BEFORE THE

POSTAL REGULATORY COMMISSION

SIX-DAY TO FIVE-DAY STREET DELIVERY AND RELATED SERVICE CHANGES, 2010	Docket No. N2010-1

NALC-LR-N2010-1/8:

Memorandum of Understanding Between USPS and NALC re Interim Alternate Route Adjustment Process, M-01695 (Oct. 22, 2008)

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

Re: **Interim Alternate Route Adjustment Process**

In accordance with the Memorandum of Understanding Re: Alternate Route Evaluation Process, the parties agree to the following:

The National Association of Letter Carriers, AFL-CIO (NALC) and United States Postal Service (USPS) recognize the importance of maintaining routes in proper adjustment throughout the year. The parties agree that in a stable and consistent mail volume environment, a historical review of data over a longer period would be preferred and the parties will continue to pursue a permanent process which encompasses the regular carrier's office and street time.

The parties further agree that certain conditions may require that the review period be of a shorter and more recent duration for the evaluation to be representative of the current mail volume environment.

The current environment has resulted in a significant and continued decline in mail volume over recent months. Therefore, the parties agree to the following Interim Alternate Route Adjustment Process with the understanding that routes evaluated under this process will be reevaluated and adjusted utilizing the Interim Alternate Route Adjustment Process in the event that the total average daily cased mail volume on a route for May and September 2009 increases by 13% or more compared to May and September 2008 combined.

If mail volume continues to decline during the life of the current National Agreement, the parties agree to evaluate and adjust city delivery routes through a new jointly developed expedited evaluation and adjustment process, unless the parties mutually agree to use the Interim Alternate Route Adjustment Process outlined in this Memorandum of Understanding. Additionally, if annual mail volume increases during the remaining term of the National Agreement, city delivery routes will be evaluated and adjusted in accordance with the expedited process agreed to pursuant to this paragraph.

Interim Alternate Route Adjustment Process

1. The parties will appoint a joint NALC/USPS route evaluation team in each District who will be detailed to implement the methodology outlined below (with the NALC team member compensated on a no loss, no gain basis). The evaluation team will be responsible for data analysis, route evaluation and oversight of jointly conducted carrier consultations and adjustments. The NALC representative on the evaluation team will be appointed by the National NALC President while the USPS representative will be selected by the District Manager.

2. The parties agree that the months of May and September 2008 will be used for the review period, unless the evaluation team mutually agrees to select a different review period.

3. Adjustment packages may be implemented before November 15, 2008, if completed. Adjustment packages not implemented before November 15 must be finalized no later than January 16, 2009, and implemented beginning January 5, 2009.

The Interim Alternate Route Adjustment Process will be used to evaluate all routes in delivery units selected that have not been adjusted pursuant to a joint local alternative adjustment method on or after April 1, 2008. Any routes evaluated and adjusted under a joint local alternative adjustment method on or after April 1, 2008 will be reviewed by the district evaluation team after completion of Interim Alternate Route Adjustment Process to ensure that the routes are properly adjusted.

Data Analysis

Data Integrity

Data integrity issues will be addressed prior to any analysis and adjustments. Such issues include, but are not limited to, amended clock rings, work hour transfers, and designation of work hour codes. Unresolved disputes over data integrity will be forwarded to the District evaluation team.

Volume for the Selected Period by Route

- Cased Letters
- Cased Flats

Office Evaluation

The lesser of the Estimated Standard using average volumes for the data analysis period (18/8/70 + fixed office time 33/43 minutes), or the actual average office time from the data analysis period (regular carrier's office time including any auxiliary assistance provided).

Additional fixed office time may be included in the Estimated Standard should the team agree to the need on a case by case basis.

Street Evaluation

The average actual street time from the data analysis period (regular carrier's street time including any auxiliary assistance provided) shall be used. However, if either route evaluation team member believes that actual street time is not representative by comparison to other relevant data (e.g. base street time, current PS Form 3999, carrier consultation), a PS Form 3999 from an average volume day will be completed jointly to determine the most representative street evaluation.

Replacement Carriers

All actual office and street time data used will be based on the performance of the regular carrier as described above. On vacant routes or routes where the data for the regular carrier is not available for the analysis period, the parties may use the data from a mutually agreed-to replacement carrier.

Consultations

Joint consultations will be conducted with each carrier to obtain his/her input regarding the evaluation and proposed adjustments. No adjustment will be finalized until after the carrier consultations have taken place.

Adjustments

A current 3999 will be used to determine the street value of territory transferred.

The associated office time for the territory transferred will be jointly determined using either of the following methods:

- M-39 243.316.b (one of five methods); or
- M-39 141.19 (office factor based on office time per delivery FOT subtracted)

Miscellaneous

Carrier Optimal Routing (COR) can be jointly utilized for adjustment by the team providing that the parties agree that the timelines set forth in this agreement can be maintained.

The District Team should monitor the parties at the local level to ensure that all adjustments implemented under this agreement are jointly revisited pursuant to M-39 243.6.

This agreement is without prejudice to the position of either party in this or any other matter. The procedures described in this agreement will be utilized solely for the purpose of implementing the Interim Alternate Route Adjustment Process, and may be cited only for purposes of enforcing the terms of the agreement. Termination of this agreement pursuant to the paragraph below shall not affect completion of the Interim Alternate Route Adjustment Process in 2008/2009 or invalidate any adjustments made as a result of that process.

Either party may terminate this agreement if 1) the Postal Service implements a route adjustment process other than as provided by this agreement, pursuant to Section 271 of Handbook M-39, or by mutual agreement; 2) the Memorandum of Understanding Re: *Assignment of City Delivery* is terminated pursuant to the last paragraph of that MOU; 3) either party fails in good faith to live up to its obligations under the Memorandum of Understanding Re: *Assignment of City Delivery* or 4) the Memorandum of Understanding Re: *Assignment of City Delivery* is invalidated, in whole or in part, by a decision of an arbitrator, a court, the National Labor Relations Board or by any other forum.

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October 22, 2008