

Pacific Area Mid-Year 2012 Meeting Los Angeles ISC April 11-12, 2012

Day One April 11, 2012

The Pacific Area meeting opened with welcomes and Introductions by Larry Munoz, Pacific Area Manager Operations Support. Larry introduced special guests representing the management organizations: **Steven Tomlins, State President League of Postmasters, Shari Hetzler, League Pacific Area Coordinator, Norma Powell, League Pacific Area Executive VP. Hayes Cherry NAPS Pacific Area VP, Marilyn Walton; NAPS Western Region VP. Pam Brooks, NAPUS State President, Jackie Diddier, NAPUS Area 22 National VP.**

USPS HQ/ Pacific Area: *OIG Special Agent Nichole Cooper, and Inspector in Charge, Bernard Ferguson.*

USPS Law Department: *Managing Counsel, Daren Craves, and Sara Snyder.*

USPS Districts & Plant Staff members Represented: Bay Valley District, Honolulu, Los Angeles, Sacramento, San Diego, San Francisco, Santa Ana, Sierra Costal and Pacific Area office.

Larry announce special recognition and best wishes to Dallas Keck, San Diego District Manager who will be retiring in May. Tim Padden, Postmaster San Diego also retiring. He also extended best wishes to Kim Fernandez and James Gillery Bay Valley District who have retired. Also Daryl Ishizaki, Honolulu District manager, who has announced his retirement.

Currently Acting Managers in the Pacific Area: Jim Clausen, Acting District Manager Bay Valley, Diana Munoz, Acting Manager NDC (Richmond). Noemi Luna, Plant Manager San Jose. Frank Santos, Acting District Manager Honolulu, Gregory Wolny Sr Plant Mgr (A) Honolulu. Don Marbrey, Postmaster (A) San Diego. It was announced that Larry Munoz would be filling in as Acting District Manager San Diego. Long Beach, Mike Allen Acting Plant Manager. Sierra Costal, Lisa Ball and Lynda La Force Acting MPOO's. Lisa Jackson, Acting Pacific Area Controller.

Agenda: Drew Aliperto Opening remarks:

- Drew: We had a great first half of the year have to keep focus to meet the goals for the second half of the year.
- Drew attended the Postal Forum in Florida last week he stated the customers are concerned about the proposed changes; large mailers are focused on Standard and Periodicals service.
- USPS is looking forward to and planning for a robust fall mailing season due to the hotly contested election.
- The Senate is supposed to take up the Postal Bill next week "we will see what happens". We have to work on what we can control, service to the customer.
- Be aware the NALC will be picketing USPS next Monday
- Pacific Area is currently #1 in most areas except Package service and Scanning. Pacific Area has saved two and half million work hours.

Presentations:

Service UP Team Presentation: *Patricia White, Pacific Area Mgr Marketing, Al Santos, DM Sacramento, Frank Santos, DM (A) Honolulu.*

- Service Trends OND PAC area not hitting the target every week but showing progress, need to focus on EXFC
- 1st class Commercial, PAC Area doing good # 2 in the nation
- 1st class 2 day PAC Area # 1 in the nation
- 3 day service scores have an opportunity to grow service current score 93.81 Most districts in Green and Blue (Good). Single piece 3-5 day need work.
- Service strategies for FY 12, 5% or better am late dispatches. Late pm collection 5% improvement. This concern drives the 24 hour clock.
- Need some maintenance improvements
- Unload scans need to be at 100%
- Need advance (incoming) processing 2-3 day mail
- Improve Opportunity Pairs, through internal seeding and communications
- Focus on the right mail on the right truck at the right time! This helps the Operating Plan
- Express mail achieving the target. Keep the focus
- Package Service big opportunity to improve also Priority Air, Priority Surface
- Root causes of Priority failures: Transit delays, Origin failures. There is a Web site to track priority failures
- One major issue Delivery failure arrives in unit on time we fail to deliver on time!
- New priority mail 24 hour clock. Daily & weekly reporting
- Retail accepted by noon and process by 2100. 89.8% 5th in the country
- Monitor Priority assigned to FedEx, Priority Surface
- WIP (Work in Process) Periodicals, PAC Area goal to finalized periodicals 24 hours or less – scores currently improving. This program tracks how many hours it takes delivery units to deliver standard and Periodical mailings. Pacific Area is 1 & 2 in nation on this service. Need lots of focus on WIP 24 hour turn around.
- Express mail scanning not currently achieving 99%.
- Currently all scanning at 93.71%
- Express mail scanning not achieving 99% should be 99% on all 10 scans per mail piece
- AAU & AAE scanning significant drop over past few weeks, managers need to monitor
- CEM, (Customer Experience tracking) Residential customer complaints WTIL. Customer perception of how we do on keeping the wait time in line lower! Currently WTIL is 2-5 minutes (as of end of March)

- Also Customer complaints about delivery unit not following up on their concern and getting back to them on a resolution!
- Need to look at why we fail at special mailings prepared for special mailing days
- Currently using Web cam to monitor units (Honolulu)
- Customer Experience Strategies – responding back to customer’s main focus. Customers want to partner with PO. Important for clerks to ask Hazmat question this is very important!
- Goal: Increase focus on all Service categories. Renewed focus on Customer experience.

