



American Postal Workers Union, AFL-CIO

William Burrus, President



Motor Vehicle Service Division

History of Article 32



Robert C. Pritchard
Director



Michael O. Foster
Assistant Director

Bargaining History of Article 32

Subcontracting

The struggle to limit, or eliminate, subcontracting which has the power to decimate the bargaining unit, began when the Union was first created in its present form. The bargaining history of Article 32 lends weight to the Union's proposed revisions. Initially, the Postal Reorganization Act itself favors an assessment on contracting out geared toward what is most economic and efficient.

The Postal Service Unions which were the predecessors to the APWU conducted coordinated bargaining for their first collective bargaining agreement under the Postal Reorganization Act in 1971. At that time, prior to merger, the National Federation of Post Office Motor Vehicle Employees (“NFPOMVE”) negotiated on behalf of drivers and vehicle maintenance employees. In July 1971, the NFPOMVE merged into and became the Motor Vehicle Service Division (“MVS”) of the APWU.

The 1971-1973 Agreement

In the 1971 Negotiations, the first collective bargaining negotiations between the re-organized Postal Service and unions representing its employees, the issue of contracting out was presented at the bargaining table by Chester Parrish. Parrish who had been President of the NFPOMVE, and became President of the Motor Vehicle Craft, drafted a proposal which would have prohibited all contracting out or subcontracting. The parties failed to agree on the Union's proposal forbidding all contracting out and subcontracting, and instead agreed to form a joint study team survey existing outside contracts. The main direction for this joint study team was that if MVS proved it could perform the work being considered for contracting out even a penny cheaper, that work would be assigned to MVS.

(Exhibit _____, Testimony of Chester Parrish at pp. 91-92)

The 1973-1975 Agreement

Negotiations for a 1973 Agreement began soon after the parties had concluded their negotiations for the first, the 1971, collective bargaining agreement. The Union, through Chester Parrish, re-submitted its original proposal from 1971 Negotiations in a second effort to outlaw subcontracting bargaining unit work. The Postal Service opposed the Union's demand for prohibition of contracting out in part by citing its obligation under the PRA to operate "economically and efficiently." During Negotiations on April 26, 1973, Postal Services Negotiator Sullivan remarked, with regard to transportation-related contracting out, that "Our present practice is, if we have Postal employees available and they can do it and the cost is reasonable, we will use them, ..." Sullivan further noted that the "committee working with the APWU representatives and I think we are approaching our problems particularly on the highway mail problem ... and in the [m]aintenance are." this according to Sullivan, was "a reasonable approach."

(Exhibit_____.)

During negotiations on June 5, 1973, Union Negotiator Cushman followed up on Postal Service Negotiator Brown's "eventually" concept, and stated the Union's understanding that "[s]upplementing [Star Route contractors] by our people" could not be achieved immediately, but "ha[d] to be done over a period of time." Further, Cushman complained that the joint committee established after 1971 Negotiations had ceased to function. Cushman criticized the failure of the Postal Service to give an "unqualified commitment" to assign disputed work to MVS if it was more economical to make that assignment. Postal Negotiator Brown responded that the "political[] ... situation" prevented the Postal Service from making that commitment outright, but they, the Postal Service, "had you [i.e., MVS] in mind" in making the proposal. According to Brown, this would be the "beginning of the evolutionary process" of bringing HCR operations back in house.

Section 1 of the newly agreed upon Article 32 provided that the Postal Service "...will give due consideration to public interest, cost, efficiency, availability of equipment, and qualification of employees when evaluating the need to subcontract." According to Parrish's unequivocal testimony, the reference in Section 1 to the "public interest" was intended by the parties to permit HCRs to be converted to PVS,¹ even when such conversion was not strictly a cheaper proposition, but was never intended to permit a failure to convert back to PVS when it was less costly to perform the work with bargaining unit, that is MVS employees.

By memo dated December 21, 1973, Donn P. Crane, the Postal Service's Director of Fleet Management, informed all field managers of the Vehicle Services Branch of the Postal Service's position on contracting out vehicle maintenance under the 1973 Agreement. Among other things, Crane said:

As you know, Article XXXII of the Agreement deals with subcontracting. It spells out the actions to take when you subcontract. First, we state unequivocally that subcontracting should be approached strictly from a cost/benefit viewpoint.

