

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES POSTAL SERVICE
AND THE
NATIONAL RURAL LETTER CARRIERS' ASSOCIATION**

In the arbitration decision dated January 22, 2010 (Q00R-4Q-C 08243218), Arbitrator Richard Bloch remanded to the parties the matter of establishing a national standardized review process for delivery point sequence (DPS) letter mail processing.

As a result, the parties agree that the attached procedures, distributed for implementation effective April 10, 2010, represent the standardized DPS letter mail formal review process for all rural routes.

Any rural carrier that requested a DPS letter mail formal review for their assigned rural route between the arbitration decision date, January 22, 2010, and April 10, 2010, will be provided a copy of the appropriate review form for completion. Upon receipt of the request, management will conduct a formal review of DPS letters in accordance with the procedures effective April 10, 2010.

If, after completion of the DPS letter mail formal review as outlined in the attached procedures, the rural route is to be reclassified to sector/segment or raw mail, as appropriate; the effective date of this reclassification will be the first day of the pay period in which the original request was received between January 22 and April 10, 2010.

All future formal reviews of DPS letter mail will be conducted in accordance with the standardized procedures noted above.

The implementation of the standardized process for DPS letter mail formal reviews does not prejudice the position of either party as it relates to any other issues concerning DPS mail currently pending at the national level.



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Don Cantriel
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Date: 4-6-2010

DELIVERY POINT SEQUENCING (DPS) LETTER MAIL FORMAL REVIEW PROCEDURES

The following procedures supersede all previously issued or established DPS letter mail formal review procedures, both nationally and locally.

In accordance with Handbook PO-603, *Rural Carrier Duties and Responsibilities*, section 541.42, if a rural route receiving DPS letter mail frequently experiences significant decreases in the quality of the DPS letter mail or there is a disproportionate reduction in DPS letter mail volume in relationship to the total letter volume of the route (quantity) as compared to the latest mail count; the assigned rural carrier (Designations 71, 74, or 79) may submit a written request for a formal review of DPS letter mail.

DPS Letter Mail Formal Review Process for Quantity (Reduction in DPS Percentage)

1. The assigned carrier's request for a formal review must be submitted in writing to local management using the *DPS Letter Mail Formal Review – Quantity* form (Attachment 1).
2. The *DPS Letter Mail Formal Review – Quantity* form must be annotated by local management when received. A copy of the form will be provided to the carrier who requested the formal review and the appropriate NRLCA state steward.
3. If the *DPS Letter Mail Formal Review – Quantity* form is received prior to noon, the thirty (30) calendar day period in which management must complete the formal review of DPS letter mail and also correct any problem if the formal review results in a reduction in the DPS letter mail percentage will begin on the date of receipt. If the form is received after noon, the 30 calendar day period will begin the following day.
4. The DPS letter mail formal review for percentage will consist of a two-week count of all letter mail received on the route. The two-week period for conducting this count is defined as all delivery days within a fourteen (14) calendar day period. The begin date of the formal review is determined by management and may begin on any day of the week.
5. The count of letter mail volume during the formal review will be consistent with applicable rural mail count procedures.
6. Utilize the *DPS Letter Mail Quantity Review Worksheet* (Attachment 2) to record the letter mail volume for the two-week review period. The letter volume from the latest mail count is also recorded on this worksheet to complete the comparative calculation.
7. The assigned rural carrier will be provided notification of the results of the DPS letter mail formal review as soon as practicable following completion of the two-week count of mail. The *DPS Letter Mail Formal Review – Quantity* form will be

