

February 19, 2010

To: Local and State Presidents  
National Business Agents  
Regional Coordinators  
National Advocates  
Resident Officers

From: Greg Bell, Director  
Industrial Relations

Re: Award on Subcontracting AOI Installation and Maintenance

Enclosed you will find a copy of a recent national award regarding the APWU's challenge to management's subcontracting of Associate Office Infrastructure (AOI) installation and maintenance work. (USPS #Q94T-4Q-C 97031616; 2/11/2010) Arbitrator Das sustained the APWU's grievance and ruled that management violated Article 32.1.B by not giving the union an opportunity to meet with it regarding AOI installation and maintenance work involving cabling and AOI servers. Das ordered that the Postal Service assign maintenance of "AOI servers – to the extent they remain in operation – and the LAN cabling within the AOs to the maintenance craft." In addition he directed that the parties discuss "the possibility of additional LAN maintenance work in the AOs being assigned to the bargaining unit." With regard to a retroactive remedy, Arbitrator Das ordered that the issue be returned to the parties for discussion of a remedy taking into account the remedy discussion in Das's 2002 national arbitration award in USPS #Q94V-4Q-C 96044758.

This case arose in 1996 after the Postal Service informed APWU at the national level of deployment of AOI in the largest 7,836 of approximately 34,000 Associate Offices. Management indicated that deployment consisted of individual site surveys, wiring installation, hardware/telecommunication installation, acceptance and testing and related activities by a contractor. Subsequently, the union requested a meeting to discuss the work and its impact on the APWU bargaining unit, as well as a deployment schedule of installation and maintenance work. Management didn't agree to meet with the union and instead wrote that the impact on the APWU bargaining unit is "both negligible in the immediate term and unknown in the future." Thereafter, the union initiated a Step 4 grievance stating that the work was bargaining unit work and should not be subcontracted. In its response to the grievance, the Postal Service said "the contracting out of these services and products is not work that has ever been within the jurisdiction of the bargaining unit." In addition management claimed that since there was "no significant impact [on bargaining unit work], there was no requirement to notify the national union of the change as called for in Article 32" and it merely notified the local union of its decision as a "courtesy". Moreover, it asserted that management determined it would "be more efficient and economical to meet ... needs [of the Postal Service] with this contract."

At the arbitration hearing, the Postal Service presented witness testimony that the AOI was the beginning of the Postal Service intranet and was part of a management network services contract in which the contractor provided data services, Local Area Network (LAN) services, Wide Area Network (WAN) services, voice services, satellite services, and other items for the postal intranet including security and firewalls. He said that he recommended contracting out

the AOI deployment because employees at the National Network Service Center (NNSC), which was the predecessor to the Telecommunication Service, were all EAS, not bargaining unit employees. He conceded, however, that maintenance craft employees could have been taught to pull cabling used to install the LAN and agreed that several years earlier two management officials had indicated that maintenance craft employees would support the wiring on both the MPI LAN and ALAN, two separate LANs in the plants that are joined together.

The APWU presented witness testimony that before implementation of AOI bargaining unit employees in the plants were responsible for several computers that collect data communicated by modem and dedicated phone lines to national data centers. These individuals testified that they maintained everything including wiring and the CSU/DSU, which translated computer data for transmission to the point where the carrier's phone line left the building, and they were responsible for both hardware and software troubleshooting for PSDS and ACDS. They further indicated that plant ETs or other maintenance craft employees traveled to AOs if problems arose there. Additional testimony established that in 1996-97 there were approximately 6,000 ETS who could have been assigned to AOI work, and there were 9,000 other maintenance employees who could have done cabling and other work. In addition, union witnesses indicated that ETs are highly trained and possess knowledge, skills and abilities to install and maintain AOI work, which falls within their job descriptions. Moreover, the union introduced into evidence maintenance work orders to establish that maintenance craft employees regularly are assigned to perform telecommunications computer system work.