The 1973 Agreement between the parties added Article 32, SUBCONTRACTING, for the first time. Although, as stated, the Unions initially proposed a total ban on contracting out of any Postal Work, the Article 32 agreed upon in 1973 did not include this ban. The agreed to provision was the Postal Service's counter-proposal, presented to the Unions on June 18, 1973, and accepted by the Unions the following day. On June 23, 1973, the parties entered into the agreed upon provision as the new Article 32, numbering each paragraph as a separate section. (Exhibit ____.)

Section 1 read:

The employer will give due consideration to public interest, cost, efficiency, availability of equipment, and qualifications of employees when evaluating the need to subcontract. This language still exists as Article 32.1.A of the 1998-2000 Agreement.

Section 2 provided:

The employer will give advance notification to the Unions 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 Unions' 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 Unions.

The 1975-1978 Agreement

In 1975, the Unions again sought to ban all contracting out of Postal work, but were unsuccessful in achieving that end. The parties did succeed in adding a Memorandum of Understanding (“MOU”) regarding the selection of the proper mode for highway movement of mail. Section 1 of the MOU survives in the current Agreement as Article 32.2.A.

According to Union Negotiator Chester Parrish, the MOU was necessary because, before the MOU, if the Union wanted to bid on a Highway Contract Route (“HCR”) it had to make a specific request for information and hope that the Postal Service responded in a timely enough fashion so as to allow the Union to make a bid. (Exhibit _____, TR pp._____.) The MOU establishes a structure which, although modified in some detail over the years, remains in effect in the current Agreement. The most important features of this structure, established in 1975 Negotiations, are the strict time frames to which the Postal Service must adhere in providing data, and the commitment to refrain from awarding contract when the Union challenges it. (Present Article 32.2.B.)

The terms of the MOU required the Postal Service to submit information to the Union at least 60 days prior to the scheduled installation of the service at issue, required the Union to request a meeting within 30 days of having been provided that information; and requires the Union to submit a “documented analysis” of the information supplied in advance of an actual meeting with the Postal Service. (Exhibit _____.)

The 1978-1981 Agreement

The parties in the 1978 Agreement were able to agree to refine the time frames required by Article 32, Section 4.B. Thus, the parties agreed to mandate a full 30 days for the Union to review the information from the Postal Service, and the exchange of “basic cost analyses no later than 10 days in advance of the actual meeting...”

The 1981-1984 Agreement

In 1981 Negotiations, the Mailhandlers Union chose to bargain separately, and the APWU and the NALC, as the Joint Bargaining Committee (“JBC”) negotiated with the Postal Service. The JBC, in a proposal dated April 22, 1981, proposed to amend Article 32 to prohibit any contracting out in the future. Further, no current contracts were to be renewed; and upon expiration, the work was to “be turned over to the appropriate bargaining unit employees.” (Exhibit _____, 1981 Contract Proposals, JBC Proposal #1 on Article 32, dated 4/22/81.)

American Postal Workers Union, AFL-CIO

Memorandum

Telephone
(202) 842-4240

817 Fourteenth Street, N.W.
Washington, D.C. 20005

From the Office of LEON S. HAWKINS
President, Motor Vehicle Craft

February 24, 1984

RECEIVED BY

TO: Tom Neill, Director of Industrial Relations

SUBJECT: Revision of the Form 5505

FEB 24 1984

INDUSTRIAL
RELATIONS

We would like to have the following changes made in the form 5505:

1. Eliminate Highway User Taxes Foregone.
2. Change the way vehicle depreciation is determined.
3. In order to compete, make sure the solicitation calls for equipment is available to both the outside contractor and the Postal Service.

The elimination of the Highway User Taxes Foregone will decrease the price of the Postal Service bid by thousands of dollars as there is no reason for the Postal Service to be charged this tax. The present procedure used to determine depreciation is misused and is no help to the Postal Service. Also, at the present time, we are receiving solicitations that call for vehicles larger than the ones available to the Postal Service.

