

THE RED TAG NEWSLETTER AUGUST 2020



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2020 CALENDAR OF EVENTS

09-02-20	Great Lakes Area AIM Meeting	To Be Determined
October TBD	Western Area AIM Meeting	To Be Determined
10-27/28-20	MTAC Meeting	Washington DC

The remaining meetings are still scheduled but subject to the COVID 19 situation

Red Tag appreciates the support of its associate members: Crain Communications, Fry Communications, Imex Global Solutions, and LSC Communications.

USPS BECOMES POLITICAL PAWN OVER MAIL BALLOTS. JOIN A ROLLER COASTER RIDE AT USPS OVER NEW MANAGEMENT AND NEW PRACTICES. LEARN LIDLESS TRAY PREPARATION FOR FLATS, LIMITED BUT USEFUL.

The Politics Of “Vote-By-Mail”

A program developed as a means of providing a method to increase overall voting by allowing Americans to submit their ballots for primaries and for state and federal elections, including the general election for president is being made to jump through hoops in this upcoming general election.

Absentee balloting has been around for many years as a way to get military and diplomatic voters to be able to vote if they will not be stateside for elections. It was funded for these years by statute to allow for free postage for overseas individuals in these positions. In more current times, it includes the astronauts in the International Space Station as well. Absentee balloting was limited to the need for someone who was out of the state (or the country) to still cast a vote.

In the early and mid-1990's, the program was extended to include all registered voters and was tested in several cities and states beginning with Washington and Oregon, and extending to more than 30 states so far.

Currently, with the damage being caused by the COVID-19 pandemic, it is becoming more and more apparent that vote-by-mail should be nationwide to prevent any number of people from becoming ill. Unfortunately, this means of voting is being jeopardized by the current political discussions.

What does this have to do with the commercial and nonprofit mailing

Community? There is much justification for concern. In the last couple of weeks, it has become apparent that mail delivery has been slowing down in most places in the nation.

What appears to be happening is a change to the business model of the Postal Service and its efforts to cut costs and reduce overtime. As a result, mail is being delayed.

New Postmaster General DeJoy is redesigning the business model and implementing changes that do save money. How is this delay occurring? For one, letter carriers are being instructed to meet daily schedules for delivery even if mail is left behind. This same situation is occurring at postal processing facilities that need extra hours to clear the floor of the mail processed that night.

The USPS has been meeting strict service standard goals by doing whatever it takes to get the all of the mail out and delivered each day. This includes varying degrees of overtime at facilities. The Postmaster General believes that by not clearing all mail, USPS can save \$200 million per day.

Postal management has been

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delivering stand-up talks around the country in recent days that emphasize these needs stating in part, "...The shifts are simple, but they will be challenging, as we seek to change our culture and move away from the past practices previously used".

The plan is not a complex operation that finds a way to meet service standards while minimizing the hours needed. Instead, it endorses the idea of leaving mail behind. The first phase of changes in the plan is a mandate that network, plant and delivery trips must take place on time. Late trips, which may lead to overtime, are no longer authorized according to two memoranda first reported by PostalNews.com. Another document explaining the policy said overtime would be eliminated soon, with "more to come". Any mail that cannot be delivered without overtime will be held for the next day.

The document continues to state, "The USPS will no longer use excessive cost to get the basic job done. If the plants run late they will keep the mail for the next day." Letter carriers were instructed to begin, start their routes and return on-time". The stand-up talk suggested "It would be difficult for employees" to see mail left behind on the workroom floor, but they should ensure the pieces are properly logged and distributed the next day.

USPS vowed to address "the root causes" that have led to mail going out too late in the day, suggesting the directives would force new efficiencies in the system.

Looking at this abrupt change, the mailing industry wants to give this a chance. After all, the goal to reduce costs should result

In savings to mailers due to lower rate increases. However, it seems that a gradual reduction in this area and a solution to prevent it from happening on a regular basis would be much more valuable than a drastic shift in reliable delivery standards.

There is significant concern that slowing or otherwise hampering ballots being returned in the mail may be a trigger in this matter. More discussion on that comes later.