- appropriately annotated with the results of the formal review and a copy of the form, once completed will serve as notification to the assigned rural carrier.
8. If the results of the DPS letter mail formal review indicate that at the time of the review the DPS percentage is equal to or higher than the percentage from the latest mail count, no further action is necessary.
 9. If the results of the DPS letter mail formal review indicate that there has been a reduction in the DPS letter mail volume in relationship to the total letter mail volume as compared to the latest mail count; management will use the remaining time between the completion of the review and the end of the 30-day period, as necessary, to take any corrective actions to resolve the problem and bring the DPS percentage back to the level it was at the latest mail count.
 10. If management deems that the reduction in DPS letter mail volume in relationship to the total letter volume has been corrected at the end of the 30-day period, which may require little or no action, certification will be provided to the assigned rural carrier and no further action is necessary. The *DPS Letter Mail Formal Review – Quantity* form will be annotated in the *Certification* block and a copy of the form will be provided to the assigned rural carrier.
 11. If the problem is not corrected by the end of the 30-day period, PS Form 4003, *Official Rural Route Description*, will be prepared to effect the appropriate base hour change resulting from the DPS letter mail formal review. The base hour change will be effective on the first day of the pay period in which the *DPS Letter Mail Formal Review – Quantity* form was received.
 12. If the assigned rural carrier disputes that the DPS percentage was returned to the level at the latest mail count (the quantity problem was not resolved), the appropriate recourse for the carrier is to request another DPS letter mail formal review within fourteen (14) calendar days of the date of management's certification, by submitting a *DPS Letter Mail Formal Review – Quantity* form.
 13. The procedures outlined in numbers 2 through 8 above, will then be followed.
 14. If the results of the subsequent DPS letter mail formal review (identified in Item 12 above) indicate that there continues to be a reduction in the DPS letter mail volume in relationship to the total letter mail volume from the latest mail count, immediate action must be taken. PS Form 4003 will be prepared to effect the appropriate base hour change reclassifying the DPS letter mail. The base hour change will be effective on the first day of the pay period in which the original *DPS Letter Mail Formal Review – Quantity* form was received.

**DPS LETTER MAIL FORMAL REVIEW - QUANTITY
(DPS PERCENTAGE)**

In accordance with Handbook PO-603, *Rural Carrier Duties and Responsibilities*, section 541.42 and the DPS Letter Mail Formal Review Procedures, a formal review of DPS letter mail processing is being requested for the following rural route:

Office: _____ Route # _____

I am the assigned carrier (Designation 71, 74, or 79) for the rural route identified above and I am requesting a formal review of DPS letter mail processing because I believe there is a disproportionate reduction in the DPS letter mail in relationship to the total letter volume of my route as compared to the latest mail count.

Assigned Carrier's Printed Name: _____

Assigned Carrier's Signature: _____

Formal Review Request Received: Date: _____ Time: _____

This date represents the beginning of the 30 calendar day period in which to complete the DPS letter mail formal review if time is before noon. If receipt is after noon, the 30-day period will begin the following day.

Manager's Signature: _____

DPS Letter Mail Formal Review Results

DPS % - Review Period: _____ DPS % - Latest Mail Count: _____

Difference in DPS % (Review versus Mail Count): _____

NOTE: If the DPS % at the time of the review is \geq the DPS % established at the latest mail count, no further action is necessary.

If the DPS % at the time of the review is $<$ the DPS % established at the latest mail count, management should take any necessary action to raise the DPS % to the level recorded at the latest mail count. If the level is restored, provide certification below.

Management Certification

Complete only if the review results above indicate a reduction of DPS % during the formal review and the reduction has been resolved.

I deem that the reduction in DPS letter mail in relationship to total letter volume identified by the DPS letter mail formal review results, as shown above, has been corrected.

Manager's Signature: _____

Date of Certification: _____

Provide a copy of this form to the assigned rural carrier and appropriate NRLCA state steward in accordance with the DPS Letter Mail Formal Review Procedures.

DPS LETTER MAIL QUANTITY REVIEW WORKSHEET

POST OFFICE/BRANCH
 STATE, ZIP+4
 BEGIN DATE OF REVIEW
 ROUTE NUMBER

The most recent mail count conducted on this route was:

1) TWO WEEK LETTER VOLUME COUNT

	DATE:	DPS	S/S	RESIDUAL	TOTAL	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						% DPS
TOTAL						

2) LETTER VOLUME ANALYSIS

Two Week Letter Volume Count Total
 Enter Total Letter Volume From The Most Recent Mail Count
 VARIANCE

	DPS	S/S	RESIDUAL	TOTAL	% DPS

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DPS LETTER MAIL QUANTITY REVIEW WORKSHEET INSTRUCTIONS

HEADER INFORMATION – Complete header information as appropriate. Answer the question “*The most recent mail count conducted on this route was:*” by using the drop down pick list and selecting the appropriate response (either 2-Week or 4-Week).