For years, the Maintenance Division of the Motor Vehicle Division has been performing maintenance duties on transmissions, radiators, doing glass repair and body repair. The Postal Service is now in the process of contracting out this maintenance work and consolidating auxiliary garages which is causing excessing in our craft.

We would like to include in Article 32 that all maintenance work that has previously been performed by the Motor Vehicle Division will be solely done by this division where we have the equipment, personnel, and the facility for the work to be performed at. In the event we do not have the facility the work will be sent to a facility that we staff within a 300 mile radius. Also, we do not want any of the work contracted out to filling stations in the area. The work is of poor quality and the cost is high.

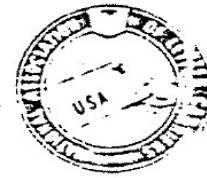
These are just suggestions and we will continue to formulate what we will use in our debate with the Postal Service.

LSH:lle
opeiu #2
afl-cio
attachment



Moe Biller
President

JOINT BARGAINING COMMITTEE



Vincent R. Sommarotto
President

5/1/84

JBC 32.1d (MVS)

ARTICLE 32

PROBLEM

Presently Form 5505 unfairly penalizes craft employees' effort to bid successfully against private contractors on contracts because of charges for the Highway User Tax Figure and the USPS' formula for vehicle depreciation on Form 5505.

SOLUTION

Eliminate the charge for the Highway User Tax Figure, and establish a fair formula for vehicle depreciation.



Moe Biller
President

JOINT BARGAINING COMMITTEE



Vincent R. Sombrotto
President

July 13, 1984

Mr. Paul Tartaglia
U.S. Postal Service
Washington, D.C.

Dear Mr. Tartaglia:

1. For the purposes of clarification of existing contract language, the JBC proposes to add the following to Article 32.3:
 - (a.) Whenever adequate USPS equipment and qualified employees are available, the decision on whether to commence or renew a contract covered by this Article will be made on a cost effective basis.
2. The JBC proposes to clarify and amend Article 32.3 as follows:
 - (a.) Proposed contracts will not specify equipment that is not available within the USPS fleet, unless it is necessary to perform the work specified. When the USPS intends to specify vehicles which are not in the USPS fleet, it will meet with the Union in advance of negotiations with contractors or the initiation of bid procedures to explain in detail why the equipment specified is necessary and why USPS equipment is inadequate. The USPS will make every effort to specify equipment which is in the USPS fleet, and will not use equipment specifications for the purpose of circumventing Union rights under this article.
 - (b.) Whenever the February 15 deadline Article 32.3.B is not met, and the April 1 deadline is extended, the contract in issue will not be awarded or renewed until the procedures in this section are completed.

- (c.) In performing the cost comparisons referred to in Article 32.3, federal state and local taxes forgone will not be considered.
- (d.) The USPS is committed to enforcing contract requirements and the Service Contract Act. The parties agree to cooperate in such enforcement efforts, and provide the Union with such non-proprietary information about contracts and contractors as it may request.
- (e.) The USPS will require all contractors to display clearly and conspicuously on all vehicles, their company names and addresses, and the fact that they are contract vehicles.
- (f.) The Committee established in Article 32.4 will meet to discuss and review current USPS MVS-contractor cost comparisons with a view toward updating them and making them more accurate. The parties will cooperate in establishing mutually agreed to data sources, calculations and procedures for performing such comparisons and will make every effort to reach agreement before February 1985.

USPS's LAST OFFER TO RESOLVE
ALL OUTSTANDING MVS ISSUES
7/20/84

USPS will:

1. Install fans in all vehicles (JBC 39.1Q)
2. Agree to assign all employees to training in Norman, OK, on a fair and equitable basis, with first consideration to those who volunteer.
3. Amend Article 32.3 to cover all contracting out of unit work regardless of the size of the contract.