USPS writes, "As we adjust to the ongoing pivot, which will have a number of phases, we know that operations will begin to run more efficiently and that delayed mail volumes will soon shrink significantly. The document adds that the changes would "ensure we can secure our future as a world class service provider".

Employees reacted harshly to the news, confirming they received these stand-up talks as outline in the memos. The reaction of one rural carrier was, "no more waiting for mail. Too much standing around waiting. The 'every piece, every day' slogan doesn't apply anymore. Get in, get out." A number of employees commented, they were told by their supervisors that they would no longer receive overtime. There are mixed reactions by the employees. Some said the changes were overdue but others said this would lead to a growing backlog of mail.

There is a question, as far as USPS goes, that changes are necessary and some may be painful but the timing is wrong. The USPS, through a spokesperson, commented that this is a part of a strategy long needed to regain solvency and financial liquidity. That plan must also contain the means to safely and securely deliver mail in a timely and reliable manner.

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The new Postmaster General said that USPS must break the cycle of looking for bailouts from Congress and is putting together plans to make it work with minimal congressional, financial input. USPS had requested a \$25 billion bailout that was rejected by the White House, then upped the ante to \$75 billion. That was also set aside in early negotiations. USPS finally got a green light on a \$10 billion addition to its borrowing authority. USPS believes that will keep them just above the water line until May 2021.

On the one hand PMG DeJoy says the USPS is developing a business plan that will ensure financial stability, continuing to provide service that meets service goals. While he concedes that these plans are still under development he says that USPS will adhere to plans they have already developed to meet these needs. The simple question is, does USPS have a new plan in place or not.

This immediate reaction seems to be a “cold water in the face” dose of unpleasant reality without a solid plan to regain any ground lost during the transition. USPS is in no position to accept this and still claim the level of service standards mailers are accustomed to having. These plans are difficult to generate and balance against existing delivery standards and even more so in the height of the COVID-19 pandemic.

Postmaster General DeJoy is the first outsider appointed to this position in 20 years. His appointment was met with some trepidation by a number of stakeholders for two major reasons. One was his lack of experience in the postal process (granted he does have experience in transportation),

The second is that he has close ties to the White House and has been a big contributor to the President’s reelection campaign.

This second issue would normally get lukewarm concern because politics is not new to the running of the Postal Service but it raises a sore point because this slowing of mail, temporary or otherwise, comes at a time when “vote-by-mail” is in the forefront of the news because of the coronavirus effects on the country.

Unfortunately, the vote-by-mail process is under attack by the administration with allegations of widespread fraudulent ballots being handled through USPS. The real concern now is that ballots mailed in both directions and will be delayed getting to voters and being returned to polling locations.

A byproduct of this is the fact that mail processing and delivery has slowed down and the reasons, including the valid ones to reduce costs, will be under a cloud until after the general election in November.

The American Postal Workers Union believes that this action is deliberate and says that staffing shortages because of earlier cutbacks from COVID-19 are the main cause of overtime usage, not poor performance. The head of that union believes that reducing these costs is a positive move, but not as drastically as it currently being implemented. They believe that more hiring to accommodate seasonal business fluctuations are the answer.

The Letter Carriers union members say

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they are ready to comply with changes set down by management but have not yet received those instructions officially and in writing.

Postmaster General DeJoy says that ballots will move in a timely manner in both directions and only time will tell if this is the case.

Documented cases to date show 2,659 ballots in Wisconsin and 70,330 ballots in California were disqualified for arriving too late to be counted. Both instances were primaries. Voters as of July 30 have not received some Ballots mailed to voters in Frankenmuth, Michigan. They were mailed to them on July 10 and 13. The population of Frankenmuth is 5,400.

A number of Periodicals mailers have headlines relating to this problem and they are as follows:

Esquire – “Trump Donor Louis DeJoy is Destroying The Postal Service”.

New York Magazine – “USPS Leadership in Disarray Ahead of Key Mail-in Election”.

Vanity Fair – “Trump Is Screwing With The Postal Service – Democracy”.

The Lewiston Maine Sun Journal reports that 80,000 letters were held back this week in Southern Maine.

The complaints are many and growing. Our immediate concern is getting publications, and peripheral delivered on time and not suffering problems that end up costing the mailing community.