The union argued that the installation and maintenance of AOI constituted maintenance craft bargaining unit work which maintenance workers were available to perform. To support this contention, we argued that maintenance craft position descriptions and qualification standards as well as work orders and similar documents showed that maintenance employees could install and maintain Postal Service systems and equipment including telecommunications and computer systems equipment. The union further contended that AOI not only has telecommunications and computer functions, but also collects and transmits mail processing, time and attendance, and retail terminal information in addition to transmitting voice messages. We maintained that before AOI, this data was contained in computers installed and maintained by maintenance craft employees and was transmitted in telephone lines installed and maintained by these employees. The union contended that the Postal Service violated Articles 32 and 19, by not providing the union with advance notification and by not giving due consideration to the factors listed in Article 32.1.A. We also asserted that management violated ASM 535.111 since that provision requires that maintenance of postal equipment be performed by postal personnel whenever possible with the exception of two cases that don't apply in these circumstances. The union requested that the Postal Service be directed to assign AOI maintenance work to bargaining unit employees immediately after issuance of the decision in this case, and that the issue of monetary damages be remanded to the parties.

The Postal Service countered that Article 32 doesn't apply in this case since the installation, operation and maintenance of AOI didn't constitute bargaining unit work. It asserted instead that such work involved telecommunications and computer information systems which historically have been excluded from the bargaining unit. Management further argued that ASM Subchapter 530 assigns maintenance, and not installation or operation, of "postal equipment" to maintenance craft employees and "postal equipment" doesn't include telecommunications and computer information systems. It also contended that when seven existing networks, including the PSDS network, were combined into a bigger network (PITN) in 1988, the maintenance craft had no role in installation or even operation or maintenance of PITN. Further citing MMO-21-91, which concerns maintenance staffing, the Postal Service argued that the order's listing of postal

equipment contained no mention of LANs, WANs, routers, patch panels, modems, wiring or cable. It further maintained that position descriptions don't establish that the maintenance craft has work jurisdiction over all computers. Also, work orders offered by the union post-date AOI installation work and therefore don't support the union's claim to the AOI work. Also, management contended that it complied with Article 32, even though it didn't have to satisfy the terms of that provision. It argued that it provided the union with notification of deployment of AOI in advance of the final decision to subcontract and instead of the union requesting a meeting promptly, it waited a few weeks to request such a meeting. Finally, management contended that even if a violation of Article 32 is found, no remedy is warranted because the maintenance craft has shown no harm. Therefore, any remedy should be limited to a meeting with the parties to determine what part of the work prospectively should be assigned to the maintenance craft.

Arbitrator Das ruled that the Postal Service violated Article 32.1.B when it didn't meet and discuss the matter of subcontracting AOI work since "at least some of the AOI work was within the scope of duties performed by the bargaining unit." He found no merit in the Postal Service's contention that the union was dilatory in requesting a meeting after receiving notice of the AOI program at the national level, noting that management didn't respond to the union's request for over a month.

Das then indicated that though "designing and configuring WAN and LAN networks using IP protocol is a critical component of Postal Service telecommunications and the postal intranet, and as such, is within NNSC's responsibility", the record showed that "bargaining unit employees (as well as vendors) had installed, replaced and/or maintained telecommunication wiring or cabling within postal facilities that connected various data-producing equipment, including mail processing, timekeeping and retail operations equipment, through modems, etc., to the carrier's punchbox." In addition, he found that "[m]aintenance craft employees (as well as vendors) also installed, replaced and/or maintained computer equipment that was a part of or connected to mail processing and retail and other postal operations equipment." He further reasoned that AOI servers are "computers, with keyboards and monitors, that evidently were intended to be used to aggregate data from retail and other Postal operations at AOs prior to transmission of that data to other Postal Service facilities" and they have not been shown to be "telecommunications equipment." Moreover, he found that the bargaining unit "had the skill and capability to install the cabling for the LANs and the AOI servers set up in the AOs."

"If the Postal Service had met with the Union, as requested, before finalizing its decision to contract out all the AOI work," according to Arbitrator Das, "the Union may have been able to persuade management that at least some of the AOI installation and/or maintenance work involving cabling and the AOI servers could be assigned to the bargaining unit, consistent with Article 32.1.A." He concluded that since the union was not given that opportunity, an appropriate remedy should be provided.

**National Arbitration Panel**

In the Matter of Arbitration	)	
	)	
	)	
between	)	
	)	
	)	Case No.
United States Postal Service	)	
	)	
	)	Q94T-4Q-C 97031616
and	)	
	)	
	)	
American Postal Workers Union	)	
	)	
	)	

Before: Shyam Das

**Appearances:**

For the Postal Service:	Martin R. Welles, Esquire
For the APWU:	Darryl J. Anderson, Esquire
Place of Hearing:	Washington, D.C.
Dates of Hearing:	April 15, 2009 April 16, 2009
Date of Award:	February 11, 2010
Relevant Contract Provision:	Articles 19 and 32
Contract Year:	1994-1998
Type of Grievance:	Contract Interpretation

**Award Summary**

**This grievance is resolved on the basis set forth in the above Findings.**

A handwritten signature in cursive script, appearing to read "Shyam Das", is written above a horizontal line.