APWU will:

1. Drop "cost effectiveness" and Highway User Taxes Forgone proposals to amend Article 32.3 (JBC 32.1D).
2. Raise the triggering amount of Article 32.3 from \$45,000 to \$100,000.
3. Drop jurisdictional claim for intra-city (stations and branches) transportation (JBC 39.1K)



American Postal Workers Union, AFL-CIO

817 Fourteenth Street, N.W., Washington, D.C. 20005 • (202) 842-4200

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July 14, 1984

TO: Moe Biller & Main Table Negotiators
FROM: Leon Hawkins & MVS Table Negotiators
RE: Article 32 - Subcontracting

The JBC proposed a host of changes in USPS highway contracting practices and procedures governed by Article 32.3. Many involve the cost comparisons in the PS Form 5505 (Exh. 1). We also asserted that based on historical practice, cost effectiveness is the controlling standard, despite the absence of express language in Article 32.3 so stating. We have submitted comprehensive contract language on all subcontracting issues (Exh. 2). The most important of these, and those which we recommend for the main table, are these:

1(a) Where adequate USPS equipment and qualified employees are available, the decision on whether to commence or renew a contract covered by this Article will be made on a cost effective basis.

* * *

2(c) In performing the cost comparisons referred to in Article 32.3, federal, state and local taxes forgone will not be considered.

Item 1(a) is taken word-for-word from the last sentence in Art. 32.2, covering City Carriers. Bruce Simon said (on 7/14) that the NALC has no objection to our efforts to get the same language in Art. 32.3. Furthermore, this should be an uncontrovertial proposal, if it is viewed objectively by the USPS: they should want to get the work done in the most economical manner.

It is true that Art. 32.1 specifies 5 factors which must receive "due consideration," namely, "public interest, cost, efficiency, availability of equipment and qualification of employees." It is hard to quarrel with the

need to contract when necessary equipment is unavailable, so long as it is truly necessary to the performance of the work. Job qualifications (i.e., truck driving) is not really a relevant variable. We have tried to pin the USPS down to the circumstances in which public interest would deny us the work when it is cheaper to do it in-house. They swear that this is not a catch-all loophole, however. This leaves cost and efficiency, which (in economic terms) are really the same concept.

Item 2(c) is related to item 1(a). The USPS now charges itself in its cost comparisons the highway user taxes, etc., which it does not pay but private contractors do. (see line 37 on PS-5505). The USPS justifies this on 2 grounds:

1. It is U.S. Government policy to encourage use of the private sector, as (supposedly) stated in OMB's A-76 Manual, and

2. It is unfair to state and local governments to use their roads and not pay taxes.

We researched the A-76 Manual and handbooks on U.S. Government - Private Sector Cost Comparisons and they do not provide, and never have provided for adding state and local taxes to the government's costs. They do provide for deducting from the projected contract cost the Federal Income Taxes that would be paid by contractor; for trucking and transportation, this is only 1%. Even this figure should not be considered because the USPS does not benefit from U.S. Treasury income tax receipts in this manner. The APWU objects to this direct subsidy to contractors and indirect subsidy to states and localities. The USPS should be operated on a businesslike basis. The Postal Reorganization Act does not authorize this kind of "revenue sharing." The PRA Section 5001 states that "The Postal Service shall provide for the transportation of mail in accordance with the policies established under Sections 101 (e) and (f) of this title and the provisions of this chapter (not here relevant)." Section 101, in turn, states:

"(e) In determining all policies for postal services, the Postal Service shall give the highest consideration to the requirement for the most expeditious collection, transportation, and delivery of important letter mail.

"(f) In selecting modes of transportation, the Postal Service shall give highest consideration to the prompt and economical delivery of all mail and shall make a fair and

equitable distribution of mail business to carriers providing similar modes of transportation services to the Postal Service. Modern methods of transporting mail by containerization and programs designed to achieve overnight transportation to the destination of important letter mail to all parts of the Nation shall be a primary goal of postal operations."

This section makes no mention of either USPS justification. Furthermore, this "public subsidy" power is not included in Sections 401 (general powers), 403 (general duties) or 404 (specific powers) (Exh. 3). For these reasons, comparisons based on cost effectiveness alone should govern highway transportation of mail.

The 1984-1987 Agreement

During 1984 Negotiations, the only JBC Proposals involving Article 32 came from the MVS Craft, and sought to amend what was then Section 3. Among other things, the JBC presented a Proposal, dated May 1, 1984, which sought to resolve what the Unions believed was an inadequacy of information supplied by the Postal Service pursuant to Article 32.3.B. According to the Unions, the information was inadequate for the Unions to compete for work in the Motor Vehicle Craft, and inadequate time was allowed for the Unions to evaluate the information provided by the Postal Service.

