



NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

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August 7, 2020

Board Memo 052-2020: USPS HQ Announces New Business Plan

Executive Board,

Today, August 7, 2020, the Postal Service notified NAPS Headquarters that a new USPS business plan has been approved by the USPS Board of Governors (BOG). The first part of the new plan involves a realignment of the USPS area organizational structure to focus on three business lines, involving retail and delivery, logistics and processing and commerce. As reported in USPS announcements (attached), “... [T]hese organizational changes do not initiate a reduction-in-force, and there are no immediate employee impacts.” Also attached is the new USPS organizational chart.

Over the past several weeks, NAPS Headquarters has closely monitored changes in Postal Service operational approaches and surrounding developments. At our last USPS-NAPS consultative session on July 27, 2020, USPS noted that these operational changes were not subject to USPS-NAPS consultation because they fell within the scope of existing policies and rules, even if outside the norm of past practice. That perspective may not necessarily apply to future practices, as NAPS receives additional information from USPS on the business plan and realignment consequences. NAPS intends to fully exercise all available consultation rights on all appropriate matters.

We will continue to keep our membership fully advised on these developments and to make available our resources and assistance to our members. For example, in the deployment of cost-cutting strategies, where EAS employees become subject to debt determination letters for the cost of extra trips or unauthorized overtime, the services of the NAPS Disciplinary Defense Fund (DDF) will be available for members subject to false charges of extra trip or overtime fees. Similarly, the DDF will remain available to represent members subject to disciplinary charges for following proper instructions leading to the delay of mail, missed deliveries, or

other grounds.

As the USPS implements the new business plan, it is important that members follow all proper instructions, verbal or written. When NAPS members receive verbal instructions outside postal policies or guidelines, they should follow-up with an email to their manager or higher-level leadership to request clarification. Furthermore, if a member is unsure of an order, be sure to review ELM 665.15 Obedience to Orders, which states; *If an employee has reason to question the propriety of a supervisor's order, the individual must nevertheless carry out the order and may immediately file a protest in writing to the official in charge of the installation or may appeal through official channels.*

NAPS is committed to the success of the Postal Service. We are also committed to our members' success and protecting their livelihoods and rights in the workplace. To that end, NAPS will consult in good faith with the USPS and provide postal leadership with input to achieve success for both parties.

As more information becomes available on the USPS business plan and its impact, NAPS will provide timely and relevant updates. Please share this memo with your membership.

Thank you and stay safe.

NAPS Headquarters

Aug. 7, 2020

Transformative process

PMG DeJoy outlines USPS strategy

In remarks at his first open session Board of Governors meeting today, Postmaster General Louis DeJoy outlined his strategy for a “transformative process” for the Postal Service.

“Our goal is to change and improve the Postal Service to better serve the American public, and I am excited about the opportunities ahead,” said DeJoy. “I am enthusiastic and energized about the prospects for our future and our untapped promise.”

DeJoy praised the USPS workforce for employees’ dedication and commitment to serving the American people, and “the fantastic competencies” of the organization. “I believe that there are tremendous opportunities available to us, and I am very confident that we can turn our business around and become financially healthy, while remaining a vital part of the nation’s critical infrastructure,” he said.

Addressing the challenges facing USPS, DeJoy said the organization’s financial position is “dire,” stemming from “substantial declines in mail volume, a broken business model and a management strategy that has not adequately addressed these issues.” DeJoy noted that Congress and the Postal Regulatory Commission “have long delayed much needed legislative and regulatory reforms to help address the situation,” but that the Postal Service “will not and cannot wait for the legislative and regulatory process to save us.”

DeJoy said it is “absolutely imperative” for the Postal Service to operate efficiently and effectively, while continuing to provide service that fulfills the universal service mandate and meets customer needs.

“We have begun by vigorously focusing on the ingrained inefficiencies in our operations,” said DeJoy. “To start with, we have taken immediate steps to better adhere to our existing operating plans, which were developed precisely to ensure that we meet our present service standards in an efficient and effective manner. By running our operations on time and on schedule, and by not incurring unnecessary overtime or other costs, we will enhance our ability to be sustainable and to be able to continue to provide high-quality, affordable service.”

