

Postal Transformation and Route Consolidations Automation (Part 7)

By John Amtsfeld, January 19, 2008

When I began my series on the Postal Transformation and Significant route consolidations planned for the next 3-7 years; I anticipated the need to offer clear and convincing proof of USPS intentions to transform their business and delivery models. I had planned therefore, to utilize parts 7-9 to continue to make the case of exposing what USPS has been planning generally for twenty five years and specifically for at least ten years.

The importance of the disclosure of what USPS is doing is that the Unions have not seemed to grasp the full scope of USPS transformation plans and therefore, the unions end up responding and reacting to each incremental step USPS takes. It is an effort that is doomed to failure and it means the unions and craft employees are constantly diverted from the true objectives dealing with the unimportant and temporary minutia of the moment. It means we are watching some of the trees while the entire forest is being rearranged. One day we will wake up and the forest will be a parking lot and it will have happened so gradually, we'll all forget about the trees (there will still be trees here and there, for some of the union dinosaurs to point to with pride and contend that they saved "our legacy, our tradition and our heritage").

If I had followed my original format for this series, this part would have extracted the clear message from the 2007 transform plan annual report and the 2007 comprehensive statement on operations which contain compelling corroboration for the transformation plans impact that I have reported in previous issues of this newsletter beginning on December 15, 2007. I would also have included statements and disseminations from an Area Vice-president relative to total access marketing with a heavy reliance on web based marketing initiatives as well as APCs (automated postal centers) as an alternative to USPS traditional method of doing business through clerk manned counter service at local post offices.

In selected new stories reported in this newsletter, I have highlighted stories or portions of stories that corroborate the new business model in red. There seems to be little need to continue to make the case that USPS is in the middle of a revolutionary change in their business model and it is being implemented to appear to be evolutionary. It is far from evolutionary. It is a deliberate plan to slash costs for the largest segment of the USPS budget; dollars spent on wages, salaries and benefits for employees by drastically reducing the number of employees.

APWU President William Burrus has taken a lead position on meeting the threat of employee complement reduction based on the fact that USPS has initially targeted clerk complements for significant reductions and he seems to understand what USPS objectives are. He argues effectively that the figures of 79% of USPS budget being for wages,

salaries and benefits for employees is illusory and misleading because those figures include management personnel, district, area and headquarters personnel and staffing. Mr. Burrus has obviously noted the increases in headquarters and area staffing while almost every other category of employee classification is decreasing (except mail handlers and rural carriers).

What is being missed is that USPS is committed to consolidating operations. We read of plant consolidations and consolidations of processing facilities. We read of the closing of small post offices and consolidations with larger offices. We read of consolidations of branch offices. All of these consolidations have several objectives:

- They eliminate duplicated services and duplicated employee classifications.
- They consolidate work methods and work schedules so that more work can be done with less personnel and waste and duplication is eliminated.
- They eliminate duplicated facilities, maintenance and overhead.
- They also eliminate duplicate employees such as clerks, window clerks, and managers.

For all of the critical impact that is falling on craft employees and will continue to impact craft employees; the most impacted employees currently are clerks. After clerks, the most impacted group of employees are supervisors and postmasters. Note the clear trends in the employee complement reports over the last ten years. Just from 2006 to 2007, 566 (2% of total management positions) supervisor/manager positions disappeared . In the same time period; 1042 post offices disappeared, 14 branches, 1085 stations, 46 carrier annexes and 42 community post offices. From 2006 to 2007 Contract postal Units were the only category of facility that increased adding 117 units.

I have also seen the programming that USPS uses to assess clerk hour schedules for retail services. This program Called WOS (Window Operations Survey) is an ongoing statistical IT system that assigns time values for each transaction and/or keystroke clerks use to complete retail transactions. Based on an arbitrary time value (example: Domestic signature confirmation= .62 minutes). The ongoing results of the WOS will be used to project window clerk staffing throughout the work day and will not anticipate random factors that skew customer window traffic. Many small to mid-sized post offices will be forced to rely on postmasters to man retail windows for extended periods of time.

Pilot sites have already started using scanners and time clocks to record work times for rural carriers. The days of being largely free of constant supervision are coming to an end as rural carriers will scan leaving times, return times and likely several scans throughout the route where mailboxes will have to be scanned. For rural carriers using LLVs, in the very near future will be GPS devices that will enable management to track the locations of rural vehicles throughout the day. This will require carriers to maintain schedules and order of delivery and will be able to track route deviations.