SOLUTION

Provide all bid specifications well enough in advance for the Union to evaluate the information and prepare its bids.

In addition, in a second suggested modification to Article 32, the Unions asserted that the Postal Service was eroding the Motor Vehicle Craft by contracting out bargaining unit work in areas where Craft employees were available and able to perform the work. As a solution to this problem, the Unions submitted the following solution:

SOLUTION

All existing and new intra-city (stations and branches) and airport highway service shall be converted to USPS operations using USPS drivers and Maintenance personnel for all government-owned or leased vehicles.

In addition, the parties negotiated a MOU which, among other things, declared that it was entered into “[i]n furtherance of ongoing application of Article 32, Section 3 of the National Agreement...[t]he U.S. Postal Service reaffirm[ed] its commitment to require compliance with the highway contract specifications including the Service Contract Act.”

Proposal

In addition, by a proposal dated April 22, 1987, the JBC cited problems centered around the PS 5505 cost comparison process related to Section 3 of Article 32. Among other things, the JBC Proposal cited as a problem the fact that, “in addition, USPS has, at times, revised schedules, added MVS costs, and/or solicited a lower offer/bid from contractors after APWU submits its cost comparisons.” To resolve this issue, the JBC made the following proposal:

Proposal

The Joint Bargaining Committee proposes to revise the PS 5505 formula and inputs to reflect true costs. In addition, the Joint Bargaining Committee proposes to clarify the existing Article 32 provisions to prevent after the fact manipulation of bids – to create the appearance that a contractor’s bid is lower.

The general JBC Article 32 Proposal (JBC 32a-1 states:

The Joint Bargaining Committee proposes to clarify the circumstances in which contracting out of bargaining unit work meets the criteria of Article 32, and to clarify notice requirements of Article 32.

The JBC specified, as a problem in support of that proposal, that it is inefficient for the Postal Service to contract out work when qualified bargaining unit employees are available. The JBC cited the fact that the Postal Service frequently contracted work for vehicle maintenance when trained Postal Service personnel were available and able to go perform the work. The parties were not successful, however, in agreeing to changes in terms of Article 32.1

The 1990-1994 Agreement

During Negotiations for the 1990 Agreement, the parties again faced all too familiar issues. Thus, the JBC offered JBC Proposal 32.a.1, which sought to clarify the existing rights of the parties under the National Agreement, JBC Proposal 32.a.1 reads:

ARTICLE 32 SUBCONTRACTING

Problem

The parties are in dispute concerning the employer's asserted right to reduce the size or scope of the JBC bargaining units by contracting out during the term of the Collective Bargaining Agreement.

Proposal

Article 32 should expressively prohibit contracting out which reduces the size or scope of the JBC bargaining units.

The parties were able to agree to no substantive changes during 1990 Negotiations in Article 32 of the Agreement. It is significant to note, however, that the 1990-1994 National Agreement, at Article 32, Section 2, City Letter Carrier Craft, retained the following language:

The employer's decision as to whether to commence or renew the contract delivery route will be made on a cost effective basis.

The 1994-1998 Agreement

The union proposed no substantive changes to the language of Article 32 during 1994 Collective Bargaining Negotiations. The parties did reach agreement to establish a subcommittee as part of the National Labor-Management Committee established by Article 32, Section 3.

The 1998-2000 Agreement

During the course of 1998 Negotiations, the APWU presented a comprehensive Article 32 Proposal, APWU 32A-1, citing a number of problems in the administration of Article 32, together with the Union's proposals for changes to Article 32 to resolve those problems.



Motor Vehicle Craft

- Provide that the Union can combine the work proposed for contracting with existing work performed by Motor Vehicle Craft employees. The form 5505 would reflect the reduced hours and mileage that results from the combination of work.
- Provide that all work within a one hundred mile radius of a PVS installation west of the Mississippi within a seventy-five mile radius will go to the PVS installation. This will maximize the use of the vehicles and the employees.
- Amend Article 32 to include the current Postal Service “no gutting” policy which prohibits solicitations to HCRs for work currently performed by the Motor Vehicle Services.