DeJoy said, “As we implement our operating plans, we will aggressively monitor and quickly address service issues.” DeJoy said customers and employees can rest assured that operational practices will be continually reviewed and adjustments made as required “to ensure that we operate in an efficient and effective manner.”

The Postmaster General also took the opportunity to clear up misconceptions that have been raised in the media and social media:

“First, while I certainly have a good relationship with the president of the United States, the notion that I would ever make decisions concerning the Postal Service at the direction of the president, or anyone else in the administration, is wholly off-base,” said DeJoy. “I serve at the

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pleasure of the Governors of the Postal Service, a group that is bipartisan by statute and that will evaluate my performance in a nonpartisan fashion. The Postal Service itself has a proud tradition of being a nonpartisan organization, which I believe is one reason why the Postal Service is consistently rated by the public as the most trusted federal entity. I intend to uphold the trust that has been placed in me by the Governors, and to fulfill my responsibilities to this organization and to the public interest, by trying to make good decisions through the exercise of my best judgment and business acumen gained through 35 years of commercial experience, and not based upon any partisanship.

“Second, let me be clear that with regard to Election Mail, the Postal Service and I are fully committed to fulfilling our role in the electoral process. If public policy makers choose to utilize the mail as a part of their election system, we will do everything we can to deliver Election Mail in a timely manner consistent with our operational standards. We do ask election officials and voters to be mindful of the time that it takes for us to deliver ballots, whether it is a blank ballot going to a voter or a completed ballot going back to election officials. We have delivery standards that have been in place for many years. These standards have not changed, and despite any assertions to the contrary, we are not slowing down Election Mail or any other mail. Instead, we continue to employ a robust and proven process to ensure proper handling of all Election Mail.”

DeJoy outlined how the Postal Service has been working closely with election officials throughout the country to ensure that they are well educated about the mailing process and can use the mail effectively to administer elections. “Ensuring that election officials throughout the country have an understanding of our operational parameters, including the circumstances under which we postmark mail and our delivery standards, so that they can educate voters accordingly, is important to achieving a successful election season,” he explained. “Although there will likely be an unprecedented increase in election mail volume due to the pandemic, the Postal Service has ample capacity to deliver all election mail securely and on-time in accordance with our delivery standards, and we will do so. However, as discussed, we cannot correct the errors of the election boards if they fail to deploy processes that take our normal processing and delivery standards into account.”

A third misconception that DeJoy addressed covered his role as Postmaster General. “I was not appointed by the Governors to position the Postal Service to be privatized or to manage its decline,” he said. “To the contrary, I accepted the job of Postmaster General fully committed to the role of the Postal Service as an integral part of the United States government, providing all Americans with universal and open access to our unrivaled processing and delivery network, as reflected in the Mission Statement that the Board adopted on April 1, 2020. I fully embrace six-day delivery of mail and packages as one of this organization’s greatest strengths and I plan to invest in tools and equipment for our letter carriers, as well as enhance the stability of our non-career workforce, to continue to provide the nation’s most trusted service. I accept the responsibility that the Governors gave me to maintain and enhance our reputation and role as a trusted face of the federal government in every community, and I intend to work with postal executives, management associations, managers, union leadership, and our craft employees to do everything I can to put us back on a financially stable path.”

“I am confident that we can chart a path forward that allows the Postal Service to fulfill our vital public service mission in a sustainable manner. I look forward to the challenge, and know we are up to it.”

To read the Postmaster General’s full remarks, go to the USPS Newsroom at about.usps.com/newsroom/.

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Aug. 7, 2020

USPS restructured PMG announces three operating units

In an effort to operate in a more efficient and effective manner and better serve customers, Postmaster General Louis DeJoy today announced a modified organizational structure for the U.S. Postal Service.

The new business organizational structure is focused on three operating units and their core missions:

- Retail and Delivery Operations — Accept and deliver mail and packages efficiently with a high level of customer satisfaction. This organization will be led by Kristin Seaver.
- Logistics and Processing Operations — Process and move mail and packages efficiently to the delivery units, meeting determined standards. This organization will be led by David Williams.
- Commerce and Business Solutions — Leverage infrastructure to enable commerce growth. This organization will be led by Jakki Krage Strako.

