

**Contract
Postal Units
(CPUs)**

**2010-2015 CBA
MOU, RE: Contract Postal Units**

“The Postal Service will close or convert to in-house operations as soon as practicable the following full-service Contract Postal Units (CPUs) that solely provide postal services with box sections. The parties will meet to discuss the precise dates on which these CPUs will be closed or converted.”

**2010-2015 CBA
MOU, RE: Contract Postal Units**

“In addition, with regard to any other full-service CPUs, or any new or existing CPUs located in close proximity to a postal retail facility, the parties at the union request will meet to discuss and consider options for addressing the provision of retail services in those locations.”

**2010-2015 CBA
MOU, RE: Contract Postal Units**

1. Lists CPUs that will close or convert to in-house operations "as soon as practicable" (*feasible*).
2. Clarifies that these CPUs solely provide postal services with *box sections*.
3. Provides additional discussion on full-service CPUs located "*in close proximity to a postal retail facility*".

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MOU, RE: PSEs

Article 7, Section 1.6 of the MOU:
 "In addition to the caps in paragraph 3 above, PSEs will not be counted towards the allowable percentages of PSEs within a District when employed for new work that is brought into the bargaining units covered by this Agreement, including work being contracted out that is brought in-house, as follows:"

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MOU, RE: PSEs

"a. In the Clerk Craft, in any former Contract Postal Unit (CPU) that is brought back in-house, unless it is a full-service unit or it primarily provides postal services ..."

"d. The Employer and the Union may agree upon the use of additional PSEs in other circumstances when new or contracted work is brought in-house, or when new retail initiatives that are not full-service post offices are established."

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MOU, RE: PSEs

- ▶ Another avenue to return work to the bargaining unit, even if it is performed by PSEs
- ▶ PSEs would be used if the CPU was *not* a full-service unit. A full-service unit would constitute work that should be assigned to the career workforce.

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Glossary of Postal Terms Publication 32

Contract Postal Unit - A postal unit that is a subordinate unit within the service area of a main post office. It is usually located in a store or place of business and is operated by a contractor who accepts mail from the public, sells postage and supplies, and provides selected special services (for example, postal money orders or registered mail).

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Glossary Definition of CPU vs. New CPU MOU

- ▶ The MOU cites CPUs that provide box sections, which falls under the Glossary's definition of "*selected special services*"
- ▶ The USPS gave up box sections in CPUs in the MOU
- ▶ Glossary definition cites CPUs "within the service area of a main post office"
- ▶ MOU agrees that CPUs in "close proximity" of retail postal facilities will be discussed with the Union

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Glossary Definition of CPU vs. CPU MOU

- ▶ Don't allow management to rely on the Glossary definition of CPUs
- ▶ Refer instead to the MOU in the 2010–2015 CBA
- ▶ Cite the differences between the two
- ▶ The Glossary is much older than the new MOU on CPUs. The MOU is therefore the more relevant document

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Handbook AS-707F *July 1989*

- ▶ Section 1.5 – Definitions
- ▶ Section 1.5.1 – Contract Postal Unit (CPU)
A contract postal unit is a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office, that provides selected postal services to the public.

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Handbook AS –707F *July 1989*

- Section 2.3.6 – Services
- 2.3.6.2 – Services Normally Provided. CPUs normally provide traditional mail services such as:
- a. Sale of stamps, envelopes and money orders;
 - b. Acceptance of regular domestic mail;
 - c. Acceptance of insured, registered, certified and COD mail;
 - d. Acceptance of International 1st-class mail.

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Handbook AS-707F
July 1989

Section 2.3.6.3 – Services That May Be Provided
CPUs may provide the following services:

- a. Express Mail service;
- b. Post office box service;
- c. General delivery service;
- d. Acceptance of international parcels, printed matter and postal union mail.

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Handbook AS-707F
July 1989

Section 2.3.6.4 – Services That May Not Be Provided
CPUs may not provide the following services:

- a. Meter setting;
- b. Non-mail services, such as passport applications;
- c. Bulk and permit mail acceptance.