**Shyam Das, Arbitrator**

BACKGROUND

Q94C-4T-C 97031616

On June 7, 1996, the Postal Service sent a letter to APWU President Moe Biller stating:

This letter is to inform you about the Postal Service program entitled "Associate Office Infrastructure" (AOI).

The AOI is an information system to support retail, delivery, and Administrative operations in Associate Offices (Post Offices, branches and stations). It will provide a local network, server, and telecommunications services within the Associate Offices and will provide the national management and administration necessary for the ongoing support of these services and their integration with similar capabilities in larger Postal facilities. It will be deployed to the largest 7,836 of approximately 34,000 Associate Offices (AOs) - specifically, those AOs with 3 or more retail windows and to 140 Point of Service ONE training sites.

A rapid deployment is planned beginning with the following twelve metropolitan areas:

\* \* \*

Deployment consists of individual site surveys, wiring installation, hardware/telecommunication installation, acceptance and testing and related activities. Due to the scope and timetable of the deployment, these activities will be performed by a contractor capable of conforming to national safety and health standards, and meeting any AOI requirement.

Assuming Board of Governors (BOG) approval in June, installations will begin in July/August and will ramp up to an install rate of 540 sites per month. By September

1997, AOI will be installed in 4,124 sites. Assuming BOG approval of the second phase (tentatively targeted for Spring 1997) deployment will continue interrupted through September 1998.

On June 26, 1996, a Union representative sent a letter to the Postal Service representative, stating:

The APWU, pursuant to the attached, requests a meeting to discuss:

1. What exactly is this system?
2. What it will do?
3. What is the impact on the APWU bargaining unit?

The APWU also requests a deployment schedule of this implementation as well as maintenance of system.

Please contact me so a meeting can be scheduled.

On July 30, 1996, the Postal Service representative responded to the Union's letter as follows:

This letter is in response to your June 26 correspondence concerning the Associate Office Infrastructure (AOI). The following answers are provided to your inquiries:

Q1) What exactly is this system?

A1) AOI is a switching and communication system composed of wiring/cabling, data telecommunication hardware, and system support.

Q2) What will it do?

A2) As explained in the June 7 correspondence, the AOI is an information system that establishes a Local Area Network (LAN) and Wide Area Network (WAN) link into identified medium to large size Associate offices. The system provides connectivity for applications allowing for transmission of operational and retail data and on-line access.

Q3) What is the impact on the APWU bargaining unit?

A3) At this time the impact is best described as both negligible in the immediate term and unknown in the future. AOI, as stated in #1 above, is a switching and communication system. Link up requires development of an Application Programs Interface (API) for each of the current applications that transmit their data through modems and phone lines. The use of those systems will only change to the point of how the data will be transmitted. Future application development and connectivity cannot be determined at this time.

Q4) When will a deployment schedule be provided?

A4) The BOG approved funding for 4124 sites to be deployed in FY 1997. You will be provided with a deployment schedule upon its completion.

The wiring for the system will have a ten year warranty period supported by the contractor. The hardware carries a three year warranty by the manufacturer.



On December 1, 1996, the Union initiated this Step 4 grievance, stating that: "Pursuant to the interpretation of the National Agreement, the union feels this work is bargaining unit work and the work should not be subcontracted." Following a Step 4 meeting on April 23, 1998, management provided its Step 4 response, in which it stated:

It is management's position that no contractual violation can be established. The contracting out of these services and products is not work that has ever been within the jurisdiction of the bargaining unit. The AOI system is an information system to support retail, delivery, and Administrative operations in Associate offices. This system will provide a local network, server, and telecommunications services.

In order to meet the needs of the Postal Service, management determined that it would be more efficient and economical to meet these needs with this contract.

Management has the contractual right to subcontract as contained in Article 32. This provision clearly establishes the procedural guidelines required when management is considering subcontracting. Local management fulfilled those requirements by giving due consideration to public interest, cost, efficiency, availability of equipment, and qualification of employees. In addition, since there was no significant impact, there was no requirement to notify the national union of the change as called for in Article 32. However the local union was notified of the decision to subcontract as a courtesy. This decision to contract out is cost effective.

The Union appealed this grievance to arbitration on June 5, 1998.

