

# US Postal Service plans to cut 220,000 jobs

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The United States Postal Service (USPS) has informed its employees that it plans to eliminate 220,000 jobs by 2015, slashing its current workforce by more than a third. It is also seeking to withdraw from the federal pension and health benefit systems and set up its own lower-cost programs.

In two documents obtained Thursday by the *Washington Post*, the Postal Service justifies these sweeping attacks on postal workers with the claim that it is facing imminent insolvency. In a document entitled “Workforce Optimization,” the USPS states that to reduce its full-time workforce to 425,000 by 2015, it will have to lay off 120,000 workers in addition to achieving 100,000 job cuts through attrition.

To accomplish this, the Postal Service is asking Congress to override its labor contracts with the four postal unions and permanently eliminate their no-layoff provisions. The no-layoff guarantee, despite having been watered down in concessionary contracts pushed through by the unions, remains the major conquest achieved by postal workers as a result of a nationwide wildcat strike in 1970.

The USPS document states: “The Postal Service needs the ability to right size its workforce without being limited by the layoff protections in the collective bargaining agreements.” Under the heading “The Solution,” it declares: “Collective bargaining agreements would be prohibited from having no lay-off clauses. Issues related to lay-off and reassignment to lower levels would be removed as subjects for collective bargaining.”

These proposals represent a historic assault on over 600,000 active and 400,000 retired postal workers. Their impact would seriously worsen the jobs crisis in the US and throw the economy deeper into recession. They would, moreover, set a precedent for similar attacks on all federal government employees.

They are the culmination of years of intensifying

attacks on postal workers and cutbacks in services to the public. The USPS has slashed its workforce by 212,000 positions over the past decade. Only 12 years ago, in 1999, the Postal Service employed 804,000 workers.

Last month it identified 3,700 post offices it is considering closing. Earlier this year it asked Congress to allow it to deliver mail five days a week instead of six and to lift a requirement that it pre-fund retiree health benefits. In June, it unilaterally, in violation of its legal mandate, stopped making pre-payments into the retiree health insurance fund. The postal unions offered no resistance to these attacks.

In its statement to employees, the USPS made clear that its figure of 425,000 workers by 2015 assumes the elimination of Saturday mail delivery and “includes approximately 30 percent lower cost, more flexible non-career employees.”

Postmaster General Patrick Donahoe claims that the USPS has lost \$20 billion over the past four years and mail volume has declined 20 percent. He says the federal agency, which is self-financing and receives no subsidies from the federal government, lost \$8.5 billion in fiscal year 2010 and will have lost another \$9 billion by the end of the current fiscal year in September.

The “Workforce Optimization” document declares that the Postal Service will be insolvent by next month. It states: “If the Postal Service was a private sector business, it would have filed for bankruptcy and utilized the reorganization process to restructure its labor agreements to reflect the new financial reality.”

In a second document entitled “Financial Crisis Calls for Significant Actions” the USPS argues that it must rein in employee health benefit and pensions costs, which comprise a third of its labor expenses. Making clear that it intends to slash health and pension benefits or compel workers to increase their contributions, the Postal Service states that the current programs do not

meet “the private sector comparability standard.”

The timing of the documents is particularly provocative, coming only days before the official opening of contract talks between the USPS and the National Association of Letter Carriers (NALC), the second largest of the four postal unions. NALC President Fredric Rolando denounced the proposals, saying, “The issues of layoff protection and health benefits are specifically covered by our contract... The Congress of the United States does not engage in contract negotiations with unions and we do not believe they are about to do so.”

American Postal Workers Union (APWU) President Cliff Guffey said, “The APWU will vehemently oppose any attempt to destroy the collective bargaining rights of postal employees or tamper with our recently negotiated contract—whether by postal management or members of Congress.”

These words carry little weight. Just last March, the APWU, the largest of the four unions, with a membership of 212,000 (down from 336,000 in 1997), signed a contract granting massive concessions to the Postal Service.

The agreement gave up the no-layoff provision for new-hires. It accepted President Obama’s two-year wage freeze on federal workers as well as an increase in employee contributions to the health care plan. It established a lower wage scale for new-hires, amounting to wage cuts of 12 percent to 26 percent, depending on job classification.

At the same time, the contract contained provisions to shore up the dues base of the APWU bureaucracy. It established a new category of workers, “Non-Career Assistants,” incorporating the previous “Casuals and Temporary” category, with the difference that workers in the new category are eligible to join the union and pay dues. Another provision shifted 9,000 jobs from contractors and management to APWU-represented personnel.

The collusion of the unions with postal management was summed up in an interview given by Donahoe with the *Washington Post* in January, in which the postmaster general said, “We’ve reduced headcount by 225,000 since the year 2000. There are very few labor unions in the world that wouldn’t be jumping up and down ranting and raving about that.”

Two members of Congress who have promoted bills

that would enable the Postal Service to cut costs at the workers’ expense, Congressman Darrell Issa (Republican from California) and Senator Thomas Carper (Democrat from Delaware), responded to the USPS call for Congress to rip up union contracts and eliminate the no-layoff clause.

Issa, the chairman of the House Oversight and Government Reform Committee and an open enemy of postal workers, said: “These new ideas from the Postal Service are worth exploring. Options for reform and cost savings that will protect taxpayers from paying for a bailout, now or in the future, need to be on the table.”

Carper did not reject the proposal. A spokeswoman said, “He is particularly interested in learning whether these proposals would be fair to employees and effective in reducing the Postal Service’s costs.”

This suggested that Carper might seek to work out a counterproposal in consultation with the unions that would impose major cuts in postal workers’ health benefits and pensions while reducing the scale of the layoffs so as to lessen the hit to the unions’ dues base and the income flowing to union officials.

Carper has sponsored a bill that would allow the Postal Service to close post offices for financial reasons, something prohibited under current law, permit a reduction to five-day mail delivery (eliminating an estimated 40,000 jobs), and divert funds from the USPS pension system to its health benefit fund.



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