attrition as a prerequisite. However, those TE hours will be offset against the established ceiling of hours. The parties agree that TEs may be used to cover only those residual vacancies withheld pursuant to Article 12 since September 3, 1991.

### Information Sharing

The national parties have decided to act jointly in the implementation of the TE Award and this Memorandum. As with the other September, 1992 memorandums, here again the national USPS and NALC strongly urge the local parties to use joint and cooperative efforts to solve problems and plan for the future.

Information sharing is an essential element of a joint endeavor, and this language requires local managers to provide local NALC representatives all relevant information on which the DSSA calculations are based, and to give the union reasonable time to review the calculations and discuss them with postal managers. In turn, union representatives are expected to be reasonable in their requests for information and time.

### Clarification of Rules on TE Hiring and Utilization

This language addresses three important rules concerning TEs:

#### A. Preconditions to TE Hiring Reaffirmed

The Memorandum reaffirms that a Baseline DSSA and Projection DSSA must be completed, and a TE hours ceiling established based on the difference between the DSSAs, before any TEs may be used to cover assignments held pending reversion or due to opting or PTF attrition.

**B. Additional TE Hiring "Trigger":  
Baseline versus Existing Staffing**

Sections 1.c(1)-(4) of the TE Award provide certain "triggers" or events which must occur to give the Postal Service the right to hire or use TE hours. The TE Award sets forth three such "triggering" events:

1. **Held pending reversion.** A residual vacancy is held pending reversion—slated for later abolishment due to automation.
2. **Opting on assignment held pending reversion.** A carrier opts on a position that has been held pending reversion (but see "No Pyramiding," below).
3. **PTF attrition.** A part-time flexible carrier leaves the employ of USPS.

The Memorandum language adds a fourth "trigger":

4. **Insufficient existing staffing.** When the Baseline DSSA is completed, this language permits local managers to compare the actual carrier staffing at the time to the current staffing needs as indicated by the DSSA. TE hours may be utilized immediately to make up the difference. Such TE hours are limited, along with those justified by the other three triggers, by the maximum hours ceiling equal to the difference in the DSSAs.

**TE Hire versus Projected Attrition—**

Where it is anticipated that attrition will satisfy the projected difference in staffing for automation, TEs will be employed to backfill for attrition only after the unit or installation has entered the transition period (defined as that length of time needed for attrition to fulfill staffing reduction requirements). In such circumstances, attrition prior to the transition period will be fulfilled by career employees, with the exception of residual vacancies withheld for excessing (another craft or installation).

**C. TE Use to Cover Assignments Withheld For Excessing**

The TE award also permits USPS to use TE hours to cover vacancies withheld for excessing. (These TE hours are not limited by the ceiling established by the DSSA difference.) The Memorandum provides that the Postal Service may use TEs to cover only those residual vacancies withheld for excessing since September 3, 1991.

**TE Hiring for Four Triggers—Only After Entering Transition Period**

In some units, projected letter carrier attrition will more than accomplish the necessary shrinkage in carrier hours projected by the DSSA analysis. In that case career employees must be used to fill vacancies until the projected shrinkage in hours and the remaining projected attrition are equal (unless there are vacancies withheld for excessing).

The purpose of this section is to define the length of time for the transition period when TEs in a delivery unit can be utilized. Management must determine how many letter carrier work hours will need to be reduced as a result of the implementation of automation. Once the work hour reduction is determined, management must look at the anticipated attrition for the installation and determine the period of time that it will take to accomplish this reduction through attrition. This will define the beginning and ending dates of the transition period. The parties recognize that the estimation of attrition is a projection based on

**TE Use to Cover Opting**—Whether TEs are hired as soon as vacancies occur or after opting takes place, it is agreed that there will be no pyramiding of any defined TE hire opportunity.

