

US Postal union signs concessions contract

By Hector Cordon
22 March 2011

The United States Postal Service (USPS) and its largest union, the American Postal Workers Union (APWU), announced an agreement last week on a new 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.

The new contract willingly falls into line with the two-year wage freeze imposed on federal employees by President Obama last November. The first contractual wage increase will not occur until November of 2012; meanwhile any cost-of-living increases for 2011 have been waived by the union. As the WSWS noted at the time, Rep. Darrell Issa of California, the top Republican on the House Committee on Oversight and Government Reform and an implacable foe of postal workers, “hailed Obama’s pay freeze as ‘necessary and, quite frankly, long overdue.’”

In an opinion piece last September for the *Washington Times* on ongoing postal contract negotiations, Congressman Issa warned, “If compromise fails, Congress has an obligation to fix the Postal Service’s budget imbalance not through a bailout, but through new mandates to cut costs and revise labor agreements.”

In January, Democratic Senator Thomas Carper of Delaware, speaking on the 7,500 administrative and managers positions the USPS planned to cut, said, “We need to think outside the box when it comes to identifying solutions to prevent the Postal Service from going broke and every option needs to be on the table.”

As a response to the attacks on public workers—most sharply in Wisconsin—this contract, above all else, is intended as proof to Democrats and Republicans that the union can be their best ally in resolving the postal service’s financial crisis by sacrificing the past gains of postal workers. An analysis of the contract on *Courier, Express, and Postal Observer* states that “the new contract will allow the Postal Service to significantly cut its costs over the life of the contract.”

Ominously, the proposed contract creates the conditions

for a deep division between those workers hired under its regressive provisions and those that are grandfathered somewhat better wages, benefits and working conditions from the previous contract. Such a division can only contribute to a weakening of the workers’ ability to defend themselves. As the WSWS has stated in relation to the struggles of autoworkers, “Bitter history has shown that senior workers cannot protect their jobs, wages and benefits by sacrificing the next generation of workers.”

The postal service’s principal effort to downsize its operation, its key initiative in the negotiations, found expression in the APWU’s surrender of the no-layoff clause, as well as in its demand for “flexibility,” with the creation of a new job category of Non-Career Assistants (NCA). Despite APWU President Cliff Guffey’s insistence that “the APWU has sought to protect our members’ jobs,” the ability of the postal service to lay off any worker hired under this contract will lead to the creation of a pool of employees subject to periodic, if not permanent, loss of their livelihood. (Those employed before November 20, 2010, the expiration date of the old contract, retain the no-layoff protection.)

The no-layoff clause was one of the major gains of the 1970 postal wildcat strike and was unique among federal workers. However, under conditions where the postal service has been vigorously cutting positions, numbering over 102,000 in the last four years, the refusal of the union to defend jobs has effectively rendered the no-layoff clause a dead letter. Its formal abandonment simply allows management to more openly and efficiently carry out facility closures and job cuts. The APWU’s claim that this contract “will safeguard jobs” is, in fact, a lie.

Up to 20 percent of the APWU-represented clerks will be NCAs, a job category that replaces that of Casuals and Temporary Employee (TE). That percentage drops to 10 percent for the Maintenance and Motor Vehicle crafts. NCAs are hired for only 360 days and then may be continuously rehired for additional 360-day periods, depending on the needs of the post office. Unlike TEs

who lacked any benefits, vacation or sick leave, and had no contractual protection, NCAs will earn leave and limited health benefits, but only after their first year, and at a much lower level than the postal service had historically funded. Also, they will not receive step increases. Most importantly, however, for the APWU, unlike the old Casuals and TEs, NCAs will be eligible to join the union and pay dues.

Over the life of the four and a half year agreement, wages will increase a miserable 3.5 percent. The first rise of 1 percent will occur, again, in November of 2012; 1.5 percent and 1 percent will be added in November of 2013 and 2014 respectively. There will be no cost-of-living (COLA) for 2011 and any COLA earned in 2012 will not be granted until 2013. Within the context of an increasing inflation rate—the Wall Street Journal cited a 4 percent rate by this time next year—the consequence will be an effective wage cut.

However, even this miserly increase will be reduced by an increase in the employee contribution for health care benefits beginning in the second full year of the contract, 2013, and continuing through 2016. According to the vague description on the APWU's web-site, "This will amount to an increase of several dollars per pay period each year." One post on the union's Facebook page specified an increase of 4 percent in health care costs.

Acceding to postal management's demand for a two-tier wage structure, the new contract adds a lower starting salary for new hires while blocking their access to the old top-of-scale. New hires, depending on their grade level, will make from 12 to 26 percent less than they would have under the old contract. For example, the Grade 3 starting wage will drop from \$16.74 to \$13.34 per hour. Additionally, new hires will face six to eight step increases before reaching the starting pay of current employees.

One estimate of the wage reduction is a drop of \$300 per two-week pay period, leading to a lifetime loss of over \$300,000. With a sufficient number of new employees at this substantially lower pay rate, APWU-represented postal workers will, for the first time since the creation of the USPS in 1971, actually see a drop in total wages paid them.

When the previous postmaster general, Jack Potter, first raised the prospect of cutting Saturday delivery, the response of all the postal unions was overwhelming opposition. However, his concurrent proposal to shift to a larger part-time work force was notable for the studied silence of the self-same union officials. This silence has

now born fruit in the new "definition" of "full-time" work that allows the post office the "flexibility" it demanded: to create part-time 30-hour positions, meanwhile—with the APWU's blessing—continuing to call them full-time.

The eight-hour day, won long ago, is to be eliminated. The proposed contract allows the postal service to create positions with hours ranging from 30 to 48 hours per week, from 4 to 12 hours per day, with split shifts permitted in smaller offices. Overtime will now start, not after 8 hours, but after 40. Current employees may see 40 to 44 hour weeks, with from 6 to 12 hour days. They may "voluntarily" agree to work under the new definition that applies to new hires. However, if the choice is between being excessed to another facility or accepting a redefined position, many will find themselves forced into these schedules.

Another provision calls for the shifting of about 9,000 jobs from contractors and management to APWU-represented personnel. The *Courier, Express, and Postal Observer* analysis notes that the APWU "will be actively looking at ways to structure work ... so that work performed by union employees is cheaper than either contractors or non-union employees."

This contract, along with the claim that postal workers must sacrifice due to the financial crisis of the postal service, must be overwhelmingly rejected. A rejection of the contract then requires that steps be taken to prevent a so-called "neutral" arbitrator from imposing this sell-out agreement against the will of the rank and file. No confidence can be placed in the APWU to carry out a fight to defend its membership. It is necessary to build rank-and-file committees completely independent of the APWU to undertake a defense of jobs, wages and working conditions on the basis of an independent political struggle for a socialist program.

To contact the WSWs and the
Socialist Equality Party visit:

<http://www.wsws.org>