



Capital Reporting Company  
In the Matter of USPS and PPOA 01-30-2014

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BEFORE THE BOARD OF INTEREST ARBITRATION

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In the Matter of: :  
 :  
 :  
UNITED STATES POSTAL SERVICE :  
 : Volume 5  
and : (Pgs. 774 to 1069)  
 :  
 :  
POSTAL POLICE OFFICERS :  
ASSOCIATION :  
-----:

Washington, D.C.

Thursday, January 30, 2014

The following pages constitute the proceedings held in the above-captioned matter at the United States Postal Service, 475 L'Enfant Plaza, Southwest, Washington, D.C. before Erick M. Thacker, RPR, of Capital Reporting Company, a Notary Public in and for the District of Columbia, commencing at 9:31 a.m., when were present on behalf of the respective parties:

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1           A P P E A R A N C E S  
2 Before Arbitrators:  
3       James C. Oldham, Impartial Chair  
4       Robert A. Dufek, USPS Member  
5       James Bjork, PPOA Member  
6 On behalf of the PPOA:  
7       ARLUS J. STEPHENS, ESQUIRE  
8       DONNA MCKINNON, ESQUIRE  
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14 On behalf of the U.S. Postal Service:  
15       TERESA A. GONSALVES, ESQUIRE  
16       JULIENNE BRAMESCO, ESQUIRE  
17       United States Postal Service  
18       475 L'Enfant Plaza, Southwest  
19       Washington, D.C. 20260  
20       (202) 268-6704  
21  
22       ALSO PRESENT:  
23       Chris Vitolo, PPOA  
24       Eric Freeman, PPOA  
25       Joshua Pierce, PPOA  
26       Mike Plaughner, PPOA  
27       Shawn Fletcher, PPOA  
28       Joe Alexandrovich, USPS  
29       Sonya J. Penn, USPS  
30       Katherine P. Sullivan, USPS  
31       Janet Peterson, USPS  
32  
33       \*\*\*\*\*

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1           C O N T E N T S  
2 WITNESS:       DIRECT CROSS REDIRECT RECROSS  
3 CURTIS WHITEMAN   779 818 838 --  
4 KEITH MILKE       846 944 -- --  
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14  
15 (Exhibit books were tendered to the arbitrator.)  
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1           P R O C E E D I N G S  
2           ARBITRATOR OLDHAM: Okay. Folks,  
3 everyone's here right on time. Thank you very  
4 much. I think we're ready to start. Teresa, I  
5 think the ball is with you now.  
6           MS. GONSALVES: It is indeed. Good  
7 morning, everyone. I just wanted to quickly  
8 provide an overview of today's testimony as a  
9 road map. We're going to begin with Curtis  
10 Whiteman. Curtis is the Postal Service manager  
11 of Business Planning & Analysis, and he's going  
12 to provide an overview of the Postal Service's  
13 financial crisis and financial situation  
14 generally.  
15           His testimony will be followed by a  
16 series of Inspection Service witnesses, beginning  
17 with Keith Milke, M-I-L-K-E. He's the deputy  
18 chief inspector of the Postal Inspection Service,  
19 and Dave Bowers, who's the Postal Inspector in  
20 Charge. And they will explain how the Postal  
21 Police Officers fit into the U.S. Postal Service  
22 Inspection Service generally, and they're going

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1 to also discuss how they fit into various  
2 classification systems.  
3           Jennifer McDaniel, who's the Assistant  
4 Inspector in Charge of the Career Development  
5 Unit -- that's the training facility -- will  
6 testify next about PPO training, and she will  
7 compare it on a general level to the training of  
8 inspectors.  
9           And, finally, time permitting, Larry  
10 Katz -- that's K-A-T-Z, not like the meows --  
11 he's the former chief counsel for the Inspection  
12 Service. He'll testify about various legal  
13 matters that have been raised during the hearing,  
14 including Section 1003(c) of Title 39, the Law  
15 Enforcement Officer Safety Act of 2004 and postal  
16 transformation.  
17           So we'd like to call Curtis Whiteman.  
18           ARBITRATOR OLDHAM: Mr. Whiteman, you  
19 know we do have to swear in the witnesses, and  
20 the reporter will do that for you, if you'd raise  
21 your right hand.  
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779	<p>1 WHEREUPON, 2 CURTIS WHITEMAN 3 called as a witness, and having been first duly 4 sworn, was examined and testified as follows: 5 THE WITNESS: Yes, I do. 6 DIRECT EXAMINATION BY COUNSEL FOR THE 7 POSTAL SERVICE 8 BY MS. GONSALVES 9 Q Mr. Whiteman, could you please 10 introduce yourself to the panel? 11 A Yes. Good morning. My name is Curtis 12 Whiteman. I'm the manager of Business Planning &amp; 13 Analysis. I've been with the Postal Service for 14 nine years and the last three years in my current 15 role. During that time, the last three years, 16 I've been a two-time chief financial officer 17 employee of the year award winner. 18 Q Well, congratulations. 19 A Well, thank you. 20 Q Could you explain some of your 21 responsibilities in your current role? 22 A Sure. I'm responsible for producing</p>	781	<p>1 shows whether the Postal Service is meeting all 2 of its rules and laws that's been -- that's set 3 out in the PAEA, and I collect that data. 4 I'm also responsible for evaluating 5 several things throughout the Postal Service, for 6 example, a call center, union contracts, 7 negotiated settlement agreements, which are deals 8 that the Postal Service makes with other big 9 mailers that shows that if they do part of the 10 work, the Postal Service will give them credit 11 for it, and we make sure that that's in 12 compliance with the laws and rules. 13 Q You said that you were responsible for 14 producing the five-year plan. I don't know if 15 you have a copy of all the exhibits, but if you 16 could turn to Exhibit Tab A-4. 17 Is that a copy of the -- 18 A Yes, it is. 19 Q -- five-year plan that you're -- 20 A Yes, it is. 21 Q And you said that you're also 22 responsible for the Postal Service's financial</p>
780	<p>1 our five-year plan that's posted out on the Web 2 and shown to everyone. I'm responsible for 3 forecasting the Postal Service's cost for well 4 into the future. I'm responsible for scenarios 5 of -- well, it's profit and loss scenarios and 6 different sensitivities that include what happens 7 if you move to five days, what happens if rates 8 go up a certain way, what happens if cost cut -- 9 gets cut in different -- in different scenarios. 10 I'm also responsible for our cash flow forecast 11 into the future as well. 12 Q So that would be revenues? 13 A Revenues, expenses and cash from that. 14 The cash comes from -- or our revenues come from 15 sales of our products and services. We don't get 16 any revenues from the government. 17 I also have the responsibility for 18 producing our financials by class of mail for our 19 regular rate increases. We do that every year. 20 I have the responsibility for the 21 annual compliance report. That's a report that 22 goes to the Postal Regulatory Commission that</p>	782	<p>1 statements. Are you familiar with the Postal 2 Service's annual report? 3 A Yes, I am. 4 MS. GONSALVES: Okay. And just for the 5 record, the Postal Service's most recent annual 6 report is behind Tab A-3. 7 And I don't think that I said this 8 earlier, but Mr. Whiteman's PowerPoint 9 presentation is behind Tab B-1, which is in 10 Volume 1. 11 BY MS. GONSALVES 12 Q Mr. Whiteman, are you familiar with the 13 Postal Service's filing before the Postal -- 14 Postal Regulatory Commission? 15 A Yes, I am. 16 Q And are you also -- is safe to say that 17 you're familiar with the Postal Service's 18 financial condition? 19 A Yes, I am. 20 Q Could you please provide us with an 21 overview of your presentation? 22 A Certainly. So in my presentation</p>

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783	<p>1 today, I will be discussing our current financial 2 situation. I will talk to the revenue trends, 3 our revenue mix and contributions, the 4 contribution being gross profit, gross margin. 5 I'll talk about our cost structure, our expense 6 trends, and then I'll summarize my entire 7 presentation. 8 Q Turning to Slide 3, could you provide 9 an overview of the Postal Service's current 10 financial conditions? 11 A Certainly. The Postal Service has lost 12 over \$46 billion in the last seven years, from 13 2007 to 2013. And this was since the enactment 14 of the PAEA or the Postal Accountability and 15 Enhancement Act, and I'll discuss more of that 16 towards the end of the slide. 17 But those losses, those \$46 billion in 18 losses, have come mostly from volume -- volume 19 and revenue declines, and that's driven by 20 electronic diversion, meaning that the mail that 21 we used to get from folks sending bills, 22 correspondence and things like that are now being</p>	785	<p>1 has maximized its borrowing capacity. We had 2 about \$2 billion of debt in 2006. By 2012, we 3 had maxed out our borrowing limits. And for the 4 first time ever, the Postal Service has had to 5 default on its RHB payments in 2012 and '13 of 6 \$11.1 billion and \$5.6 billion. 7 Q Let's just pause here for a moment. 8 When you said that the Postal Service 9 has maxed out its borrowing limit -- 10 A Right. 11 Q -- what is the borrowing capacity for? 12 A Well, the borrowing capacity allows the 13 Postal Service to use that money or borrowing 14 capacity to invest in our infrastructure for 15 shortfalls in cash whenever we need it. It's 16 kind of like a credit card. So every time we 17 need something, we can use our borrowing limit to 18 get whatever -- get whatever we need. 19 Q And I think you've testified we don't 20 have that anymore, right? 21 A Correct. 22 Q Why can't we just increase prices to</p>
784	<p>1 done on computers, Facebook communications now. 2 Folks pay their bills by -- even -- 3 Q Electronically? 4 A -- by telephones, by just -- just 5 everything else but the mail, unfortunately. And 6 then we also had the impact of the Great 7 Recession. The recession -- and I'll demonstrate 8 later on in our presentation that it wiped out a 9 lot of volume from the Postal Service. So it 10 sped up the electronic diversion, and we do not 11 foresee that volume coming back. 12 Unlike a regular recession or cyclical 13 recession that happens every nine, ten years or 14 so, we usually see a dip in the economy, and the 15 volume generally comes back up. So we do not 16 have that in this case. 17 Then we also have losses that were 18 driven because of -- because we have to prefund 19 our -- our retiree health benefits, and we've had 20 to pay, so far, \$37.6 billion. 21 Then, over the last six years -- well, 22 actually from 2006 to 2012, the Postal Service</p>	786	<p>1 make up for the shortfalls? 2 A Well, as I'll discuss, in our Postal 3 Accountability Act -- let me -- let me get into 4 that. 5 Q Okay. 6 A The PAEA was enacted in 2006. It was 7 new laws that came from Congress that says the 8 Postal Service now have two major categories of 9 mail. We have the market-dominant products, 10 which is the regular mail, your -- your -- your 11 letter mail mostly, and then we have the 12 competitive products, which is -- which are 13 mostly packages, and we compete with FedEx and 14 UPS on those packages. 15 The mail has been subject to a price 16 gap of CPI or Consumer Price Index, and that's 17 like inflation. 80 percent of our products are 18 at a cap, so we cannot raise it by more than CPI, 19 which runs about one-and-a-half to two percent 20 per year at max. 21 The competitive products, while they 22 don't have a cap, they do have a floor, but we</p>

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<p style="text-align: right;">787</p> <p>1 are competing with our competitors, FedEx and UPS  2 and other smaller outfits, that if we raise our  3 prices too much too fast, then the general public  4 will tend to use the competitors instead of us.  5 Q Do you happen to know what percentage  6 of Postal Service revenue comes from each  7 category, market dominant versus competitive?  8 A Yes. So about 80 percent of our  9 products are market dominant, and -- and  10 that's -- you know, like I said before, that's  11 capped at a CPI price increase. We can only  12 raise it by one-and-half to two percent per year.  13 Q So you're going to go -- be talking --  14 discussing volume declines a little bit later in  15 your testimony?  16 A I will.  17 Q So what is the purpose of your next  18 slide? If you could turn to that. This is Slide  19 4.  20 A Okay. So this slide demonstrates the  21 deep financial hole that the Postal Service is  22 in. It's almost like a balance sheet, except</p>	<p style="text-align: right;">789</p> <p>1 A So -- so 35 cents of assets to cover  2 each dollar of liability.  3 Q Is it -- go ahead.  4 A So that just means that, you know, even  5 if we could settle everything on -- like our  6 buildings and so on the left side -- which we  7 cannot sell by the way, because we need those --  8 we need equipment to run our business -- that we  9 can only pay 35 cents on the dollar to cover the  10 liabilities.  11 Q Is this what a healthy company's  12 balance sheet would look like?  13 A No. A healthy company will not have  14 this. This -- this is a bankrupt company.  15 Q Earlier in your -- in your -- in your  16 overview, you talked about mail volume declines.  17 A Correct.  18 Q How serious has that decline been,  19 turning to Slide No. 5?  20 ARBITRATOR OLDHAM: Can I ask a  21 question back on the --  22 MS. GONSALVES: Sure.</p>
<p style="text-align: right;">788</p> <p>1 there isn't a balance here. This shows, on the  2 left side, our assets. Our assets includes cash.  3 We have \$2.3 billion in 2013, at the end of 2013.  4 Then we have our buildings and equipment, and  5 that was worth about \$17.5 billion dollars; other  6 assets, about 1.8; and our total assets,  7 \$21.6 billion.  8 On the right side, especially for the  9 stuff that's highlighted, we have our retiree  10 health benefits of \$16.8 billion that we  11 defaulted on. We have workers' compensation,  12 which is our liabilities for employees that have  13 been hurt on the job. So we owe, you know, at  14 some point in the future, to pay those guys for  15 not being able to work.  16 We have our debt. As I said, we maxed  17 it out. That's \$32 billion plus some other  18 things, and that came up to \$61.5 billion. So  19 this shows that our liability is \$40 billion more  20 than our -- than our assets.  21 Q What about the second bullet there on  22 the top?</p>	<p style="text-align: right;">790</p> <p>1 ARBITRATOR OLDHAM: -- prior slide just  2 for a second? I'm just curious about the  3 injury -- the workers' compensation,  4 17.2 billion. Can you describe what that -- what  5 that means?  6 THE WITNESS: So, basically, when  7 employees get hurt on the job, the actuaries --  8 it isn't done in house -- actuaries determine how  9 much in the future we have to pay. So let's say  10 someone, as an extreme case, gets hurt and cannot  11 work anymore. The Postal Service and the  12 actuaries determines in the long run how much we  13 owe that person over their -- their lifespan.  14 ARBITRATOR OLDHAM: Okay. So that's --  15 that's the total of the expenditure forecast for  16 employees currently under workers'  17 compensation --  18 THE WITNESS: Correct.  19 ARBITRATOR OLDHAM: -- awards? Okay.  20 Thank you.  21 BY MS. GONSALVES  22 Q Turning to Slide No. 5.</p>

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<p>1 A So, on this slide, this shows that the 2 Postal Service has lost \$54 billion in -- I'm 3 sorry -- 54 billion pieces of mail, about 4 25 percent of our volume since 2007. In the 5 first two years, as I spoke about the Great 6 Recession, it wiped about 35 billion pieces and 7 continues to decline and will continue to decline 8 in the future. So we do not foresee this volume 9 ever coming back.</p> <p>10 Q So what has been the corresponding loss 11 in revenue --</p> <p>12 A So --</p> <p>13 Q -- turning to Slide No. 6?</p> <p>14 A So what you see here, then, is that 15 \$75 billion of revenue for last year -- compared 16 to last year was only \$66 billion. So we've lost 17 over \$9 billion or 12 percent of our revenue, in 18 spite of revenue increases.</p> <p>19 Q Could you explain the slight increase 20 in revenue between 2012 and 2013?</p> <p>21 A Sure. We have our -- our competitive 22 products that gets a price increase that's a</p>	<p>1 the exigent price increase, by law, we'd be 2 allowed to get for extraordinary items. The 3 Great Recession was an extraordinary item that 4 the Postal Service won the case at the PRC, and 5 we've been able to raise our price an additional 6 4.3 percent.</p> <p>7 And so you see that from '13 to '14, 8 you're getting an additional \$1.9 billion extra 9 revenue. However, from the bottom, if you look 10 at our net income, you see, in 2012, we lost 11 \$15.9 billion. In '13, we lost \$5.6 billion -- 12 I'm sorry -- \$5 billion. And even with the 13 great -- unusual price increase, we are still 14 scheduled to lose about \$4.6 billion.</p> <p>15 Q I want to talk a little bit about the 16 exigent rate increase that the Postal Regulatory 17 Commission granted. You're familiar with that?</p> <p>18 A Yes, I am.</p> <p>19 Q You said that the Postal Service won 20 the case; is that true?</p> <p>21 A Well, we won the case only to the point 22 that -- we wanted a permanent price increase.</p>
792	794
<p>1 little higher than the CPI, than the capped 2 price, and so that was -- did a little bit 3 better. The volume in that area did a little 4 better, so we got a little bump in our revenue 5 there.</p> <p>6 Q Did volume still decline?</p> <p>7 A No, total volume still declined. Just 8 a little bit of the package volume increased.</p> <p>9 Q So have volume and revenue stabilized?</p> <p>10 A No, it has not. It will continue to 11 decline into the foreseeable future.</p> <p>12 Q Turning to Slide No. 7, could you --</p> <p>13 A So --</p> <p>14 Q -- explain this slide --</p> <p>15 A So this slide shows a comparison of our 16 profit and loss for '12 through '14, '14 being 17 our IFP or our -- it's our integrated financial 18 plan or budget plan for 2014. So, in '12 and 19 '13, the revenue that's highlighted up top shows 20 the actuals for '12 and '13. In '14, we have 21 raised prices by our CPI price cap. In addition, 22 we have an exigent price increase in there. So</p>	<p>1 We -- we only got a cap for two years. So after 2 two years, we have to back off of the exigent 3 prices that we -- that we were -- were able to 4 put into place earlier this week.</p> <p>5 Q And that price increase was taken into 6 account for the IFP for 2014?</p> <p>7 A Correct.</p> <p>8 Q What does IFP mean?</p> <p>9 A Integrated financial plan. It's our 10 budget plan for 2014.</p> <p>11 Q And even with that, the Postal Service 12 is still going on net losses; is that --</p> <p>13 A Correct.</p> <p>14 Q -- correct? So let's take a look at 15 those losses in Slide No. 8.</p> <p>16 A So, since 2007, the Postal Service have 17 had a loss every single year through 2013 and 18 projecting another loss in 2014. The loss in 19 2012 -- that's \$15.9 billion -- includes two 20 payments of our retiree health benefits payments 21 that we, of course, defaulted on and couldn't 22 make.</p>

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795	<p>1 Q Did you -- did you explain earlier what 2 IFP means? 3 A I did. IFP is integrated financial 4 plan. It's our budget for 2014. 5 Q So this is a projection here -- 6 A This is -- 7 Q -- 2014? 8 A Correct. That's the projected loss for 9 2014. 10 Q How accurate have the Postal Service's 11 forecasts been in the past? 12 A Our forecasts have been very good, 13 actually, plus or minus 5 percent one way or 14 another, and last year, our projection was within 15 1 percent of the projection. 16 Q What's Slide 9? 17 A So Slide 9 is similar to -- it's -- to 18 the previous slide. And what it shows is that 19 the gray area up to the green line -- and as you 20 can see, it shows our revenue, and the value is 21 on the left and the years at the bottom. 22 Then, at the very top, the black line</p>	797	<p>1 two-and-a-half times what the Postal Service has, 2 and we are a \$66 billion company. 3 UPS, which has -- is a 4 \$54 billion company in FY12, had about 5 \$18 billion of liquidity available to them. 6 Again, the Postal Service had nine days. 7 So if you look at this chart, what it 8 shows -- the left-hand side shows 2012, the blue 9 line. The green line is '13 and then a couple 10 months beyond that. So when -- so if we look at 11 where the blue line meets the green line, it 12 shows that at the end of '12, the Postal Service 13 had eight years of cash or \$2 billion, again, the 14 number of days on the left, the value on the 15 right. 16 In 2013, where the green line starts, 17 that dip is after we paid some -- some of our 18 bills. We had \$1 billion of cash, four days. 19 And the Postal Service's payroll, biweekly 20 payroll, is \$1.7 billion. We had \$1 billion to 21 start off 2013. At the end of '13, where that 22 line goes, we had eight days of cash, like I</p>
796	<p>1 shows our expenses. So our -- our expenses have 2 always been more than our revenues, and that blue 3 area shows our net losses up to '13 and then, 4 again, the projection for 2014. 5 Q So it's just another way of looking at 6 the information? 7 A Correct. 8 Q As to the next slide, before you go 9 there, it's a little bit busy -- 10 A Right. 11 Q -- so I want you to take a step back. 12 Turn to it and explain to us why this slide is 13 important. 14 A So this slide, we're having to talk 15 about our dangerous low liquidity problems. A 16 normal business would, at a minimum, have about 17 30 to 60 days of cash. The Postal Service, at 18 the end of '13, had nine days of cash or 19 \$2.3 billion. Our competitors, FedEx and UPS -- 20 FedEx is a \$44 billion company. They had about 21 almost \$6 billion of cash available to them -- or 22 liquidity, rather, available to them,</p>	798	<p>1 said. We paid our bill in the month of October. 2 We had six days of -- of cash available to us. 3 So this shows that our liquidity 4 problem is -- is very, very dangerous, 5 considering that the only reason we had cash is 6 that we did not pay our retiree health benefits, 7 the 11.1 billion in '12 and the 6 point -- \$5.6 8 billion in '13. 9 Q So just to make sure that this all 10 makes sense, the -- you said that the Postal 11 Service's biweekly payroll is what? 12 A \$1.7 billion. 13 Q So you're saying that if we had to 14 have -- make payroll along certain times in this 15 continuum, would -- the Postal Service wouldn't 16 have been able to make it? 17 A Right. So, basically, if we have a 18 hiccup in our economy again and we have 19 dangerously low cash of about, you know, 20 \$1.7 billion and -- you know, if we just had any 21 little hiccup, anything goes wrong, we'll be 22 struggling to make payroll.</p>



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799	<p>1 Q What other dangers aside from the</p> <p>2 inability to react to hiccups? What other</p> <p>3 dangers flow from a lack of liquidity? If a</p> <p>4 company has lack of liquidity, what sort of</p> <p>5 dangers flow from that?</p> <p>6 A Well, in our case, we can't invest in</p> <p>7 our buildings and equipment. Our vehicles are</p> <p>8 24 -- over 24 years old. We can't invest into</p> <p>9 growing our package products, which is the wave</p> <p>10 of the future, because mail -- the first class</p> <p>11 mail is declining. So there are a lot of things</p> <p>12 that we cannot do because of lack of liquidity.</p> <p>13 Q Let's turn to Slide 11.</p> <p>14 A So this slide shows that our debt, as I</p> <p>15 mentioned before, is maxed out -- in FY12, maxed</p> <p>16 out at \$15 billion. And if we had to borrow to</p> <p>17 cover our RHB payments, our debt would have been</p> <p>18 like \$26.1 billion in '12 and 31.7 billion in</p> <p>19 FY13. We know we don't have or will not have the</p> <p>20 cash available to pay the FY14, so our debt is</p> <p>21 about \$37.4 billion.</p> <p>22 But this isn't actually the entire</p>	801	<p>1 referred to when you said that this number that's</p> <p>2 on Slide No. 11 actually understates --</p> <p>3 A Yes.</p> <p>4 Q -- Postal Service debt?</p> <p>5 A Yes, it is.</p> <p>6 Q All right. So I think that</p> <p>7 concludes -- concludes the first part of your</p> <p>8 presentation. I think the second -- the last few</p> <p>9 sections are -- are shorter. Let's turn to Part</p> <p>10 2.</p> <p>11 A Okay. So the next slide, we're talking</p> <p>12 about our revenue trends and show how our most</p> <p>13 profitable product is --</p> <p>14 ARBITRATOR DUFEK: Before you leave</p> <p>15 that for a second --</p> <p>16 THE WITNESS: Sure.</p> <p>17 ARBITRATOR DUFEK: -- can you go back</p> <p>18 to that B-2? Is what you're referring to on page</p> <p>19 2 of that report?</p> <p>20 THE WITNESS: I believe it is. Let's</p> <p>21 see. Yes, it is.</p> <p>22 ARBITRATOR DUFEK: And could you walk</p>
800	<p>1 picture. We do have a GAO report that was</p> <p>2 published this past September that shows that the</p> <p>3 Postal Service had approximately \$96 billion in</p> <p>4 actual liability.</p> <p>5 Q If you could turn to -- I think it's in</p> <p>6 that binder that's already --</p> <p>7 ARBITRATOR OLDHAM: Just so that --</p> <p>8 what's RHB?</p> <p>9 THE WITNESS: Retiree health benefits.</p> <p>10 ARBITRATOR OLDHAM: Retiree health</p> <p>11 benefits. Thank you.</p> <p>12 BY MS. GONSALVES</p> <p>13 Q If you could turn to Tab B-2 and just</p> <p>14 identify if that's the report you just</p> <p>15 referenced. I think it's the back. Tab A is in</p> <p>16 the front.</p> <p>17 ARBITRATOR OLDHAM: Teresa, what's the</p> <p>18 number?</p> <p>19 ARBITRATOR DUFEK: B-2.</p> <p>20 MS. GONSALVES: B-2.</p> <p>21 BY MS. GONSALVES</p> <p>22 Q Is B-2 the document that you just</p>	802	<p>1 us through 2012, that line, 2012?</p> <p>2 THE WITNESS: Certainly.</p> <p>3 ARBITRATOR DUFEK: And who put this</p> <p>4 together again?</p> <p>5 THE WITNESS: This was the GAO, I</p> <p>6 believe.</p> <p>7 ARBITRATOR DUFEK: Okay.</p> <p>8 THE WITNESS: Yeah, it's a GAO report.</p> <p>9 Yeah. So what it shows for 2012, the Postal</p> <p>10 Service had \$15 billion of debt that we maxed --</p> <p>11 so that's our borrowing limit that we maxed out</p> <p>12 on. Our workers' compensation for FY12 was</p> <p>13 \$17.6 billion. We have our unfunded liabilities</p> <p>14 of \$47.8 billion. That's the retiree health</p> <p>15 benefits that we -- that we're paying for.</p> <p>16 We have the CSRS payments and</p> <p>17 retirements that's coming on board for</p> <p>18 \$18.7 billion, and then we have some un- -- FERS</p> <p>19 unfunded liabilities. It's actually a surplus,</p> <p>20 but who knows if we'll ever see it. So that adds</p> <p>21 up to \$96.1 billion.</p> <p>22 ARBITRATOR DUFEK: Now, this unfunded</p>

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803	<p>1 liability for retiree health benefits of 2 47.8 billion, that's more than what you showed on 3 your chart -- 4 THE WITNESS: Back on slide number -- 5 let me go back to it. This slide? 6 ARBITRATOR DUFEK: Right. 7 THE WITNESS: Correct. So -- 8 ARBITRATOR DUFEK: And so what's the 9 difference between the 47 and the 16? 10 THE WITNESS: Well, on this one, this 11 is what we defaulted on, and we actually owe this 12 right now. The 47.6 -- 46 -- whatever the number 13 is -- 47.8 billion is what -- is the entire -- 14 this entire cost. 15 ARBITRATOR DUFEK: So total costs? 16 THE WITNESS: Total costs, correct. 17 ARBITRATOR DUFEK: Okay. Thank you. 18 BY MS. GONSALVES 19 Q Okay. Going back to Part 2, revenue 20 trends -- 21 A Okay. 22 Q -- your next slide is another busy one,</p>	805	<p>1 your mailbox and deliver market-dominant mail. 2 So that's like your first class mail, advertising 3 mail and some other mail packages. 4 BY MS. GONSALVES 5 Q And that's a function -- and that's a 6 function of what I call PAEA, the Postal 7 Accountability and Enhancement Act of 2006? 8 A Correct. And then, on the bottom right 9 in green, it shows that our package business has 10 grown 47 percent, but that's \$4 billion. The 11 package business gets a price increase that's 12 greater than the CPI. Usually, it's -- that -- 13 the price increases there usually run about 14 2-and-a-half to 3 percent. But this is a small 15 category, about 20 percent of our business, and, 16 again, it's subject to competition. So we can't 17 raise the prices as much as we would -- we feel 18 we can or -- or would want to because, you know, 19 the -- the mailers would just use the -- use the 20 competitors. 21 Q I know, in your next section, you're 22 going to be talking about how each of the</p>
804	<p>1 so just take your time and walk us through it. 2 A Certainly. So this slide shows our 3 three major classes of mail products. The top 4 left-hand corner shows our first class mail, and 5 that has declined 25 percent or \$9.3 billion in 6 spite of regular price increases. Our standard 7 mail to the right in blue, light blue, has 8 declined 19 percent or \$3.9 billion. Then, in 9 the green in the bottom right -- 10 Q Before you go to shipping, let me just 11 ask you: Is standard mail, like the competitive 12 products, subject to competition? 13 A It is categorized in our 14 market-dominant products, but it is subject to 15 competition from newspapers ads, online ads and 16 stuff like that. 17 ARBITRATOR OLDHAM: It should be 18 obvious to me, but say what market dominant 19 means, that category description. 20 THE WITNESS: So market-dominant 21 products are the products that the Postal Service 22 alone can deliver. So no one else can come to</p>	806	<p>1 products contributes to the decline, but before 2 we go there, what is the trend, then? 3 You said that this section was about 4 the trends, so what's the trend? 5 A Oh, but -- well, we are continuing to 6 lose our revenue in our profitable -- most 7 profitable product, which is the first class 8 mail. The product that's growing cannot really 9 make up for what's -- what's declining. And I'll 10 demonstrate that a little further more in the 11 next couple of slides. 12 So now our -- I'm going to get into the 13 loss of contribution from first class mail, and 14 this will show -- contribution gross profit -- 15 Q Okay. Before you -- you've been saying 16 that, but kind of quickly, so could you just 17 spend a little bit of time explaining what 18 contribution means? 19 A So contribution gross profit means 20 that -- usually, we have a markup on our mail. 21 So to have our revenue, we have direct costs 22 related to the class of mail or product, and then</p>

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807	<p>1 that gives -- that gives you your contribution or 2 gross profit. But then we still have our -- what 3 we call fixed overhead, and that's the cost 4 that's not associated with any product 5 whatsoever, but it's just the cost of the 6 network, basically. And so the -- so the gross 7 profit has to cover the rest of the cost that 8 isn't attributed to any one particular product. 9 Q So in layman's terms -- and I know this 10 may be overly simplistic -- but would 11 contribution be akin to profit margin? 12 A Yes, it is. 13 Q So can you provide an example of that? 14 And I think you already have it up on the screen. 15 A Correct. So, on this slide, we're 16 showing how our product mixup changed from 2007 to 17 2013. The top section, the green line, shows 18 2007, and the right side shows our revenue. The 19 left side -- I'm sorry -- shows our revenue, and 20 the right side shows our contribution gross 21 profit. 22 But to begin, in 2007, we had</p>	809	<p>1 contribution was 18.3 in 2007 and dropped to 2 15.4, almost a \$3 billion drop, and our packages 3 only gave us \$1 billion of it back. 4 Q Could you talk a little bit about 5 the -- the blue section at the bottom of that 6 slide? 7 A Right. So the contribution from the 8 first class mail is worth about -- the gross 9 profit is worth about three times whatever the 10 standard mail can produce. The same is true for 11 packages as well. 12 Q So it looks like standard mail is doing 13 pretty well. 14 A It's holding on, but it's not doing us 15 what -- but it cannot replace what's being lost 16 in our first class mail, mail contribution. 17 Q Is the navy blue portion, the first 18 class mail portion or piece of the pie, as to 19 both revenue and contribution, expected to 20 continue to shrink in the future? 21 A It is -- it is going to -- to continue 22 to shrink.</p>
808	<p>1 \$75 billion in revenue. In 2013, we have 2 66 billion, so already the pie has shrunk. In 3 2007, 50 percent of our first class mail is 4 \$37 billion in the revenue, so that's -- 50 5 percent of a bigger pie was -- was our first 6 class mail. In 2013 below, that percentage 7 dropped to 43 percent. 8 The gross profit in 2007 from our first 9 class mail was \$18.3 billion, about 62 percent of 10 our gross profit. In FY13, that percentage 11 dropped to 57 percent, again on a smaller pie. 12 For the products that I said was 13 growing fast, which was the -- in green, which is 14 our shipping and package services, 15 \$8.5 billion in 2007, we have now, in 2013, 16 \$12.5 billion. The gross profit for the shipping 17 services in 2007 was \$1.6 billion. Now it's only 18 \$2.6 billion. So even though the packages are 19 growing pretty quickly, it's not producing enough 20 contribution to replace what's being lost in 21 first class mail. 22 So, for example, first class mail's</p>	810	<p>1 ARBITRATOR OLDHAM: Can you say 2 something about what standard mail means? 3 THE WITNESS: The standard mail is -- 4 is basically your advertising mail. 5 BY MS. GONSALVES 6 Q So I'm not allowed to say this, but I'm 7 going to anyway. Do some people call it junk 8 mail? 9 A Yeah. 10 ARBITRATOR OLDHAM: And this is -- 11 MS. BRAMESCO: No, we never call it 12 junk mail. 13 ARBITRATOR OLDHAM: These are the 14 catalogs and fliers and things that are short of 15 packages? 16 THE WITNESS: Not catalogs, but fliers. 17 BY MS. GONSALVES 18 Q So I think you're finished with the 19 contribution section. Now we're moving to Part 4 20 of your presentation, which is -- you're going to 21 answer for us the question: What are the Postal 22 Service's major costs?</p>

