

## NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

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Testimony of
Donnie Pitts, President
National Rural Letter Carriers' Association

before the

Subcommittee on Federal Workforce, Postal Service, and The District of Columbia

April 17, 2007



Mr. Chairman, and members of the Committee, my name is Donnie Pitts and I am President of the 111,000-member National Rural Letter Carriers' Association. I want to thank you, Mr. Chairman, for holding this oversight hearing. Back in 1985 I had the pleasure of testifying before the House Ways and Means Committee as Vice President of the Alabama Rural Letter Carriers' Association. It is an honor to be invited to testify again before Congress, this time as President of the NRLCA.

Rural carriers serve more than 75,000 total rural routes. We deliver to 37.4 million delivery points, driving a total of 3.3 million miles per day. We sell stamps and money orders, accept Express and Priority Mail, collect Signature and/or Delivery Confirmation pieces, pick up Registered, Certified Mail and customer parcels. Our members travel everywhere, everyday, serving America to the "last mile."

There are two areas of great concern I would like to discuss today. The first is the newly-formed Postal Regulatory Commission's interpretation of the Exigency Clause, while the second, and more alarming, issue is the Postal Service's recent decision to begin contracting out delivery routes using Contract Delivery Service (CDS).

First, I would like to talk about our concern for the Postal Regulatory Commission's (PRC) interpretation of the Exigency Clause. At a symposium sponsored by the American University School of Public Affairs entitled "Postal Reform: From Legislation to Implementation," the PRC Chairman stated that it is clear the Exigency Clause is to be interpreted to mean that the Postal Service is only allowed to adjust rates above the Consumer Price Index (CPI) in the event of another 9/11, anthrax attack or other catastrophic event. This *is not* the intended meaning of the legislative language.

Mr. Chairman, the postal unions, employee organizations and members of the mailing community spent months negotiating exigency language on which both sides could agree. It was give-and-take between the groups. In the original Senate language, "unexpected and extraordinary," was too strict for the postal unions to support while the original House language, "reasonable, equitable and necessary," was not strict enough for the mailers to support.

The postal unions, employee organizations and members of the mailing community negotiated on and agreed to exigency language stating that "rates may be adjusted on an expedited basis due to either extraordinary or exceptional circumstances." We then presented it to Congress who graciously accepted our language. At the time of the agreement, this language was strict enough for the mailers to feel that every little shock would not result in increased rates above CPI, but accommodating enough to not limit a rate increase to only the most catastrophic events. Our argument for a looser interpretation of the Exigency Clause is that the Postal Service should not be held solely responsible in the event of an external shock beyond its control.

In support of this argument, I offer two examples. The first example is legislation. Currently there are 14 states that have introduced "Do Not Mail" bills, essentially prohibiting the sending of advertising mail pieces, or establishing a "Do Not Mail" registry based on the Do Not Call registry. What would happen if a number of our larger states such as California, Texas, Pennsylvania, New York, and Florida all passed legislation such as this? I ask this question because in 2005, for the first time ever, both Standard Mail and advertising mail volume surpassed first class mail volume. In fact, First Class mail volume has been gradually declining for the past couple years. How

would the market respond if all of a sudden a specific class of mail was immediately withdrawn from the system?

The second example is a hypothetical one concerning Iraq and the Middle East. What if the problems continue to escalate and all of the Middle East erupts into war, halting the delivery of oil? If gas prices were to rise to \$4 or \$5 a gallon, it should not be the Postal Service's responsibility to absorb these costs without the ability to raise rates above the CPI index.

The Postal Service must have the ability to raise rates outside of the most catastrophic events. It has been rumored that in the near future the banking industry will be consolidated into seven or eight huge national banks. What if the banking industry decides they can save money by having their customers do all their banking online, and charge higher banking fees to any customer who wishes to continue to receive a hard-copy statement? What if the insurance industry decides the same thing? What if the credit card industry charges a higher interest rate for anyone who doesn't pay their bills online?

Mr. Chairman, this is just a small list of exigent examples where the Postal Service would need to adjust rates above the CPI index. To have the PRC Chairman narrowly interpret the Exigency Clause to mean that only the most catastrophic events apply to exigent rate cases would be detrimental to the vitality of the Postal Service and put its future in jeopardy.

Mr. Chairman, now I would like to address the issue of contracting out delivery services by the Postal Service. Delivery is a core function of the Postal Service and outsourcing this function is contrary to the mission of the agency. This practice jeopardizes the security, sanctity, and service of the Postal Service. I ask that Congress fulfill its duty of oversight and take immediate steps to stop the continuation of this practice.

Delivery managers have been encouraged to favor CDS using contract employees over delivery by city or rural letter carriers for all new deliveries based on cost savings. Contracting out is reported to save roughly \$0.15 per delivery point, but at what cost? When the Postal Service started the contracting out of deliveries it was still tasked with paying billions of dollars into an escrow account and covering the costs of postal employees' military pension obligation. With the passage of P.L. 109-435, The Postal Accountability and Enhancement Act, the Postal Service was relieved of both the \$27 billion obligation for military pensions and the \$3 billion annual payment into the escrow account. In addition to these cost savings, last year the Postal Service was granted a rate increase to cover the cost of the escrow payments, which no longer need to be made. The PAEA allows the Postal Service to retain a profit. Furthermore, a banking provision allows any unused rate authority to be saved for use at a future time. There remains an opportunity to file one last rate increase under the old rules.

The Postal Service has not given the new law, which this committee wrote and passed, a chance. If the Postal Service had lived under the new law for 5 to 10 years, and then found it was running huge deficits, perhaps we could understand cost cutting measures, but it has only been 4 months since this bill became law. Why then, does the Postal Service see the need for even more cost savings?

The Postal Service has long used contractors on what were called STAR Routes and Highway Contract Routes which delivered to sparsely populated areas with a density

of less than one delivery point per mile driven. Recently, the Postal Service changed the name Highway Contract Route to Contract Delivery Service and changed the definition of this service to include any new delivery point, regardless of its territorial location in urban, suburban or rural areas.

Postal Service communications regarding the establishment and extension of delivery services used to focus on existing service and preventing customer confusion. Now the Postal Service focuses on what is the cheapest alternative. It is turning delivery services into a patchwork quilt. Customer confusion will only be amplified with increases in contract routes. Customers will no longer know who delivers their mail as compared to their neighbors, let alone from one day to the next.

