DUO Questions and Answers

General

1) What is DUO?

DUO stands for Delivery Unit Optimization. It is a guideline designed to increase operational efficiencies by relocating delivery operations into centralized facilities within the district. DUO provides the field with tools that can be used to transfer delivery unit operations from one unit to a "hub" or "receiving" unit. DUO practices are managerial tools designed to facilitate cost effective internal transfers of delivery unit operations. The implementation of these tools does not lead to any meaningful impact on service provided to customers.

2) How are delivery operations selected for relocation?

A sophisticated mapping tool — currently patent pending — created by the Postal Service Facilities group searches for candidate offices within a district using specific criteria:

- a) Offices located within a 5-20 mile radius from an identified centralized facility or hub:
- b) Offices serviced from the same processing and distribution center.

3) What criteria are used to determine which office is a hub?

The hub office is typically a larger office with excess space inside and out to accommodate increased personnel, workload and transportation.

4) Who makes the decisions?

Decisions are made locally at the district level, ultimately by the district manager.

5) Why is the Postal Service doing this?

For decades, the Postal Service expanded its national infrastructure to accommodate an expanding nation and increasing volumes of mail. The number of post offices, processing centers, vehicles and employees increased for years. However, since mail volume reached an all-time high of 213 billion pieces in 2006, there has been a steady and consistent decline. With the mail volume decline came the subsequent steep decline in revenue. Less revenue, coupled with a recession and the prepayment of retiree health benefits, has created a situation the Postal Service has never faced — the need to adjust its entire infrastructure to prepare for significantly less mail volume.

6) Does that mean when the letter carriers are relocated, the office they were moved from will be closed?

There is no correlation with moving carriers and discontinuing offices.

7) How does DUO increase efficiency and save the Postal Service money?

Relocating letter carriers to a hub increases operational efficiencies across the board and considerable savings are realized in economies of scale with regard to transportation, custodial, maintenance, leasing and complement.

8) Could DUO cause some positions to be excessed?

Excessing is a possibility; however, employees will be afforded every opportunity before that happens.

9) Does DUO impact the local community in any way?

Retail services are not affected by DUO — this includes window services and PO Boxes.

10) Will any ZIP Codes be changed because of DUO?

No.

11) Will PO Boxes be moved?

No.

12) Will mail delivery be affected?

There should be minimal impact to mail delivery. Some deliveries might be slightly earlier, others slightly later. Most customers will not notice any change whatsoever.

13) What about consolidation of Post Offices?

When DUO practices are employed, no "consolidation" of a post office occurs. A consolidation is defined in section 232.11 of Handbook PO-101 as follows: "Consolidation involves replacing an independent Post Office with a classified station, branch, or contractor-operated community Post Office that reports to an administrative Post Office. No address changes are required." DUO does not give rise to a consolidation.

DUO is not a substitute for, or tantamount to, the post office, station, or branch discontinuance processes described in Handbook PO-101.

City Delivery

1) How does DUO affect City Carriers?

Moving city carriers into a hub environment may affect seniority differently, depending on circumstances.

Rural Delivery

1) How does DUO affect Rural Carriers?

Moving carriers into a hub environment may affect seniority differently, depending on the craft involved and memoranda of understanding with local unions.

2) What are the rules regarding relocation of Rural carriers?

On August 27, 2010, a Step 4 settlement was reached with the NRLCA (attached) outlining the procedures to be used when relocating <u>all</u> rural routes from one office to another, under the control of a different postmaster than the original office. Specifically:

