



NATIONAL POSTAL MAIL HANDLERS UNION

John F. Hegarty – National President Mark A. Gardner – Secretary-Treasurer

2011 Contract Update #2

2011 No. 2 – September 19, 2011

On August 30, 2011, the NPMHU kicked off bargaining with the Postal Service. Below are excerpts from the opening statement by National President John Hegarty:

We are pleased to be here to open negotiations, on behalf of the 47,000 Mail Handlers that our Union represents. We anticipate a difficult round of bargaining, but nonetheless will make every effort to reach an agreement that is good for our members, good for the Postal Service, and good for the American mailing public.

The Postal Service faces some severe economic realities. The worst American recession since the Great Depression and a decline in mail volume caused, in part, by electronic diversion have combined to test the USPS financial well-being. In little more than a month, on September 30, 2011, absent Congressional action the USPS will not be able to meet its statutory obligation to continue pre-funding of its retiree health benefits.

Initially the Postal Service and then the press have labeled this a point of insolvency for the Postal Service. But that so-called insolvency, if it occurs, has not been caused by either the Postal Service or its employees.

Until the current fiscal year, the USPS had operational surpluses over the past four years. Even with the most severe recession in eighty years, and even with unexpectedly large drops in mail volume, the USPS generally has taken in more money from its postal operations than it spends. Over the last four years, revenues have exceeded costs by more than \$800 million. To be sure, during the first 9 months of the current year, net results from operations have not been as positive, but they could easily be managed if not for the Retiree Health Benefits Fund.

There have been more than \$20 billion in losses over the last few years, but they have nothing to do with a failing business model or the obsolescence of the mail. They also have nothing to do with Mail Handlers or other postal employees, who continue to work productively and efficiently; while more than 130,000 of their colleagues have been lost through attrition. In 2006, Congress mandated that the USPS pre-fund future retiree health benefits for the next

75 years, and also mandated that the Postal Service do so within 10 years. This is something that no other public agency or private firm does, or would ever do, if allowed to adopt and implement a rational financial plan.

We understand that the USPS agrees with this analysis, because it is factually accurate. And to address these issues in Congress, a fully united front – amongst the Postal Service, its customers or mailers, and its employees – has never been more necessary. Yet somehow, the Postal Service has used its current financial predicament as an excuse for launching an unprecedented attack on its employees and the collective bargaining process. Just weeks before bargaining, the USPS asked Congress to abrogate the no-layoff clause, and to terminate the USPS participation in federal retirement and health programs. To adopt these proposals would be wrong-headed; to promulgate these proposals, in any forum other than the upcoming negotiations, was wholly unjustified. The USPS has provided Congress with another dispute and another target, when it should have been focusing Congressional efforts on fixing the financial mess that Congress has created.

That being said, the Union remains deeply committed to collective bargaining. We expect, and will demand, that the USPS engage in good-faith bargaining in this round of negotiations.

Today obviously is neither the time nor the place for discussing specific proposals, as the Union does not believe it is productive to negotiate in public, in the newspapers, or in the halls of Congress.

But we seek a negotiated agreement that is both protective and constructive. It should protect career Mail Handlers who have dedicated their lives to the Postal Service, and it should protect the Postal Service against those who seek its demise. It should contain practical solutions to the problems faced, so that the Postal Service and all of its employees can continue to provide the American public with the service that they have come to expect.

If you are interested, a complete copy of this statement and a video of the opening ceremony are available at www.npmhu.org.

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