In so doing, the Postal Service is seeking to significantly increase the number of postal routes delivered by contractors. While looking to the bottom line it is jeopardizing the security, sanctity and service the Postal Service is known to provide.

Security has become one of the most important concerns facing Americans today. In the months following the terror attacks on September 11, 2001 and the anthrax attacks that fall, the government created a cabinet level agency to deal with homeland security. In 2004, the White House, Department of Homeland Security (DHS), Department of Health and Human Services (HHS), and the Postal Service, working closely with the NRLCA and NALC, developed a plan to call upon the letter carrier organizations within the Postal Service's direct control, to deliver antibiotics to residential addresses in the event of a catastrophic incident involving a biological attack. The Postal Service was approached to aid in this plan because the USPS is *the* most trusted government agency in the eyes of the public. Would a contractor have the same amount of trust and dependability in the eye of the public as a letter carrier would have? Would a contractor even be obligated to participate in this service?

In the fall of 2001 the mail was used as a biological weapon when the anthrax attacks killed five persons, including two postal employees, and threatened the safety of countless others. Since the time of the attacks, we have worked closely with the Postal Service to better protect the postal system and its employees through the installation of bioterrorism detection equipment and other measures. The perpetrator(s) of these attacks have still not been found and brought to justice. What if they are hired as contractors?

It is reported that many of these contractors sub-contract their routes to other employees. Letter carriers are federal employees who are subject to close scrutiny of their character, background and criminal history. Contractors are subject to this scrutiny as well, but it is not known what kind of security clearances their sub-contractors are subject to. There is no uniformity in hiring and screening practices done by contractors for their sub-contractors. How do we know who is really delivering our mail? How do we know the contract carrier is a trustworthy individual? How do we know that the contractor has taken the same care in screening the sub-contractor that the federal government would have taken?

Protecting the sanctity of the mail stream is of utmost importance. Sensitive material is mailed everyday. Contract carriers would gain access to financial documents, credit card information, Social Security checks, medication, ID cards, passports, election materials and ballots, etc. Are we willing to trust anyone with these materials? Residents in Benton, Arkansas found out the hard way that their contract carrier was not to be trusted. A contract carrier took a credit card application out of the mail and applied for a

card in that person's name. When the card was delivered, he took it from the mail before the victim found out about it. He was caught by police on bank surveillance video tape.

Another contractor in Bridgeport, Pennsylvania simply threw away about 200 pieces of mail after he walked off the job. This particular person had prior arrests for possession of drug paraphernalia, disorderly conduct and driving under the influence. It makes one wonder how he made it through the background check.

Finally, in Appalachia, Virginia, a contractor pleaded guilty in an election rigging scheme where absentee ballots were forged or votes were purchased with bribes. Are these the kind of people we want delivering the mail?

I have to question the security commitment of a federal agency that seeks out the lowest bidder to handle the responsibility of delivering sensitive items such as prescription drugs, utility bills and debit cards. The Postal Service views outsourcing as a good way to save money, but I doubt our customers would agree.

The service standards Americans have come to expect from the Postal Service are also at risk with Contract Delivery Service. No longer would Postal employees be delivering the mail. The Postal Service has long assigned a regular carrier and a relief carrier to deliver a particular route every day. With the advent of contracting and subcontracting, you might have a different carrier everyday. A workforce comprised of employees with low wages, no benefits and no pensions will cause turnover rates to skyrocket. This would most certainly lead to high rates of customer dissatisfaction.

Mr. Chairman, I also question the training requirements for contract carriers. There is more to being a letter carrier than putting mail in a box. As I mentioned in my opening statement, rural letter carriers are a post office on wheels. We offer all the services the counter of a post office provides. We sell stamps and money orders, accept Express and Priority Mail, Signature and/or Delivery Confirmation, Registered and Certified Mail and, of course, accept our customers' parcels.

Service is the reason the USPS ranks as the most trusted agency in the federal government. Letter carriers are the most trusted part of that equation according to customer satisfaction surveys. All new rural carriers are required to attend a three-day training academy which instructs them on all aspects of their job. This training academy, staffed by experienced rural carriers, serves as a clearinghouse for the rural craft. There is a direct connection between our training academies and customer service satisfaction. Contract carriers do not have training academies and any training they may receive is inferior to the training developed by the Postal Service and NRLCA.

In light of the fact that contractors would not be postal employees, we would see a lack of accountability and no clear chain of command for supervision. Postmasters would no longer be accountable for these carriers. Who is going to supervise these carriers to make sure they are performing their duties in the appropriate fashion? What happens when they decide to bring friends along on the route, or run their child's carpool at the same time? How do we guarantee the dependability of the Postal Service when nobody is accountable for the employees? Neither customers nor the Postal Service will know who is responsible for service problems or delivery concerns.

The Postal Service cites a general rule that public interest, cost, efficiency, availability of equipment and qualification of employees must be considered when evaluating the need to subcontract. After evaluating contract delivery service, I ask, is this cost savings worth the risk? The answer is obvious.

Mr. Chairman and members of the committee, I thank you for inviting me to testify before you today.

From:

Cammings [ccummings@KATV.com]

Sent:

Monday, April 09, 2007 5:17 PM

To:

Subject: SALINE COUNTY ID THEFT SCRIPT

BNTON POLICE SAY COUNTLESS PEOPLE HAVE BEEN VICTIMS OF IDENTITY THEFT AT THE HANDS OF ONE MAN...INVESTIGATORS SAY SOME OF THE VICTIMS STILL MAY BE UNAWARE THAT THEIR PERSONAL INFORMATION HAS BEEN STOLEN.

[TAKE: DOUBLE BOX GRAPHIC] {\*\*\*DOUBLE BOX GRAPHIC\*\*\*}

CHANNEL SEVEN'S ANNE PRESSLY IS LIVE TO EXPLAIN MORE. ANNE?