- Relocation of all rural routes from one office to another office in accordance with any initiative such as DUO, is <u>not</u> considered an excessing situation pursuant the USPS-NRLCA National Agreement. Therefore, no notification letters addressing excessing are to be issued to rural carriers. Rural carriers should receive advance notification that their routes are being relocated and that all carriers will move to the new facility.
- All rural carriers, regardless of classification, will be transferred to the new office and maintain their route assignments; including leave replacements serving a regular route in the extended absence of the regular carrier and leave replacements serving auxiliary routes.
- All seniorities will be merged in the new office. Leave replacements' "seniority" is defined as the longest period of continuous service in the office. For those leave replacements that are relocated to a new office, the time as a leave replacement in the original office will be considered continuous service (as though they have worked in the "receiving" office for the period of time they were serving in the "giving" office).
- All rural carriers will maintain leave earning status.
- The Relief Day Work List will be merged upon relocation, and selecting a regular carrier to work the relief day, due to the unavailability of a leave replacement, on a rotating basis, will continue from the last selection on the list at the "receiving" office.
- The leave replacement assignment list (matrix) from the "giving" office will be merged with that of the "receiving" office and management will determine if there is any need to provide cross training to adequately complete the list.
- The relocation of <u>all</u> rural routes and rural carriers from one office to another will be considered an involuntary reassignment and a carrier may exercise retreat rights to the original office in accordance with Article 12 of the National Agreement.
- The provisions of Article 9.2.M.4. will not be applicable to these reassignments made pursuant to DUO.
- The provisions of Article 12.5.A.2. will be followed when one or more rural routes are subsequently returned to the original office. However, if <u>all</u> rural routes are returned to the original office, the provisions of the August 27, 2010, Step 4 settlement will prevail.
- 3) Can rural carriers refuse to move with the route? If so, then what happens?

 Rural carriers may not refuse to move with the route. Should a regular rural carrier not desire to relocate to the new office, they may resign their position. A substitute, rural carrier associate, or rural carrier relief employee may request reassignment to another office (not the office to which they are being relocated) in accordance with Article 30.2.F. of the USPS-NRLCA National Agreement, if they do not wish to relocate to the "receiving" office.

4) If rural carriers are consolidated into a city carrier/mixed facility and growth occurs in the 5 digit associated with the rural carrier's relocated territory, who owns the growth?

This is no different than any other office with city and rural delivery. Please see the Step 4 letter on page 16-19 of this document.

5) How are rural carriers seniority lists merged at the hub unit?

All seniorities (including the "longest period of continuous service") will be merged in the new office.

- Regular rural carriers will maintain the seniority date from the "giving" office.
- Leave replacements' "seniority" is defined as the longest period of continuous service in the office. For those leave replacements that are relocated to a new office, the time as a leave replacement in the original office will be considered continuous service (as though they have worked in the "receiving" office for the period of time they were serving in the "giving" office).

The Rural Route Transfer Spreadsheet (see Page 20 of this document) must be annotated to reflect the appropriate Bidding Seniority Rank for each rural carrier.

6) Are there any special rules around base hour changes and banked time when relocating rural routes?

There are no special rules for completing a base hour change. The amount of adjustment to be provided to the route must be calculated by evaluating the following factors, if appropriate, as outlined in the Step 4 settlement.

- Route Mileage
- Time allowance when an employer provided vehicle is assigned to the route.
- Withdrawal Allowance
- Time for transporting, delivering or collecting mail when it involves the original

office.

Once the appropriate amount of the base hour change is calculated, District Operations Programs Support should enter this information into DDE as a future change, using the effective date of the relocation. Banked time is not to be rolled into the base hour change. Any banked time on the route must be "rebuilt" as a current action in DDE once the route transfer is complete.

Postmasters

1) Will Postmasters in candidate offices be involved in discussions prior to the selection of their office?

Yes.

- 2) Is there a fixed implementation period for DUO?

 Yes. The process should be completed within 31 days
- 3) Will there be communication between the district office and offices in DUO? We agree that a robust communications initiative is critical. There will be communications throughout the process between the district and the post office undergoing DUO
- 5) Will there be consideration of additional costs in receiving offices resulting from work hours due to increased administrative work, transportation, customer concerns, and possible congressional inquiries immediately following DUO implementation?

There may be an adjustment period or learning curve following DUO implementation in some cases. Districts will address such matters on a case-by-case basis

7) Will Postmasters affected by DUO be permitted to request reassignment?

This is addressed in the September 17, 2010 correspondence from the Executive Vice President, Chief Human Resources Officer.