**Held Pending Reversion**—These positions must be posted. However, the residual vacancy that results from such posting will then be considered the held-pending-reversion vacancy. This vacancy will then be made available for opting as outlined in the award. When

history and future retirements. The underlying principle is that there needs to be a reasonable approach to estimating the impact of automation and the length of time for the transition period.

TEs usage to cover positions withheld for excessing are not limited by the DSSA analysis or the triggering events, so the transition period restriction does not apply.

#### **No Pyramiding**

Section 1.c(3) of the TE Award permits the Postal Service to use TE hours: "[t]o cover the vacancy created by a part-time flexible, reserve or unassigned letter carrier opting for the held pending reversion assignment or the subsequent vacancy created by multiple opts."

Local managers may use an additional 40 TE hours after a residual vacancy is held pending reversion (Trigger No. 1). However, the TE Award does not permit any *additional* TE use when another carrier opts on the assignment held pending reversion. That would be "pyramiding" or double-counting the TE entitlement.

#### **Assignments Held Pending Reversion—Rules for Filling Positions**

After a vacancy occurs and is identified as "held pending reversion"—slated for later abolishment due to automation—the assignment must then be posted for

the original held-pending-reversion position is actually reverted, the carrier assigned to that position becomes an unassigned regular and is eligible to bid for any vacant duty assignment within his bid area.

bid. The bid posting will indicate that the assignment is being held pending reversion. If a carrier bids on the assignment, the resulting residual vacancy is available for opting or, if no carrier opts on it, for filling by a TE (see "triggering event" No. 2, above).

**When assignment is abolished.** When the assignment held pending reversion is eventually abolished, what happens next depends on whether the Local Memorandum of Understanding contains Article 41.3.O. If not, the carrier assigned to the abolished position becomes an unassigned regular.

If 41.3.O does apply, there are two possibilities.

1. **Held by the junior regular.** If the abolished assignment is occupied by the junior regular, he or she becomes an unassigned regular.
2. **Held by other than the junior regular.** Where a regular other than the junior one is occupying the assignment when it is abolished, then all assignments held by more junior carriers are posted for bid, as required by Article 41.3.O.

**Unassigned regular rights.** When a carrier becomes an unassigned regular as a result of these changes, the carrier is eligible to bid on any assignment within his or her bidding area—including residual vacancies, other positions held pending reversion and positions withheld for excessing.



**Workhour Guarantees**—While we recognize that TE scheduling is subject to a four-hour guarantee, local management has the responsibility to afford the PTF priority in scheduling workhours in accordance with the Mittenhal interest arbitration award.

### **TE Hire versus Excessing**

A full-time letter carrier may not be excessed and the resulting vacancy filled by a TE, except where management can demonstrate that, as a result of legitimate operational changes, there is insufficient work to continue to support a full-time position. For example, management may not abolish a full-time router position and excess the full-time letter carrier and hire or assign one or more TEs to perform the work of the abolished position, unless management can demonstrate that the work cannot be performed on a full-time basis in compliance with the requirements of the National Agreement.

Disputes concerning the above, if unresolved in the grievance procedure, shall be placed at the head of the regional (other than removal) arbitration docket.

### **PTF Scheduling Priority**

This language reaffirms that part-time flexible letter carriers will have first priority for work scheduling over transitional employees. Of course, once TEs are called in their 4-hour work hour guarantee must be honored.

### **No Excessing Permitted to Hire Transitional Employees**

The TE Award was never intended to permit the Postal Service to employ TEs to displace career employees who are working full-time assignments. This language reaffirms that excessing may be initiated only when a full-time position can no longer be maintained due to legitimate operational changes. Only where that is demonstrated may management excess a letter carrier and then use a TE to perform part of the excessed carrier's work.

- **Priority arbitration scheduling.** Disputes over this matter will be given a high priority in regional arbitration scheduling; only removal cases will have a higher priority.



# Appendices

The six September, 1992 Memorandums are reprinted as separate appendices below. Appendices A—F are ordered to correspond with Chapters 1—6, as follows.