1) TWO-WEEK LETTER VOLUME COUNT– Conduct a count of all letter volume received for all delivery days within a two-week (14 calendar day) period. This will most often result in a 12-day count of mail, but there may be less than 12 delivery days within the period. Record the daily volume in the **DPS**, **S/S** (sector/segment) or **RESIDUAL** columns, as appropriate.

Total all columns at the conclusion of the two-week count. Determine the percentage of DPS letters received during the two-week count by dividing the DPS total letters by the total letter volume using the following formula:
 (DPS letters / DPS letters + SS letters + RESIDUAL letters)

2) LETTER VOLUME ANALYSIS – Transfer the data from the TOTAL line in Section 1. to the appropriate line in this section.

Enter the **total** letter volume from the last official mail count (2-week or 4-week) in the applicable (DPS, SS, RESIDUAL) cells. Determine the percentage of DPS letters received during the mail count by dividing the DPS total letters by the total letter volume using the following formula:
 (DPS letters / DPS letters + SS letters + RESIDUAL letters)

Compare the percentage of DPS letters determined by the two-week count versus the DPS percentage from the last official mail count.

Annotate information from the DPS Letter Mail Quantity Review Worksheet in the appropriate section of the *DPS Letter Mail Formal Review – Quantity* form.

DPS Letter Mail Formal Review Process for Quality

1. The assigned carrier's request for a formal review of DPS letter mail quality must be submitted in writing to local management using the *DPS Letter Mail Formal Review – Quality* form (Attachment 3).
2. The *DPS Letter Mail Formal Review – Quality* form must be annotated by local management when received. A copy of the form will be provided to the carrier who requested the formal review and the appropriate NRLCA state steward.
3. If the *DPS Letter Mail Formal Review – Quality* form is received prior to noon, the thirty (30) calendar day period in which management must complete the formal review of DPS letter mail quality, will begin on the date of receipt. If the form is received after noon, the 30 calendar day period will begin the following day.
4. Management may complete the formal review of DPS letter mail quality at any time during the 30-day period, utilizing *DPS Letter Mail Quality Review Worksheet* (Attachment 4). The route is considered "passed" regarding quality provided it meets the 98% quality threshold for three consecutive delivery days within the period.
5. If management reviews the DPS letter mail quality for three consecutive days and the route does not meet the 98% quality threshold; management may take action to correct the quality if necessary, and conduct additional three-day reviews within the 30-day period to ensure that the quality threshold is met.
6. The assigned rural carrier will be provided notification of the results of the formal review of DPS letter mail quality upon achievement of the 98% quality threshold. The *DPS Letter Mail Formal Review – Quality* form will be appropriately annotated with the results of the formal review and a copy of the form, once completed will serve as notification to the assigned rural carrier.
7. If the route fails to meet the 98% quality threshold for three consecutive delivery days by the end of the 30-day period, PS Form 4003, *Official Rural Route Description*, will be prepared to effect the appropriate base hour change resulting from the formal review of quality. The base hour change will be effective on the first day of the pay period in which the *DPS Letter Mail Formal Review – Quality* was received.
8. The end of run report piece count (or future equivalent report) from the automated equipment used to process a zone's DPS letter mail will be utilized when recording the total DPS letter volume to determine the 98% quality threshold.