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<p style="text-align: right;">811</p> <p>1 A Yes. In 2013, our cost was two --  2 \$72.3 billion. 78 percent of it was related to  3 personnel costs, so that means that --  4 Q Mr. Whiteman, just wait until the  5 arbitrator's with you before you --  6 A Oh, I'm sorry.  7 Q -- you're testifying.  8 ARBITRATOR OLDHAM: Fine. Okay.  9 THE WITNESS: So, in 2013,  10 \$72.3 billion -- we had \$72.3 billion in total  11 expenses. Of that amount, \$56.2 billion or  12 78 percent of that is actually related to  13 personnel costs. And so that blue section is now  14 represented by this pie to the right, and it  15 shows that our compensation and benefits is  16 actually \$46.7 billion. And then the pieces of  17 the personnel costs was retiree health benefits,  18 the retirement premiums and then workers'  19 compensation.  20 BY MS. GONSALVES  21 Q So just so that it's clear, that pie on  22 the right should be a circle, not an oval. That</p>	<p style="text-align: right;">813</p> <p>1 premiums --  2 THE WITNESS: Correct.  3 ARBITRATOR DUFEK: -- FEHB.  4 THE WITNESS: Correct.  5 ARBITRATOR DUFEK: Is that fair?  6 THE WITNESS: Yeah, that is correct.  7 BY MS. GONSALVES  8 Q And that pay-as-you-go cost would be  9 replicated in subsequent years --  10 A Correct.  11 Q -- maybe different --  12 A That's what we pay normally, correct.  13 Q Okay.  14 A So the next section, I'll be talking  15 about how the Postal Service -- what the Postal  16 Service has done to keep up with inflation and  17 the revenue and volume declines.  18 Q And before you get into the specifics  19 here, I'd like you to just speak generally about  20 it, provide kind of an overview of this.  21 A Sure. So the Postal Service has saved  22 over 16 billion -- almost \$16 billion,</p>
<p style="text-align: right;">812</p> <p>1 pie on the right is a blowup of the blue on the  2 left?  3 A Correct.  4 Q And out of that pie on the right, does  5 the Postal Service have the ability to control  6 all of those costs?  7 A Only the compensation and benefits  8 piece of it.  9 Q So the largest part of it --  10 A The largest piece, yes.  11 Q Okay. All right. Part 5.  12 A So this --  13 ARBITRATOR DUFEK: Could you just go  14 back to that pie chart one more time? It might  15 be useful for you to explain to the panel the  16 difference between the 5.6 billion of retiree  17 health benefits, which I assume is the  18 prefunded --  19 THE WITNESS: That is the prefunded.  20 ARBITRATOR DUFEK: -- and the  21 retirement premiums of 2.8, which I assume is the  22 actual pay-as-you-go cost of annuitant</p>	<p style="text-align: right;">814</p> <p>1 \$15.8 billion over the last six years, and we've  2 done that through, most importantly,  3 restructuring our union contracts. We've closed  4 -- we've closed plants. We've reduced head  5 counts, and we've reduced head count by simply  6 absorbing -- when -- when folks attrit, by  7 absorbing that work into -- you know, through  8 efficiency. So when someone leaves the Postal  9 Service, we don't replace that person, but would  10 be able to absorb that work by spreading it to  11 other folks and to other -- to -- to, like, other  12 areas, basically.  13 Q Have any of those labor cost savings  14 resulted from layoffs?  15 A No, none of our savings have resulted  16 in layoffs.  17 Q It's just normal attrition?  18 A Normal attrition. And in areas where  19 we couldn't get folks to -- for some folks, we  20 offered buyouts. So this line shows, then, on  21 the left side, the millions of work -- the  22 millions of work hours, and then the right side</p>

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815	<p>1 is the dollar value of the savings. So, in 2006, 2 we had 1,459 million work hours, and by 2013, 3 we're down to 1,110. And this is a process of -- 4 where the Postal Service, again, was trying to 5 right-size itself for the -- based on the product 6 mix and the volume declines that we -- we had 7 back then and what we continue to have in the 8 future. 9 Q It's a pretty significant decline? 10 A It is. 11 Q I think your next slide talks about the 12 reduction in head count that you mentioned. 13 A Yes. So, in 2006, we had 696 14 employees. By 2013, we were down to 491. The 15 work hours, as you can see here, from 1,459 to -- 16 down to 1,110 in 2013 was just a matter of what 17 the demand for -- for work hours based on volume 18 required. So, as we have less volume, less 19 revenue, we needed less work hours, and, 20 therefore, we have less people. So we were able 21 to save over 349 million work hours, 24 percent 22 reduction over that -- over that seven-year</p>	817	<p>1 our problems, so even if you try to grow packages 2 as much as we can, the market is only but so 3 limited. Even if Congress fixed our prepayment 4 issues, I mean, that's a bill that still has to 5 be paid, because whether we prefund it now or pay 6 later, we still have to pay -- we still owe 7 that -- that much and still -- still need to pay 8 for that. 9 In addition to that, as I said, the 10 revenue, the mix that we have, package growth and 11 standard mail takes, like, three or -- each -- 12 three -- \$3 each of them to equal \$1 worth of 13 first class revenue and -- and contribution of 14 first class revenue. And to remain viable, the 15 Postal Service must continue to bring its labor 16 costs in line with revenues by restructuring the 17 labor cost to reflect the new product mix. 18 MS. GONSALVES: Thank you, 19 Mr. Whiteman. 20 THE WITNESS: Thanks. 21 MS. GONSALVES: No further questions. 22 I'm wondering if we could take a short break just</p>
816	<p>1 period, and we reduced our career head count by 2 205,000 employees. 3 Q Could you please summarize current 4 financial situation? 5 A Certainly. As I mentioned before, the 6 Postal Service has dangerously low liquidity 7 problems, as I've demonstrated. Most companies 8 in this situation would -- would be bankrupt. We 9 borrowed as much as we can borrow, because there 10 are no more borrowing limits available to us, and 11 we're struggling to meet our regular payroll 12 and -- and financial obligations. 13 Q Is it similar to living paycheck to 14 paycheck? 15 A We are living paycheck to paycheck. 16 Exactly. I've just demonstrated that we've done 17 a fantastic job of reducing costs with the help 18 of the employee unions by -- by restructuring our 19 contracts, and we have improved efficiency by -- 20 by cutting demand for -- for -- for the work 21 hours. 22 The revenue growth alone cannot solve</p>	818	<p>1 so I -- a comfort break? 2 MR. STEPHENS: Sure. No worries. 3 MS. GONSALVES: All right. Thank you. 4 (Brief recess.) 5 ARBITRATOR OLDHAM: Let's go ahead. 6 Thanks. 7 CROSS-EXAMINATION BY COUNSEL FOR THE 8 UNION 9 BY MR. STEPHENS 10 Q Mr. Whiteman, I believe you said -- you 11 described the Postal Service as a 12 \$66 billion company; is that correct? 13 A That's correct. 14 Q And you described FedEx as a 15 \$44 billion company, correct? 16 A Correct. 17 Q So the Postal Service is, in terms of 18 commercial activity, one-and-a-half times bigger 19 than Federal Express; is that correct? 20 A I don't think the math is right, but 21 are \$22 billion more than -- bigger than they 22 are, yeah.</p>

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819	1 Q Okay. Let's talk about billions for a 2 second. 3 A Okay. 4 Q Billion -- one of your slides, I 5 believe -- that's -- I believe it's the one 6 that -- where you show the -- I believe it's 7 Slide No. 17, sir. 8 A This slide? 9 Q Yeah. So the -- the pie chart on the 10 lower right, what's the number for compensation 11 and benefits? 12 A 46.7 billion. 13 Q 46.7 billion. How many millions are in 14 a billion? Is it fair to say that there are 15 1,000 millions in a single billion? Is that 16 right? 17 A Right. 18 Q And is it fair to say, then, that a 19 million is one thousandth of a billion? 20 A Right. 21 Q Okay. Okay. I just wanted to -- if we 22 were talking about millions, we would be talking	821	1 MS. MCKINNON: I'll hand it out. 2 MR. STEPHENS: Do we have a copy for 3 Teresa? 4 MS. MCKINNON: Uh-huh. 5 MR. STEPHENS: Sorry. One moment, 6 please. 7 MS. MCKINNON: No, we got it. 8 MR. STEPHENS: I'm sorry. 9 BY MR. STEPHENS 10 Q And the Postal Regulatory Commission, 11 in 2006, was granted -- they've always had the 12 power to hold hearings, correct? 13 A Uh-huh. 14 MS. GONSALVES: Objection here. Before 15 2006, it was known as the Postal Rate Commission. 16 MR. STEPHENS: Okay. 17 BY MR. STEPHENS 18 Q So the -- the commission that used to 19 be called the Postal Rate Commission has always 20 had the power, to your knowledge, to hold 21 hearings; is that correct? 22 A Correct.
820	1 about one thousandths of those numbers; is that 2 correct? 3 A Right. 4 Q Can you describe for the panel what is 5 the Postal Regulatory Commission? 6 A The Postal Regulatory Commission has 7 oversight over the Postal Service. They are to 8 insure that the Postal Service are following all 9 of the -- all of the rules laid out in the PAEA. 10 They also approve any price changes that the 11 Postal Service will attempt to put into place. 12 Q And the -- in 2006, the Postal 13 Regulatory Commission was -- oh, let me ask -- 14 the members of the Postal Regulatory Commission, 15 are they appointed by the President? 16 A I'm not sure. 17 Q Would it -- are they -- do you know if 18 they're subject to being confirmed by the United 19 States Senate? 20 A I'm not sure of that, either. 21 MR. STEPHENS: Okay. I'm going to 22 introduce --	822	1 Q And since 2006, it's also had the power 2 to have a -- power to subpoena information; is 3 that correct? To your knowledge. 4 A To my knowledge, yes. 5 Q Okay. Now, the -- I've handed you 6 what's marked as Exhibit 89. 7 A Okay. 8 Q And I'll represent to you that this is 9 a newspaper article from The Washington Post from 10 January 26th. Do you -- I don't know if you 11 happen to have read it, but you're welcome to 12 take a moment to read it. I'm going to ask you 13 a question on the second page of the article. 14 MS. GONSALVES: Objection. I don't 15 think that the witness is finished reading it. 16 MR. STEPHENS: Oh, sure. 17 THE WITNESS: Okay. I'm finished. 18 BY MR. STEPHENS 19 Q Mr. Whiteman, did you participate in 20 the hearings before the Postal Regulatory 21 Commission? 22 A No, I did not.

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823	<p>1 Q Okay. Who made the economic 2 presentation -- was there an economic 3 presentation made to the commissioners? 4 A Yes, there was. 5 Q Okay. How many people were in -- on 6 the Postal Service's team, if you know, who were 7 making -- participating in making that proposal 8 to the regulatory commission? 9 A There were three present staff that 10 participated in the -- from the Postal Service 11 side. 12 Q Okay. And this was a very important 13 hearing for the Postal Service, correct? 14 A Correct. 15 Q Now, the -- and there were other -- 16 there were trade associations and other groups 17 that were opposed to the rate increase; is that 18 right? 19 A Correct. 20 Q Do you know -- can you give the 21 identities of some of those organizations, if you 22 know?</p>	825	<p>1 office's budget; is that right? 2 MS. GONSALVES: Objection. First of 3 all, it's outside the scope of direct. It's not 4 -- but, secondly, you haven't established any 5 foundation. He already said he wasn't at the 6 hearings. He doesn't have knowledge about this 7 except what he's read. 8 MR. STEPHENS: Well, you asked about 9 the -- 10 MS. GONSALVES: I said -- 11 MR. STEPHENS: -- rate increase. 12 MS. GONSALVES: I asked him, was he 13 familiar with the PRC filings generally. 14 MR. STEPHENS: Yeah. And he said yes. 15 MS. GONSALVES: Familiar with the 16 filings, yes. It doesn't mean that he was 17 familiar with all the submissions or the -- 18 MR. STEPHENS: I'm not asking -- I'm 19 not asking the -- I'm not going to ask him in 20 detail what each -- each witness said. I'm just 21 asking -- in terms of the filings, there was 22 opposition made from entities that had the</p>
824	<p>1 A I don't know them offhand. 2 Q Okay. Is one of them the Association 3 of Magazine Media, if you know? 4 A I don't know, but that's what the -- 5 Q Okay. 6 A -- article indicated. 7 Q But these are -- some of these entities 8 are companies that want the rates to be -- to be 9 a particular way; is that right? 10 A Well, they want it to be a particular 11 way because they -- it's cost for them. So the 12 lower their cost, the more, I guess, the -- the 13 easier it is for them, I guess. 14 Q But they're for-profit companies? 15 A I assume so. 16 Q Some of them are. 17 A I assume so. 18 Q And they have budgets to hire their own 19 economists; is that right? 20 A Right. 21 Q And they have -- and, in fact, they 22 presented their own economic data on the post</p>	826	<p>1 financial wherewithal to dig deeper into these 2 numbers. 3 MS. GONSALVES: You can ask him if he 4 knows that. 5 THE WITNESS: What was the question? 6 I'm sorry. 7 BY MR. STEPHENS 8 Q I believe you answered that -- that 9 you're aware that there were -- there was -- the 10 industry associations did not agree with the 11 financial forecasts of the post office; is that 12 correct? 13 A I don't know that they disagreed on 14 that. I don't know if they did. 15 Q But they opposed the rate increase. 16 A Well, they opposed the rate increase, 17 but as far as the forecast, I don't know if they 18 agreed or disagreed with it. 19 Q Well, isn't it correct that the 20 commission itself, after hearing the evidence, 21 disagreed with the post office's financial 22 forecast?</p>

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827	829
<p>1 A I can't say they disagreed with the 2 forecast, either. I think they may have -- they 3 must have agreed to it, because we got to 4 implement the rates that we suggested to them. 5 We only got it for two years, but we got the 6 rates. 7 Q Now, isn't it true the post office just 8 sued in court to try to make the increase 9 permanent? 10 MS. GONSALVES: Objection. Lack of 11 foundation. You don't know that he's familiar 12 with any of the legal filings that have taken 13 place subsequently. 14 ARBITRATOR OLDHAM: I don't think this 15 will take long. He can answer what he knows and 16 what doesn't know. 17 THE WITNESS: So what's the question? 18 Sorry. 19 BY MR. STEPHENS 20 Q Do you know if the post office has gone 21 to court to challenge the regulatory commission's 22 decision?</p>	<p>1 to set its own rates; is that fair to say? 2 A I don't know what the board would 3 decide. 4 Q Now, if the post office were able to 5 set its own rates, it would be engaged in 6 competition with other entities; is that right? 7 A Well, our market-dominant products, we 8 have no competition. So the other entities that 9 would be competing with the Postal Service, like 10 UPS and FedEx, would be mostly on the package 11 side. 12 Q The market-dominant products are those 13 in which the post office has a monopoly; is -- 14 A Correct. 15 Q -- that fair to say? 16 A Correct. 17 Q So -- but in -- in competition with the 18 products with which they're engaging in 19 competition with, say, FedEx, the post office has 20 more latitude, commercial latitude, in terms of 21 negotiating beneficial business transactions; is 22 that right?</p>
828	830
<p>1 A Yes, I do. 2 Q Okay. And -- and -- and they have done 3 that; is that right? 4 A That's correct. 5 Q Okay. And is it correct that the 6 commission believed that a two -- two years of a 7 rate increase would be sufficient to correct the 8 recession losses? Is that right? 9 A That's what they ruled. 10 Q Right. Okay. Mr. Whiteman, I'm going 11 to hand you what we've marked as Union Exhibit 12 90. 13 MR. STEPHENS: And I apologize to the 14 panel. These two were not three-hole punched for 15 some reason, and I apologize for that. 16 BY MR. STEPHENS 17 Q Now, I believe you said some of the -- 18 some of the product lines of the post office, 19 you're capped by -- the regulatory commission 20 caps rates, correct? 21 A Correct. 22 Q So the post office would rather be able</p>	<p>1 A I'm not sure I understand the question. 2 Q I guess what I'm asking is: Is the -- 3 the -- the post office is not bound by the 4 regulatory commission in terms of negotiating its 5 commercial contracts competitive to FedEx and UPS 6 the same as it is for first class mail? 7 A Well, the Postal Service still has to 8 go through the Postal Regulatory Commission to 9 get those things approved, so providing that the 10 PRC approves it, yes, we can. 11 Q Okay. And the document I just sent to 12 you is -- references a -- a deal with Amazon.com. 13 Now, this is a package deal; is that correct? 14 A I would have to read it. 15 Q Sure. Go ahead. I'm sorry. 16 A Okay. 17 Q Now, the -- the Postal Service -- 18 stepping back for a minute, is the Postal Service 19 supposed to be turning a profit? 20 A Yes. 21 Q It's -- it -- the Postal Service is 22 supposed -- it is designed to be a money-making</p>



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831	<p>1 entity; is that right? Is that -- 2 A Prior to 2006, it wasn't. It was a 3 break-even process. Revenue and expenses were 4 supposed to equal. Going forward, we have the 5 ability to be profitable on our competitive 6 products. 7 Q Okay. So in terms of competitive 8 products, that means that engaging in competition 9 with other for-profit entities -- 10 A Correct. 11 Q -- like Federal Express? 12 A Correct. 13 Q Or UPS? 14 A Correct. 15 Q Now, the -- the document I just sent -- 16 handed you, Exhibit 90, you said you had a chance 17 to read it. 18 A Uh-huh. 19 Q The post office will not be delivering 20 mail for Amazon, is that right, first class mail? 21 MS. GONSALVES: Maybe just an ongoing 22 objection. Lack of foundation. Does he know?</p>	833	<p>1 are some packages in the regular mail delivered 2 on Monday through Saturday. 3 Q Right. But this is increasing the 4 types of products, correct? 5 A It may not increase it. It may take 6 away from -- a little bit from the -- from the 7 weekdays and add some more to Sunday. 8 Q Okay. 9 A So it's a little bit of new products or 10 new volume and some from -- from the regular 11 weekday. 12 Q And the types of products that are now 13 being delivered to people's homes have changed 14 significantly, say, in the last ten years; is 15 that right? 16 A The mix has changed from -- 17 Q The mix has changed? 18 A Correct. 19 Q There's more packages containing 20 products and less first class letters; is that 21 right? 22 A Yeah. Less first class letters.</p>
832	<p>1 BY MR. STEPHENS 2 Q If you know -- if you know -- this is a 3 package delivery contract with Amazon, correct? 4 A Correct. 5 Q So the post office will now be 6 delivering packages in much the same way that UPS 7 or FedEx does; is that right? 8 A Well, for the Amazon contract, 9 according to this article, it was in a limited 10 area. UPS and FedEx can choose to deliver and 11 then deliver where they want to deliver. So the 12 Postal Service has to go everywhere in the 13 regular, you know, Monday through Saturday 14 delivery schedule. 15 Q But this includes -- you're bargaining 16 for Sunday delivery with Amazon, correct? 17 A Correct. 18 Q Now, this changes the nature of the 19 products that letter carriers are bringing to 20 people's homes; is that right? 21 A No. The mailers generally -- I mean, 22 the post -- in our regular postal products, there</p>	834	<p>1 Q And the Amazon contract includes 2 electronic equipment; is that right? 3 A I would -- 4 Q If you know. 5 A -- assume so. I don't have... 6 Q Bear with me one second, sir. 7 And on the -- on the Amazon front, I -- 8 is it -- is it your testimony that the post 9 office would like to increase the amount of 10 commercial deals it does with entities like 11 Amazon in order to grow its competitive lines? 12 Is that a fair statement? 13 A I think the Postal Service would 14 definitely accept more business. We would rather 15 have more first class mail. It's a lot more 16 profitable. But we will accept packages. 17 Q Because you -- the post office has a 18 monopoly on first class mail, correct? 19 A No, because it's more profitable. 20 Q Okay. 21 A It's not because of a monopoly. 22 Q On this slide, do you know what</p>

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835	<p>1 percentage of the compensation and benefits part 2 of the pie chart is attributable to the Postal 3 Police? 4 A No, I don't. 5 Q You mentioned some of the other -- the 6 post office was able to negotiate agreements with 7 some other unions to reduce the salaries of -- 8 creating a second tier for certain employees. Is 9 that what your testimony was? 10 A I said the -- the Postal Service was 11 able to get the contracts restructured. I didn't 12 mention specifically any one particular method. 13 I'm familiar that there were some wages that were 14 lowered. 15 Q For -- for -- there would be two 16 different tiers of mail clerks, for example; is 17 that right? 18 A Yeah. 19 Q Now, in terms of the professional staff 20 at headquarters, are there two different tiers of 21 the professional staff at headquarters; do you 22 know?</p>	837	<p>1 do have a different tier. 2 Q Okay. I'd like to hand you what's 3 marked as Union Exhibit 91. 4 Mr. Whiteman, did you receive this 5 document? 6 A Yeah. 7 Q Is it correct that the post office 8 granted every single non-bargaining unit employee 9 a -- a raise effective five days ago? 10 A When you say non-bargaining, are you 11 speaking of the professional staff, I assume? 12 Q I think -- anyone who's not in a union 13 is what I mean. At least that's what I 14 understand this to be. 15 A I believe so, correct. 16 Q Okay. And on the prefunding of the 17 retiree health care, is it correct that absent 18 the prefunding requirement, the post office would 19 already be in the black? Is that a fair 20 statement? 21 A The prefunding is an actual expense. I 22 can't say that we take it out, unless you removed</p>
836	<p>1 A We have different levels of employees, 2 correct. Yeah. 3 Q But are they -- is it -- is it a lower 4 tier that -- are people being hired in at lower 5 salaries than they were hired in five years ago? 6 A Lower compensation, meaning lower -- 7 some lower benefits. 8 Q But the salary has not changed? 9 A To some extent, yes, and I'll give you 10 an example -- 11 Q Sure. 12 A -- some examples. My position prior to 13 three years ago was an executive position. I've 14 been downgraded to or my position has been 15 downgraded to a management level two position. 16 The work hasn't changed. I've probably increased 17 my workload, but I'm not at the top pay. I don't 18 have the same benefits as executives. 19 Q Okay. 20 A So, yes, we do -- 21 Q Okay. 22 A If you want to look at it that way, we</p>	838	<p>1 it for -- changed the laws or something. 2 Q But is it correct that there's a bill 3 in the -- in the -- in the Congress right now to 4 restructure the prefunding requirement? 5 A Yeah, to restructure it, because they 6 were trying to -- that's correct, yes. 7 Q And it has bipartisan support in the 8 Senate; is that right? 9 A I'm not sure. 10 MR. STEPHENS: Okay. Mr. Whiteman, 11 thank you very much. I have no further 12 questions. 13 THE WITNESS: Okay. 14 REDIRECT EXAMINATION BY COUNSEL FOR 15 THE 16 POSTAL SERVICE 17 BY MS. GONSALVES 18 Q I think just have a couple follow-up 19 questions. That bill in Congress -- starting at 20 the end and moving forward, that bill that's in 21 the Congress, do you know if it would wipe away 22 any of the payment obligations? A No. It would just restructure it. It</p>

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<p style="text-align: right;">839</p> <p>1 wouldn't take it away. Those benefits to 2 employees, the Postal Service is still obligated 3 to pay. 4 Q Just about the 1 percent increase, did 5 non-bargaining unit employees get any increase 6 over the last three years? 7 A None. 8 Q So there was a wage freeze? 9 A Wage freeze, correct. 10 Q Okay. On Amazon, I think you already 11 mentioned this, but Exhibit 90, that article 12 about Amazon, you -- I think you testified that 13 the project was limited? 14 A Correct. 15 Q Do you remember which -- where it's 16 limited to? 17 A I didn't know offhand, but based on the 18 article, I think it says in here that it's in 19 just a few areas, page 1, at the fourth paragraph 20 down, that it was Los Angeles and New York 21 Metropolitan Area, New Jersey, Connecticut, 22 Dallas, Houston.</p>	<p style="text-align: right;">841</p> <p>1 Q So is it safe to say that it's rare? 2 A It's the first one we've ever been 3 granted, correct. 4 MS. GONSALVES: No further questions. 5 THE WITNESS: Okay. 6 ARBITRATOR OLDHAM: Thank you, sir. 7 ARBITRATOR DUFEK: Can I ask just a -- 8 ARBITRATOR OLDHAM: Oh, sorry. 9 ARBITRATOR DUFEK: No, that's quite all 10 right. I want to pick up on a point that counsel 11 for the PPOA made with you, and I think it's 12 important for the panel to appreciate and 13 understand. And you touched on it, Mr. Whiteman. 14 But prior to 2006, when the United 15 States Postal Service operated under the Postal 16 Reorganization Act of 1971 -- 17 THE WITNESS: Right. 18 ARBITRATOR DUFEK: -- you mentioned 19 that we were essentially under a break-even 20 regulatory structure. 21 THE WITNESS: Correct. 22 ARBITRATOR DUFEK: Would it be fair to</p>
<p style="text-align: right;">840</p> <p>1 Q You were asked about market-dominant 2 products, and I think you testified that they're 3 not subject to competition. 4 Could you clarify that? 5 A Well, our -- as far as competition, as 6 far as delivering that mail, it's not subject to 7 that competition. However, for example, our 8 standard mail, which is our advertising mail, 9 they receive competition from -- from ads, 10 newspapers ads, online ads. There's those little 11 blue envelopes that we get in the -- the Valpack 12 envelopes. 13 Our first class mail is receiving 14 competition from electronic diversion. So 15 everyone that Facebooks, sends e-mails, things 16 like that, it's taken away from the first 17 class -- first class mail. 18 Q As to the exigent rate case, prior to 19 this recent temporary increase, had the Postal 20 Service ever been granted an exigent rate 21 increase? 22 A No.</p>	<p style="text-align: right;">842</p> <p>1 say that it was similar to what is commonplace in 2 states with public utilities? 3 THE WITNESS: That's true. That is 4 correct. 5 ARBITRATOR DUFEK: And that, in fact, 6 the Postal Service would file its rate case, and 7 the object, really, of the Postal Rate Commission 8 was to insure that revenues would match the 9 costs? 10 THE WITNESS: Exactly. True. 11 ARBITRATOR DUFEK: And would it be fair 12 to say that under that regulatory environment, 13 labor cost increases could be routinely passed 14 through? 15 THE WITNESS: Sure. Yes. 16 ARBITRATOR DUFEK: Now, in 2006, 17 Congress revisited that and passed the Postal 18 Accountability and Enhancement Act. And you 19 mentioned that in the aftermath of that act, we 20 were no -- Postal Service was no longer operating 21 under a break through -- or a -- 22 THE WITNESS: Break even.</p>

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<p style="text-align: right;">843</p> <p>1           ARBITRATOR DUFEK: -- break-even 2 environment. 3           THE WITNESS: Uh-huh. 4           ARBITRATOR DUFEK: Would it be fair to 5 say that the Postal Service is now in a profit 6 and loss environment? 7           THE WITNESS: Yes, it is. 8           ARBITRATOR DUFEK: And one of the 9 reasons why we see these losses from 2006 to the 10 present is because we no longer have that Postal 11 Rate Commission insuring that revenue meets 12 costs? 13          THE WITNESS: Exactly. Sure. 14          ARBITRATOR DUFEK: And that was the 15 intent of Congress? 16          THE WITNESS: I don't think they 17 intended that, but I think the Great Recession 18 didn't help it, and so since that time, we've -- 19          ARBITRATOR DUFEK: I -- I agree with 20 that. I don't think Congress intended us to have 21 46 billion in losses. But it was Congress's 22 intent to eliminate the break-even environment?</p>	<p style="text-align: right;">845</p> <p>1 class mail? 2           THE WITNESS: Well, for Amazon, it 3 probably would be. For us, the Postal Service, 4 the handling of packages is probably a little bit 5 more labor intensive, and so for us, the -- 6           ARBITRATOR DUFEK: I'm asking a 7 slightly different question, but what I'm 8 basically saying is: When you look at lot of 9 these ads, particularly in December prior to 10 Christmastime, whether it's Orvis, whether it's 11 Amazon, whether it's 1-800-Flowers, you see a lot 12 of free shipping? 13          THE WITNESS: Sure. Okay. 14          ARBITRATOR DUFEK: And from that 15 vantage point, the purveyors of these products 16 are price sensitive on our services? 17          THE WITNESS: Correct. Yes. 18          ARBITRATOR DUFEK: That's the question 19 I was -- 20          THE WITNESS: Yes. 21          ARBITRATOR DUFEK: -- asking. You 22 agree with that?</p>
<p style="text-align: right;">844</p> <p>1           THE WITNESS: Yes, it is. 2           ARBITRATOR DUFEK: And put the Postal 3 Service more on a private sector footing? 4           THE WITNESS: Exactly. 5           ARBITRATOR DUFEK: Let me ask you about 6 this New York Times article, because I've had 7 the -- the opportunity to learn a great deal 8 about business-to-consumer package delivery over 9 the last year-and-a-half. 10          You'll note down here that -- I think 11 it's the second to the last paragraph on the 12 first page -- that among the primary 13 beneficiaries of the new delivery schedule are 14 the Amazon Prime members who pay an annual fee 15 for premium services including free two-day 16 shipping for certain items. 17          In your experience, based on how you 18 see the margins for our different product lines, 19 is the free shipping component of the 20 business-to-consumer marketplace one of the 21 reasons why the margins on the package business 22 are dramatically lower than they are for first</p>	<p style="text-align: right;">846</p> <p>1           THE WITNESS: I agree. 2           ARBITRATOR DUFEK: No further 3 questions. 4           ARBITRATOR OLDHAM: Thank you. 5           (Witness excused.) 6 WHEREUPON, 7           KEITH MILKE 8 called as a witness, and having been first duly 9 sworn, was examined and testified as follows: 10          THE WITNESS: I do. 11          MS. BRAMESCO: Good morning. I'm 12 Julienne Bramesco. I'm counsel for the Postal 13 Service, and I'm going to be presenting this 14 witness, Deputy Chief Inspector Keith Milke of 15 the United States Postal Inspection Service. 16          DIRECT EXAMINATION BY COUNSEL FOR THE 17          POSTAL SERVICE 18 BY MS. BRAMESCO 19          Q DCI Milke, good morning. 20          A Good morning. 21          Q Would you please -- 22          ARBITRATOR OLDHAM: Would you spell the</p>

