



Newsletter

Volume 2, Issue 1

February, 2002

Special points of interest:

- Why some Lessors whose lease expires soon haven't heard from the Postal Service.
- Zapping the mail.
- Where have all the Employees gone?

Fact or Fiction

Have you ever been driving down the street and had to move over because of a jogger?

Did it cross your mind "why is this person running on the street when there is a perfectly good sidewalk a few feet away"?

Usually, the sidewalk is concrete and the street is blacktop asphalt. Asphalt is softer than concrete, therefore, it is easier on the knees and other joints. Thus, they choose to run on the street.

Inside this

<i>From The "Hill" - The ef-</i>	2
<i>Pilot Program - Will the FSO's take on more re-</i>	2
<i>Who's on third? - A list of FSO employees</i>	3
<i>FSO personnel</i>	3
<i>The "Eye" - Do you have an</i>	4

Why Haven't I Heard From The Postal Service?

As you may have heard or read in our last Newsletter, the Columbia FSO, DC Metro FSO, Kansas City FSO and the Seattle offices are closing. The Columbia and DC Metro files have been sent to the Eastern FSO (formerly Greensboro) and the Kansas City files have been split between the Denver and Great Lakes (Chicago) FSO's. Some real estate specialists are out of a job, others are retiring, and a few are being transferred to one of the remaining offices. There are also others that still don't know what the future holds for them. A partial list of affected employees and their transfer stations is included within this newsletter.

As one who has gone

through many reorganizations, I can tell you that this is a time of confusion and frustration for everyone involved. Real estate specialists who no longer have jobs are not motivated to be responsive to the telephone calls, much less any problems or concerns a Lessor may have. Those who are being transferred are busy making arrangements to move and trying to get established in their new FSO. This means that new job assignments, territories and becoming acclimated to the new office and personnel will take a back seat until their personal lives are in order. Then, it will take some time to organize the files, which are all boxed up, prioritize the projects and develop a plan. Eventually, someone will be in

touch with you, especially if your lease is expiring in the near future.

In the meantime, if you have a problem that cannot wait or need to talk to someone that you use to deal with and has been transferred or is no longer available, then call the Manager of Real Estate for the FSO that is now handling your facility.

If this doesn't work, you can always contact us at 352-592-6718, e-mail, bob@parsell.net, or Chuck Baker, toll free 877-712-5678, e-mail, chuck@parsell.net. We will do what we can to help and guide you in the right direction.

By Bob Wilkes

USPS Reiterates It's Position On Irradiating Mail

The Postal Service said today it will continue to take the lead and full responsibility for selecting and implementing the best technology available to protect the health and safety of USPS employees and the public. It noted that it is taking ex-

traordinary measures to ensure the security and safety of the mail.

USPS said among the measures being implemented is a process for irradiating the mail to destroy any biohazardous material. The Postal Ser-

vice currently is leasing irradiation facilities in Ohio and New Jersey to decontaminate mail.

USPS has issued contracts for purchases of irradiation equipment. Only targeted mail will be irradiated. USPS News 12/01

From The "Hill"

WASHINGTON, D.C. - The effects of September 11, bioterrorism, and a sluggish economy impacted Postal Service revenues and mail volumes through the first quarter of fiscal year 2002.

In his report to the Postal Service Board of Governors today, Chief Financial Officer and Executive Vice President Richard J. Strasser Jr. said Quarter I net income of \$108 million was \$521 million under plan. Total revenue for the quarter (Sept. 8 - Nov. 30) was \$15.4 billion.

Strasser also reported that overall mail volumes dropped some 2.8 billion pieces (or 5.5 percent) below the same period last year. That marked the single largest quarterly mail volume decline in recent history.

Standard Mail volume - reflecting softness in the advertising market -- led the decline, posting 2.2 billion fewer pieces than last year. First-Class Mail dropped 550 million pieces below last year's volume for the same period, while Priority Mail volume dipped 47 million pieces.

