As USPS Inspector General lays out historic cuts, NALC convention votes against workers' right to strike

Jane Wise, Tom Hall
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A white paper released July 22 by the Office of Inspector General (OIG) of the US Postal Service provides a menu of options for sweeping austerity measures against postal workers and the public. While rank-and-file postal workers urgently need to organize to save the post office, the union bureaucracy is moving to block action.

Just over two weeks after the release of the strategy document delegates to the National Association of Letter Carriers (NALC) convention voted down two resolutions calling for a campaign to restore the right to strike by 2,583–694. The vote occurred as union officials prepared to submit the next contract to binding arbitration.

On the convention's final day, USPS reported a $2.5 billion third-quarter loss and Postmaster General David Steiner warned that without congressional action, the agency's "plans would certainly have to entail changes that will impact service," including closing "thousands of unprofitable post offices" and raising prices. Revenue nevertheless rose 6.1 percent and the controllable loss narrowed as USPS eliminated another 4 million work hours and deferred $1.4 billion in pension contributions.

Significantly, Steiner said the largest new actions would wait until after the peak season, but absent legislation USPS would proceed after the New Year. In other words, plans are so advanced management has set a tentative date four months from now to begin the deepest cuts.

Titled "Options for Addressing the U.S. Postal Service's Financial Gap," the OIG report compiles 15 proposals for extracting revenue and cutting costs, organized into four "scenarios" which Congress, the Postal Regulatory Commission and USPS management could combine to close the gap Steiner warned could exhaust cash reserves by early 2027.

The report claims its options "are not OIG recommendations." But Congress held hearings earlier this year where Steiner requested legislative "reforms," including raising the borrowing cap, loosening pension rules and changing workers' compensation. House and Senate members from both parties agreed on the need for fiscal "responsibility."

The report maps out the institutional division of labor for imposing the attack. USPS can initiate outsourcing and conversion of door delivery, generally subject to Postal Regulatory Commission (PRC) review, while workforce restructuring and related contractual changes would require union negotiations; Congressional action would be needed for five-day delivery and changes to statutory benefits, bargaining rights and the Universal Service Obligation.

The technocratic jargon of the white paper is designed to cloak it in the guise of neutrality. But this collapses under its own screening criteria: each of the 15 options had to generate at least $500 million in savings or revenue with "a reasonable degree of confidence." This systematically filters out anything that would strengthen service or protect workers, retaining only extraction. The choices on the "menu" all express the interests of the oligarchy and its ruthless drive for austerity and destroying USPS.

Complaining that federal law "limits the agency's ability to use private sector best practices," the report invokes this comparison throughout. The bargaining section includes a proposal to peg postal wages to what employers pay "where collective bargaining is limited." The retirement section frames USPS's requirement to hold pension assets in Treasury securities as money left on the table.

These "best practices" are more profitable because they cut wages, shed benefits, break union protections and externalize safety costs onto postal workers—costs which have been measured in lives, among them Nick Acker in Detroit and the four workers killed in Palmetto, Georgia.

Labor costs make up 76 percent of USPS expenses—treated as a "challenge" to solve. Its proposals include ending automatic conversion of pre-career workers to career status, saving $2.5 billion annually by keeping more of the workforce on lower pay indefinitely; and cutting headcount 10 percent through freezes, early retirement or layoffs, worth up to $5.6 billion. Nearly 79,000 workers were already eligible to retire in fiscal year 2025, with another 89,000 within five years—attrition management could exploit without a single layoff notice.

On collective bargaining, the report goes further, including a proposal to abolish postal workers' right to bargain over compensation—pegging wages instead to non-union "market" rates for a purely illustrative, long-term estimate of up to $6.5 billion in savings—and to weaken craft protections so management can reassign workers across job categories.

On workers' compensation, the report's logic is at its most blunt. FECA (Federal Employees' Compensation Act), which allows benefits to continue as long as a work-related disability persists, is treated as a cost USPS should control like private employers do. The OIG proposes exempting USPS from FECA altogether, employing instead measures like private insurance, settlement buyouts, benefit caps and mandatory generic drugs.

The four scenarios laid out show where this is heading. Scenario 4, the most austere, combines five-day delivery, an end to Universal Service Obligation coverage, collective-bargaining rollbacks, a cheaper pension model, a FECA exemption and uncapped prices. Its estimated $31.4 billion in annual savings and revenue includes $7.5 billion from higher prices and $5.3 billion in projected pension investment returns, but its direction is unmistakable: massive cuts to jobs, pay, benefits and public access.

Canada Post is already following this course, planning to reduce its headcount by half by 2035. The Canadian Union of Postal Workers is playing a key role, having rammed through a sellout contract against mass opposition.

The white paper confirms the warnings made over an extended period by the USPS Workers Rank-and-File Committee. In May 2025, the committee released a statement urging "postal workers to organize now to prepare emergency action, up to and including a national strike, to save the United States Postal Service and defeat Trump's attacks on the working class." The statement stressed: "We must organize this from below—we can't wait for "permission" from corrupt union bureaucrats and Democratic Party officials who are working against us."

The real possibility of such a movement terrifies the OIG. Having laid out its menu of extraction, the report pauses to consider what might go wrong:

"More drastically, the possibility of mass resignation or strong employee
resistance in response to changes to collective bargaining (such as wildcat strikes) could severely impact USPS's finances."

A footnote follows:

> Wildcat strikes are undertaken by employees without the consent of their respective national union leaders. The Great Postal Strike of 1970, the largest wildcat strike in U.S. history, was initiated by local New York leaders of the National Association of Letter Carriers and grew to involve postal workers from more than 30 major cities.

This acknowledges that the primary obstacle of these corporate-style attacks is the working class, which they are concerned may wage a struggle in defiance of anti-strike legislation and the mandates of union bureaucrats.

This means that USPS administrators and both parties will lean especially hard upon the trade union bureaucracy to try and prevent such a fight. In a speech to the convention last week, NALC President Brian Renfroe declared "The future of our jobs and our service are not certain. There will be change," adding that the union would aim not to halt cuts, but to be involved in "shaping the change."

Renfroe is not seeking re-election in the union leadership vote this fall. He is so hated, particularly after the last contract was imposed through binding arbitration after workers rejected it, that the bureaucracy has evidently decided they cannot count on him to keep things under control. A series of "reform" candidates, including Mike Caref as well as the Concern Letter Carriers' James Henry, are running in the election to succeed him.

These "reformers" are not an opposition to the cuts, but a key part of of the bureaucracy's preparations to help impose them. Similar "reform" candidates were elevated to lead the United Auto Workers and the Teamsters. Since new contracts in the auto industry and at UPS were ratified under the new administrations in 2023, tens of thousands of workers have lost their jobs.

Before leaving office, the outgoing Executive Council is already moving to select the arbitration panel and prepare NALC's case. Any contract will be final and will not be submitted to the membership for ratification, while the election cannot alter the officials initiating the process before their terms expire in December.

The restructuring can be stopped only if postal workers break the grip of the apparatus and act independently. The USPS Workers Rank-and-File Committee, founded by workers to oppose both management and the labor bureaucracy, is urging workers to build a network of rank-and-file committees at every post office and distribution center to unite letter carriers, clerks, mail handlers and rural carriers in a common fight. By organizing independently, workers will be able to organize action with or without the approval of the union apparatus and appeal for support from far broader sections of the working class.