Relevant provisions of Articles 19 and 32 of the National Agreement provide as follows:

ARTICLE 19  
HANDBOOKS AND MANUALS

Those parts of all handbooks, manuals and published regulations of the Postal Service, that directly relate to wages, hours or working conditions, as they apply to employees covered by this Agreement, shall contain nothing that conflicts with this Agreement, and shall be continued in effect except that the Employer shall have the right to make changes that are not inconsistent with this Agreement and that are fair, reasonable, and equitable. This includes, but is not limited to, the Postal Service Manual and the F-21, Timekeeper's Instructions.

\* \* \*

ARTICLE 32  
SUBCONTRACTING

Section 1. General Principles

A. The Employer will give due consideration to public interest, cost, efficiency, availability of equipment, and qualification of employees when evaluating the need to subcontract.

\* \* \*

B. The Employer will give advance notification to the Union at the national level when subcontracting which will have a significant impact on bargaining unit work is being considered and will meet to consider the Union's views on minimizing such impact. No final decision on whether or not such work will be contracted out will be made until the matter is discussed with the Union.

Relevant provisions of the Administrative Support Manual in effect when this grievance was filed include the following:

53 Maintenance

531 General

531.1 Scope

This subchapter covers policies and requirements for maintenance of facilities, plant equipment, and postal equipment....

531.2 Policy

531.21 Definitions

The following definitions apply:

- a. *Plant equipment* - the building's physical structure, utilities, and environmental systems.
- b. *Postal equipment* - a broad range of equipment used either directly or indirectly in moving the mail and for providing customer services (includes

scales, stamp vending machines, collection boxes, letter and flat sorting and canceling machines, containers; and fixed mechanization, such as, but not limited to, conveyors, parcel sorters, and sack sorters).

\* \* \*

#### 534 Postal Equipment Maintenance

##### 534.1 Types of Equipment

##### 534.11 Mail Processing Equipment

This consists of all mechanization (both fixed and nonfixed) used to convey, face, cancel, sort, or otherwise process for delivery all classes of letter and bulk mail.

*Examples:* optical character readers, single and multiple position letter-sorting machines, ZIP mail translators, facer-cancelers, edger-stackers, edger-feeders, parcel and sack-sorting machines, bulk belt and portable powered conveyors, canceling machines, and twine-tying machines.

##### 534.12 Customer Service Equipment

This consists of equipment such as stamp and commodity vending machines, scales, bill changers, self-service postal center equipment, and money order machines.

##### 534.13 Delivery Service Equipment

This consists of equipment such as label imprinters for central markup,

label makers, letter boxes, and centralized forwarding systems.

#### 534.14 Support Equipment

This consists of equipment such as Postal Source Data System (PSDS) equipment, electronic time clocks, and maintenance working equipment such as fork-lift trucks, vertical-lift equipment, powered shop equipment, and containers.

\* \* \*

#### 535 Maintenance Service Contracts

##### 535.1 General

##### 535.11 Use

##### 535.111 Postal Equipment

Maintenance of postal equipment should be performed by Postal Service personnel, whenever possible. Exceptions are:

- a. Where capable personnel are not available.
- b. When maintenance can be performed by contract and is economically advantageous.  
[Arbitrator Note: The Union points out that addition of this exception in 1993 was grieved, and was found to violate Article 19 in an arbitration award issued in 2002.]
- c. When a piece of equipment is a prototype or experimental model

or unusually complex, so that a commercial firm is the only practical source of required maintenance expertise.

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## 82 Operation of the Postal Computing Environment

### 821 Information Systems

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#### 821.2 The Information Technology Infrastructure

Information Systems develops the information technology infrastructure in response to separate business application needs and evolves it through the use of common components interconnected to provide a common utility shared by functional areas and applications. The information technology infrastructure forms the technology base on which the Postal Service deploys business applications, products, and services. It is made up of all the computer and telecommunications systems needed to support postal business activities.

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## 84 Telecommunications

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### 842 Responsibilities

#### 842.1 Information Systems

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842.12 National Network Service Center

The responsibilities of the National Network Service Center (NNSC) at Raleigh, North Carolina, include:

- a. Engineering, managing, and operating the national telecommunications networks. This includes performing the daily management tasks of the voice, video, facsimile, and data networks.
- b. Identifying and implementing telecommunications programs in the field.
- c. Administering the national telephone system acquisition program.
- d. Providing technical support on telecommunications matters nationally and to the field for the acquisition of telephone systems (including ancillary components, voice response, and paging systems), connectivity to national networks, and assistance in identifying and implementing telecommunications solutions.