9. The following are the errors which count against the DPS letter mail 98% quality threshold:
- a. Missequenced mail – an individual mail piece belonging to the route but sorted to the wrong address on the route. This error represents a service failure resulting from DPS processing.
 - b. Missort mail
 - An individual mail piece found in the DPS mail that is for the correct delivery zone but distributed to the wrong route in that zone. This error represents a service failure resulting from DPS processing.
 - Post Office Box mail –
 - addressed to a PO Box only
 - addressed to a PO Box and the street address where the PO Box number appears on the address line directly above the city, state and ZIP Code line.
10. The following are NOT errors which count against the DPS letter mail 98% quality threshold:
- a. Missent mail – mail for the wrong delivery unit zone. This mail is not an error that occurs as a direct result of DPS letter mail processing.
 - b. Undeliverable as addressed mail, such as Attempted not Known, Unable to Forward, Undeliverable Bulk Business Mail, and No Mail Receptacle.
 - c. Mail that is forwardable for a customer who has moved.
 - d. Accountable pieces that are processed in delivery sequence and not checked out to the carrier as part of a normal accountable process.
 - e. Post Office Box mail – addressed to a PO Box customer where the street address only appears above the city, state, and ZIP Code line.

DPS LETTER MAIL FORMAL REVIEW - QUALITY

In accordance with Handbook PO-603, *Rural Carrier Duties and Responsibilities*, section 541.42 and the DPS Letter Mail Formal Review Procedures, a formal review of DPS letter mail quality is being requested for the following rural route:

Office: _____ Route # _____

I am the assigned carrier (Designation 71, 74, or 79) for the rural route identified above and I am requesting a formal review of DPS letter mail quality because I believe my route is experiencing frequent decreases in the quality of DPS letter mail (below the 98% threshold).

Assigned Carrier's Printed Name: _____

Assigned Carrier's Signature: _____

Formal Review Request Received: Date: _____ Time: _____

This date represents the beginning of the 30 calendar day period in which to complete the DPS letter mail formal review if time is before noon. If receipt is after noon, the 30-day period will begin the following day.

Manager's Signature: _____

DPS Letter Mail Formal Review Results

Quality Percentage: _____

Provide a copy of this form to the assigned rural carrier and appropriate NRLCA state steward in accordance with the DPS Letter Mail Formal Review Procedures.

DPS LETTER MAIL QUALITY REVIEW WORKSHEET

POST OFFICE/BRANCH	
STATE, ZIP+4	
BEGIN DATE OF REVIEW	
ROUTE NUMBER	

	Day 1 DATE:	Day 2 DATE:	Day 3 DATE:	Day 4 DATE:	Day 5 DATE:	Day 6 DATE:
MISSEQUENCED PCS						
MISSORT PCS						
DPS END-OF-RUN (EOR) PCS						
DPS QUALITY %						

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**DPS LETTER MAIL QUALITY REVIEW WORKSHEET
INSTRUCTIONS**

In accordance with the DPS letter mail formal review procedures, review the DPS letter mail quality for three consecutive days. Record the DATE on the appropriate line.

This worksheet is set up for six days of quality review. You may utilize more than one worksheet, as necessary, during the 30-day period. The route must meet the 98% DPS quality threshold for 3 consecutive days. The worksheet allows for overlapping quality review days.

Example: The quality percentage is 99% on Day 1, 97% on Day 2, and 99% on Day 3. It is not necessary to begin another full 3 day period, just continue on with subsequent days. Day 4 indicates 98.5%, Day 5, 99%. Days 3 – 5 show that the route meets the 98% quality threshold.

HEADER INFORMATION – Complete header information as appropriate.

MISSEQUENCED PCS – Enter the total number of mail pieces received in DPS letter mail for this date belonging to the route but sorted to the wrong address on the route.

MISSORT PCS - Enter the total number of mail pieces received in DPS letter mail for this date that is for the correct delivery zone but distributed to the wrong route in that zone. Include on this line, the total number of mail pieces addressed only to a PO Box or addressed with both a PO Box number and a street address, with the PO Box number on the address line directly above the city, state and ZIP Code line.

DPS END-OF-RUN (EOR) PCS – Enter the total DPS letter mail volume as indicated on the EOR for that date.

DPS QUALITY % - Calculate the DPS quality percentage for the date of the review utilizing the following formula:

$$(DPS\ EOR\ PCS - MISSEQUENCED\ PCS + MISSORT\ PCS / DPS\ EOR\ PCS \times 100)$$

Annotate information from the DPS Letter Mail Quality Review Worksheet in the appropriate section of the *DPS Letter Mail Formal Review – Quality form*.