There are other unresolved issues coming out of this abrupt set of changes, including the program to remove and/or replace collection boxes, the reallocation of equipment and the closing of facilities.

The Evolution Of A Postal Upheaval And The Latest Information On It

News is moving faster than the mail it seems. As of August 18, here is where things stand at USPS.

After much pressure and many complaints by customers, mailers, postal unions and Congress, Postmaster General Louis DeJoy has taken the following actions:

The removal of collection boxes in neighborhoods around the country will come to a halt as of August 18.

The removal of mail sorting equipment, again significantly accelerated, is coming to a halt August 18.

Plans to close between 60 and 80 processing facilities are on hold as of August 18.

Overtime hours, just recently eliminated in their entirety, will be allocated as needed as of August 18.

All of these changes were originally purportedly put in place to save money and grow efficiency. Allegations were made that these

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changes were fast-tracked to deliberately slow mail delivery at the behest of the White House.

To be fair and to be accurate regarding these events, some clarity needs to be injected into this matter.

The removal of collection mailboxes in cities was an already an ongoing project at locations where earlier surveys determined that there was negligible usage. Additionally, older collection boxes were being removed and replaced with theft resistant boxes in other locations.

The concern was that these programs were suddenly accelerated just after Mr. DeJoy's appointment.

Mail sorting equipment was in the midst of review for possible reallocation where it was determined the falling volume no longer made it practical to keep equipment at those facilities.

This program was also suddenly accelerated and it appears some equipment was not reallocated.

The processing facilities that were to have been closed were part of the third phase of "thinning the herd" of expensive facilities that was due to occur in the very near future.

Lastly, the total elimination of overtime led to mail being delayed and left behind for the next day's processing, a practice considered sacrilegious by USPS management.

This process is now returning to the

practice of using overtime as needed with the goal of reducing and/or eliminating overtime for cause.

The return to the previous status was likely initiated after a landslide of complaints and allegations of improper decision-making by the new Postmaster General.

Mr. DeJoy came to the Postal Service under a cloud of suspicion because of his history of political contributions, support of the current administration, questionable business connections (potential Hatch Act violations) and most simply put, the timing of his appointment.

Mr. DeJoy is appearing before the House of Representatives on Monday August 24 to answer questions and hopefully resolve these issues. In the meantime, the Postal Service will get back to business.

As mentioned earlier, for the Red Tag publications, the major concern remains delays to time sensitive periodicals. These publications travel in a preferred network similar to First-Class Mail. Their existence is threatened when delivery is delayed. Other mail shares that importance, such as prescription medications and pension and salary checks.

Quarter III Service Performance

COVID-19 has made mail service one of its victims in the last quarter.

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is reporting that First-Class Mail composite scores for both letters and flats is at 90.82 percent a drop of 2.57 percent from SPLY numbers. Issues were due to lack of employee availability in New York, New Jersey, Chicago and Detroit as well as less air availability shifting mail to surface alternatives. At the same time this was happening, mail volume was down by 13.9 percent from SPLY.

Marketing Mail's composite score was 89.50 percent, down against SPLY 1.63 percent. Again, employee availability of employees in those same locations was a major cause, with some facilities down to half of their employees. At the same time Marketing Mail volume was down 40.6 percent over SPLY.

The same story exists with Periodicals with the current score for meeting service standards at 76.91 percent as opposed to 87.86 percent last year, a drop of more than 10 points while volume data is nearer to 32 percent.

Reports from various locations around the country are showing mail sitting at facilities after the carriers leave in the morning. The volume drop is huge and aggravated by the COVID-19 crisis, but at the same time the mail does not seem like it is moving.

There is a general opinion of mailers and consumers alike that First-Class Mail and the competitive packages continue to move at a reasonable rate while other classes are being left behind.

This has a negative impact on mail and business around the entire country. Keep in mind that

businesses connected to the Postal Service in a direct or peripheral manner equal to eight or nine million people.

Their livelihoods, their well-being and sometimes, literally, their lives depend on the mail being delivered reasonably on time. Another issue is the census. Mail generated by the 2020 census, a significant increase in vote-by-mail ballots and packages purchased on-line rather than at retail sites need to get to people's homes.