[TAKE: LIVE CNN SET]

{\*\*\*TAKE LIVE CNN SET\*\*\*}

[CG:39-5&6 2 LINE REPORTER\Anne Pressly\apressly@katv.com]

SCOTT, BENTON POLICE WERE ABLE TO MAKE AN ARREST AFTER THE DETECTIVE WORKING THE CASE SHOWED BANK SURVEILLANCE VIDEO OF THE SUSPECT TO ONE OF THE VICTIMS IN AN EFFORT TO IDENTIFY HIM. WELL, THE VICTIM RECOGNIZED THE SUSPECT, ALRIGHT...AS HER MAIL CARRIER.

[TAKE PKG]

{\*\*\*TAKE PACKAGE\*\*\*}

[Anchor:ANNE]

{\*\*\*ANNE\*\*\*}

[ReadRate:14]

AUTHORITIES SAY SOME RESIDENTS OF GARLAND AND SALINE COUNTIES HAVE NOT BEEN RECEIVING ALL OF THEIR MAIL LATELY.

[TAKE: PIC]

NOT SINCE GLYNN SMITH BEGAN AS A SUBCONTRACTOR FOR THE POSTAL SERVICE ABOUT 4-MONTHS AGO.

[TAKE SOT INCUE: 01:47

OUTCUE: 01:55

DURATION:0:08]

{\*\*\*TAKE SOT\*\*\*}

CG:19-5&6 2 LINE SUPER\Lt Lisa Wylie\Benton Police Dept)

<""Come to find out, Mr. Smith had gotten the info out of the mail and had applied for the card in that person's name and then when it was delivered, he took it from the mail before the victim found out about it.">

[Anchor:ANNE]

{\*\*\*ANNE\*\*\*}

[ReadRate:14]

LT. LISA WYLIE SAYS SMITH DELIEVED WORKED ONE DAY A WEEK--TUESDAY--IN PARTS OF THE CITY OF BENTON, IN ADDITION TO RURAL SALINE AND GARLAND

## COUNTIES.

INVESTIGATORS BELIEVE SMITH TOOK CREDIT CARD APPLICATIONS MAILED TO THE LATE HUSBAND OF THE WOMAN WHO LIVES HERE...AND APPLIED FOR THEM IN THE DECEASED MAN'S NAME.

NOW...THE VICTIM'S NEIGHBORS ARE CONCERNED THEY TOO HAVE BEEN SCAMMED.

RAYMOND TAYLOR SAYS HE USED TO GET PRE-APPROVAL LETTERS IN THE MAIL FOR HIS LATE FATHER ALL THE TIME. NOT ANY MORE.

[TAKE SOT INCUE: 13:07 OUTCUE: 13:12 DURATION:0:04] {\*\*\*TAKE SOT\*\*\*}

[CG:19-5&6 2 LINE SUPER\Raymond Taylor\Victim's Neighbor]

<"I don't know if they just finally stopped sending them after all these years or maybe there's something else.">

[Anchor:ANNE] {\*\*\*ANNE\*\*\*} [ReadRate:14]

TAYLOR SÂYS HE PLANS TO INVESTIGATE BOTH HIS LATE FATHER'S AND HIS OWN CREDIT TO MAKE SURE THERE'S NOTHING SUSPICIOUS.

[TAKE SOT INCUE: 14:17 OUTCUE: 14:24 DURATION:0:07] {\*\*\*TAKE SOT\*\*\*}

"He always kept his credit excellent. When he passed away it was excellent, and that's the way he wanted it to stay.">

[TAKE: LIVE ON CAMERA TAG]

{\*\*\*LIVE ON CAMERA TAG\*\*\*}

[Anchor:ANNE]

{\*\*\*ANNE\*\*\*}

[ReadRate:14]

SMITH IS BEING HELD AT THE SALINE COUNTY JAIL. HE WILL NO LONGER BE ALLOWED TO DELIVER MAIL. AN INVESTIGATOR FOR THE POSTAL SERVICE TELLS CHANNEL SEVEN THAT CHARGES COULD BE FILED THROUGH THE U-S ATTORNEY'S OFFICE ONCE LOCAL INVESTIGATIONS ARE COMPLETE.

## Former courier makes plea deal

By Brett Lovelace Section: B Page: B1 Intelligencer Journal (Lancaster, PA)

Published: March 31, 2007

LANCASTER COUNTY, PA - BRETT LOVELACE Lawyers involved in the case of a former mail carrier accused of discarding more than 200 pieces of mail at a Manheim carwash have reached a plea agreement.

Frederick S. Reincke, 30, of 64 N. Broad St., Lititz, waived a preliminary hearing Thursday before District Judge John C. Winters and is expected to plead guilty to obstruction of law enforcement and other government agencies.

Prosecutors agreed to withdraw a receiving stolen property charge provided **Reincke** pleads guilty to the obstruction charge, which is a second-degree misdemeanor. The receiving-stolen-property charge will be reinstated, Assistant District Attorney Robert Smulktis Jr. said, if **Reincke** does not plead guilty.

Reincke is free on \$2,000 unsecured bail to await an April 25 arraignment in Lancaster County Court.

Smulktis and defense attorney David Dagle negotiated the deal.

Reincke was working as a postal carrier for Platinum Logistics, a contractor for the U.S. Postal Service. The company delivers mail for two of the county's 370 city and suburban routes.

The mail - all postmarked between Aug. 30 and Sept. 20 - was supposed to be delivered to homes in the Rosewood Terrace development in Bridgeport, East Lampeter Township.

Reincke, who has prior arrests for possession of drug paraphernalia, disorderly conduct and driving under the influence, is accused of dumping the mall in a garbage can at Manheim Car Wash, 240 S. Main St.

Carwash owner Robert Graybill found about 200 pieces of mail at his business Jan. 16 and contacted Manheim Postmaster Scott Cardin.

U.S. Postal Inspector Louis J. Dirienzo, a former Lancaster city police officer, took over the investigation.

Dirienzo determined the mail was supposed to be delivered to about 60 homes.

Most of the mail consisted of sales fliers, advertisements and other items commonly considered junk mail, Dirienzo said. There also were 77 pieces of first-class mail in the trash can, including three that contained checks.

Four opened greeting cards and a package marked undeliverable - also opened - were among the mail found in the trash. Dirienzo said **Reincke** may have checked the cards for cash.

Reincke quit his job at Platinum Logistics Sept. 22. He kept the undelivered mail in the trunk of his car for about four months before dumping it at the car wash, Dirienzo said.

