

# Arbitration results in concessionary contract for US postal workers

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9 September 2016

National arbitrators recently imposed a contract on members of one of the larger unions in the United States Postal Service (USPS), providing a minimal wage increase and imposing further inroads into health care benefits while maintaining a sizable “non-career” section of workers at much inferior wages and with few rights. While the lead arbiter, Stephen Goldberg, asserted that he is not authorized “to impose wage and benefit concessions”, in fact, that is exactly what the new contract accomplishes. The President of the American Postal Workers Union (APWU), Mark Dimondstein, meanwhile hailed the award in a video presentation as having “made real progress.”

The contract was announced July 8 by the three-member arbitration panel made up of a USPS management representative, a union representative and the so-called “neutral” arbiter, Goldberg. It awarded a 40-month contract that covers over 200,000 clerks, maintenance and vehicle repair workers and will expire in September of 2018. Annual wage increases of 1.2 percent, 1.3 percent and 1.3 percent, will be immediately consumed by inflation. Further, the increase in health care benefit costs of four percent over the life of the contract effectively reduces the wage increases by, according to one estimate, half.

While in his video Dimondstein expresses regret over the concessions on health care, a review of the last three contracts—the first two in 2006 and 2010 were negotiated while the most recent was arbitrated—shows a steady pattern of yearly increases in the employee contribution to health care costs. APWU workers’ contributions have risen in the last decade from 15 percent to the current 23 percent and are slated to rise to 27 percent by 2019, thereby shifting millions of dollars in health care costs from the USPS onto the workforce. The contract negotiated in 2010 also

increased the number of steps required to reach top pay and introduced a two-tier wage structure.

Alongside these concessions, APWU-represented jobs (indeed, all postal craft jobs) have declined precipitously. Since 2000, those jobs have been slashed from 354,000 to the current 200,000. While the 2008 recession played a role in reducing mail volume—particularly the more profitable first class mailings—management has sought to outsource as much of USPS’s operations as possible to private contractors. Meanwhile, with a reduced work force, productivity has surged ten percent since 2007 according to the USPS.

A significant fraction of jobs are now comprised of low-paid Postal Support Employees (PSE), a job classification first created in the 2010 contract allowing the post office to hire “non-career” employees. The APWU contract gives the USPS tremendous leeway in managing this newly hired and mostly younger workforce. Though eligible to join the union and pay dues, these workers have substandard wages, \$13.21 to start. Further, they have no or very few benefits, no retirement benefit, fewer holidays and restricted health benefits unless they join APWU’s sponsored health care plan. A PSE’s work day may begin at 6 a.m. and, with a split shift, end at 7 p.m.

A PSE’s employment ceases after 360 days, after which time they may be rehired following a five-day break. This condition of employment effectively subordinates these workers to management dictates, since any PSE who exhibits signs of militancy would simply not be rehired. These super-exploited workers can comprise up to 20 percent of the total workforce.

According to a USPS filing with the Postal Regulatory Commission, from 2011 to 2013, total compensation and benefits declined over \$1.6 billion.

The document notes that, “The decreases in total compensation and benefits for both 2013 and 2012 were driven by continued and consistent efforts to efficiently manage work hours and staffing levels, *including effective utilization of non-career employees that was significantly expanded in our recent collective bargaining agreements.*” [Author’s emphasis.] Savings were also obtained through the destruction of 56,000 career jobs in 2012 and 2013, 13 percent of the work force.

Obviously, the APWU has overseen the transformation of a significant section of career employees—those with better wages, and retirement and health benefits, a fixed work schedule, etc.—into low wage, casual labor.

That these conditions are oppressive is reflected in the astronomical quit rate. In 2015, the quit rate for PSEs was 36.60 percent. This is also typical of the non-career segments of the other three postal crafts. For the city carriers, City Carrier Assistants quit rate was 54.24 percent. That of Rural Carrier Associate (RCA) was 30.10 percent. Mail Handler Assistant had a quit rate of 29.86 percent, while Casuals left USPS employment in droves—69.40 percent. Employment at the post office is no longer a guarantee of a secure, well-paid career. It has been transformed by management, with the complicity of the four postal unions, into low-paid, stress-filled, precarious employment.

The recent Rural Carrier contract, negotiated by the National Rural Letter Carriers Association and the USPS, contained the same wage increases, 1.2 percent, 1.3 and 1.3 and increased health care costs as the APWU’s arbitrated contract. The similarities in the final contracts, whether arbitrated or negotiated, show that what determines the outcome is not the “skillful bargaining” of the unions but, rather, their subordination to the demands of the USPS. This has led to the decimation of jobs, wages and benefits not only for postal workers but for the working class as a whole, in the US and internationally.

In the APWU president’s address to the arbitration panel last January, Dimondstein noted autoworkers’ militant opposition to the two-tier pay scale concession retained in the previous fall’s auto contract vote. He warned the panel that the auto industry’s wage structure, if it had “not been satisfactorily addressed in bargaining, would have indeed led to strikes this past

year.” In the event of a rebellion by the postal rank and file, which was expressed in an incipient form by auto workers, Dimondstein and the rest of the union bureaucrats will move to contain and suppress it—just as the UAW did last fall.



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