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MAY 23 2013  
OAKLAND LOCAL APWU

## American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

May 15, 2013

Re: USPS Consideration of Subcontracting 162 PVS Sites Nationwide

Michael O. Foster  
Director

Javier Pineres  
Assistant Director

Motor Vehicle  
Service Division  
202-842-4740 (Office)  
202-842-8517 (Fax)

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Coordinator, Western Region

Dear President and MVS Director,

Enclosed please find a letter we received from the USPS notifying the American Postal Workers Union that they are considering subcontracting 162 Postal Vehicle Service (PVS) sites nationwide.

Article 32.1.B requires advanced notice to National when subcontracting will have a significant impact on the bargaining unit. Further, the USPS is obligated to meet with APWU and must consider our views on the costs, factors and proposals to minimize the impact of subcontracting. If in a fair cost comparison, the APWU shows a contract or a segment of a route would cost less to have the work performed by MVS employees, such work will be assigned to MVS employees.

On May 13, 2013, President Guffey responded to the USPS, addressing a multitude of PVS subcontracting issues (inclusive of the recent California Goldberg award) and requesting an expedited meeting of both parties. This correspondence is also enclosed for your reference.

Additionally, the APWU has taken steps to counter the Postal Service's decision to subcontract PVS operations in the country by hiring SJ Consulting Group, Inc. Through their expertise, the APWU intends to show that PVS can, in fact, be cheaper than HCRs. Especially now in light of the Goldberg award and the new language found in the 2010-2015 Collective Bargaining Agreement with reference to Article 32.

Moreover, MVS Division National Officers, alongside SJ Consulting, have conducted work-studies in two separate sites: Louisville, KY and Tacoma, WA. Our goal was to gather sufficient data to present the USPS with a proposal demonstrating the savings they can achieve by using PVS instead of HCRs. We believe we have attained this goal. Article 32.1.B requires no final decision to be made until the matter is discussed with the APWU, and we intend on proving MVS employees can perform the same work in a more cost effective manner.

We will keep you updated accordingly. The Fight Continues.

Yours in Union Solidarity,

Javier Pineres  
Assistant Director  
Motor Vehicle Service Division

Michael O. Foster  
Director  
Motor Vehicle Service Division

Enclosures

LABOR RELATIONS



April 26, 2013

Mr. Cliff Guffey  
President  
American Postal Workers Union  
(APWU), AFL-CIO  
1300 L Street, N.W.  
Washington DC 20005-4304

Certified Mail Tracking Number:  
7012 2920 0002 1174 9005

Dear Cliff:

Pursuant to Article 32.1.B and the Memorandum of Understanding (MOU) "Re: Consideration of National Outsourcing Initiatives," notice is hereby given that the Postal Service is considering subcontracting the highway movement of mail in approximately 162 Postal Vehicle Services (PVS) sites nationwide.

Significant impact to the bargaining unit of employees working in the Motor Vehicle Craft is anticipated.

Pursuant to the above-referenced MOU, the Union will be afforded opportunities for briefings, meetings and information sharing as the concept is developed, costing models prepared, and a Comparative Analysis document drafted.

If you have any questions or concerns, please contact Todd C. Coffey at extension 6004.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick M. Devine".

Patrick M. Devine  
Manager  
Contract Administration (APWU)



## American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

May 13, 2013

Cliff "C.J." Guffey  
President  
(202) 842-4246

### By FAX and First Class Mail

Douglas A. Tulino  
Vice President, Labor Relations  
United States Postal Service  
475 L'Enfant Plaza, SW  
Washington, DC 20260-4100

Re: Consideration of Subcontracting the Highway Movement of  
Mail in Approximately 162 PVS Sites Nationwide

Dear Mr. Tulino:

I am writing in response to an April 26, 2013, letter from Patrick Devine notifying the APWU that the Postal Service is considering subcontracting the highway movement of mail in approximately 162 Postal Vehicle Services (PVS) sites nationwide. Under the National Outsourcing Initiatives MOU, the APWU is to be "afforded opportunities for briefings, meetings and information sharing as the concept is developed, costing models prepared, and a Comparative Analysis document [is] drafted." Please contact me, or have your representative contact Mike Foster, so the parties can initiate that process without delay.

Although we look forward to meeting with postal managers and to working constructively with management to analyze motor vehicle transportation issues, we consider a nationwide outsourcing initiative for PVS to be inconsistent with the 2010 National Agreement and our Memorandum of Understanding (MOU) on Motor Vehicle Craft Jobs. Under the MOU, the Postal Service is to designate 600 PVS routes to be assigned to the Motor Vehicle Craft. In addition, the MOU commits the parties to review approximately 8,000 other existing Transportation Highway Contract Routes (HCR's) to consider converting them to PVS routes. In addition, it will be necessary to resolve the issues that are still pending before Arbitrator Goldberg in Case No. Q10V-4Q-C 12324573.

We also observe that the MOU on Contracting or Insourcing of Contracted Service requires a fair comparison of all reasonable costs. The APWU fully expects to be involved in the determination of what "a fair comparison of all reasonable costs" entails.

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Coordinator, Western Region



Letter to Mr. Tulino

May 13, 2013

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To begin this process, we request a briefing, and also any available written information, in response to the following requests and inquiries:

1. Please list the offices under consideration. We understand that the number is "approximate."
2. Please list all PVS and HCR facilities that are not on the list of PVS sites being considered for subcontracting.
3. Has the Postal Service done, or is it in the process of doing, a site by site cost comparison?
4. Please provide copies and the underlying data for any cost comparison that has been done.
5. Is the Postal Service using Form 5505 for cost comparisons or is an excel spreadsheet or a similar analysis being done?
6. Who among postal managers or staff has been assigned to work on this project?
7. Can current and accurate data be obtained from the SEAM program?
  - A. If yes, when did this data become available?
  - B. If no, what is being done, or what can be done to obtain accurate data on trucking costs and other significant costs?

We will appreciate your prompt response to these inquiries and to our request for a briefing.

Sincerely,



Cliff Guffey  
President

cc: Mike Morris  
Michael O. Foster  
Javier Pineros