One bright spot in the report focused on Quarter I expenses. Total expenses of \$15.3 billion for the



quarter were \$355 million below plan, and only 0.5 percent above the same period last year. Success in controlling expenses was due to aggressive work-hour cuts, including management and staff reductions.

During Quarter I, the Postal Service reduced work-hour usage by 17.8 million work hours compared to the same period last year. That reduction, coupled with the cumulative work-hour reduction of 23.1 million hours in fiscal year 2001, means the Postal Service has cut 16,300 full-time career employees (more than 40 million work hours) from its operating expenses since fiscal year 2000. At the same time, the Postal Service added more than 3

million deliveries to its national network.

Service Levels Remain High

In other Board activity, Franca G. Smith, vice president and consumer advocate for the Postal Service, reported that nationwide service scores remained high. National overnight delivery service performance scores for Quarter I remained at 93 percent, marking the seventeenth consecutive quarter that External First Class (EXFC) scores have hit or exceeded the 93 percent mark.

The United States Postal Service has provided 226 years of trusted, secure and universal mail service to every American. The Postal Service delivers mail. Delivering more than 200 billion mail pieces each year to 134 million addresses - with nearly two million addresses being added every year - the Postal Service handles approximately 46 percent of the world's card and letter mail volume. The Postal Service web site, www.usps.com, is one of the most heavily visited federal sites, averaging over seven million visits per month.

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Release No. 02-003

Pilot Program Begins

Facilities, Headquarters has given the authorization to proceed with a new program designed to streamline the process by which Facilities operates. In cooperation with the Windsor, CT FSO, the Connecticut and Springfield District Administrative Service Offices (ASO) have transferred the duties of the ASO to the Facility Service Office, with the exception of purchasing.

Currently, the way the existing system works, the ASO defines the need and the FSO follows thru with securing and contracting. Example: an existing post office is over crowded, the ASO determines they need a new post office and specifies the size and location. Funds are set aside for the new rent and a request is sent to the FSO. The FSO then prepares an RFP, advertises and even-

tually contracts with the selected Offeror. The FSO then manages the project thru completion, at which point it is then turned over the District ASO and operations.

The ASO's do not have contracting authority and often rely on the FSO's to supply the information needed to assist see Pilot, pg 4

Who's On First? USPS Shifts Gears In The Facilities Department.

This is a list of Facilities employees that will be relocating in the very near future. It is not known at this time if others will be added. The list, as far as we know is up-to-date as of 12/24/01.

Real Estate Specialists

From Previous FSO	To New FSO
Ruthann Coburn	Kansas City Eastern
Karen Delamore	Kansas City Denver
Chuck Garhart	Columbia Asset Management HQ
Jackie Hagerty	Kansas City Eastern
Andy Himes	Columbia Great Lakes
Mike Kirby	Headquarters Denver
Garry Mattox	Columbia Denver
Terry Metzner	Columbia Headquarters, Real Estate
Cindy Nelson	Asset Management Denver
Gail Stollenwerk	Kansas City Great Lakes

Real Estate Specialist staging went from 95 positions in 12 locations, to 74 positions in 8 locations. The Facilities Contract Technicians went from 34 positions to 31 positions.

As you can see, the numbers do not add up. This is due to retirement, employees choosing not to relocate and those who get laid off via a RIF (reduction in force).

There are no guarantees that you will be dealing with the same Real Estate Specialist when your lease comes due for renewal or a new lease agreement. FSO's that have not been severely affected by a reduction in employees may be reorganizing internally to more effectively handle their workload.

Facility Contract Technicians

Laverne Fields	Columbia Eastern
Maggie Malave	Columbia Denver
Joyce Tillman	Kansas City Great Lakes

These moves and decisions have not come easily for those making the decisions. For the employee receiving a RIF notice, it is not a reflection of his or her ability, rather a statistic.