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<p style="text-align: right;">847</p> <p>1 last name, please?  2 MS. BRAMESCO: Please spell your name.  3 THE WITNESS: It's M-I-L-K-E.  4 BY MS. BRAMESCO  5 Q And can you tell us what your current  6 employment is?  7 A Yes. I'm the Deputy Chief Postal  8 Inspector for our headquarters operations within  9 the Postal Inspection Service.  10 Q And what is -- what is the -- what does  11 that mean? What do you do?  12 A Overall, my duties -- I have overall --  13 oversight over all domestic and international  14 security programs that would be within the Postal  15 Service.  16 Q And can you describe your employment  17 history with the Postal Inspection Service?  18 A Yes. I have almost 27 years of Postal  19 Service career, 23 of which were with the Postal  20 Inspection Service. I began my career in 1987 as  21 a letter carrier, and in 1991 became a postal  22 inspector. I've worked various assignments as an</p>	<p style="text-align: right;">849</p> <p>1 Security and Crime Prevention, and in that  2 position, we have -- it's the oversight over all  3 the security -- domestic security programs, as  4 well as some of our dangerous mail  5 investigations, if you hear about suspicious  6 mailings, the response from that, our executive  7 protection program, but more importantly, our --  8 our -- our security force operations program.  9 I also, in that position, had the  10 management of Postal Police for the national  11 headquarters force actually reporting to me at  12 that moment in time.  13 And then, in 2013, this past summer, I  14 was promoted to the position I'm in currently.  15 Q And so what is your familiarity with  16 the duties of the PPO?  17 A So, as I mentioned, I mean, I've worked  18 as a -- as a field inspector, worked closely hand  19 in hand with them during my different various  20 assignments, but beginning in 2002, had some type  21 of either direct oversight with -- with the --  22 with the PPO leadership and management or -- at</p>
<p style="text-align: right;">848</p> <p>1 inspector, and then, in 2002, became a team  2 leader, which is a initial level supervisor for  3 Postal Inspectors, team leader in the Fort Worth  4 Division.  5 In that role, I had a security team  6 that I was assigned which handled all security  7 programs, security prevention programs, as well  8 as the liaison with the Postal Police Officers  9 force that was actually there in the Fort Worth,  10 Texas division.  11 In 2007, I was promoted to the  12 assistant inspector in charge for the Fort Worth  13 Division, and in that position -- again,  14 day-to-day operations of all programs within  15 the -- within the Inspection Service for that  16 field division and had the manager of Postal  17 Police for the postal -- for the Postal Police  18 Officers there in Fort Worth reporting directly  19 to me. So I had oversight over that police  20 force.  21 In 2011, I got promoted here to  22 headquarters as the inspector in charge for</p>	<p style="text-align: right;">850</p> <p>1 least as an executive oversight.  2 But in those roles, you know, we look  3 at from a -- from a division standpoint, we would  4 look at the duties that were necessary to  5 perform -- to perform the roles that we needed to  6 get done for that specific area. I'm involved in  7 labor and management meetings to discuss issues  8 that -- that -- that affected our officers at  9 that location.  10 And then moving to headquarters  11 position, it's a little bit more broader,  12 obviously, because it's looking at the national  13 program, to include -- when we see security  14 force -- and I apologize up front. I have a  15 tendency to call -- to refer to security force,  16 and I think there's the little S and the little F  17 and then the big S and the big F. So I'll try to  18 explain that as I go along, if I catch myself.  19 But when we look at security force  20 operations as a whole, that includes not only our  21 Postal Police, but it also includes our -- our  22 contract security as well. So we have oversight</p>

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851	<p>1 over that entire program when we look at it from 2 a security standpoint. 3 Q And how often do you visit facilities 4 and what do you do when you're there? 5 A I visit -- you know, obviously, in this 6 role, we get out to the field divisions, not as 7 often as when you're actually in the field 8 division itself, but we get out -- I get out at 9 least once every few weeks. We generally are 10 going there for a specific reason. There may be 11 training or we're going to actually meet with the 12 whole entire division. 13 If there are Postal Police Officers 14 present in there, then we actually -- we do try 15 to make efforts -- if they're in the location 16 that we're at. Again, as we'll go through in the 17 testimony, they're in very limited locations. 18 They're not in all of our field divisions. 19 They're not in all of our -- our domiciles. So 20 that will make a little more sense as we go 21 through that. 22 So -- but like here in the building,</p>	853	<p>1 how the PPOs fit into that mission, a Hallcrest 2 study which was commissioned back in 1997 to 3 review -- and I'll go into that a little, but 4 that set the pace for some of the changes that 5 have taken place over the years, a recruiting 6 of -- of a Postal Police Officer, and then also 7 any trends that we've been -- that we've been 8 noticing and seeing. 9 BY MS. BRAMESCO 10 Q Now, if everyone would turn to Tab D-4 11 in your exhibit book, let's look at the mission 12 statement. 13 Does the Inspection Service have a 14 mission statement, and how is the mission carried 15 out? 16 A Yes. So, as you see, the mission 17 statement for the Inspection Service is to 18 support and protect the Postal Service, its 19 employees, infrastructure and customers, enforce 20 the laws that defend the nation's mail system 21 from illegal or dangerous use, and insure the 22 public trust in the mail.</p>
852	<p>1 it's not unusual for them to pop into our office 2 here and say hello to our managers or things of 3 that nature, so, you know, not on a daily basis, 4 but as we -- as we make visits. 5 Q And would you please describe the 6 topics that your testimony will cover today? 7 A Okay. 8 ARBITRATOR DUFEK: You may want to 9 inform the panel as to where this PowerPoint can 10 be found. 11 MS. BRAMESCO: Oh, I'm sorry. Thank 12 you. The PowerPoint is in your binder at Exhibit 13 D -- 14 ARBITRATOR DUFEK: It's Volume 2. 15 MS. BRAMESCO: -- one. 16 ARBITRATOR OLDHAM: Volume 2. 17 MS. BRAMESCO: And it's Volume 2. 18 ARBITRATOR DUFEK: It's Volume 2. 19 MS. BRAMESCO: Thank you. 20 ARBITRATOR OLDHAM: Okay. 21 THE WITNESS: So we'll go over the 22 mission and structure of the Inspection Service,</p>	854	<p>1 The mission is carried out through 2 approximately 2,700 Inspection Service employees. 3 There are about 1,400 Postal Inspectors, about 4 700 Postal Police Officers, which would include 5 their bargaining unit officers, as well as 6 supervisors or managers. 7 And -- and then we have roughly 600 8 professional technical administrative employees, 9 which could be our -- from our administrative 10 assistants up to our crime lab personnel, our -- 11 our technical surveillance specialists and 12 then some other non-investigatory positions. 13 MS. BRAMESCO: And for -- for the 14 convenience of the panel for the association, Tab 15 D contains excerpts from some of the federal laws 16 that we will be talking about. 17 BY MS. BRAMESCO 18 Q So if you'd like to turn to tab -- Tab 19 D-3, can you describe the source of the PPO 20 authority? 21 A Yes. The -- the PPOs, as well as the 22 inspection -- the Postal Inspectors and special</p>

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855	<p>1 agents of the Office of Inspector General for the 2 Postal Service receive their authority through 18 3 United States Code 30-</p> <p>4 Q Okay -- 5 A -- -61.</p> <p>6 Q If I could just hold you for one 7 second. So it's on page -- 18 U.S.C. 3061 8 appears on page 4 of the excerpt. So, again, 9 that's D-3. Okay.</p> <p>10 So tell us the source of the PPOs' 11 authority, what's -- what's permitted.</p> <p>12 A So, as you see, 18 U.S.C. 3061 is 13 what -- is what gives the -- the Postal Service 14 the authority to employ Postal Police Officers. 15 And within the -- in connection with the 16 protection of property owned or occupied by the 17 Postal Service. So it gives us the authority to 18 carry firearms, make arrests, as you can see 19 under (2)(C), but all at the -- at the discretion 20 of the Postal Service.</p> <p>21 ARBITRATOR OLDHAM: You're not at this 22 moment differentiating between Postal Inspectors</p>	857	<p>1 extent of that authority.</p> <p>2 MS. BRAMESCO: And I believe we will 3 have a witness to testify specifically in more 4 detail about these duties and about the extent of 5 the law.</p> <p>6 ARBITRATOR OLDHAM: Okay. But just so 7 I understand, am I right that Postal Police 8 would, in the overall authorization here in 18 9 U.S.C. 3061(a), fall under the expression "other 10 agents"?</p> <p>11 THE WITNESS: No.</p> <p>12 ARBITRATOR OLDHAM: No, that's -- 13 THE WITNESS: That's not -- 14 ARBITRATOR OLDHAM: -- correct? 15 THE WITNESS: -- correct. That is 16 the -- the other agents is designated to be -- 17 and we'll hear more testimony on that, but that's 18 designated to be the special agents of the Office 19 of the Inspector General for the -- for the 20 Postal Service.</p> <p>21 ARBITRATOR OLDHAM: Okay. We'll defer 22 that, then, to --</p>
856	<p>1 and Postal Police, are you?</p> <p>2 THE WITNESS: No. I mean, I can if 3 that --</p> <p>4 ARBITRATOR OLDHAM: Just being clear.</p> <p>5 BY MS. BRAMESCO</p> <p>6 Q Okay. Is there a distinction between 7 the authority of the Postal Police and the Postal 8 Inspectors?</p> <p>9 A Yes. So in the -- in -- 18 U.S.C. 10 3061(a) talks about the authorities that are 11 given to Postal Inspectors and special agents of 12 the Office of the Inspector General for the 13 Postal Service, who would give them authorities 14 to investigate all criminal matters related to 15 the Postal Service.</p> <p>16 It goes down in -- and within -- under 17 A, and then, under B, it -- it provides what that 18 authority -- the extent to that authority. 19 Under -- under 3061(c) is where it actually 20 begins to speak about the authority for the 21 Postal Service to employ Postal Police Officers, 22 and then, specifically, as it goes through, the</p>	858	<p>1 BY MS. BRAMESCO</p> <p>2 Q Okay. So the authority for the Postal 3 Police is under 3061(c)?</p> <p>4 A Correct. That's where it begins.</p> <p>5 Q Okay. Now, would you generally 6 describe for us the structure of the Inspection 7 Service? There are two organization charts in 8 your exhibit book. They are on the PowerPoint, 9 but they are also located at Tabs D-5 and 6. And 10 let's give them a chance to find it.</p> <p>11 All right. So would you -- using these 12 two exhibits, would you please talk to us about 13 the structure of the Inspection Service and tell 14 us where the PPOs fit into this structure?</p> <p>15 A Okay. So using -- using the first 16 structure, it's more of an overall structure of 17 the Inspection Service in general.</p> <p>18 Q And you're referring to D-5?</p> <p>19 A I'm sorry. Yes. D-5.</p> <p>20 Q Okay.</p> <p>21 A And so if we begin -- the chief postal 22 inspector is a direct report to the postmaster</p>

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859	<p>1 general. He's a vice president within -- within 2 the Postal Service, so he's a direct report to 3 the postmaster general.</p> <p>4 So if we look at this chart from the -- 5 from the chief postal inspector and we start from 6 the left and move to the right, we have -- we 7 have a deputy chief inspector; that's what DCI is 8 for -- field operations. Then we say East. We 9 have two deputy chief inspectors for field 10 operations. We broke them -- our -- our 17 11 divisions geographically, and they're divided 12 amongst the two deputies there.</p> <p>13 So if you look on the left under East, 14 you'll see that there's eight divisions that 15 would report, and you can kind of see from 16 geographical nature how that would -- how that 17 would work. They report directly up.</p> <p>18 For each of our field divisions, 19 there's a lead -- the executive. Sole executive 20 of those divisions is an inspector in charge, and 21 that's what an INC would be. So they're the 22 executive of that field division. They report to</p>	861	<p>1 would actually exist.</p> <p>2 Then we also have, obviously, the chief 3 counsel, as you can see, and then our manager of 4 business operations and some others that report 5 directly to the chief.</p> <p>6 Q Okay. So now moving to Exhibit 6, tell 7 us how the PPOs fit into this structure.</p> <p>8 A Okay. So --</p> <p>9 Q Hold on a second. Make sure everybody 10 has it. Okay.</p> <p>11 A So for this structure, we try to -- 12 just broke it down a little bit more refined so 13 we can identify how the Postal Police Officers 14 fit into our overall organizational structure. 15 So, again, you have the chief inspector at the 16 top. You take from -- working from the left to 17 the right, we just took -- we have the deputy 18 chief inspector, Field Operations West. Again, 19 under each of those divisions you -- each -- 20 under -- under that individual, we have our 21 individual field divisions.</p> <p>22 And then what we did is -- down on --</p>
860	<p>1 a deputy chief inspector, who then reports to the 2 chief postal inspector.</p> <p>3 So if we move to -- as we're moving to 4 the right, you'll see that there's a deputy chief 5 Field Operations West, and then we have a deputy 6 chief inspector for headquarters, and under that, 7 DCI is our forensic lab, our Career Development 8 Unit, our Criminal Investigations Unit and our 9 Management Analysis and Planning Unit.</p> <p>10 And then next is the DCI for 11 headquarters operations which is -- which is my 12 position, and under that, we have our 13 inspector -- we have our revenue and product and 14 global security group. That's where our -- 15 obviously, it speaks for itself, but that's where 16 our international security programs would -- 17 would fall under.</p> <p>18 And then we have our inspector in 19 charge for Security and Crime Prevention, so 20 that's our Security and Crime Prevention Group. 21 And under that is where the Postal Police 22 Officers, our Security Force Operations Program,</p>	862	<p>1 when you look at inspector in charge, Chicago, 2 you'll see a description of how the Postal Police 3 for that division would fall under from a 4 structure standpoint into a division structure.</p> <p>5 So you have -- for every one of our field 6 divisions, we have -- we have Postal Police 7 operations at 14 of our 17 field divisions and 8 then also one here at national headquarters.</p> <p>9 But each of those Postal Police forces 10 are led by a manager of Postal Police. So they 11 could have -- however, depending on the number of 12 officers and -- and complement they have, they 13 may have different ranks. So a majority are -- 14 are -- are -- are minimal size forces. They 15 would generally be -- a captain would be -- would 16 be the appropriate rank for the manager of Postal 17 Police.</p> <p>18 And then under that would be the 19 supervisor, which are going to be our sergeants 20 of Postal Police, and then -- and then each tour 21 of our Postal Police Officers, our bargaining 22 unit officers would report directly to a</p>



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863	<p>1 supervisor, and then you can kind of see how it 2 flows up. 3       As you move over to the -- to the right 4 under deputy chief inspector headquarters, my -- 5 my position, you'll see the inspector in charge 6 of Security and Crime Prevention and -- and then, 7 under that, the program manager for the security 8 force. So as I was explaining in my experience, 9 there's kind of two positions where -- in that -- 10 in that group -- within that position that -- 11 that has oversight over Postal Police operations. 12 First, it's over the program manager of the 13 security force operations as a total. So, again, 14 that's all operations as national program, and 15 that includes our contract security as well. 16       Then we have -- we don't have indicated 17 here, but as I mentioned, we have a force here at 18 national headquarters, as you've -- as you've 19 met. They report -- that captain reports 20 directly to the inspector in charge for Security 21 and Crime Prevention. 22       Q You might want to advance the slide. I</p>	865	<p>1 supplemented with that is our -- is our contract 2 -- you know, our contract that we have. 3       Q And how does that differ from the 4 phrase "police force" or "police work"? 5       A You know, I think there's a lot of -- 6 there's -- there's classifications, obviously, 7 that we'll hear testimony on, how that differs, 8 but our -- our -- again going back to 3061, the 9 authorities that are provided and that we -- that 10 are limited for what Postal Police Officers do, 11 they are not in a position to be full-fledged 12 police officers as we would indicate from local 13 or state law enforcement. But -- but from a -- 14 so they don't do -- they don't do full complex 15 investigations and things of that nature, but 16 their priority, their mission, is the protection 17 of postal property and assets. 18       Q And we've heard from a number of 19 witnesses that the inspectors are like detectives 20 to the PPOs as police. Can you respond to that 21 testimony? Is that an accurate depiction? 22       A No, I don't think it is. I think it's</p>
864	<p>1 know every everybody's following you. 2       A Oh, I'm sorry. 3       Q That's okay. Now, you talked a little 4 bit about a security force with a large S and a 5 small F and -- and a -- and a small F. 6       So can you describe what you mean by 7 that? What's a security force generally, and 8 what are you referring to? 9       A Well, again, I think some of it goes 10 back. It's -- it's -- previously, I think a lot 11 of the Postal Police Officers were referred to -- 12 and I can't go back to what year that would be -- 13 but we tended to call them just our security 14 force. With the advent of contract security that 15 we add into that, we needed to really put a more 16 broader sense of that so that we can kind of 17 somewhat distinguish. So most are very good. 18 Like I said, I sometimes will banter back and 19 forth, but I have to make sure I make the 20 distinction. 21       So the Postal Police Officers are -- 22 are -- are our security force that we have, but</p>	866	<p>1 somewhat simplistic. I actually would add a 2 couple other categories in there. 3       As I just mentioned, Postal Police 4 Officers, you know, I guess there's -- Postal 5 Police Officers do not rise to the level of a 6 full-fledged Postal Police -- I mean, police 7 officer in the performance of their duties. Some 8 of the duties that we'll discuss are -- are 9 different, and they're very limited to facility 10 security. 11       A full-fledged police officer -- 12 obviously, there's -- there's hiring differences. 13 There's job description, job duties of -- to come 14 on, qualifications that are different. Now -- 15       ARBITRATOR OLDHAM: Help me with what 16 you're saying. You're saying a full-fledged 17 police officer. Are you talking about in the 18 private sector, or are you talking about -- 19       THE WITNESS: If you're -- 20       ARBITRATOR OLDHAM: -- in the -- 21       THE WITNESS: If you're taking -- the 22 majority of police officers are going to be in</p>

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<p style="text-align: right;">867</p> <p>1 our state and local police, so our community  2 police, our police and sheriffs. So maybe  3 full-fledged is the wrong terminology to use.  4 But they are -- if -- they are tasked  5 with enforcing law and order in their community.  6 They have certain peace officer statuses, certain  7 training, certain certifications that they  8 actually have to meet, and their mission is much  9 broader and much deeper. And then, within that,  10 their duties then become much more complex.  11 To -- we've heard testimony that --  12 that we have our police officers and then we have  13 detectives. Well, detectives, obviously, are  14 generally nonuniformed police personnel, but  15 they're -- they come from the police force.  16 ARBITRATOR OLDHAM: I'm sorry. You've  17 got to be clear here. Are you talking about  18 within the post office or --  19 THE WITNESS: No.  20 ARBITRATOR OLDHAM: You're just talking  21 about general --  22 THE WITNESS: General, yeah.</p>	<p style="text-align: right;">869</p> <p>1 A Right.  2 Q -- comparison.  3 A Right. So -- so from a detective -- to  4 become a detective in most police forces, you're  5 a police officer first, and then you either take  6 some type of exam or it's a promotion level  7 position that you would become a detective then  8 based off your performance and work experience.  9 But that -- when we compare to a -- a Postal  10 Inspector, that really is the next -- the next  11 level, I believe, which is a federal criminal  12 investigator.  13 You don't promote into becoming a  14 federal criminal investigator from a police  15 department. There's a whole completely different  16 set of -- of -- of requirements, and there's --  17 you know, whether it's through hiring  18 requirements, eligibility requirements,  19 qualifications to become that. And becoming a --  20 if you are a police detective, it does not  21 necessarily mean that you are qualified or  22 eligible to become a Postal Inspector or federal</p>
<p style="text-align: right;">868</p> <p>1 ARBITRATOR OLDHAM: -- out in the --  2 THE WITNESS: Right. The question was  3 the difference between the police officer and  4 detective, do I believe --  5 ARBITRATOR OLDHAM: Yes.  6 THE WITNESS: -- the same analogy  7 applies to Postal Police Officers and inspectors.  8 ARBITRATOR OLDHAM: Correct.  9 THE WITNESS: So --  10 ARBITRATOR OLDHAM: And now you're  11 talking about the general characterization  12 of detectives --  13 THE WITNESS: Right.  14 ARBITRATOR OLDHAM: -- and police in,  15 let's say, an urban area --  16 THE WITNESS: Correct.  17 ARBITRATOR OLDHAM: -- where there's a  18 police department?  19 THE WITNESS: Correct.  20 BY MS. BRAMESCO  21 Q And then please move on and -- and make  22 the --</p>	<p style="text-align: right;">870</p> <p>1 criminal investigator like FBI, Secret Service  2 agents.  3 So when I answered -- going back to  4 kind of summarize it, I see several different  5 levels, and that's why I believe going from just  6 the PPOs as a police officer and inspectors being  7 detectives, I think that's just rather  8 simplistic. I think there's a lot more that goes  9 into it. And a lot of it is based on the duties  10 and responsibility and the qualifications of the  11 position.  12 Q And we'll talk in much more --  13 A Right.  14 Q -- detail about that. If you would  15 advance the slide, let's talk about how and where  16 the PPOs are employed. So how many PPOs --  17 ARBITRATOR DUFEK: Do we need to go  18 back to the PowerPoint now?  19 MS. BRAMESCO: Yes.  20 THE WITNESS: Yes.  21 MS. BRAMESCO: It will be on page --  22 Slide 6.</p>

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871	<p>1 BY MS. BRAMESCO 2 Q So how many PPOs are currently 3 employees and where and in what kinds of 4 facilities are they employed at? 5 A So we have 465 bargaining unit -- 6 bargaining unit Postal Police Officers. They 7 are, as I mentioned -- 8 ARBITRATOR OLDHAM: Hang on. I'm 9 sorry. 10 MS. BRAMESCO: Oh, I'm sorry. 11 ARBITRATOR OLDHAM: Where are you? 12 MS. BRAMESCO: I'm sorry. Slide 6. 13 ARBITRATOR DUFEK: I'm -- I'm back 14 on D, D-1, Slide 6. 15 MS. BRAMESCO: D-1, Slide 6. 16 ARBITRATOR OLDHAM: D-1 is the part 17 that I missed. 18 ARBITRATOR DUFEK: Yeah. 19 MS. BRAMESCO: Okay. 20 ARBITRATOR DUFEK: Yeah, you're jumping 21 around here -- 22 MS. BRAMESCO: I'm sorry.</p>	873	<p>1 Q -- just say what that is? 2 A That's a processing and distribution 3 center. So the Postal Service has roughly -- 4 probably just under -- it continues to 5 consolidate down, but I'd say maybe just over 250 6 processing and distribution centers in the 7 country, and the Postal Police are at about 21 of 8 those locations. 9 Q Okay. And can you talk about the 10 airport facilities for a moment? What are the 11 special characteristics of airport facilities? 12 A Yeah. I mean, there -- there's -- we 13 have -- we have five international service 14 centers in the country, which is where all 15 international mail originates and goes to 16 go out of the country and it comes into the 17 country, obviously different -- depending on 18 where in the world it's coming from, it will be 19 at one of the locations. So they're in New York, 20 Miami, Chicago, Los Angeles and San Francisco. 21 And so we do have Postal Police Officers at -- at 22 several of those locations.</p>
872	<p>1 ARBITRATOR DUFEK: -- a lot. You've 2 really got to help us. 3 MS. BRAMESCO: Understood. 4 ARBITRATOR OLDHAM: Okay. Thank you. 5 THE WITNESS: So there's -- as I 6 mentioned, we have 465 bargaining unit Postal 7 Police Officers on board in our 14 -- 14 field 8 divisions and -- and 15 locations -- divisions 9 we'll say, because of the national headquarters. 10 They're in 21 locations, which are generally our 11 larger processing and distribution centers, 12 postal facilities that are processing mail, and 13 then also in some airport locations as well that 14 we have airport facilities at. 15 So 465 on board, 21 locations within 16 the country, and a majority at a -- a larger 17 postal mail facility is where they're -- where 18 they're officed at. 19 BY MS. BRAMESCO 20 Q And I've abbreviated on the slide 21 that -- it says that -- it says P&amp;DC. Can you -- 22 A Right.</p>	874	<p>1 Q And do you know what kind of access 2 they have at those locations? 3 A Yeah. Beyond the -- the regular, 4 obviously, postal facility access, they often 5 will have some duties related to what we would 6 call -- formerly, we used to call it ramp clerk, 7 which was a postal assignment -- a term, but 8 duties where they would have to go out and meet 9 mail possibly, for a certain level of mail, such 10 as registered mail, high-value mail that needs 11 the appropriate level security. 12 So they would have access to the tarmac 13 area and based off their duties in coordination 14 and conjunction with the airport authority for 15 where that's located at, so -- but their duties 16 are solely to support Postal Service security 17 needs. They're not to do -- to work anything 18 else other than as it relates to Postal Service 19 security. 20 Q And are you suggesting that there are 21 other postal employees who have access to the 22 tarmac?</p>

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<p style="text-align: right;">875</p> <p>1     A   Yes. You would have -- you have Postal 2 Service ramp clerks who actually go out, will 3 drive through to make sure that mail is being 4 handled appropriately, the way that it's -- that 5 the contract -- that the airline that has the 6 contract is -- is -- is contracted to do so. 7         You know, quite often, as you can 8 imagine, on busy flights, you know, the air -- 9 the airports could start to bump our mail. 10 Certain weather conditions, we have to make sure 11 the mail is not just sitting outside unattended. 12 That's handled mostly by Postal Service 13 employees, ramp clerks, not necessarily Postal 14 Police Officers. 15     Q   All right. Now, if I can ask you to 16 move to Slide 7. We've heard quite a bit from 17 the postal -- the Postal Police Association about 18 their function, but I'd like to explore the PPO 19 job from the Postal Service perspective. 20     A   Okay. 21     Q   Let's use the job description to talk 22 about the PPO position, which you will find at</p>	<p style="text-align: right;">877</p> <p>1           ARBITRATOR OLDHAM: (Nodding.) 2           THE WITNESS: The role of the 3 duties, the PPO duties, the primary role, again, 4 protecting persons property and mail on postal 5 property, which is exactly right out of our 6 mission statement. And what we mean by that 7 is -- is the -- the Postal Police Officers, the 8 staffing, the assessments that were done to 9 determine that Postal Police Officers are 10 necessary in a specific location at -- is 11 specific to that facility that they're located 12 in. So their -- their primary purpose is to 13 protect and security persons and property at that 14 specific facility. That's their primary purpose. 15         They also do some access control, as we 16 mentioned and will mention further. It's -- it's 17 much more limited now from an access control, 18 which is just, you know, verifying as when you're 19 coming in, ID badges, things of that nature, 20 visitors, from that standpoint, to where we now 21 use mostly, in many of our locations, unarmed 22 contract security to fulfill that role.</p>
<p style="text-align: right;">876</p> <p>1 Tab D-7 of the exhibit book. 2         Okay. Is this the current job 3 description? 4     A   Yes, it is. 5     Q   And do you know when it's -- the last 6 time it was changed? 7     A   It was last changed -- the duties and 8 responsibilities were updated in 1990, and then 9 the qualifications on the second page were 10 updated in 2010. 11     Q   Is it a current reflection of the 12 Postal Police duties today? 13     A   Yes, is. 14     Q   Okay. Would you walk us through the 15 Postal Police duties? Tell us what they do, what 16 that means and, you know, the significance of 17 those duties. 18     A   Going back to the PowerPoint? 19     Q   And we will go back to the PowerPoint, 20 which, again, is on Slide D-7, Tab D-1. 21     A   So, again, what we have here is the -- 22 the -- do you have it?</p>	<p style="text-align: right;">878</p> <p>1           But Postal Police Officers do relieve 2 them for breaks, as well as lunch breaks, as well 3 as some -- some other times, if you walk through 4 this breezeway, there may be a time where you're 5 walking through and you'll see just a Postal 6 Police Officer out there. So that's -- that's 7 really managed on a day to day by the local 8 manager based off their responsibilities that -- 9 the resources that they have available to them 10 and -- and -- and what the contract calls for. 11     Q   And is access control only letting 12 people in the building and checking badges, or 13 does it encompass more than that? 14     A   No. I mean, it goes into a little bit 15 more than that. I mean, that -- that's the -- 16 that's the one form. The minimal form I was 17 talking about with, you know, checking IDs and 18 such is what we would leave to our unarmed 19 contract security. But also at access control, 20 there could be random bag checks at entry points, 21 the magnetometers that some -- that some 22 facilities may have, and any other security needs</p>

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879	<p>1 that we would need from that.</p> <p>2 And a lot of times, it's random</p> <p>3 security. Security is best in many forms to be</p> <p>4 random. If -- if you do the same thing all the</p> <p>5 time, then you question whether or not that's</p> <p>6 actually security at that point in time. So the</p> <p>7 randomness actually comes into play, and that is</p> <p>8 generally -- most -- all those duties are handled</p> <p>9 then by Postal Police Officers.</p> <p>10 Q Okay.</p> <p>11 A Limited enforcement of postal rules and</p> <p>12 regulations. Again, the main point here, we do</p> <p>13 have a postal -- it's a federal magistrate</p> <p>14 program in which Postal Police Officers have --</p> <p>15 have limited authority for writing tickets,</p> <p>16 magistrate tickets. This can vary division by</p> <p>17 division, location by location. It is really</p> <p>18 something that we leave to our division</p> <p>19 executives to manage, because in each area, it</p> <p>20 could be -- it could be different. There could</p> <p>21 be certain requirements.</p> <p>22</p>	881	<p>1 actually find out that that's really kind of a</p> <p>2 misuse of the program.</p> <p>3 But giving an explanation of it,</p> <p>4 generally, the tickets are for \$50 and a fraction</p> <p>5 if -- they can vary. But based off of that,</p> <p>6 if -- an individual pretty much can pay the</p> <p>7 ticket or they can go to court and -- and fight</p> <p>8 it. So that's -- that's one area that's limited.</p> <p>9 But they also -- with the magistrate</p> <p>10 tickets, they -- obviously, they can --</p> <p>11 individuals that are acting recklessly on postal</p> <p>12 property, things of that nature, that's the --</p> <p>13 the intended use for the ticketing program, the</p> <p>14 magistrate program, is for those areas that</p> <p>15 would -- that would -- that would cause -- with</p> <p>16 intent -- that would put the Postal Service's</p> <p>17 employees maybe at safety or security issues.</p> <p>18 That's where we would really like to see the</p> <p>19 magistrate program being used.</p> <p>20 The escort of high-value mail and</p> <p>21 remittances. There's really only one division</p> <p>22 and location, which is New York Division, that</p>
880	<p>1 As we heard from previous testimony,</p> <p>2 there was a lot of involvement, I think, in</p> <p>3 Boston, which is where they were from, where they</p> <p>4 actually served as prosecutors, and that was kind</p> <p>5 of a shock to me that they would do that. But --</p> <p>6 but down to some divisions who -- who won't --</p> <p>7 won't actually have that, won't even give their</p> <p>8 officers a ticket book at all because of -- some</p> <p>9 of the concern that we have is -- is the -- we</p> <p>10 don't want our Postal Police Officers to become</p> <p>11 parking police. That's an administrative nature.</p> <p>12 We don't -- and we've had -- I know in</p> <p>13 Fort Worth, when I was there, we had some issues</p> <p>14 with -- with postal management leaning on our</p> <p>15 officers at the facility that they were at to try</p> <p>16 to help them with some of their issues with</p> <p>17 bargaining unit employees parking in supervisor's</p> <p>18 parking spots and -- or parking in a handicapped</p> <p>19 location. It's really an administrative duty</p> <p>20 that should be handled by postal management, but</p> <p>21 -- to be writing tickets, and it's not until,</p> <p>22 obviously, that an incident occurs that we</p>	882	<p>1 actually has a responsibility for that to do</p> <p>2 high-value remittances. You can imagine some of</p> <p>3 the -- some of the -- we'll say, in the jewelry</p> <p>4 district, there may be some high-value shipments</p> <p>5 that are being made. So they will actually</p> <p>6 develop posts, develop runs to actually escort</p> <p>7 that mail into -- from -- from the location to</p> <p>8 the postal facility, and Postal Police Officers</p> <p>9 will be involved in that.</p> <p>10 That's not to say that -- that they</p> <p>11 can't do that in other locations. They do that,</p> <p>12 though, generally on a case-by-case basis at the</p> <p>13 request of postal management if we feel we have,</p> <p>14 you know, high remittance runs for some specific</p> <p>15 reason or we do have a one-time mailing of</p> <p>16 something. Postal Police Officers have that</p> <p>17 authority and would be able to do that. A</p> <p>18 majority of that is done in New York, though, in</p> <p>19 the New York Division.</p> <p>20 They conduct mobile posts, which would</p> <p>21 be the same -- it would be either through vehicle</p> <p>22 or in -- on a foot patrol. So it's either a foot</p>