The 2000 Agreement

In negotiations for the 2000 National Agreement, the Union again attempted to resolve the long-standing issues surrounding the administration of Article 32. Thus the Union offered APWU 32A-1, which provided, in full :

Article 32

Outsourcing

Issue

The outsourcing of Postal resources mid term of an agreement denies the Union benefits of bargains struck during negotiations. The Union has no opportunity to compete for work under consideration for outsourcing prior to management's decision to outsource.

Proposal

The American Postal Workers Union, AFL-CIO, proposes to amend Article 32 to provide the union an opportunity to compete for work under consideration for outsourcing.

2006 Negotiation Agreement

32A-1. Specifically, Proposal APWU 32A-2 provides:

Proposal

Article 32, Section 1, General Principles

B. The employer will give advance notification to the Union at **both** the National and **Local** level when subcontracting which will have an impact when bargaining work is being considered and will meet to discuss the Union's views on minimizing such impact **at the initial planning stages. If bargaining unit employees can perform the work at a cost that is within ten percent of the cost of the bid submitted to subcontract the work, the work will be assigned to the bargaining unit.** No final decision on whether or not such work will be contracted out will be made until the matter is discussed with the Union **and all cost comparisons are completed.**



Article 32

Contracting and Neutrality During Organizing Campaigns

Issue

The Postal Service has condoned hostile acts, rogue activity and lawbreaking committed by contractors, especially during organizing campaigns, contract campaigns and strikes.



ARTICLE 32

Subcontracting

Issue

In many cases, local unions are not notified of proposed subcontracting or management's intent to subcontract. Failure to provide advance notice deprives the Parties of the opportunity for resolution prior to implementation.

The outsourcing of postal resources results in a loss of bargaining unit duty assignments. The Motor Vehicle Craft does not have a fair opportunity to compete for work under consideration for outsourcing prior to management's decision to outsource. Finally, there are concerns regarding the timing of bringing in the Union, as well as Motor Vehicle Services comparison documentation relating to the outsourcing process.

The implementation of proposed subcontracting decisions adversely affects the wages, hours and working conditions of APWU-represented employees.

Proposal

The American Postal Workers Union, AFL-CIO proposes to amend Article 32.1.B to provide advance notice to the union at the local level when it is proposed to subcontract.

The American Postal Workers Union, AFL-CIO proposes to amend Article 32 to place limitations on subcontracting and to delay the implementation of proposed subcontracting until disposition of a dispute, either by settlement or by final and binding decision.

The American Postal Workers Union, AFL-CIO proposes to amend Article 32.2 to provide the following:

- A. To prohibit subcontracting work that results in a net loss of bargaining unit duty assignments for that occupational group, craft and/or level.**
- B. That Form 5505 be revised so that the costs (the amount of hours, fuel, mileage, etc.) reflected on the proposed HCR contract when combined with existing PVS work, be subtracted from Form 5505.**

Subcontracting

Bullet Points

Problem:

- Many Local Unions are deprived of the opportunity to resolve subcontracting issues prior to implementation because they are not notified of Management's proposal or intent to subcontract.
- Outsourcing of postal resources results in a loss of bargaining unit duty assignments.
- Prior to Management's decision to outsource the Motor Vehicle Service (MVS) Craft doesn't have a fair opportunity to compete for the work.
- There are concerns regarding the timing of when the Union is brought-in.
- There are also concerns regarding the MVS's comparison documentation relating to the outsourcing process.
- Implementation of proposed subcontracting decisions adversely affects the wages, hours and working conditions of APWU-represented employees.

Solutions:

- Incorporate in Article 32.1.B the requirement to provide advance notice to the union at the local level when it is proposed to subcontract.
- Place limitations on subcontracting and delay the implementation of proposed subcontracting until disposition of a dispute, either by settlement or by final and binding decision.
- Incorporate into Article 32.2 the prohibition of subcontracting work that results in a net loss of bargaining unit duty assignments for that occupational group, craft and/or level.
- Incorporate into Article 32.2 the revision of Form 5505 so that the costs (the amount of hours, fuel, mileage, etc.) reflected on the proposed HCR contract when combined with existing PVS work, it to be subtracted from Form 5505.