\* \* \*

- j. Approving the installation, modification, or removal of the following:

- (1) Telephone systems involving 40 or more instruments.
- (2) Video-teleconferencing or other teleconferencing systems, satellite, facsimile access, teletypewriter equipment, wireless, or microwave systems and equipment....
- (3) Network access circuits, T-1 or higher speed circuits, FTS2000 circuits, interstate or intrastate wide area telephone service (WATS), 800 numbers, or access circuits to value-added networks (VANS).

\* \* \*

- (5) Universal wiring projects.

Larry Wills, Manager of Telecommunication Service testified that AOI was the beginning of the Postal intranet, which utilizes IP (internet protocol) networking. This was, he said, "the beginning of a very big change" in how the Postal Service deploys computer infrastructure. AOI, he stated, was just a part of a larger 18-year managed network services (MNS) contract, under which the contractor provides data services, Local Area Network (LAN) services, Wide Area Network (WAN) services, voice services, satellite services, and anything else on the Postal intranet, including security and firewalls.

Wills noted that in 1988 the Postal Service had integrated seven existing Postal networks into a single Postal



Integrated Telecommunications Network (PITN) in 54 of the larger Postal facilities. This entailed installing T1 lines, which could transmit data much faster than the existing telephone lines. The T1 cable was installed by the vendor. The establishment of PITN was done by the telecommunications group, not maintenance. Wills testified that there were only 95 employees at the National Network Service Center (NNSC) -- the predecessor to Telecommunication Service -- in 1995, when they were planning AOI. They were all EAS, not bargaining unit employees. Wills recommended that they outsource the AOI deployment and the entire Postal routed network. Before awarding the nation-wide contract to MCI, there was an interim contract, under which DynCorp installed the AOI equipment and NNSC did the network setup, at about 800 AOs.

Implementation of AOI included installing and programming a number of devices on an open equipment rack at each AO. The carrier MCI provided and owns a WAN router which connects to the internet. This router was connected on the rack to a DCE WAN device and then to a LAN hub. Today, the functions performed by these separate pieces of equipment are integrated in the carrier's router. The AOI rack also included an AO server, including monitor and keyboard. This server is a computer which apparently was designed to aggregate data from Point of Service (POS) retail system devices. According to Wills, the AO server never was actually used for that purpose, nor for aggregating any other data communicated through the internet. These AOI servers, he indicated, basically were used only as file servers and print servers, and they no longer are

in use. The contractor also installed the CAT-5 ethernet cabling connecting the computers and other equipment on the LAN within the AO.

Wills appeared to agree that maintenance craft employees could have been taught to pull the cabling used to install the LAN, but maintained that few, if any, would have had the necessary technical expertise to design the LAN infrastructure. He also agreed that 3-4 years ago two management officials, one in maintenance engineering and the other in IT, agreed that maintenance craft employees would support the wiring on both the MPI LAN and ALAN, two separate LANS in the plants that are joined together. They agreed it did not make sense for both IT and maintenance organizations to support the same infrastructure.

George Potts, an Electronic Technician (ET)-11, who works for the Maintenance Technical Support Center in Norman, Oklahoma from his domicile in Virginia, and Greg See, who worked as an ET at the time this case arose, testified for the Union. They stated that prior to AOI bargaining unit employees in the plants were responsible for a number of computers that collected various data that then was communicated by modem and dedicated phone lines to national data centers. These employees, they stated, maintained everything, including the wiring and the CSU/DSU, which translated the computer data for transmission, to the point where the carrier's phone line left the building ("punchdown box"). They were responsible for both hardware and software troubleshooting. These systems included PSDS (Postal

Service Data System) and ACDCS (Air Contracts Data Collection System). These craft employees were located at the plants, which served as local data centers for data collected and sent by dedicated phone line or dialup line from the AOs. The plants then transmitted that data to the national data centers. If a problem arose at an AO, the plant ETs or other maintenance craft employees traveled to the AO to deal with it.

See testified that bargaining unit employees installed electronic badge readers, including wiring, at AOs and maintained the entire PSDS, including wiring and modems, until it left the building at the punchdown box. He also testified that in October 1996, in anticipation of AOI, ETs were issued a modification work order to replace computers used for the PSDS so that they could communicate using IP technology. The ETs also replaced the modems with Ethernet, CAT-5 cable.