Appendix A	Chapter 1 - Case Configuration—Letter Size Mail
Appendix B	Chapter 2 - Hempstead Resolution—The Past
Appendix C	Chapter 3 - The Future—Unilateral Process
Appendix D	Chapter 4 - The Future—X-Route Process
Appendix E	Chapter 5 - Delivery Point Sequencing Work Methods
Appendix F	Chapter 6 - Transitional Employees

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS,  
AFL-CIO

For the purpose of conducting mail counts and route inspections on traditional casing equipment, letter size is defined as mail that can be cased into the letter separations of a standard six-shelf case without folding or bending (approximately six inches in height). Letter size does not include newspapers, rolls, small parcels, flats, magazines, or catalogs under two pounds, even though these items may be cased into the letter separations of a standard case without folding or bending.

When mail counts and route inspections are conducted in a unit where letter mail is cased into four- and/or five-shelf case configurations that have been established as a result of any joint agreement, the existing definition of letter-sized mail will not change; the 18 and 8 standard remains applicable. Under these conditions, local management will meet with the local union prior to the dry run training to determine an efficient means to verify mail of questionable size during the week of count and inspection, e.g., a measuring strip on each case or use of a template as a reference point.

The acceptance by the parties of this approach to letter size definition and case configuration is without prejudice to the parties' rights under Article 34 of the National Agreement, and shall not be cited by either party in the grievance or arbitration procedure or any other forum which does not pertain to the implementation of this agreement.

Sherry A. Cagnoli  
Sherry A. Cagnoli  
Assistant Postmaster General  
Labor Relations Department

Date: 9/14/92

Vincent R. Sombrotto  
Vincent R. Sombrotto  
President  
National Association of  
Letter Carriers, AFL-CIO

Date: 9/17/92

MEMORANDUM FOR POSTMASTERS, CITY DELIVERY OFFICES  
LOCAL PRESIDENTS, NATIONAL ASSOCIATION OF  
LETTER CARRIERS, AFL-CIO

SUBJECT: Joint Agreements

The NALC and USPS recognize that our continued existence as a viable organization is heavily dependent upon our ability to meet our customers' needs while empowering employees to levels not previously envisioned.

As many of you are aware, we have strived at the National level to obtain an agreement on the implementation of automation of letter mail on carrier routes. We agreed then, and we agree now, on three basic principles:

- Provide the best service to postal customers (mailers and recipients).
- Minimize impact on letter carrier craft employees.
- Create an opportunity for increased efficiency.

Our mutual hope is that the following agreements will provide a basis for trust and cooperativeness, and that they will form a basis on which to satisfy our customers' needs. While each agreement may not accomplish all that each party may desire, collectively they will form the basis for a positive working relationship of mutual trust and respect, and the foundation for continued empowerment of all employees.

-2-

Case Configuration/Letter-Sized Mail

This agreement provides for a standard definition of letter-sized mail and provides guidelines for conducting route inspections when letter mail is cased into four- and five-shelf case configurations that have been established as a result of a joint agreement.

Transitional Employees--Issue Resolutions

Provides information on the transitional employee and highlights areas of apparent disparity of interpretation where mutual understanding has now been reached. Further, this agreement provides that a joint booklet on the transitional employee will follow.

X-Route Alternative

An optional alternative joint process is provided for preparing installations for the future automated letter mail environment. This agreement has many unique features and should be reviewed in detail before deciding its applicability.

Delivery Point Barcoding Work Methods

This agreement recognizes the substantial contributions that city letter carriers can make in the development of new work methods. It provides a five-step process that ensures a review of alternative methods and continued upgrading of work methods as the process evolves.

Route Adjustments--The Future

The parties have fashioned an agreement that provides clear guidance on procedures to be followed when preparing future route adjustments for letter mail automation in delivery units not selecting the X-route alternative.

Hempstead Resolution--The Past

We are remanding all pending grievances on route adjustments to the local parties for resolution. The parties will be guided by the principles of the above-cited agreements and must take into consideration the following factors.

