

United States Postal Service ends negotiations with two unions

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Contract negotiations between the United States Postal Service (USPS) and two of its unions, the National Association of Letter Carriers (NALC) and the National Postal Mail Handlers Union (NPMHU) ended last Friday with the USPS rejecting any further extensions to bargaining.

According to the NALC web site, “The USPS declined to extend collective-bargaining negotiations with the NALC, triggering an impasse that will automatically send the matter to mediation.” If mediation proves unsuccessful the next step is arbitration under a supposedly “neutral” arbitrator. Postal employees are legally prohibited from striking.

Both unions’ contracts expired last November without a new agreement after several months of negotiations failed to arrive at a replacement. Since then the parties have extended negotiations three times.

Three postal unions’ contracts have now expired without new agreements to replace them. The National Rural Letter Carriers Association (NRLCA) reached an impasse in its negotiations in November of 2010 and, after the failure of mediation efforts, is currently in arbitration.

The rural carriers’ union blamed draconian concession demands by the USPS for forcing arbitration. Among other demands, the USPS is calling for a wage freeze, benefit cuts—including the termination of cost-of-living adjustments, as well as a two-tier wage scale, with new hires being paid substantially less than current carriers.

These are the concessions already made by the clerks’ union, the American Postal Workers Union (APWU), in their contract signed last March. The Postal Service stated then that they would save \$3.8 billion over the four-year life of the contract. (See US

Postal union signs concessions contract).

The WSWs warned at that time, “The proposed contract represents a far reaching attack on the jobs, wages, and benefits of postal workers represented by the APWU and will be used by the USPS to press its other craft employees for substantial concessions.”

This warning has now taken on flesh. The willingness of the USPS to force negotiations toward arbitration arises directly out of the concessions-laden contract accepted by the APWU last March. USPS negotiators simply have to point out to an arbitrator that forty percent of total craft employees have “consented” to work under a substandard contract. There was, however, tremendous opposition to the contract among rank-and-file members. The yes vote, in which only a little over 50 percent participated, represented a fear that arbitration would deliver even worse, a fear that APWU President Cliff Guffey tirelessly fanned.

Tony Vegliante, USPS chief human resources officer and executive vice president, stated before negotiations began with the NALC and the NPMHU last August, “To remain solvent, we must negotiate contracts that address our total labor costs and enable us to downsize quickly to adjust to America’s changing mailing needs while being fair to our customers and employees.”

Between 2007 and 2010 the Postal Service suffered a net loss of a little over \$20 billion, which included a loss of \$8.5 billion amid warnings that it would run out of cash by the end of fiscal year 2011 and become effectively insolvent.

Last December the USPS announced plans to shutter over half of its mail processing centers, eliminate 28,000 jobs and end overnight delivery of first-class mail. It later declared a five month moratorium to these plans, supposedly to give Congress time to work out a solution.

These cutbacks are part of a larger plan to drastically shrink the Postal Service. The plan calls for cutting the work force by 220,000 from its current 525,000 employees, close 3,700 local post offices and end Saturday mail delivery. Postmaster General Patrick Donahoe claimed that these measures will save \$20 billion by 2015.

Between 1997 and 2010 total craft employment fell nearly 25 percent, from 679,559 to 525,924 thousand. During the same time period non-career employees (employees with no benefits) more than doubled from 6.1 percent of the workforce to 12.9 percent.

The role of the four postal unions in the wholesale destruction of jobs was summed up in an interview given by Donahoe with the *Washington Post* last 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.”

Indicative of the sentiment increasingly common among postal workers was a comment left on Postalnews Blog by a city carrier. “More precisely, the question would seem to be, ‘What are we giving up in this next contract?’ [NALC President Frederic] Rolando keeps floating the single-option health care plan, and anytime he uses the code words, ‘... innovative, professional and productive,’ carriers are advised to worry...How does the ‘innovative’ idea of a two-tiered wage schedule strike you, given the nature and history of this union in particular, and the labor movement through the 20th century? The Postal Service has stated its goal of achieving a five-day work week ... What do we as a group think the NALC leadership could possibly offer in return for a guaranteed six-day work week in order to protect the union’s revenue stream?”



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