

# USPS DELIVERING FOR AMERICA PLAN – UPDATE

Paul V. Hogrogian, National President



**D**ear Members: Postmaster General DeJoy and the United States Postal Service published its 10-year Delivering for America (DFA) plan on March 23, 2021. The stated goal for the plan was “to transform the United States Postal Service from an organization in financial and operational crisis to one that is self-sustaining and high performing.” When the DFA was announced, the Postmaster General and the Board of Governors were projecting a \$160 Billion deficit over a 10-year period.

The DFA sought to eliminate that deficit by achieving savings through:

1. Postal Reform (Medicare Integration) (\$40–\$50 Billion)
2. Increased revenue (Rate increases and increased package volume) (\$60–\$70 Billion).

Almost three years into its 10-year plan, the Postal Service has substantially cut the projected deficit from \$160 Billion to \$60 Billion.

The Postal Service increased revenue by raising postage rates. The Postal Service increased revenue by \$500,000 during Fiscal Year 2023. The Postal Service has increased parcel volume through initiatives such as Ground Advantage.

The remainder of the projected deficit must be made up through cost reduction (labor and transportation).

The Postal Service has greatly reduced its transportation cost by moving air volume to surface transportation.

The Postal Service continues to aggressively roll out and implement its new, more comprehensive Network Redesign plan. The centerpiece of the Network Redesign project is the establishment of Regional Processing and Distribution Centers (RPDCs) in approximately 60 metropolitan areas throughout the country. These RPDCs will consolidate all originating letters, flats, and parcels and all destinating parcels from all mail processing facilities within a metropolitan area into one mega-processing center. Most of the processing plants from which originating mail was taken would continue to process destinating letters and flats and would be renamed Local Processing Centers (LPC).

The USPS has announced that the initial RPDC sites are (all subject to change):

1. Sandston (Richmond), VA
2. Chicago, IL (South)
3. Atlanta, GA
4. Charlotte, NC
5. North Houston, TX
6. Santa Clarita, CA
7. Indianapolis, IN
8. Portland, OR
9. Jacksonville, FL
10. Boise, ID
11. Oklahoma City, OK
12. Phoenix, AZ
13. Royal Palm, FL
14. Chicago, IL (North)

The Postal Service has also announced what it calls “Mail Processing Facility

Reviews” (MPFR) for approximately 40 more sites. The Postal Service has determined that there is a need to consolidate some mail processing operations from these facilities into other processing centers. The following are some of the targeted facilities:

- Provo
- Minneapolis
- Trenton
- Wilmington
- South Jersey
- Lehigh Valley
- Bethlehem
- Scranton
- Columbia, MO
- Springfield, MO
- Tacoma
- Yakima
- Wenatchee
- Missoula
- Knoxville
- El Paso
- Fayetteville
- Dakota Central
- Bismarck
- Grand Forks
- Bemidji
- Cheyenne
- North Platta
- Grand Junction
- Buffalo
- Charleston, WV
- Johnston
- Eastern Maine
- Fort Myers
- Champaign
- Peoria
- Lubbock
- Midland
- Abilene
- Brockton
- Burlington
- Casper
- Charleston
- White River Junction
- Fresno
- Reno
- Gulfport
- Quad Cities
- Waterloo
- Iron Mountain
- Sioux Falls
- Manchester

While some consolidations may make sense, others do not. The original concept was to centralize mail processing among facilities in a metropolitan area within a 50 mile radius. The Postal Service's plans, in some instances, have extended much further than that, often exceeding 100 miles. We have and will continue to argue to the Postal Service that they must reevaluate the situation, reconsider some of these plans and implement a more reasonable and rational plan. The Postal Service has also been in too much of a hurry to implement their plans, which often results in mistakes being made and in unnecessary delays. It seems as though, at times, they do not know what they are doing, but they are in a hurry to do it. Some of the RPDCs listed above (Royal Palm, Oklahoma City and Santa Clarita) have been delayed until some problems can be resolved.

It is worth repeating that these plans are extremely fluid and subject to change. The National Office will provide updates on this project as we receive more information.

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The NPMHU will ensure that the Postal Service complies with all the provisions of our National Agreement especially those contained in Article 12, and keeping all dislocation and inconvenience to Mail Handlers to an absolute minimum when implementing these plans.

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The Postal Service has also begun to implement a pilot program called

the "Go East/Go West" initiative. The pilot program would create Regional Hubs to which originating sites would send jackpotted mail to the respective regional hubs. The Regional Hubs (subject to change) would be:

1. Atlanta (Southeast)
2. NJINDC (Northeast)
3. West Valley (Southwest)
4. Salt Lake City (Northwest)
5. Memphis (Southeast)
6. Indianapolis

The pilot is still in its initial planning stages and much more information will be forthcoming. The National Office will provide updates on this project once we receive more information.

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The NPMHU has also been in continuous discussions with the Postal Service to return some of the Terminal Handling Services (THS) work which has been subcontracted for many years. We

have reached agreement to return the THS functions in Phoenix, Anchorage, Spokane, Richmond, Norfolk, Salt Lake City, Kansas City, Atlanta, Charlotte, Boise, Billings, Sacramento, Denver, Cincinnati and are discussing bringing other THS sites back in-house.

The NPMHU has also been in discussions with the Postal Service to return some of the Service Transfer Centers (STC) work which also has been subcontracted for several years. The National parties reached their first agreement on

insourcing or returning some of the surface transfer work to the mail handler craft starting with a six month pilot program in certain postal facilities. The first installations where the STC work will be returned are at the following:

- a. Salt Lake City
  - To Salt Lake City ASF
  - To Denver NDC
- b. Cap Metro
  - To Washington DC NDC (Southern Maryland)
  - To Greensboro NDC
- c. Atlanta
  - To Atlanta RPDC
- d. Northern California
  - To San Francisco NDC
- e. Indianapolis
  - To Indianapolis P&DC
  - To Cincinnati NDC
- f. Memphis.
  - To Memphis NDC

The NPMHU was also able to secure the return of the STC work from the Springfield, Kansas City and Southern California STCs. Discussions are continuing concerning insourcing the STC work from the remaining 4 subcontracted facilities (Dallas, Northern NJ, Seminole and Chicago).

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I remain confident that through the work of our Contract Administration Department and our legal representatives, and through the hard work of our Regional, Local, and Branch representatives, we can successfully meet all challenges that lie before us.

Fraternally,



**Paul V. Hogrogian**  
National President