-3-

- Was there a current event; that is, were the routes out of adjustment?
- How far in advance was the future event that was used to adjust the route? The parties have made no determination as to the appropriate time period.
- What was the projected timing of the upcoming event?
- What was the basis for determining the effect of the future event?
- How certain is that future event?

As you review each case, you will find that either:

- Management preplanned properly and the current structure is within the purview of this agreement; therefore, the current structure is valid;
- or
- Management preplanned inappropriately or time frames have changed, negating the validity of the adjustment.

It is your obligation to make these joint determinations and to decide what remedy to apply and how to fix the problem if one is discovered. The parties should consider the impact of any decision on our employees who serve our customers and the impact on the customers which they serve. If the parties cannot resolve these cases, they may be appealed to regional arbitration.

*Sherry A. Cagnoli*  
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 Sherry A. Cagnoli  
 Assistant Postmaster General  
 Labor Relations Department  
 U. S. Postal Service

*Vincent R. Sombrotto*  
 \_\_\_\_\_  
 Vincent R. Sombrotto  
 President  
 National Association of Letter  
 Carriers, AFL-CIO

9/17/92

#### Attachments

cc: National Business Agents,  
 National Association Letter Carriers, AFL-CIO  
 Mr. Caraveo  
 Mr. Green  
 Area Office Managers  
 District Managers  
 Field Division General Managers/Postmasters  
 MSC Managers

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS  
AFL-CIO

RESOLUTION OF ISSUES LEFT OPEN BY  
MITTENTHAL AWARD OF JULY 10, 1992

Current Events and Adjustments

A current event is defined as a route or routes which are shown to be out of adjustment by a recent route inspection and evaluation. All current adjustments to existing routes will place the route on as near an 8-hour daily basis as possible, in accordance with Handbook M-39.

Adjustments Near Term--Automation

When routes require a current adjustment and Delivery Point Sequencing will commence within 6 months, management will adjust the routes using non-territorial, non-scheme change adjustments by the use of router assistance, segmentation or permanent handoffs as outlined in the M-39 Handbook Section 243.21b. The 6-month period runs from the first day after the week of route inspection.

Future Events and Adjustments--Automation

Management may utilize the results of a recent route inspection and evaluation to estimate and plan route adjustments, including realignment of assignments, that will be required by a future event which is to take place within 18 months. Management must provide documentation to the local union to support the deployment if they intend to plan the adjustments for a future event. The planned adjustments for future events will not be implemented until automation is on line and operative. Management may implement the planned adjustments if the actual percentage of Delivery Point Sequence (DPS) mail received at the unit is within plus or minus 5 percentage points of the targeted (in Step 1) level. Should the actual percentage of DPS mail be outside these limits, then management must recalculate the estimated impact on carrier routes, based on the actual percentage of DPS mail being received at the unit. The results of the recent route inspection and evaluation will be used to determine a new impact and construct a new plan or management



-2-

may wait for the plan levels to be received. The 18-month period runs from the first day after the week of route inspection. For purposes of this agreement, a future event is defined as mail being received at a delivery unit in DPS order.

Within 60 days of implementing the planned adjustments for future automated events, the parties will revisit those adjustments to ensure that routes are as near to 8 hours daily, as possible. Both the planned adjustments and subsequent minor adjustments that may be necessary to ensure compliance will be based on the most recent route inspection data for the route. However, if the future event occurs after the 18-month time limit expires, a new mail count, route inspection and evaluation must occur, unless the local parties agree otherwise.

