

SUBCONTRACTING WORK RETURNED TO THE MAIL HANDLER CRAFT

Paul V. Hogrogian, National President



The National Agreement includes a Memorandum of Understanding (MOU) on Article 32 Subcontracting. It states in part: “Under the 2022 National Agreement, the parties commit to re-establishing their Subcontracting Committee and continuing their discussions about the possibility of returning mail handler work from Surface Transportation Centers (STC), Mail Transport Equipment Service Centers (MTEC) and the bed-loading project. The committee will consider all relevant factors when discussing the issue outlined above, to include cost, operational efficiency, availability of equipment and qualification of employees. “In addition, any MHA employees utilized as referenced in paragraph 1 will not count against existing non-career caps.”

Based on this MOU, the parties at the National level have been engaged in ongoing discussions on all of these subjects.

The bedloading project was started by the Postal Service in 2010 as a pilot program to test consolidation/deconsolidation concepts in an effort to achieve improved trailer load utilization – that is, to provide a means of decreasing the number of half empty long-haul trucks. Under the concept of consolidation and deconsolidation, containerized mail is loaded at an originating facility into two or more trucks and dispatched from that postal facility to a “consolidation” facility where the mail is bedloaded or the containers are consolidated into a single truck for the long-haul trip. Once this consolidated long-haul truck arrived

near its postal destination, it was taken to a “deconsolidation” facility where the mail was re-containerized and loaded into two or more shuttles or short-hauls for transporting to the destinating postal facility. These facilities were known as Consolidation Deconsolidation Facilities (CDFs). The originating and destinating facilities that are referred to in this project are Network Distribution Centers (NDCs), so all CDFs were in close proximity to an NDC. The pilot program became a national initiative soon after its inception, which expanded it to all NDCs with the exception of the Southern MD and St Louis NDCs.

In 2018, through the work of the Subcontracting Committee, the National parties reached agreement on returning all the consolidation and deconsolidation work back into the NDCs.

The NPMHU has also been in discussions with the Postal Service to return some of the Surface Transfer Centers (STC) work which also has been subcontracted for several years. There are currently 13 Surface Transfer Centers throughout the country.

STCs are located in:

1. Dallas
2. Salt Lake City
3. Memphis
4. Indianapolis
5. Kansas City
6. Chicago
7. Seminole (Orlando)

8. Cap Metro (Washington, DC)
9. Atlanta
10. Springfield
11. Northern NJ
12. Northern California
13. Southern California

The National parties have reached their first agreement on insourcing or returning some of the surface transfer work to the Mail Handler craft starting with a six month pilot program in certain postal facilities. The first installations where the STC work will be returned are at the following:

- a. Salt Lake City
 - To Salt Lake City ASF
 - To Denver NDC
- b. Cap Metro
 - To Washington DC NDC (Southern Maryland)
 - To Greensboro NDC
- c. Atlanta
 - To Atlanta RPDC
- d. Northern California
 - To San Francisco NDC
- e. Indianapolis
 - To Indianapolis P&DC
 - To Cincinnati NDC
- f. Memphis.
 - To Memphis NDC

The Postal Service has since agreed to return the STC work from the Northern NJ, Springfield, and Southern California STCs. Discussions

are continuing concerning insourcing the STC work from the remaining 4 subcontracted facilities (Dallas, Kansas City, Seminole and Chicago).

The NPMHU has also been in discussions with the Postal Service to return some of the Terminal Handling Services (THS) work which has been subcontracted. THS involves how mail is tendered to and received from FedEx and commercial airlines. We have reached agreement to return the THS functions in Phoenix, Anchorage, Spokane, Richmond, Norfolk, Kansas City, Charlotte, Salt Lake City, Atlanta, Billings, Sacramento, and Cincinnati and are discussing bringing other THS sites back in-house, including, Boise, and Philadelphia.

The NPMHU remains hopeful that additional subcontracted work can be brought back into the Postal Service in the near future.

The Postal Service continues to aggressively roll out and implement its new, more comprehensive Network Redesign plan. The centerpiece of the Network Redesign project is the establishment of Regional Processing and Distribution Centers (RPDCs) in approximately 60 metropolitan areas throughout the country. These RPDCs would consolidate all originating letters, flats, and parcels and all destinating parcels from all mail processing facilities within a metropolitan area into one mega-processing center. Most, but not all, of the NDCs will be transformed into RPDCs. Most of the processing plants from which originating mail was taken would continue to process destinating letters and flats and would be renamed Local Processing Centers (LPCs). It is anticipated that there will be up to 180 LPCs will be functional over the next few years. Many LPCs will also serve as

transfer hubs which will facilitate and optimize mail flow from the RPDCs to the delivery units. Some LPCs may be co-located within an RPDC. The Postal Service has also reported that, when, as discussed above, the Surface Transfer Centers (STCs) and Terminal Handling Services (THS) are insourced, it is their intention that the work will be housed in the RPDCs. The Postal Service has been sharing some information on its Network Redesign plan but not nearly

Richmond, Atlanta, Chicago, and Charlotte. The NPMHU has negotiated a series of Memoranda of Understanding in these initial RPDC sites which protects the rights of all Mail Handlers with regard to the implementation of the RPDCs and ensured the conversion of hundreds of MHAs to Full-Time career status and the creation of hundreds of Mail Handler positions in these initial RPDCs.

It is anticipated that, in all likelihood,

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enough. The plans are fluid and are constantly changing.

The USPS has slightly modified its list of initial RPDC sites. The Postal Service is in the active planning stages for these RPDCs (all subject to change):

1. Sandston (Richmond), VA
2. Chicago, IL (South)
3. Atlanta, GA
4. Charlotte, NC
5. North Houston, TX
6. Santa Clarita, CA
7. Indianapolis, IN
8. Portland, OR
9. Jacksonville, FL
10. Boise, ID
11. Oklahoma City, OK
12. Phoenix, AZ
13. Royal Palm, FL
14. Chicago, IL (North)
15. Nashville, TN\San Antonio, TX
16. Los Angeles, CA

The Postal Service intends to have the RPDCs operational to some extent during this coming Peak Season in

there will be extensive excessing of employees from LPCs to RPDCs. The NPMHU will vigorously work to ensure that all dislocation and inconvenience to all Mail Handlers are kept to an absolute minimum in accordance with the provisions of Article 12 of the National Agreement. It is worth repeating that these plans are extremely fluid and subject to change. The National Office will provide updates on this project once we receive more information.

I remain confident that through the work of our Contract Administration Department and our legal representatives, and through the hard work of our Regional, Local, and Branch representatives, we can successfully meet all challenges that lie before us.

Fraternally,



Paul V. Hogrogian
National President