

# Concessions contract imposed by arbitrator on US postal union

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A contract was imposed July 3 on the National Rural Letter Carriers Association (NRLCA), the second smallest union in the United States Postal Service (USPS), through binding arbitration. The contract, which tears apart wages, benefits and working conditions, was brought down by the chairman of the arbitration board, Jack Clarke, with “yes” votes by both the union and USPS.

Two other postal unions, the National Association of Letter Carriers and the National Postal Mail Handlers Union, remain in arbitration with the USPS. Both failed to arrive at a negotiated settlement after protracted negotiations failed earlier this year.

In imposing the rural carriers contract, arbitrator Clarke lifted wholesale from the negotiated contract accepted by the American Postal Workers Union (APWU) last year, which included a two-year wage freeze, a two-tiered wage structure and increased health care costs. He wrote, “On the issue of wages and benefits, the Board of Arbitration was impressed by the most recent collective bargaining agreement between the USPS and the American Postal Workers Union...”

The *World Socialist Web Site* wrote at the time of the APWU contract, “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 process has certainly come to pass and will only continue and intensify with the two remaining unions going through arbitration.

It is notable that the NRLCA arbitrator, Joey C. Johnson, voted with the USPS arbitrator to accept the contract despite the draconian nature of the concessions. That Johnson demurred on two particularly onerous issues—a pay decrease for substitute carriers hired after November 2012 and

increased productivity standards for automated letters—does not detract from the union’s position. In voting for the arbitrated contract it takes the side of the USPS and explicitly agrees with the destruction of wages, benefits, and working conditions that the rank and file had bitterly fought to obtain.

Johnson voting “no” on the contract would not have changed its imposition on rural carriers, since a “yes” vote from the USPS representative and the arbitration board chairman still remained. However, by voting “yes” the NRLCA is making clear that it is quite prepared to cooperate with the USPS, the Obama administration, and Congress in imposing the most reactionary attacks on the ranks it supposedly defends.

This is in substance no different from APWU President Cliff Guffey’s threat to the rank and file last year that if they did not vote to pass a concessions-laden contract, then arbitration, as the next step, would impose much worse. Apparently, the arbitrator in the NRLCA contract felt that the takeaways accepted by the APWU bureaucracy were sufficiently draconian to be imposed on rural carriers.

The pay freeze, first accepted by the APWU and now forced onto the NRLCA, was initially imposed by President Obama on all federal workers in November of 2010. This was preceded by the 2009 “managed bankruptcy” of GM and Chrysler, overseen by the Obama administration, in which newly hired auto workers’ wages were cut in half, 35,000 jobs were eliminated, and strikes were banned for six years.

Last September, Obama proposed authorizing the postal service to eliminate Saturday delivery, restructure federal contributions into the Retiree Health Benefit plan, and refund the so-called \$6.9 billion “surplus” in the postal retirement fund. Cutting Saturday delivery would effectively wipe out at least

40,000 postal jobs.

The two-tiered wage schedule will slash newly hired career carriers' pay by 13 percent. Starting hourly pay, based on a 40-hour work week\*, will now begin at \$16.87, a drop of \$2.87 an hour from the old contract. The top pay under this pay scale will top out at roughly the fourth step of the old 15-step wage scale.

The four-and-a-half year contract freezes wages as of November of 2010 until November of this year. (In fact, the last contractual wage increase occurred in November of 2009. Therefore rural carriers will actually have gone three years with no pay raises.) There are three wage increases in the life of this contract, all based on the wage scale in force in November of 2012. The increases of 1 percent in November of this year, and 1 percent and 1.5 percent in November of 2013 and 2014 in effect amount to a wage decrease due to inflation. The previous contract's four increases totaling 5.7 percent resulted in an actual wage drop given the 8.4 percent inflation rate during that period. There will be no cost-of-living increase until January 2013.

Substitute rural carriers, Rural Carrier Associates (RCAs), hired under the new contract will face a 20 percent cut in pay and will not receive any cost-of-living increase. New hires will now be paid \$15.56 per hour instead of \$19.45. In fact, this is now a third tier for RCAs, since the 1991 contract had cut their starting pay by 15 percent. The substitutes hired under the contract prior to 1991 are currently making \$22.97 an hour. From that first tier to the current one, RCAs have lost a third of their pay. Additionally, RCAs have no benefits: no vacation, sick leave, health insurance, etc. They only receive an hourly wage and the increasingly elusive possibility—as the post office downsizes its operations—of getting hired as a career employee assigned full time to a route when one becomes vacant.

Those RCAs hired after November 2010, which may number in the thousands, will have their pay cut 20 percent to reflect the new contract's wage scale. The APWU contract did not penalize similarly hired employees in this manner.

The employee contribution for health insurance will increase during the life of the contract from 19 percent to 24 percent. This goes far toward Obama's proposal that USPS employees pay the same percentage as federal workers, which is currently 28 percent.

Delivery of letters processed into delivery order by automated equipment, Delivery-Point-Sequenced mail, is set to increase from 30 letters per minute to 43. Due to rural carriers' evaluated-pay structure, this will effectively reduce the required time—and therefore compensation—by 30 percent for delivering these automated letters.\*

None of the postal unions are prepared to carry out any serious struggle against the decimation of the gains made since the postal strike of 1970. The USPS can be confident that its efforts to close 3,700 post offices, 223 processing facilities, and the destruction of 200,000 jobs will proceed with the unions acting as its policeman among rank-and-file postal workers. The unions will rest easy knowing that it will be favored with official recognition and that its dues-collecting status will not be challenged by management.

Rural carriers and postal employees as a whole can only defend their wages, jobs and benefits by rejecting the corrupted and compromised unions and organizing independent rank-and-file committees to undertake a political struggle for a socialist program.

\* Rural carriers are compensated on a unique evaluated-pay system that is based on determining the time elements of all the tasks required during the work week and adding together all these elements in a representative time period in order to determine the weekly time according to which the carrier will be paid.



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