#### Methodology

Where the future event is the introduction of Delivery Point Bar Coding (DPBC) for existing equipment or equipment that will cause a certain percentage of letter mail to be received by the unit in DPS, the following methodology will be used to estimate the impact of the event on city delivery routes:

- Step 1. Determine the percentage of letter-sized mail targeted to be received in DPS order on the date when the adjustments will be implemented.
- Step 2. Multiply percentage determined in Step 1 by the average letter-sized mail received during the week of count and inspection (from PS Form 1840, Column 1) to determine the number of letters for each route, targeted to be received in DPS order.
- Step 3. Divide letters targeted to be received in DPS order (as determined in Step 2) by 18.
- Step 4. Divide letters targeted to be received in DPS order (as determined in Step 2) by 70.
- Step 5. Add results of Steps 3 and 4 to determine estimated impact.
- Step 6. For routes where the carrier was under standard time during the week of count and inspection, multiply results of Step 5 by percentage of standard office time used during the week of inspection. The result is the estimated impact.

-3-

EXAMPLE 1:

80 Percent Target for Letter Mail Carrier at/over\*  
Standard Time Allowance

2,700 Letters  
80 Percent Automated

2,160 divided by 18 = 120 minutes  
2,160 divided by 70 = 31 minutes  
151 minutes = estimated impact

Note: If actual performance is over standard time allowance, the standard casing allowance of 18 pieces per minute is used.

EXAMPLE 2:

80 Percent Target for Letter Mail Carrier used  
85 Percent of Standard Time Allowance

2,700 Letters  
80 Percent Automated

2,160 divided by 18 = 120 minutes  
2,160 divided by 70 = 31 minutes  
151 minutes = estimated impact

(Step 6) 151 x 85 Percent = 128 minutes = estimated impact.

It is mutually agreed that as the parties develop experience in estimating the impact of future events, adjustments to the above described methodology may be jointly adopted at the national level.

Pending Grievances

All pending grievances which involve the adjustment of routes for future events will be remanded to the local parties for resolution.

Sherry A. Cagnoli  
Sherry A. Cagnoli  
Assistant Postmaster General  
Labor Relations Department  
U.S. Postal Service

Date: 9/18/92

Vincent R. Sombrotto  
Vincent R. Sombrotto  
President  
National Association of  
Letter Carriers, AFL-CIO

Date: 9/17/92

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS,  
AFL-CIO

X-Route Alternative

The parties have reached agreement on an alternative Route Adjustment strategy - X-Route. The decision to use the X-Route Concept is made on an installation wide basis, even though inspections and planning for individual units/zones may not occur at the same time. In units with more than one delivery unit/zone the planning process is repeated as each delivery unit/zone is inspected, assignments are evaluated and adjustments are planned.

X-Route Process

The X-Route process is an alternative approach to route adjustment in preparation for automation, particularly delivery point sequencing. An X-Route is, in effect, a letter carrier craft assignment held pending reversion. The workload will be divided among remaining routes when agreed upon percentage(s) of letter mail is being received at a unit/zone in delivery point sequence order. The process allows changes to be planned in advance and permits carriers to know what their assignments are expected to be in the automated environment. The X-Route process and time period are considered completed when the unit/zone has achieved the final targeted level of Delivery Point Sequence letter mail and the X-Route work has been distributed.

Pre-Agreement Phase

If there is interest in attempting to utilize the X-Route alternative, local management will meet with the local union to review the provisions of this agreement. This includes a review of the attached Memorandum of Understanding on case configuration, the Work Methods Memorandum, guidance on the Hempstead case resolution and current base count and inspection data. If current route inspection data is not available, plans should be made to conduct route inspections in accordance with Article 41.3.S of the National Agreement to provide a basis to implement the remainder of this agreement.

-2-

If the parties are considering pursuing this alternative, they must be committed to mutual resolution of the outcome. Management will share the following information with the union:

The expected accounting period(s) and year that increases in bar-coded mail generated by the Automation Programs will impact the delivery unit/zone, such as customer prebarcoding, MLOCR, DBCS, and RBCS.

The projected impact on the delivery unit/zone of automated sort schemes, and the basis for the estimate.

#### Agreement Phase

It must be understood, once the decision to use the X-Route process has been finalized, that decision can only be changed through joint agreement between the local union and management.