Manheim Borough police Officer David J. Carpenter joined the investigation and used official records to trace the recovered mail to Reincke.

Carpenter charged Reincke Jan. 30.

The Postal Service sent letters of explanation - along with the missing mail - to the residents listed on the envelopes.

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# Charges are in the mail

By Brett Hambright Section: A Page: A1 Intelligencer Journal (Lancaster, PA)

Published: February 8, 2007

LANCASTER COUNTY, PA - Police filed charges against a former mail carrier who allegedly discarded more than 200 pieces of mail intended for a housing development in East Lampeter Township. Frederick S. Reincke, 30, 64 N. Broad St., Lititz, disposed of the undelivered mail last month at a Manheim car wash months after leaving his job as a carrier, Manheim Borough police said.

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The mail - postmarked between Aug. 30 and Sept. 20 - was supposed to reach nearly half of the 142 homes at Rosewood Terrace in Bridgeport.

Officer David Carpenter of Manheim Borough police said he filed two misdemeanor charges against Reincke - obstruction of law enforcement and other government agencies and receiving stolen property.

Reincke has been summoned to court, via mail, and police are waiting to hear from him, Carpenter said.

"We have not had a chance to talk to him," he said. "He hasn't been available to be contacted."

Bob Graybill, owner of the car wash, found the discarded mail last month in a trash can at his business.

He reported it to the postal service, which contacted its law-enforcement branch - the U.S. Postal Inspection Service. Authorities there contacted Manheim Borough police.

"We get complaints from people from time to time that their mail has been stolen," Carpenter said. "But never this many pieces."

Investigators said Reincke was a carrier for Platinum Logistics, a contractor for the postal service,

Platinum Logistics delivers mail to rural areas near Lancaster city, including Rosewood Terrace.

Police were able to identify the suspect when officials from the company "determined who would have delivered on that route," Carpenter said.

Reincke worked for Platinum Logistics until Sept. 22, when "he walked off the job, and they never saw him again," Carpenter said.

The discarded mail was intended for about 60 homes in Rosewood Terrace, police said.

A manager for the housing development said Wednesday she received no complaints from tenants for undelivered or lost mail.

The mail included more than 100 pieces of "junk mail" - such as coupon books and advertisements - and 77 pieces of first-class mail, investigators said.

Three of the first-class envelopes contained checks.

Carpenter said some letters were opened when Graybill found them.

Investigators suspect Reincke had the mail for months, until he cleaned out his vehicle at Graybill's car wash.

E-mail Brett Hambright at bhambright@Inpnews.com.

# TRASHED: 200 pieces of mail

By Cindy Stauffer Section: A Page: A1 Lancaster New Era (PA)

Published: February 7, 2007

LANCASTER COUNTY, PA - When Bob Graybill saw the full trash can at his Manheim car wash last month, he thought, hmmm, that's odd. The can was filled with addressed envelopes, fliers and bundles of coupon magazines.

He looked further and said, "I saw what looked like somebody's possible bill from the hospital."

What Graybill had stumbled on was about 200 pieces of mail that police say was dumped there by a mail delivery contractor who walked off the job last fail.

Police have filed charges against Frederick S. Reincke, 64 N. Broad St., Lititz, of receiving stolen property and obstructing the administration of a governmental function.

Reincke, 30, who is not yet in custody, possibly faces other charges in the investigation, which is ongoing.

The mail was postmarked between Aug. 30 and Sept. 20, 2006, and was supposed to be delivered to people who live in Rosewood Terrace, a townhouse and apartment development located between Routes 462 and 340 in the Bridgeport area of East Lampeter Township.

Police and a federal postal inspector said the case is a rare one.

Manheim Borough Police Chief Barry Weidman said his department occasionally investigates incidents of possible theft of mail from mailboxes. But in his 28 years at the force he can't remember a case where hundreds of pieces of mail were involved.

Postal inspector Louis Dirienzo, based in Harrisburg, said his office more commonly investigates cases of identity theft that occurs through the mail.

That doesn't appear to be an issue in this case.

"It's all pretty intact," he said of the mail discovered at the car wash.

Reincke worked for Platinum Logistics, a contractor that works for the postal service. About two of 370 city and rural routes are delivered by contractors, said a spokesman for the postal service.

A Platinum official told police that the mail in question was from a route that **Reincke** delivered and that he had walked off his job around Sept. 22, according to the criminal complaint in the case.

Court records show that **Reincke** has had previous brushes with the law, including arrests in 2002 and 2003 for drug paraphernalia possession, disorderly conduct and driving under the influence.

Why Reincke held onto the mail for four months is somewhat of a mystery.

"It looks like he just didn't want to deliver the mail anymore," Dirienzo said. "It was just dumped. He probably was cleaning out his car."

The mail was supposed to be delivered to about 60 addresses, Dirienzo said. About three-quarters of the mail was filers, advertisements and other items commonly considered junk mail.

But there also were 77 pieces of first-class mail in the trash can, including three that contained checks. There also were four greeting cards that were opened.

Dirienzo believes that Reincke may have been looking for cash in those. A package, marked undeliverable, also was opened.

People affected by the mail problem will receive letters, along with the mail that never made it to them last fall. Some of them may not know they were affected by the problem, as Dirienzo said he did not receive complaints from anyone on the route about missed mail.

The investigation will continue, he said.

"We take this very seriously," he said. "When this happens, we drop everything and put all of our resources into investigating the guy."

As for Graybill, he's still shaking his head over his unusual find at the Manheim Carwash, located at 240 S. Main St., Manheim. Weidman said he's glad that Graybill noticed it and took the time to contact authorities.

Graybill said he finds all kinds of items in the car wash trash cans, all the flotsam and jetsam that people clean out of their cars and trucks. Last weekend, there was a bloody tarp from a deer carcass.

"About the only thing I never found there was dead bodies," he said.

CONTACT US: cstauffer@LNPnews.com or 481-6024

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# Ex-mayor pleads guilty to fixing election

Other Appalachia ex-officials also plead guilty in the scheme BY REX BOWMAN TIMES-DISPATCH STAFF WRITER Friday, December 1, 2006

WISE -- A former mayor of Appalachia pleaded guilty yesterday to rigging a local election in a scheme exposed when one voter complained she was offered a bribe of pork rinds.