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883	<p>1 patrol of a -- of a facility that they're 2 assigned to, or they would get into the vehicle, 3 go to another postal facility and then do that 4 foot patrol at that location. 5 It -- we -- we use the word "post" and 6 "patrol" kind of synonymously. I know they make 7 a big difference in some cases when we're talking 8 about a certain job duty and description, but the 9 key with these is that it needs to be within or 10 on the surrounding property of a postal facility. 11 And that's what the Postal Police Officer's 12 authority is limited to. 13 Q And the -- they're in a postal vehicle 14 when they're doing some of these -- 15 A Yes. A marked unit that says Postal 16 Police and lights. 17 Q And I presume there's heat and air 18 conditioning in those vehicles -- 19 A Yes. 20 Q -- do you know? 21 A We take care of our employees. 22 Q Okay. And what is their territory on a</p>	885	<p>1 So -- and making it very general, if I 2 was Postal Police Officer and I reported for 3 duty, I may be assigned a post, and that post 4 would say, go to station -- leave this facility, 5 go to station A, do your patrol in that -- in 6 that -- on that facility, go to station B, things 7 of that nature. So it's station to station, 8 facility to facility. 9 Q And have those mobile post duties 10 changed in the last five years? 11 A No. 12 Q And do PPOs still perform fixed post 13 duties? 14 A Yes, they do. Limited, much -- not -- 15 well, we'll get into that when we get to our 16 chart. But, yes, they still do. 17 Q Okay. So continue. Tell us about the 18 emergency response. What kind of emergency 19 response is expected of the PPOs? 20 A So, again, going back into -- the 21 Postal Police are at the larger facilities that 22 have -- generally have the most -- a large number</p>
884	<p>1 mobile post? 2 A You know, it can -- it can vary. 3 Again, it depends on the needs. Generally, it's 4 not outside of 30 minutes from their main 5 location. Again, we've got to always keep 6 bringing back -- we have to remind our managers 7 of this sometimes -- is that their primary 8 purpose is to secure the facility that they're 9 assigned to. But as we would do in any law 10 enforcement agency in prevention, we're trying to 11 always increase that security blanket. How can 12 we reach out and secure the Postal Service 13 overall in general? 14 So when the resources are available 15 and -- and -- which that could be very limited, 16 and that could be only on a -- not only on a 17 day-by-day basis, but it could end up being on an 18 hourly basis about what resources are actually 19 available. We -- there will be posts. So what 20 will be set up is -- within a post, there would 21 be assigned duties that someone would have to 22 hit.</p>	886	<p>1 of postal employees. So one area of emergency 2 response that they could potentially respond to 3 is employee welfare, employee illnesses, you 4 know, injuries, things of that nature. 5 In that location, they may be the first 6 ones to actually get there, and if they're 7 trained -- Postal Police Officers are trained at 8 the -- in their basic training academy, but there 9 are no requirements for them to maintain that 10 certification. So CPR, AED type trainings are 11 generally on an annual basis. Now, in most 12 facilities, we offer it. They are not 13 necessarily obligated to participate. So that 14 could vary by office to office or location to 15 location. 16 If they're involved in a specialized 17 position, like a firearms instructor or an 18 officer survival instructor, then they are 19 required as part of that position to have that 20 certification. So -- but if they are actually 21 certified in training, I would still say there's 22 no requirement for them to render aid, but they</p>

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<p>1 are expected to at least arrive, get on the 2 scene, find out what the issue is and call the 3 appropriate first responders, whether that's a 4 911 or things of that nature -- nature. 5       And there are other -- in most of these 6 facilities, there are medical units. There are 7 AEDs as well. Postal Police Officers have their 8 AEDs, but the postal facility has its own as 9 well. And, also, postal employees can be 10 trained. Obviously, they may have certifications 11 themselves. But there's medical units, 12 generally, in most of the facilities. 13       Q So are the PPOs trained as EMTs; do you 14 know? 15       A No, they're not. 16       Q And have -- you told us about some of 17 the crazy emergencies. What are the common 18 emergencies a PPO might -- 19       A So, again, you -- 20       Q -- come across? 21       A -- might have -- from an emergency 22 standpoint, that was one, I guess, that they</p>	<p>1 in any -- is not insecure. So they may assist at 2 the direction of local law enforcement to 3 properly, you know, protecting that scene. 4       Q Okay. And so tell us about alarm 5 response. What are the Postal Police 6 responsibilities with regard to alarms? 7       A Okay. So the Postal Service has 8 roughly 33,000 postal facilities. 11,000 -- 9 about 11,000, just over 11,000 of them, are 10 alarmed. So there is facility alarms. And the 11 Inspection Service is responsible for monitoring 12 those alarms. 13       Those alarms are monitored at our 14 National Law Enforcement Communication Centers, 15 so NLECC. And we have two of those locations in 16 the country. They are -- one in Dulles, Virginia 17 and one in Forth Worth, Texas. And if you can 18 imagine, there basically are our 911 dispatch 19 centers, our national centers for dispatch. They 20 handle all the alarm monitoring. They handle all 21 of our radio traffic between -- for the Postal 22 Inspectors, Postal Police Officers and the</p>
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<p>1 would -- I would say -- I -- common's a hard 2 word, because, again, you don't know how often 3 individuals are getting sick, but -- but that 4 would probably be the most common. 5       They do go out to accidents involving 6 postal vehicles, again, if it's within their 7 response type area, which generally 30 minutes 8 from their main location. So if they're 9 available and the resources are available, they 10 go out. And, basically, on the scene there, 11 they're -- they're helping secure the perimeter 12 scene of the accident, insuring that the postal 13 employees are getting the attention that they 14 need from -- from a medical standpoint. But from 15 a -- at that point, postal management, really -- 16 a postal supervisor is required to do the 17 accident investigation for -- for postal 18 employees. 19       So they may assist in that as -- as 20 necessary based off the information they may 21 have, and then they usually will do traffic 22 control, make sure that, again, the scene is not</p>	<p>1 office of -- the special agents for the Inspector 2 General's office. 3       And then they also -- they handle all 4 criminal history type checks or calls in that the 5 agents -- where officers may call in if they're 6 calling a license plate check or looking on a 7 criminal history of an individual. They have 8 access. So it's state-of-the-art -- both units 9 are redundant. They share duties, but for the 10 most part, they're idea is, they're 24/7, our 11 emergency phone calls. If you call for an 12 emergency after hours, it directly goes to them, 13 and then they dispatch based off their CAD system 14 who is the appropriate responder to that 15 incident. 16       Q Okay. 17       A So -- so with that -- of -- of those 18 11,400 -- 11,400 facility alarms, roughly 1,400 19 of them falls within their response area for the 20 Postal Police Officers, again, going to that 30 21 minutes from the location that they're domiciled 22 at. We rough that out. That comes out to about</p>

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891	<p>1 1,400 responses.</p> <p>2 So if an alarm comes out, if a facility</p> <p>3 alarm is tripped, a big loud siren goes off in</p> <p>4 this dispatch center. A dispatcher looks at</p> <p>5 that, sees that -- from there, they decide based</p> <p>6 off that -- up on the screen comes for them, you</p> <p>7 know, post office ABC has just had an alarm</p> <p>8 tripped. Here's the appropriate responder.</p> <p>9 If it's within that 30-minute area and</p> <p>10 it's been designated as the PPOs as the primary</p> <p>11 contact, then the Postal Police Officers would be</p> <p>12 the primary contract, as well as the Postal</p> <p>13 Inspectors. The duty inspector that's on that</p> <p>14 contact list will also be notified.</p> <p>15 If it's outside that range, which is</p> <p>16 with -- again, adding it up, the majority of them</p> <p>17 are going to go local law enforcement. So it</p> <p>18 will be whatever that local law enforcement</p> <p>19 community that would be designated to respond.</p> <p>20 They would be the point of contact as well as --</p> <p>21 then the secondary contact is the Postal</p> <p>22 Inspector.</p>	893	<p>1 Because as you can imagine, again, as I</p> <p>2 said, a large number of them are going to local</p> <p>3 law enforcement. They now then keep coming to</p> <p>4 false alarms. They want to charge us for every</p> <p>5 response that they get to. In some cases,</p> <p>6 they're even trying to charge just for the</p> <p>7 ability for them to come. So we've been doing a</p> <p>8 lot of efforts to do that.</p> <p>9 But in -- in FY13, Postal Police</p> <p>10 Officers responded to just over 2,500 facility</p> <p>11 alarms. Of those alarms, only six were actual</p> <p>12 burglaries. And then, in the past five years,</p> <p>13 Postal Police Officers responded to -- I believe</p> <p>14 it's -- it's just about 20 actual burglaries in</p> <p>15 the last five years. So when you start</p> <p>16 extrapolating the numbers, you can see that we</p> <p>17 have a major false alarm issue.</p> <p>18 ARBITRATOR OLDHAM: Well, I assume it's</p> <p>19 not the case that everything other than</p> <p>20 burglaries is a false alarm. That is to say,</p> <p>21 wouldn't the alarms be legitimately tripped --</p> <p>22 tripped for some legitimate purposes?</p>
892	<p>1 So from a Postal Police Officer</p> <p>2 standpoint, again, responding to about 1,400 --</p> <p>3 responsibility for 1,400 offices of the 33,000</p> <p>4 postal facilities that are out there, 11,000 that</p> <p>5 are actually alarmed.</p> <p>6 Q And how many of those alarms are real</p> <p>7 incidents and how many of them are false</p> <p>8 incidents?</p> <p>9 A Right. And that's why we try -- I've</p> <p>10 tried to make a point that their facility alarms</p> <p>11 are not necessarily burglary alarms. That kind</p> <p>12 of goes hand in hand sometimes. But -- but it</p> <p>13 does -- it does indicate when an alarm goes off</p> <p>14 that there's a potential that there's a burglary</p> <p>15 at the -- at the location.</p> <p>16 We have a large problem with the Postal</p> <p>17 Service with employee false alarms, something</p> <p>18 we've been working diligently, all kinds of</p> <p>19 projects, all kinds of Lean Six Sigma projects to</p> <p>20 try to figure out what is tripping these alarms</p> <p>21 and what can we do to make -- you know, our</p> <p>22 responses.</p>	894	<p>1 THE WITNESS: Yeah. I don't know about</p> <p>2 legitimate. I think what -- you could have</p> <p>3 alarms tripped that are maybe not a burglary,</p> <p>4 where someone threw a -- vandalism. You could</p> <p>5 have someone throw a rock through a window. The</p> <p>6 motion sensor trips the alarm.</p> <p>7 A lot of the issues that we have really</p> <p>8 employee -- employee issues, some which is --</p> <p>9 which is -- understand -- those that understand</p> <p>10 the Postal Service will understand that, you</p> <p>11 know, there are after-hour deliveries of mail in</p> <p>12 some cases. So our highway contract route</p> <p>13 drivers may push mail in. If it goes too far for</p> <p>14 the censor, it trips the alarm. The driver has</p> <p>15 no idea, has no way of turning that alarm off,</p> <p>16 and so the censor is tripped.</p> <p>17 We had a lot of problems with employees</p> <p>18 just -- there was a -- fat fingering, we'll call</p> <p>19 it, hitting the wrong code, and then they hit --</p> <p>20 there was a duress -- for whatever reason, when</p> <p>21 they had it, the duress code, the number was</p> <p>22 always right next to the last digit when we</p>



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895	<p>1 figured it out, and so hitting that last digit 2 caused a duress alarm. 3       So -- but for the most part, you know, 4 I -- it's really an individual forgetting to turn 5 an alarm off when they gotten into the facility, 6 and then they're not answering the telephone when 7 the initial call was trying to say -- there is 8 some things that the NLECC will do, and there is 9 some things that we put in place, like 30-minute 10 windows -- 11       ARBITRATOR OLDHAM: Wait, wait, wait. 12 There are some thing that the -- 13       THE WITNESS: NLECC. I'm sorry. The 14 National Law Enforcement Communication Center, 15 N-L-E-C-C. There's some things that they will do 16 to try to resolve it prior to calling and 17 dispatching to either local police or PPOs. 18       And we've even increased the -- the 19 window for the -- so we know when the alarm -- 20 the facility hours. We -- every six months, we 21 get a facility profile for each of these 22 locations, and they'll tell us, you know, updated</p>	897	<p>1 heavily on the resource. 2       I think it's very important to point 3 out that the majority of our facilities have the 4 minimum work force that we -- that we have 5 assigned or designated. So that's 15 Postal 6 Police Officers, bargaining unit Postal Police 7 Officers. Then you would have your three -- tour 8 sergeants for each tour and then one captain. So 9 19 is the total force. 10       So if you divide that generally, five 11 for each tour, you're talking about, at maximum, 12 on a certain tour, you have five officers to 13 fulfill any of the duties that you're responsible 14 for doing. You add in leave, days off, training, 15 and in many cases, there's -- often you're down 16 to maybe two officers and a sergeant on a tour. 17       The sergeant's obviously out if there's 18 a vacation and somebody has to act in that role. 19 That can also -- so when you're talking about the 20 resources available to do these duties, it could 21 vary on a certain day, because, one day, you may 22 have more than enough resources to do some of</p>
896	<p>1 contact names, updated managers, but also tell us 2 the updated hours of the facility, and so, 3 roughly, we know if it's within 30 minutes or so. 4 I believe it used to be five minutes. I don't 5 know how long -- I think it's extended to 30. If 6 the alarm trips at that point, we may be calling 7 the supervisor and saying, hey, are you still in 8 the building, things of that nature. 9       So -- so to answer your question, the 10 majority of them are employee false alarms, 11 something that we've been trying to get our hands 12 on. It's causing undue responses. 13 BY MS. BRAMESCO 14       Q Now, going back to the slide, can you 15 give us an idea -- are these duties that the PPOs 16 perform every day? 17       A No. Obviously, the -- the first one is 18 protecting persons and property on the facility. 19 That's what they do every day. Again, I can't 20 stress that enough. That's their primary role. 21 But from the others, it will depend on -- it will 22 depend on whether the incidents -- it will depend</p>	898	<p>1 these things, and others, you may be limited to 2 do what you can do. 3       ARBITRATOR OLDHAM: Can you clarify 4 what you mean by the word "tour"? 5       MR. STEPHENS: Tour. So it's like 6 shift. So in the Postal Service, we talk tours. 7 So there's Tour 1, which is generally -- let me 8 get this straight. So Tour 1 is generally eleven 9 o'clock at night, 11:00 p.m. to about 7:00 in the 10 morning, roughly. Tour 2 would be 7:00 a.m. to 11 3:00 p.m., and then Tour 3 would be 3:00 p.m. to 12 11:00 p.m. 13       So -- so when we assign the tours, 14 that's how the Postal Service is set up in these 15 processing and distribution centers, and that's 16 how our staffing levels are managed as well. 17       ARBITRATOR DUFEEK: If you ever tour a 18 postal facility or you'd like to tour a postal 19 facility, Tour 1 or Tour 3 is where -- 20       THE WITNESS: Yeah. 21       ARBITRATOR DUFEEK: -- the action is. 22       THE WITNESS: Yeah. Yeah. So for --</p>

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899	<p>1 so if you think about -- the processing of mail 2 mostly gets down between Tour 3 and Tour 1, and 3 then the Letter Carriers do the work during Tour 4 2. 5 MS. BRAMESCO: I'm not going to name 6 names, but I happen to ask for a five-minute 7 comfort break, if that would be acceptable to the 8 panel. 9 MS. GONSALVES: It would be me. 10 MS. BRAMESCO: See, I was protecting 11 you. 12 ARBITRATOR OLDHAM: I think everybody 13 would appreciate that. Let's take ten. 14 (Brief recess.) 15 ARBITRATOR OLDHAM: All right. Let's 16 resume. 17 MS. BRAMESCO: Welcome back. DCI 18 Milke, I would ask you at this point to advance 19 the slide. 20 And I'd like to direct the panel's 21 attention to the exhibit behind Tab D-8, which is 22 the same information that's on the slide, but</p>	901	<p>1 that's what that would relate to. Most are 2 completed in the New York Division. 3 Q And -- 4 ARBITRATOR OLDHAM: I'm sorry to 5 interrupt, but we -- we just have to be careful 6 or I need to understand about terminology. This 7 is -- this form is headed U.S. Postal Inspection 8 Service Security Force. 9 THE WITNESS: Correct. 10 ARBITRATOR OLDHAM: And there is your 11 phrase again. 12 THE WITNESS: Right. 13 ARBITRATOR OLDHAM: Is this a report 14 that is accounting for the work of simply -- 15 THE WITNESS: Postal Police Officers. 16 ARBITRATOR OLDHAM: -- PPOs? 17 THE WITNESS: Yes. 18 ARBITRATOR OLDHAM: Okay. 19 THE WITNESS: I'm sorry. 20 BY MS. BRAMESCO 21 Q And who fills out this form? 22 A It's completed by the tour supervisor</p>
900	<p>1 bigger, and then I will also be asking this 2 witness to look at Tab D-9 as well. 3 BY MS. BRAMESCO 4 Q And let me ask you to look at D-9 5 first. And tell me what that document is. 6 A Okay. This is Inspection Service Form 7 5305. It is the security supervisor daily 8 report. This would be completed by the tour 9 supervisor, so, again, three tours a day. It 10 basically lays out the work hour utilization for 11 that specific tour on that specific day. 12 And it will -- it will explain, as you 13 can see from the top, the number of personnel 14 assigned for that tour for that day, again, on 15 duty, how many are annual leave, sick leave from 16 a -- from an administrative standpoint. And 17 then the work utilization lays out whether 18 they're assigned fixed post, mobile post, foot 19 patrol, convoy duty, administrative or other. 20 Q Okay. What's convoy duty? 21 A Convoy duty really goes back to that 22 remittance escort that I mentioned earlier, and</p>	902	<p>1 for -- for that -- for that tour. 2 Q And do you know where the supervisor 3 gets the information for this document? 4 A Basically, it's -- it's what they -- 5 the number of personnel they have assigned to 6 them. They have this information -- can you ask 7 that question again? 8 Q Yeah. Where do they get the 9 information to fill out the report? How do they 10 know how many -- 11 A Well, obviously, they would know the 12 number of employees that are assigned to them for 13 that given day, how many are on duty, how many 14 are on leave or other. They also know based off 15 that tour what the -- what the assignments are, 16 what the -- what the postal orders would be, and 17 then that's what they would complete for the work 18 hour utilization. 19 Q Okay. What is a post order? 20 A That's basically when -- when we talk 21 about post -- it's going to lay out the 22 description for that post. So we have fixed post</p>

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903	<p>1 one, so to speak. That would lay out the orders 2 for the Postal Police Officer who's assigned or 3 officers that are assigned to that post, what 4 their duties were for that given tour, for that 5 given day. 6 ARBITRATOR OLDHAM: This happens with 7 every tour? 8 THE WITNESS: Yes. 9 BY MS. BRAMESCO 10 Q And just so that everybody's looking at 11 the same thing, can you tell us where on this 12 form you find that work hours utilization? 13 A It's tours up top, underneath number of 14 personnel, and you see work hours utilization, 15 and then it will have fixed posts, mobile posts, 16 foot patrols, convoy duty administrative and 17 other. And then underneath is where they would 18 actually go into more detail and actually list 19 what actually took place in that given tour. 20 Q Okay. And is -- what's the difference 21 between a mobile post and a foot patrol? 22 A Mobile posts for -- for this purpose</p>	905	<p>1 other duty. Training is probably the biggest -- 2 biggest portion of that -- of that percentage. 3 MS. BRAMESCO: Okay. I would ask the 4 panel and everyone to turn back now to Slide 8 5 and also to look at D-8, the chart. 6 BY MS. BRAMESCO 7 Q And now if you could tell us what this 8 chart represents, and just hold off for a second. 9 Yeah, Slide 8 is the same as D-8, so whichever 10 format you prefer. 11 A So with this chart here, what we 12 calculated was taking a one-month sample of these 13 5309s, so it's a -- 5305s -- I'm sorry -- a 14 compilation of the document that we just saw for 15 each facility for each day for a one-month 16 period. 17 And then, obviously, you can see on the 18 left is those same work hour -- work hour 19 utilization categories that were on top of the 20 5305, and we've listed them there. And then what 21 we've done is compiled and rolled up and 22 converted them into a percentage of what the</p>
904	<p>1 would be the -- would be actually in a vehicle, 2 assigned to an actual vehicle post where they 3 would have to drive, as I mentioned earlier, 4 going from, potentially, the main facility to 5 station A to station B or going to another postal 6 facility that would be assigned. 7 Q Okay. And can you define what is a 8 fixed post so we're all clear? 9 A Fixed post can be where they're -- 10 they're assigned to a specific location, and 11 some -- it could vary in hours. It could be that 12 it's an eight-hour post, but, also, it could be 13 much more limited. But if you take into 14 consideration, if an officer was assigned to be a 15 specific entrance, that would be considered a 16 fixed post in one location as opposed to a foot 17 patrol. 18 Q And can you give us an idea under 19 administrative what kinds of duties a PPO might 20 engage in? 21 A That would be where we would capture 22 our training and, you know, any other -- any</p>	906	<p>1 assignments were for 2013. 2 BY MS. BRAMESCO 3 Q Okay. And what does this chart tell us 4 about the difference in duties from 2013 to 2007? 5 A As you can see, there's very minimal 6 change since 2007 in the work hour utilization. 7 Q And does this chart tell us whether the 8 Postal Police continue to perform at fixed posts? 9 A Yes, it does. About a quarter -- as it 10 shows, about roughly a quarter of their time is 11 spent on fixed posts and about 50 percent of the 12 time are -- are either in a vehicle or foot post. 13 Q And where do we see those changes on 14 this chart, the change from 2007 to 2013? Where 15 do those changes appear on the chart? 16 A You mean in the -- 17 Q What column? 18 A Oh, the '07, '13 Delta? 19 Q Exactly. 20 A Okay. That's the percentage of change 21 difference between 2007 and 2013. 22 Q Okay.</p>

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<p style="text-align: right;">907</p> <p>1 A So as you can see, fixed posts -- there 2 was very minimal change in fixed posts, foot 3 patrols, mobile posts. 4 Q Okay. All right. So moving now to 5 Slide 9, let's talk about some of the things that 6 PPOs do not do. 7 A Okay. So PPOs do not serve arrest or 8 search warrants. Their arrest authority for PPOs 9 is limited to postal property. 10 Q And what does that mean? 11 A Well, again, going back to 3061 and 12 what they're -- they're limited to -- to arrests 13 that are -- that are, again, limited. It's -- by 14 the statute. It's limited to crimes that are 15 committed in their presence on a postal property 16 committed against persons or committed against 17 the actual -- against the property. So -- so 18 it's -- that's why it's limited postal property 19 for the rest of those. 20 Q Do they have any authority -- arrest 21 authority off postal property? 22 A Not unless it's the actual -- if you</p>	<p style="text-align: right;">909</p> <p>1 actually have to place handcuffs on an individual 2 for the safety of yourself or -- or them. That 3 doesn't necessarily mean that they're placed 4 under arrest in a legal definition. But that is 5 something that the Postal Police Officers have in 6 their job description, and their authority allows 7 them to do that. 8 We try to capture that, and the way we 9 capture it is actually arrests and -- and 10 detentions. So much of what the Postal Police 11 Officers do are detentions. They detain folks 12 until such time -- and if -- and if it's 13 determined that -- that a crime has been 14 committed and someone needs to then -- then be 15 processed and booked, they're generally turned 16 over either to the Postal Inspectors or to local 17 law enforcement, depending on the nature of the 18 incident. 19 Q Does -- 20 ARBITRATOR OLDHAM: If I may ask a 21 question, if a postal -- if a PPO was on mobile 22 patrol and got radio notification that a letter</p>
<p style="text-align: right;">908</p> <p>1 have a postal employee -- they actually witness 2 an employee, some crime being committed against 3 an employee in the Postal Police Officer's 4 presence, they have some limited authority there 5 as well. 6 Q And when you talk about arrests, what 7 are you really -- what are you talking about? 8 What do you mean by that? 9 A Well, I mean, they have the authority 10 to actually arrest -- when we talk about arrests, 11 we tend to think it's automatically handcuffs, 12 Miranda rights, and they're taken off to jail. 13 That's not necessarily, as we know, I think -- 14 most of us know that's not always the case. In 15 many cases, it's detention. And so it's the 16 opportunity to -- you -- they witness something. 17 They can detain someone. We've heard some 18 testimony about the Terry stop, the investigative 19 stop. Some people could consider that an arrest. 20 I'm sure the person that's being stopped may 21 think they're under arrest. 22 But there also could be times where you</p>	<p style="text-align: right;">910</p> <p>1 carrier had been assaulted and was the first 2 responder there and if that PPO should 3 fortuitously be able to apprehend the suspect, 4 would the PPO be able to -- to arrest that 5 suspect? 6 THE WITNESS: It would be -- if they -- 7 if they got the radio, they arrive on the scene 8 and the suspect is still pounding or beating or 9 assaulting the employee, then they have the 10 authority to be able to arrest at that point. 11 If the employee -- if the suspect has 12 taken off and they arrive, their only -- their 13 only responsibility and their only authority is 14 to make sure that that individual is -- that the 15 postal employee is safe, secure. And then they 16 need to -- to call either the local -- 911, you 17 know, the local police department, as well as the 18 inspectors. They're not -- they do not have the 19 authority to pursue, to apprehend, to arrest. So 20 it has to be in their presence that they actually 21 witness it. 22 ARBITRATOR OLDHAM: So not even if --</p>

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911	<p>1 forgive this TV expression -- but not even if 2 it's hot pursuit? 3 THE WITNESS: No. They are not 4 authorized to do hot pursuit outside of, if 5 they're inside the facility, see someone running, 6 they can do hot pursuit to get them. They are 7 not authorized to do hot pursuit in any postal 8 vehicle or any law enforcement vehicle. 9 BY MS. BRAMESCO 10 Q Okay. And does the Inspection Service 11 maintain statistics on arrest and can you give us 12 an idea of how -- how often Postal Police engage 13 in arresting? 14 A Yes. So, again, as I was mentioning, 15 we capture -- unfortunately, we capture 16 arrests -- we track it by arrests/detentions, and 17 I'll give you an example of what that would be. 18 Down in the Southwest area, down in the Fort 19 Worth Division when I was there, we had a major 20 issue with counterfeit instruments or counterfeit 21 money orders, counterfeit financial checks. 22 So, quite often, a customer may come</p>	913	<p>1 whether they are communicating with the inspector 2 about the incident. 3 Many a times, like I said, it's very 4 unsuspecting customers. The inspectors -- they 5 ask the customer to wait in a -- in an office 6 until the inspector gets there so that they can 7 do further investigation and interview where they 8 got the document and things of that nature and 9 kind of establish that more investigation 10 relationship. The PPOs at that point are -- are 11 free to be released from that. 12 So when we capture on our -- on our 13 incident reports the -- the summary of the 14 quarterly report that we capture, the category 15 is -- is -- really says arrest/detentions, and we 16 don't -- we have really no way of categorizing 17 out the difference. So what we do is, in the -- 18 in the comment section, we have the supervisors 19 list out how many were detentions, how many may 20 have been actual arrests. So, overall, the 21 actual arrests of individuals as opposed to 22 detentions is -- I would say is relatively small.</p>
912	<p>1 into a facility not knowing and trying to cash 2 the counterfeit money order. If the Postal 3 Police Officers are in that location -- and in 4 some cases, they may get called, but, generally, 5 this happens very quickly. The Postal Police 6 Officers would be called by the station manager. 7 Obviously, our postal employees are trained very 8 well to -- to identify counterfeit documents. 9 They generally have the customer just stand to 10 the side, say I have to talk to my supervisor. 11 They'll reach out to the Inspection Service. If 12 the Postal Police Officers can respond, they'll 13 respond. Otherwise, the inspectors will be 14 responding. 15 They'll get down there. They -- they 16 talk to the customer identify who the customer 17 is, and they just kind of talk to them very -- 18 again, very early preliminary fact-finding, but 19 they have the ability to detain. So -- and then, 20 from that standpoint, based off of -- of that, 21 they have to wait for direction by the inspector, 22 whether the inspector is arriving on scene or</p>	914	<p>1 Q And can you tell us the difference 2 between the arrest authority of a PPO and what 3 you have on the slide, which is serving arrest or 4 search warrants? 5 A Well, I mean, to get an arrest warrant 6 or search warrant, obviously, a law enforcement 7 officer would have to, you know, swear a 8 complaint in front of a judge and get the actual 9 signed -- PPOs don't -- don't do that. That's 10 only done by Postal Inspectors for the Postal 11 Service. 12 So -- and in other words, to serve that 13 warrant, that warrant is then issued to that -- 14 to that agent to be able to serve that arrest 15 warrant for a specific individual or for a search 16 of a certain specific location. So they have -- 17 they have no authority to do -- to serve warrants 18 or -- any warrants, search or arrest warrants. 19 Q What else do PPOs not do? 20 A PPOs don't conduct investigations 21 and -- outside of preliminary fact-finding, so -- 22 which would be, again, as I was mentioning this</p>

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915	<p>1 example, arriving to the scene, identifying 2 what -- what the issue was, identifying the 3 individuals that -- that are there, whether 4 there's a subject, an employee, a witness, some 5 of the locations of the scene, some of the issues 6 surrounding the incident, so preliminary 7 fact-finding. 8       And then they -- depending on the 9 incident and then as the either local police 10 or -- or inspectors arrive, then they will turn 11 over what they have already found, and they would 12 turn that over to the responding investigator and 13 then that investigator then would go on and do 14 the more complex part of -- of investigations, 15 which is going to be sitting down, doing 16 interviews of the witnesses, maybe looking at 17 cameras, depending -- again, a lot of it depends 18 on the incident, but using technology and -- and 19 moving forward with more of a deeper -- more of 20 the complex investigation piece of it. 21       Q   So who does perform investigations for 22 the Inspection Service?</p>	917	<p>1       A   They have no responsibility. Oh, oh, 2 I'm sorry. I -- I thought you said off duty. 3       Off postal property, again, it depends 4 on -- it depends on why they're off postal 5 property to start with. If they're on duty 6 and -- and off postal property because they're 7 going from point A to point B, their authority is 8 only going to be what they've witnessed, if they 9 witness anything at all. 10       They can stop and -- if they see postal 11 vehicle, they can stop and do a security check to 12 make sure the vehicle is locked. If they see the 13 carrier, they can stop and talk to the carrier, 14 but they really can't -- their authority from 15 that standpoint, they do not have the authority 16 to patrol neighborhoods looking for carriers or 17 looking for vehicles. Their assignment is to go 18 from post A to post -- I mean, from point A to 19 point B for the purpose of securing that facility 20 and being a deterrent in that -- in that 21 facility. 22       Q   Why is that?</p>
916	<p>1       A   For the Inspection Service, it's Postal 2 Inspectors. 3       Q   What if any role do PPOs have in 4 conducting surveillance? 5       A   They really don't have any role in with 6 conducting surveillance, I mean, surveillance 7 from a standpoint of undercover operations. 8 Uniformed -- Postal Police Officers are uniformed 9 officers in uniformed -- in marked vehicles, and 10 so it would kind of defeat the purpose of doing 11 undercover operations. So they have -- they have 12 no role in that at all. 13       We've heard some testimony about -- 14 about the surveillance -- I mean, surveilling a 15 collection box out in the open because mail may 16 overflowed. That's -- you know, I guess that's a 17 use of the word "surveillance," but it's not -- 18 from a law enforcement terminology, it's not in 19 the form of an undercover operation. 20       Q   Okay. And can you just -- just to be 21 clear, what if any responsibilities do the PPOs 22 have when they're off of postal property?</p>	918	<p>1       ARBITRATOR OLDHAM: Excuse me. But 2 we've had testimony in this proceeding about 3 community patrols. 4       How do you understand that expression 5 and how does that relate to what you just said? 6       THE WITNESS: Okay. So community 7 policing, basically, is a pretty common police 8 terminology, police prevention. It's really -- 9 community policing is preventative awareness 10 campaigns that local police would be on to alert 11 the community to certain things, but also to 12 prevent crimes. So it's a -- so 13 community-oriented policing is really what the 14 terminology is. But it's really designed to 15 protect and aware that community, the community 16 that that jurisdiction is responsible for. 17       So from an Inspection Service -- in 18 general, the Inspection Service's community is 19 the Postal Service. That's the only 20 community-oriented policing that we would be 21 involved in is the postal community. So that 22 would include our larger -- all of our</p>