By: Chuck Baker

Facility Service Office Personnel Changes

As the dust begins to settle in the most recent employee reduction of facilities, we pass along information as we receive it. All information is believed to be accurate, but ParSell takes no responsibility for the content.

RIF (reduction in force) letters have been sent to all affected FSO's. VERA is defined as (Voluntary Early Retirement). The Kansas City FSO will be officially closed February 8, 2002 and the Columbia FSO and Seattle Office on March 8, 2002.

Most of the remaining FSO's have been affected in some way or another. The following is a list of employees we know about and their status.

Atlanta FSO:

Mary Presnell - RIF

Angelo D'Arminio - VERA
 Ted Tarantino - RIF
 Ben Hart - RIF

Sherri Weiss-(slotted into EAS-11 Secretary position)

Ghainous Diallo - RIF
 Carolyn Adkins - VERA
 Phil Brewer - VERA
 Charles Frady - Retirement
 Cyndi Zureich - Resigned

Dallas FSO:

Martin Petry - Pacific FSO
 Tony Regojo - RIF
 Doug Haynes-RIF
 Bruce Tidmore - slotted into contracting position

Denver FSO:

Cheryl Hamilton - VERA

Pacific FSO:

Marni Gagne - Resigned

New York FSO:

John Dercole - Retired
 Ken Staack - Retired
 Joe Dimino - Retired

If there is someone who you deal with and you don't see their name, they most likely are leaving the organization.

OUR ADDRESS HAS CHANGED

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- Pilot, cont. pg 2
with the justification for a new facility, expansion, etc. As we understand it, the new process of the Pilot Program will first have the Postmaster identifying the problem or need directly to the FSO. The FSO will then determine what procedure to follow and complete all the paperwork and cost analysis necessary. Then forward it to the Postal Operations Manager (POM) at the District Office for review and approval.

If approved by the POM, the information will then be presented to the District Manager for concurrence and funding. Once the project is funded, it will return to the FSO to proceed with the project".

There are currently 85 ASO offices nationwide. Each office has 3 to 4 employees, including an architect/engineer and a manager. The advantages the Pilot Program has:

- Reduction in the duplication of work.
- Reduce the amount of time to complete projects.
- Reduce the number of employees
- Streamline the process.
- Greater control.

Obviously, its success or failure won't be known for several months. However, under the current financial situation, the drop in mail volume and the reduction in force, it is good to see USPS is trying other avenues.

The Eye

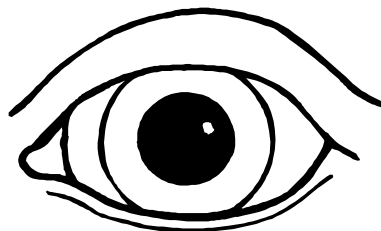
Rumor has it that USPS will reduce staff another 10,000 to 15,000 employees this fiscal year. Most of these are reportedly to come from mail processing and areas other than facilities, but one never knows for sure.

Another rumor being tossed around is the reduction in the number of ASO's (Administrative Service Offices). There are currently 85 Administrative Offices nationwide. This number is reportedly to decrease by approximately 30 to 35, leaving about 50 offices nationwide. Considering the reduction in the number of FSO's, this seems quite possible.

How do all these changes affect the Lessor? In the eye's opinion, it benefits the Lessor. Things get lost in the shuffle, with files being moved. Leases that were in negotiations have to start over and many expire in 2002. This leaves the

Postal Service in an awkward position.

How we as Lessors take advantage of this situation remains to be seen. As with everything else, there will be those Lessors who are fair and those who "squeeze the blood out of the turnip". As a former Real



The Eye

Estate Specialist, I can tell you I remember who's who.

I've believe that a successful negotiation is when both parties walk away from the table somewhat dissatisfied, but content with the negotiated terms.

Do you have an opinion? Do you agree or disagree?

Submit your comments to the ParSell Newsletter.

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