



POSTAL NEWS

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Postal Service, One of Two Unions, Continue Negotiations Past Deadline to Noon, Nov. 23

Outcome Critical to Postal Service, Employee, Future

WASHINGTON — Contract negotiations with the American Postal Workers Union, AFL-CIO (APWU) and the National Rural Letter Carriers Association (NRLCA) expired at midnight Sat., Nov. 20. While negotiations with the NRLCA resulted in an impasse, the Postal Service and the APWU agreed to extend the negotiation deadline until Tue., Nov. 23 at noon ET.

Should APWU negotiations fail as they have with the NRLCA, a process begins which could result in a third party determining contract terms and work rules for more than 324,000 employees whose wages and benefits exceeded \$20 billion last year.

Unlike the private sector, when negotiations come to an impasse, Postal employees are not permitted to strike. That's because Congress 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.

The drop in the economy coupled with the shift to digital communications has created the greatest loss in mail volume since the Great Depression. Mail volume peaked at 213 billion pieces in 2006 and plummeted to 170.6 billion in the fiscal year (FY) ending Sept. 30. Revenues shrank from \$72.6 billion in 2006 to \$67.1 billion. The 2010 FY net loss was \$8.5 billion. By 2020, mail volume is projected to drop to 150 billion pieces.

To remain strong into the future, the Postal Service needs to control costs through a flexible workforce to adapt to the nation's changing mailing trends.

The Postal Service operates solely from the sale of stamps and related services without taxpayer subsidy. As a quasi government agency, it deals with the challenges of the private sector while continuing to operate under federal regulations and Congressional oversight.

Reasonable wages and benefits are just one element needed to help the Postal Service fully meet its financial obligations and remain strong in the future.

- Survey data reflects that the public favors 5-day delivery over using taxpayer funds and other alternatives. Adjusting delivery days to better reflect current mail volumes and customer trends can save the Postal Service \$3.1 billion annually. The Postal Regulatory Commission is expected to announce its recommendation within the next month. Congress has yet to consider this concept.
- Created in 2006 under stronger economic conditions, the Postal Accountability and Enhancement Act requires the Postal Service, unlike the private or public sector, to prefund retiree health benefits. This equates to an average of \$5.6 billion in cash flow every year through 2016, in addition to the \$2 billion it annually pays for current retirees. The Postal Service has asked Congress to restructure retiree health benefits payments to “pay-as-you-go,” comparable to what is used by the rest of the federal government and the majority of the private sector.
- According to an audit conducted by the Postal Service Office of Inspector General, the Postal Service has been overcharged \$75 billion to its Civil Service Retirement System pension fund.

The APWU represents 209,000 employees who work as clerks, mechanics, vehicle drivers, custodians and in some administrative positions. Employees represented by the NRLCA primarily deliver mail in rural and suburban areas. The NRLCA represents 67,000 career employees and 48,000 non-career employees who substitute for career employees on their days off.

Two other unions represent most other postal employees. More than 205,000 employees represented by the National Association of Letter Carriers, AFL-CIO (NALC) deliver mail in metropolitan areas and 48,000 employees represented by the National Postal Mail Handlers Union, AFL-CIO (NPMHU) work in mail processing plants and Post Offices.

The NALC and NPMHU begin negotiations next year approximately 90 days prior to the midnight Nov. 20, 2011 contract expiration date. For additional background information on labor negotiations and the Postal Service's workforce, please click on these links: [Labor Negotiations](#) and [Workforce](#).

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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 direct support from taxpayers. With 36,000 retail locations and the most frequently visited website in the federal government, the Postal Service relies on the sale of postage, products and services to pay for operating expenses. Named the Most Trusted Government Agency six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute, the Postal Service has annual revenue of more than \$68 billion and delivers nearly half the world's mail. If it were a private sector company, the U.S. Postal Service would rank 28th in the 2009 Fortune 500.