Gary Kleopfer, Assistant Director of the Maintenance Craft, testified that in 1996-97, there were about 6,000 ETs working in the Postal Service who, if the AOI work had been assigned to the bargaining unit, could have performed the final connecting of cables and setting up computer and loading software. There were 9,000 other maintenance employees, he said, who could have done the cabling, etc.

The Union stresses that that ETs are highly trained and possess the knowledge, skills and abilities needed to install and maintain AOI, which is work within the scope of their position descriptions. The Union also presented a series

of maintenance work orders, which it asserts show maintenance craft employees regularly are assigned to perform telecommunications computer system work.<sup>1</sup>

#### UNION POSITION

The Union contends that installation and maintenance of AOI was maintenance craft bargaining unit work and maintenance employees were able and available to do it. It stresses that before the advent of AOI, maintenance employees installed and maintained LANs and WANs that perform the same functions as AOI but at larger offices. AOI simply was the extension of LAN and WAN capability to AOs that previously had relied on hardwire communications equipment and dialup modem communications to transmit the same data as is transmitted through AOI. As Union witnesses testified, AOI is perfectly analogous to PSDS and ACDCS systems maintained by the bargaining unit, just on a larger scale.

The Union asserts that Postal Service documents (maintenance position descriptions and qualifications standards, as well as work orders and similar documents) show that maintenance employees install and maintain the full range of Postal Service systems and equipment including telecommunications and computer systems equipment. Moreover, Union witnesses provided unrebutted testimony that the Postal

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<sup>1</sup> The Postal Service objected to the introduction of many of these documents on the ground that they postdate the decision to contract out AOI work.

Service regularly trains and assigns its maintenance employees to work on such equipment. The Union further emphasizes that the AOI system is not limited to telecommunications and computer functions. AOI collects and transmits mail processing, time and attendance and retail terminal information (POS 1), in addition to transmitting voice messages. Prior to AOI this data was captured and stored by computers installed and maintained by maintenance employees and transmitted through telephone lines installed and maintained within the offices by maintenance employees.

In addition to installing and maintaining the LAN and WAN technology in the PSDS and District Offices, the Union states, ETs were trained and assigned to install and maintain the Image Processing Subsystem (IPSS) used to transmit images of mail to remote video encoding facilities for processing. ETs also supported electronic time clocks within facilities and took care of the telephone lines and telephones located in AOs. Those AOs without technical maintenance employees on staff received technical services and support from ETs and other maintenance craft employees who traveled to AOs from larger offices.

The Union insists that the Postal Service has violated Articles 32 and 19 of the National Agreement. The Union maintains that the Postal Service did not provide advance notification to the Union as required by Article 32.1.B or give due consideration to the factors listed in Article 32.1.A. The Postal Service also violated ASM 535.111, and hence Article 19,

by contracting out maintenance of AOI. That provision requires that maintenance of postal equipment be performed by Postal Service personnel whenever possible with two stated exceptions, neither of which is met in this case.<sup>2</sup>

The Union contends that the Postal Service must be directed to assign AOI maintenance work to bargaining unit maintenance craft employees immediately after issuance of the decision in this case and to add sufficient additional employees or additional work hours, if needed to perform the assigned AOI maintenance work. The Union requests that the issue of monetary damages for the Postal Service's violations of Articles 32 and 19 should be remanded to the parties.

#### EMPLOYER POSITION

The Postal Service contends that Article 32 does not apply to the installation, operation and maintenance of AOI, because it is not bargaining unit work. Telecommunications and computer information systems historically have been excluded from the bargaining unit. AOI is a telecommunications and information systems infrastructure system. ASM Chapters 3 and 8 show that NNSC has responsibility for telecommunications and computer information systems, while ASM Chapter 5 shows areas of maintenance responsibility. Subchapter 530 assigns the maintenance (but not installation or operation) of "postal

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<sup>2</sup> A third exception included in the ASM when AOI work was subcontracted had been grieved and later was invalidated in arbitration.

equipment" to the Maintenance Department. When read in conjunction with Chapter 8, the Postal Service asserts, it is clear that the reference to postal equipment in Chapter 5 does not encompass work involving telecommunications and computer information systems. ASM 531.21 provides examples of postal equipment, all of which consist of equipment that the mail can be placed on, in or sent through. The Postal Service insists that AOI is completely separate from the mail processing equipment which may be within the domain of the maintenance craft.