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919	<p>1 facilities, as well as our carriers that are out 2 and about and our HCR drivers that -- highway 3 contract route drivers that would be driving 4 mail. 5       So just like many community-oriented 6 policing programs, generally, there may be -- you 7 can do it from a prevention -- to prevent crime, 8 but unfortunately, many times, it's as a result 9 of -- of crimes that are taking place in a local 10 community. So with the limited resources that 11 I've mentioned that we have in the Inspection 12 Service in general, then we have to identify what 13 are some of the more targeted areas where we 14 would utilize deterrents. 15       And -- and so when we talk about the 16 role of a -- a -- from some of the testimony of, 17 like, a carrier protection program that we would 18 have in a certain division, the main -- that is 19 going to be done by Postal Inspector, Postal 20 Police Officer and other Inspection Service 21 personnel. It is not -- it is not -- a 22 community-oriented policing program would not be</p>	921	<p>1 authority is limited in what -- and their duties 2 are limited in what they can do. So again -- I 3 guess I just can't stress enough, the main 4 purpose of them is to secure the facility that 5 they're in, but we're always looking to expand 6 that blanket as we can. 7       And so as resources are available, we 8 can then -- and within an acceptable response 9 area that they can be in, they could be assigned 10 a post that would stop at certain offices, maybe 11 for a targeted -- targeted area. But, again, 12 their purpose would be to go from point A to 13 point B and be the uniformed deterrent -- the 14 vehicle itself is a major deterrent. 15       In some locations, we've put vehicles 16 that maybe aren't operating just in front of the 17 a post office, because that -- there's police 18 there. From a -- to a citizen, that's what they 19 would see from a -- from a vehicle. 20       ARBITRATOR OLDHAM: Inspectors, I take 21 it, do not use marked vehicles. 22       THE WITNESS: No. They -- they can,</p>
920	<p>1 designed just for Postal Police Officers to do. 2 They would be a portion of that overall program 3 for that field division. Each division has their 4 own different types, because they -- different 5 areas of the country have their own different 6 crimes and different vulnerabilities. 7       Many a times, these programs are 8 initiated or in conjunction with a local law 9 enforcement program, so similar -- like, in 10 Chicago, the local PD was doing something. They 11 were having a lot of crimes, obviously, with 12 handguns, been in the news quite a bit. 13       They had a lot of issues that were out 14 there, so they approached the Inspection Service 15 about could you -- you know, could you kind of 16 collaborate with us, and ours is, well, we can 17 collaborate only to the point that it affects our 18 postal community. And we kind of -- so we kind 19 of share data and -- and things of that nature. 20       So as it relates -- again, now going 21 back to what I was just saying, the use of a 22 Postal Police Officer is -- again, their</p>	922	<p>1 but they won't generally. No, they don't. They 2 use undercover law -- I mean, sometimes you can 3 tell it's a police car, but -- but, no, they 4 don't. 5       ARBITRATOR OLDHAM: And one other 6 question about staffing. Is it -- is an 7 inspector invariably available on any given tour? 8       THE WITNESS: Yes. Inspectors are 9 available 24 hours, 7 days a week. They're not 10 necessarily in the facility, but they're on call 11 24/7 by -- by responsibility. 12       ARBITRATOR OLDHAM: So -- 13       THE WITNESS: They have all their 14 equipment with them. They have the -- they have 15 take-home vehicles in many cases, so they have to 16 be able to respond from where they're at. 17       ARBITRATOR OLDHAM: So your testimony 18 is that if an incident occurs at a postal 19 facility and a PPO is the first responder, the 20 PPO must wait for the arrival of -- of an 21 inspector in order to do any investigation? 22       THE WITNESS: Yeah. PPOs don't do any</p>

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923	<p>1 investigation other than that preliminary 2 fact-finding, but the inspectors would arrive and 3 then they would conduct -- so they maintain the 4 scene, maintain, you know, control of the scene 5 there. And they're usually in communication with 6 the inspector as they're getting there, and then 7 the inspector would arrive to complete -- any 8 processing of -- like fingerprint processing, you 9 know, neighborhood canvassings, things of that 10 nature are all to be conducted by inspectors. 11 ARBITRATOR OLDHAM: Yes. I understand 12 what you said. You understand, too, that there 13 are different views -- 14 THE WITNESS: No, I -- I understand. 15 ARBITRATOR OLDHAM: -- about this and 16 also perhaps different definitions of what an 17 investigation entails. 18 BY MS. BRAMESCO 19 Q Have you -- describe for us the role of 20 the PPO in the carrier wellness program. 21 A Well, I kind of just -- I think I kind 22 of just did.</p>	925	<p>1 Q Okay. 2 A -- and then it kind of falls into the 3 limitation of some of the -- some of the 4 recommendations, and that's where some of the 5 changes took place. 6 So the major findings of the report 7 were that the PPO training at the Federal Law 8 Enforcement Training Center that we've heard 9 testimony about, that that was excessive and 10 wasteful for the Postal Service to do. 11 Q Is that FLETC -- 12 A FLETC. 13 Q -- that we've heard referred to? 14 A Yeah. It -- it recommended the -- the 15 use of unarmed contractors into the -- into the 16 security force operations. It recommended 17 consolidation of communication centers. 18 Back then, we had roughly, I would say, 19 27 or 28 communication centers that -- if we go 20 back to what I was talking about, the N-L-E- -- 21 NLECC, N-L-E-C-C, we had -- we didn't have those 22 two. We had about 28 of them. So they were --</p>
924	<p>1 Q All right. And just to -- just to make 2 sure that we're clear, you talk about protection 3 of postal assets and property. Are postal 4 employees considered postal assets? 5 A Yes. 6 Q All right. If we could move forward to 7 the next slide, which is Slide 10. And there's 8 also an exhibit that goes with this. So, first 9 off, let's talk about it generally. 10 What is the Hallcrest Systems report, 11 please? 12 A So the Hallcrest Systems report -- 13 Hallcrest was commissioned in April 1997 to 14 analyze effectiveness and efficiency of the 15 Postal Service Security Force. 16 Q Okay. I'd like you to identify the 17 PPO position -- if you can pinpoint a time when 18 the significant changes were made, when and -- 19 when and why. 20 A Okay. So first I'll go through what 21 some of the findings of the -- of the report 22 were --</p>	926	<p>1 they were localized in each division, and they 2 were staffed full time by Postal Police Officers 3 24/7, which would have been, you know, fixed 4 posts for eight hours. 5 You're assigned to the communication 6 center, and you were basically doing all the 7 radio and communications dispatch duties, 8 monitoring the alarms for your specific assigned 9 division, geographical area, and then also doing 10 the duties of criminal history checks and license 11 plate checks and things of that nature and the 12 access to some of that criminal information. 13 Q So that would be -- that was at the 14 communications center? 15 A That was communication centers. 16 Q Okay. 17 A So there was about 28 of them, 27, 28. 18 It also then -- as a result of -- what the 19 recommendation was to -- is to reduce them and -- 20 and consolidate -- consolidate those. It also 21 then talks -- spoke about, as a result, then, 22 also consolidating and eliminating some posts,</p>



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927	<p>1 because -- as a result of that.</p> <p>2 And then it also went into -- the SCO</p> <p>3 program is a security control officer program,</p> <p>4 and, basically, every postal facility has</p> <p>5 designated security control officer. Most postal</p> <p>6 facilities, that is the postmaster of that</p> <p>7 station, whoever the lead manager of that station</p> <p>8 is. So, basically, what it's saying to them is,</p> <p>9 you are the lead person for security in your</p> <p>10 facility, even if you're in a -- in a two-person</p> <p>11 tiny post office.</p> <p>12 So there's a program that we have that</p> <p>13 we -- the Inspection Service provides training</p> <p>14 and oversight to it, and -- and there's some</p> <p>15 responsibilities for security assessments that</p> <p>16 are conducted annually by these individuals. So</p> <p>17 there were some recommendations about that.</p> <p>18 And then, also, there's a</p> <p>19 recommendation that the Postal Police report</p> <p>20 directly to plant managers, that -- the postal</p> <p>21 management that -- for the facility that they</p> <p>22 were in and that they were -- that they would no</p>	929	<p>1 two NLECCs, as well as San Juan, so 28 converted</p> <p>2 down to about three.</p> <p>3 And then -- then, also, we incorporated</p> <p>4 the unarmed contract security officers for mostly</p> <p>5 access control duties. And then, when you --</p> <p>6 when you add them into the mix and reducing</p> <p>7 control centers, therefore, you reduce down the</p> <p>8 number of personnel. We also reduced down the</p> <p>9 number of fixed posts and eliminated some of the</p> <p>10 posts.</p> <p>11 With that, there were six Postal Police</p> <p>12 Officer facilities that were -- were closed as a</p> <p>13 result, Birmingham, Buffalo, Detroit, Hartford,</p> <p>14 Jacksonville and Seattle. So Postal Police</p> <p>15 Officer operations were discontinued in those</p> <p>16 locations. Not Detroit. I'm sorry. Denver. I</p> <p>17 apologize for that. So operations were -- were</p> <p>18 closed in -- in those locations.</p> <p>19 And then, again, as I said, where it</p> <p>20 was continuing to go is that, just last month, we</p> <p>21 are in the process now of converting the San</p> <p>22 Juan, Puerto Rico communications center over to</p>
928	<p>1 longer report to the Inspection Service, but they</p> <p>2 report directly to the plant postal management.</p> <p>3 Q Okay. Now, if you turn to Slide No.</p> <p>4 11, can you tell us what -- what the Postal</p> <p>5 Service implemented as a result of the Hallcrest</p> <p>6 report?</p> <p>7 A So over the course of -- of time and</p> <p>8 even up until -- continuing up until last month,</p> <p>9 we've implemented several of what the findings</p> <p>10 were. First and foremost, as we've mentioned, we</p> <p>11 consolidated the communications centers down to</p> <p>12 those two National Law Enforcement Communication</p> <p>13 Centers, as well as -- there still is one</p> <p>14 communication center that's in San Juan, Puerto</p> <p>15 Rico.</p> <p>16 The reason for that was that it's --</p> <p>17 the alarm issues with some of the -- being on the</p> <p>18 island and -- and such, it -- it -- they were</p> <p>19 having some problems getting converted over to --</p> <p>20 to here on the mainland, as well as finding</p> <p>21 dispatchers that were bilingual also made a</p> <p>22 major -- had a major impact. So -- so there's</p>	930	<p>1 contract security to be able to take over</p> <p>2 those -- those -- those duties.</p> <p>3 Q And the implementation that you've</p> <p>4 described, when were those changes made?</p> <p>5 A I would say starting in about 2003, and</p> <p>6 as I said, continuing on till -- we're still</p> <p>7 transitioning in San Juan.</p> <p>8 Q Okay. When were the fixed post changes</p> <p>9 made?</p> <p>10 A They would be -- again, the</p> <p>11 locations -- I don't have the exact year that the</p> <p>12 locations were closed, but it all kind of goes</p> <p>13 hand in hand. So when we looked at the previous</p> <p>14 chart, we see that -- I would say it's probably</p> <p>15 between 2003 and 2005 that the -- that the posts</p> <p>16 started being reduced down and we started</p> <p>17 moving -- moving to a different mix of duties.</p> <p>18 MS. BRAMESCO: I would like to move for</p> <p>19 admission the -- the report, which is behind Tab</p> <p>20 D-10. But I would also like to make a statement</p> <p>21 for the record that this is a confidential and</p> <p>22 proprietary document, and it is being introduced</p>

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<p style="text-align: right;">931</p> <p>1 here for the -- for the panel and for the -- it's  2 beneficial to the understanding of the -- of the  3 interest arbitration, but it is to be introduced  4 and to be used only in the context of this  5 arbitration. And, again, that exhibit, which I'm  6 not going to talk about -- it's quite lengthy --  7 but it is in your book in Volume 3 at Tab D-10.  8 MS. GONSALVES: Two.  9 MS. BRAMESCO: Volume 2.  10 ARBITRATOR OLDHAM: Yes, I see it.  11 MS. BRAMESCO: Yes. Volume 2, Tab  12 D-10.  13 ARBITRATOR OLDHAM: Yes, I have it.  14 All right.  15 THE WITNESS: And then the last thing  16 with that implementation, also, is that it  17 reduced down the number of officers we had. So  18 it went from about 1,400 officers down to  19 about -- 850 was the authorized complement, and  20 then, obviously, as -- as time has gone on, we've  21 reduced down even further.  22</p>	<p style="text-align: right;">933</p> <p>1 scheduled to take an exam, and then based off of  2 that exam, you'll be put onto what's known as a  3 hiring register, and in order, for the most part,  4 of your score. And, obviously, there are some  5 veterans benefits for those that would have  6 military experience, but similar to that.  7 Then, when we are -- the Inspection  8 Service is authorized to -- to fill vacancies,  9 and what we would do, then, is if a division is  10 authorized a slot, one PPO slot, they then would  11 start from the top of the register, and they will  12 start doing their background investigation, so to  13 speak, and hiring process.  14 And they generally take about five --  15 again, they take five -- we'll start with five  16 individuals for each slot that they would have to  17 be selected for. Each field division does that  18 on their own, so, obviously, not -- not every  19 field division would be doing it. Generally,  20 there's 20 officers in a -- in a Postal Police  21 Officer basic training class, so that would be --  22 Q Okay. So what are the qualifications,</p>
<p style="text-align: right;">932</p> <p>1 BY MS. BRAMESCO  2 Q Okay. And why has there been a further  3 reduction?  4 A Mostly, the Postal Service -- just  5 the -- in the Postal Service, all -- all Postal  6 Service departments with the Inspection Service  7 as part of it are being -- have been tasked with  8 reducing personnel costs, and so the Inspection  9 Service has -- overall has -- has shrunk. So  10 that would be -- I would say that would be the  11 main difference between them.  12 Q All right. Now, turning to -- back in  13 the PowerPoint to Slide 12, can you tell us about  14 the recruiting and selection process for PPOs?  15 A So, currently, the -- the -- the  16 process for becoming a Postal Police Officer  17 is -- is -- the initial process -- it's not much  18 different than some of our other bargaining unit  19 positions. There's a -- there's a posting.  20 You -- you have to meet basic eligibility  21 requirements to -- to apply for a position.  22 Once you've met them, you would be</p>	<p style="text-align: right;">934</p> <p>1 then, for being selected as a PPO?  2 A So, again, currently, the -- the first  3 is, you need have one year of service as a career  4 postal employee. So the pool of -- of personnel  5 we're pulling from are -- are from the Postal  6 Service.  7 You have to be physically -- as you  8 would be able to see in the job description,  9 there are some physical and -- and physical  10 ability requirements that you would need --  11 basically need to be able to do the job. There  12 are some medical requirements for vision and  13 hearing that you would need to -- need to  14 complete.  15 And then, also, you would need to be  16 able to obtain and maintain a sensitive -- Postal  17 Service sensitive security clearance.  18 Q And what is that? What is a sensitive  19 security clearance?  20 A Postal Service has a unique -- it's not  21 transferrable to any other federal agency.  22 It's -- it's -- it's a security clearance</p>

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935	<p>1 designed specifically for the Postal Service. So</p> <p>2 the best way to explain it, it does not meet the</p> <p>3 level of a secret clearance that's in the --</p> <p>4 that's in the rest of the federal government, but</p> <p>5 it is above more than just a background, a basic</p> <p>6 national agency check. So it's kind of in</p> <p>7 between. It's for those positions the Postal</p> <p>8 Service deems may have access to sensitive</p> <p>9 information.</p> <p>10 So, in this case, the Postal Police</p> <p>11 Officers would have access, let's say, to</p> <p>12 sensitive -- sensitive criminal histories, should</p> <p>13 they have to view it or pull it, as so are -- the</p> <p>14 majority of -- I would say almost every -- every</p> <p>15 Postal Inspection Service employee has to have at</p> <p>16 least a USPS sensitive security clearance.</p> <p>17 Postal Inspectors, for example, would have top</p> <p>18 secret clearance or even higher.</p> <p>19 Q And are there continuing physical</p> <p>20 fitness requirements for PPOs?</p> <p>21 A No. No.</p> <p>22 Q And are there any specific degrees that</p>	937	<p>1 has changed significantly, and we've talked about</p> <p>2 changes that occurred as a result of the</p> <p>3 Hallcrest report.</p> <p>4 But over the last five years, since the</p> <p>5 last round of negotiations, how has the PPO job</p> <p>6 changed?</p> <p>7 A I don't -- I don't believe that their</p> <p>8 duties have changed at all. The mix of duties</p> <p>9 that they do, but, again, when we look at the</p> <p>10 work hour utilization, it shows that -- that</p> <p>11 their duties have not changed even in that mix.</p> <p>12 Q And what are some of the influencers?</p> <p>13 What are some of the -- has technology influenced</p> <p>14 the PPO --</p> <p>15 A Yeah.</p> <p>16 Q -- job?</p> <p>17 A I mean, there's technology -- if you</p> <p>18 think about in -- in previous years, we may have</p> <p>19 had -- needed to have an armed security officer</p> <p>20 standing at every entrance to every postal</p> <p>21 facility just to make sure of -- because there's</p> <p>22 no barriers. There were no technology there.</p>
936	<p>1 are required?</p> <p>2 A No. I mean, Postal Police Officers, as</p> <p>3 we've heard, do not necessarily require a high</p> <p>4 school diploma. Most do have it, but they</p> <p>5 don't -- they're not required to have it.</p> <p>6 Q And if you know, how do the PPO</p> <p>7 requirements compare with police job</p> <p>8 requirements, municipal police or even federal</p> <p>9 police?</p> <p>10 A From my knowledge, many of the</p> <p>11 municipalities, at this point, you know, you need</p> <p>12 at least to have a high school diploma. In most</p> <p>13 in most cases, you need have some type of college</p> <p>14 background. Many of them, it's either 60 hours,</p> <p>15 or you need have had pretty relevant experience.</p> <p>16 You know, it can vary from agency to agency, but</p> <p>17 it's not generally just one year of experience.</p> <p>18 It's generally much more. So I think -- I think</p> <p>19 that's the biggest -- that's probably the biggest</p> <p>20 difference between them.</p> <p>21 Q Now, if you would move to Slide D-13,</p> <p>22 please. So the PPO has asserted that the PPO job</p>	938	<p>1 Now, as you see, if you come into the Postal</p> <p>2 Service, this building even, we have access</p> <p>3 control systems, ID systems that -- that, you</p> <p>4 know, have barriers and prevent the ease of</p> <p>5 getting in, not to say that you couldn't get in,</p> <p>6 but there's ease of getting in. And, therefore,</p> <p>7 then, with magnetometers, then you actually are</p> <p>8 able to use -- the level of security is reduced.</p> <p>9 I -- I liken it to -- we -- we look at</p> <p>10 vulnerabilities in the Inspection Service, and we</p> <p>11 have -- and we try to apply the appropriate</p> <p>12 security countermeasure. A lock on a door is a</p> <p>13 security countermeasure. An armed officer is our</p> <p>14 highest counter -- security countermeasure. And</p> <p>15 what we have to do is always evaluate where our</p> <p>16 vulnerabilities exist for each facility and each</p> <p>17 location. Technology helps enhance some of that</p> <p>18 from taking -- giving away the human element of</p> <p>19 it and -- and maybe the -- the level, because</p> <p>20 that -- that brings in a level of security in</p> <p>21 itself.</p> <p>22 Q Okay. When you say security</p>

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<p style="text-align: right;">939</p> <p>1 countermeasure, are you talking about deterrents? 2 A Deterrents, yeah, deterrents to -- they 3 can be physical in nature. They could be a sign. 4 Q And some of the other influencers that 5 have shaped the PPO job? 6 A Obviously, the Postal Service's 7 financial situation is affecting the Inspection 8 Service overall and would affect that. 9 It also is -- they -- with the 10 consolidation that's starting to take place with 11 postal facilities and larger facilities, we 12 haven't seen much of an impact yet at locations 13 where our Postal Police Officers are domiciled, 14 but that always is something that where -- if a 15 Postal Service, in many locations, they used to 16 have, traditionally, three tours, they may now 17 cut out a tour. Because they're doing mail 18 processing in another location, there could end 19 up being a tour where there's nothing there -- 20 there's nothing to really secure, because the 21 facility's there, but you may not need the same 22 amount of resources. So we're always</p>	<p style="text-align: right;">941</p> <p>1 or something like that, not if someone patted 2 someone on the shoulder and then someone took 3 that the wrong way. So we do do a little bit of 4 investigation to make sure that it's a credible 5 assault. So there have been 12 in the last five 6 years. 7 Q Would you say that that's a lot or a 8 little? 9 A I would say it's a little. 10 Q Okay. And is that a number that's 11 increasing? 12 A No, not based on what we've seen. 13 Q Okay. If you turn to Slide 14, I'd ask 14 you to summarize your testimony. What are the 15 points you'd like people to remember from -- from 16 this? 17 A So, I mean, first, you know, that the 18 Postal Police Officers, in laying out what 19 their -- what authorities are -- what authorities 20 are provided to them and that it's very limited 21 to a protection of postal property and assets 22 and -- and distinguishing between what a Postal</p>
<p style="text-align: right;">940</p> <p>1 evaluating -- evaluating that as the Postal 2 Service is going through its -- its operational 3 procedures. 4 Q Would you say that the PPO 5 responsibilities have increased in the last five 6 years? 7 A No, not at all. 8 Q Okay. Would you say that the PPO work 9 has become more dangerous in the last five years? 10 A No. 11 Q Okay. Why is that? 12 A Their duties haven't really changed. 13 Q Okay. And do you happen to know how 14 many PPOs have been assaulted in the line of duty 15 in the last five years? 16 A In the last five years, our data shows 17 that we've had 12 assaults in the last five 18 years, and that can go -- and when we categorize 19 assaults, it's a credible assault or threat. So, 20 generally, there's -- for an assault, it would 21 have to be some type of contact with the intent 22 to -- to harm or not -- or, you know, fight back</p>	<p style="text-align: right;">942</p> <p>1 Police Officer does in the course of an incident 2 and -- and what the Postal Inspector would do as 3 the -- as the investigator. 4 Obviously, they -- as we explained out, 5 that there were -- the Hallcrest report 6 recommended -- was -- was -- was commissioned for 7 the purpose of identifying efficiencies in -- and 8 based off of those findings over the course of 9 these last 17 years, we've been trying to -- to 10 look into those and -- and implementing those 11 that -- that actually makes sense and work for 12 us, and we've -- and how we've done that. 13 And then I think the -- the 5305 work 14 hour -- work hour allocation of chart and 15 examination shows that the duties have not 16 changed in the last five years. 17 MS. BRAMESCO: Thank you, officer -- 18 DCI Milke. 19 ARBITRATOR OLDHAM: I think people are 20 probably hungry. How long do we need, Arlus? 21 MR. STEPHENS: I think an hour, hour 22 should be sufficient, maybe -- maybe an hour and</p>

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<p style="text-align: right;">943</p> <p>1 five minutes, so come back at quarter of --  2 quarter of 2:00, if that works.  3 ARBITRATOR DUFEK: Two o'clock?  4 MR. STEPHENS: Okay. I'm hearing two  5 o'clock. It's up to the panel what you-all want  6 to do.  7 ARBITRATOR DUFEK: I think it's up to  8 you, Jim.  9 MS. GONSALVES: It really is up to you.  10 ARBITRATOR OLDHAM: Sorry?  11 MS. GONSALVES: It's up to you.  12 ARBITRATOR OLDHAM: Well, you know, I  13 don't need that long, but -- so it's really a  14 question of how much time you need both to have  15 lunch and think about cross.  16 MR. STEPHENS: If we could come back at  17 ten till 2:00, would that be okay?  18 ARBITRATOR OLDHAM: Fine.  19 (Whereupon, at 12:41 p.m., a  20 luncheon recess was taken.)  21  22</p>	<p style="text-align: right;">945</p> <p>1 Q You testified -- and if I could direct  2 your attention to -- one moment, please. A  3 statute -- you testified about a statute in the  4 criminal code, 18 U.S. Code Section 3061.  5 Do you recall testifying about that?  6 A Yes.  7 Q And if you can find it among all the  8 papers in front of you, I'll ask you a question  9 about it.  10 MR. STEPHENS: Does anybody remember  11 that?  12 MS. BRAMESCO: Yeah. It's D-3.  13 MS. GONSALVES: Volume 2.  14 MS. BRAMESCO: Volume 2. It's page 4.  15 BY MR. STEPHENS  16 Q Sir, if I can direct your attention to  17 Section (c)(1) and if I can just ask you to read  18 it out loud, please.  19 A Okay. "The Postal Service may employ  20 police officers for duty in connection with the  21 protection of property owned or occupied by the  22 Postal Service or under the charge and control of</p>
<p style="text-align: right;">944</p> <p>1 AFTERNOON SESSION  2 (1:53 p.m.)  3 WHEREUPON,  4 KEITH MILKE  5 was called for continued examination, and having  6 been previously duly sworn was examined and  7 testified further as follows:  8 ARBITRATOR OLDHAM: All right. I think  9 we should get back underway.  10 Arlus, whenever you're ready.  11 MR. STEPHENS: Yes, sir.  12 CROSS-EXAMINATION BY COUNSEL FOR THE  13 UNION  14 BY MR. STEPHENS  15 Q Good afternoon, sir.  16 A Hey.  17 Q How are you?  18 A Good. How are you?  19 Q Good. I'm going to jump around a  20 little bit. I apologize. I have a fair number  21 of questions for you.  22 A Okay.</p>	<p style="text-align: right;">946</p> <p>1 the Postal Service, and persons on that property,  2 including duty in areas outside the property to  3 the extent necessary to protect property and  4 persons on the property."  5 Q And when Congress passed this, Congress  6 further provided that -- some additional law  7 enforcement authority in the next subsection. So  8 if I could ask you to read that out loud, please.  9 A Two, you mean?  10 Q Yes, sir.  11 A "With respect to such properties, such  12 officers shall have the power to --" just keep  13 reading?  14 Q Yes, sir.  15 A "Enforce federal laws and regulations  16 for the protection of persons and property; carry  17 firearms; and make arrests without a warrant for  18 any offense against the United States committed  19 in the presence of the officer or for any felony  20 cognizable under the laws of the United States if  21 the officer has reasonable grounds to believe  22 that the person to be arrested has committed or</p>

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<p style="text-align: right;">947</p> <p>1 is committing a felony."  2 Q Okay. Now, is it your testimony that  3 Postal Police Officers are not police officers?  4 A No. I believe so.  5 Q Is it your testimony that Postal Police  6 Officers are, in fact, police officers?  7 A I think they are -- they have limited  8 police officer duties. I --  9 Q That's not my question. I mean, you  10 can qualify it, but I asked you a question.  11 Are Postal Police Officers police  12 officers, at least as a matter of federal law?  13 A As a matter of federal law, I'd say no.  14 Q Okay. Is the Postal Service in  15 violation of federal law, in violation of this  16 subsection, by employing people other than police  17 officers to perform these functions, in your  18 opinion?  19 A No.  20 Q So if -- again, on (c)(1), if I am  21 reading it correctly --  22 A Okay.</p>	<p style="text-align: right;">949</p> <p>1 A I don't know if that extends to  2 security guards, but it says --  3 Q Is there another -- is there another  4 authorization that I'm not aware of?  5 A No.  6 Q You testified about something -- if I  7 remember right, you used the term a full-fledged  8 police officer. Do you remember that?  9 A Yeah, I do.  10 Q And what is your -- what is -- what  11 experience do you have in -- in policing beyond  12 being an -- beyond being an inspector?  13 A I have not been a police officer prior,  14 no, not to being a Postal Inspector.  15 Q Okay. But in terms of talking about  16 police officers and other jurisdictions, what is  17 your ability to testify about that?  18 A In working with the local police  19 officers, as well as personal knowledge of the  20 hiring processes and things that they go through,  21 the qualifications, so the duties and  22 responsibilities. In many cases, in</p>
<p style="text-align: right;">948</p> <p>1 Q -- the first -- just the first line,  2 this is a grant of certain law enforcement  3 authority; is that correct?  4 A Yes.  5 Q And -- and to whom is it granted?  6 A It's granted to the Postal Service.  7 Q But to whom --  8 A It's granted --  9 Q What agents of the Postal Service?  10 A It's granted to -- for this section  11 here, it grants the Postal Service the -- the --  12 the authority to employ police officers.  13 Q Right. The Postal Service is not  14 permitted to employ security guards to perform  15 any of the functions listed in Subsection (c)(2)  16 two, is it?  17 A I -- I don't think I'm qualified to  18 answer that, what the intent was.  19 Q I'm not asking you what the intent was.  20 A I know what it says. It says police  21 officers.  22 Q Okay.</p>	<p style="text-align: right;">950</p> <p>1 investigations and tasks, we have to deal with  2 local police officers when it comes to  3 jurisdictional issues and things of that nature,  4 so the responsibilities of what they're able to  5 respond to and handling what we actually handle.  6 Q Let's talk about jurisdiction.  7 A Okay.  8 Q I believe you testified that Postal  9 Police Officers are limited in their  10 jurisdiction, correct?  11 A To postal property, correct.  12 Q Was it -- was it just postal property?  13 A To postal property and -- and -- when I  14 say property, I mean assets, persons, things of  15 that nature.  16 Q And assets include employees, correct?  17 A Yes. Yes.  18 Q And what assets are -- what about --  19 what's the role with respect to invitees on the  20 postal property?  21 A To -- you mean --  22 Q Customers.</p>

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<p style="text-align: right;">951</p> <p>1 A What's the question specifically about?</p> <p>2 Q What is -- what is their authority?</p> <p>3 What is their law enforcement authority?</p> <p>4 A To protect the Postal Service, the</p> <p>5 property.</p> <p>6 Q And to enforce federal laws; is that</p> <p>7 correct?</p> <p>8 A Yeah, the regulations that -- enforce</p> <p>9 the federal regulations that apply, yes, sir.</p> <p>10 Q Now, are there any -- are you aware of</p> <p>11 any federal police officer who has a jurisdiction</p> <p>12 that is unbounded?</p> <p>13 A Federal police officer?</p> <p>14 Q Yes, sir.</p> <p>15 A I'm not aware, no.</p> <p>16 Q Are you aware of any federal law</p> <p>17 enforcement officer from any agency who has</p> <p>18 jurisdiction that is unbounded?</p> <p>19 A You mean from -- from a criminal --</p> <p>20 including criminal investigators or --</p> <p>21 Q Yes, sir.</p> <p>22 A -- or are you talking about police</p>	<p style="text-align: right;">953</p> <p>1 A Not to --</p> <p>2 Q -- Police?</p> <p>3 A -- uniformed, no.</p> <p>4 Q The FBI uniformed police actually have</p> <p>5 a limited jurisdiction --</p> <p>6 A I suspect --</p> <p>7 Q -- much more limited --</p> <p>8 A Yeah. Much more limited than the</p> <p>9 agents, yes.</p> <p>10 Q So besides FBI agents, is there any</p> <p>11 other federal law enforcement agent that does not</p> <p>12 have -- that has unlimited jurisdiction?</p> <p>13 A Not that I'm aware of.</p> <p>14 Q Let's go to state and local police.</p> <p>15 Are you aware of any state or local</p> <p>16 police officer in this country who has an</p> <p>17 unlimited jurisdiction?</p> <p>18 A No.</p> <p>19 Q Let's turn to a couple of federal</p> <p>20 police agencies. Do officers -- and, Mr. Milke,</p> <p>21 I'm going to step back for a moment.</p> <p>22 You've been present throughout all of</p>
<p style="text-align: right;">952</p> <p>1 officers?</p> <p>2 Q Any --</p> <p>3 A Oh, okay. Well, from -- yeah, there --</p> <p>4 there's -- I mean, from a jurisdictional -- the</p> <p>5 FBI would actually have jurisdiction over --</p> <p>6 Q The FBI is -- what is the FBI's --</p> <p>7 A -- jurisdiction over --</p> <p>8 Q -- jurisdiction?</p> <p>9 A -- over national laws. There are</p> <p>10 certain statutes that they have to enforce.</p> <p>11 Q Do they have the ability to enforce</p> <p>12 local laws?</p> <p>13 A No. I mean, they -- they -- they work</p> <p>14 with local -- they work with the local police</p> <p>15 working in the same investigations. They have,</p> <p>16 obviously, the federal jurisdiction, so to speak,</p> <p>17 but they will actually work in those cases with</p> <p>18 them. But from an enforcement, they don't police</p> <p>19 that day-to-day activity, if that's what the</p> <p>20 question --</p> <p>21 Q By FBI, you're referring to white</p> <p>22 collar FBI agents, not to the FBI --</p>	<p style="text-align: right;">954</p> <p>1 these proceedings, correct?</p> <p>2 A Yes.</p> <p>3 Q You've seen every witness testify?</p> <p>4 A Yes.</p> <p>5 Q You were here when a former Postal</p> <p>6 Police Officer, Derrick Freeman, testified, were</p> <p>7 you not?</p> <p>8 A Yes.</p> <p>9 Q And he testified he lateraled over to</p> <p>10 the Pentagon Force Protection uniformed police,</p> <p>11 correct?</p> <p>12 A Yes.</p> <p>13 Q Now, the Pentagon Police, do they have</p> <p>14 unlimited jurisdiction?</p> <p>15 A I don't know specifically what their</p> <p>16 jurisdiction is, but I assume it's for the</p> <p>17 Pentagon property.</p> <p>18 Q And you saw him testify. He doesn't</p> <p>19 have authority to stop anyone in the city of</p> <p>20 Arlington --</p> <p>21 A Right.</p> <p>22 Q -- isn't that correct?</p>