Currently, the postal election mail team is working with 8,800 boards of elections and secretaries of states to advise them what to do. At the same time, 11,000 copies of Kit 600, a how-to guide for election mail have been distributed.

USPS is asking the mailing and printing community to partner with the Postal Service to encourage proper mail design, help with adoption unique Intelligent Mail Barcodes, educate officials on mailing and delivery standards timelines (hint: return ballots as quick as you can) make sure the postage is paid at the First-Class mail rates and ensure that pieces fit design standards for the postage paid.

If forecasts are correct and COVID-19 in any way parallels the 1918 flu epidemic, this will be another rough fall and winter mailing season. There is still no easy treatment or vaccine for this virus

Whatever comes of the politics, USPS needs to get back on track and continue to shoulder the difficult job of getting mail delivered on time.

Stay smart, efficient and safe. Please!

Domestic Mail – What To Know – CSR 347 – Trays Without Lids

PREPARING PERIODICALS TRAYS WITHOUT LIDS

DMM SECTIONS 203.5.6.2, 207.22.7, 207.25.5.

This is an option to prepare flat-sized in flat trays entered at certain facilities without lids and strapping on the trays.

Who Can Use Them?

Periodicals pieces prepared to be worked or processed at the entry facility or an associated Sectional Center Facility (SCF). All other trays must have lids and be strapped with two plastic straps.

Pieces have to be placed horizontally in the tray with addresses facing upward in the same direction.

When using this option, flats cannot be loaded above the bottom of the flat tray handle slots.

Reminder:

This option is a ruling that affects only trays at entry facilities that see minimal transportation because they do not have a cover on them. This allows some trays to be easier to prepare and saves wasted lids and strapping.

Because this is an option outside of the Mailing Standards for these trays, if there are any negative operational impacts, this ruling can be rescinded.

Please exercise care in preparing these trays so that this optional process can continue.

From The Desk of Eddie Mayhew – 2020. What Could Go Wrong?

Growing up I always thought of 2020 as a magical year. So many good things would happen. Life would be great! OK, so I was a little off the mark. 2020 seems to be under the spell of an evil sorcerer and the good magic is gone.

This year has given us an explosion of COVID-19 cases throughout the country with only a few exceptions. The economy is teetering. There is racial strife in the cities. Mail volume is shrinking. Elections and ballot mail are creating chaos in the government and in the Postal Service. People are suffering from the virus and dying. So far, rivers have not run red with blood and the Locusts and frogs are at bay, at least for now.

Yet, life goes on. We dress to fight the virus and try to return to a semblance of day-to-day living. Hopefully treatment and vaccines will be coming within a year. If we can get back to work and if jobs meet the needs, we can rebuild this faltering economy. The racial issues need to be resolved. Why the heck is this even a thing in 2020? Have we not grown up yet?

Mail volume shrinkage will slow if we can get back to work and daily life. In spite of the real and imagined problems, mail ballots will be accepted as common. I'll let you in on a secret. In my town of 33,000 people, 88% of us voted by mail and only 12% percent went to the polls for the last primary and it was fine.

The postal issues are things that we can address. The Postal Service has a new Postmaster General. He was a political appointment and has logistics but no postal experience. He is the first non-postal PMG in over 20 years, but he is not the first non-postal PMG. He has business connections with XPO Logistics and has connections with Amazon and others. He has connections to the current White House administration and there is a perception of conflicts there. They will be resolved. There is a hold on removal of collection boxes, sorting equipment, facility closings and a return to the common-sense use of overtime hours after a flawed acceleration of equipment removals and facility closing plans.

It is a mess. It is on hold until at least after the election in November and I suspect beyond while COVID-19 plays grim reaper.

We are two-thirds of the way through 2020 and we are being tested. We will get through this and get our health and jobs restored. We will find a way to understand that people are just people. All of them, not some select few. One of these days, sooner rather than later, the gender gaps will end. And we will get the mail delivered, the candidates elected, the Postal Service restored and normalcy will ensue.

Maybe not tomorrow but the next day, metaphorically speaking. Let's just do it!