Since the planning and adjustment(s) in a delivery unit/zone using the X-Route alternative are a joint endeavor, the parties at the local level must first agree to a joint resolution process, should there be a barrier to full implementation of the parties agreement to use the X-Route alternative.

The parties will then meet to review route examinations for the unit/zone. This exercise is intended to result in agreed upon evaluations.

If the parties fail to reach agreement regarding the use of the X-Route alternative, management may proceed to implement strategies in concert with handbooks and manuals, the Hempstead Resolution, and the National Agreement to accomplish route adjustments. However, the provisions of this agreement are specific to application of the X-Route concept only and are not applicable to any other route adjustment method.

In working out the X-Route adjustment process for the delivery unit/zone, it is recognized and agreed that:

Management must develop the final targeted Delivery Point Sequencing percentage (from a low of 70% to a high of 85%) of delivery point sequencing letter mail for the

-3-

X-Route period. That percentage is then used to estimate the impact on the unit/zone using the projection methodology outlined in the Hempstead resolution. The parties will jointly determine the number and identity of the routes that will be designated as X-Routes using the above estimates of the impact on the delivery unit. While the X-Route concept may not be applicable to all routes within an installation because of limiting circumstances (i.e., geographic considerations), such circumstances will not be a barrier to implementing the concept. This determination as to the non-applicability to certain routes will be made jointly.

The parties must jointly determine what realignment of routes (in-office or street territory) will be necessary to assure that X-Routes are strategically placed to facilitate the transfer of workload as delivery point sequencing evolves. The decision as to when to realign the routes should be based upon the current need for realignment in order to place the routes on as near an eight hour basis as possible based upon the current evaluation from a recent inspection. The parties could decide to defer the proposed realignment of routes until Delivery Point Sequencing was implemented if no significant scheme changes were required to keep routes near eight hours, or they could decide to make the necessary scheme changes for the realignment of routes now if significant scheme changes were going to be needed to adjust routes to eight hours as currently evaluated. In no instance will the parties effect adjustment now based on the future event, except as provided under interim adjustments (below). The regular carrier on any route whose street territory is changed as a result of this adjustment and realignment may elect, on a one-time basis, to vacate his/her route and become an unassigned regular. Such action will not trigger the provisions of Article 41.3.0. All positions vacated in this manner will be posted and filled in accordance with the procedures set forth in Article 41.1.

Where exceptional circumstances require further adjustments, they must be jointly agreed to by the parties. The objective is to provide a smooth transition to the Delivery Point Sequencing environment. Such an outcome requires no change in day-to-day administration of curtailment procedures, auxiliary assistance or overtime.

-4-

The parties agree that adjustment strategies for Delivery Point Sequencing will vary based on individual offices, deployment schedules and types of deliveries. For instance, offices that will be impacted by RBCS destinating keying prior to Delivery Point Barcoding and offices further along in the deployment schedule may be at final targeted barcoding levels when Delivery Point sequencing commences and therefore require only one adjustment.

Some offices may initiate DPBC and Delivery Point Sequencing prior to full barcoding levels and require and interim adjustment strategy. Adjustment strategy decisions will be made jointly based on deployment schedules and current automation.

Once the Postal Service has implemented delivery point sequencing and can demonstrate that the routes in a delivery unit/zone are receiving volumes at the targeted percentage, the local parties will implement the preplanned adjustments. Where an interim adjustment strategy will be necessary as described above due to the gradual increasing of DPBC levels, the local parties will meet and make interim adjustments by removing work from the X-Routes and assigning that work to the regular routes which will remain after full implementation of delivery point sequencing.

After the completion of each interim adjustment, the parties will jointly determine the amount of hours remaining on the X-Routes and will jointly decide how to efficiently combine assignments to provide the maximum number of full-time assignments. If this cannot be accomplished in an efficient manner, the parties may jointly decide to either form auxiliary assignments or split the remaining hours from these assignments to the regular routes that will remain once the final delivery point sequencing adjustments have been made. Where this latter option is agreed upon, it is understood that routes will be built up (not to exceed 8:20). If less than 100% of the routes will be built up, the following priority should be observed if efficiency can be maintained:

- (1) By seniority, routes whose regular carrier are on the Work Assignment List.