The Postal Service cites various handbooks and manuals in support of its position that the installation, operation and maintenance of AOI is not bargaining unit work. Moreover, it stresses that AOI was a new system and not a replacement system for PSDS, a time and attendance system that used an electronic badge recorder to record and store employee clock rings. PSDS was replaced by the Time and Attendance Control System (TACS) five years after installation of AOI. Moreover, contrary to the Union's assertion, AOI did not aggregate data and provided no service to the barcode server, the delivery unit computers, POS 1 or time clocks.

The Postal Service stresses that when seven existing networks, including the PSDS network, were integrated into one bigger network (PITN) in 1988, the maintenance craft had no role in the installation, operation or maintenance of PITN.

The Postal Service also cites MMO-21-91 (as corrected by MMO-29-91) which is a maintenance staffing order used to estimate and allocate maintenance craft work hours for each piece of postal equipment. While MMO-21-91 predates AOI it does not predate computer information systems and telephone systems. In its comprehensive list of postal equipment there is no reference to those systems -- no mention of LANs, WANs, routers, patch panels, modems, wiring or cable.

The Postal Service rejects the Union's reliance on position descriptions. It is not the purpose of such descriptions to establish work jurisdiction. The fact that a position description states that an employee must have knowledge of basic computer skills does not mean that the bargaining unit has jurisdiction over all computers. Moreover, work orders and other documents cited by the Union post-date AOI installation and fail to support the Union's claim to the AOI work in issue.

The Postal Service contends that even if Article 32 applied, which it does not, the Postal Service satisfied its terms. As testified to by Postal Service witness Wills, the Postal Service gave due consideration to the public interest, cost, efficiency, availability of equipment and qualification of employees when making its decision to procure the services of a vendor. It was in the best interests of the public to install the AOI system as quickly as possible. It took the contractor, MCI, approximately 30 months to install AOI in 8,000 sites. Because the ETs in the 1995-96 timeframe were familiar with old plant technology, and not the newer AOI technology, training



them to perform the work would have required further delay in deployment of AOI. Basically, the bargaining unit was not capable of performing this work at the time it was done. Moreover, the Postal Service would not have benefited from a manufacturer's warranty if it installed even a portion of the AOI system. It received a three-year warranty on AOI hardware and a ten-year warranty on the wiring. The cost savings and risk avoidance associated with the warranty is in the best interests of the public.

The Postal Service further argues that the installation, operation and maintenance of AOI did not have a significant impact on the bargaining unit, and even if it did, the Postal Service complied with the notification requirements. Maintenance craft personnel were not staffing AOs and were fully engaged with their regular duties. Article 32.B only requires providing the Union with advance notice when subcontracting will have a significant impact on the bargaining unit. In addition, the Union was notified about the deployment of AOI in advance of the final decision to subcontract. The Postal Service provided such notice in its June 7, 1996 letter, which put the Union on notice that there was a sense of urgency in getting this work performed. Instead of requesting to meet with the Postal Service promptly, however, the Union waited a couple of weeks to request a meeting by letter. Thus, the Postal Service asserts, the Union had an opportunity for a meeting prior to the final decision being made.

Finally, the Postal Service argues that even if a violation of Article 32 was to be found, a remedy is not warranted because the maintenance craft has shown no harm, nor that they could do the work better than a contractor. The Postal Service acted in good faith based on its belief that the work at issue belonged to the NNSC and that there was no impact on the maintenance craft. If the arbitrator were to decide a remedy is warranted, it should be limited to a meeting with the parties to determine what portion of the work, if any, prospectively could be assigned to the maintenance craft. A monetary remedy should not be awarded because there is no evidence of harm. The Union was aware that deployment of AOI would be completed in two phases with about half the sites to be installed by September 1997 and the remaining sites by September 1998. The case was appealed to arbitration on June 5, 1998 after most of the work had been completed. To fashion a remedy that would monetarily compensate the maintenance craft bargaining unit would be unjust, especially since there are no records to show that anyone was harmed or even what employees are still around or whether they would have been available to perform the work.

#### FINDINGS

Article 32.1.B of the National Agreement provides:

The Employer will give advance notification to the Union at the national level when subcontracting which will have a significant impact on bargaining unit work is being

considered and will meet to consider the Union's views on minimizing such impact. No final decision on whether or not such work will be contracted out will be made until the matter is discussed with the Union.

