



Labor Fight Goes Postal as Unions Rip USPS Cost-Cutting Plan to Slash Jobs, Revamp Benefits

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After skirmishes in Wisconsin, Ohio and Indiana, the next big union battle is brewing at your local post office.

The U.S. Postal Service's two largest unions blasted the financially strapped agency's proposal to cut as many as 120,000 jobs and pull its workers out of the retirement and health benefits plans covering federal workers for a new benefit systems.

The Postal Service, which is facing a second year of losses totaling \$8 billion or more, would need congressional approval for its plan and cooperation from the postal unions, which have contracts that ban layoffs unless Congress intervenes.

But the American Postal Workers Union, APWU, and the National Association of Letter Carriers, NALC, made their opposition clear.

"The APWU will vehemently oppose any attempt to destroy the collective bargaining rights of postal employees or tamper with our recently negotiated contract," APWU President Cliff Guffey said. "Crushing postal workers and slashing service will not solve the Postal Service's financial crisis."

NALC President Frederic Rolando said the Postal Service is using "the financial crisis caused by the deep recession and the crushing congressional pre-funding mandates to strip postal employees of our bargaining rights."

"Although we are prepared to seriously bargain over any proposal, we will resist this blatant attempt to subvert and circumvent collective bargaining," he said.

The battle over union rights has captivated the nation this year as Republican governors in Wisconsin, Ohio, and Indiana sought to get control of their states' finances by weakening the collective bargaining power of the labor movement.

The fight in Wisconsin drew the most attention. As thousands of protesters stormed the state capitol for a few weeks, Senate Democrats fled the state to block a vote, and liberals forced a recall election for Senate Republican seats last week. But the efforts failed to block Gov. Scott Walker from signing his bill into law.

Now, the Postal Service seems to be gearing up for a similar fight, with unions again crying foul over any attempt to limit collective bargaining rights.

The post office has cut 110,000 jobs over the last four years and is currently engaged in eliminating 7,500 administrative staff. In its 2010 annual report, the agency said it had 583,908 career employees.

The shift from mail to the Internet and the decline in mail advertising caused by the recession have rocked the agency.

Postal officials have said they will be unable to make a \$5.5 billion payment to cover future employee health care costs due Sept. 30. It is the only federal agency required to make such a payment but, because of the complex way government finances are counted, eliminating it would make the federal budget deficit appear \$5.5 billion larger.

If Congress doesn't act and current losses continue, the post office will be unable to make that payment at the end of September because it will have reached its borrowing limit and simply won't have the cash to do so, the agency said earlier.

In that event, Postmaster General Patrick Donahoe said, "Our intent is to continue to deliver the mail, pay our employees and pay our suppliers."

Postal officials have sought congressional assistance repeatedly over the last few years, including requests to be allowed to end Saturday mail delivery, and several bills have been proposed, but none has been acted on.

In addition, the post office recently said it is considering closing 3,653 post offices, stations and other facilities, about one-10th of its offices around the country, in an effort to save money. Offices under consideration for closing are largely rural with little traffic.

And in June, the post office suspended contributions to its employees' pension fund, which it said was overfunded.

In its 2010 annual report the post office reported a loss of more than \$8 billion on revenues of \$67 billion and expenses of \$75 billion.

And even while total mail volume fell from 202 billion items to 170 billion from 2008 to 2010, the number of places the agency has to deliver mail increased by 1.7 million as Americans built new homes, offices and businesses.

The latest cutback plans were first reported by The Washington Post, which said a notice to employees informing them of its proposals stated: "Financial crisis calls for significant actions, we will be insolvent next month due to significant declines in mail volume and retiree health benefit prefunding costs imposed by Congress."

The Associated Press contributed to this report.

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