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<p style="text-align: right;">955</p> <p>1 A Correct.</p> <p>2 Q Are you aware of -- is a Pentagon</p> <p>3 Police Officer, in your estimation, a</p> <p>4 full-fledged police officer?</p> <p>5 A Not understanding all of what the</p> <p>6 duties that they're responsible for doing, I -- I</p> <p>7 guess for the terminology of what I laid out</p> <p>8 early as full-fledged, my adjective using</p> <p>9 full-fledged, meaning I should have categorized</p> <p>10 that as state and local law enforcement function,</p> <p>11 enforcing the local community laws.</p> <p>12 Q What --</p> <p>13 A So I don't know. You may --</p> <p>14 Q Go ahead.</p> <p>15 A -- ask me the question again. But</p> <p>16 that's -- that's what -- from a full-fledged</p> <p>17 standpoint what I meant.</p> <p>18 Q Well -- and -- and thank -- thank you.</p> <p>19 In terms of federal police officers, in</p> <p>20 your estimation, do any federal police officers</p> <p>21 qualify as full-fledged police officers?</p> <p>22 A I'm sure there's some that could based</p>	<p style="text-align: right;">957</p> <p>1 the mindset that I was using it from was the</p> <p>2 qualifications, the training and then the</p> <p>3 responsibilities, when I say full-fledged.</p> <p>4 Q Well, let's just go through those.</p> <p>5 A Okay.</p> <p>6 Q Let's go through all the ways in which,</p> <p>7 in your estimation, Postal Police Officers are</p> <p>8 not full-fledged.</p> <p>9 So what would be the first -- what</p> <p>10 would be the first thing you would list?</p> <p>11 A I would say just even their -- their</p> <p>12 eligibility, so their qualifications starting</p> <p>13 with the position.</p> <p>14 Q All right. Well, let's -- which ones</p> <p>15 are not full-fledged?</p> <p>16 MS. BRAMESCO: I object to the</p> <p>17 continuing use of the word "full-fledged." He's</p> <p>18 withdrawn the term. He's already said that he</p> <p>19 misspoke and misused it, so --</p> <p>20 ARBITRATOR OLDHAM: Well, he's -- let's</p> <p>21 not overwork this. We understand what's going on</p> <p>22 here. Your testimony was that the PPOs, as far</p>
<p style="text-align: right;">956</p> <p>1 off their duties.</p> <p>2 Q Well, what's your --</p> <p>3 A I don't -- I don't -- I mean, I don't</p> <p>4 know unless I look at all the descriptions and</p> <p>5 then also understand all the duties that they're</p> <p>6 actually performing.</p> <p>7 I -- you know, I wouldn't have the</p> <p>8 ability to look at that and understand what</p> <p>9 they're classified at under, under OPM, so I --</p> <p>10 which -- what I'm familiar about with the Postal</p> <p>11 Police, I'm not familiar how their studies would</p> <p>12 go.</p> <p>13 Q Well, let me -- let me back up, then,</p> <p>14 to make sure I understand.</p> <p>15 So being full-fledged does not actually</p> <p>16 depend on the jurisdiction of the -- what you</p> <p>17 have authority to enforce. It depends on</p> <p>18 something else; is that right?</p> <p>19 A I don't think full-fledged has actual</p> <p>20 meaning to anything. Like I said -- mentioned,</p> <p>21 it was my adjective that I used. The idea is --</p> <p>22 is -- what I take full-fledged as going -- from</p>	<p style="text-align: right;">958</p> <p>1 as you understand them and as far as you</p> <p>2 understand their statutory authority, are</p> <p>3 officers of -- who have limited responsibilities</p> <p>4 and functions, obviously, also geographic</p> <p>5 limitations in their jurisdiction.</p> <p>6 You testified -- you gave us a piece of</p> <p>7 your PowerPoint that said, here's what PPOs do</p> <p>8 not do, page 9 of the PowerPoint. And the way I</p> <p>9 understood your statement that these are not</p> <p>10 full-fledged police who are associated with this</p> <p>11 exact --</p> <p>12 THE WITNESS: Responsibility.</p> <p>13 ARBITRATOR OLDHAM: -- concept. Yes?</p> <p>14 THE WITNESS: Yes.</p> <p>15 ARBITRATOR OLDHAM: Carry on.</p> <p>16 MR. STEPHENS: I'll direct my attention</p> <p>17 -- I'll turn my...</p> <p>18 BY MR. STEPHENS</p> <p>19 Q Turning to that for a moment,</p> <p>20 Mr. Milke, I think it's number -- Slide 9.</p> <p>21 In terms of their -- the arrest</p> <p>22 authority of Postal Police Officers, by statute,</p>



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<p style="text-align: right;">959</p> <p>1 Postal Police Officers are authorized to arrest 2 anyone committing any violation of federal law on 3 postal property; is that correct? 4 A Uh-huh. Regulations, yes. 5 Q Okay. Regulations and other federal 6 laws; is that right? 7 A Uh-huh. 8 Q By statute, that's their -- 9 A By -- 10 Q -- that's their authority? 11 A Correct. 12 Q Now, you said -- you testified that 13 based on your review of some statistics that it 14 didn't appear as if Postal Police Officers had 15 been making many arrests; is that correct? 16 A The -- yes, when you review -- there's 17 a quarterly report, which is the 5309A, which is 18 a quarterly report of -- of incidents. It's 19 prepared by the -- by the manager of Postal 20 Police for that division and basically summarizes 21 in a number of categories the activities. I 22 think it's about a two or three-page document.</p>	<p style="text-align: right;">961</p> <p>1 Still responsible from a -- from a management 2 oversight of the -- of the force when I was in 3 Fort Worth. 4 Q But the testimony you gave of PPO 5 responsibilities was not first-hand in terms of 6 actually experiencing those duties or riding 7 on -- on mobile patrols with PPOs -- 8 A No. 9 Q -- is that right? 10 A No. It was reviewing the reports -- 11 Q Have you -- 12 A -- and speaking with managers. 13 Q Have you ever ridden on a mobile patrol 14 with a PPO? 15 A Yes. 16 Q When was that? 17 A I ride in the back -- when I first -- 18 when I first became a Postal Inspector, it's part 19 of one of the tasks that we assign to our 20 inspectors to orient them into -- into what the 21 Inspection Service is. 22 And then, as a Postal Inspector, on</p>
<p style="text-align: right;">960</p> <p>1 The activities for that quarter for that -- for 2 that division. 3 Q Now, are you aware that -- of a -- of 4 an arbitration that occurred between this union 5 and the post office in 2002 regarding arrest 6 authority of PPOs? 7 A No, I'm not. 8 Q By Arbitrator Charles Feigenbaum? 9 A No. 10 Q Let me hold this for another witness, 11 then. But just to be clear, your testimony about 12 arrest is based on your review of statistics; is 13 that right? 14 A Yes. My knowledge of -- of when I 15 reviewed the quarterly reports, yes. 16 Q It's not from actual experience serving 17 as a PPO, right? 18 A I've not been a PPO. As a supervisor 19 of the PPOs, it's been based on that experience. 20 Q Well, you were a supervisor of the 21 supervisors. 22 A Supervisor of the supervisors, yes.</p>	<p style="text-align: right;">962</p> <p>1 various investigations -- not investigations, but 2 if we actually went out into a -- like a security 3 review, we've -- we've actually done, as part of 4 the security team leader, the idea was to get out 5 and meet and -- and get to know who the officers 6 were that you were talking to, also on the radio 7 when they had the communication centers. 8 So -- so I've ridden on -- not for any 9 specific purpose other than to get to know who 10 the officers were and what they did. 11 Q And how long ago was that? 12 A I'd say that's, you know, at least -- 13 at least over ten years ago. 14 Q Okay. Now, you've been here to -- you 15 heard the testimony of several officers in this 16 proceeding testifying about what their -- what 17 they do on a daily basis, correct? 18 A I've -- yeah, I've listened. 19 Q And you heard the testimony of Officer 20 Fletcher from Chicago, correct? 21 A Yes. 22 Q Do you have any reason to believe that</p>

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963	<p>1 he was not testifying truthfully about what his 2 job is? 3 A I think I'd have to recollect or go to 4 my notes exactly what his testimony was. 5 Q Well, you were -- 6 A I was -- 7 Q While -- while he was testifying -- 8 A Did I -- 9 Q -- did his testimony surprise you? 10 A I don't think that it represents what I 11 felt all officers were doing. I don't 12 necessarily believe that that was a lie. 13 Q So you have no reason to believe that 14 he wasn't telling the truth? 15 A No. No. 16 Q How about Officer Humphrey Rutherford 17 from Washington? You heard his testimony, 18 correct? 19 A Uh-huh. 20 Q Any reason to believe that he was not 21 testifying truthfully about what he described and 22 what he does with his job?</p>	965	<p>1 but the -- the responsibilities about the airport 2 and her responsibility and airport authority and 3 -- and that -- the -- I believe -- and I'm going 4 back now thinking of my recollection -- I believe 5 she testified that she had responsibility and 6 authority to assist with presidential campaigns 7 when the President arrived on the tarmac. So 8 that authority is not extended to her for that. 9 Q So -- 10 A There may have been -- local police may 11 have been more than interested and asked to help, 12 but that's -- that's outside the scope of her -- 13 her duties and authority with the Inspection 14 Service. 15 Q So the concern was not that she was not 16 testifying truthfully; it's that perhaps that's 17 not something that the Inspection Service would 18 like her to be doing? 19 A Correct. Correct. 20 Q Now, at the airport, you talked about 21 ramp clerks doing some jobs for the post office 22 on -- do -- do they have law enforcement officer</p>
964	<p>1 A No, I don't think he necessarily -- I 2 think, in some cases, there may be some 3 exaggeration, but I don't think anyone was 4 intentionally -- was lying. 5 Q How about Officer Michael Plaughter from 6 here at headquarters? Was there anything about 7 his testimony that struck you as untruthful? 8 A No. 9 Q Captain Ford from Boston testified. 10 Anything from his testimony that struck you as 11 untruthful? 12 A No. 13 Q Officer Octavia Johnson from Miami, was 14 there anything about her testimony that struck 15 you as -- as untruthful? 16 A I did have some concerns about her 17 testimony. 18 Q Well, let's talk about those. 19 What were your concerns about Officer 20 Johnson's testimony? 21 A Not so much that -- that she wasn't -- 22 didn't testify that -- of some of the activities,</p>	966	<p>1 status at the airports? 2 A No. 3 Q They're granted -- there's a way to get 4 access to the tarmacs without being authorized as 5 a law enforcement officer; is that correct? 6 A Correct. Yeah. It's the personnel 7 that needs to be there. 8 Q But when Postal Police Officers are at 9 airports, they get access through law enforcement 10 officer access; is that correct? 11 A No, that's not correct. Postal 12 Inspectors and Postal Police Officer' access 13 is -- you go through the same process that you 14 would if you were some employee of -- of a 15 catering contractor for the airlines. You have 16 to get -- you go through the same entire process. 17 You have to explain what your need is, and then, 18 obviously, there's different -- there's certain 19 different levels of access and things of that 20 nature. But the airport authority actually 21 controls who can have access, at what level 22 and -- you know, and -- and the different access</p>

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<p style="text-align: right;">967</p> <p>1 levels, so to speak. 2 Q Well -- but in terms of -- once 3 the access -- you said there's different levels 4 of access. PPOs have law enforcement access; is 5 that right? 6 A I -- actually, I don't know the answer 7 to that. 8 Q Okay. Let me just -- if I could take a 9 moment, sir. There's an exhibit in the binder -- 10 and I apologize that I don't -- were you -- did 11 you see the exhibit, the Miami access, the -- all 12 the officers in Miami have law enforcement 13 access? 14 A No, I didn't. I heard her just testify 15 to it, but -- 16 Q Yeah. We'll find it and come back to 17 it. So besides that, with Officer Johnson, was 18 there anything else about her testimony that 19 struck you -- 20 A Yeah. I believe -- and correct me if 21 it's the wrong witness -- she testified that she 22 was conducting -- she made it at least sound like</p>	<p style="text-align: right;">969</p> <p>1 because that's not something that she should be 2 doing. I'm not suggesting that she didn't -- 3 wasn't assigned to do that, but that's not 4 something that's within her duties to do. 5 But, however, if she was watching -- 6 was tasked with overtly watching a mailbox that 7 overflowed and overfilled and the security of 8 mail -- it could potentially be that, which we 9 have quite a quite in certain locations -- then I 10 think that would be -- again, that will go into 11 maybe of stretch of what we would need them to be 12 doing, but it's not something that would be 13 outside of her duties from that standpoint, 14 because it's there to protect the property, which 15 would be -- the U.S. mail, in this case, would be 16 the access -- 17 Q But fishing is -- fishing is -- 18 A Fishing is actually going in and -- you 19 know, where someone's actually -- you know, not 20 taking open mail that's sitting out, but actually 21 going in and actually trying to use a device to 22 retrieve or steal mail. That's not something</p>
<p style="text-align: right;">968</p> <p>1 she was conducting -- she used the word 2 "surveillance," but she was conducting undercover 3 surveillance. I think she mentioned that she was 4 in uniform, but in an unmarked law enforcement 5 vehicle. The -- the -- the purpose that -- she 6 was saying she was surveilling for fishing, I 7 believe, attacks. 8 So that did strike me at something that 9 I think is either -- either it was -- we've had, 10 in the past -- first of all, I think what was 11 mentioned in cross was that it's not really 12 undercover if you're wearing a uniform and you're 13 out in the open. So -- and as I mentioned in my 14 testimony, surveillance, in my understanding 15 is -- from a police standpoint, it's undercover 16 operations is what -- the understanding of it. 17 Obviously, the word "surveillance" can 18 be -- have some other synonyms, such as if you're 19 doing medical surveillance and you're watching 20 something, and so you're surveilling from the -- 21 out in the open, so to speak. 22 So -- but, no, it raised concerns</p>	<p style="text-align: right;">970</p> <p>1 that a Postal Police Officer should be assigned 2 to do. 3 Q But there's no policy prohibiting them 4 from doing so -- 5 A Yes. 6 Q -- is that -- 7 A I mean, there's -- there's been -- from 8 policy standpoint, there's -- there's -- we've -- 9 we've spoken with their -- the management. We've 10 talked with them extensively about what their -- 11 what their authority from our standpoint or what 12 their duties and responsibilities are. 13 We -- we count -- we call that, in some 14 cases, mission creep, starting to get away from 15 the mission of what they're -- they're 16 designed -- really what we need primarily for 17 them to do. I think it's important to point out 18 that they're only in specified very minimal 19 locations across the country. So we need them 20 really to protect -- and their -- their key role 21 that we point out is that -- that they are -- 22 their primary jurisdiction -- their primary role</p>

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971	973
<p>1 and duty is the protection of the facility that 2 they're assigned to, not out and about -- 3 Q Yeah. And -- 4 A -- so -- 5 Q -- we'll get back to that. But 6 there's -- but you -- you don't doubt that she 7 was testifying truthfully? 8 A No. I believe she -- she did what she 9 did, yeah. 10 Q Which is actually very cost effective. 11 A No. I -- I think -- what we have 12 concerns about -- when we have officers doing 13 that, we have to be concerned about them being 14 potentially open to civil and criminal liability, 15 actions that could potentially be taken when 16 they're outside of what they're supposed to be 17 doing. That's a strong concern. That's the 18 message that we try to make sure that we -- we 19 keep them within the duties that we've assigned 20 them to do. 21 Q Let's talk about the Postal Inspectors 22 for a second. What is the -- what is the top</p>	<p>1 17, 19 -- oh, no, that's the old -- they can go 2 through 10, 11, 12, 13. 13 is -- would be 3 considered a journeyman postal -- that's a 4 nonsupervisor and -- 5 Q And on top -- 6 A -- then it's ten across, ten steps 7 across. 8 Q And on top of that, they also receive 9 locality pay; is that correct? 10 A Yes. 11 Q And on top of that, they also receive 12 law enforcement availability pay? 13 A Correct. 14 Q And how -- what -- what percentage of 15 that -- is that of salary? 16 A Law enforcement available premium -- 17 availability premium pay is 25 percent. 18 Q So you get your salary. You get your 19 locality pay. 20 A Yes. 21 Q And then you get a 25 percent premium 22 on top of that?</p>
972	974
<p>1 step for a inspector? 2 A A journeyman, like a -- just a -- 3 Q Journeyman inspector, correct. 4 A 13-10. 5 Q And what -- what does that pay? 6 What -- just the salary. 7 A I don't know. 8 Q It's over \$100,000, correct? 9 A I don't know unless the GS scale is in 10 front of me. It mirrors the G -- the 11 government's scale. 12 Q Inspectors get that -- they get -- they 13 get -- in terms of pay, they actually receive 14 three different types of pay, correct? They 15 receive their GS -- what was the -- the grade? 16 Ten? 17 A Well, they -- they -- when they come on 18 -- 19 Q Oh, it's -- 20 A It's a progressive scale, so as they -- 21 depending on where they come in and slot in at, 22 then they can progress through -- I think it's</p>	<p>1 A Yes, sir. 2 Q Now -- and in terms of the benefits, 3 are the benefits the same as PPOs? 4 A Yes. I would say so. 5 Q Isn't it true that you -- inspectors 6 get to retire after 20 years? 7 A Oh, from retirement. I'm sorry. I was 8 thinking from a Postal Service, health benefits 9 and stuff. It's pretty much the same. 10 Q In terms of retirement? 11 A Yeah. There's special retirement that 12 falls for federal law enforcement officers, yes. 13 Q And that's -- after 20 years, you 14 retire on your -- on -- 15 A 20 at 50. 20 years of service, 50 16 years of age or 25 years of service at any age. 17 Q Any age? 18 A Any age. 19 Q And when you retire, it's -- it's the 20 old system. It's the -- it's kind of -- kind of 21 like a top three years of salary type pension? 22 A Depending on what federal government</p>

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975	<p>1 retirement pension program you're in, whether 2 you're in civil service -- 3 Q Whether you're FERS or service? 4 A -- or FERS. Yes. 5 Q Okay. 6 A It's based off your high-3. 7 Q Okay. Now, in terms of -- and 8 inspectors and PPOs actually do some tasks 9 together; isn't that correct? 10 A Can you be more specific about the 11 tasks -- 12 Q You heard testimony from Officer Matta 13 from Newark. You were here for his testimony -- 14 A Yes. 15 Q -- correct? And he testified that he 16 does carrier patrols, correct? 17 A I don't know exactly what he does 18 specifically. I know Newark Division has -- 19 there's a carrier protection program that they 20 have. 21 Q And he -- he testified that he -- 22 that's his job for a large part of his -- it's --</p>	977	<p>1 use. There was some use concerns based off 2 the -- the description -- the examples of some of 3 the -- that he gave that caused me concern, yes. 4 Q Would -- would one of them be the 5 surveillance he's -- 6 A Yes. 7 Q -- been asked to perform? 8 A Surveillance of -- of employee parking 9 lots for employee break-ins, yes. 10 Q But again, that's not a question of 11 whether he was testifying truthfully. It's -- 12 A No, no. No. I -- 13 Q -- it's a question about whether he was 14 -- 15 A Whether he should have been doing it. 16 Q Right. And without going into all the 17 other officers, Officer Albergo, Officer Walter 18 Johnson from Chicago -- well, Officer Johnson 19 from Chicago, you heard testimony about 20 patrolling in the Wild, Wild West and Chiraq? 21 A Yeah. Was that -- that was Chicago, 22 yeah.</p>
976	<p>1 a large part of his duties, he's on these 2 patrols, correct? 3 A That's what he testified, yes. 4 Q Would you have any reason to believe 5 he's not testifying -- 6 A I wouldn't -- 7 Q -- truthfully? 8 A -- know if he was or not. 9 Q He testifies he does that with an -- 10 with an inspector, correct? 11 A That's what he testified. 12 Q So they're both doing the same thing; 13 is that correct? 14 A I -- based off of what he's saying, I 15 guess, yes. 16 Q In addition to -- Officer Pierce from 17 Memphis, did you hear his testimony? 18 A Yes. 19 Q Was there anything about his testimony 20 that struck you as untrue or surprising? 21 A Nothing that -- in no way did I believe 22 he was untruthful. It raised concerns about the</p>	978	<p>1 Q Chicago. Any reason to believe 2 anything he testified to was not actually part of 3 his daily duties? 4 A Again, I think I would go back to -- I 5 would not necessarily say that he's being 6 untruthful, but there's concerns about how -- how 7 he categorized being assigned to certain areas 8 and how he was assigned those duties, not to say 9 that -- I don't know actually how he was assigned 10 to those duties, but whether it's -- if it says 11 Wild, Wild West and -- and that's how it was 12 explained to him, you know, to go do that area 13 and how it was targeted, that area. 14 I don't believe the officers have -- do 15 any analysis or -- or have any input into the 16 locations that they're going to be assigned to do 17 and the place they're going to, but I think his 18 interpretation was a little bit -- what would the 19 word be -- a little bit flamboyant, exaggerated, 20 potentially. But I don't -- 21 Q Well, let's -- 22 A I don't have to believe that --</p>

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<p style="text-align: right;">979</p> <p>1 Q But tell me why -- 2 A -- that he was lying. 3 MS. BRAMESCO: Could you let him 4 finish? 5 THE WITNESS: I don't believe that he 6 was lying or being untruthful. But to say that 7 he was assigned an area that's -- that was -- it 8 just -- it sounded -- it sounded just a little 9 bit more flamboyant, exaggerative. We don't -- 10 we don't assign people to areas because they're 11 called Chiraq. 12 BY MR. STEPHENS 13 Q Oh, I -- I -- 14 A And I think that was just -- 15 Q I didn't know that was his testimony. 16 I didn't think -- and I may be wrong. I didn't 17 know that he testified that he was -- he 18 testified that that is what those neighborhoods 19 are referred to, not -- I don't believe that he 20 was -- he was told to -- that that was on his -- 21 that was what he was told at roll call. 22 A Right. And I guess that's what my</p>	<p style="text-align: right;">981</p> <p>1 called. Chiraq, is that what it was -- 2 Q One of them was Chiraq -- 3 A Wild -- 4 Q -- and the other one is Wild, Wild 5 West. 6 A Wild, Wild West. To be assigned from 7 that standpoint, I think that -- I'd just say I 8 think that's his classification of what those 9 areas were, but that's not necessarily how it 10 became that they're going to those locations. I 11 guess that's what I'm... 12 Q And before I forget, if I can direct 13 you to the -- not that one, but I think the 14 one -- 15 A This (indicating)? 16 Q Yes, sir. To Union Exhibit 65. And I 17 apologize for not having it earlier, but this is 18 the document I was referring to as the law 19 enforcement access. 20 Is that the type of access that -- 21 A I have a picture -- 22 Q Yes.</p>
<p style="text-align: right;">980</p> <p>1 point was, that, you know, we -- we do an 2 analysis of our own crime data, the local -- the 3 local crime data from the local police, the FBI's 4 crime index. We take and then we utilize -- we 5 also utilize the Postal Service's Voice of the 6 Employee scores for -- for security and how the 7 postal employees feel. I mean, that's the key 8 piece is -- how they feel to the main questions 9 is what we guide ourselves on. 10 And then we -- the division management 11 there will then make a determination of what are 12 the facilities where our employees may feel the 13 most unsafe, facilities that they feel most 14 unsafe, and -- and then we try to utilize our 15 prevention programs to go out there to be able to 16 talk with the carriers and -- and -- and -- and 17 put more of that at the facility, put more of 18 that uniformed deterrence to help them feel -- 19 feel safer from that standpoint. 20 So when I go into -- say I've been 21 assigned to -- Chiraq was the only one I can -- I 22 think it was -- whatever -- whatever it was</p>	<p style="text-align: right;">982</p> <p>1 A -- of badges. Is -- 2 Q Yes, sir. 3 A The picture of the badges? 4 Q Yeah. And on the -- LEO is stamped on 5 the badge. Do you see that? 6 A Yeah. Yeah. 7 Q Is that the type of access that PPOs 8 have at other airports, to your knowledge? 9 A The only airport that I would be more 10 familiar is the one that I actual handled myself. 11 That's when I was in Dallas, Fort Worth. And 12 each -- just as we do in most -- I mean, each 13 badge can be different. Some people identify as 14 contractors or some will identify as LEO -- 15 Q Okay. 16 A -- but -- yeah. Yeah. So, from Miami, 17 this is the way they identify -- they identify 18 them. 19 Q Okay. And I'm sorry for not having it 20 earlier. 21 A That's all right. 22 Q I'm going to jump back to where we were</p>

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983	<p>1 in the testimony, to the third exhibit, Union No. 2 3. In terms of the -- the carrier patrols -- 3 A Hang on a second. Okay. Yeah. 4 Q Now, is it true that we -- PPOs are 5 assigned on these patrols to -- for the 6 protection of letter carriers? 7 A They are assigned -- and I've got to go 8 back to patrols. PPOs are not assigned to patrol 9 neighborhoods or not to be assigned to patrol 10 neighborhood. So if they're being -- if they're 11 being assigned to patrol neighborhoods just to 12 look for carriers and just to be in the area for 13 carriers to flag them down, then that's outside 14 their mission. 15 And -- and we specifically bring this 16 up with postal management -- with their 17 Inspection Service division management regularly. 18 We've done it -- it seems like it's almost every 19 month we're bringing it up. And what I termed it 20 earlier, it's that mission creep, where they 21 start to go a little bit further. Again, as I 22 mentioned earlier, the main purpose, obviously,</p>	985	<p>1 printed material to be handed out to customers 2 or -- and stuff. So they -- they -- they -- they 3 provide us with their general plan, so to speak, 4 the program. 5 And one of the specific things we look 6 at from the PPO standpoint is the use of the PPOs 7 within that program and to make sure that there's 8 no misunderstandings, at least from our 9 standpoint, and we point out where they can be 10 considered -- where it can start to become 11 mission creep. 12 The main point that we've made is that 13 Postal Police Officers should not be used to 14 patrol neighborhoods. They can go from station A 15 to station B, station C, within postal 16 facilities, meet with carriers and such there, as 17 well as, if they're driving from station A to 18 station B and they pass a postal vehicle that's 19 parked, let's say, they can obviously do a check 20 just to make sure that it's locked, or if they 21 see a carrier as they're passing them, they could 22 stop and talk to that -- to that -- to that</p>
984	<p>1 is to secure the facility that they're in. 2 Any time that we're taking an officer 3 away from that facility, we have to make sure 4 that there's no -- not -- we're not increasing 5 vulnerability at that location. We'd like to 6 extend that security blanket as best as we can, 7 and our divisions have -- have come up with these 8 carrier protection programs, well-being programs, 9 things of that nature that they can try to 10 enforce and -- and to -- to accomplish the 11 uniformed presence and the deterrence that's out 12 there, again, for our overall, you know, limited 13 number of resources that we would have compared 14 to the national magnitude. 15 So most of our programs and the 16 programs that we -- we -- we would generally want 17 to -- when a division wants to put a program 18 together, they put it together. They send it in 19 to headquarters and they make sure that the use 20 of everything, the way we're doing it, the -- the 21 cost that are involved with that, because some -- 22 in many cases, there's cost for -- for material,</p>	986	<p>1 carrier. So that's the main, you know, purpose 2 behind that, and that's what -- we continuously 3 emphasize that when they're looking at those 4 programs. 5 Q And you've heard Officer Albergo's 6 testimony from New York, correct? 7 A Uh-huh. 8 Q Is there anything about his testimony 9 that struck you as -- 10 A Other than, you know, it was a 11 headquarters technicality, yeah, it struck me. 12 If that's the way it's perceived, it's 13 unfortunate, but it is. That's an example of 14 what we're talking about, where -- where a 15 division will either -- either -- and I know 16 we're going to talk about Exhibit 3 -- where it's 17 been that the activities have been highlighted at 18 some point or -- or -- or it comes through -- a 19 division manager is sending in information that 20 says, look at -- you know, look at our program, 21 here's the status of our program, here's what 22 we've done, here's how often we've done things.</p>

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987	989
<p>1           When we get indications that -- that 2 the Postal Police Officers may have been used or 3 are being used or are assigned to duties that we 4 believe is mission creep or is that -- or is that 5 something that they really shouldn't be doing, 6 because it could open them up to civil and 7 criminal liability. It's two points. One, 8 are -- are you enforcing and securing the 9 facility, the main purpose of what we have them 10 for, first, as well as, are they -- are we making 11 sure that they're not going outside of the bounds 12 that we want them to go, so -- 13       Q   In other words, you're saying there's a 14 disconnect between what's actually happening and 15 what headquarters would like to have happen? 16       A   Well, I mean, I think from listening to 17 some of their testimony -- again, I'm not saying 18 it's not truthful. Again, it's only, I think, 19 seven or eight individuals that were speaking 20 about their -- their individual -- 21       Q   We can bring in more. 22       A   No, that's fine. I would really be</p>	<p>1 tour, I go back to the limited resources that we 2 have. And if you -- you look at those 5309s, in 3 many cases, you're going to see that there's two 4 officers on -- on a tour. How effective is two 5 officers really going to be on a full program 6 like that? So I -- not on -- and on a daily 7 basis, not necessarily all the time. So I think 8 that's the struggle that we have. We try to -- 9 again, trying to get that security blanket out 10 there, but -- 11       Q   In terms of the security blanket, I 12 mean, PPOs provide law enforcement services for 13 the post office all hours of the day, correct? 14       A   Oh, they're -- they're 24 -- I mean, 15 there's always a police force on shift, yes. 16       Q   And that's not true for the -- the 17 inspectors; is that right? 18       A   Well, inspectors are on call 24/7. 19       Q   Well, they're on call, but they're at 20 home. 21       A   Potentially, depending on the -- yeah, 22 depending on the --</p>
988	990
<p>1 surprised. But I think the opinion would be 2 that -- that -- that -- that either our message 3 is not getting clear now or that there's -- in 4 some cases, an officer may be -- may be pushing 5 that mission creep and pushing that -- that 6 boundary. But when it comes to our attention, we 7 do what we need to do. We need to go back and we 8 need to explain to them that this is not their 9 role. It's not what we want them to do. 10       We have not gotten to the point, after 11 review of it, we feel that we should say, 12 absolutely not, you can't use them in any of 13 these programs. We do think they're a very 14 valuable asset to what we're trying to do, which 15 is secure the Postal Service and keep our 16 employees safe, but we have boundaries that we 17 have to maintain and just for -- for operational 18 reasons alone. 19       And again going back to the -- the -- 20 the assumption that if an officer did that once 21 that that's part of their regular daily duties 22 and that every officer is doing that on every</p>	<p>1       Q   You'll admit that the vast majority of 2 inspectors work Tour 2? 3       A   They work -- oh, yes. Well, there's 4 some of them that work -- but, yes, you're right. 5       Q   I mean, I think Arbitrator Dufek 6 pointed out the action happens Tour 1 and Tour 7 3 -- 8       A   Oh, for the -- 9       Q   -- when it's -- 10       A   -- Postal Service. 11       Q   Right. 12       A   For the Postal Service in that -- in 13 those large facilities. But, I mean, I think 14 carriers would take an insult to saying that all 15 the action doesn't happen -- right? So -- 16       Q   That's true. There's -- 17       A   -- actions happen 24/7 in the Postal 18 Service, but it's in different various forms. So 19 in the main facilities, which the PPOs are in, 20 it's Tour 3 and -- and Tour 1, yes. 21       Q   But in terms of -- crime doesn't take 22 a -- doesn't work the day shift, right?</p>



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<p style="text-align: right;">991</p> <p>1 A No. It's 24 hours.  2 Q But the only 24-hour law enforcement  3 officers who are actually awake and out and  4 available are PPOs; isn't that right?  5 A Only in the 21 locations --  6 Q Oh, I'm not -- I'm not saying --  7 A -- and they're not nationwide, so --  8 Q -- they're not employed --  9 A No, and I -- yeah, for those locations  10 and at that point in time.  11 Q And the other locations, there's no one  12 who's 24 hours?  13 A The Postal Inspectors are called as  14 duty inspectors. So when the -- when the place  15 makes a call, they have to reach -- respond to  16 it, yes.  17 Q But a duty inspector on the night shift  18 is not actually at a postal facility, correct?  19 A No. Likely not, no.  20 Q They're probably at home?  21 A Right. Probably.  22 Q So, in terms of the testimony, I</p>	<p style="text-align: right;">993</p> <p>1 most crimes happen after hours. That's what I'm  2 not --  3 Q Well, do most crimes happen during the  4 day?  5 A I don't -- I don't know. I mean, I --  6 there's differing varying -- there's differing --  7 differing crimes. If we have a letter carrier --  8 letter carriers are assaulted, obviously, that's  9 during work hours that the carriers are. If it's  10 after-hours alarms, again, we're -- a majority, I  11 think I've pointed out, with the alarms, there's  12 only been six burglaries last year. So crime is  13 not the alarm. Crime is what they're responding  14 to. So I can't -- I can't say honestly which --  15 where there's more crime and in between what  16 hours most crimes occur.  17 Q Let's talk about the alarms.  18 A Okay.  19 Q When an alarm -- who did you say has  20 primary responsibility for an alarm response?  21 A It depends on the -- it depends on the  22 location of the facility. So --</p>
<p style="text-align: right;">992</p> <p>1 believe you heard testimony that a lot of  2 incidents happen when inspectors are not at work,  3 correct?  4 A I don't know if I heard testimony that  5 they happen when the inspectors are not at work.  6 Is that what -- is that what you just said?  7 Q Yes.  8 A I don't -- I didn't give that  9 testimony.  10 Q No, no, no. But you heard testimony  11 from officers who work Tour 1 and Tour 3 that  12 crimes happen when they're at work, right?  13 A Crime's happening 24 hours, but I  14 didn't -- I don't -- wouldn't clarify -- classify  15 it as it happens always when -- in -- in Tour 3  16 or Tour 1. There's --  17 Q No, I'm not saying it always -- I'm  18 saying -- but crimes --  19 A I said most of --  20 Q -- do occur during those --  21 A -- it happened -- I thought that's what  22 I was just, I guess, answering. You said that</p>	<p style="text-align: right;">994</p> <p>1 Q I'm sorry. I didn't ask the question  2 well. Does the Inspection Service have primary  3 responsibility?  4 A Yes, primary.  5 Q And, sometimes, it's in -- an alarm may  6 occur where there's no inspectors who are able to  7 attend and no PPOs, correct?  8 A Correct.  9 Q In which case, local law enforcement is  10 called, right?  11 A Well, it would be -- I should correctly  12 classify it. The inspectors will be  13 responding -- for those areas that there's no  14 Postal Police Officers or if there's an area that  15 the Postal Police Officer just don't have the  16 resources to respond, a Postal Inspector is  17 responding, but the first respond -- the first  18 responder is likely going to be the local law  19 enforcement, depending on the location --  20 Q Right. In -- in --  21 A -- yeah.  22 Q -- the first response is what I'm</p>