Subcontracting

Talking Points

We need procedures to enable the Postal Service and the Union to interact cooperatively in decisions about contracting out.

The Service invokes the Article 32 procedures too late in the outsourcing decision making process. For example;

- When this happens the Union is deprived of presenting its views on costs and other factors, together with proposals to avoid subcontracting and proposals to minimize the impact of any subcontracting.
- These failures have resulted in multiple grievances being processed up to and including arbitration where many are pending at this point in time.

- Local managers routinely incorrectly inform Local Union representatives that work currently being performed by a contractor falls under the umbrella of a national contract or that the work is the singular subject of a national contract or the Union at the national level has been notified of the subcontracted work.
- The failure to provide the Union with advance notice deprives it of its contractual right as described in Article 32 Section 1. This often results in the Union learning well after the fact that a contract has been entered into; which can result in substantial monetary remedies for bargaining unit employees.
- Providing advance notice with the requisite data and input from the Union can result in a reduction of grievances as well as permitting career bargaining unit employees a true chance to perform the work in dispute.
- Since contract decisions are often made well in advance of the date the contractor actually begin their work, ample time exists to reach final disposition to any grievance filed protesting the subcontracted work.

The Postal Service has proposed to subcontract work that has resulted in the needless loss of bargaining unit duty assignments. This causes tremendous strain on employees and may in fact eventually cause them to be impacted under Article 12 and forced to be displaced. Certainly this will cause them to be displaced from their craft and the job that they choose with the Postal Service.

The Motor Vehicle Craft knows that Postal Service has in many places overlapping service that intertwine between HCR and PVS. For the purpose of efficiency, it would be more appropriate for the Postal Service to assign all work within the 50 mile radius of an installation with PVS be serviced exclusively by Motor Vehicle Service craft employees.

The Maintenance Craft knows that all facilities must be cleaned and maintained; many smaller facilities are not adequately cleaned or maintained. That career bargaining unit maintenance employees be assigned to all facilities for the purpose of cleaning and maintaining the facility.

The APWU proposes to clarify Article 32 procedures to restore the original intent of the parties and to strengthen cooperative interactions on the matter of contracting out.

We propose accomplishing this in part by:

- Provide notice at the local level when it is proposed to subcontract
- Delay the implementation of the subcontracting until disposition of any dispute.
- Place limitation on subcontracting.



For example:

We are proposing to eliminate subcontracting that results in a net loss of bargaining unit work in both sections of Art 32 and introduce into Art 32.2 the same principles that we negotiated into Art 32.1 in 2000.

- For example the the USPS Strategic Plan required reductions in PVS is counter to our proposal.

- Outside groups, like the Blue Ribbon

Committee, are
USPS.

playing a large role in shaping the future of the

The first example is evidence that the Service as a general proposition - even before considering the details - prefers outsourcing. The second is evidence that the Service would rather talk to companies and potential contractors than APWU about how it will get work done. This we cannot accept.



NOTICE REQUIREMENTS

3. Providing for notice whenever bargaining unit work is being impacted — is closely related to early union involvement. Notice is needed not only wherever Postal Service considering contracting out but whenever the Postal Service is considering contracting out. It is the Union's experience that it rarely gets notice of contracting out of work other than national programs.

5. Further, notice is required whenever bargaining unit work will be impacted. The contract is clear on this point: Article 32 is triggered by contracting out which impacts on bargaining unit work and not just when it impacts the entire 360,000-plus members of the bargaining unit. Yet the Postal Service often does not provide Article 32 notice of contracting out which is less than nationwide in scope. This misapplication of the contract must be corrected.



OUTSOURCING DECISIONS

6. We are proposing to prohibit subcontracting of core functions like retail services, mail processing and distribution, manufacturing, warehousing, vehicle services, Vehicle maintenance etc.

CONDUCT AFTER CONTRACT AWARDS

MOTOR VEHICLE CRAFT

11. Combining work proposed for contracting within existing PVS routes so the cost comparison would reflect real costs. Currently, the form 5505 or whatever cost comparison method used inflates PVS true costs while reducing contractor costs.