

Congressional committee passes legislation attacking the Postal Service and its workers

Hector Cordon
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The House Committee on Oversight and Government Reform approved a bill Tuesday that would drastically reconfigure the operations of the United States Postal Service (USPS) and attack the rights of postal workers.

The Postal Reform Act of 2013 (HR2748), supported by the USPS and the mailing industry, proposes to abolish Saturday mail delivery and require that door-to-door delivery of mail be replaced with centralized neighborhood cluster-box delivery. The central aim of the legislation, which has been in the works for many months, is to destroy the jobs, wages and working conditions of postal workers and further the dismemberment of the USPS as a public service.

Crafted under Chairman Darrell Issa (Republican, CA), HR2748 would abolish roughly 100,000 postal jobs, eliminate contractual layoff protection to allow Reduction-in-Force provisions now used against the federal workforce, raise health care costs and replace the Postal Board of Governors with a temporary emergency-style panel mandated to “turn around the agency and implement cost-cutting reforms.” Such a panel is reminiscent of the role ascribed Detroit Financial Emergency Manager, Kevyn Orr, who has recently placed that city into bankruptcy with the goal of gutting workers’ contracts and pensions.

While the vote on the bill was divided along party lines—22 Republican yes votes versus 17 Democratic no votes—the Democratic members of the committee were fully on board and actively involved in crafting the legislation. They postured as opponents at the time of voting in order to allow the postal unions to cover-up the reactionary role of the Democratic Party in dismantling postal workers’ rights.

For the second quarter of 2013 the Postal Service reported net losses of \$1.9 billion. In the past eighteen months, it has recorded losses of \$19 billion with \$11.1

billion of that due to defaulted payments on its retiree health care plan. Expectations are that it will default on another \$5.6 billion this September. Also, a \$15 billion line of credit with the Treasury Department has been exhausted. The agency has stated that it needs to save \$20 billion dollars by 2017.

In 2006, Congress passed the Postal Accountability and Enhancement Act (PAEA), compelling the USPS to prepay 75 years of employee retirement benefits amounting to \$74.1 billion by 2056. No other private or public organization faces such a requirement. HR2748 would forgo the past-due payments and cancel payments until 2015. But full funding would still be compulsory after that year with the total increased to \$79.9 billion instead of the current \$74.1 billion required. The aim of this legislation is to force the USPS into bankruptcy and into the hands of private companies such as UPS and FedEx.

Under this precarious financial situation the Postal Service has aggressively pursued a drastic downsizing of its processing facilities, post offices, jobs, wages and benefits with the complete cooperation of the four postal unions. Since 2006 over 202,000 jobs have been eliminated. The USPS now has fewer employees than in 1966.

The 2011 American Postal Workers Union (APWU) contract forced through drastic concessions by creating a two-tier wage system that, according to the Postal Service, was to save them nearly \$4 billion. The three other unions, the National Association of Letter Carriers (NALC), the National Rural Letter Carriers Association (NRLCA) and the National Postal Mail Handlers Union (NPMHU) conceded, either through arbitration or negotiations, giving similar concessions in their respective contracts.

The contracts also contained the same two-year wage

freeze imposed by President Obama on federal workers in November of 2010.

A letter from NALC President Fredric Rolando to right-wing Congressman Issa—the second richest man in Congress—on the postal reform draft epitomizes the subservience of the unions, whose primary concern is that they have a seat at the table in the implementation of the attacks on workers.

Imploring to be “part of the discussion” and unabashedly embracing a privatized postal model, Rolando’s letter calls for a “real, private sector-style board of directors” of “senior business executives, successful entrepreneurs, and leaders of large non-profit organizations.”

Rolando’s letter argues against HR2748 by emphasizing the ability of the USPS to accomplish the same agenda through the “collective bargaining/interest arbitration process.” He stresses that, “NALC worked along with postal management to repeatedly adjust routes as mail volume declined during the Great Recession. The USPS has eliminated 170,000 jobs despite the no lay-off clauses...”

Rolando continued, “It also used the bargaining process to reduce starting career employee pay by 25 percent or more, increase the non-career [low-paid, no benefit] complement, reduce non-career pay by up to 33 percent, and significantly lower USPS health benefit costs. “



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