-5-

- (2) By seniority, routes whose regular carrier are on the Overtime Desired List.
- (3) By inverse seniority, carriers not on any Overtime Desired List.

Incumbents of, and bidders for, routes that are projected to continue after full implementation of automation will know, in advance, what portions of the X-Route a delivery route will receive after full delivery point sequencing is on-line. X-Routes will be posted for bid when vacant, as long as they remain full-time assignments. When an X-Route becomes vacant and is posted for bid, the bid notice will include the anticipated date of elimination.

When an X-Route is abolished, the full-time carrier assigned to that route will become an unassigned regular. He/she may, within 30 days, review the list of residual vacancies within his/her bidding area and use his/her seniority to exercise a preference for that assignment. This may be accomplished by a bid posting limited to unassigned full-time carriers displaced by abolishment of X-Routes or by other means agreed to locally between the parties. (The provisions of Article 41.3.O., where they have been incorporated in the local memorandum, will not be triggered by this process.)

The use of transitional employees in a unit where route adjustments are achieved under the X-Route concept will be in accordance with the relevant National Interest Arbitration Award and any subsequent agreement(s) between the United States Postal Service and the National Association of Letter Carriers, AFL-CIO.

*Sherry A. Cagnoli* 9/14/92  
 Sherry A. Cagnoli  
 Assistant Postmaster General  
 Labor Relations Department  
 U. S. Postal Service

*Vincent R. Sombrotto*  
 Vincent R. Sombrotto  
 President  
 National Association of Letter  
 Carriers, AFL-CIO

9/17/92

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS,  
AFL-CIO

The U.S. Postal Service and the National Association of Letter Carriers, AFL-CIO, recognize the importance of the work methods that will be used in a delivery point sequence environment. The parties also realize the substantial contribution that letter carriers can make in the development of these work methods. Towards facilitating that involvement, the following principles have been agreed to by the parties at the national level:

1. The following are the approved work methods:
  - o Case residual letters in the same separations with vertically cased flat mail, pull down and carry as one bundle.
  - o Case residual letter mail separately into delivery sequence order, pull down and carry as a composite (third) bundle.
2. As implementation of the delivery point bar coding impacts a delivery unit, local parties will select the most efficient work method possible from the delivery point sequence work methods authorized in number 1 above. If the local parties cannot agree on the most efficient work method, the issue will be presented to the parties at the Headquarters level to determine the most efficient work method.
3. Local parties will also be encouraged to develop efficient new work methods and to share their ideas with the parties at the national level for joint review and evaluation. The purpose of this joint review and evaluation will be to determine the efficiency of the local method. After the review and evaluation of the new work method and if the method proves to be efficient, it will be added to Item 1 above.
4. The parties agree that the work method in place at the delivery unit will be utilized in the day-to-day management of letter carrier routes and in the procedures for inspection, evaluation and adjustment of routes.



-2-

5. The parties at the national level will continually review alternative methods in an effort to improve efficiency. Both parties agree that the process of continual joint review of new and more efficient work methods will result in the continued upgrading at the local delivery unit of the most efficient work method.

Sherry A. Cagno  
Sherry A. Cagno  
Assistant Postmaster General  
Labor Relations Department  
U. S. Postal Service

Date: 9/14/92

Vincent R. Sombrotto  
Vincent R. Sombrotto  
President  
National Association of  
Letter Carriers, AFL-CIO

Date: 9/17/92

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
NATIONAL ASSOCIATION OF LETTER CARRIERS,  
AFL-CIO

It appears that, due to some differences in interpretation, there has been some lack of agreement between the parties locally on application of the January 16, 1992, Mittenhal Award on transitional employees (TE) in the Letter Carrier Craft. NALC and USPS have been meeting at the national level to resolve those differences and, with the exception of the PTF conversion issue that is presently awaiting national arbitration, we have reached accord regarding TE hire and utilization.