“This organizational change will capture operating efficiencies by providing clarity and economies of scale that will allow us to reduce our cost base and capture new revenue,” said DeJoy. “It is crucial that we do what is within our control to help us successfully complete our mission to serve the American people and, through the universal service obligation, bind our nation together by maintaining and operating our unique, vital and resilient infrastructure.”

As part of the modified structure, logistics and mail processing operations will report into the new Logistics and Processing Operations organization separate from existing area and district reporting structures. This includes all mail processing facilities and local transportation networks offices. Splitting operations into the two organizations of Retail and Delivery Operations, and Logistics and Processing Operations, is designed to allow for improved focus and clear communication channels. The transition to this new organizational structure will take place over the next several weeks. Transition coordinators have been identified to assist in the process.

These organizational changes do not initiate a reduction in force, and there are no immediate impacts to USPS employees. However, to prepare for future changes, the Postal Service has implemented a management hiring freeze and will be requesting future Voluntary Early Retirement Authority from the Office of Personnel Management for non-bargaining employees.

An organization chart reflecting the new USPS structure is available at about.usps.com/who/leadership/officers/.

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August 7, 2020

OFFICERS

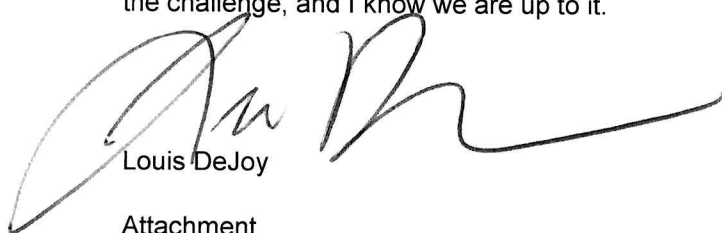
SUBJECT: Organizational Structure

Today marks the end of my eighth week as Postmaster General. I am grateful to each of you for the warm welcome you have given me, and I am thoroughly impressed by the dedication and commitment you and your teams have shown me over the past two months.

As I said in the video remarks released on my first day, "I am decisive, and ... when I see problems, I work to solve them." Early on, I concluded that our organizational structure was just such a problem to solve. I have decided we need to realign the organization to provide greater focus on the core aspects of our business and to give us a better chance for future success.

The details of the reorganization are set out in the attached memorandum from the Chief Human Resources Officer. I firmly believe these changes will transform us into a truly leader-led organization with clear lines of authority and accountability. I am excited that the current Executive Leadership Team has embraced these changes, and three of them have stepped up to take charge of the core operating units.

Together, I am confident we will chart a path forward that allows us to fulfill our critical public service mission in a financially sustainable manner. As I told our Governors this morning, I look forward to the challenge, and I know we are up to it.



Louis DeJoy

Attachment



August 7, 2020

OFFICERS

SUBJECT: Organizational Restructure

Our mission continues to be to serve the American people and, through the universal service obligation, bind our nation together by maintaining and operating our unique, vital, and resilient infrastructure.

To complete this mission successfully we must operate in an efficient and effective manner.

A crucial component of effectiveness is having organizational alignment in support of our mission and strategy. Our new organizational structure will align functions based on core business operations and will provide more clarity and focus on what we do best; collect, process, move, and deliver mail and packages.

Our new structure will focus around three operating units:

1. Retail and Delivery Operations
 - Basic Mission: Accept and deliver mail and packages efficiently with a high level of customer satisfaction,
2. Logistics and Processing Operations
 - Basic Mission: Process and move mail and packages efficiently to the delivery units, meeting determined standards, and
3. Commerce and Business Solutions
 - Basic Mission: Leverage infrastructure to enable growth.

Administrative support functions will have centralized reporting relationships into the corresponding headquarters organizations. These administrative support functions will continue to serve operations in a matrix structure with a dotted line relationship to the field to ensure continued and focused support.