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<p style="text-align: right;">995</p> <p>1 referring to. 2 A Okay. Yes. But -- but there are times 3 that the inspectors actually get there, sometimes 4 local first responders. As I mentioned, they 5 don't want to keep responding to false alarms, 6 so, therefore, they've told us they're not 7 responding any longer. We've had that in the -- 8 in the last -- in some certain places in the 9 country, so -- 10 Q Some of those local law enforcement 11 agencies bill the post office for their services, 12 correct? 13 A Yes, they do. 14 Q So there's a cost associated with not 15 having Postal Police Officers assigned to certain 16 geographic areas; is that right? 17 A I couldn't say. I mean, it -- it 18 varies. It depends on the location. And I 19 don't -- I don't know that we're getting billed 20 for -- for -- because, generally, the billing all 21 goes towards the Postal Service -- it goes to 22 that postmaster, so as far as if -- if there are</p>	<p style="text-align: right;">997</p> <p>1 contact the office as well as a supervisor. So 2 there are several times where they'll contact 3 them, and the employee will say, you know, it was 4 me, I set it off. So -- so there's not always a 5 response from -- 6 Q But if there's not -- if someone -- 7 A But -- 8 Q -- doesn't immediately confirm -- 9 A Yeah. 10 Q -- when a law enforcement officer, 11 either a local police, a PPO or inspector -- 12 A Is -- 13 Q -- has to respond, correct? 14 A Yes. 15 Q And PPOs are trained to unholster their 16 guns when they respond to a false alarm; is that 17 right? 18 A If they -- not to respond to a false 19 alarm. 20 Q No. Before -- but when you respond, 21 you don't know whether it's a false alarm -- 22 A That's what I was going to --</p>
<p style="text-align: right;">996</p> <p>1 even costs. I know there's usually threats of 2 the cost. 3 There's also -- generally, when you -- 4 we've gotten postmasters sent in -- that send -- 5 will send stuff in which will say, to get a 6 permit, it cost us \$100. Like you would for your 7 personal residence, you then have to get a 8 permit. Sometimes, they've -- they've tried to 9 enforce that with the post office. Generally, 10 we're able to, you know, advise that we don't -- 11 we're not required to pay that. 12 So I don't really know, though -- we 13 have not pooled any numbers to say how much if we 14 actually are being charged. The threat is there. 15 Q Now, on a -- on a -- on an alarm 16 response, though, a law enforcement officer is 17 required to respond, right? 18 A Yes, unless -- I guess I mentioned 19 earlier, if -- if the -- depending on some 20 procedures and time frames, if the alarm goes 21 off, the NLECC or National Law Enforcement 22 Communications Center dispatchers will try to</p>	<p style="text-align: right;">998</p> <p>1 Q Okay. I'm sorry. 2 A So if they get to a location and they 3 can clearly see that there's -- that they -- that 4 there's -- there's not -- if they see postal 5 employees in uniform and things of that nature in 6 there, but I would say if they feel they need to 7 clear the facility because they don't know what 8 it is, then, yes, they're -- they're -- they'll 9 clear -- they'll pull the firearm while they're 10 clearing the facility to make sure it's secure. 11 Q And what are the weapons that PPOs are 12 trained to carry during alarm responses? 13 A They're trained to carry their -- their 14 personally -- their -- their -- their 15 agency-issued firearm, and then they also train 16 with a shotgun. 17 Q And again -- and I'm sorry for getting 18 overly excited, but an officer doesn't know until 19 after he investigated whether the alarm was a 20 false alarm or whether it was -- 21 A I understood what you're saying. My 22 point is that we have a significant number of</p>

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999	<p>1 false alarms that are -- that are generally 2 cleared by the time the officers even get there 3 -- 4 Q And that was the testimony -- 5 A -- but -- 6 Q -- of the officer who testified here, 7 correct, is that there are a significant number 8 of false -- 9 A Yes. 10 Q -- alarms, right? 11 A I think so, yes. 12 Q Did you hear Officer Eric Freeman's 13 testimony? 14 A Yes. 15 Q Was there anything about his testimony 16 that surprised you? 17 A Not that I recall, but I am kind of 18 drawing a blank now with the number. 19 Q Understood. There were a fair number. 20 If I can direct your attention, sir, to Exhibit 21 No. 34. 22 MS. BRAMESCO: Union Exhibit 34?</p>	1001	<p>1 MS. BRAMESCO: Objection. The document 2 speaks for itself. 3 MR. STEPHENS: I'm just asking him. 4 MS. BRAMESCO: It says what it says. 5 THE WITNESS: Do I answer? 6 MS. BRAMESCO: Go ahead, yeah, if you 7 can answer. 8 THE WITNESS: I -- I don't -- don't 9 think it speaks to anything about who the first 10 responders were. There are internal Inspection 11 Service communications that basically are saying 12 who responded. It doesn't -- we don't -- it 13 wasn't classified as who was the first responder, 14 nor would it be in there. Not every last detail 15 of who all responded, how many, would be in 16 there. 17 BY MR. STEPHENS 18 Q What was the purpose of this -- first 19 of all, the second document, the U.S. Inspection 20 Service newsbreak? 21 A That's -- 22 Q Why does the Postal -- why does</p>
1000	<p>1 MR. STEPHENS: I'm sorry? 2 MS. BRAMESCO: Union Exhibit 34? 3 MR. STEPHENS: Yes. I'm sorry. Union 4 Exhibit 34. 5 BY MR. STEPHENS 6 Q It's a two-page document. Take a 7 second to read that. 8 A Okay. 9 Q You heard Officer Freeman testify that 10 he was actually the first responder for the 11 Inspection Service for this homicide, correct? 12 A Yes. 13 Q Does his name appear anywhere in 14 this -- either of those documents or does the 15 Postal Police -- 16 A No. 17 Q -- anywhere appear -- 18 A No. 19 Q Instead, it says the -- the -- it 20 makes -- the impression is left that the first 21 responder for the Inspection Service was an 22 inspector, correct?</p>	1002	<p>1 Inspection Service spend money on having someone 2 to prepare these newsbreaks? 3 A Well, we have a communications group 4 that we actually do have, and so for only -- the 5 newsbreaks are very rare. They're generally in 6 those large cases or -- or -- or critical 7 incidents that we believe that the entire 8 Inspection Service may need to be aware of. 9 So any time there's a very violent 10 crime against a postal employee or if there's 11 a -- an investigation or some type of incident 12 that could have repercussions nationwide, then we 13 put out alerts. This is somewhat of on alert, a 14 newsbreak. 15 So it's -- they're very rare, but 16 they're in cases that -- in case -- locally, what 17 happens, generally, in an investigation like 18 this, I wouldn't doubt that there wasn't some 19 reporter in Phoenix that was trying to grab a 20 Postal Inspector to say, can you talk to me about 21 the incident happening in -- in Maryland. 22 And the idea is, we don't -- if we can</p>

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<p style="text-align: right;">1003</p> <p>1 help it, we really don't want that inspector  2 saying, well, I don't know what you're talking  3 about or Postal Police or any -- it goes to --  4 the Inspection Service updates are for all of us.  5 So it's more of an employee update that there's  6 been pretty, you know, critical incidents of  7 crime that may have been committed that you  8 should at least be aware of. There's no details  9 in any of this, obviously --  10 Q Well, the only detail is that the  11 Postal Inspectors, along with local law  12 enforcement --  13 A Right.  14 Q -- responded.  15 A Right.  16 Q And then it says Postal Inspectors and  17 the county police processed the scene.  18 A Correct.  19 Q Is that accurate?  20 A Yeah, it would be.  21 Q Is it accurate to omit the two Postal  22 Police Officers --</p>	<p style="text-align: right;">1005</p> <p>1 available at that moment on the scene from the  2 victim or from the -- the witnesses or from the  3 other officers that are actually at the scene.  4 Going into an investigation, it's then  5 taking it further. It's going and taking that  6 information and moving further into interviewing,  7 interrogating --  8 Q All the cool --  9 A -- using --  10 Q -- stuff, right?  11 A All the investigative stuff, I mean --  12 Q Right.  13 A -- pure criminal complex investigation.  14 Q The stuff that you can do wearing a  15 suit in your office, right?  16 A No. You can't do that sitting in your  17 office. You have to be -- you have to respond to  18 the scene to be able to meet with the  19 individuals. If you're going to process a scene  20 and get fingerprints, you can't do that in a suit  21 in your office.  22 Q But is -- is taking witness statements</p>
<p style="text-align: right;">1004</p> <p>1 A I think --  2 Q -- who also responded?  3 A It -- it would be -- they -- they could  4 have put that postal -- Postal Police Officers  5 responded, but the Postal Police Officers didn't  6 process the scene or conduct any investigation.  7 Q Well, let's talk about that for a  8 moment.  9 A Okay.  10 Q Isn't it true that Postal Police  11 Officers do conduct preliminary fact-finding?  12 A Yes.  13 Q Is that not an investigation?  14 A No, not until --  15 Q What's the difference between a  16 preliminary investigation and preliminary  17 fact-finding?  18 A A preliminary fact-finding is  19 identifying -- arriving to the scene, identifying  20 the incident, what -- what -- the nature of the  21 incident, any witnesses and any, again,  22 preliminary information that -- that may be</p>	<p style="text-align: right;">1006</p> <p>1 part of an investigation?  2 A Uh-huh.  3 Q And PPOs do that, correct?  4 A In some limited capacity, yeah.  5 Q Well, they take it from the -- they're  6 the first responders, right?  7 A They could potentially be the first  8 responders, if they've actually -- the local  9 police could have already interviewed witnesses.  10 So, in some cases, it's identifying the people to  11 talk to. It's not to say that they can't  12 actually take the witness statement in certain  13 incidents, but I think it really all depends on  14 the incident that's -- that's -- the nature.  15 I mean, we would not want them  16 interviewing witnesses that witnessed a homicide  17 and getting into great detail to the point that  18 it's getting into almost -- or even with a  19 suspect to where it's getting to an interrogation  20 type deal. They're trained to -- they're just  21 not trained to do that. They don't get any --  22 outside of the academy, they don't get</p>

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1007	<p>1 training -- at their basic training, they don't 2 get any extra training in interviewing 3 techniques, like the Postal Inspectors would do 4 as criminal investigators. 5 Q Or like detectives in a municipal 6 police department, correct? 7 A I assume -- I can't speak to what type 8 of training, but I would assume that they get 9 some type of interviewing training. I don't know 10 to what extent. I know what we do for our 11 inspectors and the amount time that's spent at 12 our training academy, as well as the continuous 13 training that we give, and we -- and we 14 contract -- not contract -- when we send them 15 to -- for -- to -- to better enhance their 16 interviewing and -- and technique. 17 It's much more in detail than 18 responding initially to the scene to find out the 19 who, what, when, where, why at that moment. It 20 goes beyond, a lot of -- a lot more digging, a 21 lot more detail in the interview process. 22 Q I'll ask you a couple questions about a</p>	1009	<p>1 management -- not postal management -- Inspection 2 Service PPO management to -- it gives them the 3 guidelines and the policies to follow through in 4 their -- in their day -- daily operations for the 5 security force. So it goes into administrative 6 duties and responsibilities, going down to what 7 the uniforms -- what color uniforms should be. 8 Q And what is the IS-702? 9 A The 702 is the actual officer's guide, 10 so it's intended for the actual Postal Police 11 Officer. Very similar. Again, it's laid out 12 almost the same way, administration duties, their 13 appearance. So it -- the 701 tells postal 14 management or -- not postal management -- Postal 15 Inspection Service management, this is how you 16 manage your -- guide you use in managing your 17 occupation, and the 702 is the guide that the 18 officer would follow when conducting their duties 19 and in performing their position. 20 Q And this has -- if I refer you to -- on 21 the IS-701 to page 26, on mobile patrols, is this 22 what headquarters is -- is -- gets anxious about</p>
1008	<p>1 document we haven't referred to recently -- 2 recently, but it's one of the joint exhibits. 3 And, Mr. Milke, I don't know if the -- if among 4 the many folders in front of you -- 5 A It says joint. It says joint, so -- 6 Q Yes, sir. If you could turn to that. 7 Bear with me, sir. I have to find my own edition 8 of that folder. 9 A Okay. 10 ARBITRATOR OLDHAM: Which one are we 11 going to? 12 MR. STEPHENS: We'll be going to 13 documents referred to as the IS-701 and the 14 IS-702, which I believe are toward the back. 15 It's Exhibits No. 7 and No. 8. 16 BY MR. STEPHENS 17 Q And, Mr. Milke, can you tell me what is 18 the IS-701? 19 A The 701 is the handbook, Postal Service 20 handbook to outline security force operations. 21 Q And what is its purpose? 22 A It is the tool for postal</p>	1010	<p>1 when it hears what PPOs are doing out in the 2 field as to whether it's complying with the 3 701 -- 701? 4 A Well, I mean, that's maybe one thing, 5 and anxious is probably a good word, but the -- 6 the -- it's also -- again, going back to what 7 their -- their primary mission is and -- and 8 again, if you -- when you do an assessment -- 9 when we do our assessments to determine whether a 10 location warrants a security force and whether -- 11 and what that appropriate complement should be, 12 the majority of that and -- and the priority on 13 that is based off their duties in the facility 14 that they're assigned to. 15 So when we -- we do -- it does take 16 into consideration what they do from a mobile 17 patrol type standpoint -- all the duties it takes 18 into consideration -- but the primary purpose for 19 them being in that location is the security of 20 that facility. 21 Q And what -- where is that in the 701? 22 A It's not in -- that wouldn't be in the</p>

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<p style="text-align: right;">1011</p> <p>1 701. 2 Q Where is that in the 702? 3 A It's not in the 702. 4 Q So it's not actually in any document? 5 A No. It's -- it's -- it's an assessment 6 policy that we have. It's called a security 7 force assessment review. But there's always a -- 8 some type of review to assess whether -- what 9 level of complement. I mean, we do that for -- 10 for any -- whether it's law enforcement or not, 11 you would do an assessment of the needs of the 12 Service, so to speak. So that's pretty much -- 13 when I say assessment review, that's what's -- 14 that's what's conducted. 15 So any time there's a change in the 16 location, for instance, as I mentioned earlier 17 about a consolidation, we're aware of a location 18 that is being consolidated by the Postal Service 19 that the Postal Police Officers are at and -- in 20 Houston, Texas. And so, at that point in time, 21 their -- their -- the assessment about whether or 22 not postal -- and they're moving to a different</p>	<p style="text-align: right;">1013</p> <p>1 Q But the -- 2 A In other words, you're telling me you 3 don't need a Postal Police Officer at this 4 facility any longer. Is that -- is there 5 something that's changing about that facility? 6 Q But the officers are being assigned in 7 these locations in Chicago precisely because 8 there's a law enforcement need that's being 9 unfulfilled currently, correct? 10 A No, I wouldn't -- wait a minute. Ask 11 me that question again. I'm not sure I 12 understand what you're asking. 13 Q Many officers -- and we can drag in as 14 many as you want -- testified about mobile patrol 15 and community policing. They're being assigned 16 those tasks precisely because there's a law 17 enforcement need that is otherwise going unmet -- 18 A No, that's not -- 19 Q -- correct? 20 A -- correct. As I mentioned before, one 21 of the -- the main purpose of these community 22 policings is prevention and awareness. And the</p>
<p style="text-align: right;">1012</p> <p>1 location. Operations are going to another 2 location. 3 And as I mentioned earlier, 4 technology -- that other location has strong 5 perimeter security with fencing and -- and it's a 6 newer facility. It's in a much different 7 location, less -- it's more of an industrial area 8 as opposed to a higher crime area. So all those 9 factors get taken into place, and then we have to 10 do an assessment to determine does Houston, that 11 facility, warrant a Postal Police Officer force, 12 a security force, or is there other levels of 13 security countermeasures that we talked about 14 that would be adequate enough to do that. 15 So when -- when I'm talking about the 16 assessments and what makes me anxious when we 17 hear about mobile patrols and divisions wanting 18 to use them in the performance of their community 19 policing programs, we stress with our divisions, 20 you -- you can do -- you need to make sure you're 21 not creating a vulnerability at the location that 22 you're at.</p>	<p style="text-align: right;">1014</p> <p>1 gauge for lot of that may be the crime in that 2 area, but the purpose of the community policing 3 is to educate our employees. And there's more 4 than just an officer or a Postal Inspector 5 arriving at a station and talking to them. 6 The Inspection Service has a -- a 7 significant investment in the Safe and Secure 8 Campaign, which we -- we've been issuing, I 9 believe, since 2011, with phases where carrier 10 robberies, assaults on -- employee assaults, 11 basically reporting threats, general security, 12 and we've -- we've gone into, from an awareness 13 standpoint, of alerting our -- our -- our 14 employees and making them more aware of their 15 surroundings, what to do should they be a victim 16 of the incident. 17 So -- so at these -- at these community 18 policing type programs, where the officers -- 19 where it's -- how they're being used is if it's 20 within their -- again, their response or their 21 basic area, which is that 30-minute invisible 22 window, so to speak, from the office, Postal</p>

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1015	<p>1 Inspectors are being used at the offices that are 2 outside that -- that branch. 3       So -- so from a standpoint of these 4 programs and where we -- and where we key to -- 5 because, again, we can't be at every office every 6 day all the time because of sheer numbers, what 7 we try to target is using data, such as crime 8 index data, but more importantly, the Postal 9 Service's Voice of the Employee scores, which 10 measure employees. Do -- are they aware of the 11 security measures in their workplace, and do they 12 feel safe in their workplace? 13       And so we try to target those areas 14 where we believe employees are at least 15 indicating to postal management that they're 16 not -- they're not feeling safe or that -- or 17 that they don't really -- are unaware of the 18 security measures. So that's where -- the 19 targeted areas that come in when we -- when we 20 identify them. And we try to use as much 21 technology that we can get in today's world to 22 actually, you know, overlay our index scores, our</p>	1017	<p>1 the communication centers, they were all trained 2 do that, because that was at the PPOs' community 3 centers. NLECC does the majority of that. So 4 there probably are some officers that are still 5 trained to do that, yes. 6       Q Now, the 701 escort duties -- we 7 mentioned -- we'll get to the 5305 chart in a 8 second, but it -- well, I'll -- I'll get there. 9       On the 701, PPOs are required in terms 10 of doing their initial investigation -- at a 11 crime scene or the initial fact-finding, 12 whichever one you want to call it, there are 13 certain requirements that must -- that they must 14 perform in completing their fact-finding. 15       And are those set forth on page 33 of 16 the 701 and into page 34? 17       A The only thing I have on page 33 is 18 burglary alarm responses. Is that the correct 19 page? 20       Q I'm sorry. It's just below that, sir, 21 under reports. 22       A Under reports?</p>
1016	<p>1 data that we have, as well as local police data, 2 but it's very difficult sometimes to have the 3 local police data. It's clear they would -- they 4 would have many more incidents than we would. 5       Q Now, you talked about arrests, and it's 6 correct that PPOs do have authority to make 7 arrests, correct? 8       A Yes. 9       Q And, in fact, the Inspection Service 10 authorized all of them to carry a Miranda card so 11 that they can accurately read Miranda rights; is 12 that correct? 13       A Uh-huh. Yes. 14       Q Now, in the 701, the -- you heard 15 testimony that PPOs or some PPOs are trained to 16 do computer searches using the National Crime 17 Information Center. Is that correct to your 18 knowledge? 19       A That I heard the testimony or that -- 20       Q That -- that some PPOs are trained to 21 do that. 22       A As I mentioned, the -- when they had</p>	1018	<p>1       Q This specifies how they're due to 2 complete incident reports; is that right? 3       A Yes. This is how they -- they -- the 4 format for using their -- their incident report, 5 5309. 6       Q And it says it should -- just -- I'm 7 reading just a couple -- 8       A Okay. 9       Q -- of sentences at the bottom of page 10 33. It should contain all the pertinent facts 11 gathered by the PPO relative to the incident. 12       Are they required to do that? 13       A Uh-huh. Yes. 14       Q Are they required to take complete 15 notes and record direct quotes from witnesses, 16 victims and suspects accurately? 17       A Yes. 18       Q Now, on page 34, the accuracy -- well, 19 why is it important that PPOs take an accurate 20 report? 21       A Well, you want to make sure you have 22 the accurate names, accurate numbers, that the</p>

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1019	<p>1 information is --</p> <p>2 Q Why?</p> <p>3 A -- is correct.</p> <p>4 Q Why? Why is that -- why is that</p> <p>5 relevant?</p> <p>6 A Why is it relevant to have correct</p> <p>7 information for the response? Is that --</p> <p>8 Q But why --</p> <p>9 A -- what you're saying?</p> <p>10 Q -- is it necessary to have correct</p> <p>11 information?</p> <p>12 A I guess I'm not real sure what --</p> <p>13 it's -- it's pertinent information.</p> <p>14 Q Pertinent to the investigating the</p> <p>15 incident; is that right?</p> <p>16 A Yeah. To the -- I mean, to -- the</p> <p>17 information -- they're going to eventually pass</p> <p>18 this information on to a Postal Inspector or</p> <p>19 local law enforcement who's going to further the</p> <p>20 investigation. I would think that it's very</p> <p>21 important to make sure that they have correct</p> <p>22 information to pass on to them.</p>	1021	<p>1 identified, but he kind of, I think, led it to</p> <p>2 seem that he's going through looking through</p> <p>3 trash cans and -- that's the way he came across</p> <p>4 to me, I should say, that he was --</p> <p>5 Q Was it accurate; do you think?</p> <p>6 A He should not be assigned to be</p> <p>7 reviewing -- driving the grounds looking for mail</p> <p>8 in trash cans.</p> <p>9 Q Who would be doing that if not him?</p> <p>10 A I don't -- not him.</p> <p>11 Q You saw --</p> <p>12 A It's not the responsibility of the</p> <p>13 Inspection Service to be doing that.</p> <p>14 Q Okay.</p> <p>15 A I mean, I would -- I would -- I would</p> <p>16 guess that -- now, obviously, if he had gotten</p> <p>17 information or postal management advised him that</p> <p>18 we're aware that, you know, there may be</p> <p>19 employees, airport employees, whatever, stealing</p> <p>20 mail and dumping mail into that, again, that</p> <p>21 would come to the Postal Inspectors, and I would</p> <p>22 think they would do some type of undercover</p>
1020	<p>1 ARBITRATOR OLDHAM: All right. I think</p> <p>2 we've grasped the idea.</p> <p>3 MR. STEPHENS: Okay.</p> <p>4 ARBITRATOR DUFEK: I certainly do.</p> <p>5 MR. STEPHENS: I'll move on.</p> <p>6 BY MR. STEPHENS</p> <p>7 Q Before I leave the -- my list of</p> <p>8 PPOs -- if I miss any of them, I'm sure they'll</p> <p>9 be upset with me -- the last one being Officer</p> <p>10 Eric Jordan of New York.</p> <p>11 Did you hear his testimony? JFK.</p> <p>12 A Dumpster diving?</p> <p>13 Q Yes, sir.</p> <p>14 A Yeah.</p> <p>15 Q Did anything about his testimony --</p> <p>16 A Yes.</p> <p>17 Q -- surprise you?</p> <p>18 A Yes. That he's dumpster dived.</p> <p>19 Q Okay. Why is that?</p> <p>20 A Well, I mean, I think it, again, was --</p> <p>21 is not that the fact that he identified that he</p> <p>22 wouldn't be able to go in and get mail that he</p>	1022	<p>1 surveillance. But if it's just randomly that</p> <p>2 they found -- you know, to go search abandoned</p> <p>3 buildings looking for mail -- and I think -- you</p> <p>4 asked me if that surprised me. That would be --</p> <p>5 I would think that we would have a better use for</p> <p>6 Mr. Jordan than to be doing that.</p> <p>7 Q What would -- what would be better for</p> <p>8 him to be doing?</p> <p>9 A Again, for every officer that's on --</p> <p>10 that may be out and about on the street, there's</p> <p>11 likely a need somewhere in the facility for them</p> <p>12 --</p> <p>13 Q There's an ID --</p> <p>14 A -- potentially.</p> <p>15 Q -- not being checked; is that it?</p> <p>16 A No, not necessarily not being checked,</p> <p>17 but foot patrols, I mean, within the facilities.</p> <p>18 I mean, the facility that -- if you've ever -- I</p> <p>19 mean, I don't know how many of you have been</p> <p>20 through John F. Kennedy International Service</p> <p>21 Center, which part of the airport is. I mean,</p> <p>22 that can take you all day just to walk through</p>



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<p style="text-align: right;">1023</p> <p>1 the entire building. So I can't imagine that  2 there's not some other reason, even in other  3 areas around the airport proper, but to just  4 drive around looking for abandoned mail, I would  5 not see that as an assigned post for him.  6 Q You saw the -- you remember the -- let  7 me direct you to a couple photographs. And one  8 moment, sir.  9 What is registered mail?  10 A Registered mail is really the highest  11 form of accountability and security -- secure  12 mail that the Postal Service has as a product.  13 It's basically a -- a handoff to handoff. So  14 when you're -- when a customer's coming in and  15 they decide they want to purchase those services,  16 it's accountable all the way through the process.  17 And, generally, there's a signature, so it's a  18 hand to hand. It's our slowest form, but it's  19 more -- it's the most secure form, because it's a  20 handoff.  21 ARBITRATOR OLDHAM: Is that synonymous  22 with certified mail?</p>	<p style="text-align: right;">1025</p> <p>1 testified that this is a photograph of either  2 stolen or abandoned registered mail, which is  3 something he's testified he comes across with  4 some regularity at JFK airport.  5 A I didn't hear him say he came across  6 abandoned or stolen registered mail.  7 Q Registered mail. I believe the  8 transcript will show it's registered mail.  9 A I didn't hear him say that. In any  10 case, if -- again, if it's international mail,  11 there is a distinction -- not that it matters.  12 Stolen mail is stolen mail. But registered --  13 international registered mail is not the  14 equivalent of domestic registered mail. There is  15 not a handoff, but it is -- when it hits the --  16 the United States gets it to the U.S. Postal Mail  17 system, it's converted over to -- to service --  18 to the service that certified mail would get. So  19 it wouldn't get the same level of registered  20 service that we would get from a domestic  21 register, which is signatures along the way.  22 So he -- it may have been international</p>
<p style="text-align: right;">1024</p> <p>1 THE WITNESS: No. Certified mail is  2 just requiring some type of signature generally.  3 Registered mail is -- generally there's something  4 of value that you really want to protect, because  5 it is a much more higher premium service. And it  6 comes with, as I said, the -- a handoff from a  7 signature to signature.  8 So, for instance, our remittances may  9 be sent that way, large volumes of -- someone was  10 sending cash, things of that nature, they'd want  11 to make sure. There's insurance services that  12 come up with it as well. But it's generally the  13 slowest form service-wide because of the handoffs  14 and what it has to take and -- okay.  15 BY MR. STEPHENS  16 Q I'm sorry. I apologize. Union Exhibit  17 No. 40 was the one I wanted to ask you about.  18 And these are photographs, and I'd like to direct  19 your attention to the last photograph. And I  20 don't know if you had this exhibit in front of  21 you when Officer Jordan was testifying about it.  22 I believe the record will show that he was --</p>	<p style="text-align: right;">1026</p> <p>1 registered mail, but it wouldn't be treated the  2 same as registered mail if he found it, domestic  3 mail.  4 Q But anyways, it did -- does it -- does  5 it now surprise you that he was testifying  6 about --  7 A No. I mean, I see what --  8 Q -- registered mail?  9 A -- he's -- what he's testifying to. I  10 think I would have to know a lot more about if he  11 just found this in a random or if there was some,  12 you know, background to it that they --  13 generally, we have -- we have a team of Postal  14 Inspectors at each of these ISCs that actually --  15 that investigate mail theft, contractor theft.  16 So -- so I know it doesn't surprise me that --  17 that this happens, but --  18 Q It surprises you that --  19 A -- but it surprised me that he was --  20 he mentioned that he was driving and he was  21 assigned to look into abandoned buildings and  22 stuff. I'm not -- I just don't believe that's</p>

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1027	<p>1 how he would be assigned. If, in the course of 2 his duties, it took him to that, if he -- it's -- 3 again, the concern is -- that we have, at least 4 anxious, what you asked me, is that mission 5 creep. Are they going beyond the scope of their 6 duties? 7 I understand why they can feel that 8 they should be able to and maybe they feel it's 9 the right thing to do, but the concern is that 10 mission creep. Are they going too far outside to 11 do -- and two things. One, could that put them 12 at criminal civil liability should they get 13 involved in something that they're not covered to 14 do, or, two, what -- at what expense, because 15 when we -- when we do our assessments again of -- 16 of the staffing levels, these -- while these 17 duties are taken into consideration, the main 18 priority is the facility that they're at. 19 And so, again, from my level, when I 20 hear about it or see about it, it raised some 21 questions. It makes me want to, you know, ask 22 the manager, are -- it raises the question: Are</p>	1029	<p>1 giving them relatively limited duties? Is 2 that -- is that a fair statement to make? 3 A I'd never -- I -- I can't say what the 4 position of the PPOA was. I mean, from -- from 5 dealing with -- at a local division level, 6 there's -- there were times -- I don't know if 7 it -- frustration's the right word, but they 8 would always wish they could do more. 9 Q The Inspection Service often would 10 not -- would -- would be willing to impose limits 11 on what they were doing; is that right? 12 A Impose limits on the officers on what 13 they're doing? 14 Q Correct. Yes. 15 A Yeah. I mean, we -- we have to limit 16 what we can use them for just, mostly, like I 17 mentioned previously, sheer numbers and -- and 18 their duties. 19 Q Now, directing your attention to the 20 second page of this exhibit -- 21 ARBITRATOR OLDHAM: Fourteen? 22 MR. STEPHENS: Yes, sir.</p>
1028	<p>1 we utilizing them the way we should be utilizing 2 them, or is this an officer that's extending 3 their duties a little bit further on their own? 4 Q Let's talk about the facilities. And 5 there's a couple of documents that the union 6 introduced, and you'll find them, I believe, at 7 Union Exhibit No. 16 and maybe also the document 8 before that, Union Exhibit 15. Take a second to 9 find that. 10 ARBITRATOR DUFEK: Excuse me, Arlus. 11 Did you say 15 and 16? 12 MR. STEPHENS: Yes, sir. 13 BY MR. STEPHENS 14 Q Mr. Milke, while -- while you're doing 15 that, I also want to ask you a question about the 16 document at Union Exhibit 14, and I think I'll 17 ask you -- that will be my first question. So 18 take a second to read that document. 19 Now, is it -- is it -- is it true that, 20 historically, there was some frustration from the 21 police officers' union that notwithstanding their 22 training, often, the Inspection Service was</p>	1030	<p>1 BY MR. STEPHENS 2 Q The second page. And my questions are 3 about the bottom paragraph, which has been not so 4 subtly -- 5 A Yes. Someone underlined it. 6 Q But I believe the -- the second 7 sentence -- and I'll just read it out loud. And 8 this -- and who is K.J. Hunter? 9 A He was the chief inspector at the time, 10 1997. 11 Q Mr. Hunter writes, "At that meeting, I 12 told you that the mission of the security force 13 was and remains to provide protection of 14 designated facilities and not to be a Postal 15 Police force operating off postal property. 16 Assigning officers to street patrols diminishes 17 facility security and is improper because Postal 18 Police are not trained, equipped or authorized to 19 perform such patrols." 20 Is that a fair statement of the 21 Inspection Service policy at that time? 22 A I can't say. Quite honestly, I</p>

