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APWU
NOV 09 2006
WESTERN REGION
COORDINATOR

To: () Pacific Area Local(s)
(X) Western Area Local(s)
() So. West Area Local(s)

November 7, 2006

Omar M. Gonzalez
Western Region Coordinator
American Postal Workers Union, AFL-CIO
500 Airport Blvd., Suite 450
Burlingame, CA 94010-1940

[] Withholding Info
(X) Staffing Issue(s)
(X) Status Update
(X) Grievance Administration
(X) Please review, take action
and reduce issues to writ-
ing
[] Comments

RE: Update on AMC Closures

Omar M. Gonzalez, Coordinator

cc: S. Davidson

Dear Mr. Gonzalez:

We previously provided you notice that management was closing the Air Mail Centers/Facilities. This is an update on the status of those closures. The type of mail and work that the AMCs handled before is no longer available. Those operations are not needed at the AMCs. In most cases, operations will be moved to the Plant along with the employees. The Article 12 issues are minor and will be handled within each installation.

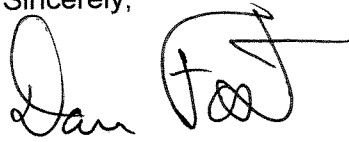
We currently lease facilities for Terminal Handling Service. In order to save costs, THS will sublease space at the AMCs and perform the same work it handled at the leased facilities. Some offices will change to direct tender/receipt to the air carriers.

- Arizona
 - Phoenix AMC will close 11/11/2006. The city of Phoenix will take back the AMC leased facility, so the USPS will no longer have a presence at the airport. Commercial air volume will be direct tender/receipt at the air carriers' freight houses.
 - Tucson AMC is expected to close early 2007.
- Las Vegas
 - Reno AMF is projected to close in November 2006. It is proposed that Reno will cease being an air stop for mail. The remaining CAIR volume will be direct tender/receipt. THS will sublease the AMF.
- Portland
 - Portland AMC is expected to close in early 2007.
- Spokane
 - Boise AMF is expected to close in early 2007.
- Denver, Seattle, and Salt Lake City AMC closures do not have a tentative date at this time.

11/9/06
Mr. Foster:
I am requesting a meeting on these issues and also on the Air Transfer Facility currently operating in Salt Lake City.
Omar M. Gonzalez

RE: Update on AMC Closures

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Foster". The signature is written in a cursive style with a prominent loop for the letter 'D' and a long horizontal stroke extending from the end of the name.

Dan L Foster
A/Manager Labor Relations

Enclosure: Copy of national union notification



October 6, 2006

Mr. William Burrus
President
American Postal Workers Union,
AFL-CIO
1300 L Street, N.W.
Washington DC 20005-4304

Certified Mail Number:
7006 0100 0005 6619 0643

RE: Proposed Outsourcing Consideration at Six Air Mail Centers/Facilities

Dear Bill:

In accordance with Article 32 of the National Agreement, this letter provides you with the Postal Service's final decision regarding the proposed outsourcing of terminal handling operations at the following Air Mail Centers/Facilities ("AMC/Fs"): Grand Rapids, Michigan; Kansas City, Missouri; Phoenix, Arizona; Pittsburgh, Pennsylvania; St. Louis, Missouri; and Miami, Florida.

After carefully considering all relevant information, including input provided by the APWU, the Postal Service has made a final decision to outsource terminal handling operations on destinating mail at the St. Louis and Miami AMCs.

As to the remaining four AMC/Fs, the Postal Service has made a determination that no outsourcing will occur. Grand Rapids is no longer a point of service in the commercial air network, and accordingly, has been removed from the outsourcing consideration process. The Kansas City, Phoenix and Pittsburgh AMC/Fs will be closed, and direct tender and receipt operations will be employed.

Pursuant to a direct tender and receipt operation, the Postal Service will deliver mail from a postal mail processing facility directly to a Commercial Air ("CAIR") transportation supplier's cargo/freight house at origin for outbound flights. The Postal Service will tender to each CAIR transportation supplier only the mail which that supplier will be responsible for transporting. On the receipt side, the Postal Service will pick up directly from the CAIR transportation supplier's cargo/freight house mail which that supplier had transported.