Culminating a scandal that has brought shame and ridicule upon the little town (pop. 1,839), Ben Cooper pleaded guilty in Wise County Circuit Court to 233 felony counts involving vote fraud during the May 2004 Town Council election. A judge also convicted Cooper of 10 additional counts to which he had pleaded no contest.

In the same courtroom, seven more people, including some of the town's most prominent residents, pleaded quilty to their roles in helping fix the election in Cooper's favor.

Cooper, who turned 64 yesterday, is to be sentenced Jan. 9. He faces more than \$85,000 in court fees and, under state sentencing guidelines, up to 21 months in jail.

"I think he feels terrible about the whole incident," said Cooper's attorney, Patti Church, after the court hearing.

Judge Tammy McElyea sentenced none of the seven others to jail, giving them probation instead and ordering them to pay restitution ranging from \$500 to \$2,500. Two were sentenced to 60 days of house arrest each.

Those who pleaded guilty included a former town police captain, a leader of the local rescue squad, a former Town Hall employee and two uncles of a former town councilman who's charged with taking part in the election-stealing effort.

Seven more, including the former town councilman, still face charges. Four of them have agreed to plead guilty, and a prosecutor said yesterday that charges against the other three could be dropped, bringing an end to what has been one of the biggest public-corruption scandals in Wise County history.

After Cooper pleaded guilty, Church took umbrage with a prosecutor's description of Cooper as a mastermind in the mold of Boss Hogg, the cantankerous political chief from television's "Dukes of Hazzard." Cooper, Church said, was just one of many participants in the scheme to stuff the ballot box with forged absentee ballots.

"This is not really a case of Boss Hogg; it looks, really, like Larry, Moe and Curly," she said, referring to the Three Stooges.

Prosecutors have asserted that the election scheme's aim was to win election for Cooper and

candidate Owen Anderson "Andy" Sharrett III so that they could run the town to their liking. Both men won council seats during the election but stepped down after they were indicted in March. In between, Cooper was elected mayor by the council.

One part of the scheme involved bribing people to vote by offering them booze, cigarettes, prescription medication and snacks. The other part of the scheme involved forging absentee ballots. According to special prosecutor Tim McAfee, candidates persuaded people to apply for absentee ballots, and when the registrar mailed the ballots, they were intercepted at the post office.

Votes for Cooper and Sharrett were cast on the ballots, the voters' signatures were forged, and the voters' Social Security numbers -- available to Sharrett's mother, who worked at Town Hall -- were written in.

Of the numerous people indicted in the scheme, only one, former mail carrier Don Estridge, faced a jury. He was found guilty and is to be sentenced Jan. 11.

Those who pleaded guilty yesterday are: Belinda Sharrett, 53, who is Andy Sharrett's mother and a former employee at Town Hall; Dennis M. Sharrett, 47, and Kevin L. Sharrett, 38, both uncles of Andy Sharrett; Jamie Fritz, 32, a contract carrier with the U.S. Postal Service in Appalachia; Michael Varner, 49, a member of the local rescue squad; and Rex Bush, 73, brother of the councilman/mayor who was ousted in the May 2004 election.

Former Councilman Andy Sharrett, his brother Adam Sharrett and their father, "Dude" Sharrett, former parks and recreation manager in Appalachia, plan to plead guilty Jan. 25, according to court documents.

Contact staff writer Rex Bowman at <a href="mailto:rbowman@timesdispatch.com">rbowman@timesdispatch.com</a> or (540) 344-3612.

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# USPS Contracting Out Mail Delivery

PostalMag.com, 2/27/2007

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mail delivery to the private sector. This move by the USPS is going largely unnoticed in the postal world, though the National Association of Letter Carriers (NALC) has been fighting the encroachment behind the scenes, but to little avail. Reportedly, the contracting out issue doomed a recent NALC/USPS contract agreement. According to feedback received at PostalMag.com, the USPS is becoming more aggressive in contracting out

(HCRs). In the past, HCRs were restricted to sparsely populated areas with a density of less than one customer The USPS is expanding the contracting out of mail delivery through the use of Highway Contract Routes per mile driven. However, the USPS revised its policies in 2003:

POSTAL BULLETIN 22110 (9-4-03)

MilitarySpot.com

Workplace Shopping

Uniforms

Weather

Highway Contract Service

Shop at hundreds of 

trusted online

Effective September 4, 2003, the Postal Operations Manual (POM) is revised incorporate these revisions into the printed version of POM 10 and also into slightly to clarify language regarding Highway Contract Service. We will the online version of the POM.

532 Types of Service

532.1 General

Revise the last sentence of the paragraph by deleting the last four words, "in sparsely populated areas," to read as follows:

"Box delivery routes are similar to rural delivery service and provide home or business delivery of mail."

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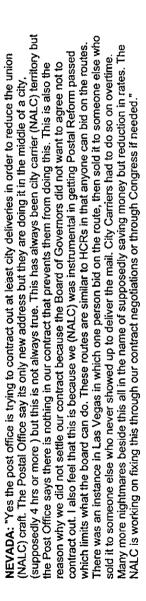
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immediately started receiving feedback from different areas of the country that the USPS is indeed using HCRs Having heard little on the subject ourselves, we asked readers of PostalMag.com what they knew. We to contract out mail delivery. Here is some of the feedback: WASHINGTON: "The USPS is putting contract delivery routes in cities like Puyallup, WA, population 35,6901 The local NALC branch has been notified that 300 townhouses in one new subdivision will be delivered by a contract carrier. This is NOT a sparsely populated area. The streets have sidewalks and the townhouses are close together.



ARIZONA: "Just letting you know i am in a level 20 office in Maricopa, AZ one of the fastest growing cities in the U.S. All routes from now on in our office are becoming HCR. We are talking new communities with 1000 to 3000 new homes per community. Already talked to state steward they said there is nothing that can be done this is coming down from the national level. Hard to get new subs they see no future unless 1 of us

FLORIDA: "I deliver mail out of the Hollywood, Florida area. Hollywood has 8 branches, which they deliver to have about 3 contract routes now. One of the contract routes which is out of the 33025 zip code, has had 3 carriers on there over the first 5 months, I think someone owns the route and hires the people to deliver the the following cities, Hollywood, Pembroke Pines, Cooper City, and the Miramar area. Hollywood facilities

Also down in the Hollywood Beach area, they are building at least 8-10 building on the beach with around 600 apartments inside. All those are going to be contracted out. Hollywood has around 152,000 residents, Miramar is growing so fast I could only guess (100,000), Cooper City has around 31,000 residents, and Pembroke Pines has 151,000 residents.

