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Postal Service, Two Unions, Continue Negotiations Past Deadline to Midnight, Wednesday, Dec. 7

Outcome Critical to Postal Service, Employees, Future

WASHINGTON — Although the contracts with the National Association of Letter Carriers, AFL-CIO (NALC) and the National Postal Mail Handlers Union, AFL-CIO (NPMHU) expired at midnight Sunday, Nov. 20, the Postal Service and the two unions agreed to extend the negotiations deadline until midnight, Wednesday, Dec. 7, 2011.

The NALC represents more than 195,000 employees who work as letter carriers delivering mail primarily in urban areas. The NPMHU represents more than 45,000 employees who work in mail processing plants and Post Offices. Respectively, wages and benefits for NALC- and NPMHU-represented employees exceeded \$15.7 billion and \$3.5 billion last year. Should negotiations fail, a process begins which could result in a third party determining contract terms and work rules for approximately 240,000 employees.

Unlike the private sector, when negotiations come to an impasse, postal employees are not permitted to strike as Congress has designated the Postal Service as an essential service to the nation. An arbitrator determines the final outcome and is not legally required to consider the Postal Service's financial obligations when rendering a decision.

Mail volume peaked in 2006 at 213 billion pieces. The effects of the shift to digital communications coupled with the impact of the recession resulted in mail volume plummeting more than 20 percent to 167.9 billion pieces last year. Over the last three fiscal years, the Postal Service reduced its size by 106,000 career positions and saved \$10.5 billion in costs. Expenses, however, continue to exceed revenues in part due to an overstaffed workforce.

The Postal Service ended Fiscal Year 2011 with a net loss of \$5.1 billion, compared to an \$8.5 billion net loss the year before. The 2011 loss would have been approximately \$10.6 billion had it not been for passage of legislation that postponed a congressionally mandated payment of \$5.5 billion to pre-fund retiree health benefits.

To become financially stable, the Postal Service needs to cut approximately \$20 billion in costs by 2015. Some of these cost savings can be achieved by adjusting the size of its workforce and infrastructure to align with America's changing mailing trends.

While actions under Postal Service control are making a difference, passage of comprehensive legislation is needed to give the Postal Service more flexibility in making business decisions and the ability to react quickly to changing market conditions.

The Postal Service successfully negotiated a contract with the American Postal Workers Union (APWU) AFL-CIO that expires May 20, 2015. The APWU contract achieves short-term cost relief, long-term structural changes and enhanced workforce flexibility. Employees represented by the APWU work as clerks, mechanics, vehicle drivers, custodians and in some administrative positions.

Negotiations with the National Rural Letter Carriers' Association (NRLCA), which expired Nov. 20, 2010, came to an impasse and will follow the current agreement until a third party determines the outcome of a

new contract. Employees represented by the NRLCA deliver mail in primarily rural and suburban areas. The NRLCA represents more than 65,000 career employees and nearly 42,000 non-career employees who substitute for career employees on their days off.

For additional background information on labor negotiations visit this [link](#).

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, *usps.com*, the Postal Service has annual revenue of more than \$67 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 29th in the 2010 Fortune 500. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.