

# U.S. Postal Service Labor Negotiations Fact Sheet

## Overview

- The Postal Reorganization Act authorizes collective bargaining on wages and working conditions, generally under laws applying to private industry. As the Postal Service is an essential service to the nation's economy, Congress mandated that employees represented by unions cannot strike. Impasses in collective bargaining negotiations may ultimately be resolved through arbitration.

## Current Operating Environment

- Mail volume peaked at 213 billion in 2006. Since 2007 mail volume plummeted 35 billion pieces — 20 percent. By 2020, mail volume is expected to decline to 150 billion.
- Many mail processing plants previously operated three, eight hour shifts, seven-days-a-week. Today, many facilities have reduced operations to two eight-hour shifts operating five- or six-days a week.
- Seventy-eight percent of Postal Service costs are linked to wages and benefits.
- To remain relevant while meeting today's changing mailing trends, the Postal Service must manage its labor costs by matching workforce to workload.
- The Postal Service's goal is to negotiate a contract that's fair to its customers and its employees while meeting its financial and operational needs.

## Negotiations Process

The collective bargaining process for the Postal Service may entail a three-step process: negotiation, mediation and interest arbitration. The parties may negotiate a contract at any of the three steps in the process.

Step 1: The negotiations period begins approximately 90-days prior to the expiration of the contract. During this time, the parties try to reach agreement themselves. If they reach a tentative agreement, it must then be ratified by a vote of the union membership.

Step 2: If they cannot reach agreement, a federal mediator is appointed by the Federal Mediation and Conciliation Service (FMCS), unless both parties waive mediation. If no agreement is reached with the mediator, or if the parties waive mediation, the contract goes to impasse.

Step 3: The impasse proceeds to final and binding interest arbitration. In interest arbitration the dispute goes before a three-member panel. The panel consists of a neutral arbitrator serving as chairperson and two arbitrators representing each party. The neutral arbitrator may be selected by agreement of the parties, or from a list provided by the FMCS.

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## Employee Unions

Most hourly employees are represented by four unions. The American Postal Workers Union AFL-CIO (APWU) represents employees who work as clerks, mechanics, vehicle drivers, custodians and some administrative positions. Employees represented by the National Association of Letter Carriers, AFL-CIO (NALC) deliver in metropolitan areas; National Rural Letter Carriers' Association (NRLCA) employees deliver primarily in rural and suburban areas; and, employees represented by the National Postal Mail Handlers Union, AFL-CIO (NPMHU) work in mail processing plants and Post Offices.

Union	Employees	Contract Expiration
APWU	205,000	midnight, Nov. 20, 2010
NALC	203,000	midnight, Nov. 20, 2011
NRLCA	67,000 career 48,000 non-career	midnight, Nov. 20, 2010
NPMHU	49,000	midnight, Nov. 20, 2011

In addition to the four major unions, five other bargaining units collectively cover more than 1,100 employees representing nurses, police officers, Information Technology and accounting services, headquarters maintenance employees and machinists.

Contract negotiations for the NRLCA begin Sept. 13, 2010. The NALC and NPMHU begin negotiations next year approximately 90 days prior to the contract expiration date.