There is really no rural areas left, they have built all the way to the Everglades. All these cities are on the south end of Broward County FL." LOCATION NOT KNOWN: "YOU BETTER BELIEVE they have started this crap. In my district the PM has to go to the district before any new developments get delivery. If it's over 40 units it is getting contracted out. I



know of one new development that should be rural delivery that is being contracted out. When finished this will have near 1,000 new deliveries. I understand it will be broken into 2 contracts.

Look for identity and mail theft to go through the roof. There is nothing to stop a confractor from "subcontracting" his route to some illegal and pay him as little as possible.

The public is clueless on this. Hopefully NALC will get congressional help to stop this travesty.

Every supervisor and PM I have talked to says this is a BAD IDEA."

almost certain the USPS wants ONE contractor per area (meaning facility or zip code) that then hires several individuals to work for him. That reduces the USPS Supply Dept's workload supervising contractors as there WASHINGTON: "I've heard that a separate contractor for each box delivery route isn't working well. I'm would be fewer of them.

daughter, etc). One drives on the left and one sits on the right stuffing mailboxes. Would city carriers like working in teams if they could? It would be like "Amazing Race" in each office. Some contract box delivery routes are manned with couples (husband & wife, father & son, mother &

Unlike city carriers, contractors don't have to set their brakes, turn off the ignition, lock their doors or turn their front wheels constantly. The manual they follow is Handbook P-5, Highway Contract Routes." http://www.usps.com/cpim/ftp/hand/p5/

Don Cheney

# OREGON:

Letter carriers protest plan for Beaverton-area contractor

union. In a letter to the union, Beaverton Postmaster John Lee said the agency thinks it can save \$33,878 a year by using a contractor to serve the growing subdivision." Beaverton: Stop Contracting Out - Join The Picket Line March 15 (PDF) - Guest Opinion: Mail delivery shouldn't be contracted out Beaverton, a move that is believed to be a first for the Portland area but is criticized by the letter carriers' The U.S. Postal Service plans to hire a contractor to deliver mail in the Arbor Parc subdivision north of

mailing company called Herrington. This delivery has ALWAYS been delivered by an RCA, and since about 2 few weeks ago, no HCR'S. Ours is not your traditional HCR and that should scare all of us. We have a direct whole job has now been bid out and is an HCR of sorts. Not a real "route" but a lot of different jobs that gave LONDONDERRY, NEW HAMPSHIRE: Rural Carrier: "We have 19 rural routes in our office, and until just a subs hours. Now we have someone doing this Mon-Fri who hasn't a clue. There has been a grievance filed by both the NRLCA and the clerks union on this HCR." collections in town. This was about an eight hour day for a sub, although it was a split shift type deal. This years ago, they also took care of the Express by noontime pieces. They also in the evening did the

PostalMag asked for clarification on several points in the above submission. The response:

"Yes, all the express we receive in the am is now delivered by the HCR. We only see it for second attempts.

HCR person drives a new SUV and makes many trips everyday to this business. This is a Mon-Fri job for this large catalog company that has MANY parcel returns, sometimes as many as 4 full LLV's full (Mondays) The person, usually 7 to 8 hours per day, money out of the RCA's pockets. I can't wait to see what happens the All pm collection boxes and 2 postal stores (like mailboxes etc) are picked up by the HCR. Herrington is a first time this person doesn't show up for work."

USPS memo indicates new growth in area will be contracted out to a CDS (Contract Delivery Service Route or Contract Delivery Supplier), which appears to be similar to an HCR:

Service has implemented that all new growth will be entered on CDS routes. Therefore Mid-America is going copy xxx xxxxx. AMS will need to create a CDS (H000) route to put this future growth on in your office. Then needed. A 4003 will then need to be created in order for xxx to send to the Area to request a contract for this Supervisors are going to have to be pro-active and contact xxx xxxxx and xxx xxxxx when they need a CDS route established. Contact your city or county and get projected new growth, plat maps and addresses prior to development in your Delivery area/ZIP. If you have new subdivisions/phases/highrises/developments or you will need to send AMS at the address list, include the delivery mode, business/residential and cell size "The most cost effective method of delivering mail is a CDS (Contract Delivery Service Route). The Postal to comply. Below is Clarification for all future growth in Mid America. Postmasters, Station Managers and substantial new future growth that will result in at least 1 hour within the next year, contact xxx xxxxx and

New deliveries added to a CDS route do NOT need Area approval.

add single delivery points to a city or rural route, you must answer the following questions for each delivery New deliveries added to existing HCR routes do NOT need Area approval NEW ADDRESSES ON CITY OR RURAL ROUTES NEED TO BE APPROVED BY AREA- If you need to

point you request to add to a city or rural route.

1.1s this a single delivery point that is NOT part of a new subdivision/phases/highrise/development or substantial new future growth that will result in at least 1 hour within the next year?

2.Does the carrier already deliver this block range?

3.1s this in the carriers existing line of travel?

4.HOW MANY NEW DELIVERIES DO YOU ANTICIPATE IN YOUR DELIVERY AREAZIP WITHIN THE NEXT YEAR?"

(Source: Message by unknown person on a rural carrier message board.)

PostalMag.com note: The Mid America USPS district is located in Missouri. See these job notices posted at CraigsList.org

- Contract Delivery Supplier wanted by USPS in Kansas City, Kansas Contract Delivery Supplier wanted by USPS in Springfield, Missouri

If you have information on the subject please send to contact@postalmag.com. Thanks to the readers who responded with the information above.

# Related information:

- USPS Contract Delivery Service
- Spokane, WA, Job Listing: Be an INDEPENDENT CONTRACTOR for the USPS

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# United States Attorney's Office Eastern District of Pennsylvania

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UNITED STATES ATTORNEY'S OFFICE NEWS RELEASE

the filing of a one-count Information\* charging CHARLES LAWRENCE, a former United States Postal Service contract carrier, with making false claims that resulted in overpayments to him in January 12, 2006- PHILADELPHIA - United States Attorney Patrick L. Meehan today announced the amount of \$120,468.56.