Shortly after receiving the Postal Service's letter informing the Union of the AOI program and its determination to contract out this work, the Union requested a meeting to discuss AOI and its impact on the bargaining unit.<sup>3</sup>

While the Postal Service claimed, and claims, that the impact on the bargaining unit was insignificant, it provided notice at the national (not local) level, and the Union requested a meeting to discuss AOI and the impact on the bargaining unit. This program was to be deployed at that time in almost 8000 of the largest AOs, and obviously involved a considerable amount of work. AOI replaced equipment, including modems and T-1 and other telephone wiring that had been maintained, and, at least to some extent, installed by maintenance craft employees. Also, as discussed below, at least some of the AOI work was within the scope of duties performed by the bargaining unit. Under these circumstances, I find that the Postal Service was obliged to meet and discuss the matter with the Union consistent with Article 32.1.B. It did not do that.

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<sup>3</sup> The Postal Service argues that the Union was dilatory in requesting a meeting some three weeks after receiving notice of the AOI program, yet the Postal Service did not respond to the Union's request for over a month.

Designing and configuring the WAN and LAN networks using IP protocol is a critical component of Postal Service telecommunications and the postal intranet, and, as such, is within NNSC's responsibility. This, in my opinion, includes installation and maintenance of the LAN hub and the DCE WAN device which is situated between the LAN hub and the WAN router. The WAN router is provided and owned by the telecommunications carrier.<sup>4</sup> To the extent the bargaining unit previously had installed and/or maintained modems, telephone lines, CSU-DSU equipment (similar to the DCE WAN device), and earlier LANs in certain postal facilities, this basically involved point-to-point communications on dedicated lines or relatively primitive networks, not involving use of IP protocol.

The record indicates, however, that bargaining unit employees (as well as vendors) had installed, replaced and/or maintained telecommunication wiring or cabling within postal facilities that connected various data-producing equipment, including mail processing, timekeeping and retail operations equipment, through modems, etc., to the carrier's punchbox. The carrier's lines then conveyed that data to other postal facilities where the data was aggregated and/or processed.<sup>5</sup>

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<sup>4</sup> The functions performed by the LAN hub and DCE WAN device evidently are now integrated into the carrier's router.

<sup>5</sup> This data now is communicated through AO LANs and the WAN.

Maintenance craft employees (as well as vendors) also installed, replaced and/or maintained computer equipment that was part of or connected to mail processing and retail and other postal operations equipment. This included recently replacing computers used for PSDS so that they could communicate using IP protocol, in anticipation of AOI.

The AOI servers installed as part of the AOI program by contractors are computers, with keyboards and monitors, that evidently were intended to be used to aggregate data from retail and other Postal operations at AOs prior to transmission of that data to other Postal Service facilities. These servers have not been shown to be telecommunications equipment, although they are connected to the LANs in the AOs. According to Postal Service witness Wills, the AOI servers did not end up being used for that purpose, and basically have been used just as file and print servers. (It is unclear to me on this record whether these AOI servers still physically are a part of the AOI equipment racks and remain in use.)

The evidence supports a finding that the bargaining unit had the skill and capability to install the cabling for the LANs and the AOI servers set up in the AOs. If the Postal Service had met with the Union, as requested, before finalizing its decision to contract out all the AOI work, the Union may have been able to persuade management that at least some of the AOI installation and/or maintenance work involving cabling and the AOI servers could be assigned to the bargaining unit, consistent with Article 32.1.A. The Union was not given that


opportunity, to which it was entitled, and an appropriate remedy should be provided.

Prospectively, the Postal Service is directed to assign maintenance of the AOI servers -- to the extent they remain in operation -- and the LAN cabling within the AOs to the maintenance craft. In light of the evidence that maintenance craft employees now are maintaining certain LANs -- evidently not just cabling -- the parties are further directed to discuss the possibility of additional LAN maintenance work in the AOs being assigned to the bargaining unit.

As to a retroactive remedy, I am not persuaded by the Postal Service's argument that no remedy at all is appropriate, particularly at this late date. The delay in arbitration of this case, while regrettable, does not detract from the Postal Service's failure to comply with Article 32, which was timely grieved by the Union. The Union requests that this issue be returned to the parties for discussion with the arbitrator retaining jurisdiction, and I grant that request. The parties in their deliberations should take into account the discussion of remedy set forth in my 2002 national arbitration decision in Case No. Q94V-4Q-C 96044758.

AWARD

This grievance is resolved on the basis set forth in the above Findings.

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Shyam Das, Arbitrator