

# What is behind the American Postal Workers Union and the Postmaster General's 10-year plan?

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*Are you a USPS worker? Contact the World Socialist Web Site to discuss conditions at your facility or the APWU tentative agreement. All submissions will be kept anonymous.*

Even as postal workers speak out against the tentative agreement that the American Postal Workers Union (APWU) recently reached with the United States Postal Service (USPS), APWU President Mark Dimondstein is praising the deal. “We have reached an agreement that protects the rights and interests of our members,” he said, citing unanimous approval from the National Negotiating Committee and the Rank & File Bargaining Advisory Committee, a misnamed body of local and regional union executives.

In reality, the contract is a product of direct collusion between the APWU and the USPS Board of Governors. Both parties aim to escalate the restructuring of the Postal Service, ramping up the exploitation of postal workers and paving the way for privatization. This is proven by the alignment of the APWU contract with the Postmaster General Louis DeJoy's 10-year plan, which outlines a host of cost-cutting measures.

The APWU has supported this plan from the beginning. “We look at our stakeholders, our union leadership is mostly supportive of what it is that we intend to do,” DeJoy told the *Washington Post* following the release of his plan in March. Contract negotiations between APWU and USPS began on June 22, three months after the official release of DeJoy's plan, which also has the support of the two letter carrier unions.

To understand the plan, it is necessary to examine it in its historical context. The USPS has faced declining mail revenue every year since 2006, driven by a shift toward telecommunications and package delivery services and compounded by the US government's refusal to fully fund this vital public resource. Economic changes, outdated infrastructure, and outright sabotage by US government officials spelled disaster in 2020, the first year of the COVID-19 pandemic. In addition, DeJoy's policies significantly slowed down the mail and disrupted delivery, adding fuel to allegations of mail-in balloting fraud during the Trump–Biden presidential election.

This process only worsened last holiday season. “Only 64

percent of first-class mail in America was delivered on time for the week ending Dec. 26, 2020, a record-poor performance,” Paul Steidler of SupplyChainDive wrote earlier this year. “Yet 94.6 percent of USPS packages met their deadline for the same period.”

The goal of DeJoy's 10-year plan is to discredit the USPS in the public's eyes by degrading its service through cost-cutting measures. At the same time, the USPS will be reoriented toward same-day and one-day parcel delivery and toward a wider range of business services. These measures will pave the way for its complete reorganization as a privatized, purely profit-driven entity.

The plan projects savings of \$160 billion over the decade, at the end of which, USPS would have positive annual revenue of \$1.3 billion. To accomplish this, the document focuses on the following key priorities: slowing down some delivery services by extending long-distance ship times, shifting from mail-based services to package delivery, raising shipping costs by as much as 9 percent for some services and modernizing delivery vehicles and technology.

Delivery savings are predicted to total \$10 to \$14 billion, arising from the extension of delivery dates and replacing 165,000 of approximately 230,000 vehicles in the next decade. Many vehicles are over 25 years old, and new vehicles will be more fuel-efficient, retrofitted for electric technology, and better equipped to handle high package volume. The \$6 billion contract was awarded to Oshkosh Defense, a military contractor that typically builds armored trucks. The company benefited from a mysterious \$54 million stock purchase and rising market value one to two days before the contract was publicly announced.

The 10-year plan estimates \$7 to \$10 billion in transport savings, including from eliminating air mail and switching to ground transport. DeJoy and the Board of Governors see air transport as “expensive and unreliable.” They blame delayed shipping times on the Postal Service's lack of an air fleet and its consequent reliance on contracts, charters and commercial airlines. This is the primary cause of the extension of shipping times for long-distance routes. The removal of airline options

will most certainly place USPS behind industry standards and cause major disruptions to households that rely on the timely delivery of medications, paychecks and other essential items.

It is worth noting that Amazon, against whom USPS is being reorganized to compete, has been investing heavily in air transport options, including its own Amazon Prime Air cargo airline, an air hub at the Cincinnati/Northern Kentucky International Airport, and drones for direct home delivery of small parcels.

Additional savings will include \$19 to \$29 billion in package revenue growth, including from higher postage rates and consumer trends; \$32 to \$53 billion from paper mail price increases of as much as 9 percent on some products and \$6 to \$10 billion from cuts to administrative and retail functions.

Another major source of savings, estimated at \$44 billion, would be the repeal of the Postal Accountability and Enhancement Act (PAEA) of 2006 and the integration of retiree benefits into Medicare. A further \$14 billion will be cut in “adjustments” to the Civil Service Retirement System.

Passed under the Bush administration with overwhelming bipartisan support, the PAEA required the USPS to pay for retiree benefits at least 50 years in advance, a task that had never been required of a government agency. It immediately created a financial crisis for USPS. Required to put away an extra \$5.6 billion per year, the USPS lost \$87 billion from fiscal years 2006 to 2020, according to a General Accountability Office report. The USPS did not make \$63.2 billion in required retiree and pension payments in fiscal year 2020.

Bipartisan support for repealing the pension prefunding requirement has increased over the past year, which witnessed growing opposition among postal workers and broad public support for the USPS. The House of Representatives voted 309–106 to pass a bill to repeal the PAEA in February, but the Senate has not moved to a vote.

As with all austerity measures, the working class will bear the brunt of the hardships and losses that the new policies create. Working-class consumers will see yet another cost increase amid skyrocketing inflation, and more than 600,000 postal workers can expect higher demands and faster work speeds that will risk workers’ safety and lives.

Competing with Amazon necessarily means replicating its labor system, which seeks to extract as much profit as possible from each worker through impossible quotas and surveillance, until workers either quit, become sick or injured or get fired. Postal clerks, mail carriers and other workers already report increased demands, with their work speeds carefully timed and measured against extremely high standards. The 10-year plan also includes provisions to close mail processing plants and retail stores, especially in rural areas with less revenue, and to replace them with package plants in higher-revenue areas.

Furthermore, with more than 70 percent of all USPS expenditures going toward labor costs, the USPS leadership will continue its decades-long policies of eroding full-time

positions and real wages for workers. This is seen in the latest APWU contract, which includes 1.3 percent annual wage increases for all employees and inadequate cost-of-living adjustment increases for career employees. Noncareer employees include hundreds of thousands of second-tier USPS employees, who complete the same work for less pay, reduced benefits and less protection against job loss.

While the APWU touts the agreement’s reduction in the time required to convert from second to first tier to two years, this measure is being taken to mitigate the labor shortage and entice mostly young, economically hard-pressed workers to accept brutal conditions. Furthermore, the agreement allows USPS to cut labor costs by circumventing caps on the number of second-tier workers.

Although they manage a public service, the plan’s two major authors have clear financial and corporate interests. DeJoy, a Trump appointee, is the former CEO of XPO Logistics. He and his wife hold \$30 million in XPO stock and \$300,000 in UPS stock. The Board of Governors chair, Ron Bloom, is a longtime financial investor who has served as a Democratic Party and union consultant. After the 2008 recession, Bloom participated in the restructuring of the auto and steel industries that resulted in the destruction of plants, jobs and work conditions across the Midwest and South.

Postal workers cannot look to the APWU to defend their interests. The union has repeatedly enforced concessionary contracts and has supported DeJoy’s efforts to hobble mail delivery. Nor can workers appeal to the Democrats, who have collaborated with the Republicans in years of attacks on the USPS.

The task facing postal workers is the formation of rank-and-file committees that are independent of the APWU and the capitalist parties. Only through this organizational form can workers achieve gains and protect the vital public service that they perform. This requires linking the struggle of USPS workers with other logistics workers in a common fight against the capitalist profit system.



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