DEFENDANT
CHARLES LAWRENCE

If convicted, defendant faces a maximum 5 years imprisonment, up to 3 years of supervised release, a \$250,000 fine and a \$100 special assessment.

The case was an investigated by the United States Postal Service, Office of Inspector General. The case has been assigned to Assistant United States Attorney Todd Schulman.

UNITED STATES ATTORNEY'S OFFICE EASTERN DISTRICT, PENNSYLVANIA	O  02
Suite 1250, 615 Chestnut Street Philadelphia, PA 19106	Žά

# \*An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

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Philly Burbs.com

Burlington County Times

# Area postal worker charged Charles Lawrence, who delivered mail near New Hope, is accused of cheating the U.S. Postal Service of more than \$120,000.

By: Pamela Batzel

THE INTELLIGENCER Date: January 14, 2006 Page: A1 Section: News

A former New Hope area postal worker doctored mileage reimbursement forms, cheating the U.S. Postal Service of more than \$120,000, according to the U.S. Attorney's Office.

**Charles Lawrence**, 47, of Lahaska, altered his mileage 12 times between November 2001 and November 2002, resulting in his getting reimbursed for 35,900 miles instead of the 1,841 miles his supervisor approved, according to prosecutors.

As a contract carrier for the post office, **Lawrence** used his own vehicle. The reimbursement was to pay him for miles traveled in addition to his normal route.

On one occasion in the fall of 2002, he altered a mileage submission form after a supervisor signed it, receiving \$13,282 in overpayment, the office charged this week.

In total, he received overpayments totaling \$120,468.56, according to the office.

**Lawrence** could face up to five years in prison if convicted. He also could face a \$250,000 fine and three years of probation, according to prosecutors. The charge was filed in Philadelphia U.S. District Court.

The Federal Defenders Office in Philadelphia is representing **Lawrence**. His attorney, Kai Scott, could not be reached for comment Friday.

Jim Holland, postmaster at the New Hope Post Office, referred all questions concerning the case to the U.S. Attorney's Office.

Pamela Batzel can be reached at (215) 345-3062 or pbatzel@phillyBurbs.com.

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Date: Page 1 of 1

Date: 4/18/2006

Cases: Numerous

Type of Incident: Mail & ID Theft by Mail Carrier

Location: Capitola Mall, Bonny Doon Area

Date/Time of Occurrence: March-April 9, 2006

Suspect information: Silva, Jeri Leann (AKA, Creyssels, Jeri), DOB 6/19/71,

Santa Cruz

Victims: Estimated to be 12 Bonny Doon home owners, Five currently established

## **Description of Incident:**

On 04/07/2006, Santa Cruz County Sheriff's Deputy Shawna Brim began investigating a case of identity theft wherein Jeri Silva (34) was suspect in using a stolen credit card to purchase merchandise at the Capitola Mall on more than one occasion. The victim lived in the Bonny Doon area. It was later learned that Silva was employed with the U.S. Postal Service as a substitute highway contract driver, entrusted to deliver mail in the Bonny Doon area. On 4/9/06, Capitola Police met Silva at the Capitola Mall following her attempt to use another person's stolen credit card to purchase items. Found in Silva's possession were checkbooks, credit cards and bank statements belonging to 12 different persons, all who reside in the Bonny Doon area. Silva was arrested and taken to jail. The Santa Cruz County Sheriff's Office, Capitola Police Department and the U.S. Postal Service are working together in this investigation which involves contacting many victims. Five victims have currently been established. The U.S. Postal Service removed Silva as a letter carrier following her arrest. On 4/9/2006, Silva was released from jail. Further investigation into the total number of victims is ongoing to complete the investigation.

A suspect photo will be made available after formal charges are filed by the DAO.

# THE ASPEN TIMES

# Ex-carrier gets probation for tossing mail

By Rick Carroll
Aspen, CO Colorado
March 5, 2007

A former postal carrier who threw away nearly 1,500 items of mail intended for Aspen Village residents has been sentenced to one year of probation as part of a plea agreement.

Glenwood Springs resident Vickie Ann Walker pleaded guilty to "obstruction of mail," a federal misdemeanor, on Feb. 23. Last week, U.S. Magistrate Judge Boyd N. Boland gave Walker one year of unsupervised probation.

Walker had faced a maximum term of no more than six months imprisonment and a fine no higher than \$5,000. But the plea agreement stated that "the United States Sentencing Guidelines do not apply" because Walker pleaded guilty.

"The parties believe the sentencing range resulting from the proposed agreement is appropriate," the plea agreement said, adding that "the defendant has no criminal history."

Walker was fired from her <u>contract delivery job</u> in June after allegations surfaced that she had been trashing mail. She was not a full-time postal carrier. The Aspen post office had hired Walker to deliver mail to Aspen Village, a neighborhood of some 150 residences in the Old Snowmass area.

Authorities learned about Walker after Aspen Village resident Ned Carter discovered 150 pieces of dumped mail. Further investigation by U.S. postal inspectors determined that from Dec. 29, 2005, to June 22, 2006, Walker had tossed 1,436 items of mail, including 91 first-class mailings, according to court documents.

Walker admitted she had thrown away mail but said she did not intend to toss first-class pieces, according to court papers.

"[Walker] stated that many of the mail boxes in the Aspen Village area had become full of mail because the addresses had not been regularly retrieving their mail from their mail boxes," the plea agreement said. "The defendant admitted that she threw away standard and bulk mail but indicated that she did not intentionally throw away items of first class mail.

"She acknowledged that the mail that had been thrown away by her should have been returned to the post office. When shown the items of first class mail that had been discovered in the trash can, she stated that she had not thrown the first class away knowingly. The defendant stated that the first class letters 'just got mixed in,' that she did not do it in purpose."

Walker, court papers say, also threw away some college books intended for delivery.

Walker could not be reached for comment last week.

Rick Carroll can be reached atrcarroll@aspentimes.com.

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News I

# You've Got Mail

But it isn't always the U.S. Postal Service delivering it.