These organizational changes will improve line of sight by creating linear scope for core business operations and administrative support functions enabling us to capture efficiencies. In that regard, this new structure will provide economies of scale that will allow us to reduce our cost base and capture new revenue.

To prepare for these future changes we will immediately implement an EAS and executive hiring freeze and will be requesting Voluntary Early Retirement Authority from the Office of Personnel Management for non-bargaining employees. These organizational changes do not initiate a reduction-in-force, and there are no immediate employee impacts.

The following outlines job roles and organizations in our future state. Over the next several weeks we will transition into this new organizational structure. Transition coordinators have been identified to aid in this change. Your immediate manager will address any specific changes with you. In the interim, continue to do what you do to deliver value to our customers.

Any function not referenced here will remain unchanged for the time being.

- Establish Chief Retail and Delivery Officer (Kristin Seaver)
 - o Establish four Vice President (VP), Retail and Delivery Areas and realign District Offices into new organization
 - VP, Area Retail and Delivery Operations Atlantic (Sal Vacca)
 - VP, Area Retail and Delivery Operations Southern (Shaun Mossman)
 - VP, Area Retail and Delivery Operations Central (Krista Finazzo/A)
 - VP, Area Retail and Delivery Operations Western Pacific (Greg Graves)
 - o Establish VP, Retail and Post Office Operations (Angela Curtis)
 - o Establish VP, Delivery Operations (Josh Colin)
- Establish Chief Logistics and Processing Operations Officer (Dave Williams)
 - o Establish two VP, Regional Processing Operations, and change the reporting relationships of the Processing and Distribution Centers and Remote Encoding Center into the new organization
 - VP, Regional Processing Operations Eastern (Dane Coleman)
 - VP, Regional Processing Operations Western (Larry Munoz)
 - o Align VP, Processing and Maintenance Operations (Mike Barber)
 - Change reporting relationships of the Network Distribution Centers and International Service Centers to the VP, Processing and Maintenance Operations, organization
 - o Align VP, Logistics (Robert Cintron)
- Establish Chief Commerce and Business Solutions Officer (Jakki Krage Strako)
 - o Align VP, Facilities (Tom Samra)
 - o Establish VP, Transportation Strategy (Kelly Abney/A)
 - o Establish VP, Business Solutions
 - o Establish VP, Business Development
- Chief Customer and Marketing Officer (Steve Monteith/A)
- Establish Chief Technology Officer (Scott Bombaugh/A)
 - o Core mission to deploy technology and data to enable the effective processing, transport and delivery of Postal products
 - o Align VP, Engineering Systems (Linda Malone/A)
 - o Align VP, Enterprise Analytics (Jeff Johnson)
- Chief Information Officer (Pritha Mehra/A)
 - o VP, Information Technology (Marc McCreary/A)
 - o VP, Mail Entry and Payment (Randy Workman/A)
- VP, Corporate Communications (Jeff Adams/A)

Reporting relationship changes for Area support functions are as follows:

- Human Resources
 - o Area HR Managers to report to the VP, Employee Resource Management
 - o Area Labor Relations Manager to report to the VP, Labor Relations
- Finance and Budget
 - o Area Controllers to report to the SVP Finance and Strategy
- Marketing
 - o Area Manager, Marketing, to report to the VP, Area Retail and Delivery Operations
- Operations Support
 - o Manager, Operations Support, will report to the VP, Regional Processing Operations

