

FACT & *Fiction.*

The U.S. Postal Service

News reports have been filled with articles about the financial crisis facing the U.S. Postal Service, many of them based on false premises. The articles often imply that the problems are irreversible, and that hard-copy mail is destined to be replaced by electronic messages. They also frequently present flawed analyses of the cause of the crisis. Following is an evaluation of the assertions relied upon to arrive at faulty conclusions.

FICTION: The Postal Service's financial problems are caused in large part by impartial arbitrators who award generous contracts to aggressive postal labor unions.

FACT: The record of postal contract negotiations refutes this blatantly false assertion. In the 39 years of collective bargaining since passage of the Postal Reform Act of 1970, rulings by postal arbitrators have not imposed unreasonable labor costs on postal customers. In fact, congressionally mandated wage increases preceding enactment of the law exceeded most of the raises granted by impartial arbitrators. (*See www.apwu.org/news/burrus/2009/update_12-2009-090828.htm*)

The 1970 Postal Reorganization Act included a compromise: The USPS would be removed from government control and operate like a business; however, workers would be prohibited from striking. In exchange for relinquishing the right to withhold their labor, workers' contract disputes would be resolved through binding arbitration. Since then, wage increases have tracked inflation, while "labor peace" has ensured six-day mail delivery without interruption.

FICTION: Postage "workshare discounts" are in compliance with the legal standard that stipulates they cannot exceed the "postal costs avoided."

FACT: Over the past three years, the USPS has reduced postal work hours by 185 million hours, lowering total mail processing labor costs by 30 percent. During this period, when USPS labor costs decreased significantly, workshare discounts have increased to a level that is now more than significantly more than the USPS cost. (*See www.apwu.org/news/burrus/2009/update09-2009-090811.htm*)

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FICTION: The Internet and e-mail are the primary cause of the erosion of first-class mail.

FACT: Communication has evolved throughout history, from simple voice communications to drums, smoke signals, hard copy, telegraph, telephone, fax, Internet, e-mail and Twitter.

Each of these means of communication represented an evolution; future generations will continue to discover unique and faster means of interacting. Bemoaning these developments will have no impact; it will not prevent or delay the widespread use of new forms of communication.

Hard-copy communication – mail – is the transfer of messages on paper from Point A to Point B. There is no evidence that future generations will discontinue the use of paper messages as a way to transmit information.

The current generation's use of paper messages is primarily to transmit commercial messages, and direct-mail advertising is very effective compared to other options. Paper advertising has unique advantages over other methods, including television, the Internet, newspapers, and magazines, because of its capacity to target audiences without the high cost of broadcasting. The challenges include overcoming the perception that mail harms the environment, and keeping costs within the rate of inflation.

Hard-copy communication can continue far into the future, provided the Postal Service employs innovative and creative methods to generate mail, rather than acting as the passive conveyer of communication decisions made by others.

FICTION: Postal management is restricted by labor agreements from adjusting the workforce through layoffs.

FACT: The five USPS labor contracts include limits on management's right to lay off employees, but more than 100,000 craft employees are not protected against layoff. In addition, more than 50,000 flexible-schedule employees who often work full time are guaranteed only 2 - 4 hours of work in any two-week period, depending on the size of their office.

The retention of these employees demonstrates that the total work force is needed to maintain proper service.

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