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<p style="text-align: right;">1031</p> <p>1 don't -- I don't -- I had only been in six years  2 at that point in time, so --  3 ARBITRATOR OLDHAM: Counsel, you  4 haven't -- you haven't established the date of  5 this document.  6 MR. STEPHENS: I apologize.  7 BY MR. STEPHENS  8 Q The -- on the preceding page, is  9 there -- is there a date up at the top left?  10 A Yeah. May 12th, 1997.  11 Q And are you -- have you seen this  12 document before?  13 A Excuse me. No.  14 Q Is this -- is it -- is the -- the  15 policy expressed in this final paragraph, has  16 that changed at any time?  17 A No. I mean, I -- I think -- again, not  18 knowing exactly what it's referred to, but we --  19 I adamantly stated that we don't have street  20 patrols. We do not have officers conducting  21 street patrols.  22 Q Well, if I direct your attention to --</p>	<p style="text-align: right;">1033</p> <p>1 the Chief Postal Inspector --  2 Q Okay.  3 A -- at the time.  4 Q Now, are you familiar with the Security  5 Force Transformation Plan?  6 A Yes.  7 Q And if I can direct your attention on  8 the second page of this Exhibit No. 14 --  9 A Fifteen --  10 Q -- to the --  11 A -- or 14?  12 Q I'm sorry. Fifteen. And again,  13 there's two paragraphs that are not very subtly  14 starred off --  15 A Right.  16 Q -- to the left. And is it -- is it  17 correct, though, that the Inspection Service  18 decided to replace most of the fixed posts with  19 unarmed security guards?  20 A Yes. As I mentioned, this was the  21 Hallcrest study. This is the -- this was the --  22 I think in the first exhibit you mentioned, it</p>
<p style="text-align: right;">1032</p> <p>1 A So --  2 Q I'm sorry. Go ahead.  3 A But from that standpoint, that's  4 correct.  5 Q Direct your attention to the next one,  6 Union Exhibit No. 15. And do you see the date on  7 this?  8 A March 18th, 2004.  9 Q Okay. And are you familiar with this  10 document?  11 A No.  12 Q I'd direct you to the -- do you know  13 who Suzanne Mladenovich is?  14 A It says she was a senior vice president  15 for human resources.  16 Q Is she someone with whom you -- you  17 know her or --  18 A No, I do not believe she's still in  19 that position.  20 Q Who's the name at the bottom of that  21 first page?  22 A L.R. Heath, Heath, Leroy Heath, he was</p>	<p style="text-align: right;">1034</p> <p>1 talks about the Hallcrest -- that's leading into  2 the Hallcrest study, and this is the  3 implementation of some of the findings that came  4 out of the Hallcrest study.  5 Q And this is seven years later; is that  6 right?  7 A Yes.  8 Q Now, on the second page, it says that  9 the idea is to go to a hybrid force of Postal  10 Police Officers and unarmed security. That's --  11 is that the hybrid force?  12 A Correct.  13 Q And then, further, it says, The hybrid  14 force allows armed security officers to perform  15 respond and contained duties such as foot and  16 mobile patrols at facilities and/or patrolling  17 high-risk postal facilities within city limits;  18 is that right?  19 A Correct.  20 Q Is that not different than the  21 statement expressed at the bottom of the previous  22 exhibit? It says officers should not be --</p>

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<p style="text-align: right;">1035</p> <p>1 should not leave the facility and should not 2 engage in any kind of patrols on the streets. 3 A Yes. I mean, that's a different 4 statement there, but as I mentioned, the 5 commission of the -- from the Hallcrest study 6 made recommendations, and then you have seven -- 7 seven years later, as you pointed out, you know, 8 administrative changes and the implementation of 9 some of those changes. 10 Q So the policy -- 11 A So policy -- 12 Q -- has, in fact, changed; is that 13 right? 14 A In -- between 1997 and 2004. 15 Q And that's correct today, correct? The 16 policy of 1997 is no longer in effect today? 17 A Well, I don't know that this is -- 18 Q I mean -- 19 A -- a policy -- 20 Q I'm sorry. To the extent -- the -- the 21 transformation plan, the Inspection Service has 22 not backed up on that, correct?</p>	<p style="text-align: right;">1037</p> <p>1 it, but, yeah, I recall him talking a little bit 2 about what the -- I think -- again, I'm trying to 3 recollect. 4 Q Okay. 5 A Members of his class, things of that 6 nature that may have -- 7 Q And Officer Michaelson also testified, 8 I believe, if you -- if you recall -- and I'm not 9 going to hold you to your testimony, just set up 10 my next question -- 11 A Okay. 12 Q -- about discussions with the captain 13 in Los Angeles about attrition and about attempts 14 to keep PPOs from leaving. 15 Do you recall that testimony? 16 A Vaguely. I -- 17 Q Okay. Well, my question is about this 18 PowerPoint, and this really is Union Exhibit No. 19 63. And Officer Michaelson testified that this 20 was provided to her from Inspection Service 21 personnel in Los Angeles in 2002, and I believe 22 that date you'll see is confirmed.</p>
<p style="text-align: right;">1036</p> <p>1 A No. 2 Q And, Mr. Milke, I think there was a -- 3 there was testimony, also, from a former PPO 4 named Tammy Michaelson. Were you present for her 5 testimony? 6 A Was she from Los Angeles? 7 Q Yes, sir. 8 A Yes. 9 Q And she testified about some documents 10 which I'd like to direct your attention to once I 11 find them myself, so bear with me -- 12 A Okay. 13 Q -- one moment, please. 14 And were you -- you were present for 15 testimony in which both the former PPO named 16 Derrick Freeman, who's now an officer with -- you 17 were present for his testimony. He's now a 18 sergeant with the Pentagon Police. 19 A Yes. 20 Q And he testified about high rates of 21 attrition from the Postal Police after 9/11? 22 A I don't recall exactly how he phrased</p>	<p style="text-align: right;">1038</p> <p>1 If you look at the final -- the final 2 page of this, page 23, it confirms that it is a 3 2002 document. And are you familiar with this 4 document? 5 A No. I am just now reading it. 6 Q Okay. Do you know if there's another 7 witness for the management who might know more 8 about this document than you? 9 A What year was it? 10 Q 2002. 11 A No, I don't. I don't know if any of 12 the -- 13 Q Okay. 14 A -- future witnesses will know that. 15 Q Okay. 16 ARBITRATOR OLDHAM: Does anybody need a 17 five-minute break? 18 MS. BRAMESCO: Yes, please. 19 ARBITRATOR DUFEK: I was just going to 20 ask how much further -- do you have quite a ways 21 to go yet? 22 MR. STEPHENS: I don't know. I -- I</p>

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<p style="text-align: right;">1039</p> <p>1 was just checking with -- with Donna.  2 ARBITRATOR DUFEK: Because I thought if  3 -- you know, I just thought if we were on the  4 verge of completing this, that would be a more  5 logical breaking point, but if you have another  6 30 minutes or so, I think --  7 MR. STEPHENS: I may have at least like  8 another 20 or so --  9 ARBITRATOR DUFEK: Okay.  10 MR. STEPHENS: -- but I'm hoping to  11 wrap it up.  12 ARBITRATOR OLDHAM: Okay. Just take  13 five this time.  14 (Brief recess.)  15 ARBITRATOR OLDHAM: So, folks, I think  16 in order to preserve everyone for tomorrow, let's  17 try and wrap up --  18 MR. STEPHENS: Yes.  19 ARBITRATOR OLDHAM: -- by 4:00, if we  20 can, this afternoon.  21 MR. STEPHENS: I'm sorry. Say that  22 again.</p>	<p style="text-align: right;">1041</p> <p>1 Service asked them to relieve the contract  2 security guards when a contract security guard  3 takes a break; is that correct?  4 A Yes.  5 Q Is it correct that inspectors also  6 sometimes have to relieve contract security  7 guards for their meal breaks? Isn't that  8 correct?  9 A No.  10 Q If the PPOs are all in training and  11 they're out of the facility, inspectors are  12 required to sit at the post and relieve the  13 contract security guard; isn't that correct?  14 A No, not that I'm aware of.  15 Q Okay. Well, we'll have a rebuttal  16 witness who will testify to that.  17 You said PPOs don't do -- aren't  18 authorized to do any hot pursuit?  19 A Yes. In the -- in the -- in a vehicle.  20 Q And are you distinguishing between --  21 what do you mean by hot pursuit?  22 A Hot pursuit in a vehicle.</p>
<p style="text-align: right;">1040</p> <p>1 ARBITRATOR OLDHAM: Let's try to wrap  2 up by 4:00 if we can.  3 MS. GONSALVES: I just also wanted to  4 note -- just to remind you, Arlus, that there is  5 a ground rule that talks about the limitation of  6 cross-examination. It can't be any longer than  7 direct. I'm not saying that I'm cutting you off  8 or want to cut you off. I'm just saying that --  9 just keep that in mind.  10 MR. STEPHENS: Okay. I forgot that.  11 I'm not meaning to hog the -- take time, and I  12 will -- I'm actually going to wrap up as quickly  13 as I can. It's just a lot of -- one witness  14 who's purporting to contradict testimony that  15 took us a full day to put in, so --  16 ARBITRATOR OLDHAM: Fair enough. Carry  17 on.  18 BY MR. STEPHENS  19 Q Just a couple of quick questions, sir,  20 and we'll get you out of here.  21 You made a point of mentioning that  22 some Postal Police Officers, the Inspection</p>	<p style="text-align: right;">1042</p> <p>1 Q What -- what is hot pursuit?  2 A I mean, if they're doing a -- they're  3 not -- they're not authorized to be chasing a  4 vehicle or suspect through neighborhoods, what  5 we term as hot --  6 Q You mean --  7 A -- pursuit.  8 Q -- high-speed pursuit?  9 A High speed -- I'm sorry. High-speed  10 pursuit --  11 Q And it's correct that --  12 A -- in a vehicle.  13 Q -- many law enforcement agents,  14 including many police officers, are similarly  15 restricted from engaging in a high-speed pursuit?  16 Isn't that true?  17 A It could be. It depends on the  18 jurisdiction.  19 Q You talked about the selection process  20 for PPOs. The test is not a pass/fail test; is  21 that correct?  22 A No.</p>

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1043	1 Q In fact -- 2 A Well, you have to get a score. You 3 have to get a minimum score. 4 Q Correct. But people often score quite 5 a bit above the minimum, correct? 6 A They could. I don't know exactly what 7 the average or what the average score would be. 8 Q But it's a graded test and it's similar 9 to -- it's a graded test, right? 10 A Yeah. 11 Q And it's a test that's administered to 12 other law enforcement, to other police officers 13 in other jurisdictions, correct? 14 A I'm not aware if it -- if that test is 15 used in other jurisdictions. 16 Q The officers, based on their test 17 score, are then ranked by their preferability to 18 the post office, correct? In other words, the 19 post office seeks those people who have scored 20 the highest on those tests, right? 21 A Yes. On the Postal Police entrance 22 exam?	1045	1 A Right. 2 Q Are you aware of any single police 3 officer who's not a high school graduate? 4 A I'm not aware if there's any that are 5 or aren't. 6 Q And they are required to be able to 7 read and write, correct? 8 A To -- to be able to pass the -- the 9 training, yeah, they're going to need to read and 10 write. 11 Q Are you aware of any companies that 12 employ armed guards who do not require them to be 13 at least a high school graduate? 14 A Companies that hire armed guards that 15 don't require them -- 16 Q Correct. 17 A -- to be a high school graduate? I 18 don't know. I don't know any. 19 Q I'd like to direct your attention to a 20 rather interesting chart in your exhibit, in your 21 PowerPoint. Let me direct your attention, sir, 22 to -- one moment, please. It's Volume 2 of the
1044	1 Q Right. 2 A Yes. It starts -- it's a senior -- 3 just as the job description would point out, it's 4 a senior qualified -- they have to be -- they 5 have to have gotten -- not senior. It's the -- 6 it's their score -- again, you -- if you get -- 7 if you scored a 75, but you have some veteran 8 benefits, if you have ten -- that would be 9 considered an 85. You go in rank of order. But, 10 yes, the highest scores at the top, that's where 11 you're going to have -- 12 Q Yes. It's not a pass/fail test? 13 A No. You have to at least, I believe, 14 get a 70 on the test. 15 Q And I know -- I know you made a point 16 of emphasizing that PPOs don't have to be high 17 school graduates; is that right? 18 A Yeah. They don't have to be. I don't 19 know if I emphasized it, but they don't have to 20 be. 21 Q Well, you made a point of mentioning 22 it.	1046	1 USPS exhibits. It's Slide No. 8. 2 When did you -- were you responsible 3 for creating this chart? 4 A No, I did not create this chart. 5 Q Who created this chart? 6 A It was created as part of the team, the 7 arbitration team. 8 Q You -- just tell me who created it. 9 A I don't know who specifically would 10 have created it. I don't -- I know it was 11 members of the team. 12 Q So -- 13 A I don't know if there's one specific 14 person that's involved or if it's collective 15 members from labor relations team that's part of 16 the arbitration. 17 Q So you have no basis to know whether 18 it's accurate or not, correct? 19 A Me personally? 20 Q Yes, sir. 21 A No. I didn't do this study, no. 22 Q So you have no basis to testify to its

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1047	<p>1 accuracy? 2 A Other than that the -- the data is 3 based off the 5305s. 4 Q Did you review those 5305s? 5 A I reviewed some of them, yes. 6 Q Well, how many of them? 7 A Not all of them. 8 Q Well, the question -- the problem is 9 that we have an exhibit here, and I -- how do we 10 go about trying to find out what -- what of this 11 is true and from what was it based -- well, let 12 me back up. 13 Was it based on a cross sample of 14 5305s? 15 A No. It was -- it was based off of all 16 5305s for all locations, so all their tours 17 for -- for a given month in 2013. 18 Q Which month was that? 19 A The month of August. So from 20 August 1st to August 31st. 21 Q And the admin, what -- what all's 22 included in admin?</p>	1049	<p>1 training. 2 Q Well, you train quite a lot; is that 3 right? 4 A Well, yeah. I mean, they do -- I mean, 5 as we -- as we'll hear testimony on and I think 6 we did hear testimony on, that, you know, 7 continuous firearms training and -- and officer 8 survival training. 9 Q And they -- let's stick with those for 10 a moment. 11 A Okay. 12 Q Those are -- that's training that 13 inspectors also get, correct? 14 A Yes. 15 Q And they -- the training is ongoing; is 16 that right? 17 A Yes. 18 Q And it's correct that Postal Police 19 Officers conduct some of this training; isn't 20 that right? 21 A Those that are -- they can. It depends 22 on -- yeah. If they're trained to do so, yes.</p>
1048	<p>1 A As I mentioned, the biggest part of 2 admin would be -- that would be where you would 3 capture your training hours, so whether it's -- 4 and then any other type of administrative 5 function that would be not listed in these -- 6 these other four areas, so -- 7 ARBITRATOR OLDHAM: Excuse me. I just 8 didn't hear what you said a moment ago. Did you 9 say this pertained to all of the tours? 10 THE WITNESS: Yes. So this is all -- 11 each tour creates a 5305 each day. So there's -- 12 you figure there's three a day for each facility. 13 ARBITRATOR OLDHAM: Thank you. 14 BY MR. STEPHENS 15 Q Now, you said 20 percent. Does that 16 mean 20 percent of every tour is being spent on 17 admin? 18 A This would have been a -- a 19 compilation. So not 20 percent on every tour, 20 but over the course of all the facilities for the 21 entire month, 20 percent of those duties related 22 to administrative, mostly including -- would be</p>	1050	<p>1 Q And they instruct both Postal Police 2 Officers and also they instruct inspectors on how 3 to handle firearms; is that correct? 4 A If they're a member of that team, yes. 5 Q And they also instruct Postal Police 6 Officers and inspectors on officer survival; is 7 that correct? 8 A Yes. 9 Q Now, turning to this chart, which is 10 exhibit -- Slide No. 8 -- and just to be clear, 11 what else are you including in admin beyond 12 training? 13 A There's -- often, there's going to 14 be -- it would also be, like, required for all 15 postal employees to have to take -- sometimes you 16 have to go on to, like, a -- we call it the 17 Learning Management System, so they would have to 18 go behind a computer and get onto some mandatory 19 training that all employees may have for the 20 Postal Service. There could be, you know, safety 21 talks, things of that nature. So there's -- I 22 would say the majority of it is going to be the</p>

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1051	<p>1 continuous training.</p> <p>2 Q Now, going to the line above, the</p> <p>3 convoy duty, 5 percent, this looks like it's</p> <p>4 something that's increased.</p> <p>5 A Yeah. It shows a 3 percent increase.</p> <p>6 Q Well, actually, it increased -- okay.</p> <p>7 I see. It increased from 2 percent to 5 percent.</p> <p>8 So that's actually not a 3 percent increase.</p> <p>9 That's actually a -- that's actually a</p> <p>10 250 percent increase; is that right? Or am I</p> <p>11 misreading --</p> <p>12 A No. No. What it's saying is</p> <p>13 the difference in the -- this -- this Delta is</p> <p>14 doing a difference in the percentage of duties</p> <p>15 for that -- for that -- for that period, not --</p> <p>16 not an increase from -- it's not an increase from</p> <p>17 '07 to '13. It's comparing the differences in</p> <p>18 the -- in the mix of duties.</p> <p>19 So, in other words, the convoy duty was</p> <p>20 2 percent of the activities for that 2007 period.</p> <p>21 It's 5 percent under 2013. So the -- the plus 3</p> <p>22 percent is just saying --</p>	1053	<p>1 A Yes.</p> <p>2 Q And is it true those are all gone now,</p> <p>3 correct?</p> <p>4 A No. That's not true. There could</p> <p>5 potentially be -- there are still some escort</p> <p>6 duties that are in place up there.</p> <p>7 Q But they were largely eliminated?</p> <p>8 A A large portion of them --</p> <p>9 Q About 25 --</p> <p>10 A -- I believe.</p> <p>11 Q -- positions which were -- had been</p> <p>12 dedicated are now doing mobile patrols; is that</p> <p>13 correct?</p> <p>14 A They're doing other assigned duties. I</p> <p>15 don't know necessarily know what exact-- if</p> <p>16 they're actually assigned to mobile patrols.</p> <p>17 Q Okay. When you say fixed posts up at</p> <p>18 the top, what -- what does that mean?</p> <p>19 A So, again, we -- we -- we do have some</p> <p>20 fixed posts that still exist out there. So</p> <p>21 contrary to some testimony, that -- or I would</p> <p>22 say that either it's a misinterpretation of what</p>
1052	<p>1 Q It's two-and-a-half times more, right?</p> <p>2 A It's -- it's -- it's an increase over</p> <p>3 what the makeup was. So this is a makeup of all</p> <p>4 their duties. I guess that's --</p> <p>5 Q Two-and-a-half -- two-and-a-half more</p> <p>6 time is being spent doing -- doing convoy in 2013</p> <p>7 than was spent in 2007, right?</p> <p>8 A It's a 3 percent increase.</p> <p>9 Q Well, it's not -- okay. I don't --</p> <p>10 A 2 percent of -- in 2007 --</p> <p>11 Q Okay.</p> <p>12 A -- 2 percent of the overall duties for</p> <p>13 that measured period were convoy duties.</p> <p>14 Q And --</p> <p>15 A And then, in 2013, 5 percent of the</p> <p>16 measured period were convoy duties. So that's</p> <p>17 why -- the plus 3 percent is just saying -- you</p> <p>18 really could probably figure that one out for</p> <p>19 yourself, what the difference between the two</p> <p>20 were.</p> <p>21 Q And convoy duties, you said, are mostly</p> <p>22 in New York; is that right?</p>	1054	<p>1 maybe a fixed post is. But it's not that there's</p> <p>2 zero out there. We do have locations that --</p> <p>3 where we have PPOs manning fixed posts, so</p> <p>4 that -- and that could possibly be an eight-hour</p> <p>5 tour, for that entire tour.</p> <p>6 Again, as you -- as we talked about,</p> <p>7 when we saw the decrease, that was the</p> <p>8 communication centers. That was -- that's pretty</p> <p>9 much a given. You used to have at least two,</p> <p>10 maybe three officers in a specific communication</p> <p>11 center for an eight-hour tour.</p> <p>12 What we have now -- and my</p> <p>13 interpretation, at least, from a fixed point</p> <p>14 standpoint, is where an officer's actually -- if</p> <p>15 you're -- if you're going to go -- if you come</p> <p>16 into this entranceway or breezeway or whatever</p> <p>17 entrance is here, an officer might be assigned to</p> <p>18 stand at that -- at that facility. And although</p> <p>19 there's unarmed contract security officers there</p> <p>20 to take the access control, they're also there at</p> <p>21 the high volume, high -- where people are coming</p> <p>22 in and exiting.</p>



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1055	<p>1 So they are assigned to a fixed post. 2 They are actually at a location fixed for a 3 specific period of time, whether that's two 4 hours, three hours, one hour, and -- and so, to 5 me -- and that's when I -- what I'm -- what I'm 6 interpreting as a fixed post. 7 Q You admit there was testimony that the 8 headquarters PPO is actually quite different 9 relative tasks than PPOs -- 10 A Yes. 11 Q -- at all the other locations, correct? 12 A Yes, they do. 13 Q Okay. Now, even at headquarters, some 14 of the training, there was a lot of discussion 15 about active shooter training. 16 Did you hear that testimony? 17 A Yes. 18 Q Are all PPOs trained in how to respond 19 to an active shooter? 20 A They have been trained. It's nothing 21 new. It's -- since I've been a Postal Inspector 22 training alongside with Postal Police Officers,</p>	1057	<p>1 so to all employees, so -- 2 Q Right. But isn't it correct that the 3 active shooter training for most employees is to 4 go away from the shooter? Isn't that right? 5 A Yes. If they can get out, yes, that's 6 what -- 7 Q And that's not the training that's 8 given to Postal Police Officers? 9 A It never has been. It's -- 10 Q Okay. I'm not saying -- 11 A It's -- 12 Q I didn't ask you whether it ever has 13 been. I'm saying, that is not the training -- 14 that's not the instructions that police officers 15 have, correct? 16 A No. I mean, the instructions are 17 that -- is to address the threat. 18 ARBITRATOR OLDHAM: Counsel -- 19 MR. STEPHENS: Yeah. 20 ARBITRATOR OLDHAM: -- I'm going to 21 interrupt for a moment and go back to the fixed 22 post issue, because I think that's significant.</p>
1056	<p>1 we've always been trained on a scenario on 2 addressing a threat that's a threat to others. 3 Active shooter is just a title that's been coming 4 around because the incidents in the -- in the 5 press, but it's really more of a title. An 6 active shooter is just someone who's actively 7 engaged in killing someone. That has not -- 8 that's not changed for -- probably for all of our 9 existence, but -- but -- so their duties were -- 10 were still the same. 11 What we've done recently with the 12 active shooter training has been making our -- 13 again, going back to that Safe and Secure 14 Campaign I talked about -- was we -- for all of 15 our large facilities out there, as well as 16 national headquarters, we went through and 17 provided awareness for all employees of what to 18 do should they be in a position of an active 19 shooter incident based off of -- we based our 20 development training off of the Department of 21 Homeland Security and some others. So that 22 training was initially just put out and then --</p>	1058	<p>1 It certainly was something that was emphasized in 2 your stream of witnesses before, and this 3 23 percent figure is a larger figure than we 4 might have expected to see based on what we heard 5 from your witnesses. And I'm just making these 6 comments because it might be of interest to us to 7 know more about what that 23 percent figure 8 represents. 9 I should think, for instance -- well, 10 as counsel just stated -- that it's influenced to 11 some extent by the patterns here at headquarters, 12 which have contributed to that statistic. I 13 should think it would also depend on what tour 14 was applicable, because in some locations, 15 they'll only have, perhaps, one tour where you 16 have a fixed post staffed. 17 Am I making the correct assumptions? 18 THE WITNESS: Yeah. I mean, I think it 19 can vary -- it can vary facility to facility, 20 tour by tour to each facility. And also, as I 21 mentioned, you know, at this time, we also have 22 the -- we did have a communications center in San</p>

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<p style="text-align: right;">1059</p> <p>1 Juan as well, so, I mean, that officers were --  2 so, yes, it's really facility to facility. This  3 is a compilation of all of that.  4 ARBITRATOR OLDHAM: Yes. And I'm  5 making these comments just to highlight it for  6 everyone's benefit.  7 ARBITRATOR DUFEK: You know, just to  8 pick up on that, I think the panel would  9 appreciate hearing from the individual who put  10 this together and have a little bit more detail  11 that would address your concerns and help us  12 better understand what appears to be quite a  13 conflict in the testimony.  14 MS. GONSALVES: We will have that  15 individual testify.  16 ARBITRATOR OLDHAM: Thank you very  17 much.  18 BY MR. STEPHENS  19 Q One -- one final question, sir, and  20 I'll -- I'll let you go. Thank you for your  21 patience. This will be an exhibit -- our final  22 exhibit for Mr. Milke will be Union Exhibit No.</p>	<p style="text-align: right;">1061</p> <p>1 A Right.  2 Q And they apprehended her and arrested  3 her --  4 A Right.  5 Q -- correct?  6 A Correct.  7 Q And that took place on the streets of  8 Chicago, correct?  9 A Correct.  10 Q And the local INC -- in a photograph  11 that did not come out too well, in the meantime,  12 has been e-mailed and photographed and copied --  13 in fact, commended them; is that right?  14 A He did.  15 Q And it says at the bottom, if I'm not  16 mistaken, INC Brady praises the efforts of the  17 PPOs for apprehending the robbery suspect and  18 quickly coming to the aid of the carrier while  19 conducting carrier safety checks; is that  20 correct?  21 A That's what it says, yes.  22 Q In the headline of that -- I'm sorry.</p>
<p style="text-align: right;">1060</p> <p>1 92. Can you take a moment to read this document?  2 It's actually -- it's a compilation of other  3 documents that all relate to the same incident in  4 Chicago, February of 2012.  5 A I'm familiar with it.  6 Q Okay. So you're familiar. So this  7 is -- there is -- this recites, I believe -- tell  8 me if this is correct -- two PPOs were on a -- on  9 a well-being patrol; is that correct?  10 A Yes.  11 Q In Chicago?  12 A Uh-huh.  13 Q And they learned of a robbery of a  14 carrier, correct?  15 A Attempted robbery.  16 Q Attempted robbery.  17 A Yeah.  18 Q And they located the -- this gang of  19 miscreant --  20 A Right.  21 Q -- girls who pulled a knife on a  22 carrier?</p>	<p style="text-align: right;">1062</p> <p>1 I'll take you back for a second, sir.  2 The headline is, Chicago Postal Police  3 Officers make arrest while on patrol; is that  4 right?  5 A Correct. That's what it says.  6 Q Now, the next document, what was the  7 date on the bottom of that?  8 A September 21st, 2012.  9 Q Which is a couple months after the  10 incident, right?  11 A Yeah. The incident was in February.  12 Q Now, by this time, the -- the  13 description of the incident has changed a little  14 bit, if you'll -- you can read it and confirm.  15 If you could read out loud the second sentence on  16 the commendation.  17 A Officer Datsun has performed numerous  18 carrier safety checks this fiscal year. In  19 February of this year, Officer Datsun assisted a  20 carrier who stated a female in the area had just  21 pulled a knife one him -- but it meant "on him."  22 Datsun and federal officers canvassed the area</p>

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1063	<p>1 and detained the female until Chicago Police 2 arrived. 3 Q They detained. Does the -- the -- it's 4 no longer referred to as arrest. It's been 5 referred to as detention; is that right? 6 A Oh, compared to the first page? 7 Q Correct. 8 A Yes. That's what it says, yeah. 9 Q Now, in terms of how it was 10 described -- I'm sorry. Give me one second. Oh, 11 yeah. 12 On the -- the -- the third page, does 13 this recite whether the Postal Police effected an 14 arrest or -- this -- if you read it -- are you 15 familiar with this document? 16 A Not with this document. I'm familiar 17 with the incident and have spoke with Inspector 18 Brady about it almost immediately after it came 19 out. 20 Q Okay. What is the Inspection Service's 21 position on that? Did the -- did the Postal 22 Police effect the arrest, or did someone else</p>	1065	<p>1 processing areas, or, generally, a lot of times, 2 they'll just go to the local police department or 3 the Marshal Service. You don't -- you're not 4 obligated to use our own or others. It's just a 5 division choice. 6 Q Now, the final page of the document -- 7 and I know you haven't seen this document before, 8 but if you look at the bottom, there's a Chicago 9 Police document. 10 And at the top, describing the event, 11 did it surprise you that the City of Chicago 12 Police would refer to this as an arrest by the 13 United States Postal Service Police? 14 A Is this this document? 15 Q Yes, sir. The final page of the 16 document. I'm sorry. It's the next to final 17 page of the document. 18 A Okay. Some of it's cut off, but I 19 guess it says they responded to a holding 20 offender, which would mean to me that -- that the 21 Postal Police contacted through their -- through 22 their Chicago dispatch that the Postal Police</p>
1064	<p>1 effect the arrest? 2 A I'm not sure exactly to what -- 3 obviously, they -- they're talking about having 4 made an arrest. I'm not sure exactly how far and 5 how much time between Chicago Police 6 Department -- so I don't -- I don't believe that 7 they actually -- I believe they turned any 8 suspect over to local police there, so they 9 didn't take them to, you know, processing or 10 anything like that -- 11 Q Right. 12 A -- if that's what you're talking about 13 effected. So I don't -- 14 Q No. 15 A -- know -- 16 Q Well, the -- I mean, the Inspection 17 Service doesn't have -- how many facilities does 18 the Inspection Service have in terms of 19 processing -- 20 A Well, we -- well, we -- you can use -- 21 you can go to our -- our domiciles that have -- 22 some of them have holding cells into or</p>	1066	<p>1 were holding an offender and waiting upon the 2 arrival of the Chicago PD. And then, later on 3 down below, I think -- I -- I can't -- but it 4 says USPS toured the area, located defendant and 5 placed her into -- it looks like it's a -- 6 Q You're right. C is at the -- 7 A -- C, but I don't know if that's 8 custody or what that means. 9 Q Okay. 10 A Without incident. So I don't -- I 11 don't know if they've -- whether they categorized 12 that as an arrest, but -- other than, again, I -- 13 detention, I would think, but I don't know -- it 14 doesn't say arrest in here, if that's what you're 15 asking. 16 Q Okay. And it -- I think it does at the 17 top, actually. It says, first, an arrest by 18 the -- but it doesn't matter. 19 A Oh, I see what you're saying. 20 MR. STEPHENS: I don't have any further 21 questions, sir. 22 THE WITNESS: Thank you.</p>

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<p>1 MR. STEPHENS: Thank you very much. 2 MS. BRAMESCO: Just one moment. Okay. 3 There's no redirect. 4 (Witness excused.) 5 ARBITRATOR OLDHAM: All right. Thank 6 you very much for your lengthy testimony. 7 And this looks like an appropriate 8 stopping point for the day. Okay? 9 MS. GONSALVES: I would just like to 10 express -- and perhaps we should go off the 11 record -- that we have concerns about scheduling 12 at this point, because as I overviewed this 13 morning, we were planning to get through five 14 witnesses. We only got through two. So we are a 15 little concerned about that. 16 We do want to talk to the panel about 17 that with Arlus, of course. 18 ARBITRATOR OLDHAM: All right. We'll 19 go off the record, though. This concludes 20 today's hearing. We'll be here tomorrow. We can 21 start at 9:00, if you prefer -- 22 MR. STEPHENS: Fine.</p>	<p>1 CERTIFICATE OF NOTARY PUBLIC 2 I, ERICK M. THACKER, the officer before whom 3 the foregoing arbitration was taken, do hereby 4 certify that the testimony appearing in the 5 foregoing arbitration was taken by me in 6 stenotype and thereafter reduced to typewriting 7 by me; that said transcription is a true record 8 of the proceedings; that I am neither counsel 9 for, related to, nor employed by any of the 10 parties to the action in which this was taken; 11 and, further, that I am not a relative or 12 employee of any counsel or attorney employed by 13 the parties hereto, nor financially or otherwise 14 interested in the outcome of this action. 15 16 17 <hr style="width: 20%; margin: auto;"/>ERICK M. THACKER Notary Public in and for the District of Columbia 18 19 20 My commission expires: 21 June 14, 2014 22 23</p>
1068	
<p>1 ARBITRATOR OLDHAM: -- just grab an 2 extra half an hour, or 9:30. 3 (Whereupon, the proceedings were 4 adjourned at 3:56 p.m.) 5 6 * * * * * 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22</p>	

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