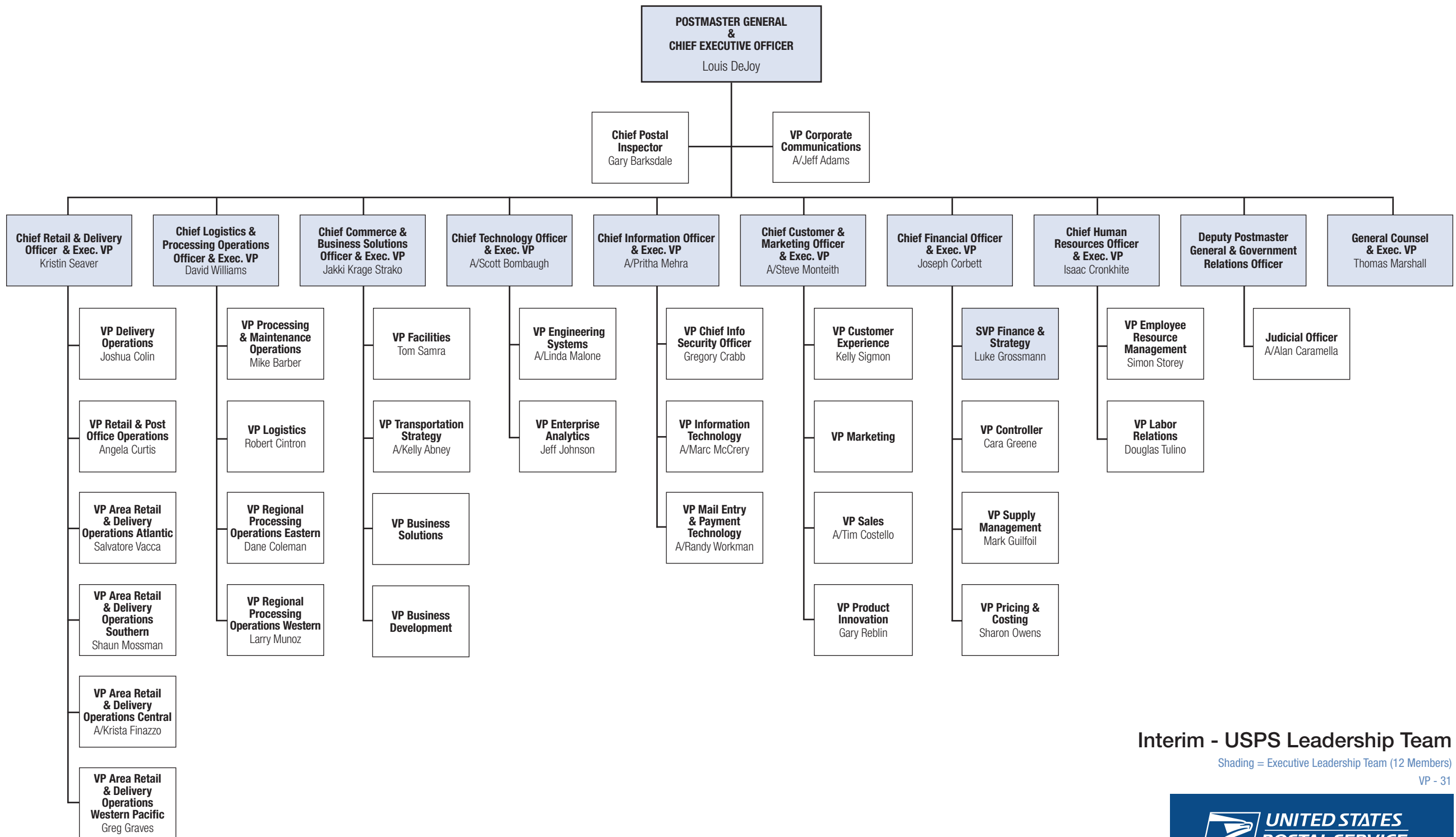
- Area Manager, Delivery Programs Support, to the VP, Area Retail and Delivery Operations
- Area Manager, In-Plant Support, to the VP, Processing and Maintenance Operations
- Area Manager, Maintenance Operations, to the HQ, Director Maintenance Operations
- Area Network Operations to the VP, Logistics
- Area Manager NOCC to the VP, Logistics
- Field Processing
 - Plant Managers report to the Manager, Operations Support

These strategies are substantial and will fundamentally change how we run our business. It is crucial that we do what is within our control to establish a sustainable business.

Future changes will occur as we continue to identify additional operational efficiencies. The next evaluation to be completed is potential district consolidations. My commitment is that as we build out the future state, we involve employees in the process and continue to communicate.



Isaac S. Cronkhite



Interim - USPS Leadership Team

Shading = Executive Leadership Team (12 Members)

VP - 31