The days of carriers and managers conspiring to falsify time records will also come to a

close as strict time card clock rings will force compliance with FLSA. Supervisors who overlook clock rings or allow rural carriers to work off the clock will be subject to serious penalties including removal.

Reduced clerk staffing will further pinch early arriving rural carriers as reduced clerk staffing will prolong the availability of mail to be worked prior to start times and closer monitoring of accurate carrier work times will pressure management to eliminate or minimize time where carriers have no mail to work. The net effect for USPS will be to maximize productivity with reduced clerk hours and accurate but reduced carrier work times.

As these incremental automation baby steps are implemented, the affects will be initially painful and extremely contentious. But, as USPS further implements additional automation increments, the new methodology will become more comfortable and more accepted until carriers and managers prefer the increased automation.

The next steps in the USPS business transformation plan where the retail and marketing business is totally revamped are already well underway with an emphasis placed on getting customers to do a lot of the preparation work for mailing using “click and ship” and other computer services and then just handing a completely prepared package or mailing to a carrier or a retail outlet. The strategic emphasis on establishing Automated Postal Centers that do not require employees in order to transact postal business is a brilliant stroke to bridge the gap of outdated facilities located in now inconvenient places (such as the town centers of old towns and cities that are being abandoned or gentrified) to locations where there is a lot more customer traffic, where the facilities do not need to be elaborate or multi-purpose and where costs are minimized because maintenance and overhead are minimal.

Once USPS has solved the problem of severing retail and marketing from delivery and mail processing, the real transformation can begin. Modeling after UPS and FED-Ex models, USPS can consolidate delivery functions into centralized delivery hubs with a large number of delivery routes emanating from central points. This will enable USPS to maximize consolidation of routes and in combination with a fully automated processing or as nearly fully automated processing as possible, reduce carrier office times to a small fraction of what they are now. That kind of automation along with next generation loading and automated delivery preparation will allow delivery employees to spend most of their work day actually delivering mail.

Once you have consolidated routes and consolidated offices; USPS has eliminated staffing, overhead, management, facilities costs in a majority of local offices. That means in addition to the obvious route consolidations; large numbers of post offices with clerks, with janitors, with maintenance personnel and managers will be supernumerary or unnecessary duplications that can be eliminated.

USPS maintains their business imprint with the automated postal centers and Postal Service and merchandise centers; but their separated delivery and processing functions are removed and consolidated.

The kicker in all of this in the advanced stages of automation is to move processing functions into the delivery hubs to maximize the potential of automation where it will be possible to commingle letters, flats and parcels of standardized sizes into delivery order in one bundle.

Which brings me to the issue of standardization> This will be a very contentious issue in the future as USPS moves to completely standardizes everything from equipment, to procedures, to schedules to office design, to information technology gathering, analyzing and responding to trends. Information technology is going to be the key to making automation work, and it is going to have to be available in real time so that it can be acted on.

Information technology is going to lead to a tyranny of management; wherein headquarters and are personnel will be making the decisions and the instructions will be funneled through systems management programs so that specific instructions arrive in every local office or delivery hub including anomalies that trigger red flags for further investigation or that require attention. The postmaster position will be relegated to the role of sergeants in the army. There will be no flexibility for local managers and no wiggle room. People who never carried mail, never worked in a local office, never talked to a postal customer will be making the policy decisions.

They will operate under protocols such as SIX Sigma architecture which is a statistics based business model using volumes and volumes of technical surveys, financial data, and anything that can be measured to determine business success or to identify problem areas. Six Sigma is the business model used by General Electric, Westinghouse and other successful businesses that is a very cold and very dollar oriented approach to business practice.

The obvious pain coming for clerks and managers will eventually pass on to city carriers beginning in late 2008 and early 2009. In 2009, it will be the turn of rural carriers to face route consolidations (there are still a lot of issues that have to worked out before rural carriers will face wholesale route consolidations particularly route vehicles, but some of those issues are already targeted for resolution).

One final note that from 2006 to 2007 while city routes decreased by 2, 268 routes; postal delivery points have averaged an increase of about 1.8 million new deliveries per year. So USPS is increasing number of deliveries at the same time as they are decreasing the number of routes. During the same period 2006-2007 rural routes increased by 1240 routes. 9,785 clerk positions were lost from 2006 to 2007.

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