

## American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

May 19, 2003

**William Burrus**  
President  
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### By Facsimile and First Class Mail

President's Commission on the  
United States Postal Service  
1120 Vermont Avenue, N.W., Suite 971  
Washington, D.C. 20005

RE: Statement Concerning Report by Michael H. LeRoy

**National Executive Board**  
William Burrus  
President

Cliff "C.J." Guffey  
Executive Vice President

Robert L. Tunstall  
Secretary-Treasurer

Greg Bell  
Industrial Relations Director

James "Jim" McCarthy  
Director, Clerk Division

Steven G. "Steve" Raymer  
Director, Maintenance Division

Robert C. "Bob" Pritchard  
Director, MVS Division

Dear Commissioners:

Professor Michael LeRoy's "Analysis" of the Postal Service's current collective bargaining model and possible alternatives ignores the most salient feature of the present system of interest arbitration: it is tripartite arbitration. He repeatedly and erroneously refers to the present model as "conventional arbitration." The APWU recently cautioned the Commission that advice from contractors working from sole-source contracts would be likely to reflect the biases of the contractor and would be unreliable because it had not been subjected to public scrutiny and discussion in a public hearing process. This is a case in point.

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Despite 38 pages of "analysis," we are left to wonder what goal Professor LeRoy is seeking to achieve by his recommendations. In his comparisons to the private sector, where strikes are permitted, Professor LeRoy seems to believe that the test of success is how frequently the parties reach a bargained agreement rather than strike or go to interest arbitration. But in his discussion of various final offer interest arbitration models in the public sector, he offers no data to show an increase in the frequency of bargained agreements where final offer arbitration is used. Nor does he offer any evidence that final offer arbitration reduces the incidence of resort to arbitration to resolve disputes.

In his only substantive "comparison" to an industry where strikes are permitted, Professor LeRoy cites, as apparent success, the fact that "[b]y 1990 real wages in the trucking industry had returned to 1962

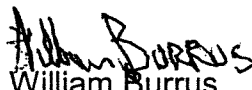
levels." Analysis at 14. But real wages in the Postal Service have been unchanged since they were set by Congress in 1970. By this standard, the Postal Service model has worked far better than a model that permits strikes.

Professor LeRoy also seems to believe that a final offer model would pressure postal unions "to be more responsive to labor market conditions." Yet, even Professor Michael Wachter, who is the most ardent and biased anti-union advocate involved in postal bargaining, cautioned this Commission that no more than "moderate restraint" of postal wages – which has already been achieved under the present model for the past 19 years - would be necessary or appropriate.

Notably, the Postal Service, the presidents of the four largest postal unions, and three experienced neutral interest arbitrators testified before this Commission, and none of these experienced parties recommended fundamentally changing the present system. Under the present system, final offer arbitration is one alternative that can be and has been used, as Professor Fleischli testified. It also can be converted to medi-arbitration, as in the case of the most recent Rural Letter Carrier agreement arbitrated by Mr. Wells. Changing from this flexible and proven system is inadvisable, despite the bias of the Commission's contractor.

Thank you for your attention to this important matter.

Sincerely,

  
William Burrus  
President