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Handbook AS-707F vs. Current CPU MOU

- ▶ The 707-F Allowed CPUs to handle money orders
- ▶ The 707-F allowed CPUs to have box sections
- ▶ The MOU prevents CPUs from having box sections
- ▶ Another USPS document prevents CPUs from selling money orders

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Publication 156 – Guide to CPUs
June 2009

- ▶ USPS developed new instructions for CPUs
- ▶ These new requirements fly in the face of a previous agreement between the parties at the Headquarters level regarding CPUs and their contractors

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Publication 156 – Guide to CPUs
June 2009

1-2 Definitions - Contract Postal Unit
A CPU is a *supplier-owned* or *supplier-leased* site operated by the supplier, under contract to the Postal Service, to provide postal services to the public at postal prices.

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Publication 156

1-5.7 - Postal Office Box Service
A CPU should not provide Post Office box service. Providing this service at a CPU location makes a commitment to the customer as to the availability of a delivery service. This commitment can have an adverse effect on the flexibility of relocating or closing the CPU if there is a change in market conditions.

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**National-Level Case
#Q00C-4Q-C-06103264**

- ▶ Prior to Pub 156, APWU initiated this dispute.
- ▶ We argued that CPUs are governed by Article 19, Handbooks and Manuals.
- ▶ We also contended that certain CPUs failed to meet the criteria in the AS-707F, therefore they should be considered postal facilities.

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**National-Level Case
#Q00C-4Q-C-06103264**

- ▶ USPS initially argued that a contractor does not have to “own the property/facility in order to be awarded a CPU contract”.
- ▶ USPS also contended that Handbook AS 707F is not a handbook covered under Article 19.

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Settlement-Case #Q00C-4Q-C-06103264, May 17, 2007

1. The USPS will comply with Handbook AS-707F, Section 1.5.1, which defines a CPU as a “**contractor-owned** and operated facility”.
2. A CPU may not be located on property which is owned or leased by the USPS.
3. Competitor’s-branded products and services (UPS, FedEx, DHL) may not be sold at any newly-established contract postal unit.

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USPS.com Lists Criteria For CPUs

The USPS website identifies several restrictions on CPUs:

- ▶ Surety bond may be required
- ▶ No surcharges can be added to postal products
- ▶ Cannot be staffed by postal employees
- ▶ **Cannot sell competitive services**
- ▶ **Cannot have Post Office Boxes**

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USPS.com Criteria For CPUs

- **Cannot sell postal money orders**
- Cannot provide commercial mail receiving (private mailbox) services
- Cannot provide third-party delivery services
- Cannot be located in, or directly connected to, a room where intoxicating beverages are sold for consumption on the premises
- Contracts cannot be awarded to USPS employees or members of immediate family

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Typical USPS Vacillation

- ▶ On one hand, the USPS agrees through its own web-site that CPUs cannot have P.O. Boxes, sell money orders, or sell competitors' products - in compliance with our agreements
- ▶ On the other hand, the USPS creates Pub 156 to allow "contractor-leased" CPUs, in violation of our Step 4 settlement

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CPU Problem Areas

- ◉ USPS has had contractors sign leases, even though the CPU is not contractor-owned.
- ◉ Contractors are passing costs associated with the lease to the USPS, such as repairs and remodeling.
- ◉ USPS has issued the revised Pub 156 which replaces the AS-707F Handbook, stating that CPUs can be "supplier-leased".

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Village Post Offices

- ▶ USPS plans to close thousands of post offices and replace some of them with Village Post Offices
- ▶ Village Post Offices are simply another version of CPUs
- ▶ Village Post Offices will be cheaper to run, placed inside stores such as grocery stores – Malone, Washington’s “Red’s Hop N’ Market”

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Village Post Offices

- ▶ Village Post Offices will be a “scaled down” version of the post office, selling stamps, flat-rate packages, and renting P.O. Boxes
- ▶ While these Village Post Offices may be in small towns, check to see if a retail postal facility is within “close proximity”, in accordance with the CPU MOU

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What Can Local Unions Do About CPUs?