BY CHRISTIAN GASTON



IMAGE: thomas cobb

Mail delivery finally came Monday to a west-side housing development after a two-month search for a private contractor by the U.S. Postal Service that even included posting a query on Craigslist. The Postal Service's hunt to outsource delivery for about 190 addresses north of Beaverton is part of what critics believe is a worrisome trend toward privatization. They question the security of a federal agency seeking the lowest bidder to handle the responsibility of delivering sensitive items such as prescription drugs, utility bills and replacement debit cards. "It's important to preserve the U.S. Postal Service as the nation's universal mail provider and not be tempted by risky privatization plans," says U.S. Sen. Ron Wyden (D-Ore.). Branch 82 of the National Association of Letter Carriers is planning an informational picket at 5 pm Thursday, March 15 at the Beaverton post office (4550 SW Betts Ave.) to protest the decision to outsource delivery in the Arbor Parc development north of Sunset Highway. Union officials are also planning to file a formal grievance against the decision by Beaverton Postmaster John Lee to contract for mail delivery in the development. And Branch 82 president L.C. Hansen predicts the privatization of delivery will move from suburban developments, like Arbor Parc in the Bethany area, to infill housing in Portland. The Postal Service views outsourcing as a good way to save money, as presidential appointees

to the Postal Service's board of governors have pushed hard for more cost-cutting. In a Jan. 29 letter to the union, Lee wrote that he expected to save \$33,878 a year by outsourcing mail service to Arbor Parc. "As we're establishing more delivery in these really high-growth areas all over the country, they're looking at establishing contract delivery," says Kerry Jeffrey, a spokesman for the Postal Service's Portland district, which includes Beaverton. "There may be some other parts of the country where they're being very aggressive," Jeffrey says. "But...we're just looking at new deliveries as they come online." Paul Price, national business agent for the letter carriers union, says there have been security breaches with outsourcing, including an instance in Florida where a felon was awarded a delivery contract using his 12-year-old son's name. Jeffrey refused to Identify the contractor for Arbor Parc but could not point to any rule that precludes disclosing that information. The Craigslist posting said applicants had to be 21, have an acceptable driving record and be financially responsible. Jeffrey says contractors also go through a criminal background check. About 900 of the 200,000 addresses in Washington County receive delivery service from private contractors. Similar numbers weren't immediately available for Multnomah County. Arbor Parc resident Mike Montague doesn't like the idea of "any old person" delivering mail to his \$300,000 townhouse. "You can trust the [Postal Service] guys to not rustle through your stuff," says Montague, who before Monday had to make a 10-minute drive to the post office at least twice a week to pick up his mail. "It's kind of a sacred service." Drew Von Bergen, spokesman for the letter carriers union, says contractors have been used nationwide since the 1970s to deliver mail to remote locations. But Von Bergen says it was employed only rarely, when a traditional mail route didn't make sense because it was "on top of a mountain or something." As Metro designates another 800 acres of rural land within the urban growth boundary to be developed into homes, opponents of outsourcing delivery fear those new suburbs will get contract delivery that was once reserved for the most rural parts of America. "If they choose to do it for Arbor Parc, there's another Arbor development coming along," says Mary Manseau, chairman of a Washington County planning committee that serves Bethany, "And then there's the other 800 acres after that."

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Going postal

Look what's in an already-controversial mail delivery contract.

BY CHRISTIAN GASTON



Mossage delivered. Letter carriers are protesting the increased use of contractors to deliver the mail. IMAGE: Photo courtesy of National Association of Letter Carriers

Beaverton Postmaster John Lee told the letter carrier's union in January that he was hiring a contractor for delivery in a Beaverton-area suburb because he thought it could save \$33,878 a year ("You've Got Mail," WW, March 14, 2007). But that's hard to believe given that records show the contractor, Christopher Onuliak, is getting \$12,279 for a four-month "emergency contract." That means Onuliak is netting \$118 for each day of delivery to 20 mailboxes in the Arbor Parc suburb. "That doesn't sound cheaper than having a city carrier deliver those, which would take them about 15 minutes," says Linda Smith, secretary treasurer for Branch 82 of the National Association of Letter Carriers, "There's a letter carrier that drives right by there that should be making those deliveries." Kerry Jeffrey, Portland spokesman for the U.S. Postal Service, isn't sure of the current numbers of Arbor Parc deliveries but expects that number will expand and that the postal service will save money. He would not provide specifics of those savings. "It's kind of tough to do an apple-and-orange with a contract route and regular street delivery," Jeffrey says. "It might be a good deal [for the contractor] right at the beginning." The deal is also a family affair. Onuliak is the son of Mike Onuliak, a manager at the Beaverton post office. That's allowed as long as Christopher Onuliak is over 21 and not living at home, according to USPS internal purchasing guidelines. Records show Onuliak is 22 and with a different address than Michael Onuliak. "It really shocks me that a relative of that supervisor has that contract," says Paul Price, national business agent for the letter carriers union. Jeffrey says there's no conflict with the post office's nepotism rules. Contract negotiations were done in the USPS's Seattle office and Christopher Onuliak is a contractor who answers to different managers, not working directly beneath his father. "We all have relatives that work in different facets of the post office." Jeffrey says. "There's an old joke about providing full-family employment." Union officials are

steamed over the contracted delivery in Arbor Parc because they see it as the first local occurrence of a nationwide push by the USPS to broaden outsourced mail delivery beyond its traditional use in remote locations. The union-management fight has escalated since the recent decision to outsource 10 routes in Reno, Nev., previously delivered by full-time carriers. Those routes were outsourced after management failed to receive bids from full-time employees. "What normally happens when a route does not get bid is they promote a part-time employee and make them a full-time employee," Smith says, "so for them to take routes that do not get bid and to contract them out is a major development." Smith says the union's Postal Operation Manual previously allowed outsourcing delivery only in "sparsely populated" areas. But the union says USPS took out that language, a decision that became apparent when more routes began being contracted out in late 2006. USPS's Jeffrey says the post office is trying to maintain its current service level by saving money when there are 1.2 million new delivery points each year. Jeffrey says the post office expects the contract in Arbor Parc to eventually include 370 addresses, and that postal officials are looking at new developments in Orenco as possible sites for more contract routes. "It depends on how much development goes on and the economy," Jeffrey says. "Ultimately it could be a few thousand deliveries."

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