

- For decades, the USPS has said that labor costs account for 80 percent of its total expenditures. The workforce has declined by approximately 15 percent in the last two-and-a-half years, and productivity has soared, yet management continues to make this claim. This begs the question: Who is defined as “labor?” It is often assumed that “labor” refers to blue-collar workers. In fact, everyone who works for the USPS is typically included in these calculations.
- Contract negotiations will begin in August. We will address contract issues at the bargaining table.

Management Policies Intensify USPS Financial Problems

- Postal management has intensified its financial problems by offering excessive worksharing discounts to major mailers and by subcontracting work at exorbitant costs.
- Worksharing discounts are given to mailers that pre-sort and pre-barcode their mail, but the discounts exceed the costs the Postal Service avoids when the work is performed by mailers.
- The APWU has offered to process mail for 10.4 cents per letter – less than the discount offered to major mailers who pre-sort and barcode their mail. Management has failed to respond to our offer.
- Subcontracting is frequently a source of waste and inefficiency, with contract costs that often increase just weeks after they are signed.



March 2010

Talking Points on Five-Day Mail Delivery

The APWU stands in opposition to the Postal Service’s widely-reported plans to reduce mail delivery from six days per week to five. The “talking points” below are intended to assist locals in these efforts.

Five-Day Delivery Would Lead To the Demise of the Postal Service

- Five-day delivery would severely weaken the USPS.
- Public confidence in the institution would erode.
- The delivery of bills, payments, documents and medicine would be delayed, and customers would be inconvenienced. (This problem would be worst on weeks with Monday holidays.)
- The USPS would become less relevant, not more efficient.
- Five-day delivery would open the door to privatization, as private couriers demand the opportunity to “fill the vacuum” created by the lack of Saturday delivery.
- The APWU’s opposition to eliminating Saturday delivery is not based on a concern about losing jobs. The impact on our members would be minimal. (The USPS projects a reduction of approximately 2,500 jobs in positions represented by the APWU.)

- We want to protect the vitality of the USPS for the future.
- We support the right of every citizen – including those without Internet access – to receive high-quality mail service.

The Drastic Changes Proposed by the Postal Service Are Unnecessary

- The assertion that the Postal Service must make major changes to its “business model” in order to survive a grave crisis is false.
- The central cause of USPS financial difficulties is the congressionally-imposed requirement to pre-fund future retiree healthcare obligations.
- This obligation, which was a feature of the 2006 Postal Accountability and Enhancement Act, requires the Postal Service to pay more than \$5 billion per year for 10 years to pre-fund future retiree healthcare liabilities. (The USPS was relieved of most of that responsibility for Fiscal Year 2009 as a result of stop-gap spending bill, but the bill was limited to one year, only. The problem was not corrected for 2010 and beyond.)
- No other federal agency – including Congress – or private company bears this burden.
- If it were not for this crushing financial obligation, the Postal Service would have experienced a cumulative surplus of \$3.7 billion over the last three fiscal years, despite declining mail volume, an economy in chaos, and electronic diversion.
- Repealing this requirement would make a reduction in the number of delivery days unnecessary.

- Projections of a \$238 billion deficit over the next 10 years are outlandish and unsupported. The USPS has offered no justification for these wild claims, and, unfortunately, the media has failed to challenge them.

The Postal Service Has Achieved Unprecedented Savings

- The USPS has achieved unprecedented savings through productivity increases, a series of cost-cutting initiatives, and sacrifices by workers.
- More than 100,000 jobs have been eliminated through attrition over the last two-and-a-half years.
- Workers have begun paying an increased share of health insurance premiums.

We Reject Efforts to Sabotage Bargaining With Threats of Severe Work-Rule Changes

- The USPS has outlined numerous goals that directly relate to workers’ rights and benefits.
- The APWU rejects any effort to influence the process of free collective bargaining through threats and intimidation.
- The contractual rights of management and workers have been negotiated over the 40-year period since the USPS was designated an independent agency of the federal government.
- It is unreasonable to single out a handful of provisions that benefit workers (such as protection against layoffs) from the host of stipulations that are contrary to workers’ objectives (such as management’s wide latitude to subcontract work).