The Postal Service's opportunity to utilize direct tender and receipt is directly related to the recent decrease in the number of CAIR transportation suppliers with whom the Postal Service contracts. Previously, the Postal Service utilized the services of 17 air transportation suppliers, and the logistics of managing direct tender and receipt with so many carriers made the option unworkable. However, as of July 2006, the Postal Service contracts with only 7 suppliers. This significant decrease in the number CAIR transportation suppliers enables the Postal Service to manage direct tender and receipt operations with the smaller pool of suppliers (generally four or less at any given air-stop). Significantly, no terminal

handling costs will be incurred by the Postal Service under the above-described direct tender and receipt operation.¹

The resulting impact on employees working at the Kansas City, Phoenix and Pittsburgh facilities will be determined at the Local and Area levels, and employees relocated and reassigned in accordance with Article 12 and other established contractual guidelines.

If you have any questions concerning this matter, please contact Patrick Devine at (202) 268-5421.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Dockins".

John W. Dockins
Manager
Contract Administration (APWU)

¹ The Postal Service is currently evaluating whether direct tender and receipt operations will be implemented at any of the 43 AMC/Fs which are the subject of a separate proposed outsourcing consideration. You will be notified after our evaluation has been completed.



July 3, 2006

Mr. William Burrus
President
American Postal Workers
Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

Certified Mail Number
7005 0390 0005 6746 0617

Dear Bill:

This letter is to notify you that the Postal Service is considering subcontracting the tender and receipt of mail currently performed by bargaining unit employees at the following 43 Air Mail Centers:

Albuquerque, NM (ABQ)
Arlington, VA (DCA)
Baltimore, MD (BWI)
Birmingham, AL (BHM)
Boise, ID (BOI)
Charlotte, NC (CLT)
Cincinnati, OH (CVG)
City of Industry (ONT)
Cleveland, OH (CLE)
Columbus, OH (CMH)
Dayton, OH (DAY)
Denver, CO (DEN)
Des Moines, IA (DSM)
Detroit, MI (DTW)
Dulles, VA (IAD)
Flushing, NY (LGA)
Greensboro, NC (GSO)
Greenville, SC (GSP)
Hartford, CT (BDL)
Humble/Houston, TX (IAH)
Indianapolis, IN (IND)
Jacksonville, FL (JAX)

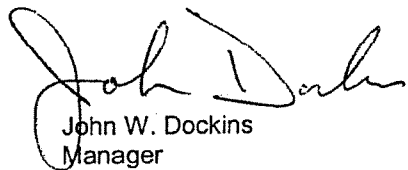
Las Vegas, NV (LAS)
Los Angeles, CA (LAX)
Louisville, KY (SDF)
Memphis, TN (MEM)
Milwaukee, WI (MKE)
Nashville, TN (BNA)
Norfolk, VA (ORF)
Oakland, CA (OAK)
Oklahoma City (OKC)
Omaha, NE (OMA)
Portland, OR (PDX)
Raleigh, NC (RDU)
Reno, NV (RNO)
Richmond, VA (RIC)
Salt Lake City (SLC)
San Antonio, TX (SAT)
San Diego, CA (SAN)
Seattle, WA (SEA)
St. Paul, MN (MSP)
Tulsa, OK (TUL)
West Columbia, SC (CAE)

Upon the joint signing of a non-disclosure statement, a Memorandum outlining the consideration of the five factors enumerated in Article 32, Section 1.A of the labor agreement, and a copy of the draft comparative analysis, in both electronic and printed formats, will be provided. Please contact Patrick Devine at (202) 268-5421 to make arrangement for these documents to be provided.

No determination of the impact to the bargaining unit has been made at this time. Any movement of employees will be done in accordance with Article 12 of the National Agreement. Any site specific information about such employee impact will be developed in each area and district, and when available, will be shared with area and district union designees.

If you have any questions concerning this matter, please contact Mr. Devine.

Sincerely,

A handwritten signature in black ink, appearing to read "John Dockins". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Dockins".

John W. Dockins
Manager
Contract Administration (APWU)