

Cross Examination of Postal Service's "five day" proposal;

I.

On October 10, 2002 a postal employee was nearly electrocuted while working on the bulk belt system at the Oakland Processing and Distribution Center in Oakland California. The equipment that the employee was working on was suppose to have been removed from the facility after the Loma Prieta earthquake in 1989.

Before the accident, an E.E.O. complaint and a Safety Hazard Report had been file regarding the issue of lower level employees being required to work on the equipment. The employees were assigned the task of restarting the belts along with other duties. To restart the belts it was necessary to open the panel box and manually activate the on off switch with a screwdriver. This was necessary because maintenance on the equipment had been suspended since the earthquake and most of the handles that were meant to start the equipment that were on the outside of the box were broken. By starting the equipment this way there was a danger of contacting the 480 volt live circuit. The belts could not be shut down.

After the accident a grievance was filed. In the response to the grievance the maintenance manager stated that the equipment had been maintained properly and that the employee had been trained how to work on the equipment. This was a lie! This man was at the end of his career and was being forced to work on this equipment under threat of termination. The training that was needed to work on the equipment was denied to him at the beginning of his career. The equipment was being used to store the mail. Management was submitting fraudulent data showing that the equipment was functioning properly when in reality the mail would sit in the system sometimes for weeks at a time without moving. This mail was magazines, circulars and periodicals. This mail is not monitored for delivery. Fraudulent data had been submitted since the equipment was shut down in 1989.

The manager went on to state in the grievance response that separate records were kept for the employees who were assigned to work on the equipment. All of the employees who were assigned to work on the equipment were at the end of their carriers. The employee's supervisor attempted to get the employee not to file a accident report by threatening to take action on past accidents that the employee had..

In 2004 it was reported to the Homeland Security Committee that 28% of the mail that was processed by independent mail processors was not being delivered by the post office. This is the same mail that was being stored in Oakland. In 2006 Postmaster Potter came to Oakland to make sure that the building was ready to accept a shipment of new mail processing machines. The last overhead conveyors were removed.

In 2007 there was a fire in the office tower in Oakland. This fire happened to be in the maintenance records office. The same year 102 new mail processing machines were put into operation. Each machine processes 16,000 pieces of mail per hour. That translates into \$800,000 per hour that each machine generates in revenue. These machines are leased to independent mail processors. The lease arrangement that the post office has with the equipment manufacturer is tax exempt and the post office passes this same deal on to the independent companies. These companies are also given discounts for mail processing.

The majority of the mail is constant. It is generated by government, educational institutions, hospitals and other civic and social organizations. The mail that the post office is concerned about is the mail that is processed by the new mail processing machines. These machines are designed to handle periodicals, magazines and circulars. All mail is paid for in advance.

Once you are on a mailing list you are on it for life. I still get mail that is addressed to my mother. My mother died in 1994. Magazines, circulars and periodicals are classified as advertising mail. This mail is a tax writeoff. Most of the companies that produce this type of mail also operate the equipment that is used to process it. These companies also store the mail the same way that the post office was doing with the equipment in Oakland . This mail is not monitored for delivery and can be stored indefinitely. 2.

The cost of postage for the general public continues to increase as independent mail processors are given bigger and bigger discounts. Mr. Potter wishes to cut Saturday delivery and eliminate the full time clerks and carriers. He says that this will save the post office millions of dollars and keep the post office from going broke.

Let's examine Mr. Potter's position. The post office is a monopoly that does not pay taxes. The post office processes 47% of the mail that is processed on the planet. Government, education, medical, legal mail, mail from social and civic organizations is constant. Households that communicate with these organizations increase by 1.5 million each year and they don't have computers. Even if they did they couldn't use them because the internet is still not complete. Since 2000 immigration has increased and third world countries are emerging relentlessly...with or without computers.

The cost of processing the mail has gone down from \$55 to \$5 for every 1,000 pieces of mail that is processed. Each machine processes 16,000 pieces of mail per hour. \$50 profit is made on each 1,000 pieces of mail that is processed. $16,000 \times \$50 = \$800,000$ profit per hour per machine. 102 machines were put into service in 2007. $\$800,000 \times 102 = \$81,600,000$ per hour for these machines. This revenue does not include the revenue from the leases on the equipment to the post office's primary customers, the independent mail processors. Revenue comes from these leases even if the equipment is not in use.

Mr. Potter would like for the mail processing operations to be done by the independent companies. These companies would also store the mail and truck it. Mr. Potter and the other postal officials would be in line for big kickbacks as they would be the initiator of the contracts. Mail processing is being hijacked by upper management. Postal revenue is generated at the rate of \$1.5 million to \$2 million per hour. The machines should have replaced the managers. In Florida during the 1980's the managers were told to stay at home for a month and let the clerks and carriers work with the machines. The distribution center didn't miss a beat. They even turned out the lights during the day to save energy while the carriers were out.

Postal managers should be put on performance contracts. The clerks and carriers should be the full time employees with benefits. They should be considered the front line of "Homeland Security". People could not be hired to keep an eye on the neighborhood as well as a full time clerk or carrier.

The performance contracts that the managers and postal officials should be put on should be performance based on service not profit. If the concept of making a profit is to be considered then first in line for a share of that profit should be the public. The public has allowed the post office the luxury of being a monopoly that does not pay taxes. The elderly and the disabled should get free postage.

All of the mail should be delivered all of the time on time. How can it be determined how many employees and managers are needed when the mail volume figures are false?

The senior employees who were exploited in Oakland and across the country should be compensated retroactively. The transition to automation would not have occurred were it not for the abuse that the post office was able to impose on these people.

The destruction of the Labor Relations Departments, the implementation of the Hatch Act 3. Amendments,(which kept postal employees isolated from Congressional protection) and most importantly, the ability of the post office, with the help of the media, to convince the public that they are losing money has allowed the post office to engage in what can clearly be termed racketeering.

The equipment manufacturer supplies the equipment to the post office on a tax free lease. The post office leases the equipment to the independent mail processor on a tax free lease. Much of the mail that the independent mail processor generates is a tax writeoff. These companies are given discounts for mail processing. 28% or more of the mail that these companies process is not delivered. All mail is pre paid mail. 28% of \$81,600,000 is not accounted for and is tax free money which does not include the sale of stamps. This is made every hour.

After a review of Mr. Potter's position it would be very difficult for him to keep his job if he had to report to a board of directors and he told them that the company would lose money into the foreseeable future.

Mr. Potter should be presented with three options. He should resign. He should be put on a three year contract based on performance, to be reviewed every three years. Or, his employment should be terminated. Being one of the "best and the brightest" he shouldn't have a hard time finding another job.

Sincerely,

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