- ▶ Obtain a copy of the contract between USPS and the CPU. If the USPS is providing the lease, it's a violation.
- ▶ Determine if USPS is making capital improvements to the CPU. If the CPU property is not owned by the contractor, but is leased by the contractor and USPS is making capital improvements, it's a violation.

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What Can Local Unions Do About CPUs?

- Find out if the CPU is providing P.O. Boxes. If so, it violates Pub 156.
- Find out if the CPU sells postal money orders. If so, it's a violation.
- Does the CPU sell competitive services (UPS, FedEx, DHL)? If so, it's a violation.
- Is the CPU directly connected to a room where intoxicating beverages are sold for consumption on the premises? If so, it's a violation.

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Information Requests

A Local Union with CPUs in its area should submit a request for information for the following documents:

1. A list of CPUs in the area;
2. Proof of whether the CPUs are operator-owned or operated-leased;
3. A copy of the contracts for CPUs.

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Relevant Contractual Articles

- ▶ Article 1, Sections 1, 2, 3, and 4
- ▶ Article 7, Section 1
- ▶ Article 19, relevant handbook and manual citations
- ▶ Article 37, Section 3.A.1
- ▶ MOU, RE: CPUs

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Article 1 Reference

- ◎ Section 1 – APWU is the exclusive representative of all employees in the bargaining unit. If it’s an improper CPU, that work should be assigned to those who are represented by the Union.
- ◎ Section 2, #6 – Employees in the supplemental workforce are defined in Article 7. This work in CPUs is being stolen from APWU’s workforce by improper hiring of “casuals”.

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Article 1 Reference

- ▶ Section 3 – Workers in improper CPUs are engaged in “customer services” and therefore the work should be considered within the purview of the bargaining unit represented by the APWU.
- ▶ Section 4 – The USPS has, in effect, created a work force in inappropriate CPUs that should be within the definition as defined in Article 7.

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Article 7 Reference

Inappropriate CPUs have workers performing duties analogous to that which supplemental work force employees perform (casuals before the current CBA, PSEs in the current CBA). They must therefore be counted as such and covered under the provisions of the contract.

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Article 19 Reference

Handbook AS-707F - Defines a CPU as a contractor-owned and operated facility, under contract to the USPS. It also lists some of the restrictions for a CPU. In addition, the Step 4 settlement agrees on the definition of a contractor-owned CPU in accordance with Handbook As-707F.

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Article 37 Reference

Article 37, Section 3.A.1 requires:
"All newly established Clerk Craft duty assignments shall be posted to craft employees eligible to bid ..."
The employees performing clerk craft work in these CPUs have in effect created newly established duty assignments.

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MOU Reference

- ▶ The MOU specifically refers to “full-service” CPUs
- ▶ The MOU also agrees that “any full-service CPUs” or any CPUs “located in close proximity to a postal retail facility” will require a meeting at the Union’s request to address the retail services in those locations

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Timeliness Arguments

If USPS cites timeliness during grievance steps:

1. Continuing violation, addressed in J-CIM;
2. The Union became aware of issue upon receipt of requested information. USPS controls relevant documents, so a violation is unknown until the evidence has been provided to the Union.

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Appropriate Remedy

- ▶ Your remedy should identify the harm that the CPU has done to the bargaining unit.
- ▶ Has excessing occurred in any nearby offices?
- ▶ How many daily/weekly hours do PTFs average in any nearby offices?
- ▶ Are NTFT employees working less than 40 hours weekly?

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Appropriate Remedy

- ⦿ The CPU site must be closed.
- ⦿ **We want our work back.** The duties performed by CPU employees should be returned to the APWU-represented employees.
- ⦿ An appropriate make-whole remedy should include back pay to APWU-represented employees who could and should have performed these duties.

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CPU-Petosky, MI

Petosky_MI_Pictures

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CPU - Mt. Carmel, TN

Mt. Carmel, TN CPU

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