LLT Demonstration (Leadership Team weekly meeting de mo) San Francisco – Best practice team (Actual replica of their LLT meeting) SFO Team members

- Team members demonstrated how they review their weekly agenda items and how they track their progress on a web base program.
- The Pacific Area selected the San Fran LLT because of their meeting process and record keeping on tracking their progress

Cost Down Presentation: *Lisa Calderon, MPOO Industry, Dallas Keck, San Diego DM, Balwant Grewal, BV Sr. Plant Mgr, Ed Ruiz, DM Los Angeles, Cindy Larson, Pacific Area Mgr Delivery Program Support*

- FY Results Indicators 1.7 % under SPLY
- TOE under SPLY end of year but 8 million over plan
- Will have to run 4.0 for rest of year to make plan
- Focus will be on work hour reductions in LDC 11 & 17 (automation)
- LDC 14 reduction in Maintenance operation
- LCTS LDC 13 work hour reduction
- OT less than 2% for F-1 (plant)
- LDC 13 & 17 experiences highest OT – Some District are showing improvement
- Focus on LDC 13 Mechanized Distribution LCTS operations
- FB 2 work hours saved significant savings. Need to double savings for the rest of the year
- Need to focus on Street Management
- Office management carriers leaving on time
- Managers/Supervisors oversight of operations

- Don't Overstaff
- Pivoting Daily a must
- Pacific Area needs to save 7 minutes per route per day for the rest of the year
- Function 4 not making work hour plan since December
- How are we using PSE's to impact OT?
- E1994/SST/MAPS Structure to match operation
- MAP enforcement to achieve operating plan
- Big focus on F-4 reducing work hours under 3%
- Need to reduce cost on supplies and services (gas) vehicles average age of vehicles (currently 20 years old)
- Highway transportation plant to plant within a district currently 18% over plan in late trips (pink slips)
- Misc expense grievances, EEO, Arbitration Awards. Five million over on arbitration awards.
- 8 Million spent on grievances so far this year
- Function 4 must focus on E-1994's
- Maximize use of PSE's and unassigned regulars
- Drew stressed need to look at pivoting closely
- F-2B, 50% of budget hours. How do we increase pivoting (will help this budget issue)
- Drew – F-1 need to manage PSE's, Mail handler casuals, NEFTES
- Will be migrating employees in the summer

Day 2 Pacific Area Meeting Thursday April 12, 2012

Safety Motor Vehicle Accidents (MVA) – Best Practice - Greg Wolny, (A) Senior Plant Mgr. Honolulu

Greg led a discussion on safety due to increase of accidents in the Pacific Area including hitting fixed objects

- Managers/Supervisors don't want a tragic accident on your watch (Greg shared a tragic experience that occurred in his District)
- During FY 12 there have been an increase and some types of accidents and a decrease in other types
- Need to focus on employees hitting fix objects
- Base line all offices use safety tool kit for accident investigations

- Utilize District Accident Review board (DAR) findings and learn from them
- POP Proof of Performance – A part of safety training
- Office review 4584's

Network Optimization Panel – Facilities Update: Belinda Olson, PAC Area Mgr In-Plant Support, Jim Olson, (A) Sr Plant Mgr Los Angeles, Rosemarie Fernandez, DM San Francisco, Pedro Ortiz, Pacific Area

- Update on all Plants reviewed for Closure/Consolidation/ Equipment changes
- Network Optimization committee meets Bi-weekly
- Service Standard change target date is May. This will change the 24 hour clock the major changes cannot occur until Service standards change.
- Target dates for employee moves are June and February
- Currently working on total review of 24 hour clock by operation supported by the new 24 clock- new operating template
- MPOP template for each operation for every plan based on type of equipment. Also CT & CET times builds the plan by operation. Goal to set up building changes right the first time!
- Pasadena, Industry, Honolulu (operating /equipment changes) Stockton, Midway, Redding, North Bay, Bakersfield
- Current projected employee impacts 809 currently (pre-retirements) 609 landing spots
- Bay Valley preparing for North Bay shift and merging equipment there will be an overall reduction of equipment. Current projection 269 impacts. (pre retiree changes if they occur)
- Honolulu will be taking equipment. Staffing changes 40 full time clerk impacted (449 eligible for optional retirement)
- LA projected to bring Pasadena, Long Beach (long term projection to come into Los Angeles) There will trading of equipment with other facilities in the LA area
- LA Area has been approved for a Call Center which will result in 500 potential positions (could help impacted employees in the area).
- 45 impacts from Pasadena a lot of people on limited duty. Changes in LA area with changes a possible 1000 employees may experience changes depending on final operational changes approved.
- Sacramento, Redding, Stockton, Modesto changes. Stockton target date 6-16-12. Possible 1000 persons impacted for entire district. However there will be reviews of Veterans, Seniority, Retreat Rights, retirement eligible to take into consideration. The changes and reassignments will be reviewed carefully.