We anticipate that a joint TE booklet will be made available for reference in the next several weeks. In the meantime, the following information will serve to highlight areas of apparent disparity in interpretation where mutual understanding has now been reached.

Completion of the DSSA will be accomplished in accordance with existing instructions. It is in our joint interest to establish a credible baseline from which realistic projections can be made. Thus, every effort will be made to avoid any inflation of baseline hours or the baseline/projection difference. In that regard, the parties agree that line 27 of the DSSA represents the average weekly difference between the authorized hours (shown on line 26) and the actual weekly hours being used by the unit, expressed as a percentage of authorized hours (line 26).

DSSA--Union Review--Management will make available to the local union all relevant information on which calculations are based. Union representatives will be allowed reasonable time to review management calculations on DSSAs. Our intent is to resolve DSSA and TE issues via information sharing and discussion rather than conflict and confrontation.

TE Hire versus Baseline DSSA--For purposes of implementing Parts 1c (1)-(4) of the Award, TEs may be hired only after a unit's baseline and projection DSSAs have been completed and the difference between the two has established a ceiling for TE hours. If, at that point, existing staffing is insufficient to meet the weekly requirements demonstrated by the baseline DSSA, TEs may be employed without current attrition as a prerequisite. However, those TE hours will be offset against the established ceiling of hours. The parties agree that TEs may be used to cover only those residual vacancies withheld pursuant to Article 12 since September 3, 1991.

-2-

TE Hire versus Projected Attrition--Where it is anticipated that attrition will satisfy the projected difference in staffing for automation, TEs will be employed to backfill for attrition only after the unit or installation has entered the transition period (defined as that length of time needed for attrition to fulfill staffing reduction requirements). In such circumstances, attrition prior to the transition period will be fulfilled by career employees, with the exception of residual vacancies withheld for excessing (another craft or installation).

TE Use to Cover Opting--Whether TEs are hired as soon as vacancies occur or after opting takes place, it is agreed that there will be no pyramiding of any defined TE hire opportunity.

Held Pending Reversion--These positions must be posted. However, the residual vacancy that results from such posting will then be considered the held-pending-reversion vacancy. This vacancy will then be made available for opting as outlined in the award. When the original held-pending-reversion position is actually reverted, the carrier assigned to that position becomes an unassigned regular and is eligible to bid for any vacant duty assignment within his bid area.

Workhour Guarantees--While we recognize that TE scheduling is subject to a four-hour guarantee, local management has the responsibility to afford the PTF priority in scheduling workhours in accordance with the Mittenthal interest arbitration award.

#### TE Hire versus Excessing

A full-time letter carrier may not be excessed and the resulting vacancy filled by a TE, except where management can demonstrate that, as a result of legitimate operational changes, there is insufficient work to continue to support a full-time position. For example, management may not abolish a full-time router position and excess the full-time letter carrier and hire or assign one or more TEs to perform the work of the abolished position, unless management can demonstrate that the work cannot be performed on a full-time basis in compliance with the requirements of the National Agreement.

Disputes concerning the above, if unresolved in the grievance procedure, shall be placed at the head of the regional (other than removal) arbitration docket.

-3-

The foregoing matters have been agreed to and will be elaborated on in the joint booklet. However, the intent of this memorandum is to clarify some areas of potential disagreement, to avoid grievances and to jointly provide an expeditious way to achieve the service improvements and savings that the TE award makes possible.

Sherry J. Cappoli  
Sherry J. Cappoli  
Assistant Postmaster General  
Labor Relations Department

Date: 9/18/92

Vincent R. Sombrotto  
Vincent R. Sombrotto  
President  
National Association of  
Letter Carriers, AFL-CIO

Date: 9/17/92