- Midway (San Diego) changes are scheduled to start in May, 125 impacted (800 employees eligible for incentive/retirement in the district)
- San Francisco possible 229 impact (also review of retirement eligible)
- Industry (Santa Ana) migrated to Santa Ana and Anaheim. 500 employees possible impact (Lots of retiree eligible)
- Bakersfield (Santa Clarita) will be moved to Sierra Costal (there are retiree eligible)
- The Network Optimization team will be:
 - Finalizing staffing models
 - Meeting with unions
 - Finalizing work assignments
 - Scheduling Town Hall Meetings
 - Conducting Retirement Seminars
 - Promoting E-reassign and providing training on use

Grow the Business Marketing Presentation Patricia White, Pacific Area Marketing Mgr. (Overview)

- PAC Area is fourth in the country for Revenue
- Five year plan is USPS will be losing first class volume
- Santa Ana & Sierra Costal are experiencing an increase in revenue other areas need to focus on Best Practices used by these Districts.
- Businesses should be encouraged to give up meters and use On-line USPS services
- EDDM product – What kind of Leads? Is there follow-up?
- Window stamps are more expensive then consignment stamps
- CPU (contract stations), need to be encouraged to sell more package products
- Passport revue Opportunities need to clear up back log and reduce sites that handle passports
- Focus on Products and Services
- Delivery confirmation scans – Very Important!
- FCM volume is down, however it is falling at a slower rate than projected (this is good)

- EDDM is a growth product – current popular commercial advertising this product. Focus on a geographical area that helps the customer increase business opportunities.
- New Product/Service GO POST currently trail basis in Virginia will possibility expand to other areas
- USPS.com has web site has been redesigned more user friendly
- Scanning, timely delivery is vital to keeping the sale “must” provide the service once the sale is made to the mailer. One district loss a million dollar account because we failed the scanning. Customers insist on scanning to track their mailings!
- USPS is working on a 100 million dollar account, however the major concern is will we meet their scanning requirements? All managers/supervisors need to stress accurate scanning.

Developing People/Enabling Discussion: Larry Munoz, Pac Area Ops Support, Gerry Ahern, DM Santa Ana, David Stowe, Sr. Plant Manager San Francisco and Shawn West, Lean Six Sigma Black Belt.

- Pacific Area working on Talent Management
- 35% of current executives eligible for retirement
- 72% executives over 50 years of age
- 49% execs eligible for retirement in 3 years
- Current vacancies in higher level positions
- Need to prepare to back fill/identify talent
- CSP program will open April 12' 2012 (Management Development Program)
- **Executives will nominate no more self nomination**
- There will be three member Talent Review Board to assess talent
- Talent Management will Plan, approve and support
- Talent management will notify applicants and provide feedback
- There will be three members on the Talent Management team, Manager HR Sacramento District, Manager Hr Santa Ana District and one other HR Manager.
- Data base for Talent Management will be maintained by Pacific Area
- 224 Potential Higher level promotions in the coming year (s)
- Team will also be looking to assist Line Supervisors for potential development
- Talent Management team will also provide help for impacted supervisors

Team discussion: Enabling process:

- Enabling process began in Santa Ana in 2008 and has gone through several changes
- Recommends office enabling (those offices that are struggling to achieve service scores)
- Offices selected meet Bi-weekly for review
- Team must work with office issues (committed training, support, review)
- Whatever skill set that needs to be developed **must** be provided
- Team approach to improving an office. Everyone is involved
- Monthly reviews
- DM drives the process and Participates in weekly review process check
- Integrated PAFS (Pacific Area Foundation System) reviews into the process. On site coaching and review. Bring in team to work with supervisor from opening to closing.
- Subject matter experts (blue managers- high performing managers from successful units)
- Daily coaching
- Adopt a carrier to review street time. Work to improve performance or take appropriate action
- Office under review focus on F-4, F-2, Labor Relations, AMS, F-2B, Leadership Model
- District manager driven process weekly review on Friday with MPOO, SOM & KOM

Wrap Up - Drew

- Goal of presentations and discussions is to ensure that everyone knows the focus for the remainder of the year.
- Understand the main focus that Pacific Area needs to achieve goals.
- Provide Service to the customer and work on the things we can control!